

Company No.: 132493-D

EKOVEST BERHAD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
30 JUNE 2015

EKOVEST BERHAD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS - 30 JUNE 2015

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EKOVEST BERHAD
(Incorporated in Malaysia)

CORPORATE INFORMATION

DOMICILE : Malaysia

LEGAL FORM AND PLACE OF
INCORPORATION : A public listed company incorporated in
Malaysia under the Companies Act,
1965 and limited by shares

REGISTERED OFFICE AND PRINCIPAL
PLACE OF BUSINESS : Ground Floor, Wisma Ekovest
No. 118, Jalan Gombak
53000 Kuala Lumpur

EKOVEST BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2015

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2015.

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	20,006	8,309
	=====	=====
Attributable to:		
Equity holders of the Company	18,512	8,309
Non-controlling interests	1,494	-
	-----	-----
	20,006	8,309
	=====	=====

DIVIDENDS

Since the end of the previous financial year, the Company paid a first and final single tier dividend of 2 sen per ordinary share of RM0.50 amounting to RM17,108,977 in respect of the financial year ended 30 June 2014 as disclosed in the Directors' Report of that year.

The Directors now recommend the payment of a first and final single tier dividend of 2 sen per ordinary share of RM0.50 amounting to RM17,108,977 for the financial year ended 30 June 2015.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

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

The Company did not issue any debentures during the financial year.

ISSUE OF WARRANTS

On 26 June 2014, the Company issued 122,206,980 free detachable warrants (“Warrants”) pursuant to the rights issue of 244,413,960 new ordinary shares of RM0.50 each in the Company (“Ekovest Shares”) with warrants. The Warrants were constituted by a Deed Poll dated 16 May 2014 (“Deed Poll”).

The salient features of the Warrants are as follows:

- a) the issue date of the Warrants is 26 June 2014 and the expiry date is 25 June 2019. Any Warrants not exercised during the five years from the date of issuance of Warrants (“Exercise Period”) will thereafter lapse and cease to be valid for any purpose;
- b) each Warrant entitles the registered holder to subscribe for one Ekovest Share at an exercise price of RM1.35 and at any time during the Exercise Period indicated above, subject to adjustments in accordance with the provisions of the Deed Poll;
- c) the exercise price of the Warrants has been fixed at RM1.35 per Warrant. The exercise price and the number of Warrants in issue during the Exercise Period may also be adjusted in accordance with the terms and conditions set out in the Deed Poll;
- d) the Warrants do not entitle the registered holders to any voting rights in any general meeting of the Company until and unless such holders of the Warrants exercise their Warrants for new Ekovest Shares;
- e) the new Ekovest Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment and issue, rank *pari passu* in all respects with the then existing ordinary shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the allotment date of the new Ekovest Shares to be issued arising from the exercise of the Warrants;

- f) the exercise price and/or the number of Warrants in issue may be subject to adjustments in the event of any alteration in the share capital of the Company at any time during the Exercise Period of the Warrants, whether by way of, amongst others, rights issue, bonus issue, consolidation of shares, subdivision of shares or reduction of capital, in accordance with the provisions of the Deed Poll; and
- g) the Deed Poll and accordingly the Warrants, are governed by and shall be construed in accordance with the laws of Malaysia.

DIRECTORS

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

Tan Sri Dato' Lim Kang Hoo
Datuk Lim Keng Cheng
Mr Khoo Nang Seng @ Khoo Nam Seng
Madam Lim Hoe
Ms Kang Hui Ling
Ms Lim Ts-Fei
Dr Wong Kai Fatt
Mr Chow Yoon Sam
Mr Lee Wai Kuen
Mr Lim Chen Herng (Alternate to Tan Sri Dato' Lim Kang Hoo)
Mr Lim Ding Shyong (Alternate to Datuk Lim Keng Cheng)
Mr Wong Khai Shiang (Alternate to Madam Lim Hoe)

In accordance with Article 82 of the Company's Articles of Association, Ms Kang Hui Ling, Ms Lim Ts-Fei and Dr Wong Kai Fatt retire by rotation and Mr Khoo Nang Seng @ Khoo Nam Seng retires in accordance with Section 129(6) of the Companies Act, 1965 at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

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

Ekovest Berhad

---- Number of ordinary shares of RM0.50 each ----

	At 1-7-2014	Bought	Sold	At 30-6-2015
Tan Sri Dato' Lim Kang Hoo				
- direct interest	172,682,089	-	-	172,682,089
- indirect interest	104,300,009	-	-	104,300,009
Datuk Lim Keng Cheng				
- indirect interest	48,228,000	2,593,200	-	50,821,200
Mr Khoo Nang Seng @ Khoo Nam Seng				
- direct interest	49,576,800	-	-	49,576,800
Madam Lim Hoe				
- direct interest	3,851,300	-	-	3,851,300
Mr Chow Yoon Sam				
- direct interest	56,000	-	-	56,000

=====

Warrants

Number of warrant over ordinary shares of RM0.50 each

	At 1-7-2014	Bought	Sold	At 30-6-2015
Tan Sri Dato' Lim Kang Hoo				
- direct interest	24,668,869	-	-	24,668,869
- indirect interest	14,900,004	-	-	14,900,004
Datuk Lim Keng Cheng				
- indirect interest	6,680,600	-	-	6,680,600
Mr Khoo Nang Seng @ Khoo Nam Seng				
- direct interest	7,082,400	-	-	7,082,400
Madam Lim Hoe				
- direct interest	569,650	-	-	569,650
Mr Chow Yoon Sam				
- direct interest	8,000	-	-	8,000

=====

By virtue of the above directors' interests in shares of the Company, they are deemed to be interested 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 a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company) 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 except for any benefit which may be deemed to have arisen from the transactions disclosed in note 34(a) to the financial statements which were carried out in the ordinary course of business.

Neither during nor at the end of the financial year was the Company or any of its subsidiaries a party to any arrangement whose object was to enable the Directors to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate, other than the shares or warrants of the Company and its related corporations.

OTHER STATUTORY INFORMATION

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company 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 to be written off and that allowance for doubtful debts was not required; 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 Group and of the Company 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 bad debts or to make an allowance for doubtful debts in the financial statements of the Group and of the Company; or
 - (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

- (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 Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company 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 Group and of the Company 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 Group and of the Company 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 Group and of the Company for the financial year in which this report is made.

AUDITORS

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

Signed on behalf of the Directors in accordance
with a Directors' resolution dated

TAN SRI DATO' LIM KANG HOO
Director

DATUK LIM KENG CHENG
Director

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
EKOVEST BERHAD
(Incorporated in Malaysia)**

Report on the Financial Statements

We have audited the financial statements of Ekovest Berhad, which comprise the statements of financial position as at 30 June 2015 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 12 to 98.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 June 2015 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the accounts 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 financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out on page 99 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

MAZARS
No. AF: 001954
Chartered Accountants

FRANCIS XAVIER JOSEPH
No. 2997/06/16 (J)
Chartered Accountant

Kuala Lumpur

Date: 23 October 2015

EKOVEST BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION - 30 JUNE 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	2	59,411	107,645	5,623	6,356
Investment properties	3	160,339	62,709	22,651	19,672
Land held for development	4	105,899	34,472	-	-
Concession assets	5	1,796,922	1,579,610	-	-
Investments in subsidiaries	6	-	-	501,085	460,053
Other investments	7	-	-	180,000	180,000
Amounts owing by subsidiaries	8	-	-	223	7,451
Deferred tax assets	9	2,665	5,521	-	-
		<u>2,125,236</u>	<u>1,789,957</u>	<u>709,582</u>	<u>673,532</u>
CURRENT ASSETS					
Gross amount due from customers	10	67,875	71,602	-	13,267
Property development costs	11	144,331	99,643	-	-
Trade and other receivables	12	109,890	73,723	9,516	11,197
Accrued billings	13	31,102	-	-	-
Amounts owing by subsidiaries	8	-	-	314,034	256,186
Current tax assets		5,859	6,375	-	936
Investment funds	14	1,026,459	1,289,355	-	-
Short term deposits	15	94,154	8,089	14,221	995
Cash and bank balances	16	65,944	74,403	11,007	48,793
		<u>1,545,614</u>	<u>1,623,190</u>	<u>348,778</u>	<u>331,374</u>
TOTAL ASSETS		<u>3,670,850</u>	<u>3,413,147</u>	<u>1,058,360</u>	<u>1,004,906</u>

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
EQUITY					
Share capital	17	427,724	427,724	427,724	427,724
Reserves	18	754,719	670,863	413,250	422,050
		-----	-----	-----	-----
Capital and reserves attributable to equity holders of the Company		1,182,443	1,098,587	840,974	849,774
Non-controlling interests		4,693	3,199	-	-
		-----	-----	-----	-----
TOTAL EQUITY		1,187,136	1,101,786	840,974	849,774
		-----	-----	-----	-----
NON-CURRENT LIABILITIES					
Hire purchase liabilities	19	10,383	5,396	1,001	1,648
Bank term loans	20	136,810	122,429	26,000	42,000
Islamic medium term notes	21	1,685,359	1,658,457	-	-
Provision for heavy repairs	22	3,721	3,533	-	-
Deferred tax liabilities	23	185,688	183,163	534	131
		-----	-----	-----	-----
		2,021,961	1,972,978	27,535	43,779
		-----	-----	-----	-----
CURRENT LIABILITIES					
Gross amount due to customers	10	3,210	6,883	1,675	-
Trade and other payables	24	144,656	206,646	10,242	20,342
Amounts owing to subsidiaries	8	-	-	25,020	4,681
Hire purchase liabilities	19	4,106	2,439	772	863
Bank borrowings	25	308,985	122,176	151,375	85,467
Current tax liabilities		796	239	767	-
		-----	-----	-----	-----
		461,753	338,383	189,851	111,353
		-----	-----	-----	-----
TOTAL LIABILITIES		2,483,714	2,311,361	217,386	155,132
		-----	-----	-----	-----
TOTAL EQUITY AND LIABILITIES		3,670,850	3,413,147	1,058,360	1,004,906
		=====	=====	=====	=====

The accompanying notes form an integral part of the financial statements

EKOVEST BERHAD
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Revenue	26	438,015	229,126	275,994	87,352
Cost of sales	27	(284,182)	(115,675)	(255,259)	(82,552)
Gross profit		153,833	113,451	20,735	4,800
Other income and gains		14,860	61,130	10,828	16,675
Selling and marketing expenses		(5,126)	(2,458)	-	-
Administrative and general expenses		(38,877)	(31,922)	(11,970)	(7,440)
Other expenses		(1,664)	(2,152)	(1,659)	(2,116)
Finance costs	28	(91,260)	(130,320)	(6,576)	(5,725)
Share of results of associates		-	(3)	-	-
Profit before tax	29	31,766	7,726	11,358	6,194
Tax (expense)/income	30	(11,760)	5,474	(3,049)	(1,212)
Net profit for the year		20,006	13,200	8,309	4,982
Other comprehensive income, net of tax:					
<i>Item that will not be reclassified subsequently to profit or loss:</i>					
Revaluation of property, plant and equipment upon transfer to investment properties		82,453	-	-	-
Total comprehensive income for the year		102,459	13,200	8,309	4,982

		Group		Company	
		2015	2014	2015	2014
		RM'000	RM'000	RM'000	RM'000
Net profit for the year attributable to :					
Equity holders of the Company		18,512	47,111	8,309	4,982
Non-controlling interests		1,494	(33,911)	-	-
		-----	-----	-----	-----
		20,006	13,200	8,309	4,982
		=====	=====	=====	=====
Total comprehensive income for the year attributable to :					
Equity holders of the Company		100,965	47,111	8,309	4,982
Non-controlling interests		1,494	(33,911)	-	-
		-----	-----	-----	-----
		102,459	13,200	8,309	4,982
		=====	=====	=====	=====
Earnings per share for net profit attributable to the equity holders of the Company					
- Basic	31	2.16 sen	7.23 sen		
		=====	=====		
Net dividend per ordinary share	32	2.00 sen	1.00 sen	2.00 sen	1.00 sen
		=====	=====	=====	=====

EKOVEST BERHAD
(Incorporated in Malaysia)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

-----Attributable to equity holders of the Company-----

-----Non-distributable-----

	Share capital RM'000	Share premium RM'000	Asset revaluation reserve RM'000	Warrant reserve RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total RM'000
At 1 July 2013	305,517	245,599	242	-	228,066	779,424	142,053	921,477
Total comprehensive income for the year	-	-	(242)	-	47,353	47,111	(33,911)	13,200
Transactions with equity holders of the Company:								
Issuance of ordinary shares pursuant to rights issue with warrants (note 17)	122,207	122,207	-	40,328	(40,328)	244,414	-	244,414
Acquisition of additional equity interest in subsidiary companies (note 45)	-	-	-	-	30,693	30,693	(104,943)	(74,250)
Dividend paid (note 32)	-	-	-	-	(3,055)	(3,055)	-	(3,055)
Total transactions with equity holders of the Company	122,207	122,207	-	40,328	(12,690)	272,052	(104,943)	167,109
At 30 June 2014	427,724	367,806	-	40,328	262,729	1,098,587	3,199	1,101,786

EKOVEST BERHAD
(Incorporated in Malaysia)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

-----Attributable to equity holders of the Company-----

-----Non-distributable-----

	Share capital RM'000	Share premium RM'000	Asset revaluation reserve RM'000	Warrant reserve RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total RM'000
At 1 July 2014	427,724	367,806	-	40,328	262,729	1,098,587	3,199	1,101,786
Net profit for the year	-	-	-	-	18,512	18,512	1,494	20,006
Other comprehensive income, net of tax	-	-	82,453	-	-	82,453	-	82,453
Total comprehensive income for the year	-	-	82,453	-	18,512	100,965	1,494	102,459
Transactions with equity holders of the Company:								
Dividend paid (note 32)	-	-	-	-	(17,109)	(17,109)	-	(17,109)
At 30 June 2015	427,724	367,806	82,453	40,328	264,132	1,182,443	4,693	1,187,136

The accompanying notes form an integral part of the financial statements

EKOVEST BERHAD
(Incorporated in Malaysia)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015**

	-----Non-distributable-----					
	Share capital RM'000	Share premium RM'000	Asset revaluation reserve RM'000	Warrant reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 July 2013	305,517	245,599	242	-	52,075	603,433
Total comprehensive income for the year	-	-	(242)	-	5,224	4,982
Transactions with equity holders of the Company:						
Issuance of ordinary shares pursuant to rights issue with warrants (note 17)	122,207	122,207	-	40,328	(40,328)	244,414
Dividend paid (note 32)	-	-	-	-	(3,055)	(3,055)
Total transactions with equity holders of the Company	122,207	122,207	-	40,328	(43,383)	241,359
At 30 June 2014	427,724	367,806	-	40,328	13,916	849,774
At 1 July 2014	427,724	367,806	-	40,328	13,916	849,774
Total comprehensive income for the year	-	-	-	-	8,309	8,309
Dividend paid (note 32)	-	-	-	-	(17,109)	(17,109)
At 30 June 2015	427,724	367,806	-	40,328	5,116	840,974

The accompanying notes form an integral part of the financial statements

EKOVEST BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	31,766	7,726	11,358	6,194
Adjustments for:				
Fair value gain on financial liabilities measured at amortised cost	-	(47,240)	-	-
Fair value gain on investment funds	(526)	(917)	-	-
Gain on acquisition of redeemable preference shares	-	(5,049)	-	-
Gain on financial assets measured at amortised cost	-	-	(798)	(719)
Loss on acquisition of Junior Bonds	-	688	-	-
Depreciation	5,278	2,895	1,003	1,064
Loss/(Gain) on disposal of property, plant and equipment	330	(52)	(233)	(11,788)
Gain on disposal of investment properties	(288)	(81)	-	(60)
Fair value gain on investment properties	(4,630)	(40)	(2,062)	-
Impairment loss on investments in subsidiaries	-	-	2,801	-
Provision for heavy repairs	831	1,141	-	-
Property, plant and equipment written off	-	1	-	-
Dividend income	-	-	(6,284)	-
Amortisation of concession assets	2,773	6,282	-	-
Interest income	(6,126)	(4,697)	(6,811)	(2,726)
Finance costs	91,260	130,320	6,576	5,725
Share of results of associates	-	3	-	-
Operating profit/(loss) before working capital changes	120,668	90,980	5,550	(2,310)
Changes in property development costs	(40,022)	(34,773)	-	-
Changes in receivables	(63,542)	(4,786)	14,948	(9,884)
Changes in payables	(75,042)	69,081	(8,425)	7,492
Cash (used in)/generated from operations	(57,938)	120,502	12,073	(4,702)
Interest received	46,077	24,368	6,811	2,726
Interest paid	(115,149)	(86,791)	(6,478)	(5,580)
Tax paid	(9,645)	(8,496)	(943)	(1,325)
Net cash (used in)/generated from operating activities	(136,655)	49,583	11,463	(8,881)

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment (note 36)	(4,792)	(4,091)	(48)	(1,075)
Acquisition of Junior Bonds	-	(15,000)	-	(145,000)
Acquisition of additional equity interest in subsidiary companies	-	(74,250)	-	-
Acquisition of redeemable preference shares	-	(99,750)	-	-
Development cost incurred on land held for property development	(21,340)	(6,444)	-	-
Subscription of additional shares in subsidiaries	-	-	(1,250)	(500)
Purchase of investment properties	(917)	(804)	(917)	(332)
Redemption/(Purchase) of investment funds	263,422	(1,286,423)	-	-
Payment for concession assets	(204,667)	(94,656)	-	-
Proceeds from disposal of property, plant and equipment	1,134	228	233	17,296
Proceeds from disposal of investment properties	1,205	992	-	870
(Placement)/Withdrawal of short term deposits	(86,065)	117,315	(13,226)	21,530
Advances to subsidiaries	-	-	(72,066)	(103,648)
Dividends received	-	-	6,284	-
Net cash used in investing activities	(52,020)	(1,462,883)	(80,990)	(210,859)
CASH FLOWS FROM FINANCING ACTIVITIES				
Drawdown of bank borrowings	203,428	105,895	52,000	29,000
Issuance of shares	-	244,414	-	244,414
Proceeds from issuance of Islamic medium term notes	-	1,124,819	-	-
Payment of hire purchase liabilities	(3,357)	(2,204)	(960)	(1,134)
Payment of hire purchase term charges	(508)	(329)	(98)	(145)
Dividend paid	(17,109)	(3,055)	(17,109)	(3,055)
Net cash generated from financing activities	182,454	1,469,540	33,833	269,080
NET CHANGES IN CASH AND CASH EQUIVALENTS	(6,221)	56,240	(35,694)	49,340
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	22,636	(33,604)	30,326	(19,014)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	16,415	22,636	(5,368)	30,326

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Represented by:				
CASH AND BANK BALANCES	65,944	74,403	11,007	48,793
BANK OVERDRAFTS	(49,529)	(51,767)	(16,375)	(18,467)
	<u>16,415</u>	<u>22,636</u>	<u>(5,368)</u>	<u>30,326</u>
	=====	=====	=====	=====

EKOVEST BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements comply with Financial Reporting Standards (“FRSs”) issued by the Malaysian Accounting Standards Board (“the MASB”) and with the provision of the Companies Act, 1965 in Malaysia.

The measurement bases applied in the preparation of the financial statements include cost, recoverable value, realisable value, revalued amount and fair value. Estimates are used in measuring these values.

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

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

Fair value measurements are categorised as follows:

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable inputs for the asset or liability.

The financial statements are presented in Ringgit Malaysia (“RM”), which is also the Company's functional currency. Unless otherwise indicated, the amounts in these financial statements have been rounded to the nearest thousand.

(b) Application of new or revised standards

In current year, the Group and the Company have applied a number of amendments to FRSs that became effective mandatorily for the accounting period beginning on or after 1 July 2014.

The adoption of the amendments to FRSs does not have any significant impact on the financial statements of the Group and of the Company.

(c) Standards issued that are not yet effective

The Group and the Company have not applied the following standard and amendments to FRSs that have been issued by the MASB but are not yet effective:

New FRS and amendments to FRSs		Effective date
FRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 127	Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to FRS 5, FRS 7, FRS 119 and FRS 134	Annual Improvements to FRSs 2012-2014 Cycle	1 January 2016
Amendments to FRS 101	Disclosure Initiative	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016

The Group and the Company have not applied the following Malaysian Financial Reporting Standards ("MFRSs") and its amendments (which are applicable upon adoption of MFRS framework) that have been issued by the MASB but are not yet effective.

New MFRSs and amendments to MFRSs		Effective date
MFRS 15	Revenue from Contracts with Customers	1 January 2017
Amendments to MFRS 116	Incorporating Bearer Plants into the Scope of MFRS 116	1 January 2017
Amendments to MFRS 141	Amendments Resulting from the Incorporation of Bearer Plants into the Scope of MFRS 116	1 January 2017
MFRS 9	Financial Instruments	1 January 2018

Except as otherwise indicated below, the adoption of the above new standards, amendments to FRSs and amendments to MFRSs are not expected to have significant impact on the financial statements of the Group and of the Company.

Amendments to FRS 116 and FRS 138, Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to FRS 116 and FRS 138 establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The amendments to FRS 116 prohibit revenue-based depreciation because revenue does not, as a matter of principle, reflect the way in which an item of property, plant and equipment is used or consumed. Revenue is affected by other inputs and processes, selling activities and changes in sales volumes and prices. The amendments to FRS 138 introduce a rebuttable presumption that an amortisation method based on revenue generated by an activity that includes the use of an intangible asset is inappropriate for the same reasons as the amendments to FRS 116 and can be overcome only in certain limited circumstances.

The Group is currently assessing the impact to the financial statements upon adoption of amendments to FRS 138, and intends to adopt amendments to FRS 138 on the mandatory effective date.

MFRS 9 Financial Instruments

MFRS 9 addresses the classification, recognition, derecognition, measurement and impairment of financial assets and financial liabilities, as well as general hedge accounting. It replaces MFRS 139. MFRS 9 requires financial assets to be classified into two measurement categories, i.e. at fair value and at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the MFRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to changes in an entity's own credit risk is recorded in other comprehensive income, unless this creates an accounting mismatch. MFRS 9 contains a new impairment model based on expected losses (as oppose to 'incurred loss' model under MFRS 139), i.e. a loss event needs nit occur before an impairment loss is recognised, which will result in earlier recognition of losses.

The Group and the Company are currently assessing the impact to the financial statements upon adopting MFRS 9, and intend to adopt MFRS 9 on the mandatory effective date.

MFRS 15 Revenue from Contracts with Customers

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

The Group and the Company are currently assessing the impact to the financial statements upon adopting MFRS 15, and will adopt MFRS 15 on the mandatory effective date.

Malaysian Financial Reporting Standards

On 19 November 2011, the MASB issued a new MASB approved accounting framework, i.e. MFRS. The MFRS is to be applied by all entities other than private entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 Agriculture and / or IC Interpretation 15 Agreements for Construction of Real Estate, including the entities’ parent, significant investor and venture (referred to as “Transitioning Entities” collectively). Transitioning Entities are allowed to defer adoption of the MFRS, and continue to use the existing FRS framework until the MFRS framework is mandated by the MASB. The Group and the Company fall within the definition of Transitioning Entities and have opted to defer adoption of MFRS.

According to an announcement made by the MASB on 2 September 2014, all Transitioning Entities shall adopt the MFRS framework and prepare their first MFRS financial statements for annual periods beginning on or after 1 January 2017. On 8 September 2015, the MASB confirmed that the effective date of MFRS 15 will be deferred to annual periods beginning on or after 1 January 2018 and the effective date for Transitioning Entities to apply the MFRS framework will be deferred to the same date.

The Group and the Company will adopt the MFRS framework and will prepare their first set of MFRS financial statements for the financial year ending 30 June 2019. In presenting their first sets of MFRS financial statements, the Group and the Company will quantify the financial effects arising from the differences between MFRS and the currently applied FRS. The majority of the adjustments required on transition are expected to be made, retrospectively, against opening retained earnings of the Group and of the Company. Accordingly, the financial performance and financial position of the Group and of the Company as presented in these financial statements for the year ended 30 June 2015 could be different if prepared in accordance with MFRS.

(d) Significant accounting judgements and estimates

The preparation of financial statements requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the end of the reporting period, and reported amounts of income and expenses during the financial year.

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

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

Critical judgement made in applying accounting policies

The following are judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on amounts recognised in the financial statements:

Classification between investment properties and owner-occupied properties

The Group and the Company determine whether a property qualifies as an investment property, and have developed certain criteria based on FRS 140 Investment Property in making that judgement.

In making its judgement, the Group and the Company consider whether a property generates cash flows largely independently of other assets held by the Group and by the Company. Owner-occupied properties generate cash flows that are attributable not only to the properties, but also to other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the production or supply of goods and services or for administrative purposes.

If these portions could be sold separately (or leased out separately under a finance lease), the Group and the Company account for the portions separately.

If the portions could not be sold separately, the property is accounted for as an investment property only if an insignificant portion is held for use in the production or supply of goods and services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

Revenue recognition of construction contracts

The Group and the Company recognise construction contracts based on the percentage of completion method. The stage of completion of the construction contracts is measured in accordance with the accounting policies set out in note 1(m) below.

Significant judgement is required in determining the percentage of completion, the extent of the contract costs incurred, the estimated total revenue and total costs and the recoverability of the contract. In making these judgements, management relies on past experience and the work of specialists.

Revenue recognition of property development activities

The Group recognises property development activities based on the percentage of completion method. The stage of completion of the property development activities is measured in accordance with the accounting policies set out in note 1(n) below.

Significant judgment is required in determining the percentage of completion, the extent of the development project costs incurred, the estimated total revenue and total costs and the recoverability of the development project. In making these judgments, management relies on past experience and the work of specialists.

Key sources of estimation uncertainty

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

Allowance for doubtful debts

The collectibility of receivables is assessed on an ongoing 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 end of each reporting period. 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 were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

Depreciation and impairment of property, plant and equipment

The Group and the Company review the estimated useful lives of property, plant and equipment at the end of each reporting period. Changes in the expected useful lives of property, plant and equipment could impact future depreciation charges.

Property, plant and equipment are assessed at the end of each reporting period to determine whether there is any indication of impairment. If such an indication exists, an estimation of the recoverable amount is required. Estimating the recoverable amount requires management to make an estimate of the expected future cash flows from the property, plant and equipment or the related cash generating unit.

Measurement of impairment loss on investments in subsidiaries and associates

Investments in subsidiaries and associates are assessed at the end of each reporting period to determine whether there is any indication of impairment. If such an indication exists, an estimation of the investment's recoverable amount is required. Estimating the recoverable amount requires management to make an estimate of the expected future cash flows from the subsidiaries and associates and also choose a suitable discount rate in order to calculate the present value of those cash flows.

Amortisation and impairment of concession assets

The carrying amount of concession assets is amortised over the concession period by applying the formula in note 1(i) below. The denominator of the formula includes projected total toll revenue for subsequent years to the end of the concession period and is based on the latest available base case traffic volume projection prepared by independent traffic consultants multiplied by the relevant toll rates. The assumptions to arrive at the traffic volume projection take into consideration the growth rate based on current market and economic conditions. Changes in the expected traffic volume and toll rates could impact future amortisation charges.

The Group assesses at the end of each reporting period whether there is any indicator the concession assets are impaired. If such an indication exists, an estimation of the recoverable amount is required. Estimating the recoverable amount requires management to make an estimate of the expected future cash flows generated from concession assets discounted at a suitable discount rate in order to calculate the present value of those cash flows.

Provision for heavy repairs

Provision for heavy repairs is recognised on the future heavy repairs expenditure expected to be incurred over the concession period. Judgement and estimation are involved in determining the timing and amounts of future expenditure taking into consideration factors such as usage of expressway, technology changes, inflation and etc.

Deferred tax assets

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

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

Income taxes

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

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

(e) Subsidiaries

In the Company's separate financial statements, investments in subsidiaries are measured at cost less impairment losses, if any. Impairment losses are charged to profit or loss.

On disposal, the difference between the net disposal proceeds and the carrying amount of the subsidiary disposed of is recognised in profit or loss.

(f) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and of all its subsidiaries and entities controlled by the Company (including structured entities) made up to the end of the financial year.

The Company controls an investee if and only if the Company has all the following:

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

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

The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of an investee shall begin from the date the Company obtains control of the investee and cease when the investor loses control of the investee.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

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

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

Changes of interests in subsidiaries

The changes of interests in subsidiaries that do not result in a loss of control are treated as equity transactions between the Group and non-controlling interest holders. Any gain or loss arising from equity transactions is recognised directly in equity.

Loss of control

When the Company loses control of a subsidiary:

- (i) it derecognises the assets and liabilities, non-controlling interests, and other amounts previously recognised in other comprehensive income relating to the former subsidiary.
- (ii) it recognises any gain or loss in profit or loss attributable to the Group, which is calculated as the difference between (i) the aggregate of the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control; plus any investment retained in the former subsidiary at its fair value at the date when control is lost; and (ii) the net carrying amount of assets, liabilities, goodwill and any non-controlling interests attributable to the former subsidiary at the date when control is lost.

- (iii) it recognises any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant FRS. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with FRS 9 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

Transactions with non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity.

Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with minority interests are accounted for as transactions with owners.

On acquisition of non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

(g) Associates

An associate is an entity in which the Group has significant influence and that is neither a subsidiary nor a jointly controlled entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has significant influence.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses. Impairment losses are charged to the profit or loss.

On disposal, the difference between the net disposal proceeds and the carrying amount of the associate disposed of is recognised in the profit or loss.

Investments in associates are accounted for in the consolidated financial statements by the equity method of accounting. Under the equity method, investments in associates are initially recognised at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the associates.

The Group's share of net profits or losses and changes recognised directly in the equity of the associates are recognised in the profit or loss and other comprehensive income, respectively.

An investment in an associate is accounted for using the equity method from the date on which the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

Premium on acquisition is included in the carrying value of the investment and it is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment when necessary.

Discount on acquisition 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 investment is acquired.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

Equity accounting is discontinued when the Group's share of losses in an associate diminishes by virtue of losses to zero unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The results and reserves of associates are accounted for in the consolidated financial statements based on audited and/or unaudited management financial statements made up to the end of the financial year and prepared using accounting policies that conform to those used by the Group for like transactions in similar circumstances.

(h) Financial instruments

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

Initial recognition

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

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

*Financial instrument categories and subsequent measurement*Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss (“FVTPL”), loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. Management determines the classification of the financial assets as set out below upon initial recognition.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace. A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting.

In the ordinary course of business, the Group and the Company do not have financial assets categorised as available-for-sale financial assets.

(i) Financial assets at FVTPL

Financial assets are classified as financial assets at FVTPL if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at FVTPL do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at FVTPL are recognised separately in profit or loss as part of other losses or other income.

Financial assets at FVTPL could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(ii) Loans and receivables

This category comprises debt instruments that are not quoted in an active market, trade and other receivables and cash and cash equivalents. They are included in current assets, except for maturities greater than 12 months after the reporting date, which are classified as non-current assets.

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

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

(iii) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less any impairment. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

All the financial assets, except for those measured at FVTPL, are subject to review for impairment.

Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial assets and liabilities

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset.

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received together with any cumulative gain or loss that has been recognised in other comprehensive income is reclassified to profit or loss.

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired.

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

(i) Concession assets

Concession assets are recognised as intangible assets to the extent that the Group has a right (a licence) to charge users of the public services.

Concession assets refer to expressway development expenditure which comprises development and upgrading expenditure (including interest charges relating to financing of the development) incurred in connection with the concession.

Concession assets are stated at cost less accumulated amortisation and impairment losses. Amortisation of the concession assets begins when it is available for use, i.e. commencement of tolling operations.

The amortisation formula applied to arrive at the annual amortisation charge for each financial period is as follows:

Actual toll revenue for the year		(Carrying amount of concession
<hr/>		assets at beginning of the year +
(Actual toll revenue for the year +	x	Additions during the year)
Projected total toll revenue for the		
remaining concession period)		

When an indication of impairment exists, the concession assets are subject to impairment test.

(j) 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 Company and the cost of the item can be measured reliably. All repairs and maintenance are charged to the profit or loss 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 impairment losses except for certain properties which are stated at valuation carried out in 1993, less accumulated depreciation and impairment losses.

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 Group's policy to carry out regular valuations of its property, plant and equipment. The revaluation carried out in 1993 was an 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 profit or loss.

(ii) Depreciation

Freehold land and construction-in-progress are not depreciated.

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:

The principal annual rates used for this purpose are:

Leasehold land and buildings	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 the end of each reporting period 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 embodied in the items of property, plant and equipment.

(k) Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both rather than for use in the production or supply of goods and services or for administrative purposes, or sale in the ordinary course of business.

Property that is being constructed for future use as investment property is classified as investment property. If the fair value cannot be reliably determined, the investment property under construction will be measured at cost less impairment, if any, until such time as fair value can be reliably determined or construction is completed.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria is met; and excludes the costs of day-to-day servicing of an investment property.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of reporting period. Gains or losses arising from changes in the fair values of investment properties are recognised in the profit or loss in the year in which they arise.

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

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories; its fair value at the date of reclassification becomes its cost for subsequent accounting.

(l) Leases

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

(i) Finance lease

Leases in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(ii) Operating lease

Leases where the Group does not assume substantially all the risks and rewards of ownership are classified as operating lease and, except for property interests held under operating lease, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease which is held to earn rental income or for capital appreciation, or both, is classified as investment property.

Payments made under operating leases are recognised in the profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(m) Construction contracts

The Group's and the Company's construction contracts are all 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 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 profit or loss 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 statement of financial position, 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).

(n) Development properties

Development properties are classified under two categories i.e. land held for development and property development costs.

Land held for development is defined as land on which development is not expected to be completed within the normal operating cycle. Accordingly, land held for property development is classified as non-current assets on the statement of financial position and is stated at cost plus incidental expenditure incurred to put the land in a condition ready for development.

Land on which development has commenced and is expected to be completed within the normal operating cycle is included in property development costs. Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Where the outcome of a development can be reasonably estimated, revenue is recognised on the percentage of completion method. The stage of completion is either determined by the proportion that costs incurred to-date bear to estimated total costs or surveys of work performed. In applying the cost incurred method of determining stage of completion, only those costs that reflect actual development work performed are included as costs incurred.

Where the outcome of a development cannot be reasonably estimated, revenue is recognised to the extent of property development costs incurred that is probable will be recoverable, and the property development costs on the development units sold shall be recognised as an expense in the period in which they are incurred.

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

The excess of revenue recognised in the profit or loss over the billings to purchasers of properties is recognised as accrued billings under current assets.

The excess of billings to purchasers of properties over revenue recognised in the profit or loss is recognised as progress billings under current liabilities.

(o) Provision for heavy repairs

Heavy repairs relate to repair of bridges, slopes and embankments, rectification of settlements and pavement rehabilitation of medium and high traffic sections along the expressway.

Provision for heavy repairs being the contractual obligations to maintain and restore the infrastructure to a specified standard of serviceability, is recognised and measured at the present value of estimated expenditures expected to be required to settle the present obligation at the reporting date.

(p) Impairment of non-financial assets

Property, plant and equipment, land held for property development and investments in subsidiaries and associates

Property, plant and equipment, land held for property development and investments in subsidiaries and associates are assessed at the end of each reporting period to determine whether there is any indication of impairment.

If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the assets. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

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

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

(q) Impairment of financial assets

All financial assets except for financial assets at FVTPL, are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying amount of the financial asset.

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

Assets carried at cost

If there is objective evidence that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Such impairment losses are not reversed in subsequent periods.

(r) Equity instruments

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

Dividend on equity instruments is recognised in equity in the period in which they are declared.

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

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

(s) Provisions

A provision is recognised if, as a result of a past event, the Group and the Company have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(t) Revenue recognition

(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) Development properties

Property development revenue represents the proportionate sales value of development properties sold attributable to the percentage of development work performed during the financial year.

(iii) Toll revenue

Toll revenue is accounted for as and when toll is chargeable for the usage of the expressway.

(iv) Hiring and rental income

Hiring and rental income are recognised on a time proportion basis over the lease term.

(v) Project management fee

Revenue from project management services is recognised on an accrual basis when the services are rendered.

(vi) Dividend income

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

(vii) Interest income

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

(u) Employee benefits

(i) Short term employee benefits

Salaries, wages, bonuses, allowances, paid annual leave and paid sick leave are recognised as an expense in the period in which the services are rendered by employees.

(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 profit or loss in the period 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.

(v) Borrowing costs

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

All other borrowing costs are recognised in profit or loss using the effective interest method.

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

(w) Taxation

The tax expense in the statement of comprehensive income comprises current tax and deferred tax included in the determination of profit or loss for the financial year.

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

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

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

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

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

(x) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, bank overdrafts, short term deposits (but 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.

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and exclude the short term deposits pledged to secure banking facilities.

(y) Segment reporting

Segment reporting in the financial statements is presented on the same basis as that used by management internally for evaluating operating segment performance and in deciding on the allocation of resources to each operating segment. Operating segments are distinguishable components of the Group that engage in business activities from which they may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly by the chief operating decision maker to decide on the allocation of resources to the segment and assess its performance, and for which discrete financial information is available.

Segment revenue, expense, assets and liabilities are those amounts resulting from operating activities of a segment that are directly attributable to the segment and a relevant portion that can be allocated on a reasonable basis to the segment.

Segment revenue, expense, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment.

(z) Contingencies

(i) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(ii) Contingent assets

Where it is not probable that there is economic benefits, or the amount cannot be estimated reliably, the asset is not recognised in the statements of financial position and is disclosed as contingent asset, unless the probability of inflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one of more future events, are also disclosed as contingent assets unless the probability of inflow of economic benefits is remote.

(aa) Government grant

Government grants shall not be recognised until there is reasonable assurance that: (a) the Group will comply with the conditions attaching to them; and (b) the grants will be received.

Government grants shall be recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs shall be recognised in profit or loss of the period in which it becomes receivable.

2. PROPERTY, PLANT AND EQUIPMENT

Group						
2015	Freehold land and buildings	Equipment, plant and machinery	Motor vehicles	Office equipment	Furniture and fittings	Total
Cost	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2014	90,357	12,163	32,128	6,011	2,757	143,416
Additions	-	7,651	6,414	526	212	14,803
Disposals	-	-	(5,868)	-	-	(5,868)
Write-offs	-	(2,231)	(77)	(1)	-	(2,309)
Surplus on revaluation of property transferred	86,792	-	-	-	-	86,792
Transfer to investment properties (note 3)	(93,000)	-	-	-	-	(93,000)
Transfer to land held for development (note 4)	(50,087)	-	-	-	-	(50,087)
At 30 June 2015	34,062	17,583	32,597	6,536	2,969	93,747

Accumulated depreciation	Freehold land and buildings RM'000	Equipment, plant and machinery RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Total RM'000
At 1 July 2014	563	10,912	17,944	4,360	1,992	35,771
Charge for the year	175	1,840	2,653	469	141	5,278
Disposals	-	-	(4,404)	-	-	(4,404)
Write-offs	-	(2,231)	(77)	(1)	-	(2,309)
At 30 June 2015	738	10,521	16,116	4,828	2,133	34,336
Net carrying amount At 30 June 2015	33,324	7,062	16,481	1,708	836	59,411

Group						
2014	Freehold/ Leasehold land and buildings 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 2013						
Cost	97,375	10,824	24,438	5,367	2,637	140,641
Valuation	6,382	-	-	-	-	6,382
	103,757	10,824	24,438	5,367	2,637	147,023
Additions	-	1,515	8,314	652	126	10,607
Disposals	-	(176)	(624)	-	-	(800)
Write-offs	-	-	-	(8)	-	(8)
Transfer to investment properties (note 3)	(5,509)	-	-	-	(6)	(5,515)
Transfer to land held for development (note 4)	(7,891)	-	-	-	-	(7,891)
At 30 June 2014						
Cost	90,357	12,163	32,128	6,011	2,757	143,416
Valuation	-	-	-	-	-	-
	90,357	12,163	32,128	6,011	2,757	143,416

Accumulated depreciation	Freehold/ Leasehold land and buildings RM'000	Equipment, plant and machinery RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Total RM'000
At 1 July 2013	2,946	10,776	16,514	3,956	1,875	36,067
Charge for the year	176	312	1,878	411	118	2,895
Disposals	-	(176)	(448)	-	-	(624)
Write-offs	-	-	-	(7)	-	(7)
Transfer to investment properties (note 3)	-	-	-	-	(1)	(1)
Transfer to land held for development (note 4)	(2,559)	-	-	-	-	(2,559)
At 30 June 2014	563	10,912	17,944	4,360	1,992	35,771
Net carrying amount At 30 June 2014						
Cost	89,794	1,251	14,184	1,651	765	107,645
Valuation	-	-	-	-	-	-
	89,794	1,251	14,184	1,651	765	107,645

Company

2015	Equipment, plant and machinery RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Total RM'000
Cost					
At 1 July 2014	8,816	17,430	2,873	2,103	31,222
Additions	-	268	2	-	270
Disposals	-	(2,730)	-	-	(2,730)
Write-offs	(2,231)	-	-	-	(2,231)
At 30 June 2015	6,585	14,968	2,875	2,103	26,531
Accumulated depreciation					
At 1 July 2014	8,816	11,552	2,735	1,763	24,866
Charge for the year	-	908	44	51	1,003
Disposals	-	(2,730)	-	-	(2,730)
Write-offs	(2,231)	-	-	-	(2,231)
At 30 June 2015	6,585	9,730	2,779	1,814	20,908
Net carrying amount					
At 30 June 2015	-	5,238	96	289	5,623

Company

2014	Freehold/ Leasehold land and buildings 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 2013						
Cost	1,509	8,992	15,869	2,827	2,099	31,296
Valuation	6,382	-	-	-	-	6,382
	7,891	8,992	15,869	2,827	2,099	37,678
Additions	-	-	2,488	51	4	2,543
Disposals	(7,891)	(176)	(927)	-	-	(8,994)
Write-offs	-	-	-	(5)	-	(5)
At 30 June 2014						
Cost	-	8,816	17,430	2,873	2,103	31,222
Valuation	-	-	-	-	-	-
	-	8,816	17,430	2,873	2,103	31,222
Accumulated depreciation						
At 1 July 2013	2,559	8,992	11,340	2,692	1,710	27,293
Charge for the year	-	-	963	48	53	1,064
Disposals	(2,559)	(176)	(751)	-	-	(3,486)
Write-offs	-	-	-	(5)	-	(5)
At 30 June 2014	-	8,816	11,552	2,735	1,763	24,866
Net carrying amount						
At 30 June 2014	-	-	5,878	138	340	6,356

- (a) Details of land and buildings are as follows:

Group	Cost 2015 RM'000	Accumulated depreciation 2015 RM'000	Net carrying amount 2015 RM'000	Net carrying amount 2014 RM'000
Freehold				
- land	25,316	-	25,316	81,611
- buildings	8,746	738	8,008	8,183
	-----	-----	-----	-----
	34,062	738	33,324	89,794
	=====	=====	=====	=====

- (b) During the financial year, certain freehold land of the Group was transferred to investment properties. The freehold land was revalued by an independent firm of professional valuers. The valuation was arrived at based on the comparison method of valuation where reference was made to similar properties. This method estimates the value of a property by comparing it to the prices of similar properties sold in similar locations within a recent period of time.
- (c) Included in the cost of property, plant and equipment are fully depreciated property, plant and equipment as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Equipment, plant and machinery	8,386	10,161	6,585	8,816
Motor vehicles	11,922	11,989	7,688	8,948
Office equipment	4,144	2,990	2,633	2,603
Furniture and fittings	2,000	1,638	1,592	1,591
	-----	-----	-----	-----
	26,452	26,778	18,498	21,958
	=====	=====	=====	=====

- (d) Included in the net carrying amounts of property, plant and equipment are the following:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Motor vehicles acquired under hire purchase	15,881	11,424	4,058	4,899
	=====	=====	=====	=====
Motor vehicles registered in the names of third parties holding in trust for the Group/Company	257	304	-	7
	=====	=====	=====	=====
Freehold land and buildings charged to a licensed bank for banking facilities granted to the Group	-	50,087	-	-
	=====	=====	=====	=====
Property, plant and equipment charged to a licensed bank for IMTN as disclosed in note 21	2,421	1,284	-	-
	=====	=====	=====	=====

3. INVESTMENT PROPERTIES

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
At 1 July	62,709	57,262	19,672	20,150
Additions	917	804	917	332
Disposals	(917)	(911)	-	(810)
Changes in fair value	4,630	40	2,062	-
Transfer from property, plant and equipment (note 2)	93,000	5,514	-	-
	-----	-----	-----	-----
At 30 June	160,339	62,709	22,651	19,672
	=====	=====	=====	=====

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Investment properties comprise:				
At fair value				
- Freehold land and commercial buildings/apartments	140,884	42,967	22,351	19,372
- Short term leasehold land and buildings	506	1,423	300	300
- Long term leasehold land and buildings/apartments	4,360	3,730	-	-
At cost				
- Constructions in progress	14,589	14,589	-	-
	-----	-----	-----	-----
	160,339	62,709	22,651	19,672
	=====	=====	=====	=====

The title deeds to the completed freehold apartment amounted to RM976,000 (2014: RM976,000) was pending transfer to the Group.

Freehold land and buildings with carrying value of RM5,508,000 (2014: RM5,508,000) are charged to a licensed bank for banking facilities granted to the Group.

The fair values of the investment properties are arrived at by reference to valuations by a registered independent valuer having appropriate recognised professional qualifications.

The Group's and the Company's investment properties are stated at fair value, representing open-market value determined by the Directors based on independent external valuers' advice. The fair values are within level 2 of the fair value hierarchy where the fair value is determined with reference to inputs other than quoted prices that are observable for the assets either directly or indirectly.

4. LAND HELD FOR DEVELOPMENT

Group	Freehold/ Leasehold land at cost RM'000	Development expenditure at cost RM'000	Total RM'000
At 1 July 2014	24,192	10,280	34,472
Additions	5,538	15,802	21,340
Transfer from property, plant and equipment (note 2)	50,087	-	50,087
At 30 June 2015	79,817	26,082	105,899
At 1 July 2013	51,059	33,980	85,039
Additions	556	5,888	6,444
Transfer from property, plant and equipment (note 2)	5,332	-	5,332
Transfer to property development cost (note 11)	(32,755)	(29,588)	(62,343)
At 30 June 2014	24,192	10,280	34,472

Land held for property development of the Group included above at a carrying amount of RM63,431,000 (2014: RM13,344,000) has been charged to licensed banks for banking facilities granted to the Group.

5. CONCESSION ASSETS

	Group	
	2015	2014
	RM'000	RM'000
Expressway, at cost		
At 1 July	1,587,983	1,485,696
Additions	204,667	94,656
Borrowing costs capitalised	15,418	7,631
	-----	-----
At 30 June	1,808,068	1,587,983
	-----	-----
Less: Accumulated amortisation		
At 1 July	8,373	2,091
Charge for the year	2,773	6,282
	-----	-----
At 30 June	11,146	8,373
	-----	-----
Net carrying amount		
At 30 June	1,796,922	1,579,610
	=====	=====

The concession assets are related to a Concession Agreement (“CA”) dated 12 August 2004 entered into between Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd (“Kesturi”) and the Government of Malaysia (“Government”) whereby the Government granted Kesturi the right and authority to undertake the design, construction, operation, management and maintenance of the Duta-Ulu Kelang Expressway (“DUKE Project”) commences from the Jalan Duta Interchange to Hill View Interchange and the Karak Link from Sentul Pasar Interchange to Greenwood Interchange. The concession period was for a period of 34 years which commenced from 11 August 2005.

On 3 December 2012, Kesturi entered into a Supplemental Concession Agreement (“SCA”) with the Government in relation to the extension of the DUKE Project (“DUKE Phase-2”). The DUKE Phase-2 commences from Menjalara Interchange at Bandar Menjalara to Segambut Interchange and Jalan Tun Razak near Kuala Lumpur Hospital/Institut Jantung Negara to Jalan Gombak. The concession period for the entire DUKE Project and DUKE Phase-2 under the SCA is for a period of 54 years commencing from the effective date, 11 August 2005 and shall, subject to terms and conditions of the SCA, be extended for a further period of 10 years.

The CA and SCA may be terminated by either the Government or Kesturi if either party fails to remedy its default within the period specified in the CA and SCA. The Government may terminate the CA and SCA by giving notice within the specific period in the CA and SCA. Upon expiry of the concession period, Kesturi shall hand over the concession assets to the Government in a well-maintained condition and make good any defects at Kesturi's own expenses within twelve months after the date of handing over.

The concession assets are charged as security for the borrowings as disclosed in note 21.

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2015	2014
	RM'000	RM'000
Unquoted shares, at cost	352,874	351,624
Unquoted redeemable preference shares, at cost	149,573	3,240
Less: Accumulated impairment losses	(6,725)	(3,924)
	-----	-----
	495,722	350,940
Capital contributions	5,363	109,113
	-----	-----
	501,085	460,053
	=====	=====

The capital contributions are for wholly-owned subsidiaries' capital expenditure and working capital purposes, which are treated as quasi-equity. The capital contributions have no fixed term of repayment and repayable at the discretion of the subsidiaries.

During the financial year, the Company has converted the amounts due from subsidiaries amounting to RM146,332,960 for 146,332,960 redeemable preference shares of RM0.01 each at premium of RM0.99 each.

The Group has assessed the non-controlling interests in the subsidiaries of the Group and has determined that the non-controlling interests are not individually material to the Group's financial position, performance and cash flows.

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

	Effective equity interest		Principal activities
	2015 %	2014 %	
Binawani Sdn Bhd	100	100	Investment holding and civil engineering and building works
Ekofield Danga Cove Sdn Bhd	51	51	Inactive
Ekofield Projects Sdn Bhd	51	51	Inactive
Ekofield Property Sdn Bhd	51	51	Inactive
Ekovest Brunsfield Holdings Sdn Bhd	51	51	Investment holding
Ekovest Construction Sdn Bhd	100	100	Civil engineering and building works
Ekovest-Faber Sdn Bhd	60	60	Inactive
Ekovest Land Sdn Bhd	100	100	Property development
Ekovest-MRCB Construction Sdn Bhd	60	60	Civil engineering and building works
Ekovest-MRCB JV Sdn Bhd	60	60	Project coordinator and manager for 'River of Life' project
Ekovest Oil & Gas Sdn Bhd	50	50	Inactive
Ekovest Project Management Sdn Bhd	100	100	Project management for construction works
Ekovest Properties Sdn Bhd	100	100	Property development
Ekovest World Sdn Bhd	100	100	Inactive
Heritage Reno Sdn Bhd	100	100	Property investment
Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd	100	100	Design, construction, operation, management and maintenance of the Duta-Ulu Kelang Expressway
Milan Energy Sdn Bhd	100	100	Property investment
Milan Prestasi Sdn Bhd	100	100	Property investment
Ekovest Asset Management Sdn Bhd	100	100	Inactive
Milan Resources Sdn Bhd	100	100	Civil engineering and building works
Nuzen Corporation Sdn Bhd	100	100	Investment holding
Ekovest Capital Sdn Bhd	100	100	Property development
Saujarena Bina Sdn Bhd	100	100	Property investment
Sunview Capital Sdn Bhd	100	100	Property investment
Temasek Megamas Sdn Bhd	100	100	Property investment
Timur Terang Sdn Bhd	100	100	Property investment
Wira Kristal Sdn Bhd	100	100	Investment holding
Ekovest Park and Ride Sdn Bhd	100	-	Inactive
DUKE Development Sdn Bhd	100	-	Inactive

	Effective equity interest		Principal activities
	2015 %	2014 %	
Lebuhraya DUKE Fasa 3 Sdn Bhd	100	-	Inactive
Lebuhraya DUKE Fasa 2A Sdn Bhd	70	-	Inactive

7. OTHER INVESTMENTS

	Company	
	2015 RM'000	2014 RM'000
Held-to-maturity		
Junior Bonds		
- Kesturi	180,000 =====	180,000 =====

The Company has subscribed RM180 million Junior Bonds from Kesturi.

The salient features of the Junior Bonds are as follows:

- (i) The Junior Bonds have a tenure of 21 years (2014: 21 years) from the date of issuance; and
- (ii) The Junior Bonds' coupon is calculated at a rate of 11.5% (2014: 11.5%) p.a., any interest on overdue and payable amount shall be payable at 1% p.a. plus the prescribed coupon of the Junior Bonds.

8. AMOUNTS OWING BY/(TO) SUBSIDIARIES

Amounts owing by subsidiaries included under non-current assets

The amounts owing by subsidiaries included under non-current assets represent unsecured advances which are interest free and not receivable within the next 12 months.

Amounts owing by subsidiaries included under current assets

	Company	
	2015	2014
	RM'000	RM'000
Trade accounts	29,641	50,395
Unsecured advances:		
- bearing interest at 5.44% (2014: 2.99%) per annum	109,872	20,389
- interest free	174,521	185,402
	-----	-----
	314,034	256,186
	=====	=====

The trade accounts are expected to be settled within the normal credit periods.

The unsecured advances are repayable within 12 months.

Amounts owing to subsidiaries included under current liabilities

	Company	
	2015	2014
	RM'000	RM'000
Trade accounts	24,986	-
Unsecured interest free advances	34	4,681
	-----	-----
	25,020	4,681
	=====	=====

The trade accounts are expected to be settled within the normal credit periods.

The unsecured interest free advances are repayable within 12 months.

9. DEFERRED TAX ASSETS

	Group	
	2015	2014
	RM'000	RM'000
At 1 July	5,521	6,227
Recognised in profit or loss	(2,856)	(706)
	-----	-----
At 30 June	2,665	5,521
	=====	=====

The Group has recognised the deferred tax assets as it is probable that its existing businesses would generate sufficient taxable profit in the future against which the deferred tax assets can be utilised.

At 30 June 2015, 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.

	Group	
	2015	2014
	RM'000	RM'000
Deductible temporary differences on		
- unused tax losses	6,902	9,960
- unabsorbed capital allowances	-	221
	-----	-----
	6,902	10,181
Taxable temporary differences between net carrying amount and tax written down value of property, plant and equipment	-	(106)
	-----	-----
	6,902	10,075
	=====	=====

10. GROSS AMOUNT DUE FROM/(TO) CUSTOMERS

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Cost of contracts incurred to-date	1,510,357	1,013,225	352,412	249,690
Attributable profit less foreseeable losses recognised to-date	185,147	167,637	17,467	20,707
	-----	-----	-----	-----
	1,695,504	1,180,862	369,879	270,397
Progress billings	(1,630,839)	(1,116,143)	(371,554)	(257,130)
	-----	-----	-----	-----
	64,665	64,719	(1,675)	13,267
	=====	=====	=====	=====

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Represented by:				
Gross amount due from customers	67,875	71,602	-	13,267
Gross amount due to customers	(3,210)	(6,883)	(1,675)	-
	-----	-----	-----	-----
	64,665	64,719	(1,675)	13,267
	=====	=====	=====	=====
Retention sums receivable from customers (included in trade receivables, note 12)	15,549	19,563	8,064	8,064
	=====	=====	=====	=====

The cost of contracts include the following expenses incurred during the financial year:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Finance costs	2,416	-	-	-
Depreciation	1,334	129	-	-
Staff costs	9,874	4,200	-	-
Rental of premises	1,604	978	-	-
Hire of plant and equipment	1,963	911	-	-
	=====	=====	=====	=====

11. PROPERTY DEVELOPMENT COSTS

	Group	
	2015	2014
	RM'000	RM'000
Freehold land at cost	66,903	-
Development costs	32,740	-
	-----	-----
At 1 July	99,643	-
Costs transferred from land held for development		
- Freehold land (note 4)	-	32,755
- Development costs (note 4)	-	29,588
Costs incurred during the year		
- Land related costs	-	34,148
- Development costs	82,492	3,152
	82,492	99,643
Costs recognised as an expense in the current year	(37,804)	-
	-----	-----
At 30 June	144,331	99,643
	=====	=====

Property development costs incurred during the financial year include the capitalisation of borrowing costs amounted to RM4,666,000 (2014: RM2,527,000).

The freehold land is charged to a licensed bank for banking facilities granted to the Group as disclosed in notes 20 and 25.

12. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Trade receivables	47,359	37,953	8,945	8,569
Other receivables	51,851	22,270	526	2,380
Sundry deposits and prepayments	10,680	13,500	45	248
	-----	-----	-----	-----
	109,890	73,723	9,516	11,197
	=====	=====	=====	=====

Trade receivables comprise amounts receivable from progress billings made to customers on contract work performed, retention sums receivable and services rendered to customers. Customers are granted normal credit periods 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.

Included in trade receivables are:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Amounts owing by companies in which certain Directors have financial interests	23,145	6,658	837	334
	=====	=====	=====	=====

The trade receivables are unsecured and interest free.

Included in other receivables are:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Amounts owing by companies in which certain Directors have financial interests	22,112	1,311	85	804
	=====	=====	=====	=====

The other receivables represent advance payments for purchases of building/construction materials, which are unsecured, interest free and repayable on demand.

13. ACCRUED BILLINGS

	Group	
	2015	2014
	RM'000	RM'000
Revenue recognised in profit or loss to-date	58,159	-
Progress billings to-date	(27,057)	-
	-----	-----
Accrued billings	31,102	-
	=====	=====

14. INVESTMENT FUNDS

Investment funds which are carried at fair value represent funds placed with licensed fund managers. The portfolio of securities managed by the fund managers comprise money market funds and fixed deposits which are subject to insignificant changes in value.

15. SHORT TERM DEPOSITS

The short term deposits are placed with licensed banks and earned interest at between 2.38% and 3.27% (2014: 2.36% and 3.14%) per annum. The short term deposits have maturity periods of less than one year.

Included in deposits of the Group and of the Company are amounts of RM6,308,000 and RM718,000 (2014: RM5,838,000 and RM696,000) which have been charged to banks as security for banking facilities granted to the Group and the Company.

16. CASH AND BANK BALANCES

Cash and bank balances of the Group include an amount of RM6,874,000 (2014: RM18,586,000) maintained in Housing Development Accounts. Withdrawals from the Housing Development Accounts are restricted in accordance with the Housing Developers (Housing Development Account) Regulations, 1991.

Funds maintained in the Housing Development Accounts earn interest at 2.14% to 2.15% (2014: 1.25% to 2.15%) per annum.

17. SHARE CAPITAL

	2015		2014	
	Number of shares '000	Nominal value RM'000	Number of shares '000	Nominal value RM'000
Authorised:				
Ordinary shares of RM0.50 each	2,000,000	1,000,000	2,000,000	1,000,000
	=====	=====	=====	=====

	2015		2014	
	Number of shares '000	Nominal value RM'000	Number of shares '000	Nominal value RM'000
Issued and fully paid:				
At 1 July				
Ordinary shares of RM1 each	-	-	305,517	305,517
Ordinary shares of RM0.50 each	855,448	427,724	-	-
Share split during the year	-	-	305,517	-
Issued during the year				
Ordinary shares of RM0.50 each	-	-	244,414	122,207
At 30 June				
Ordinary shares of RM0.50 each	855,448	427,724	855,448	427,724

During the previous financial year, the Company has increased its issued and paid-up ordinary share capital from RM305,517,000 to RM427,724,000 by way of:

- (a) amending its authorised share capital of RM1,000,000,000 comprising 1,000,000,000 ordinary shares of RM1 each into 2,000,000,000 ordinary shares of RM0.50 each to facilitate the implementation of a share split, which involved the subdivision of every one ordinary share of RM1 each into two ordinary shares of RM0.50 each in the Company. The subdivision of ordinary shares was completed and the subdivided ordinary shares were listed on the Main Market of Bursa Malaysia Securities Berhad on 2 June 2014; and
- (b) rights issue of 244,413,960 new ordinary shares of RM0.50 each in the Company ("Rights Shares") together with 122,206,980 detachable warrants ("Warrants") at an issue price of RM1 per Rights Share, on the basis of two Rights Shares together with one Warrant for every five ordinary shares in the Company.

18. RESERVES

- (a) Share premium

Share premium comprises premium paid on subscription of shares in the Company over and above the par value of the shares.

(b) Asset revaluation reserve

The asset revaluation reserve relates to revaluation of property, plant and equipment prior to the reclassification as investment property.

(c) Warrant reserve

Proceeds from the issuance of warrants, net of issuance costs, are credited to warrant reserve which is non-distributable. Warrant reserve is transferred to the share premium account upon the exercise of the warrants. Unexercised warrants at the expiry of the warrant period is transferred to retained earnings.

19. HIRE PURCHASE LIABILITIES

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Outstanding hire purchase instalments due:				
- not later than one year	4,824	2,838	834	1,032
- later than one year but not later than five years	11,181	5,684	1,038	1,660
	-----	-----	-----	-----
	16,005	8,522	1,872	2,692
Unexpired term charges	(1,516)	(687)	(99)	(181)
	-----	-----	-----	-----
	14,489	7,835	1,773	2,511
	=====	=====	=====	=====
Outstanding principal due:				
- not later than one year (included in current liabilities)	4,106	2,439	772	863
- later than one year but not later than five years	10,383	5,396	1,001	1,648
	-----	-----	-----	-----
	14,489	7,835	1,773	2,511
	=====	=====	=====	=====

The effective interest rates of the hire purchase liabilities are between 2.33% and 5.77% (2014: 2.33% and 5.77%) per annum.

20. BANK TERM LOANS

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Bank term loans bearing interest rates between 1.25% and 1.75% above cost of fund [effective rate between 4.82% and 6.32% (2014: 5.1%) p.a.]	180,000	73,184	-	-
Bank term loans bearing interest rates between 0.75% and 1.00% above base lending rate [effective rate between 7.60% and 7.85% (2014: 7.35%) p.a.]	5,106	5,434	-	-
Bank term loan bearing fixed interest rate at 5.5% (2014: 5.5%) p.a.	42,000	50,000	42,000	50,000
Bank term loan bearing interest rate at 2.2% below base lending rate [effective rate 4.65% (2014: 4.4%) p.a.]	2,160	2,220	-	-
	-----	-----	-----	-----
	229,266	130,838	42,000	50,000
Repayments due within 12 months (included in current liabilities, note 25)	(92,456)	(8,409)	(16,000)	(8,000)
	-----	-----	-----	-----
Repayments due after 12 months	136,810	122,429	26,000	42,000
	=====	=====	=====	=====

The bank term loans, where applicable, are secured by a first party legal charge over certain freehold land and buildings of the Group and a deed of assignment of rental proceeds. Certain bank term loans are also guaranteed by the Company.

21. ISLAMIC MEDIUM TERM NOTES

The amount represents Islamic medium term notes ("IMTN") issued by Kesturi. Kesturi issued IMTN pursuant to the Sukuk issuance programme under the Shariah principle of Musyarakah. The IMTN with nominal value of RM2,300 million was constituted by a Trust Deed dated 20 November 2013 between Kesturi and the trustee for the holders of the IMTN.

The IMTN was issued in 15 tranches, with maturities commencing from 2019 to 2033. The profit payment is due every six months, commencing from the issue date of the relevant tranche of the IMTN.

The terms and covenants of the IMTN include the following:

- (i) Kesturi must maintain a finance service coverage ratio ("FSCR") of at least 1.75 times upon commencement of DUKE Phase-2 tolling operations;
- (ii) Kesturi will maintain a Finance Service Reserve Account ("FSRA") at any time during the tenure of the IMTN which has a minimum balance equivalent to the next 6 months' projected debt service. In the event that the balance held in FSRA is less than or exceeds the minimum required balance (except in the case where the initial deposit is not utilised), the shortfall or excess shall be topped up or released from revenue account; and
- (iii) in the event Kesturi utilises the balance in the FSRA, Kesturi is to top up the FSRA within 90 days. Non-compliance of the minimum balance does not constitute an event of default.

Kesturi as the legal and beneficial owner and as a continuing security for the due and punctual payment of the bond has absolutely assigned and charged to the security trustee as security trustee for and on behalf of the IMTN holders as follows:

- (i) a first ranking fixed and floating charge on the assets of Kesturi, both present and future;
- (ii) a first ranking assignment on all Kesturi's rights, interests, titles and benefits under the CA to demand, collect and retain toll for its own benefit from all vehicles liable to pay toll using the expressway and other relevant project documents and proceeds there from;
- (iii) a first ranking assignment of Kesturi's rights, interests, titles and benefits in all performance and/or maintenance bonds in relation to the project and the proceeds there from except where such performance and/or maintenance bonds are used or to be used as security for other parties (including the Government) in accordance with the CA, in which case the security of the IMTN holders shall rank second after the security of the Government or such other parties;
- (iv) a first ranking assignment on all designed accounts and the credit balances therein; and
- (v) a first ranking assignment of Kesturi's rights, interests and titles and benefits in all relevant insurance policies of Kesturi or in respect of the DUKE Project.

22. PROVISION FOR HEAVY REPAIRS

	Group	
	2015	2014
	RM'000	RM'000
At 1 July	3,533	3,587
Provision during the year	831	1,141
Payment of maintenance cost	(643)	(1,195)
	-----	-----
At 30 June	3,721	3,533
	=====	=====

Provision for heavy repairs relates to estimated costs to maintain and restore the expressway under the DUKE Project to a specified standard of serviceability.

23. DEFERRED TAX LIABILITIES

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
At 1 July	183,163	192,496	131	131
Recognised in profit or loss	(1,814)	(9,333)	403	-
Recognised in other comprehensive income	4,339	-	-	-
	-----	-----	-----	-----
At 30 June	185,688	183,163	534	131
	=====	=====	=====	=====

The deferred tax liabilities comprise:

Taxable temporary differences				
- relating to revaluation of properties	5,364	78	447	78
- between net carrying amount and tax written down value of property, plant and equipment	276	53	87	53
- relating to fair value adjustments on assets and liabilities of subsidiaries acquired	180,048	183,032	-	-
	-----	-----	-----	-----
	185,688	183,163	534	131
	=====	=====	=====	=====

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Trade payables	82,304	145,544	7,926	9,224
Other payables	48,957	49,517	1,709	10,515
Deposits	564	935	-	-
Accruals	4,099	1,918	607	603
Profit elements payable on IMTN	8,732	8,732	-	-
	-----	-----	-----	-----
	144,656	206,646	10,242	20,342
	=====	=====	=====	=====

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:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Amounts owing to companies in which certain Directors have financial interests	2,164	16,844	-	-
	=====	=====	=====	=====

Included in other payables are:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Amounts owing to companies in which certain Directors have financial interests	1,316	490	-	-
	=====	=====	=====	=====

The other payables represent unsecured advances which are interest free and payable within 12 months.

25. BANK BORROWINGS

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Secured bank overdrafts bearing interest rates between 0.50% and 1.75% above base lending rate [effective rate between 7.35% and 8.60% (2014: 7.10% and 8.35%) p.a.]	48,237	50,323	15,083	17,023
Unsecured bank overdraft bearing interest rates at 1.50% above base lending rate [effective rate at 8.35% (2014: 8.10%) p.a.]	1,292	1,444	1,292	1,444
Secured revolving credits bearing interest at floating rates between 3.65% and 5.65% (2014: 3.60% and 5.38%) p.a.	167,000	62,000	119,000	59,000
	-----	-----	-----	-----
	216,529	113,767	135,375	77,467
Bank term loans (note 20)	92,456	8,409	16,000	8,000
	-----	-----	-----	-----
	308,985	122,176	151,375	85,467
	=====	=====	=====	=====

The bank overdrafts and revolving credits, where applicable, are secured as follows:

- (a) a first party legal charge over certain freehold land of the Group and is also guaranteed by the Company.
- (b) a first party legal charge over the freehold land of the Group and a deed of assignment of rental proceeds from the land.
- (c) short term deposits of the Group and of the Company.
- (d) an irrevocable standby letter of credit in favour of the banks.
- (e) corporate guarantee by the Company.

26. REVENUE

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Construction contract revenue	278,423	127,430	268,924	86,212
Property development revenue	58,159	-	-	-
Toll revenue	93,423	89,407	-	-
Hire of machineries and motor vehicles	429	757	429	764
Rental income from investment properties	580	1,870	357	376
Project management fee	7,001	9,662	-	-
Dividend income from subsidiaries	-	-	6,284	-
	-----	-----	-----	-----
	438,015	229,126	275,994	87,352
	=====	=====	=====	=====

27. COST OF SALES

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Construction contract costs	227,959	97,433	254,902	81,955
Property development costs	37,804	-	-	-
Direct operating costs relating to				
- hire of machineries and motor vehicles	141	152	141	158
- toll operation	15,508	15,073	-	-
- project management	2,352	2,677	-	-
Direct operating costs relating to investment properties				
- revenue generating	148	97	74	67
- non-revenue generating	270	243	142	372
	-----	-----	-----	-----
	284,182	115,675	255,259	82,552
	=====	=====	=====	=====

28. FINANCE COSTS

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Finance costs on:				
- hire purchase	508	329	98	145
- bank borrowings	13,036	11,500	6,478	5,580
- payables	4	1,060	-	-
- IMTN and Junior Bonds	77,712	99,224	-	-
- redeemable preference shares	-	18,207	-	-
	-----	-----	-----	-----
	91,260	130,320	6,576	5,725
	=====	=====	=====	=====

29. PROFIT BEFORE TAX

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Profit before tax is stated after charging:				
Auditors' remuneration				
- statutory audit	245	227	82	76
- other services	49	305	-	305
Amortisation of concession assets	2,773	6,282	-	-
Depreciation	5,278	2,895	1,003	1,064
Directors' fees	180	165	180	165
Directors' remuneration other than fees	5,718	4,638	1,703	1,680
Impairment loss on investments in subsidiaries	-	-	2,801	-
Loss on disposal property, plant and equipment	330	-	-	-
Loss on acquisition of Junior Bonds	-	688	-	-
Operating lease				
- rental of premises	2,344	1,159	13	14
- rental of machinery	1,940	938	1	18
- rental of motor vehicles	34	39	5	11
Provision for heavy repairs	831	1,141	-	-
	=====	=====	=====	=====

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
and crediting:				
Fair value gain on financial liabilities measured at amortised cost	-	47,420	-	-
Gain on acquisition of redeemable preference shares	-	5,049	-	-
Gain on financial assets measured at amortised cost	-	-	798	719
Gain on disposal of				
- property, plant and equipment	-	52	233	11,788
- investment properties	288	81	-	60
Fair value gain on				
- investment properties	4,630	40	2,062	-
- investment funds	526	917	-	-
Hire of machineries and motor vehicles	502	920	429	764
Interest income				
- subsidiary	-	-	6,422	767
- short term deposits	2,102	126	389	60
- investment funds	3,526	2,015	-	-
- other investment	-	2,098	-	1,899
- trade receivables	498	458	-	-
Rental income				
- investment properties	920	490	357	-
- other than investment properties	39	304	-	304
	=====	=====	=====	=====

The estimated monetary value of benefits-in-kind received by the Directors otherwise than in cash from the Group and the Company amounted to RM133,000 and RM23,000 (2014: RM107,000 and RM13,000) respectively.

30. TAX EXPENSE/(INCOME)

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation				
- current	12,673	2,138	3,215	640
- deferred	(9,603)	(4,704)	99	-
	-----	-----	-----	-----
	3,070	(2,566)	3,314	640
(Over)/Under estimated in prior years				
- current	(1,955)	1,015	(569)	572
- deferred	10,645	(3,923)	304	-
	-----	-----	-----	-----
	11,760	(5,474)	3,049	1,212
	=====	=====	=====	=====

The reconciliations between the tax expense/(income) and the accounting profit are as follows:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Accounting profit (excluding share of results of associates)	31,766	7,729	11,358	6,194
	=====	=====	=====	=====
Tax at the applicable tax rate of 25% (2014: 25%)	7,942	1,932	2,840	1,549
Tax effect of expenses not deductible in determining taxable profit	6,234	9,748	3,512	2,371
Tax effect of income not taxable in determining taxable profit	(7,439)	(14,863)	(2,626)	(3,280)
Deferred tax assets not recognised	-	617	-	-
Utilisation of deferred tax assets not recognised previously	(793)	-	-	-
Difference between corporate tax rate of 25% and RPGT rate of 5% applied in the computation of deferred tax on fair value gain on investment property	(926)	-	(412)	-
Effect of expenditure capitalised deductible in determining taxable profit	(1,186)	-	-	-
Effect of changes in tax rate	(762)	-	-	-
Current tax expense				
(over)/under estimated in prior years	(1,955)	1,015	(569)	572
Deferred tax under/(over) estimated in prior years	10,645	(3,923)	304	-
	-----	-----	-----	-----
Tax expense/(income) for the year	11,760	(5,474)	3,049	1,212
	=====	=====	=====	=====

31. EARNINGS PER SHARE

The basic earnings per share have been calculated based on the consolidated profit for the year attributable to ordinary shareholders of the Company of RM18,512,000 (2014: RM47,111,000) and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2015 '000	2014 '000
Number of ordinary shares at 1 July	855,448	305,517
Effects of shares split during the year	-	305,517
Effects of rights issue during the year	-	40,735
	-----	-----
Weighted average number of ordinary shares at 30 June	855,448	651,769
	=====	=====

The computation of diluted earnings per share does not assume the exercise of the Company's warrants because the exercise price of those warrants was higher than the average market price for Company's shares during the financial year.

32. DIVIDEND

	Group and Company	
	2015 RM'000	2014 RM'000
Recognised as distribution to equity holders during the year:		
First and final single tier dividend of 2 sen per ordinary share of RM0.50 for the financial year ended 30 June 2014 (2014 : First and final dividend of 1 sen per ordinary share of RM1 for the financial year ended 30 June 2013)	17,109	3,055
	=====	=====
Net dividend per ordinary share (sen)	2.00	1.00
	=====	=====

At the forthcoming annual general meeting, a first and final single tier dividend of 2 sen per ordinary share of RM0.50 amounting to RM17,108,977 in respect of the financial year ended 30 June 2015 will be proposed for approval by shareholders.

33. EMPLOYEES BENEFITS EXPENSE

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Salaries, wages, allowances and bonuses				
- Executive Directors	4,999	4,205	1,500	1,500
- other employees	21,272	14,508	1,889	1,862
Defined contribution plan - EPF contributions				
- Executive Directors	586	431	180	180
- other employees	1,764	1,294	243	240
Social security costs				
- SOCSO contributions	150	98	12	14
Other benefits expenses	439	393	71	94
	-----	-----	-----	-----
	29,210	20,929	3,895	3,890
	=====	=====	=====	=====

34. RELATED PARTY DISCLOSURES

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

Related parties also include key management personnel defined as these persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel's compensation is disclosed in note 35.

The Group has related party relationship with the following companies, which are deemed related to the Directors and major shareholders as follows:

- (i) Knusford Berhad, Knusford Marketing Sdn Bhd (*formerly known as Wengcon Marketing Sdn Bhd*), Knusford Equipment Sdn Bhd (*formerly known as Wengcon Equipment Sdn Bhd*), Knusford Construction Sdn Bhd (*formerly known as Segi Tiara Sdn Bhd*), Knusford Holdings Sdn Bhd (*formerly known as Wengcon Holdings Sdn Bhd*), Radiant Seas Sdn Bhd and Knusford Project Management Sdn Bhd are deemed related to Tan Sri Dato' Lim Kang Hoo, Khoo Nang Seng @ Khoo Nam Seng and Madam Lim Loe; and
- (ii) Danga Bay Sdn Bhd, Teras Hijaujaya Sdn Bhd, Aramijaya Sdn Bhd, Iskandar Waterfront Sdn Bhd and Rampai Fokus Sdn Bhd are deemed related to Tan Sri Dato' Lim Kang Hoo, Datuk Lim Keng Cheng and Madam Lim Hoe.

Significant transactions with related parties during the financial year were as follows:

- (a) Transactions with companies in which certain Directors have financial interests:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Progress billings to				
- Danga Bay Sdn Bhd	4,537	-	-	-
- Teras Hijaujaya Sdn Bhd	20,107	-	-	-
Purchases of building/construction materials from				
- Knusford Marketing Sdn Bhd	7,875	2,978	-	-
Rental of machineries and motor vehicles from				
- Knusford Equipment Sdn Bhd	108	86	-	-
- Knusford Marketing Sdn Bhd	310	132	-	-
- Knusford Construction Sdn Bhd	59	111	-	-
Rental of machineries and motor vehicles to				
- Knusford Construction Sdn Bhd	80	161	63	100
- Aramijaya Sdn Bhd	84	135	84	119
- Danga Bay Sdn Bhd	13	68	13	63
- Knusford Equipment Sdn Bhd	92	146	92	146
- Radiant Seas Sdn Bhd	97	41	58	-
Rental of premises to				
- Danga Bay Sdn Bhd	-	72	-	72
- Knusford Construction Sdn Bhd	24	72	24	72
- Knusford Equipment Sdn Bhd	-	45	-	45
- Knusford Marketing Sdn Bhd	-	54	-	54
- Aramijaya Sdn Bhd	42	72	42	72
- Radiant Seas Sdn Bhd	34	25	-	25
- Iskandar Waterfront Sdn Bhd	279	90	276	90
- Knusford Project Management Sdn Bhd	12	-	12	-
Sale of property, plant and equipment to				
- Knusford Equipment Sdn Bhd	-	72	-	72
- Radiant Seas Sdn Bhd	592	-	128	-
Purchase of property, plant and equipment from				
- Knusford Construction Sdn Bhd	600	-	-	-
- Knusford Marketing Sdn Bhd	225	-	-	-
	=====	=====	=====	=====

Outstanding balances in respect of the above transactions are disclosed in note 34(c) below.

(b) Transactions with subsidiary companies:

	Company	
	2015	2014
	RM'000	RM'000
Progress billings for construction works to		
- Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd	297,253	74,011
Sub-contractor claims charged by		
- Ekovest Construction Sdn Bhd	254,902	81,955
Rental of premises charged to		
- Ekovest Construction Sdn Bhd	-	180
Interest income from		
- Ekovest Construction Sdn Bhd	6,422	767
Sale of property, plant and equipment to		
- Ekovest Properties Sdn Bhd	-	16,900
- Ekovest Construction Sdn Bhd	-	89
	=====	=====

Outstanding balances in respect of the above transactions are disclosed in note 8.

(c) Outstanding balances with companies in which certain Directors have financial interests:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Amounts owing from				
- Knusford Equipment Sdn Bhd	58	30	27	150
- Knusford Construction Sdn Bhd	234	605	41	215
- Danga Bay Sdn Bhd	39	308	13	293
- Teras Hijaujaya Sdn Bhd	22,308	6,324	-	-
- Aramijaya Sdn Bhd	309	220	309	183
- Knusford Berhad	-	55	-	55
- Iskandar Waterfront Sdn Bhd	471	196	410	185
- Radiant Seas Sdn Bhd	40	44	31	44
- Rampai Fokus Sdn Bhd	91	-	91	-
- Knusford Marketing Sdn Bhd	21,707	-	-	-
	=====	=====	=====	=====

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Amounts owing to				
- Knusford Holdings Sdn Bhd	-	(15)	-	-
- Knusford Equipment Sdn Bhd	(225)	-	-	-
- Knusford Marketing Sdn Bhd	(2,012)	(17,844)	-	-
- Iskandar Waterfront Sdn Bhd	(708)	-	-	-
- Aramijaya Sdn Bhd	(180)	-	-	-
- Knusford Construction Sdn Bhd	(172)	-	-	-
- Danga Bay Sdn Bhd	(183)	-	-	-
	=====	=====	=====	=====

35. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel refers to the Board of Directors of the Group.

The remuneration paid to Directors during the financial year comprises:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Short term benefits				
- directors' fees	180	165	180	165
- remuneration (salaries, allowances, bonuses and benefit-in-kind)	5,132	4,205	1,523	1,500
	-----	-----	-----	-----
	5,312	4,370	1,703	1,665
Post employment benefits				
- defined contribution plan	586	431	180	180
	-----	-----	-----	-----
	5,898	4,801	1,883	1,845
	=====	=====	=====	=====

36. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Aggregate cost of property, plant and equipment acquired	14,803	10,607	270	2,543
Financed via hire purchase	(10,011)	(6,516)	(222)	(1,468)
	-----	-----	-----	-----
	4,792	4,091	48	1,075
	=====	=====	=====	=====

37. OPERATING LEASE ARRANGEMENTS

(a) The Group as lessor

The Group has entered into cancellable leases for commercial buildings and apartments leases to earn rental income from its investment properties. These leases have an average tenure of 1 to 3 years with an option to renew. The tenants are required to give 2 months' notice of the termination of these agreements. The Group does not have any contingent rental arrangements.

(b) The Group as lessee

The Group leases a number of office premises under cancellable operating leases for its operations. These leases have an average tenure of 1 to 3 years, with an option to renew. The Group is required to give 2 months' notice for the termination of the agreements.

The Group also leases certain machinery under cancellable operating lease agreements. The Group is required to give 2 month's notice for the termination of these agreements.

None of the above leases include any contingent rentals and there are no restrictions placed on the Group by entering into these leases.

38. CAPITAL COMMITMENT

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Capital expenditure in respect of:				
- purchase of properties, approved and contracted for	25,800	768	-	-
- concession assets, approved and contracted for	830,830	949,955	-	-
	=====	=====	=====	=====

39. CONTINGENT LIABILITIES

(a) Secured guarantees

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Guarantees given in favour of financial institutions for credit facilities granted to subsidiaries	-	-	82,749	38,717
	=====	=====	=====	=====

(b) Litigation

A dispute has arisen between the Company and Shapadu Construction Sdn Bhd ("Shapadu") in respect of five (5) packages of sub-contract works under the New North Klang Straits Bypass Highway Project ("the 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. Both the Company and Shapadu have closed their cases. The hearing for the arbitration has been adjourned to a date to be fixed.

The Company's claim against Shapadu are, inter alia, the following:

- the sum of RM29,558,721 on quantum meruit 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.

Shapadu's counter claims against the Company are, 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.

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 reasonable prospects of defending the counter claims.

40. SEGMENT ANALYSIS

The Group's operating segment and reportable segments are business units engaging in providing different products and services.

- (a) Business segment
 - (i) Construction operations
 - (ii) Property development
 - (iii) Investment holding
 - (iv) Toll operations

Transactions between segments are eliminated on consolidation.

2015	Construction operations RM'000	Property development RM'000	Investment holding RM'000	Toll operations RM'000	Total RM'000
Revenue					
External sales	285,424	58,159	1,009	93,423	438,015
Result					
Segment result	28,897	15,051	3,861	(3,010)	44,799
Unallocated finance costs					(13,033)
Profit before tax					31,766
Tax expense					(11,760)
Profit for the year					20,006
Other information					
Segment assets	333,386	360,550	141,197	2,835,717	3,670,850
Segment liabilities	573,972	149,481	-	1,760,261	2,483,714
Capital expenditure	12,931	224	917	1,648	15,720
Depreciation and amortisation	4,432	329	5	3,285	8,051

2014	Construction operations RM'000	Property development RM'000	Investment holding RM'000	Toll operations RM'000	Total RM'000
Revenue					
External sales	137,471	-	2,248	89,407	229,126
Result					
Segment result	49,286	-	2,445	(81,076)	(29,345)
Share of losses of associates					(3)
Unallocated finance costs					(10,167)
Unallocated income and gains					47,241
Profit before tax					7,726
Tax income					5,474
Profit for the year					13,200
Other information					
Segment assets	266,579	130,254	138,093	2,878,221	3,413,147
Segment liabilities	397,452	122,830	-	1,791,079	2,311,361
Capital expenditure	9,411	1,053	804	143	11,411
Depreciation and amortisation	2,081	305	6	6,785	9,177

(b) Geographical segment

The operations of the Group are entirely carried out in Malaysia.

41. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

2015**Group**

	Fair value through profit or loss RM'000	Loans and receivables RM'000	Total RM'000
Financial assets			
Receivables	-	105,793	105,793
Investment funds	1,026,459	-	1,026,459
Deposits, cash and bank balances	-	160,098	160,098
	-----	-----	-----
Total financial assets	1,026,459	265,891	1,292,350
	=====	=====	=====
			At amortised cost RM'000
Financial liabilities			
Payables			144,656
IMTN			1,685,359
Bank borrowings			445,795
Hire purchase liabilities			14,489

Total financial liabilities			2,290,299
			=====

2014**Group**

	Fair value through profit or loss RM'000	Loans and receivables RM'000	Total RM'000
Financial assets			
Receivables	-	62,270	62,270
Investment funds	1,289,355	-	1,289,355
Deposits, cash and bank balances	-	82,492	82,492
	-----	-----	-----
Total financial assets	1,289,355	144,762	1,434,117
	=====	=====	=====

2014
Group

At amortised
cost
RM'000

Financial liabilities

Payables	206,646
IMTN	1,658,457
Bank borrowings	244,605
Hire purchase liabilities	7,835

Total financial liabilities	2,117,543
	=====

2015
Company

Loans and receivables RM'000	Held to maturity RM'000	Total RM'000
------------------------------------	-------------------------------	-----------------

Financial assets

Other investments	-	180,000	180,000
Receivables	323,731	-	323,731
Deposits, cash and bank balances	25,228	-	25,228
	-----	-----	-----
Total financial assets	348,959	180,000	528,959
	=====	=====	=====

At amortised
cost
RM'000

Financial liabilities

Payables	35,262
Bank borrowings	177,375
Hire purchase liabilities	1,773

Total financial liabilities	214,410
	=====

2014**Company**

	Loans and receivables RM'000	Held to maturity RM'000	Total RM'000
Financial assets			
Other investments	-	180,000	180,000
Receivables	274,783	-	274,783
Deposits, cash and bank balances	49,788	-	49,788
	-----	-----	-----
Total financial assets	324,571	180,000	504,571
	=====	=====	=====

At amortised cost
RM'000

Financial liabilities

Payables	25,023
Bank borrowings	127,467
Hire purchase liabilities	2,511

Total financial liabilities	155,001
	=====

(b) Fair values

The Group's investment funds carried at fair value are classified as Level 2 of the fair value hierarchy.

The fair value of IMTN of the Group at the end of the financial period is approximately RM2,281 million (2014: RM2,170 million). The carrying amounts of other financial assets and liabilities as at the end of the financial reporting period approximate or were at their fair values in view of their short-term nature. The fair value of non-derivative financial instruments is calculated based on the discounted cash flow method.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities are exposed to a variety of financial risks, including interest rate risk, credit risk and liquidity risk. The Group's overall financial risk management objective and policies is to minimise potential adverse effects on the financial performance of the Group and to create value and maximise returns to its shareholders.

Financial risk management is carried out through risk reviews, internal control systems, benchmarking the industry's best performance, insurance programmes and adherence to 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 management monitors the Group's financial position closely with an objective to minimise potential adverse effects on the financial performance of the Group. There have been no significant changes on the Group's exposure to financial risks from the previous year. Also, there have been no changes to the Group's risk management objectives, policies and processes since the previous financial year end.

The Group's management reviews and agrees on policies managing each of the financial risks and they are summarised as follows:

(a) *Interest rate risk*

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

Exposure to interest rate risk also relates the Group's short term deposits and interest-bearing borrowings.

Financial assets

Surplus funds are placed in short term deposits with licensed banks and finance companies to earn interest income based on prevailing market rates. The Group manages its interest rate risks by placing such funds on short tenures of 12 months or less.

Financial liabilities

The Group's policy is to borrow principally on a floating rate basis but to retain a proportion of fixed rate borrowings. The objective of a mix of fixed and floating rate borrowings is to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall. The mix between fixed and floating rate borrowings are monitored so as to ensure that the Group's financing cost is kept at the lowest possible. The Group does not generally hedge interest rate risks. Hedging of risk through the use of financial instruments may be adopted should its use result in significant cost savings. The Group has a policy to ensure that interest rates obtained are competitive.

It is the Group's policy not to trade in interest rate swap agreements.

A sensitivity analysis has been performed based on the outstanding floating rate bank borrowings of the Group as at 30 June 2015. If interest rate increase or decrease by 1% with all other variable held constant, the Group profit after tax would decrease or increase by RM4,038,000 (2014: RM1,946,000), as a result of lower or higher interest expense on these borrowings.

(b) Credit risk

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

The entire financial assets of the Group are exposed to credit risk except for bank balances, short term deposits and investment funds which are placed with licensed banks in Malaysia.

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.

For other activities, the Group minimises and monitors its credit risk by dealing with credit worthy counterparties, setting credit limits on exposures, applying credit approval controls and obtaining collateral or security deposits where appropriate. Trade and financial receivables are monitored on an ongoing basis via group-wide management reporting procedures.

With regard to surplus cash, the Group seeks to invest its cash assets safely by depositing them with licensed financial institutions.

The aging analysis of receivables which are trade in nature is as follows:

	Group	
	2015	2014
	RM'000	RM'000
Not past due	34,510	27,667
1 to 30 days past due	36	115
31 to 60 days past due	98	11
61 to 120 days past due	2,893	75
More than 120 days past due	9,822	10,085
	-----	-----
	47,359	37,953
	=====	=====

	Company	
	2015	2014
	RM'000	RM'000
Not past due	8,475	8,396
1 to 30 days past due	-	87
31 to 60 days past due	94	11
61 to 120 days past due	376	75
More than 120 days past due	-	-
	-----	-----
	8,945	8,569
	=====	=====

Trade receivables past due at the end of the financial year, for which the Group has not recognised any allowance for doubtful debts, there has no significant change in their credit quality and the directors consider the amounts are recoverable.

At end of the financial year, the Group has no significant concentration of credit risk related to its financial assets, except for the exposure of credit risk on receivables from companies in which certain directors have financial interests amounting to RM45,257,000 (2014: RM7,969,000).

(c) ***Liquidity and cash flow risks***

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

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

Besides maintaining an adequate current ratio, each business unit is required to submit cash flow projections to Group management on a monthly basis. Each unit must seek to ensure that projected cash inflows from operating and non-operating activities adequately cover funding requirements of operating and non-operating outflows. At a minimum, all projected net borrowings should be covered. Also, debt maturities are closely monitored to ensure that the Group is able to meet its obligations as they fall due.

Daily bank balances are monitored and any excess funds are invested in short term deposits with licensed financial institutions at the most competitive interest rates obtainable.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities based on the contractual undiscounted cash flows.

Group 2015	Carrying value RM'000	Less than 1 year RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
Payables	144,656	144,656	-	-	144,656
Hire purchase liabilities	14,489	4,824	11,181	-	16,005
IMTN	1,685,359	110,049	567,700	3,002,317	3,680,066
Bank borrowings	445,795	332,627	142,441	6,091	481,159
	-----	-----	-----	-----	-----
	2,290,299	592,156	721,322	3,008,408	4,321,886
	=====	=====	=====	=====	=====

Company 2015	Carrying value RM'000	Less than 1 year RM'000	1 to 5 years RM'000	Total RM'000
Payables	35,262	35,262	-	35,262
Hire purchase liabilities	1,773	834	1,038	1,872
Bank borrowings	177,375	160,989	27,980	188,969
	-----	-----	-----	-----
	214,410	197,085	29,018	226,103
	=====	=====	=====	=====

Group 2014	Carrying value RM'000	Less than 1 year RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
Payables	206,646	206,646	-	-	206,646
Hire purchase liabilities	7,835	2,838	5,684	-	8,522
IMTN	1,658,457	110,000	569,000	3,110,000	3,789,000
Bank borrowings	244,605	8,139	262,905	3,013	274,057
	-----	-----	-----	-----	-----
	2,117,543	327,623	837,589	3,113,013	4,278,225
	=====	=====	=====	=====	=====

Company 2014	Carrying value RM'000	Less than 1 year RM'000	1 to 5 years RM'000	Total RM'000
Payables	25,023	25,023	-	25,023
Hire purchase liabilities	2,511	1,032	1,660	2,692
Bank borrowings	127,467	81,801	55,500	137,301
	-----	-----	-----	-----
	155,001	107,856	57,160	165,016
	=====	=====	=====	=====

43. CAPITAL MANAGEMENT

The primary objectives of the Group's capital management is to maintain an optimal capital in ensuring the availability of funds for the day to day operation as well as future business requirement and to maintain investors, creditors and market confidence.

The Board monitors and determines a prudent level of total debt to total equity ratio to optimise shareholders value and to ensure compliance with covenants and regulatory requirements.

There were no changes made in the objectives and approach to the capital management during the financial year.

	Group	
	2015	2014
	RM'000	RM'000
Share capital	427,724	427,724
Reserves	754,719	670,863
	-----	-----
Total equity	1,182,443	1,098,587
	=====	=====
IMTN	1,685,359	1,658,457
Bank borrowings	445,795	244,605
Hire purchase liabilities	14,489	7,835
	-----	-----
Total debts	2,145,643	1,910,897
	=====	=====
Debt-to-equity ratio (times)	1.81	1.74
	=====	=====

Under the requirement to Bursa Malaysia Practice Note No. 17, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

44. ACQUISITION OF SUBSIDIARIES

During the financial year, the Group acquired the following subsidiaries:

- (i) On 10 November 2014, Nuzen Corporation Sdn Bhd ("Nuzen"), a wholly-owned subsidiary of the Company, acquired 2 ordinary shares of RM1 each in Ekovest Park and Ride Sdn Bhd ("EPR"), representing the entire issued and paid-up share capital of EPR for a total cash consideration of RM2.
- (ii) On 5 February 2015, Nuzen, a wholly-owned subsidiary of the Company, acquired 2 ordinary shares of RM1 each in DUKE Development Sdn Bhd ("DDSB"), representing the entire issued and paid-up share capital of DDSB for a total cash consideration of RM2.
- (iii) On 26 February 2015, Nuzen, a wholly-owned subsidiary of the Company, acquired 2 ordinary shares of RM1 each in Lebuhraya DUKE Fasa 3 Sdn Bhd ("LDF3"), representing the entire issued and paid-up share capital of LDF3 for a total cash consideration of RM2.

- (iv) On 24 June 2015, Nuzen, a wholly-owned subsidiary of the Company, acquired 7 ordinary shares of RM1 each in Lebuhraya DUKE Fasa 2A Sdn Bhd (“LDF2A”), representing 70% of the issued and paid-up share capital of LDF2A for a cash consideration of RM7.

The acquisitions above have no significant effect on the financial results of the Group in the current financial year and the financial position of the Group as at 30 June 2015.

45. TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On 30 June 2014, Wira Kristal Sdn Bhd (“Wira Kristal”), a direct subsidiary of the Company, acquired the remaining 30% equity interest in Nuzen for the purchase consideration of RM74.25 million. Following the completion of the acquisition, Wira Kristal holds 100% equity interest in Nuzen.

The impact of the purchase of further interest in Nuzen in previous financial year is as follows:

	2014 RM'000
Consideration paid to non-controlling interest	74,250
Carrying amount of non-controlling interest acquired	(104,943)

Difference recognised in equity	(30,693)
	=====

46. SUBSEQUENT EVENTS

- (i) On 3 September 2015, Ekovest Properties Sdn Bhd, a wholly-owned subsidiary, entered into a sale and purchase agreement (“SPA”) for the purchase of a piece of freehold land held under G.M. 931, Lot No. 16345, Mukim Setapak, Daerah Kuala Lumpur, Wilayah Persekutuan measuring approximately 7,280 square feet together with a four storey building and sub-basement car park erected thereon for a total consideration of RM5,241,600.
- (ii) On 3 September 2015, Ekovest Properties Sdn Bhd, a wholly-owned subsidiary, entered into a SPA for the purchase of a piece of freehold land held under G.M. 932, Lot No. 16346, Mukim Setapak, Daerah Kuala Lumpur, Wilayah Persekutuan measuring approximately 8,415 square feet together with a four storey building and sub-basement car park erected thereon for a total consideration of RM6,058,800.

- (iii) On 6 October 2015, Ekovest Properties Sdn Bhd, a wholly-owned subsidiary, entered into a SPA for the purchase of a piece of freehold land held under G.M. 930, Lot No. 16344, Mukim Setapak, Daerah Kuala Lumpur, Wilayah Persekutuan measuring approximately 149 square meters together with a four storey building and sub-basement car park erected thereon for a total consideration of RM2,300,000.
- (iv) According to the Company's announcement on 12 October 2015, Kesturi, the holder of Duta-Ulu Kelang Expressway concession, announced a new toll rate at all its toll plaza effective 15 October 2015. The new toll rates are in-line with the CA signed with the Government on 12 August 2004 for all classes of vehicles except for class 5 which is for buses. The new toll rates which shall be effective 15 October 2015 are as follows:

Vehicle class	Toll rate (RM)		
	Ayer Panas toll plaza	Sentul Pasar toll plaza	Kg. Batu toll plaza
Class 1 – vehicles with two axles and three or four wheels (but excluding taxis and buses)	2.50	2.50	2.50
Class 2 – vehicles with two axles and having five or six wheels (but excluding buses)	3.80	3.80	3.80
Class 3 – vehicles having three or more axles (excluding buses)	5.00	5.00	5.00
Class 4 – taxis	1.30	1.30	1.30
Class 5 – buses	1.30	1.30	1.30

47. CHANGE IN COMPARATIVE FIGURES

The following reclassification have been made to the prior year's consolidated statement of comprehensive income to conform with the current year's presentation:

2014			
Statements of comprehensive	As previously		As
Income	reported	Reclassification	reclassified
	RM'000	RM'000	RM'000
Group			
Selling and marketing expenses	-	2,458	2,458
Administrative and general expenses	34,380	(2,458)	31,922
	=====	=====	=====

48. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the Directors on 23 October 2015.

49. SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

The breakdown of the retained earnings of the Group and of the Company as at the reporting date, into realised and unrealised profits, pursuant to Bursa Malaysia Securities Berhad Listing Requirements, is as follows:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Total retained earnings				
- realised	210,984	214,211	(2,246)	9,414
- unrealised	53,148	48,518	7,362	4,502
	-----	-----	-----	-----
	264,132	262,729	5,116	13,916
	=====	=====	=====	=====

The determination of realised and unrealised profits or losses is compiled based on Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

The disclosure of realised and unrealised profits/losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and should not be used for any other purposes.

EKOVEST BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
Pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 12 to 98 are drawn up:

- (a) so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2015 and of their financial performance and cash flows for the year then ended; and
- (b) in accordance with Financial Reporting Standards and the provisions of the Companies Act, 1965.

In the opinion of the Directors, the information set out in Note 49 on page 99 have been compiled in accordance with the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Directors in accordance
with a Directors' resolution dated

TAN SRI DATO' LIM KANG HOO
Director

DATUK LIM KENG CHENG
Director

EKOVEST BERHAD
(Incorporated in Malaysia)

STATUTORY DECLARATION
Pursuant to Section 169(16) of the Companies Act, 1965

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 12 to 98 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)
)
) LIM SOO SAN

Before me:

Commissioner for Oaths