EKOVEST BERHAD
(132493-D)

ANNUAL REPORT 2016

31ST ANNUAL GENERAL MEETING

VENUE Grand Seasons Hotel, 72 Jalan Pahang, 53000 Kuala Lumpur
DATE Wednesday, 23 November 2016
TIME 11.30 a.m.

CONTENTS

NOTICE OF THE THIRTY-FIRST
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-First Annual General Meeting of the Company will be held at **Grand Seasons Hotel,** 72 Jalan Pahang, 53000 Kuala Lumpur on **Wednesday, 23 November 2016** at **11.30 a.m.** for the purpose of transacting the following businesses:-

AGENDA

1. To lay the Audited Financial Statements for the financial year ended 30 JUNE 2016 together with the Reports of the Directors and the Auditors thereon. — **Please refer Explanatory Note A**

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

   i) Tan Sri Dato' Lim Kang Hoo — **Resolution 1**
   ii) Mr. Lee Wai Kuen — **Resolution 2**
   iii) Madam Lim Hoe — **Resolution 3**

3. To re-appoint the following Directors who retire in accordance with Section 129 (6) of the Companies Act, 1965:

   i) Mr. Khoo Nang Seng @ Khoo Nam Seng — **Resolution 4**
   ii) Mr. Chow Yoon Sam — **Resolution 5**

4. To approve the payment of Directors' Fees for the financial year ended 30 JUNE 2016. — **Resolution 6**

5. To declare a First and Final Single Tier Dividend of 3 sen per share in respect of the financial year ended 30 JUNE 2016. — **Resolution 7**

6. To re-appoint Messrs. Mazars as Auditors and to authorise the Directors to fix their remuneration. — **Resolution 8**

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

   CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR

   "THAT approval be and is hereby given for Ms. Kang Hui Ling who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, to continue to act as an Independent Non-Executive Director of the Company". — **Resolution 9**

   AUTHORITY PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

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

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"THAT authority be and is hereby given pursuant to paragraph 10.09 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as stated in section 2.4 of the Circular to Shareholders dated 31 October 2016 with the related parties listed in section 2.3 of the Circular which are necessary for the day-to-day operations, in the ordinary course of business, made on at arm's length basis and on normal commercial terms which are not more favourable than those normally available to the public and are not to the detriment of the minority shareholders;

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

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

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

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

whichever is the earlier". **Resolution 11**

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

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the shareholders at the Thirty-First Annual General Meeting, the First and Final Single Tier Dividend of 3 sen per share will be paid on 16 February 2017 to members whose names appear in the Record of Depositors on 31 January 2017.

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

i. Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 31 January 2017 in respect of ordinary transfers; and

ii. Shares bought on the Bursa Malaysia on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

Lim Thiam Wah, ACIS
Chartered Secretary
Kuala Lumpur
31 October 2016

NOTICE OF THE THIRTY-FIRST ANNUAL GENERAL MEETING

Notes:

1. Only depositors whose names appear in the General Meeting Record of Depositors as at 9 November 2016 shall be entitled to attend and vote at the Annual General Meeting.

2. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting provided that where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.

3. A proxy may but need not be a member of the Company and the provisions of Section 149 (1)(b) of the Companies Act, 1965 shall not apply to the Company. There shall be no restriction as to the qualification of a proxy.

4. For an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

5. If the appointor is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorised.

6. To be valid, the proxy form, duly completed must be deposited at the Registered Office not less than 48 hours before the time for holding the meeting or any adjournment thereof.

Explanatory notes on Special Business:-

i. The Proposed Resolution 9, if passed, will allow Ms. Kang Hui Ling to continue in office as Independent Non-Executive Director.

The Malaysian Code on Corporate Governance 2012 recommended that approval of shareholders be sought in the event that the Company intends to retain a person as an Independent Director, a person who has served in that capacity for more than 9 years.

The Board has assessed and recommended that Ms. Kang Hui Ling who has served as Independent Non-Executive Director of the Company for more than 9 years, to continue to act as Independent Non-Executive Director, subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

Key justifications for her recommendation to continue as Independent Non-Executive Director are as follows:

a. Fulfils the independent director criteria set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

b. Relevant experience and expertise as set out in her profile in the Annual Report.

c. Long service with the Company enhances her knowledge and understanding of the business operations of the Group which enable her to contribute actively and effectively during deliberations or discussion at Audit Committee and Board Meetings.

ii. The Proposed Resolution 10, if passed, will empower the Directors of the Company to issue and allot shares in the Company up to an aggregate amount not exceeding 10% of the issued share capital of the Company for the time being for such purposes as they consider would be in the interest of the Company. This authority unless revoked or varied at a general meeting will expire at the next Annual General Meeting. As at the date of this notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 18 December 2015 and which will lapse at the conclusion of the Thirty-First Annual General Meeting. The general mandate will provide flexibility to the Company for any possible fund raising activities including but not limited for further placing of shares for purpose of funding future investment(s), working capital and/or acquisitions.

iii. The Proposed Resolution 11, if passed, will authorise the Group to enter into recurrent related party transactions as specified in the Circular to Shareholders dated 31 October 2016, provided that such transactions are of a revenue or trading nature which are necessary for the Group's day-to-day operations and are in the ordinary course of business made on at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

Explanatory Note A:-

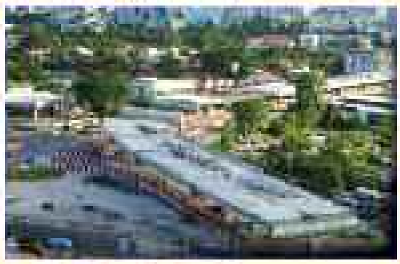
This Agenda is meant for discussion only as under the provision of Section 169(1) of the Companies Act, 1965 the Audited Financial Statements do not require formal approval of the shareholders and hence, the matter will not be put forward for voting.

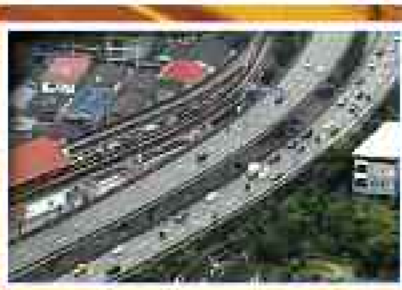
STATEMENT ACCOMPANYING NOTICE OF

ANNUAL GENERAL MEETING

PARTICULARS OF DIRECTORS WHO ARE STANDING FOR ELECTION AT THE THIRTY-FIRST ANNUAL GENERAL MEETING.

There is no Director standing for election at the Thirty-First Annual General Meeting.





CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dato' Lim Kang Hoo
Executive Chairman

Datuk Seri Lim Keng Cheng
Managing Director

Khoo Nang Seng @ Khoo Nam Seng
Executive Director

Lim Hoe
Executive Director

Kang Hui Ling
Senior Independent & Non-Executive Director

Lim Ts-Fei
Independent & Non-Executive Director

Dr. Wong Kai Fatt
Independent & Non-Executive Director

Chow Yoon Sam
Independent & Non-Executive Director

Lee Wai Kuen
Independent & Non-Executive Director

Lim Chen Herng
Alternate Director to Tan Sri Dato' Lim Kang Hoo

Wong Khai Shiang
Alternate Director to Madam Lim Hoe

Lim Ding Shyong
Alternate Director to Datuk Seri Lim Keng Cheng





COMPANY SECRETARY
Lim Thiam Wah, ACIS

PRINCIPAL PLACE OF BUSINESS
Ground Floor, Wisma Ekovest
No. 118 Jalan Gombak
53000 Kuala Lumpur
Tel : 03-40215948
Fax : 03-40214027

AUDITORS
Mazars
Chartered Accountants
Wisma Selangor Dredging
11th Floor, South Block
142-A Jalan Ampang
50450 Kuala Lumpur
Tel : 03-21615222
Fax: 03-21613909

REGISTRARS
Sectrars Management Sdn Bhd
Lot 9-7 Menara Sentral Vista
No. 150 Jalan Sultan Abdul
Samad Brickfields 50470
Kuala Lumpur
Tel: 03-22766138
Fax: 03-22766131

REGISTERED OFFICE
Ground Floor, Wisma Ekovest
No. 118 Jalan Gombak
53000 Kuala Lumpur
Tel : 03-40215948
Fax : 03-40214027

LISTING STATUS
Listed on Bursa Malaysia Main Market

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

PRINCIPAL BANKERS
AmBank Berhad
CIMB Bank Berhad
Malayan Banking Berhad
RHB Bank Berhad
Public Bank Berhad
Kuwait Finance House (Malaysia) Berhad
Hong Leong Bank Berhad

DOMICILE
Malaysia

WEBSITE
www.ekovest.com.my

EXECUTIVE CHAIRMAN'S STATEMENT

Tan Sri Dato'
Lim Kang Hoo
Executive Chairman

DEAR VALUED SHAREHOLDERS,

ON BEHALF OF THE BOARD OF DIRECTORS OF EKOVEST BERHAD, I WOULD LIKE TO PRESENT TO YOU OUR ANNUAL REPORT AND THE GROUP'S REPORTS AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED ("FYE") 30 JUNE 2016.

Artist's Impression

For FYE 30 June 2016, our Group recorded profit after tax of RM155.6 million on the back of a revenue of RM793.6 million. This is an increase from previous year's profit after tax of RM20.0 million and revenue of RM438.0 million.

From the revenue of RM793.6 million, our construction division is still the largest contributor with 78% or RM619.1 million. Our toll operations from the DUKE contributed approximately 16% or RM123.0 million and the property development division contributed 6% or RM50.3 million. The increase in the construction revenue is partly due to the construction of the DUKE Phase 2 which was at its peak in the last financial year. The overall results of our Group remains strong and we believe that the performance will remain satisfactory in the current financial year as the construction of the RM3.9 billion Setiawangsa-Pantai Expressway (formerly known as the DUKE Phase-3) has commenced and also the construction of the DUKE Phase 2 will reach its completion stage. Further, we also expect that the recognition of the unbilled sales from the EkoCheras and EkoTitiwangsa project to contribute to the revenue of the Group.

On the corporate front, we are always evaluating means to further strengthen the financial position of our Group and also exploring ways to further enhance our shareholders value. The size to which we have grown have given us the opportunity to undertake sizable projects. With the many mega infrastructure projects that are coming onstream in the next few years such as the MRT 2 lines and other highways construction projects, the track record that we have together with the financial strength that we possess, these will give us an edge in the tendering process.

The signing of the binding term sheet with the Employees Provident Fund Board (EPF) for the proposed disposal of our 40% interest held in Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd, the concession holder of the DUKE Phase 1 & 2, is a testament of our business philosophy and infrastructure development masterplan. Further announcement on the proposed disposal will be made in the near future and the Board will look into rewarding our shareholders for their patience and support for all these years. Of course, some of the proceed will also be retained for the Ekovest Group to expand its business further and undertake other projects that will enhance the overall value of the company.

EXECUTIVE CHAIRMAN'S STATEMENT

We have been and will continue to work even harder and will be on the lookout for opportunities to further enhance and unlock value of our assets. I acknowledge that with uncertainties in both the local and international economies, there will be challenges and roadblocks that we will face in the coming years. But with patience, perseverance commitment and diverse experience of our senior management team, I am confident that Ekovest will remain a role model and key player in the industry for years to come and the long term prospect of Ekovest remains bright.

As we continue to strive for excellence, we remain committed to our corporate social responsibilities. We continue to be actively involved and have been working closely with schools to assist and contribute towards their improvements.

The Board recognises the importance of adopting good corporate governance. It is our commitment to meet all governance standards as part of our responsibility of being a public listed company.

As part of our commitment to return value to our shareholders, the Board had on 30 August 2016 recommended, subject to the approval of the shareholders being obtained, a first and final single tier dividend of 3 sen per ordinary share of RM0.50 each.

I wish to express my most sincere appreciation to my fellow Board members for their support, commitment and contributions and our senior management team who has been working tirelessly to propel the Group to new heights and my personal gratitude to all employees of Ekovest Group for their dedication and commitment.

Thank you to all our customers, clients, business associates, bankers and the various government and local authorities for their continuing support and confidence in our Group's ability to deliver projects that was entrusted to us.

Last but not least, thank you to our esteemed shareholders for your trust, patience, and continuous confidence in our Company. We hold the responsibility that you have entrusted to us in high regard and we shall endeavour to deliver an even better FYE 2017. I look forward to a very exciting year ahead for the Ekovest Group.

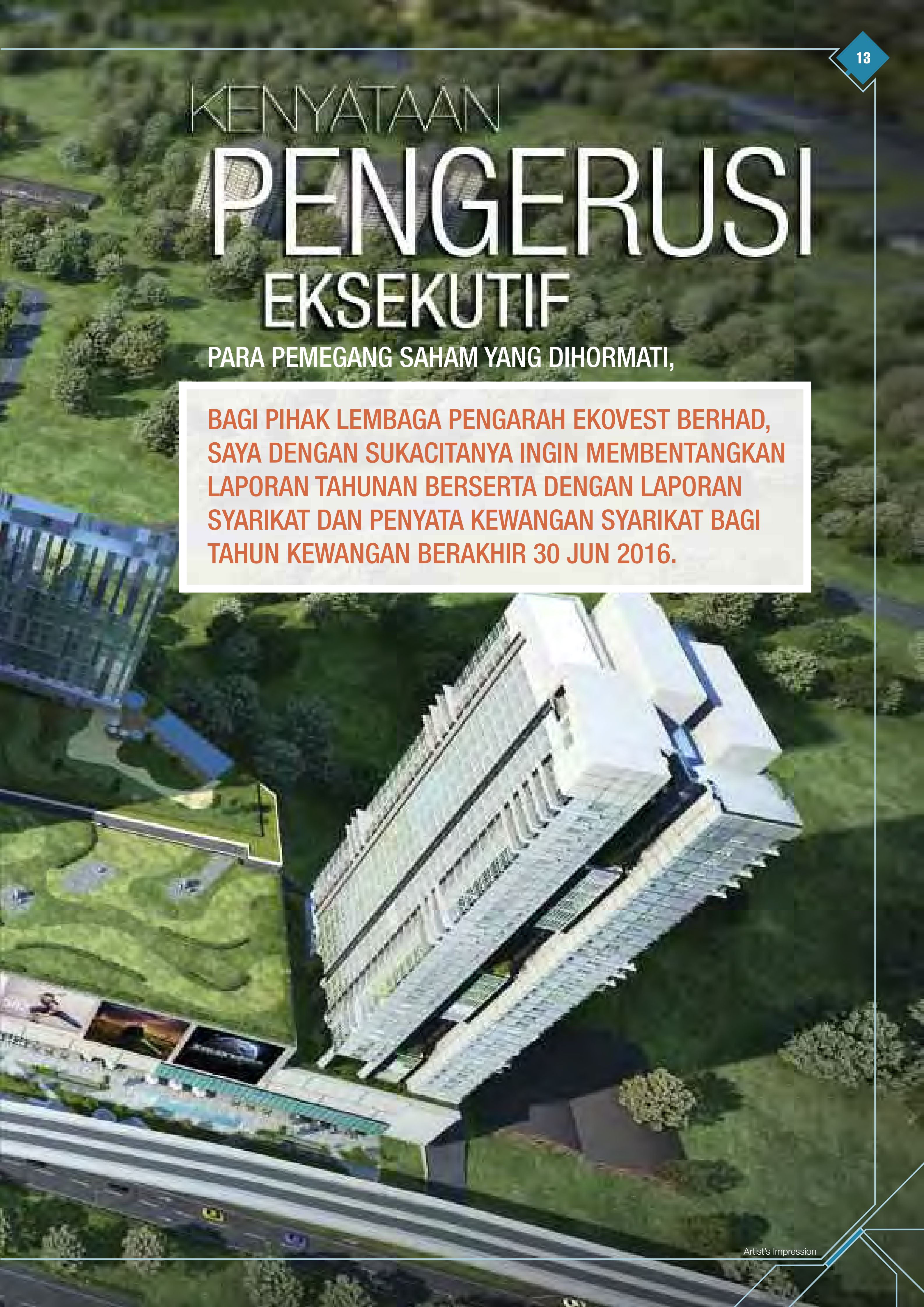
Tan Sri Dato' Lim Kang Hoo
Executive Chairman
31 October 2016

Artist's Impression

KENYATAAN PENGERUSI EKSEKUTIF

PARA PEMEGANG SAHAM YANG DIHORMATI,

BAGI PIHAK LEMBAGA PENGARAH EKOVEST BERHAD, SAYA DENGAN SUKACITANYA INGIN MEMBENTANGKAN LAPORAN TAHUNAN BERSERTA DENGAN LAPORAN SYARIKAT DAN PENYATA KEWANGAN SYARIKAT BAGI TAHUN KEWANGAN BERAKHIR 30 JUN 2016.



Artist's Impression

KENYATAAN
PENGERUSI EKSEKUTIF

Bagi tahun kewangan berakhir 30 Jun 2016, syarikat ini telah mencatatkan keuntungan selepas cukai bernilai RM155.6 juta di atas hasil berjumlah RM793.6 juta. Ini menunjukkan peningkatan dari keuntungan selepas cukai yang bernilai RM20.0 juta pada tahun sebelumnya dan hasil berjumlah RM438.0 juta.

Daripada hasil bernilai RM793.6 juta, bahagian pembinaan kami masih menjadi penyumbang terbesar dengan peratusan 78% atau nilai berjumlah RM619.1 juta. Hasil daripada operasi tol DUKE menyumbangkan peratusan kira-kira 16% atau bernilai RM123.0 juta dan bahagian pembangunan hartanah menyumbangkan peratusan 6% atau bernilai RM50.3 juta. Peningkatan dalam hasil pembinaan adalah sebahagiannya daripada pembinaan Lebuhraya DUKE Fasa 2 yang mencapai peringkat maksimum pada tahun kewangan yang lepas. Keputusan hasil keseluruhan bagi Syarikat ini masih tetap kukuh dan kami percaya bahawa prestasi akan kekal memuaskan dalam tahun kewangan semasa pembinaan Lebuhraya Setiawangsa-Pantai (sebelum ini dikenali sebagai DUKE Fasa-3) yang bernilai RM 3.9 bilion yang kini telah bermula dan juga pembinaan Lebuhraya DUKE Fasa 2 yang kini mencapai peringkat kemuncaknya. Di samping itu, kami juga menjangkakan bahawa pengiktirafan jualan yang belum diperoleh daripada projek EkoCheras dan EkoTitiwangsa akan menyumbang kepada hasil Syarikat.

Di persada korporat, kami sentiasa mengevaluasi cara untuk mengukuhkan lagi kedudukan kewangan Syarikat dan juga menyelidiki cara-cara untuk meningkatkan lagi nilai pemegang saham kami. Perkembangan ukuran saiz Syarikat telah memberikan kita peluang untuk melaksanakan projek-projek yang besar. Dengan pelbagai projek infrastruktur mega yang akan datang mengeluarkan hasil dalam jangka masa beberapa tahun seperti jajaran MRT 2 dan projek-projek pembinaan lebuhraya, rekod yang sedia ada berserta dengan kestabilan kewangan yang dimiliki, ianya akan memberi kelebihan kepada syarikat, dari segi penilaian tawaran kontrak.

Ekovest memeterai terma persetujuan dengan Kumpulan Wang Simpanan Pekerja (KWSP) untuk cadangan pelupusan kepentingan 40% dalam Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd, ianya adalah perjanjian falsafah perniagaan dan pelan induk pembangunan infrasruktur bagi pemegang konsesi Lebuhraya DUKE Fasa 1 & 2. Pengumuman lanjut mengenai cadangan penjualan itu akan dibuat dalam masa terdekat dan Lembaga Pengarah akan mengkaji ganjaran kepada pemegang saham atas kesabaran dan sokongan mereka selama ini. Sudah tentu, beberapa hasil pendapatan juga perlu disimpan bagi Syarikat Ekovest untuk mengembangkan perniagaan selanjutnya dan melaksanakan projek-projek lain yang akan menyumbang kepada peningkatan keseluruhan nilai syarikat.

Kami akan terus bekerja lebih keras walaupun sukar dan akan mencari peluang yang ada untuk meningkatkan nilai aset kami. Saya memperakui bahawa dengan ketidakstabilan dalam ekonomi tempatan dan antarabangsa, pasti akan wujudnya cabaran dan halangan yang akan kita hadapi pada masa akan datang. Namun dengan kesabaran, komitmen, ketabahan dan pelbagai pengalaman pihak pengurusan kanan kami, saya yakin Ekovest akan kekal sebagai contoh dan pemain utama dalam industri bagi tahun akan datang dan prospek Ekovest diramalkan cerah dalam jangka masa yang panjang.

Di samping meneruskan matlamat kearah mencapai kejayaaan, kami tetap komited kepada tanggungjawab sosial korporat. Kami bergiat secara aktif dan berkerjasama dengan sekolah-sekolah untuk membantu dan menyumbang ke arah penambahbaikan. Lembaga Pengarah mengakui tentang kepentingan mengamalkan sistem tadbir urus korporat yang lengkap. Ianya merupakan komitmen kami untuk memenuhi semua piawaian tadbir urus korporat yang menjadi sebahagian daripada tanggungjawab sebagai sebuah syarikat awam tersenarai.

Sebagai sebahagian daripada komitmen bagi mengembalikan nilai kepada para pemegang saham, Lembaga Pengarah mengesyorkan pada 30 Ogos 2016 tertakluk kepada kelulusan para pemegang saham yang diperolehi, sebanyak 3 sen bagi setiap saham biasa bernilai RM0.50 sen sesaham bagi dividen peringkat pertama dan akhir.

Saya ingin merakamkan setinggi tinggi penghargaan kepada ahli-ahli Lembaga Pengarah atas sokongan, komitmen, sumbangan dan pihak pengurusan kanan kami yang telah bekerja tanpa mengenal erti penat untuk memajukan Syarikat ke tahap yang lebih tinggi dan ribuan terima kasih kepada semua kakitangan Syarikat Ekovest atas dedikasi dan komitmen.

Terima kasih kepada semua pelanggan kami, rakan perniagaan, bank-bank serta pihak berkuasa kerajaan dan tempatan atas sokongan yang berterusan dan keyakinan terhadap keupayaan Syarikat untuk menyiapkan projek-projek yang telah diamanahkan kepada kami.

Akhir sekali, terima kasih kepada para pemegang saham yang dihormati kerana kepercayaan anda, kesabaran, dan keyakinan yang berterusan dalam Syarikat kami. Kami berpegang teguh atas tanggungjawab yang telah diamanahkan dan akan terus berusaha untuk mencapai kejayaan yang lebih besar pada tahun 2017. Saya berharap tahun hadapan akan menjadi tahun yang lebih menarik bagi Kumpulan Ekovest.

Tan Sri Dato' Lim Kang Hoo
Pengerusi Eksekutif
31 Oktober 2016

Artist's Impression

执行主席献词

亲爱的股东们:

我谨代表怡克伟士有限公司(Ekovest Berhad)董事部向您们提呈这份常年报告，集团报告和截至2016年6月30日的财政年报。

Artist's Impression

执行主席献词

本财政年度，集团营业额达7亿9千360万令吉，而税后盈利达1亿5千560万令吉。与去年的营业额4亿3千800万令吉及税后盈利2千万令吉比较，营业额和税后盈利都已提高了。

在集团总营业额7亿9千360万令吉当中，建筑组依然是集团营业额的最大贡献者，占总额的78% 或6亿1千910万令吉。大使淡江收费大道（DUKE）的营运贡献约占总额的16%或1亿2千300万令吉；而产业发展组则贡献了6%或5千30万令吉的营业额。

建筑营业额的增加主要是来自于大使淡江第二段（DUKE PHASE 2）收费大道的建筑工程正处于施工高峰期。

集团整体的业绩维持强稳，我们坚信集团在现财政年的表现将维持令人满意的水平，因为建筑工程价值39亿令吉的Setiawangsa-Pantai Expressway (前称DUKE PHASE 3)已经开始动工，而大使淡江第二段（DUKE PHASE 2）工程也将晋入竣工阶段。此外，EkoCheras 与 EkoTitiwangsa 两大发展项目的营业额也将为集团业绩作出贡献。

企业方面，我们不断寻找及评估更多管道来加强集团的财务状况，并寻找方法提高股东价值。我们如今达到的规模，已让我们有机会竞标大规模的计划。在未来数年会有不少超级规模的基本设施计划投入执行期，例如捷运第二干线（MRT 2 ）及其他付费大道的建筑工程计划，我们过去的辉煌承建及营运记录和我们所拥有的财务实力，将使我们在接受竞标评估时，占有优势。

在与公积金局签署的协议中,大使淡江大道的经营者- Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd 将售出40%股权。这项协议可实证集团的经营理念与设施建设的总规划。至于其他更进一步的协议将在稍后发布，而董事局也会考虑回报股东们及感谢他们多年的支持与耐心。当然，部份收益也将作为扩展未来业务的经费，提升集团的价值。

Artist's Impression

我们将不断持续努力并寻找机会，进一步强化及释放我们的资产价值。我了解到在本地及国际经济局势的未知数下，集团在未来年头将会面对挑战及一些障碍。不过，凭着集团的企业核心理念、耐心和排除万难的毅力，及资深管理团队丰富的经验、承诺及多元才能，我肯定怡克伟士将继续成为行业里的典范及主要行家，而怡克伟士的远期前景将是康庄而且辉煌的。

在不懈追求卓越与精益求精的同时，我们未忘履行企业社会责任的承诺。我们将继续积极地与学校紧密合作，协助改善学校的状况，为学校的发展献出一份力量。

集团董事局了解到采纳良好的企业管理的好处和重要性。我们承诺将遵循所有良好管理标准，以履行我们身为一家挂牌公司的责任。

作为我们承诺致力为股东带来更好回酬的一部份，董事局于2016年8月30日建议每股面值50仙普通股派发一次过单层股息3仙，此建议尚待股东大会批准。

我要衷心地向支持、承诺及贡献良多的董事局成员及任劳任怨地工作，把集团推向另一高峰的资深管理层团队致谢。我也在这里向所有勤奋及投入工作的怡克伟士集团员工，表达谢意。

本集团也要向客户、顾客、商业伙伴、金融界、各政府部门及地方政府致以万二分谢意，因为他们持续不断的支持我们，并对本集团有能力完成受委托的工程计划，深具信心。

最后，我要感谢股东们对本集团的信赖、耐心与坚信不移的委托。我们势将不负众望、竭尽所能以提呈更标青的2017年财政年报。我对怡克伟士集团在来年更奋进及有更辉煌的表现，充满期待。

执行主席

丹斯里拿督林刚河

2016年10月31日

Datuk Seri
Lim Keng Cheng
Managing Director

MANAGING DIRECTOR'S STATEMENT

DEAR VALUED SHAREHOLDERS,

THIS YEAR HAS BEEN A VERY ENCOURAGING AND PROGRESSIVE YEAR FOR US. THE SIGNING OF THE CONCESSION AGREEMENT FOR THE SETIAWANGSA-PANTAI EXPRESSWAY (FORMERLY KNOWN AS THE DUKE PHASE-3) AND ALSO THE ISSUANCE OF THE RM3.6 BILLION SUKUK WAKALAH TO FINANCE THE DUKE PHASE-3 IS A MAJOR LANDMARK FOR OUR GROUP. TOGETHER WITH THE REMAINING CONSTRUCTION ORDER BOOK IN HAND AND THE UNBILLED SALES FROM OUR PROPERTY DEVELOPMENT THAT WE HAVE IS EXPECTED TO ENSURE THAT THE SHORT AND MEDIUM TERM PROSPECT OF THE EKOVEST GROUP REMAINS POSITIVE.

Artist's Impression

MANAGING DIRECTOR'S STATEMENT

Towards a Sustainable Industry

As for our ongoing projects, the DUKE Phase-2 is progressing well with approximately 89% of the project being completed to-date. Although there have been some concerns on the completion of the DUKE Phase-2, we wish to highlight that all necessary steps and actions have been put in place to ensure that the remaining construction work run smoothly.

Prospects for our construction division remain positive. From the Economic Report 2015/2016 released by the Ministry of Finance, we note that the construction sector will continue to expand driven by ongoing private investment and the Tenth Malaysia Plan (10MP) projects. The report also states that the construction sector is expected to expand by 8.8% in 2015. This will augur well for our Group as it will provide us with the opportunity to participate in these projects. Key projects which are expected to boost growth include the ongoing MY Rapid Transit (MRT) Line 2 project and light rail transit (LRT) extension, construction of the West Coast Expressway and Central Spine Road from Bentong to Kuala Krai and construction of our own DUKE Phase-2 and DUKE Phase-3.

We have also been busy in evaluating and participating in the tender process for new construction projects. We hope that with the track record and experience that we have, we will be able to secure a few more contracts especially for infrastructure construction works. Nonetheless, I wish to reiterate that we already have outstanding construction order book of close to RM5.3 billion to be delivered in the next 4 years. We will continue to work harder to secure a few more infrastructure related projects to ensure the long term sustainability of our Group.

Rejuvenating Northern Kuala Lumpur

This year has been a very cautious year for property developers. Home buyers and investors remain sceptical with the various cooling measures introduced to curb rising property prices and speculative activities. However, the recent announcement on policies to assist home owners is welcomed by the industry. However, the policy and its mechanism need to be studied in detail to ensure that it is not abused and the scheme to ultimately benefit purchasers, especially first time home owners. We also hope that the DIBS scheme can be reinvented and reintroduced to further boost the property market.

Rejuvenating Northern Kuala Lumpur (Cont'd)

Our property development division has been busy with other strategic projects on our Group's remaining 22 acres landbank located in the Setapak and Gombak area. We are extremely excited by the prospects of our property development division as a substantial portion of our Group's landbank is located within the vicinity of the River of Life project with easy access through the existing DUKE and DUKE Phase-2. Our vision of creating a world class riverfront development along the Gombak River is gaining momentum and we are looking to deliver some of the most vibrant commercial and residential properties in this area.

The EkoTitiwangsa together with our EkoRiver Centre, EkoQuay, EkoAvenue and our flagship EkoGateway, will provide a holistic development plan to transform and modernise northern Kuala Lumpur city center. With the low entry point in which we acquired our lands previously, we look forward to unlock the full potential of these landbanks in the future.

We believe that our long term presence and commitment towards redeveloping northern Kuala Lumpur will allow us the flexibility to ensure that we are able to return value not only to our stakeholders but also to the community around the developments.

Artist's Impression

Value Beyond Miles

The DUKE has been well received with a plentiful of positive feedback from road users and we are humbled by some of the compliments received. The DUKE network has managed to deliver value to users with the benefits it brings, such as time savings that cannot be measured by ringgits and cents. Our constant engagement with the public has proven to a beneficial correspondence to find solutions that eases traffic woes and we look forward to provide city dwellers with alternative routes that bring value beyond miles.

To further improve the connectivity with existing expressways and public rail transportation system such as the KTM Komuter, LRT and MRT lines, the DUKE Phase-3 will traverse north to south of Kuala Lumpur and will serve areas such as University Tunku Abdul Rahman, Wangsa Maju, Setiawangsa, Ampang, the Tun Razak Exchange & Bandar Malaysia development corridor and Kerinchi.

We are pleased to be able to provide an alternative route for road users with improved and more efficient traffic dispersal system in and around Kuala Lumpur city centre to complement and relief peak hour congestion on existing arterial roads and expressways along its proposed alignment.

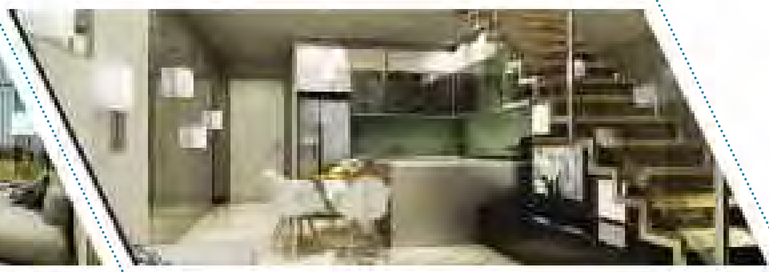
Value Beyond Miles (Cont'd)

Prospect of the toll concession remains very positive and upon completion of the DUKE Phase-2, it is expected to be an attractive alternative and a primary access for the upcoming developments in Klang Valley. The DUKE network will be a major link that will provide vital link for connectivity around the Kuala Lumpur city centre and provide a holistic land transport system to support the development and modernisation of Greater Kuala Lumpur.

EGAP – Developing New Talent

The Ekovest Graduate Attachment Programme (EGAP) was officially launched in February 2016. The EGAP Programme aims to provide on-the-job training to young Malaysian graduates in various fields such as engineering, architecture, quantity surveying and accounting/finance. We hope that the EGAP Programme will be a gateway to enable young graduates to settle quickly into the professional working environment, receive relevant skills development and get hands on working experience. We are proud that more than 120 young graduates are currently part of this program now.

This program is a testament to our unwavering support to the government and the nation to elevate and enhance the value of our workforce. These young graduates, we hope, will become the nation builders of tomorrow, and Ekovest Berhad through our EGAP, is happy to provide the foundation for them to achieve their goals.



Stronger Together

To our business partners, associates and clients, Thank you for the trust and support you have placed in us. Thank you to all governmental agencies that have assisted and supported us, especially Kementerian Kewangan, Kementerian Kerja Raya, Kementerian Wilayah Persekutuan, Economic Planning Unit of the Prime Ministers Department, PEMANDU, Lembaga Lebuhraya Malaysia and Dewan Bandaraya Kuala Lumpur.

Thank you to the senior management and all employees of Ekovest Berhad for their commitment, hardwork and perseverance throughout the year. With a team of diverse experience and background, more obstacles can be unravelled. We are lucky to have these people as part of the Ekovest Group.

Lastly, allow me to express my gratitude to the shareholders of Ekovest Berhad for your unrelenting support over the years, which have inspired and encouraged us to achieve all that we have thus far.

Datuk Seri Lim Keng Cheng
Managing Director
31 October 2016

Artist's Impression

CORPORATE SOCIAL RESPONSIBILITY

Ekovest Berhad recognises that our social obligations to society can have an impact and is striving for a balanced approach in fulfilling our key objectives and expectations to stakeholders, whether it be our customers, employees, shareholders, suppliers, etc. For the year 2016, Ekovest Berhad has dedicated a lot of time and effort to giving back to our stakeholders whilst incorporating the three pillars of our Corporate Social Responsibility (CSR) approach, namely Education, Community, Employee and Sustainability. This CSR approach has been a mainstay in our Company policy, and each year, becomes more and more significant, to enlighten the benefits of such initiatives.

Our CSR programs provides a meaningful contribution to the Community around us, while striving to continually build positive relationships by actively engaging with them. Ekovest encourages employees, from all our various departments, to share their expertise and to support their communities through participation in our programmes. This not only ensures that they contribute back to the community, but also creates an experience that is memorable to our staff. The "word of mouth" promotion done, is a better form of advertising that is widely accepted from all. Our focus on creating value for society, the environment, and our business is reflected in the breadth of our commitments. Should there be indication as to how much effort we try to implement in these initiatives, most employees that do participate will acknowledge that they cannot put a dollar value to the greatness of the experience.

The Group is committed and will carry on its efforts further to enhance our corporate social responsibilities in order to provide a meaningful contribution to the community around us and to promote a sustainable and eco-friendly development. It is widely recognised that this is a main policy that we viably adhere to, namely to promote sustainability and to ensure a value added experience, and as such, via our CSR initiatives, we will find a balance for our financial performance with our social and environmental impacts to create a company that is not only productive and efficient but also caring and sensitive to the needs of the community and the environment in which we operate.

During the year, contributions were made to various schools to assist them in fulfilling their programme to improve the infrastructure, teaching aids and the well-being of its students. Benefitting not only the educational institutions, we believe that the moral support should be given to the students to ensure that they are highly motivated to do well in their studies. In line with our core expertise in construction activities, we have been working closely with various schools and have assisted and contributed towards the improvement of infrastructure available in these schools. Such an example of this initiative was when Y.Bhg, Dato' Sri Zohari Bin Haji Akob, Secretary General, Ministry of Works Malaysia, witnessed the Handing over of the Van and Pavilion Event on behalf of Ekovest Berhad to the Sekolah Menengah Kebangsaan Agama Kuala Lumpur (SMKAKL), located in Bandar Menjalara, Kepong, in conjunction with the Gotong

Royong activities held with parents and students. Ekovest Berhad is conducting its corporate, social responsibilities to the SMKAKL, by contributing a van and a pavilion for use by the SMKAKL students. Our senior management were also invited to the schools to share their experience and life philosophy with the future generation in order to keep them motivated to strive for great heights and also to share lessons in life which we hope will prepare them for the journey ahead of them.

CORPORATE SOCIAL RESPONSIBILITY

As part of being active in the Community, and ensuring that Ekovest was participating in various activities, the "Konvoi Berbasikal 1 Wilayah Persekutuan" which was held on 28 February 2016 at Dataran Putrajaya, Presint 3, Putrajaya attracted as many as 16,647 participants. Due to the overwhelming number of participants, this was recorded in the Malaysia Book of Records (MBOR) under the Extremely Plenteous Participants of Cycling Event in Malaysia category. Ekovest Berhad was one of the main sponsors of the "Konvoi Berbasikal 1 Wilayah Persekutuan", contributing as many as 15 thousand medals, for partakers to commemorate their participation in the event. Ekovest Berhad, within its initiative of promoting a healthy lifestyle to all its employees and their families, and to foster positive relationships between employees, registered as many as one hundred Ekovest employees as participants for the event. On the day of event, Datuk Seri Lim Keng Cheng led Ekovest's cycling convoy at the starting point.

Furthermore, Ekovest Berhad was a willing supporter of the Arena of Youth Programme organized by the CIDB. Participating as a mentor to guide the teams in managing their ideal city of 2050, we provided the participants of MyCity 2050, with mentorship in the areas of construction and infrastructure development, and told them of our experience in the industry. My City 2050, is a construction-related competition held by the Construction Industry Development Board (CIDB) to envision, design and build a model of a sustainable city in 2050, whereby in the grand finale, 10 teams presented their visions of their city. Ekovest Berhad was delighted to be part of a cooperation that involved school children, from different parts of the nation. To be able to inspire the future generation with our expertise and knowledge of the industry, the MyCity 2050 highlighted that the future is bright amongst the nation's young generation.

Not only are we in for the short haul, but continuing support is also given by the company. Ekovest Berhad is very honoured to be the sponsor for SMK Seri Titiwangsa (Kuala Lumpur Sports School) and handed over as many as 100 pairs of sports jerseys, pants and polo t-shirts to the school's football team. Through this sponsorship, Ekovest Berhad wishes that the players and the school's football team will further improve the quality of grassroots football and hopes that it will help uplift SMK Seri Titiwangsa (Sekolah Sukan Kuala Lumpur) status as one of the best sports school that is envied not only at national level, but also internationally.

We believe in nurturing a healthy workforce in the firm belief that good health is vital to a sharp mind, and, consequently, productivity. As part of our efforts to ensure our employees have a good work-life balance, over the course of the year, we have ensured their participation in various events such as the BURSA Bull Charge Challenge and have signed on our employees to participate in the Standard Chartered KL Marathon, as well as various other running events such as the Larian Amal Puspanita.

CORPORATE SOCIAL RESPONSIBILITY

We encourage employees to support local community programs by donating their time. Volunteering helps our people gain new perspectives, develop leadership skills, and work better as a team. Many employees include volunteering in their personal development plans. Whether it be making time during their weekends, or a payment-in-kind to fund a social enterprise to help the Community, the Group adamantly believes in the power of collective help.

Coming to the end of this year, we remain committed to being a responsible company and making a positive contribution to society and the environment. Society and environment not only is determined by our surrounding community, but we will incorporate and start with ourselves, in the company, through our employees. This helps us inspire trust in our brand, develop strong relationships with our stakeholders, and create long-term value for society and our business.

DIRECTORS' PROFILE

TAN SRI DATO' LIM KANG HOO

EXECUTIVE CHAIRMAN
AGE 61 MALAYSIAN

TAN SRI DATO' LIM KANG HOO, male, aged 61, Malaysian, and has been on the Board of Directors of Ekovest Berhad since 30 March 1988. He was appointed as Executive Chairman on 22 November 2010. Y.Bhg. Tan Sri Dato' Lim is a businessman with over 39 years of experience in the construction industry and machinery related industry. He started his involvement in the construction industry soon after completing his secondary education, assisting the family construction business. His dynamism and vision coupled with experience saw the companies that he led grow by leaps and bound. At present, he is a Non-Executive Director of PLS Plantations Berhad and Executive Vice Chairman of Iskandar Waterfront City Berhad which are public companies listed on the Bursa Malaysia and also a Director of several other private limited companies. His vast experience in the construction industry had been instrumental to the growth and development of the Ekovest Berhad Group.

DATUK SERI LIM KENG CHENG

MANAGING DIRECTOR
AGE 54 MALAYSIAN

DATUK SERI LIM KENG CHENG, male, aged 54, Malaysian, was appointed as the Managing Director of Ekovest Berhad on 16 May 2011. He has more than 33 years' experience in diverse range of industries which includes building, civil, design and build turnkey construction projects, machinery trading and property development, having started his career immediately after his high school education. He began his career as a director in a private limited infrastructure company and was responsible behind the success of the infrastructure works in Felda Sahabat, Sabah which is twice the size of Singapore. He also steered the construction of the Labuan Financial Park, a world-class offshore financial haven. Soon after, Datuk Seri Lim oversaw several design and build projects namely Universiti Malaysia Sabah (UMS) and Universiti Tun Hussein Onn in Batu Pahat, Johor whereby both projects were completed in time despite the technical and social challenges faced. He also led the design and build project of the Iskandar Coastal Highway, a high profile infrastructure project in Iskandar Malaysia, Johor. With his vast experience in infrastructure projects, Datuk Seri Lim also contributed significantly to the success of the Duta-Ulu Kelang Expressway (DUKE) and was instrumental in the supplemental concession agreement for the extension of the DUKE. He is also the driving force behind Ekovest group role as the project delivery partner for the River of Life project. He is also a strong advocate of the government current push for the Greater Kuala Lumpur to be the country's engine of growth. He was formerly an Executive Director of Iskandar Waterfront City Berhad, a public listed investment holding company with its principal activities in property development, construction and property management services, and was also the former Executive Director cum Chief Executive Officer of Knusford Berhad, a public listed company principally engaged in machinery trading. Datuk Seri Lim also holds directorship in several private limited companies which includes amongst others, Iskandar Waterfront Holdings Sdn Bhd.

MADAM LIM HOE

EXECUTIVE DIRECTOR
AGE 64 MALAYSIAN

MADAM LIM HOE, female, aged 64, Malaysian, was appointed as an Executive Director of Ekovest Berhad on 16 May 2011. After completing her secondary school education and several years of working experience, Madam Lim joined Ekovest Berhad in 1988 and has since risen to the position of Senior General Manager. She has more than 41 years of working experience in various industries, gaining exposure in the field of finance, management, human resource and corporate matters. She is one of the pioneer staff during the formative years of Ekovest Berhad. She is also a Director of several private limited companies.

MS. LIM TS-FEI

INDEPENDENT NON EXECUTIVE DIRECTOR
AGE 53 MALAYSIAN

MS. LIM TS-FEI, female, aged 53, Malaysian, was appointed to the Board of Directors of Ekovest Berhad on 16 May 2013. She graduated with a Degree in Bachelor of Law from the University of Hull, England and was called to the English Bar as a barrister in 1988. Upon her return to Malaysia, she commenced her chambering with Chye, Chow, Chung & Co., a legal firm in Kuala Lumpur. She was called to the Malaysian Bar in 1989 and continued to practise as a legal assistance in the same firm for eight years. She is presently a partner of the firm.

MR. KHOO NANG SENG @ KHOO NAM SENG

EXECUTIVE DIRECTOR
AGE 76 MALAYSIAN

MR. KHOO NANG SENG @ KHOO NAM SENG, male, aged 76, Malaysian, is the co-founder of Ekovest Berhad and has been an Executive Director of Ekovest Berhad since its incorporation on 2 January 1985. He was trained in Technical College, Kuala Lumpur in civil engineering. Upon graduation, he joined and served the Jabatan Kerja Raya for 6 years. In 1970, he ventured into the construction business on his own. Subsequently, in 1972, he teamed up with Tan Sri Dato' Lim Kang Hoo to form a partnership which resulted in the Ekovest Berhad of today. At present, he is also a Director of several other private limited companies. He has contributed significantly to the growth of the Ekovest Berhad Group.

MS. KANG HUI LING

SENIOR INDEPENDENT AND NON EXECUTIVE DIRECTOR
AGE 44 MALAYSIAN

MS. KANG HUI LING, female, aged 44, Malaysian, was appointed to the Board of Directors of Ekovest Berhad on 28 February 2005. She holds a Bachelor of Accounting (Hons) Degree from University of Malaya in 1997. She is a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. Since her graduation, she acquired 4 years of audit experience in one of the big five audit firm. As audit senior associate, she also gained exposure in the field of operational audit and financial due diligence. Subsequently she joined a medium size multinational consultancy firm as the Finance and Admin Manager where she was responsible for establishing and implementing the company's accounting and operating policies and procedures. She is presently a partner of a professional firm registered with the Malaysian Institute of Accountants. She is also an Independent Non-Executive Director of PLS Plantations Berhad.

DIRECTORS' PROFILE

DR. WONG KAI FATT

INDEPENDENT NON EXECUTIVE DIRECTOR
AGE 69 MALAYSIAN

DR. WONG KAI FATT, male, aged 69, Malaysian, was appointed to the Board of Directors of Ekovest Berhad on 16 May 2013. He graduated with a Bachelor of Medicine, Bachelor of Surgery from the University of Singapore in 1972. He worked in Johor Bahru General Hospital and Ipoh General Hospital for three years before venturing into his own private practice in Kuala Lumpur.

MR CHOW YOON SAM

INDEPENDENT NON-EXECUTIVE DIRECTOR
AGE 70 MALAYSIAN

MR. CHOW YOON SAM, male, aged 70, Malaysian, was appointed to the Board of Directors of Ekovest Berhad on 16 May 2013. He graduated with a Bachelor of Engineering Degree (Civil) Hons from the Universiti Malaya in 1971. He was a member of the Institute of Engineers Malaysia and Board of Engineers Malaysia. During his tenure with Felda, he was the Project Engineer on design and construction of Felda oil palm mills and rubber factories. Subsequently he was the Deputy Director of engineering involved in administration and management of Felda development projects. In 1990 to 1994 he was Project Consultant and Project Manager for Felda joint venture projects. In Felda Ekovest Sdn Bhd he was the Senior General Manager from 1994-2004.

MR LIM CHEN HERNG

ALTERNATE DIRECTOR TO TAN SRI DATO' LIM KANG HOO
AGE 29 MALAYSIAN

MR. LIM CHEN HERNG, male, aged 29, Malaysian, was appointed to the Board of Directors of Ekovest Berhad on 27 February 2014. He graduated with a Degree in Business Management from Royal Holloway, University of London in 2008. He has been with the family business since 2008, with management exposure into the property development, construction, finance and oil and gas industry. Currently, he is an Executive Director of Knusford Berhad and an alternate director in Iskandar Waterfront City Berhad. He also sits on the board of several private limited companies, most notably the master developer Iskandar Waterfront Holdings Sdn Bhd.

MR WONG KHAI SHIANG

ALTERNATE DIRECTOR TO LIM HOE
AGE 37 MALAYSIAN

MR. WONG KHAI SHIANG, male, aged 37, Malaysian, was appointed to the Board of Directors of Ekovest Berhad on 27 February 2014. He obtained a Bachelor Degree in Civil Engineering from University of Birmingham, United Kingdom in 2000. He has 15 years' experience in the construction and property development industry. Upon graduating, he began his career with Ekovest Group as an Engineer. He is currently the Head of Sales and Marketing of Ekovest Group's property division.

MR LEE WAI KUEN

INDEPENDENT NON-EXECUTIVE DIRECTOR
AGE 50 MALAYSIAN

MR. LEE WAI KUEN, male, aged 50, Malaysian, was appointed to the Board of Directors of Ekovest Berhad on 7 October 2013. He holds a Law Degree from London University and MBA Degree from Heriot-Watt University. He was an Executive Director of Protech Yu (Asia) Sdn Bhd, subsidiary of Goldis Berhad from 2007 to 2010. He was involved in the day to day operation of the aquaculture business, in charge of farm development, farm operating and marketing. Prior to his involvement in the aquaculture industry, he was attached with Bumi Hiway & Selia Group of Companies as Head of Legal Department. He has more than 21 years of legal and corporate experience in companies involved in the field of property development, construction and road concession. He is currently the Executive Director of Aqua Genesis Sdn Bhd which is involved in the aquaculture and supply chain for quality seafood. He is also an Independent Non-Executive Director of Knusford Berhad.

MR LIM DING SHYONG

ALTERNATE DIRECTOR TO
DATUK SERI LIM KENG CHENG
AGE 28 MALAYSIAN

MR. LIM DING SHYONG, male, aged 28, Malaysian, was appointed to the Board of Directors of Ekovest Berhad on 27 February 2014. He graduated with a Bachelor of Engineering in Engineering with Business Management and a Master of Science in Robotics from King's College London. He has been a Project Engineer in Ekovest Berhad since 1 February 2012. He is currently involved in the planning, design and construction of the extension of Duta-Ulu Kelang Expressway ("DUKE Phase-2") and in Ekoriver Construction Sdn Bhd, which has been appointed as the Swiss Challenge Contractor for the proposed improvement and beautification works at Precinct 7 under the River of Life project. He is also actively involved in the sales and marketing activities of EkoCheras, Ekovest's maiden property development project in Cheras.

Conflict of interest

There is no conflict of interest between the Directors and the Group except for the recurrent related party transactions where the Directors have interest, as disclosed in the Note 34 of the Audited Financial Statements.

Conviction for offences

None of the Directors have been convicted for any offences (except traffic offences) within the past 5 years or any public sanction or penalty imposed by relevant regulatory bodies during the financial year.

Family relationship

No Directors has family relationship with other Directors or major shareholders except for:

Tan Sri Dato' Lim Kang Hoo is a brother to Madam Lim Hoe, father of Mr Lim Chen Herng, uncle to Datuk Seri Lim Keng Cheng and Mr Wong Khai Shiang and granduncle to Mr Lim Ding Shyong. He is also a major shareholder in Ekovest Holdings Sdn Bhd.

Madam Lim Hoe is a sister to Tan Sri Dato' Lim Kang Hoo, mother of Mr Wong Khai Shiang, aunt to Datuk Seri Lim Keng Cheng and Mr Lim Chen Herng and grandaunt to Mr Lim Ding Shyong.

Datuk Seri Lim Keng Cheng is a nephew to Tan Sri Dato' Lim Kang Hoo and Madam Lim Hoe, father of Mr Lim Ding Shyong, cousin to Mr Lim Chen Herng and Mr Wong Khai Shiang.

Mr Lim Chen Herng is a son to Tan Sri Dato' Lim Kang Hoo, nephew to Madam Lim Hoe, cousin to Datuk Seri Lim Keng Cheng and Mr Wong Khai Shiang, uncle to Mr Lim Ding Shyong.

Mr Lim Ding Shyong is a son to Datuk Seri Lim Keng Cheng, grandnephew to Tan Sri Dato' Lim Kang Hoo and Madam Lim Hoe, nephew to Mr Lim Chen Herng and Mr Wong Khai Shiang.

Mr Wong Khai Shiang is a son of Madam Lim Hoe, a nephew to Tan Sri Dato' Lim Kang Hoo, cousin to Lim Chen Herng and Datuk Seri Lim Keng Cheng, uncle to Mr Lim Ding Shyong.

KEY SENIOR MANAGEMENT

TAN SRI DATO' LIM KANG HOO

EXECUTIVE CHAIRMAN

TAN SRI DATO' LIM KANG HOO, male, aged 61, Malaysian, and has been on the Board of Directors of Ekovest Berhad since 30 March 1988. He was appointed as Executive Chairman, a Key Management on 22 November 2010. Y.Bhg. Tan Sri Dato' Lim is a businessman with over 39 years of experience in the construction industry and machinery related industry. He started his involvement in the construction industry soon after completing his secondary education, assisting the family construction business. His dynamism and vision coupled with experience saw the companies that he led grow by leaps and bound. At present, he is a Non-Executive Director of PLS Plantations Berhad and Executive Vice Chairman of Iskandar Waterfront City Berhad which are public companies listed on the Bursa Malaysia and also a Director of several other private limited companies. His vast experience in the construction industry had been instrumental to the growth and development of the Ekovest Berhad Group.

DATUK SERI LIM KENG CHENG

MANAGING DIRECTOR

DATUK SERI LIM KENG CHENG, male, aged 54, Malaysian, was appointed as the Managing Director, a Key Management of Ekovest Berhad on 16 May 2011. He has more than 33 years' experience in diverse range of industries which includes building, civil, design and build turnkey construction projects, machinery trading and property development, having started his career immediately after his high school education. He began his career as a director in a private limited infrastructure company and was responsible behind the success of the infrastructure works in Felda Sahabat, Sabah which is twice the size of Singapore. He also steered the construction of the Labuan Financial Park, a world-class offshore financial haven. Soon after, Datuk Seri Lim oversaw several design and build projects namely Universiti Malaysia Sabah (UMS) and Universiti Tun Hussein Onn in Batu Pahat, Johor whereby both projects were completed in time despite the technical and social challenges faced. He also led the design and build project of the Iskandar Coastal Highway, a high profile infrastructure project in Iskandar Malaysia, Johor. With his vast experience in infrastructure projects, Datuk Seri Lim also contributed significantly to the success of the Duta-Ulu Kelang Expressway (DUKE) and was instrumental in the supplemental concession agreement for the extension of the DUKE. He is also the driving force behind Ekovest group role as the project delivery partner for the River of Life project. He is also a strong advocate of the government current push for the Greater Kuala Lumpur to be the country's engine of growth. He was formerly an Executive Director of Iskandar Waterfront City Berhad, a public listed investment holding company with its principal activities in property development, construction and property management services, and was also the former Executive Director cum Chief Executive Officer of Knusford Berhad, a public listed company principally engaged in machinery trading. Datuk Seri Lim also holds directorship in several private limited companies which includes amongst others, Iskandar Waterfront Holdings Sdn Bhd.

MR. KHOO NANG SENG @ KHOO NAM SENG

EXECUTIVE DIRECTOR

MR. KHOO NANG SENG @ KHOO NAM SENG, male, aged 76, Malaysian, is the co-founder of Ekovest Berhad and has been an Executive Director, a Key Management of Ekovest Berhad since its incorporation on 2 January 1985. He was trained in Technical College, Kuala Lumpur in civil engineering. Upon graduation, he joined and served the Jabatan Kerja Raya for 6 years. In 1970, he ventured into the construction business on his own. Subsequently, in 1972, he teamed up with Tan Sri Dato' Lim Kang Hoo to form a partnership which resulted in the Ekovest Berhad of today. At present, he is also a Director of several other private limited companies. He has contributed significantly to the growth of the Ekovest Berhad Group.

MADAM LIM HOE

EXECUTIVE DIRECTOR

MADAM LIM HOE, female, aged 64, Malaysian, was appointed as an Executive Director, a Key Management of Ekovest Berhad on 16 May 2011. After completing her secondary school education and several years of working experience, Madam Lim joined Ekovest Berhad in 1988 and has since risen to the position of Senior General Manager. She has more than 41 years of working experience in various industries, gaining exposure in the field of finance, management, human resource and corporate matters. She is one of the pioneer staff during the formative years of Ekovest Berhad. She is also a Director of several private limited companies.

Conflict of interest

There is no conflict of interest between the Key Senior Management and the Group except for the recurrent related party transactions where the Key Senior Management have interest, as disclosed in the Note 34 of the Audited Financial Statements.

Conviction for offences

None of the Key Senior Management have been convicted for any offences (except traffic offences) within the past 5 years or any public sanction or penalty imposed by relevant regulatory bodies during the financial year.

Family relationship

No Key Senior Management has family relationship with other Directors or major shareholders except for:

Tan Sri Dato' Lim Kang Hoo is a brother to Madam Lim Hoe, father of Mr Lim Chen Herng, uncle to Datuk Seri Lim Keng Cheng and Mr Wong Khai Shiang and granduncle to Mr Lim Ding Shyong. He is also a major shareholder in Ekovest Holdings Sdn Bhd.

Madam Lim Hoe is a sister to Tan Sri Dato' Lim Kang Hoo, mother of Mr Wong Khai Shiang, aunt to Datuk Seri Lim Keng Cheng and Mr Lim Chen Herng and grandaunt to Mr Lim Ding Shyong.

Datuk Seri Lim Keng Cheng is a nephew to Tan Sri Dato' Lim Kang Hoo and Madam Lim Hoe, father of Mr Lim Ding Shyong, cousin to Mr Lim Chen Herng and Mr Wong Khai Shiang.

STATEMENT ON CORPORATE GOVERNANCE

THE BOARD OF DIRECTORS OF EKOVEST BERHAD ("THE BOARD") IS PLEASED TO REPORT THAT FOR THE FINANCIAL YEAR UNDER REVIEW, THE BOARD CONTINUED TO APPLY GOOD GOVERNANCE PRACTICES IN MANAGING AND DIRECTING THE BUSINESS OF THE GROUP BY ADOPTING THE PRINCIPLES AND THE BEST PRACTICES PRESCRIBED IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2012 ("MCCG 2012") AS ISSUED BY THE SECURITIES COMMISSION MALAYSIA ("SC"). THE OBJECTIVE IS TO PROTECT AND ENHANCE SHAREHOLDERS' VALUE AND THE FINANCIAL PERFORMANCE OF THE GROUP.

PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT

BOARD'S ROLES AND RESPONSIBILITIES

The objective of the principles stated in the MCCG 2012 sets out the fundamental structures for effective functioning of the board. Towards this end, the Board has formalized its terms of reference in its Board Charter outlining the fundamental structure and functions of the Board. The Board Charter is available in our Groups website at www.ekovest.com.my for stakeholders' information.

Principally, the responsibilities of the board cover the areas of strategic plan, risk management, succession planning, investor relation and system of internal control of the Group. The Board acknowledges these responsibilities for directing and ensuring the Group is properly managed and continuously improves its performance. The Board delegates certain responsibilities to Board Committees operating within defined terms of reference to assist the Board in the execution of its duties and responsibilities. The respective Committees report to the Board on matters discussed and deliberated and makes recommendations to the Board for final decision. The Board Committees include the Audit Committee, Remuneration Committee and Nomination Committee.

ETHICS AND CODES

The Board is fully supportive of the principles of its Corporate Code of Conduct and expects the Company and its employees to uphold the same principles in its business activities.

SUPPLY OF INFORMATION

It is recognised that the supply, timeliness and quality of the information affect the effectiveness of the Board to oversee the conduct of the business and to evaluate the management performance of the Group.

The Directors have full and unrestricted access to all information pertaining to the Group's business and affairs, including amongst others, major financial, operational and corporate matters as well as activities and performance of the Company. The agenda and Board papers containing information relevant to the business of Board meeting are circulated to Board members prior to each meeting to allow sufficient time for the Director to review, consider and obtain further explanations before the meeting, where necessary, on the issues to be discussed.

All Directors have unrestricted access to the advice and services of the Company Secretary and senior management and may seek independent professional advice, at the Company's expense, when necessary, in furtherance of their duties. External advisers may also be invited to relevant Board meetings to furnish the Board with explanations and comments on the relevant agenda items tabled at Board meetings or to provide clarification on issues that may be raised by any Directors.

The Chairman of the Audit Committee would report the outcome of the committee meetings to the Board and such reports are incorporated as part of the minutes of the Board meetings.

PRINCIPLE 2: STRENGTHEN COMPOSITION OF THE BOARD

BOARD COMPOSITION AND INDEPENDENCE

The current composition of the Board comprises of highly qualified and experienced individuals and their combined expertise and business experience provides insights and diversity of perspective to lead and guide the Group in an increasing complex and competitive business environment. The profiles of the members of the Board are set out on pages 30 to 33 of this Annual Report.

As at the date of this statement, the Board has nine (9) members comprising of an Executive Chairman, a Managing Director, two (2) Executive Directors and five (5) Independent Non-Executive Directors. We had also appointed three (3) Alternate Directors. In this regard, the Board's composition complies with paragraph 15.02 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") whereby at least one-third (1/3) of the Board to be independent. Further, as our Board is headed by an Executive Chairman, the Board is currently represented by majority of Independent Non-Executive Directors (5/9) which provides unbiased, objective and independent view, advice and judgment to ensure proper check and balance in the Board. The Board will also conduct annual assessment on the independence of its Independent Directors focusing on events that would affect their ability to continue to bring in independent and objective judgment during board deliberation.

In addition, the Board recognises the importance of gender diversity in the Board and encourages female participation in the Board. Presently, the Board has three (3) female members, which makes up of one third (1/3) of the Board composition.

The Company has on 25 August 2016, received a Certificate of Appreciation from The Government of Malaysia, Ministry of Women, Family and Community Development for achieving the target of at least 30 percent women on Board in public listed companies.

BOARD COMMITTEES

To assist the Board in the discharge of its oversight function, the Board has delegated certain responsibilities to Board Committees namely the Audit Committee, Nomination Committee and Remuneration Committee. These Committees ensure greater objectivity and independence are provided in the deliberations of specific agenda. The Chairman of the respective Board Committees would report to the Board during the Board meetings on matters deliberated in the respective Committees together with its recommendation. The ultimate responsibility for the final decision on all matters, however, rest with the entire Board.

Audit Committee

The composition, terms of reference and summary of the Audit Committee activities during the financial year are set out separately in the Audit Committee Report on page 46 to 48 of this Annual Report.

Nomination Committee

The Nomination Committee comprise of 5 Independent Non-Executive Directors and the members of the Nomination Committee as at the date of this statement are as follows:

Ms Kang Hui Ling	Chairman (Senior Independent and Non-Executive)
Ms Lim Ts-Fei	Director (Independent and Non-Executive)
Dr Wong Kai Fatt	Director (Independent and Non-Executive)
Mr Chow Yoon Sam	Director (Independent and Non-Executive)
Mr Lee Wai Kuen	Director (Independent and Non-Executive)

PRINCIPLE 2: STRENGTHEN COMPOSITION OF THE BOARD (CONT'D)

BOARD COMMITTEES (CONT'D)

Nomination Committee (Cont'd)

The terms of reference of the Nomination Committee are as follows:-

- Develop, maintain and review the criteria to be used in the recruitment of Directors and annual appraisal of Directors, Board Committee and Board as a whole;
- Assess and recommend to the Board the candidature of directors and appointment of Directors to Board Committees based on the individual and the Directors' competencies, commitment, contribution and performance;
- Facilitate Board induction and training programmes;
- Review the boardroom diversity and encourage female participation in the Board;
- Develop the criteria to assess independence and apply these criteria upon admission, annually and when any new interest or relationship develops;
- Examine and review the Board structure, size and composition with a view to present recommendations to the Board on the optimum number of Directors on the Board to ensure its effectiveness and to comply with regulatory requirements; and
- Recommend, if necessary, the service and employment contracts of Executive Directors including their job descriptions & terms of reference.

All Directors shall abstain when matters affecting their own interests are discussed.

During the financial year under review, the Nomination Committee has carried out a review on the composition of the Board and the profile of each Director. The Nomination Committee has also carried out an assessment of the Board, Board Committees and individual Directors in relation to their performance and contribution towards meeting the needs of the Company. The evaluation took into consideration the competency, experience, character, integrity and time availability, including the mix of skills, of the Directors concerned. Finally, the Nomination Committee has reviewed the training needs of the Directors to ensure that they are acquainted with the latest development and changing environment in which the Company's operates.

Remuneration Committee

The Remuneration Committee comprise of 5 Independent Non-Executive Directors and the members of the Remuneration Committee as at the date of this statement are as follows:-

Ms Kang Hui Ling	Chairman (Senior Independent and Non-Executive)
Ms Lim Ts-Fei	Director (Independent and Non-Executive)
Dr Wong Kai Fatt	Director (Independent and Non-Executive)
Mr Chow Yoon Sam	Director (Independent and Non-Executive)
Mr Lee Wai Kuen	Director (Independent and Non-Executive)

PRINCIPLE 2: STRENGTHEN COMPOSITION OF THE BOARD (CONT'D)

BOARD COMMITTEES (CONT'D)

Remuneration Committee (Cont'd)

The terms of reference of the Remuneration Committee are as follows:-

- To make recommendations to the Board, the remuneration, fees and other remuneration packages payable to Executive Directors;
- To recommend to the Board any performance related pay schemes for Executive Directors; and
- Assist the Board in ensuring the remuneration of the Directors reflects the responsibility, expertise and commitment of the Director concerned.

The remuneration for the Executive Directors is aligned to individual and corporate performance. All Directors' remunerations are determined by the Board as a whole while fee payable to Directors are subject to shareholders' approval.

Individual Directors do not participate in the deliberation and will abstain in the decision regarding their own remuneration package.

The details of Directors remuneration for the financial year ended 30 June 2016 are disclosed below.

The number of Directors with total remuneration falling into the following different bands is as follows:-

Remuneration (RM)	Band No of Executive Directors	Number of Non-Executive Directors
Up to 50,000	-	5
600,001 to 650,000	1	-
850,001 to 900,000	1	-
1,350,001 to 1,400,000	1	-
2,050,001 to 2,100,000	1	-
Total	4	5

The aggregate remuneration of the Directors categorized into appropriate components is as follows:-

	Company		Group			
	Executive Directors (RM)	Non-Executive Directors (RM)	Executive Directors (RM)	Non-Executive Directors (RM)	Total (RM)	%
Fees	80,000	100,000	80,000	100,000	180,000	3.57
Salaries	1,200,000	-	3,888,000	-	3,888,000	77.14
Bonuses	300,000	-	390,000	-	390,000	7.74
EPF	144,000	-	466,560	-	466,560	9.25
Estimated value of benefits-in-kind	57,900	-	115,800	-	115,800	2.30
Total	1,781,900	100,000	4,940,360	100,000	5,040,360	100.00

PRINCIPLE 3: REINFORCE INDEPENDENCE OF THE BOARD

BOARD INDEPENDENCE

Independence is important for ensuring objectivity and fairness in Board's decision making.

In order to uphold independence of Independent Directors, the Board has adopted the following recommendation of the Code as Board's policies:-

- Subject to Board's justification and shareholders' approval, tenure of Independent Directors should not exceed a cumulative nine (9) years; and
- Undertake annual assessment of independence of its Independent Directors focusing on events that would affect the ability of Independent Directors to continue bringing independent and objective judgment to Board deliberation and the regulatory definition of Independent Directors.

Conventionally, the Executive Chairman, Managing Director and Executive Directors are responsible for the Group business operations while the Non-Executive and Independent Directors play a pivotal role by bringing objective judgment and views into the Board's deliberation and decision making processes. The roles of the Executive Chairman and Managing Director are assumed by different Directors. Ms Kang Hui Ling has been identified as the Senior Independent Non-Executive Director providing another channel of communication for the shareholders.

PRINCIPLE 4: FOSTER COMMITMENT OF DIRECTORS

BOARD MEETINGS

The Board meets at least every quarter and other meetings are convened as and when necessary. All the proceedings at the Board meetings are properly minuted and confirmed by the Board members before being signed by the Executive Chairman. The Board had devised a schedule of matters that shall be reserved for Board's approval covering, inter alia, the acquisition and disposal of major assets, investment in projects, and corporate exercises which are under the purview of the Bursa Securities or the SC. Matters requiring Board decisions and approval during the intervals between the Board meetings are circulated and approved through circular resolutions.

During the financial year under review, a total of five (5) Board meetings were held and the record of attendances of the Directors is as follows:-

Name of Directors	Total Meetings Attended
Tan Sri Dato' Lim Kang Hoo	3/5
Datuk Seri Lim Keng Cheng	5/5
Khoo Nang Seng @ Khoo Nam Seng	5/5
Lim Hoe	5/5
Kang Hui Ling	5/5
Lim Ts-Fei	4/5
Chow Yoon Sam	5/5
Dr. Wong Kai Fatt	4/5
Lee Wai Kuen	5/5

All the Directors have complied with the minimum 50% attendance requirement in respect of Board meetings as stipulated in the MMLR.

PRINCIPLE 4: FOSTER COMMITMENT OF DIRECTORS (CONT'D)

TRAINING

Board recognises the needs to attend trainings in order to enhance their skills and knowledge and to keep abreast with the relevant change in laws, regulations and business environment so that they could discharge their duties effectively. During the year, the Company organised a training course titled 'Driving Growth When The Markets Is Contracting' for the benefit of all the Directors and senior management. The Company will continue to organise development and training programmes for the benefit of Directors and in addition, the Directors individually are encouraged to equip themselves on the new developments in the business environment by attending other relevant courses, trade fairs, seminars and conferences.

The Board continues to encourage participation of Directors in various training programmes. In addition, the Directors are regularly updated by the Company Secretary on any changes to the statutory, corporate and regulatory requirements relating to Directors' duties and responsibilities or the discharge of their duties as Directors. The external auditors also have briefed the Board on changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements.

PRINCIPLE 5: UPHOLD INTEGRITY IN FINANCIAL REPORTING

FINANCIAL REPORTING

In presenting the annual audited financial statements and quarterly announcements of the unaudited consolidated financial results to shareholders, the Board has taken reasonable steps to ensure a balance assessment of the Group's financial position and prospects. The integrity of financial reporting are influenced by the competency, quality and integrity of the management in charge of the preparation of financial reports and the competency, suitability and independence of external auditors. The Board is assisted by the Audit Committee in overseeing the Group's financial reporting process and the quality of its financial reporting.

RELATIONSHIP WITH EXTERNAL AUDITORS

The Group maintains a transparent relationship with the external auditors in seeking professional advice towards ensuring compliance with applicable financial reporting standards. As part of the Audit Committee review processes, the Audit Committee has obtained written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. Annually, the Audit Committee also reviews the appointment, performance and remuneration of the external auditors before recommending them to the shareholders for re-appointment in the AGM.

PRINCIPLE 6: RECOGNISE AND MANAGE RISKS

RISK MANAGEMENT AND INTERNAL CONTROL

Board acknowledges that risk management is an integral part of good governance and that risks are inherent in all business activities. Therefore, the Group's main objective in its risk management framework is to provide a structural means to identify, prioritize and manage the risks involved in all the Group's activities. The Board recognizes that it is impossible to eliminate risk totally but the key to an effective risk management framework is to find the right balance between the cost and benefits of managing and treating risks, and the anticipated returns that will be derived from it.

The Statement on Risk Management and Internal Control is set out in page 43 to 45 of this Annual Report and provides an overview of the state of internal controls within the Group.

PRINCIPLE 7: ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Group values the need and importance of effective and clear communication with shareholders and investors. As such, the Group ensures timely dissemination of information through appropriate communication channels to shareholders and investors to ensure that they are properly informed of major developments of the Group. Such information is communicated to them through the Annual Report and the various disclosures and announcements made to Bursa Securities from time to time. The results of Ekovest Group are also published quarterly via Bursa Securities and these information and documents are accessible at www.bursamalaysia.com. The Company also attends to the requests of analyst and fund managers from time to time.

The Group maintains its website at www.ekovest.com.my and contains essential corporate information of the Group for the interest of the general public. The Group believes that clear and consistent communication with investors promotes better appreciation of the Company's business and activities and allows the Group's business and prospects to be evaluated fairly. The Group has also leveraged on its corporate website to communicate, disseminate and add depth to the governance reporting and information such as the Board charter is available on-line.

PRINCIPLE 8: STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDER

GENERAL MEETINGS

The Company's general meetings are an important avenue for dialogue with shareholders as it provides them with the opportunity to seek clarification on the Group's strategy, performance and major developments. Board members, senior management and the Group's external auditor as well as the Company's advisers, where relevant, are available to respond to shareholders queries during the AGM or Extraordinary General Meeting, as the case maybe. Notices of each general meeting are issued on a timely manner to all shareholders to ensure that they have sufficient time to prepare and digest issues to be raised during the meeting. As part of our agenda to ensure transparency, all queries received by the Minority Shareholders Watchdog Group are also presented in the general meeting for the benefit of all shareholders. The Board would ensure suitability of venue and timing of meeting and undertake other measures to encourage shareholders' participation in the meetings.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for ensuring that:

I. The annual audited financial statements of the Group and of the Company are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable financial reporting standards so as to give a true and fair view of the state of affairs of the Group and of the Company for the financial year under review; and

II. Proper accounting and other records are kept which enable the preparation of the financial statements with reasonable accuracy and taking reasonable steps to ensure that appropriate systems are in place to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

In the preparation of the financial statements for the financial year ended 30 June 2016, the Directors have adopted appropriate accounting policies and have applied them consistently in the financial statements with reasonable and prudent judgments and estimates. The Directors are also satisfied that all relevant approved accounting standards have been followed in the preparation of the financial statements.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

1. INTRODUCTION

The Board of Directors of Ekovest Berhad ("the Board") is pleased to present this Statement on Risk Management and Internal Control for the financial year ended 30 June 2016. This Statement is prepared pursuant to paragraph 15.26(b) of the Main Market Listing Requirements and guided by the "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers" ("the Guidelines") which was endorsed by the Bursa Malaysia Securities Berhad ("Bursa Securities").

2. BOARD'S RESPONSIBILITY

As the Group operates in a dynamic business environment, a sound risk management and internal control system must be in place to help the Group to achieve its business objectives. Therefore, the Board remains committed towards maintaining a sound system of risk management and internal control and believes that a balanced achievement of its business objectives and operational efficiency can be attained.

Principally, the Guideline suggests the Board to:

- Embed risk management in all aspects of the Group's activities, which also encompasses subsidiaries of the Company; and
- Review risk management framework, processes, responsibilities and assessing whether the present policies and systems provide reasonable assurance that risk is managed appropriately.

Collectively, the Board oversees and reviews the conduct of the Group's business while Executive Directors and management execute measures and controls to ensure that risks are effectively managed.

3. RISK MANAGEMENT

The Group has an established risk management framework for identifying, evaluating and managing significant risks facing the organization. The framework was developed based on the ISO 31000:2009 Risk Management - Principles and Guidelines. Functionally, all Executive Directors and Senior Management regularly identify and manage the business risks faced by the Group in order to ensure that business operations are under control and corporate targets and objectives are achieved.

Furthermore, the Group has engaged an external professional to facilitate a half-yearly risk assessment workshop which participated by Executive Directors and Senior Management representing the corporate office, construction, property, infrastructure and concession division. During the workshop, the participants had:

- Reassessed the impact and likelihood parameters to ensure that these parameters are still relevant to the Company;
- Identified any potential new risks;
- Reassessed the risk rating for all the existing risks previously identified taking into consideration of the control effectiveness of each existing control, new control identified and completed mitigation plans; and
- Updated the status of the completion of any further management action plan identified.

Based on the result from the risk assessment, management will ensure adequate attention and focus for risk management are placed appropriately and timely in accordance with the perceived and anticipated risk magnitude. All identified risks were documented in a risk register to assist management in monitoring risks. The risk register is reported and deliberated in the Board meeting. This is to ensure that adequate actions are taken to address the risks.

4. REVIEW MECHANISM

In order to ensure the objectivity of the review of the systems of internal control and risk management framework in the Group, the Audit Committee is instituted by the Board to undertake this role. The Audit Committee will review the adequacy and effectiveness of internal controls based on the internal audits conducted by the internal audit team during the year. On a quarterly basis, the internal audit team will present the internal audit report to the Audit Committee where audit issues and action taken by management to address the issues were discussed in details during these meetings. Additionally, the Audit Committee obtains feedback from the external auditors on the risk and control issues highlighted by them in the course of their statutory audit.

Management further supplements the Audit Committee review on control and risk assessment when presenting their quarterly financial performance and results to the Audit Committee. With the management consultation, the Audit Committee reviews and analyses the interim financial results in corroboration with budget, management reports on operations, its business development and the performance of its subsidiaries as well as deliberates the integrity of the financial results, Annual Report and audited financial statements before recommending to the Board to be presented to the shareholders and public investors.

5. OTHER KEY ELEMENTS OF INTERNAL CONTROL

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

- Organisational structure outlining the lines of responsibilities and hierarchical structure for planning, executing, controlling and monitoring the business operations;
- Limit of authority and approval facilitating delegation of authority;
- Budgeting process and variances performance reporting for contract jobs are monitored by the Executive Directors;
- Written policies and procedures on key processes of the Group; and
- Monthly management reporting procedures for monitoring and tracking of performance of the Group.

6. MANAGEMENT RESPONSIBILITIES AND ASSURANCE

In accordance to the Guidelines, management is responsible to the Board for:

- identifying risks relevant to the business of the Group, achievement of objectives and strategies implementation;
- designing, implementing and monitoring the risk management framework in accordance with the Group's strategic vision and overall risk appetite; and
- identifying changes to risk or emerging risks, taking action as appropriate and promptly bringing these to the attention of the Board.

The Board has received assurance from Managing Director and Chief Financial Officer that, to the best of their knowledge the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

7. BOARD ASSURANCE AND LIMITATION

In making this Statement, the Board had considered the Guidelines.

For the financial year under review, the Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Group and the Board is satisfied that the existing level of systems of internal control and risk management are effective to enable the Group to achieve its business objectives and there were no material losses resulted from significant control weaknesses.

Nonetheless, the Board wishes to reiterate that risk management and internal control should be continuously improved in line with the evolving business development. It should also be noted that risk management systems and systems of internal control are only designed to manage rather than eliminate risks of failure to achieve business objectives. Therefore, these systems can only provide reasonable but not absolute assurance against material misstatements, frauds and losses. During the current financial year, there were no major internal control weaknesses which led to material losses, contingencies or uncertainties that would require disclosure in this Annual Report.

8. REVIEW OF STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control in accordance with the Recommended Practice Guide 5 (Revised 2015) (“RPG5 (Revised 2015)”) issued by the Malaysian Institute of Accountants for inclusion in the Annual Report for the year ended 30 June 2016 and have reported to the Board that nothing has come to their attention that cause them to believe that this Statement is inconsistent with their understanding of the process that the Board has adopted in the review of the adequacy and integrity of the systems of internal control of the Group.

RPG5 (Revised 2015) does not require the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the effectiveness of the Group’s risk and control procedures.

AUDIT COMMITTEE'S
REPORT

The Board of Directors of Ekovest Berhad ("the Board") is pleased to present the Audit Committee Report for the financial year ended 30 June 2016.

1. MEMBERS OF THE AUDIT COMMITTEE

The composition requirement of the Audit Committee members is in accordance with the regulatory requirements. The Audit Committee Chairman has access to all the Executive Directors, senior management, external and internal auditors. On a separate note, the Board is mindful of the Main Market Listing Requirements ("MMLR") on the review of the terms of office and performance of the Audit Committee and each of its members at least once every three (3) years. The review of the terms of office and performance of the Audit Committee and each of its members are carried out annually.

As at the date of this report, the Audit Committee comprises of 5 Independent Non-Executive Directors. During the financial year under review, a total of five (5) Audit Committee meetings were held and the record of attendances of the members is as follows:-

Name of Member		Attendance at Meetings
Ms Kang Hui Ling	Chairman (Senior Independent and Non-Executive)	5/5
Ms Lim Ts-Fei	Director (Independent and Non-Executive)	4/5
Dr Wong Kai Fatt	Director (Independent and Non-Executive)	4/5
Mr Chow Yoon Sam	Director (Independent and Non-Executive)	5/5
Mr Lee Wai Kuen	Director (Independent and Non-Executive)	5/5

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

The Audit Committee meetings were also attended by the external auditors and the internal auditors, when necessary.

2. TERMS OF REFERENCE

Pursuant to Paragraph 9.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"), such information as contained in the Board Charter of the Company is published on the corporate website of the Company (www.ekovest.com.my) for shareholders' reference.

3. SUMMARY OF WORK OF THE AUDIT COMMITTEE

The work carried out by the Audit Committee in discharging its duties and functions with respective to their following responsibilities during the financial period were summarized as follows:

Ensuring Financial Statements Comply with Applicable Financial Reporting Standards:

(a) Reviewed the financial positions, quarterly interim financial reports and announcements for the respective financial quarters prior to submission to the Board for consideration and approval;

(b) Reviewed the audited financial statements and the external auditors' findings and recommendations for the financial year ended 30 June 2016;

(c) Reviewed the changes in or the implementation of major accounting policy changes, any significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions and how these matters are addressed;

3. SUMMARY OF WORK OF THE AUDIT COMMITTEE (CONT'D)

The work carried out by the Audit Committee in discharging its duties and functions with respective to their following responsibilities during the financial period were summarized as follows: (Cont'd)

Reviewing the Audit Findings of the External Auditors and Assessing their Performance, Suitability and Independence of External Auditors:

(d) Reviewed the external auditors' audit planning memorandum for financial year 2016;

(e) Conducted independent meeting session with the external auditors without the presence of executive Board members and management personnel;

(f) Considered the performance of external auditors, reviewed the independence of external auditors and recommended to the Board for re-appointment;

Overseeing the Governance Practices in the Company:

(g) Reviewed the Corporate Governance Statement, Audit Committee Report, Statement on Risk Management and Internal Control and corporate social responsibilities prior to submission to the Board for consideration and approval for inclusion in the 2016 Annual Report;

(h) Reviewed any related party transactions and conflict of interest situations that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;

(i) Reviewed and report to the Board of the state of the systems of internal control of the Group;

(j) Reported to the Board on matters addressed at the Audit Committee meetings;

(k) Reviewed the 2016 Budget and recommended to the Board for approval and adoption;

Reviewing the Audit Findings of the Internal Auditors and Assisting the Board in Reviewing the Effectiveness and Adequacy of Systems of Internal Control in the Key Operation Processes:

(l) Reviewed and approved the internal audit plan;

(m) Reviewed the Internal Audit Reports and discussion on the audit findings, recommendations and management's response arising from the internal audits;

(n) Discussed with the internal auditors on their examinations and evaluation on the systems of internal control of the Group; and

(o) Reviewed the adequacy of the scope, functions, competency and resources of the internal audit function, and the internal audit programme and results of the internal audit process to ensure that appropriate actions are taken on the recommendations of the internal audit function.

4. INTERNAL AUDIT FUNCTION

The MMLR provide that a listed company must establish an internal audit function which is independent of the activities it audits and reports directly to the Audit Committee.

The Company outsourced its internal audit function to an internal audit consulting company. The audit team members are independent of the activities audited by them. The primary responsibility of this internal audit function is to assist the Board and the Audit Committee in reviewing and assessing whether the management systems of internal control procedures are effective and provide recommendations to strengthen these internal control procedures so as to foster a strong management control environment.

The methodology used by the Internal Audit Function in its work is in accordance to the principles of the internal auditing standards covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders on the audit concerns.

Quarterly, internal audit reviews are carried out in accordance with the internal audit plan approved by the Audit Committee. Prior to the presentation of reports and findings to the Audit Committee, comments from the management are obtained and incorporated into the internal audit findings and reports. In addition, the internal audit function follow-up with the management on the implementation of recommendations provided in its earlier reports.

During the financial year, the internal auditors had attended four (4) Audit Committee meetings. The fees incurred during the current financial year for the internal audit function of the Group is RM 77,500 (2015: RM66,250).

FINANCIAL STATEMENTS

DIRECTORS' RESPONSIBILITY STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

Directors' Responsibility Statement pursuant to Paragraph 15.26 (a) of Chapter 15 of the Listing Requirements of Bursa Malaysia Securities Berhad.

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

The Directors are satisfied that in preparing the financial statements of the Group for the financial year ended 30 June 2016 consider that all relevant approved accounting standards have been followed in the preparation of these financial statements.

The Directors are responsible for ensuring that the Group and Company maintain accounting records which disclose with reasonable accuracy the financial position of the Group and Company, which enable them to ensure that the financial statements comply with the provisions of the Companies Act, 1965. The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and Company and to prevent and detect fraud and other irregularities.

FINANCIAL HIGHLIGHTS

	Group 2012 RM'000	Group 2013 RM'000	Group 2014 RM'000	Group 2015 RM'000	Group 2016 RM'000
Gross Revenue	208,948	140,966	229,126	438,015	793,582
Profit Before Tax	84,179	66,745	7,726	31,766	190,951
Taxation	(11,535)	(16,710)	5,474	(11,760)	(35,345)
Profit After Tax	72,644	50,035	13,200	20,006	155,606
Minority Interests	-	36	33,911	(1,494)	(194)
Profit Attributable To Shareholders	72,644	50,071	47,111	18,512	155,412
Share Capital	178,794	305,517	*427,724	*427,724	*427,724
Reserves	231,920	473,907	670,863	754,719	889,414
Shareholders Funds	410,714	779,424	1,098,587	1,182,443	1,317,138
Represented By:					
Property, Plant and Equipment	104,219	110,956	107,645	59,411	67,290
Investment Properties	49,013	57,262	62,709	160,339	366,420
Land Held for Property Development	50,327	85,039	34,472	105,899	121,727
Concession Assets	-	1,483,605	1,579,610	1,796,922	2,388,462
Investments In Associates	611	-	-	-	-
Other Investments	218,787	-	-	-	-
Deferred Tax Assets	10,528	6,227	5,521	2,665	2,554
Current Assets	200,663	282,319	1,623,190	1,545,614	1,045,234
Current Liabilities	(215,143)	(304,436)	(338,383)	(461,753)	(568,501)
Non-current Liabilities	(8,291)	(799,495)	(1,972,978)	(2,021,961)	(2,105,979)
Minority Interests	-	(142,053)	(3,199)	(4,693)	(69)
	410,714	779,424	1,098,587	1,182,443	1,317,138
Net Tangible Assets Per Share (RM)	2.30	2.55	1.28	1.38	1.54
Gross Earnings Per Share (RM)	0.47	0.22	0.01	0.04	0.22
Net Earnings Per Share (RM)	0.41	0.16	0.02	0.02	0.18

* RM0.50 Per Share

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2016

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 2016.

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	155,606	26,971
Attributable to:		
Equity holders of the Company	155,412	26,971
Non-controlling interests	194	-
	155,606	26,971

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 2015 as disclosed in the Directors' Report of that year.

The Directors now recommend the payment of a first and final single tier dividend of 3 sen per ordinary share of RM0.50 amounting to RM25,663,466 for the financial year ended 30 June 2016.

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.

DIRECTORS

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

Tan Sri Dato' Lim Kang Hoo
Datuk Seri 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

DIRECTORS (CONT'D)

The Directors in office since the date of the last report are: (Cont'd)

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 Seri Lim Keng Cheng)
Mr Wong Khai Shiang	(Alternate to Madam Lim Hoe)

In accordance with Article 82 of the Company's Articles of Association, Tan Sri Dato' Lim Kang Hoo, Madam Lim Hoe and Mr Lee Wai Kuen retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Mr Khoo Nang Seng @ Khoo Nam Seng and Mr Chow Yoon Sam retire in accordance with Section 129 of the Companies Act, 1965 at the forthcoming annual general meeting and offer themselves for re-appointment pursuant to Section 129(6) of the Companies Act, 1965 to hold office until the conclusion of the following annual general meeting.

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:

	← Number of ordinary shares of RM0.50 each →			
Ekovest Berhad	**At 1-7-2015**	**Bought**	**Sold**	**At 30-6-2016**
Tan Sri Dato' Lim Kang Hoo				
- direct interest	172,682,089	-	-	172,682,089
- indirect interest	104,300,009	-	-	104,300,009
Datuk Seri Lim Keng Cheng				
- indirect interest	50,821,200	1,523,300	-	52,344,500
Mr Khoo Nang Seng @ Khoo Nam Seng				
- direct interest	49,576,800	-	(1,700)	49,575,100
Madam Lim Hoe				
- direct interest	3,851,300	-	-	3,851,300
Mr Chow Yoon Sam				
- direct interest	56,000	-	-	56,000

DIRECTORS' INTERESTS (CONT'D)

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: (Cont'd)

Warrants	Number of warrant over ordinary shares of RM0.50 each At 1-7-2015	Bought	Sold	At 30-6-2016
Tan Sri Dato' Lim Kang Hoo				
- direct interest	24,668,869	-	-	24,668,869
- indirect interest	14,900,004	-	-	14,900,004
Datuk Seri 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 adequate allowance had been made for doubtful debts; and

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

OTHER STATUTORY INFORMATION (CONT'D)

(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 the amount of the allowances for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; 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 7 October 2016

TAN SRI DATO' LIM KANG HOO
Director

DATUK SERI LIM KENG CHENG
Director

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF EKOVEST BERHAD - INCORPORATED IN MALAYISA

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 2016 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 58 to 119.

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 2016 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 120 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.

OTHERS 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. 02997/06/2018 J
Chartered Accountant

Kuala Lumpur

Date: 7 October 2016

STATEMENTS OF FINANCIAL POSITION
30 JUNE 2016

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	2	67,290	59,411	4,391	5,623
Investment properties	3	366,420	160,339	22,443	22,651
Land held for property development	4	121,727	105,899	-	-
Concession assets	5	2,388,462	1,796,922	-	-
Investments in subsidiaries	6	-	-	689,585	681,085
Amounts owing by subsidiaries	7	-	-	10,862	223
Deferred tax assets	8	2,554	2,665	-	-
		2,946,453	2,125,236	727,281	709,582
CURRENT ASSETS					
Gross amount due from customers	9	87,883	67,875	2,164	-
Property development costs	10	169,062	144,331	-	-
Trade and other receivables	11	142,406	109,890	9,112	9,516
Accrued billings	12	41,034	31,102	-	-
Amounts owing by subsidiaries	7	-	-	398,332	314,034
Current tax assets		4,407	5,859	-	-
Investment funds	13	410,600	1,026,459	-	-
Short term deposits	14	58,660	94,154	1,162	14,221
Cash and bank balances	15	130,922	65,944	7,403	11,007
		1,044,974	1,545,614	418,173	348,778
Investment property held for sale	16	260	-	-	-
		1,045,234	1,545,614	418,173	348,778
TOTAL ASSETS		3,991,687	3,670,850	1,145,454	1,058,360

STATEMENTS OF FINANCIAL POSITION
30 JUNE 2016

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
EQUITY					
Share capital	17	427,724	427,724	427,724	427,724
Reserves	18	889,414	754,719	423,112	413,250
Capital and reserves attributable to equity holders of the Company		1,317,138	1,182,443	850,836	840,974
Non-controlling interests		69	4,693	-	-
TOTAL EQUITY		1,317,207	1,187,136	850,836	840,974
NON-CURRENT LIABILITIES					
Hire purchase liabilities	19	11,551	10,383	375	1,001
Bank term loans	20	148,390	136,810	10,000	26,000
Medium term notes	21	1,739,406	1,685,359	-	-
Provision for heavy repairs	22	2,492	3,721	-	-
Deferred tax liabilities	23	204,140	185,688	503	534
		2,105,979	2,021,961	10,878	27,535
CURRENT LIABILITIES					
Gross amount due to customers	9	-	3,210	-	1,675
Trade and other payables	24	271,358	144,656	9,363	10,242
Amounts owing to subsidiaries	7	-	-	110,663	25,020
Hire purchase liabilities	19	5,418	4,106	626	772
Bank borrowings	25	289,024	308,985	161,041	151,375
Current tax liabilities		2,701	796	2,047	767
		568,501	461,753	283,740	189,851
TOTAL LIABILITIES		2,674,480	2,483,714	294,618	217,386
TOTAL EQUITY AND LIABILITIES		3,991,687	3,670,850	1,145,454	1,058,360

STATEMENTS OF
COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Revenue	26	793,582	438,015	580,322	275,994
Cost of sales	27	(594,283)	(284,182)	(534,282)	(255,259)
Gross profit		199,299	153,833	46,040	20,735
Other income and gains		131,634	14,860	6,200	10,828
Selling and marketing expenses		(5,873)	(5,126)	-	-
Administrative and general expenses		(37,726)	(38,877)	(8,523)	(11,970)
Other expenses		(1,598)	(1,664)	(1,597)	(1,659)
Finance costs	28	(94,785)	(91,260)	(9,162)	(6,576)
Profit before tax	29	190,951	31,766	32,958	11,358
Tax expense	30	(35,345)	(11,760)	(5,987)	(3,049)
Net profit for the year		155,606	20,006	26,971	8,309
Other comprehensive income, net of tax:					
Item that will not be reclassified subsequently to profit or loss:					
Revaluation of property, plant and equipment upon transfer to investment properties		-	82,453	-	-
Total comprehensive income for the year		155,606	102,459	26,971	8,309
Net profit for the year attributable to :					
Equity holders of the Company		155,412	18,512	26,971	8,309
Non-controlling interests		194	1,494	-	-
		155,606	20,006	26,971	8,309
Total comprehensive income for the year attributable to :					
Equity holders of the Company		155,412	100,965	26,971	8,309
Non-controlling interests		194	1,494	-	-
		155,606	102,459	26,971	8,309
Earnings per share for net profit attributable to the equity holders of the Company					
- Basic	31	18.17 sen	2.16 sen		
Net dividend per ordinary share	32	2.00 sen	2.00 sen	2.00 sen	2.00 sen

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	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
Total comprehensive income for the year	-	-	82,453	-	18,512	100,965	1,494	102,459
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
At 1 July 2015	427,724	367,806	82,453	40,328	264,132	1,182,443	4,693	1,187,136
Total comprehensive income for the year	-	-	-	-	155,412	155,412	194	155,606
Issuance of shares by a subsidiary to non-controlling interest (note 44)	-	-	-	-	-	-	74	74
Acquisition of additional equity interest in subsidiary companies (note 44)	-	-	-	-	(3,608)	(3,608)	(4,892)	(8,500)
Dividend paid (note 32)	-	-	-	-	(17,109)	(17,109)	-	(17,109)
At 30 June 2016	427,724	367,806	82,453	40,328	398,827	1,317,138	69	1,317,207

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	← Non-distributable		→		
	Share capital RM'000	Share premium RM'000	Warrant reserve RM'000	Retained earnings RM'000	Total RM'000
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
At 1 July 2015	427,724	367,806	40,328	5,116	840,974
Total comprehensive income for the year	-	-	-	26,971	26,971
Dividend paid (note 32)	-	-	-	(17,109)	(17,109)
At 30 June 2016	427,724	367,806	40,328	14,978	850,836

The accompanying notes form an integral part of the financial statements

STATEMENTS OF
CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	190,951	31,766	32,958	11,358
Adjustments for:				
Depreciation	6,921	5,278	985	1,003
Loss/(Gain) on disposal of property, plant and equipment	84	330	158	(233)
Property, plant and equipment written off	5	-	-	-
Gain on disposal of investment properties	(853)	(288)	(383)	-
Fair value gain on investment properties	(123,014)	(4,630)	-	(2,062)
Amortisation of concession assets	8,096	2,773	-	-
Impairment loss on investments in subsidiaries	-	-	-	2,801
Allowance for doubtful debts	711	-	-	-
Fair value gain on investment funds	(1,609)	(526)	-	-
Provision for heavy repairs	1,183	831	-	-
Dividend income	-	-	(18,000)	(6,284)
Interest income	(3,161)	(6,126)	(5,751)	(7,609)
Finance costs	94,785	91,260	9,162	6,576
Operating profit before working capital changes	174,099	120,668	19,129	5,550
Changes in property development costs	(55,957)	(40,022)	-	-
Changes in receivables	(63,167)	(63,542)	10,963	14,948
Changes in payables	121,080	(75,042)	82,983	(8,425)
Cash generated from/(used in) operations	176,055	(57,938)	113,075	12,073
Interest received	28,503	46,077	5,726	6,811
Interest paid	(129,924)	(115,149)	(6,090)	(6,478)
Tax paid	(13,425)	(9,645)	(4,738)	(943)
Net cash generated from/(used in) operating activities	61,209	(136,655)	107,973	11,463

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment (note 36)	(7,724)	(4,792)	(45)	(48)
Acquisition of additional equity interest in subsidiary companies	(8,500)	-	(8,500)	(1,250)
Development cost incurred on land held for property development	(54,232)	(21,340)	-	-
Purchase of investment properties	(9,192)	(917)	(92)	(917)
Redemption of investment funds	617,468	263,422	-	-
Payment for concession assets	(564,678)	(204,667)	-	-
Proceeds from disposal of property, plant and equipment	239	1,134	134	233
Proceeds from disposal of investment properties	1,359	1,205	683	-
Withdrawal/(Placement) of short term deposits	35,494	(86,065)	13,059	(13,226)
Advances to subsidiaries	-	-	(92,539)	(72,066)
Dividends received	-	-	-	6,284
Net cash generated from/(used in) investing activities	10,234	(52,020)	(87,300)	(80,990)
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of shares by a subsidiary to non-controlling interest (note 44)	74	-	-	-
Drawndown of bank borrowings	158,362	220,304	15,000	68,000
Repayment of bank borrowings	(159,543)	(16,876)	(16,000)	(16,000)
Proceeds from issuance of medium term notes	24,349	-	-	-
Payment of hire purchase liabilities	(4,924)	(3,357)	(772)	(960)
Payment of hire purchase term charges	(474)	(508)	(62)	(98)
Dividend paid (note 32)	(17,109)	(17,109)	(17,109)	(17,109)
Net cash generated from/(used in) financing activities	735	182,454	(18,943)	33,833
NET CHANGES IN CASH AND CASH EQUIVALENTS	72,178	(6,221)	1,730	(35,694)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	16,415	22,636	(5,368)	30,326
CASH AND CASH EQUIVALENTS CARRIED FORWARD	88,593	16,415	(3,638)	(5,368)
Represented by:				
CASH AND BANK BALANCES	130,922	65,944	7,403	11,007
BANK OVERDRAFTS	(42,329)	(49,529)	(11,041)	(16,375)
	88,593	16,415	(3,638)	(5,368)

The accompanying notes form an integral part of the financial statements

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.

Malaysian Financial Reporting Standards

On 19 November 2011, the MASB issued a new approved accounting framework, i.e. Malaysian Financial Reporting Standards ("MFRS"). 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 venturer (referred to as "Transitioning Entities" collectively). Transitioning Entities are allowed to defer adoption of MFRS, and continue to use the existing FRS framework until the MFRS framework is mandated by the MASB. The Group falls within the definition of Transitioning Entities and has opted to defer adoption of MFRS.

According to an announcement made by the MASB on 28 October 2015, all Transitioning Entities shall adopt the MFRS framework and prepare their first MFRS financial statements for annual periods beginning on or after 1 January 2018.

The Group will adopt the MFRS framework and will prepare its first set of MFRS financial statements for the financial year ending 30 June 2019. In presenting its first set of MFRS financial statements, the Group 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. Accordingly, the financial performance and financial position of the Group as presented in these financial statements for the year ended 30 June 2016 could be different if prepared in accordance with MFRS.

1. SIGNIFICANT ACCOUNTING POLICIES

(b) Standards issued that are not yet effective

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

		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 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
Amendments to FRS 107	Disclosure Initiative	1 January 2017
Amendments to FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by the MASB

The Group and the Company have not applied the following standards and amendments (which are applicable upon adoption of MRFS framework) that have been issued by the MASB but are not yet effective.

		Effective Date
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 116	Incorporating Bearer Plants into the Scope of MFRS 116	1 January 2018
Amendments to MFRS 141	Amendments Resulting from the Incorporation of Bearer Plants into the scope of MFRS 116	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
MFRS 16	Leases	1 January 2019

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Standards issued that are not yet effective (Cont'd)

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, which is based on 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 opposed to the 'incurred loss' model under MFRS 139), i.e. a loss event need not occur before an impairment loss is recognised, which will result in earlier recognition of losses.

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

The 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.

MFRS 16 Leases

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Standards issued that are not yet effective (Cont'd)

MFRS 16 Leases (Cont'd)

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

The Group and the Company are currently assessing the impact to the financial statements upon adopting MFRS 16, and will adopt MFRS 16 on the mandatory effective date.

(c) 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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Significant accounting judgements and estimates (Cont'd)

Critical judgement made in applying accounting policies (Cont'd)

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(l) 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(m) 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 debts 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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Significant accounting judgements and estimates (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Measurement of impairment loss on investments in subsidiaries

Investments in subsidiaries 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 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(g) 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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) 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.

(e) 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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Basis of consolidation (Cont'd)

Loss of control (Cont'd)

When the Company loses control of a subsidiary: (Cont'd)

(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 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.

(f) 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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments (Cont'd)

Financial assets (Cont'd)

In the ordinary course of business, the Group and the Company do not have financial assets categorised as held-to-maturity investments and 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.

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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) 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:

$$\frac{\text{Actual toll revenue for the year}}{\text{(Actual toll revenue for the year + Projected total toll revenue for the remaining concession period)}} \times \text{(Carrying amount of concession assets at beginning of the year + Additions during the year)}$$

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

(h) Property, plant and equipment

(i) Measurement basis

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the 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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Property, plant and equipment (Cont'd)

(ii) Depreciation

Freehold land is 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:

Buildings	2%
Equipment, plant and machinery	4% - 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.

(i) 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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Non-current assets held for sale

Non-current assets are classified as held for sale if the carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the assets (or disposal group) are available for immediate sale in their present condition and the sale is highly probable subject only to terms that are usual and customary.

On initial classification as held for sale, non-current assets are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the disposal group to fair value less costs to sell. Subsequent increase in fair value less costs to sell is recognised as a gain in the profit or loss to the extent of the cumulative impairment loss that had been recognised previously.

(k) 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.

(l) 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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Construction contracts (Cont'd)

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).

(m) Development properties

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

Land held for property 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.

(n) 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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Impairment of non-financial assets

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

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

(p) 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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) 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.

(r) 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.

(s) 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) Toll compensation

Pursuant to Concession Agreement, the Government reserves the right to resructure or to restrict the imposition of unit toll rate increases, and in such event, the Government shall compensate the Group for any deduction in toll revenue, subject to negotiation and other considerations that the Government may deem fit. Toll compensation for any concession year is recognised in the financial statements as revenue when recovery is probable and the amount that is recoverable can be measured reliably.

(v) Renewable energy income

Renewable energy income are recognised on an accrual basis.

(vi) Hiring and rental income

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Revenue recognition (Cont'd)

(vii) Project management fee

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

(viii) Dividend income

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

(ix) Interest income

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

(t) Goods and services tax ("GST")

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

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

(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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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 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.

(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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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 2016 Cost	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 2015	34,062	17,583	32,597	6,536	2,969	93,747
Additions	-	11,756	2,107	1,097	168	15,128
Disposals	-	(249)	(2,545)	(9)	-	(2,803)
Write-offs	-	-	-	(19)	-	(19)
At 30 June 2016	34,062	29,090	32,159	7,605	3,137	106,053
Accumulated depreciation						
At 1 July 2015	738	10,521	16,116	4,828	2,133	34,336
Charge for the year	174	3,557	2,359	669	162	6,921
Disposals	-	(249)	(2,225)	(6)	-	(2,480)
Write-offs	-	-	-	(14)	-	(14)
At 30 June 2016	912	13,829	16,250	5,477	2,295	38,763
Net carrying amount						
At 30 June 2016	33,150	15,261	15,909	2,128	842	67,290
Group 2015						
Cost						
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 property 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						
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

2. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company 2016	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 2015	6,585	14,968	2,875	2,103	26,531
Additions	-	13	32	-	45
Disposals	(169)	(1,981)	-	-	(2,150)
At 30 June 2016	6,416	13,000	2,907	2,103	24,426
Accumulated depreciation					
At 1 July 2015	6,585	9,730	2,779	1,814	20,908
Charge for the year	-	910	24	51	985
Disposals	(169)	(1,689)	-	-	(1,858)
At 30 June 2016	6,416	8,951	2,803	1,865	20,035
Net carrying amount					
At 30 June 2016	-	4,049	104	238	4,391

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

2. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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

Group	Cost 2016 RM'000	Accumulated depreciation 2016 RM'000	Net carrying amount 2016 RM'000	Net carrying amount 2015 RM'000
Freehold				
- Land	25,316	-	25,316	25,316
- buildings	8,746	912	7,834	8,008
	34,062	912	33,150	33,324

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Equipment, plant and machinery	11,460	7,952	6,416	6,585
Motor vehicles	14,648	11,922	9,939	7,688
Office equipment	3,772	3,483	2,737	2,633
Furniture and fittings	1,849	1,917	1,606	1,592
	31,729	25,274	20,698	18,498

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Motor vehicles acquired under hire purchase	11,746	15,881	2,699	4,058
Motor vehicles registered in the names of third parties holding in trust for the Group	185	257	-	-
Property, plant and equipment charged to a licensed bank for IMTN as disclosed in note 21(a)	2,334	2,421	-	-

3. INVESTMENT PROPERTIES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
At 1 July	160,339	62,709	22,651	19,672
Additions	9,192	917	92	917
Disposals	(506)	(917)	(300)	-
Changes in fair value	123,014	4,630	-	2,062
Transfer from property, plant and equipment (note 2)	-	93,000	-	-
Transfer from property development costs (note 10)	74,641	-	-	-
Transfer to investment property held for sale (note 16)	(260)	-	-	-
At 30 June	366,420	160,339	22,443	22,651
Investment properties comprise:				
At fair value				
- Freehold land and commercial buildings/apartments	262,633	131,514	13,030	12,981
- Short term leasehold land and buildings	9,413	9,876	9,413	9,670
- Long term leasehold land and buildings/apartments	4,530	4,360	-	-
At cost				
- Constructions in progress	89,844	14,589	-	-
	366,420	160,339	22,443	22,651

The title deeds to the completed freehold apartments amounted to RM1,148,000 (2015: RM1,111,000) was pending transfer to the Group.

Included in investment properties under construction of the Group is the borrowing costs capitalised amounted to RM4,532,000 (2015: Nil).

Freehold land and buildings with carrying value of RM225,499,000 (2015: RM5,508,000) are charged to licensed banks for banking facilities granted to the Group as disclosed in notes 20 and 25.

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 PROPERTY DEVELOPMENT

Group	Freehold/ Leasehold land at cost RM'000	Development expenditure at cost RM'000	Total RM'000
At 1 July 2015	79,817	26,082	105,899
Additions	48,780	5,452	54,232
Transfer to property development costs (note 10)	(32,743)	(5,661)	(38,404)
At 30 June 2016	95,854	25,873	121,727
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

Land held for property development of the Group included above at a carrying amount of RM31,061,000 (2015: RM63,431,000) has been charged to licensed banks for banking facilities granted to the Group as disclosed in notes 20, 21(b) and 25.

5. CONCESSION ASSETS

	Group	
	2016 RM'000	2015 RM'000
Expressway, at cost		
At 1 July	1,808,068	1,587,983
Additions	564,678	204,667
Borrowing costs capitalised	34,958	15,418
At 30 June	2,407,704	1,808,068
Less: Accumulated amortisation		
At 1 July	11,146	8,373
Charge for the year	8,096	2,773
At 30 June	19,242	11,146
Net carrying amount		
At 30 June	2,388,462	1,796,922

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.

5. CONCESSION ASSETS (CONT'D)

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(a).

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2016 RM'000	2015 RM'000
Unquoted shares, at cost	365,254	352,874
Unquoted redeemable preference shares, at cost	145,693	149,573
Less: Accumulated impairment losses	(6,725)	(6,725)
	504,222	495,722
Junior Bond	180,000	180,000
Capital contributions	5,363	5,363
	689,585	681,085

The Company subscribed RM180 million Junior Bond from Kesturi.

The salient features of the Junior Bond are as follows:

(i) The Junior Bond has a tenure of 21 years (2015: 21 years) from the date of issuance; and

(ii) The Junior Bond's coupon is calculated at a rate of 11.5% (2015: 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 Bond.

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.

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.

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

	Effective equity interest 2016 %	2015 %	Principal activities
Ekovest Energy Sdn Bhd (formerly known as Binawani Sdn Bhd)	100	100	Investment holding and renewable energy activity
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
Ekoriver Construction Sdn Bhd (formerly known as Ekovest-MRCB Construction Sdn Bhd)	100	60	Civil engineering and building works
Ekovest KL Bund Sdn Bhd (formerly known as Ekovest-MRCB JV Sdn Bhd)	100	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	Investment holding
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 & Ride Sdn Bhd	100	100	Inactive
DUKE Development Sdn Bhd	100	100	Inactive
Lebuhraya DUKE Fasa 3 Sdn Bhd	100	100	Inactive
Lebuhraya DUKE Fasa 2A Sdn Bhd	70	70	Inactive

7. 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 2016 RM'000	Company 2015 RM'000
Trade accounts	16,918	29,641
Dividend receivable	18,000	-
Unsecured advances:		
- bearing interest at 5.12% (2015: 5.44%) per annum	70,614	109,872
- interest-free	292,800	174,521
	398,332	314,034

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

The unsecured advances are receivable within 12 months.

Amounts owing to subsidiaries included under current liabilities

	Company 2016 RM'000	Company 2015 RM'000
Trade accounts	110,523	24,986
Unsecured interest-free advances	140	34
	110,663	25,020

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

The unsecured interest-free advances are repayable within 12 months.

8. DEFERRED TAX ASSETS

	Group 2016 RM'000	Group 2015 RM'000
At 1 July	2,665	5,521
Recognised in profit or loss	(111)	(2,856)
At 30 June	2,554	2,665

Temporary differences recognised as deferred tax assets arose mainly from the difference between the manner in which construction profits is recognised for tax and accounting purpose.

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.

8. DEFERRED TAX ASSETS (CONT'D)

At 30 June 2016, 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	
	2016 RM'000	2015 RM'000
Deductible temporary differences on unused tax losses	7,009	7,030

9. GROSS AMOUNT DUE FROM/(TO) CUSTOMERS

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Cost of contracts incurred to-date	2,159,048	1,510,357	882,942	352,412
Attributable profit less foreseeable losses recognised to-date	148,780	185,147	45,153	17,467
	2,307,828	1,695,504	928,095	369,879
Progress billings	(2,219,945)	(1,630,839)	(925,931)	(371,554)
	87,883	64,665	2,164	(1,675)
Represented by:				
Gross amount due from customers	87,883	67,875	2,164	-
Gross amount due to customers	-	(3,210)	-	(1,675)
	87,883	64,665	2,164	(1,675)
Retention sums receivable from customers (included in trade receivables, note 11)	19,479	15,549	8,064	8,064

10. PROPERTY DEVELOPMENT COSTS

	Group 2016 RM'000	Group 2015 RM'000
Freehold land at cost	64,846	66,903
Development costs	79,485	32,740
At 1 July	144,331	99,643
Costs transferred from land held for property development		
- Freehold land (note 4)	32,743	-
- Development costs (note 4)	5,661	-
Costs transferred to investment properties		
- Development costs (note 3)	(74,641)	-
Costs incurred during the year		
- Development costs	94,117	82,492
	57,880	82,492
Costs recognised as an expense in the current year	(33,149)	(37,804)
At 30 June	169,062	144,331

Property development costs incurred during the financial year include the capitalisation of borrowing costs amounted to RM5,011,000 (2015: RM4,666,000).

The freehold land is charged to licensed banks for banking facilities granted to the Group as disclosed in notes 20, 21(b) and 25.

11. TRADE AND OTHER RECEIVABLES

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Gross trade receivables	77,920	47,359	8,910	8,945
Less:				
Allowance for doubtful debts	(711)	-	-	-
Trade receivables	77,209	47,359	8,910	8,945
Other receivables	44,600	51,784	164	526
GST recoverable	3,303	67	-	-
Sundry deposits and prepayments	17,294	10,680	38	45
	142,406	109,890	9,112	9,516

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.

11. TRADE AND OTHER RECEIVABLES (CONT'D)

Included in trade receivables are:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Amounts owing by companies in which certain Directors have financial interests	31,992	23,145	793	837

The trade receivables are unsecured and interest-free.

Included in other receivables are:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Amounts owing by companies in which certain Directors have financial interests	5,473	22,112	-	85

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

GST recoverable pertains to net amount of GST recoverable from the Royal Malaysian Customs Department ("RMCD").

12. ACCRUED BILLINGS

	Group	
	2016 RM'000	2015 RM'000
Revenue recognised in profit or loss to-date	108,499	58,159
Progress billings to-date	(67,465)	(27,057)
Accrued billings	41,034	31,102

13. 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.

14. SHORT TERM DEPOSITS

The short term deposits are placed with licensed banks and earned interest at between 2.00% and 3.58% (2015: 2.38% and 3.27%) 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 RM3,215,000 and Nil (2015: RM6,308,000 and RM718,000) respectively, which have been charged to banks as security for banking facilities granted to the Group and the Company.

15. CASH AND BANK BALANCES

Cash and bank balances of the Group include an amount of RM17,024,000 (2015: RM6,874,000) maintained in Housing Development Accounts ("HDAs"). Withdrawals from the HDAs are restricted in accordance with the Housing Developers (Housing Development Account) Regulations, 1991.

Funds maintained in the HDAs earn interest at 1.87% to 2.20% (2015: 2.14% to 2.15%) per annum.

16. INVESTMENT PROPERTY HELD FOR SALE

	Group	
	2016 RM'000	2015 RM'000
At fair value		
At 1 July	-	-
Transfer from investment properties (note 3)	260	-
At 30 June	260	-

On 15 April 2016, Saujarena Bina Sdn Bhd, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement to dispose of an investment property for a consideration of RM260,000. The disposal has not been completed as at 30 June 2016.

17. SHARE CAPITAL

	Group and Company			
	2016		2015	
	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
Issued and fully paid:				
At 1 July/30 June				
Ordinary shares of RM0.50 each	855,448	427,724	855,448	427,724

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.

18. RESERVES (CONT'D)

(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.

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:

(i) 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;

(ii) 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;

(iii) 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;

(iv) 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;

(v) 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;

(vi) 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

(vii) the Deed Poll and accordingly the Warrants, are governed by and shall be construed in accordance with the laws of Malaysia.

19. HIRE PURCHASE LIABILITIES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Outstanding hire purchase instalments due:				
- not later than one year	6,216	4,824	655	834
- later than one year but not later than five years	12,485	11,181	383	1,038
	18,701	16,005	1,038	1,872
Unexpired term charges	(1,732)	(1,516)	(37)	(99)
	16,969	14,489	1,001	1,773

19. HIRE PURCHASE LIABILITIES (CONT'D)

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Outstanding principal due:				
- not later than one year (included in current liabilities)	5,418	4,106	626	772
- later than one year but not later than five years	11,551	10,383	375	1,001
	16,969	14,489	1,001	1,773

The effective interest rates of the hire purchase liabilities are between 2.48% and 5.55% (2015: 2.33% and 5.77%) per annum.

20. BANK TERM LOANS

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Bank term loans bearing interest rates between 1.25% and 1.75% above cost of fund [effective rates between 4.82% and 4.84% (2015: 4.82% and 6.32%) p.a.]	50,000	180,000	-	-
Bank term loans bearing interest rates between 0.75% and 1.00% above base lending rate [effective rate between 7.60% and 7.70% (2015: 7.60% and 7.85%) p.a.]	4,755	5,106	-	-
Bank term loan bearing fixed interest rate at 5.50% (2015: 5.50%) p.a.	26,000	42,000	26,000	42,000
Bank term loans bearing interest rates at 2.20% below base lending rate [effective rates between 4.44% and 4.75% (2015: 4.65%) p.a.]	11,880	2,160	-	-
Bank term loans bearing interest rates at 1.75% above cost of fund [effective interest rates between 5.80% and 5.83% (2015: Nil%) p.a.]	115,975	-	-	-
Bank term loan bearing interest rate at 0.50% above base lending rate [effective rates between 7.35% and 7.45% (2015: Nil%) p.a.]	6,975	-	-	-
	215,585	229,266	26,000	42,000
Repayments due within 12 months (included in current liabilities, note 25)	(67,195)	(92,456)	(16,000)	(16,000)
Repayments due after 12 months	148,390	136,810	10,000	26,000

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. MEDIUM TERM NOTES

		Group	
		2016 RM'000	2015 RM'000
Islamic medium term notes	(a)	1,715,057	1,685,359
Medium term notes	(b)	24,349	-
		1,739,406	1,685,359

(a) 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 must maintain a Finance Service Reserve Account (“FSRA”) 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;

(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 on event of default; and

(iv) Kesturi and the security agent shall be permited from time to time to utilise funds held in the FSRA to make permitted investments, provided that such funds utilised for permitted investments shall be remitted to the FSRA, no later than 3 business days before any payment obligations of Kesturi become due and payable.

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.

21. MEDIUM TERM NOTES (CONT'D)

(b) The amount represents medium term notes ("MTN") issued by Ekovest Land Sdn Bhd ("ELSB"), a wholly-owned subsidiary of the Company, in 3 tranches, with maturities in 2019.

The MTN with nominal value of up to RM130 million and tenure of 5 years are repayable by way of 8 equal principal repayments of RM16.25 million each commencing from 39th month from the date of first issuance of MTN or redemption of development units sold at 30%, whichever is earlier. The MTN is subject to coupon interest rate of 1.75% above cost of funds [effective interest rate of 5.60% (2015: Nil%) per annum].

ELSB 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 MTN holders as follows:

(i) third legal charge over the project land ranking pari passu with the existing first legal charge and second legal charge;

(ii) irrecoverable and unconditional letter of undertaking from the Company to ensure completion of the project and to meet any project cost overrun;

(iii) corporate guarantee by the Company;

(iv) deed of assignment of sale proceeds of the service apartments and retail units;

(v) assignment and charge over all the rights, title, interest and benefit in and under the Designated accounts to be opened by ELSB (save and except HDA); and

(vi) assignment of proceeds from all relevant takaful or insurance policies (save and except for takaful or insurance policies for workmen's compensation and public liability) to be taken up by ELSB.

22. PROVISION FOR HEAVY REPAIRS

	Group	
	2016 RM'000	2015 RM'000
At 1 July	3,721	3,533
Provision during the year	1,183	831
Payment of maintenance cost	(2,412)	(643)
At 30 June	2,492	3,721

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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
At 1 July	185,688	183,163	534	131
Recognised in profit or loss	18,452	(1,814)	(31)	403
Recognised in other comprehensive income	-	4,339	-	-
At 30 June	204,140	185,688	503	534
The deferred tax liabilities comprise:				
Taxable temporary differences				
- relating to revaluation of properties	11,515	5,364	452	447
- between net carrying amount and tax written down value of concession assets and property, plant and equipment	49,132	26,907	51	87
- relating to fair value adjustments on assets and liabilities of subsidiaries acquired	143,493	153,417	-	-
	204,140	185,688	503	534

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Trade payables	174,852	82,304	7,926	7,926
Other payables	54,706	47,152	794	1,470
GST payable	1,070	1,805	110	239
Deposits	1,834	564	-	-
Accruals	30,164	4,099	533	607
Profit elements payable on IMTN	8,732	8,732	-	-
	271,358	144,656	9,363	10,242

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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Amounts owing to companies in which certain Directors have financial interests	2,432	2,164	-	-

24. TRADE AND OTHER PAYABLES (CONT'D)

Included in other payables are:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Amounts owing to companies in which certain Directors have financial interests	1,076	1,316	-	-

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

GST payable pertains to net amount of GST payable to the RMCD.

25. BANK BORROWINGS

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Secured bank overdrafts bearing interest rates between 1.50% and 1.75% above base lending rate [effective rates between 8.15% and 8.45% (2015: 7.35% and 8.60%) p.a.]	41,017	48,237	9,729	15,083
Unsecured bank overdraft bearing interest rate at 1.50% above base lending rate [effective rate at 8.22% (2015: 8.35%) p.a.]	1,312	1,292	1,312	1,292
Secured revolving credits bearing interest at floating rates between 3.87% and 5.63% (2015: 3.65% and 5.65%) p.a.	179,500	167,000	134,000	119,000
	221,829	216,529	145,041	135,375
Bank term loans (note 20)	67,195	92,456	16,000	16,000
	289,024	308,985	161,041	151,375

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; and

(e) corporate guarantee by the Company.

26. REVENUE

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Construction contract revenue	618,984	278,423	561,650	268,924
Property development revenue	50,340	58,159	-	-
Toll revenue	112,017	93,423	-	-
Toll compensation revenue	10,990	-	-	-
Renewable energy income	240	-	-	-
Hire of machineries and motor vehicles	368	429	368	429
Rental income from investment properties	510	580	304	357
Project management fee	133	7,001	-	-
Dividend income from subsidiaries	-	-	18,000	6,284
	793,582	438,015	580,322	275,994

27. COST OF SALES

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Construction contract costs	540,503	227,959	533,964	254,902
Property development costs	33,149	37,804	-	-
Direct operating costs relating to				
- hire of machineries and motor vehicles	118	141	118	141
- toll operation	20,060	15,508	-	-
- project management	113	2,352	-	-
Direct operating costs relating to investment properties				
- revenue generating	325	148	185	74
- non-revenue generating	15	270	15	142
	594,283	284,182	534,282	255,259

28. FINANCE COSTS

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Finance costs on:				
- hire purchase	474	508	62	98
- bank borrowings	23,930	17,702	6,090	6,478
- payables	4	4	-	-
- medium term notes	79,920	77,712	-	-
- fair value loss on financial assets measured at amortised cost	-	-	3,010	-
	104,328	95,926	9,162	6,576
Less:				
Amounts capitalised in:				
- investment properties (note 3)	(4,532)	-	-	-
- property development costs (note 10)	(5,011)	(4,666)	-	-
	94,785	91,260	9,162	6,576

29. PROFIT BEFORE TAX

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit before tax is stated after charging:				
Auditors' remuneration				
- statutory audit	258	245	83	82
Amortisation of concession assets	8,096	2,773	-	-
Depreciation	6,921	5,278	985	1,003
Directors' fees	180	180	180	180
Directors' remuneration other than fees	6,340	5,585	1,644	1,680
Impairment loss on investments in subsidiaries	-	-	-	2,801
Loss on disposal of property, plant and equipment	84	330	158	-
Operating lease				
- rental of premises	2,036	2,344	14	13
- rental of machinery	1,422	1,940	-	1
- rental of motor vehicles	364	34	-	5
Provision for heavy repairs	1,183	831	-	-
Allowance for doubtful debts	711	-	-	-
Property, plant and equipment written off	5	-	-	-
and crediting:				
Gain on disposal of				
- property, plant and equipment	-	-	-	233
- investment properties	853	288	383	-
Fair value gain on				
- investment properties	123,014	4,630	-	2,062
- investment funds	1,609	526	-	-
Hire of machineries and motor vehicles	373	502	368	429
Interest income				
- subsidiary	-	-	5,596	7,220
- short term deposits	2,110	2,102	155	389
- investment funds	1,051	3,526	-	-
- trade receivables	-	498	-	-
Rental income				
- investment properties	413	920	304	357
- other than investment properties	523	39	-	-

The estimated monetary value of benefits-in-kind received by the Directors otherwise than in cash from the Group and the Company amounted to RM200,100 and RM58,000 (2015: RM133,000 and RM23,000) respectively.

30. TAX EXPENSE

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Malaysian taxation				
- current	18,814	12,673	5,863	3,215
- deferred	16,439	(9,603)	(13)	99
	35,253	3,070	5,850	3,314
(Over)/Under estimated in prior years				
- current	(2,032)	(1,955)	155	(569)
- deferred	2,124	10,645	(18)	304
	35,345	11,760	5,987	3,049

The reconciliations between the tax expense and the accounting profit are as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Accounting profit	190,951	31,766	32,958	11,358
Tax at the applicable tax rate of 24% (2015: 25%)	45,828	7,942	7,910	2,840
Tax effect of expenses not deductible in determining taxable profit	15,590	5,048	3,732	3,512
Tax effect of income not taxable in determining taxable profit	(2,802)	(7,439)	(5,792)	(2,626)
Utilisation of deferred tax assets not recognised previously	(5)	(793)	-	-
Difference between corporate tax rate of 24% (2015: 25%) and RPGT rate of 5% applied in the computation of deferred tax on fair value gain on investment properties	(23,358)	(926)	-	(412)
Effect of changes in tax rate	-	(762)	-	-
Current tax expense (over)/under estimated in prior years	(2,032)	(1,955)	155	(569)
Deferred tax under/(over) estimated in prior years	2,124	10,645	(18)	304
Tax expense for the year	35,345	11,760	5,987	3,049

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 RM155,412,000 (2015: RM18,512,000) and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2016 '000	2015 '000
Number of ordinary shares at 1 July	855,448	855,448
Weighted average number of ordinary shares at 30 June	855,448	855,448

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	
	2016 RM'000	2015 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 2015 (2015 : First and final single tier dividend of 2 sen per ordinary share of RM0.50 for the financial year ended 30 June 2014)	17,109	17,109
Net dividend per ordinary share (sen)	2.00	2.00

At the forthcoming annual general meeting, a first and final single tier dividend of 3 sen per ordinary share of RM0.50 amounting to RM25,663,466 in respect of the financial year ended 30 June 2016 will be proposed for approval by shareholders.

33. EMPLOYEES BENEFITS EXPENSE

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Salaries, wages, allowances and bonuses				
- Executive Directors	5,719	4,999	1,500	1,500
- other employees	24,596	21,272	1,603	1,889
Defined contribution plan - EPF contributions				
- Executive Directors	621	586	144	180
- other employees	1,839	1,764	209	243
Social security costs				
- SOCSO contributions	192	150	11	12
Other benefits expenses	894	439	111	71
	33,861	29,210	3,578	3,895

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, Knusford Equipment Sdn Bhd, Knusford Construction Sdn Bhd, Knusford Holdings Sdn Bhd, Radiant Seas Sdn Bhd, Knusford Project Management Sdn Bhd and D-Hill Sdn Bhd are deemed related to Tan Sri Dato' Lim Kang Hoo, Khoo Nang Seng @ Khoo Nam Seng, Madam Lim Hoe, Lim Chen Herng and Wong Khai Shiang; 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 Seri Lim Keng Cheng, Madam Lim Hoe, Lim Chen Herng, Wong Khai Shiang and Lim Ding Shyong; and

(iii) Astana Setia Sdn Bhd and Lim Seong Hai Lighting Sdn Bhd are deemed related to Datuk Seri Lim Keng Cheng and Lim Ding Shyong.

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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Progress billings to				
- Danga Bay Sdn Bhd	-	4,537	-	-
- Teras Hijaujaya Sdn Bhd	8,888	20,107	-	-
Purchases of building/construction materials from				
- Knusford Marketing Sdn Bhd	28,293	7,875	-	-
- Astana Setia Sdn Bhd	13,581	-	-	-
Rental of machineries and motor vehicles from				
- Knusford Equipment Sdn Bhd	145	108	-	-
- Knusford Marketing Sdn Bhd	474	310	-	-
- Knusford Construction Sdn Bhd	60	59	-	-
Rental of machineries and motor vehicles to				
- Knusford Construction Sdn Bhd	1	80	1	63
- Aramijaya Sdn Bhd	148	84	148	84
- Danga Bay Sdn Bhd	9	13	9	13
- Knusford Equipment Sdn Bhd	137	92	127	92
- Rampai Fokus Sdn Bhd	15	-	15	-
- Radiant Seas Sdn Bhd	21	97	21	58

34. RELATED PARTY DISCLOSURES (CONT'D)

Significant transactions with related parties during the financial year were as follows: (Cont'd)

(a) Transactions with companies in which certain Directors have financial interests: (Cont'd)

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Rental of premises to				
- Knusford Construction Sdn Bhd	-	24	-	24
- Knusford Equipment Sdn Bhd	64	-	-	-
- Knusford Marketing Sdn Bhd	76	-	-	-
- Aramijaya Sdn Bhd	-	42	-	42
- Radiant Seas Sdn Bhd	36	34	-	-
- Iskandar Waterfront Sdn Bhd	227	279	277	276
- Knusford Poject Management Sdn Bhd	-	12	-	12
- D-Hill Sdn Bhd	6	-	-	-
Sale of property, plant and equipment to				
- Radiant Seas Sdn Bhd	-	592	-	128
Purchase of property, plant and equipment from				
- Knusford Construction Sdn Bhd	80	600	-	-
- Knusford Marketing Sdn Bhd	204	225	-	-
- Lim Seong Hai Lighting Sdn Bhd	1,075	-	-	-
Project management fee charged to				
- D-Hill Sdn Bhd	133	67	-	-
Secondment fee charged by				
- D-Hill Sdn Bhd	133	-	-	-

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

(b) Transactions with subsidiary companies:

	Company	
	2016 RM'000	2015 RM'000
Progress billings for construction works billed by the Company to Kesturi	554,377	297,253
Sub-contractor claims charged by Ekovest Construction Sdn Bhd to the Company	533,964	254,902
Interest income from Ekovest Construction Sdn Bhd	5,571	6,422

Outstanding balances in respect of the above transactions are disclosed in note 7.

34. RELATED PARTY DISCLOSURES (CONT'D)

Significant transactions with related parties during the financial year were as follows: (Cont'd)

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Amounts owing from				
- Knusford Equipment Sdn Bhd	60	58	60	27
- Knusford Construction Sdn Bhd	1	234	1	41
- Danga Bay Sdn Bhd	125	39	-	13
- Teras Hijaujaya Sdn Bhd	31,252	22,308	-	-
- Aramijaya Sdn Bhd	77	309	77	309
- Iskandar Waterfront Sdn Bhd	574	471	548	410
- Radiant Seas Sdn Bhd	13	40	-	31
- Rampai Fokus Sdn Bhd	107	91	107	91
- Knusford Marketing Sdn Bhd	5,135	21,707	-	-
- D-Hill Sdn Bhd	121	-	-	-
Amounts owing to				
- Knusford Holdings Sdn Bhd	(9)	-	-	-
- Knusford Equipment Sdn Bhd	(92)	(225)	-	-
- Knusford Marketing Sdn Bhd	(2,374)	(2,012)	-	-
- Iskandar Waterfront Sdn Bhd	(210)	(708)	-	-
- Aramijaya Sdn Bhd	(46)	(180)	-	-
- Knusford Construction Sdn Bhd	-	(172)	-	-
- Danga Bay Sdn Bhd	(108)	(183)	-	-
- Astana Setia Sdn Bhd	(28)	-	-	-
- D-Hill Sdn Bhd	(4)	-	-	-
- Lim Seong Hai Lighting Sdn Bhd	(637)	-	-	-

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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Short term benefits				
- directors' fees	180	180	180	180
- other remuneration (salaries, allowances, bonuses and benefit-in-kind)	5,919	5,132	1,558	1,523
	6,099	5,312	1,738	1,703
Post employment benefits				
- defined contribution plan	621	586	144	180
	6,720	5,898	1,882	1,883

36. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Aggregate cost of property, plant and equipment acquired	15,128	14,803	45	270
Financed via hire purchase	(7,404)	(10,011)	-	(222)
	7,724	4,792	45	48

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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Capital expenditure in respect of:				
- purchase of properties, approved and contracted for	34,688	25,800	-	-
- concession assets, approved and contracted for	269,416	830,830	-	-

39. CONTINGENT LIABILITIES

(a) Secured guarantees

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Guarantees given in favour of financial institutions for credit facilities granted to subsidiaries	-	-	78,497	82,749

39. CONTINGENT LIABILITIES (Cont'd)

(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

40. SEGMENT ANALYSIS (CONT'D)

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

(a) Business segment (Cont'd)

Transactions between segments are eliminated on consolidation.

2016	Construction operations RM'000	Property development RM'000	Investment holding RM'000	Toll operations RM'000	Total RM'000
Revenue					
External sales	619,117	50,340	1,118	123,007	793,582
Result					
Segment result	49,029	11,058	124,209	21,191	205,487
Unallocated finance costs					(14,536)
Profit before tax					190,951
Tax expense					(35,345)
Profit for the year					155,606
Other information					
Segment assets	271,113	424,432	439,139	2,857,003	3,991,687
Segment liabilities	382,844	375,474	115,964	1,800,198	2,674,480
Capital expenditure	11,033	673	12,068	546	24,320
Depreciation and amortisation	5,833	197	266	8,721	15,017

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

(b) Geographical segment

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

41. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

2016 **Group**	**FVTPL** **RM'000**	**Loans and receivables** **RM'000**	**Total** **RM'000**
Financial assets			
Receivables	-	132,925	132,925
Investment funds	410,600	-	410,600
Deposits, cash and bank balances	-	189,582	189,582
Total financial assets	410,600	322,507	733,107

	At amortised cost **RM'000**
Financial liabilities	
Payables	270,288
Hire purchase liabilities	16,969
Medium term notes	1,739,406
Bank borrowings	437,414
Total financial liabilities	2,464,077

2015 **Group**	**FVTPL** **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	142,851
Hire purchase liabilities	14,489
Medium term notes	1,685,359
Bank borrowings	445,795
Total financial liabilities	2,288,494

41. FINANCIAL INSTRUMENTS (CONT'D)

(a) *Classification of financial instruments (Cont'd)*

2016 Company	Loans and receivables RM'000
Financial assets	
Receivables	418,270
Deposits, cash and bank balances	8,565
Total financial assets	426,835
	At amortised cost RM'000
Financial liabilities	
Payables	119,916
Hire purchase liabilities	1,001
Bank borrowings	171,041
Total financial liabilities	291,958

2015 Company	Loans and receivables RM'000
Financial assets	
Receivables	323,731
Deposits, cash and bank balances	25,228
Total financial assets	348,959
	At amortised cost RM'000
Financial liabilities	
Payables	35,023
Hire purchase liabilities	1,773
Bank borrowings	177,375
Total financial liabilities	214,171

(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 RM2,271 million (2015: RM2,281 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.

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 2016. If interest rates increase or decrease by 1% with all other variable held constant, the Group profit after tax would decrease or increase by RM3,220,000 (2015: RM3,326,000), as a result of higher or lower interest expense on these borrowings.

For those interest expense incurred and capitalised as part of the expenditure on property development costs during the financial year, if the interest rates were to increase or decrease by 1% with all other variable held constant, the property development costs of the Group would increase or decrease by RM1,137,000 (2015: RM712,000).

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

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

(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			
	2016		2015	
	Gross RM'000	Impairment RM'000	Gross RM'000	Impairment RM'000
Not past due	38,508	-	34,510	-
1 to 30 days past due	59	-	36	-
31 to 60 days past due	58	-	98	-
61 to 120 days past due	2,892	-	2,893	-
More than 120 days past due	36,403	711	9,822	-
	77,920	711	47,359	-

	Company			
	2016		2015	
	Gross RM'000	Impairment RM'000	Gross RM'000	Impairment RM'00
Not past due	25,138	-	38,116	-
1 to 30 days past due	59	-	-	-
31 to 60 days past due	34	-	94	-
61 to 120 days past due	221	-	376	-
More than 120 days past due	376	-	-	-
	25,828	-	38,586	-

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

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

(b) Credit risk (Cont'd)

Movement in the allowance for doubtful debts of trade receivables is as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
At 1 July	-	-	-	-
Allowance for doubtful debts	711	-	-	-
At 30 June	711	-	-	-

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 RM37,465,000 (2015: RM45,257,000).

(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.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Liquidity and cash flow risks (Cont'd)

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 2016	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	270,288	270,288	-	-	270,288
Hire purchase liabilities	16,969	6,216	12,485	-	18,701
Medium term notes	1,739,406	109,900	535,008	2,952,317	3,597,225
Bank borrowings	437,414	313,659	157,721	22,479	493,859
	2,464,077	700,063	705,214	2,974,796	4,380,073

Company 2016	Carrying value RM'000	Less than 1 year RM'000	1 to 5 years RM'000	Total RM'000
Payables	119,916	119,916	-	119,916
Hire purchase liabilities	1,001	655	383	1,038
Bank borrowings	171,041	170,159	10,550	180,709
	291,958	290,730	10,933	301,663

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	142,851	142,851	-	-	142,851
Hire purchase liabilities	14,489	4,824	11,181	-	16,005
Medium term notes	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
	2,288,494	590,351	721,322	3,008,408	4,320,081

Company 2015	Carrying value RM'000	Less than 1 year RM'000	1 to 5 years RM'000	Total RM'000
Payables	35,023	35,023	-	35,023
Hire purchase liabilities	1,773	834	1,038	1,872
Bank borrowings	177,375	160,989	27,980	188,969
	214,171	196,846	29,018	225,864

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	
	2016	**2015**
	RM'000	**RM'000**
Share capital	427,724	427,724
Reserves	889,414	754,719
Total equity	1,317,138	1,182,443
Medium term notes	1,739,406	1,685,359
Bank borrowings	437,414	445,795
Hire purchase liabilities	16,969	14,489
Total debts	2,193,789	2,145,643
Debt-to-equity ratio (times)	1.67	1.81

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. TRANSACTIONS WITH NON-CONTROLLING INTERESTS

(i) On 1 March 2016, Lebuharaya DUKE Fasa 2A Sdn Bhd ("LDF2A"), a 70%- owned subsidiary of the Company, issued additional 249,990 ordinary shares of RM1.00 each to its shareholders. The Group's equity interest in LDF2A remains unchanged. The financial effect of this transaction resulted in a transfer of RM74,000 from shareholders' equity to non-controlling interests.

(ii) On 29 April 2016, the Company acquired the remaining 40% equity interest (comprising 40,000 ordinary shares of RM1.00 each and 2,160,000 redeemable preference shares of RM0.01 each) in Ekovest KL Bund Sdn Bhd (formerly known as Ekovest-MRCB JV Sdn Bhd) ("KL Bund") for the purchase consideration of RM6.233 million. Following the completion of the acquisition, the Company holds 100% equity interest in KL Bund.

The impact of the purchase of further interest in KL Bund is as follows:

	RM'000
Consideration paid to non-controlling interest	6,233
Carrying amount of non-controlling interest acquired	(3,050)
Difference recognised in equity	3,183

44. TRANSACTIONS WITH NON-CONTROLLING INTERESTS (CONT'D)

(iii) On 29 April 2016, the Company acquired the remaining 40% equity interest (comprising 800,000 ordinary shares of RM1.00 each) in Ekoriver Construction Sdn Bhd (formerly known as Ekovest-MRCB Construction Sdn Bhd) ("Ekoriver Construction") for the purchase consideration of RM2.267 million. Following the completion of the acquisition, the Company holds 100% equity interest in Ekoriver Construction.

The impact of the purchase of further interest in Ekoriver Construction is as follows:

	2016 RM'000
Consideration paid to non-controlling interest	2,267
Carrying amount of non-controlling interest acquired	(1,842)
Difference recognised in equity	425

45. ACQUISITION OF SUBSIDIARIES

There is no acquisition of subsidiary during the financial year.

In the previous 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 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 previous financial year and the financial position of the Group as at 30 June 2015.

46. SIGNIFICANT EVENTS

(a) On 11 January 2016, LDF3, a wholly owned subsidiary of the Company, has entered into a concession agreement with the Government in relation to the design, construction, completion, operation, management and maintenance of the Setiawangsa-Pantai Expressway ("SPE Project") for a concession period of 53.5 years.

On 23 August 2016, LDF3 has completed its issuance of Sukuk of RM3.64 billion in nominal value under the Shariah principle of Wakalah Bi Al- Istithmar ("Sukuk Wakalah").

The Sukuk Wakalah has been assigned a rating of AA-IS by Malaysian Rating Corporation Berhad and shall have tenure of up to 23 years from the date of issuance. The proceeds from the Sukuk Wakalah shall be utilised by LDF3 to part-finance all costs associated with the development, design and construction of the proposed SPE Project pursuant to the concession agreement dated 11 January 2016.

46. SIGNIFICANT EVENTS (CONT'D)

(b) On 21 September 2016, Nuzen, a wholly-owned subsidiary of the Company, has entered into a binding term sheet with Employees Provident Fund Board ("EPF") to dispose a 40% equity interest held in Kesturi to EPF for an aggregate cash consideration of RM1.13 billion ("Proposed Disposal"). The Proposed Disposal is conditional upon, amongst others, the approval of the Company's shareholders, consent from the Government under the relevant concession agreement entered into by Kesturi, consent from the holders of the existing IMTN issued by Kesturi and EPF being satisfied with the outcome of due diligence exercise to be carried out on Kesturi.

47. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the Directors on 7 October 2016.

48. 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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Total retained earnings				
- realised	222,665	210,984	10,601	(2,246)
- unrealised	176,162	53,148	4,377	7,362
	398,827	264,132	14,978	5,116

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.

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 58 to 119 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 2016 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 48 on page 120 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 7 October 2016

TAN SRI DATO' LIM KANG HOO
Director

DATUK SERI LIM KENG CHENG
Director

STATUTORY
DECLARATION
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Lim Soo San (IC No.: 700610-14-5256), 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 for the year ended 30 June 2016 as set out on pages 58 to 119 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 by the above named	)	
Lim Soo San	)	
At Kuala Lumpur in the	)	
State of Federal Territory	)	
	)	
on 7 October 2016	)	**LIM SOO SAN**

Before me,

(Commissioner of Oaths)

MATERIAL LITIGATION
OF EKOVEST BERHAD AND ITS SUBSIDIARIES

Save as disclosed below as at 30 June 2016, neither the Company nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and the Board are not aware and do not have any knowledge of any proceedings, pending or threatened against the Group or any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Company and its subsidiaries :

A dispute arose between our Company (**"Plaintiff"**) and Shapadu Construction Sdn Bhd (**"Shapadu"**) or (**"Defendant"**) in respect of five (5) packages of sub-contract work under the New North Klang Straits Bypass Highway Project (**"Project"**). The holding company of the Defendant i.e. Lebuhraya Shapadu Sdn Bhd (**"Lebuhraya Shapadu"**), is the employer of the Project.

Our claims against the Defendant are, inter alia, the following:

(i) the sum of RM29,558,720.93 on quantum meruit for loss and damage under the sub-contract; and/or alternatively; and

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

The Defendant's counter claims against our Company are, inter alia, the following:

(i) the sum of RM33,010,000.00 allegedly being the liquidated ascertained damages ("LAD") due to the Defendant;

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

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

(iv) the sum of RM22,189,859.75 as an indemnity for the cost of completion;

(v) the sum of RM8,298,455.65 as indemnity for damages suffered by Lebuhraya Shapadu in completing the work; and

(iv) the sum of RM2,006,101.39 as an indemnity for the loss and expense suffered by Lebuhraya Shapadu.

On 1 August 2000, we issued a notice to arbitrate and the hearing of the arbitration commenced on 14 August 2006. Both the Plaintiff and Defendant have closed their cases and the hearing for the arbitration was adjourned to a date to be fixed. The arbitration proceeding is kept in abeyance pending settlement of the dispute. As at the LPD, the parties have yet to finalise a settlement proposal.

Our Directors are of the opinion that the financial impact on our Group is minimal since we had 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 us against any losses or damages that we may suffer in the event Shapadu's counter claim is allowed by the court.

Further, we had sought legal advice in respect of the counter claim made by Shapadu and our solicitors are of the opinion that we have a reasonable prospect of defending the claim particularly when the employer has not taken action against the Defendant since most of the claims are on indemnity basis. On that premises, this dispute with Shapadu is not envisaged to have any material adverse impact on the financial position of our Group.

MATERIAL CONTRACTS / MATERIAL LOANS OF EKOVEST BERHAD AND ITS SUBSIDIARIES

Neither the Company nor its subsidiaries has entered into any material contracts or material loans, not being contracts entered into the ordinary course of business, within the two (2) years immediately preceding the date of this Report.

There were no material contracts or material loans entered into by the Group and Company involving Directors' and major shareholders' interest during the financial year ended 30 June 2016 other than those in the existing mandate for recurrent related party transactions of revenue or trading nature that the Company is seeking shareholders' approval. The details of the shareholders mandate to be sought are furnished in the circular to shareholders dated 31 October 2016, accompanying this Annual Report.

ADDITIONAL COMPLIANCE INFORMATION

* **UTILISATION OF PROCEEDS**
  There are no corporate proposals announced but not completed as at the date of this report.

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

* **DEPOSITORY RECEIPT PROGRAMME**
  The Company did not sponsor any Depository Receipt Programme.

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

* **NON AUDIT FEES**
  The amount of non-audit fee incurred for services rendered to the Company and Group by the External Auditor for the financial year ended 30 June 2016 amounted to RM5,000 and RM193,500 respectively.

  The amount of non-audit fee incurred for services rendered to the Company and Group by a firm or corporation affiliated to the External Auditor for the financial year ended 30 June 2016 amounted to RM5,800 and RM47,200 respectively.

* **VARIATION IN RESULTS**
  There was no significant variation in the financial results of the Company and the group as compared to the previously announced unaudited profit.

* **PROFIT ESTIMATE, FORECAST OR PROJECTION**
  The Company did not issue any profit estimate, forecast or projection for the financial year ended 30 June 2016.

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

* **OPTIONS, WARRANT OR CONVERTIBLE SECURITIES**

  (a) Warrants

  On 30 June 2014, a total of 122,206,980 warrants were listed on Bursa Malaysia Securities Berhad. The exercise price of the warrants has been fixed at RM1.35 for every new ordinary share of RM0.50 each in Ekovest. During the financial year ended 30 June 2016, none of the warrants have been exercised.

  (b) Employees' Share Option Scheme ("ESOS")

  The ESOS of the Company had been implemented on 26 September 2014 and shall expire on 25 September 2019, unless extended for an additional 5 years. In accordance with the ESOS By-Law, the aggregate maximum allocation applicable to Directors and senior management shall not exceed 75% of the options available under the scheme. No ESOS were granted to during the financial year ended 30 June 2016.

* **RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE NATURE OR TRADING NATURE**
  Pursuant to paragraph 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad, the Company will be seeking shareholders' mandate for the Group to enter into recurrent related party transactions of a revenue or trading nature, at the forthcoming Annual General Meeting of Ekovest Berhad scheduled to be held on 23 November 2016.

ANALYSIS OF SHAREHOLDINGS
AS AT 7 OCTOBER 2016

Date of Annual Report : 31 October 2016
Statement Date : 7 October 2016

I SUBSTANTIAL SHAREHOLDERS

No.	Name	Direct Shareholdings	%	Indirect Shareholdings	%
1.	Tan Sri Dato' Lim Kang Hoo	172,682,089	20.19	104,300,009 [1]	12.19
2.	Kota Jayasama Sdn Bhd	118,432,061	13.84	-	-
3.	Ekovest Holdings Sdn Bhd	104,300,009	12.19	-	-
4	Lim Seong Hai Holdings Sdn Bhd	52,344,500	6.12	-	-
5.	Khoo Nang Seng @ Khoo Nam Seng	49,575,100	5.80	-	-
6.	Dato' Haris Onn Bin Hussein	-	-	118,432,061 [2]	13.84
7.	Datuk Seri Lim Keng Cheng	-	-	52,344,500 [3]	6.12
8.	Lim Keng Guan	-	-	52,344,500 [3]	6.12
9.	Lim Keng Hun	-	-	52,344,500 [3]	6.12
10.	Lim Pak Lian	-	-	52,344,500 [3]	6.12
	TOTAL	497,333,759	58.14		

II DIRECTORS' SHAREHOLDINGS

No.	Name	Direct Shareholdings	%	Indirect Shareholdings	%
1.	Tan Sri Dato' Lim Kang Hoo	172,682,089	20.19	104,300,009 [1]	12.19
2.	Datuk Seri Lim Keng Cheng	-	-	52,344,500 [3]	6.12
3.	Khoo Nang Seng @ Khoo Nam Seng	49,575,100	5.80	-	-
4.	Lim Hoe	3,851,300	0.45	-	-
5.	Kang Hui Ling	-	-	-	-
6.	Lim Ts-Fei	-	-	-	-
7.	Chow Yoon Sam	56,000	0.01	-	-
8.	Dr. Wong Kai Fatt	-	-	-	-
9.	Lee Wai Kuen	-	-	-	-
	TOTAL	226,164,489	26.45		

Notes:

[1] Deemed interest by virtue of his shareholding in Ekovest Holdings Sdn Bhd
[2] Deemed interest by virtue of his shareholding in Kota Jayasama Sdn Bhd
[3] Deemed interest by virtue of his/their shareholding in Lim Seong Hai Holdings Sdn Bhd

ANALYSIS OF SHAREHOLDINGS
AS AT 7 OCTOBER 2016

III CLASS OF EQUITY SECURITY

Authorised Share Capital	:	RM1,000,000,000
Issued and Fully Paid-up	:	RM427,724,430
Class of Security	:	Ordinary Share of RM0.50 each
No. of Shareholders	:	2,455
Voting Rights	:	Each share entitles the holder to 1 vote

IV DISTRIBUTION BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	Shareholders	%	Shareholdings	%
Less than 100	31	1.26	832	0.00
100 to 1,000	201	8.19	140,642	0.02
1,001 to 10,000	1,353	55.11	6,927,600	0.81
10,001 to 100,000	645	26.27	21,234,960	2.48
100,001 to less than 5% of issued shares	220	8.96	485,304,876	56.73
5% and above of issued shares	5	0.20	341,839,950	39.96
TOTAL	2,455	100.00	855,448,860	100.00

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	Shareholdings	%
1	UOBM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sri Dato' Lim Kang Hoo	83,500,000	9.76
2	RHB Nominees (Tempatan) Sdn Bhd OSK Capital Sdn Bhd for Kota Jayasama Sdn Bhd	80,000,000	9.35
3	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad for Tan Sri Dato' Lim Kang Hoo	64,503,647	7.54
4	Ekovest Holdings Sdn Bhd	64,261,203	7.51
5	Khoo Nang Seng @ Khoo Nam Seng	49,575,100	5.80
6	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad for Ekovest Holdings Sdn Bhd	40,038,806	4.68
7	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad for Kota Jayasama Sdn Bhd	38,039,250	4.45
8	Citigroup Nominees (Tempatan) Sdn Bhd Exempt An for AIA Bhd	35,189,100	4.11
9	Lim Seong Hai Holdings Sdn Bhd	29,731,600	3.48
10	Tan Sri Dato' Lim Kang Hoo	24,678,442	2.88
11	Lim Seong Hai Holdings Sdn Bhd	22,612,900	2.64
12	Amanahraya Trustees Berhad Public Smallcap Fund	19,518,120	2.28
13	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yap Song Ming	12,836,000	1.50
14	Citigroup Nominees (Tempatan) Sdn Bhd Exempt An for OCBC Securities Private Limited	11,795,800	1.38
15	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Affin Hwang Select Opportunity Fund	11,677,100	1.37
16	Citigroup Nominees (Asing) Sdn Bhd Exempt An for Citibank New York (Norges Bank 1)	11,033,732	1.29
17	Malaysia Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (LPF)	9,826,500	1.15
18	Malaysia Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (DR)	8,500,000	0.99
19	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Commerce Trustee Berhad - Kenanga Growth Fund	7,614,000	0.89
20	HSBC Nominees (Asing) Sdn Bhd Bintang Mas Consulting Ltd	7,110,240	0.83

ANALYSIS OF SHAREHOLDINGS
AS AT 7 OCTOBER 2016

THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

No.	Name	Shareholdings	%
21	HSBC Nominees (Asing) Sdn Bhd Exempt An for The Hongkong and Shanghai Banking Corporation Limited	7,085,160	0.83
22	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Leak Goh	6,291,040	0.74
23	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan	6,150,200	0.72
24	Citigroup Nominees (Asing) Sdn Bhd Exempt An for Citibank New York (Norges Bank 14)	6,130,000	0.72
25	Malaysia Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (LBF)	5,286,300	0.62
26	Loh Yu San	4,942,280	0.58
27	Malaysia Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (LEEF)	4,722,400	0.55
28	Lim Kia Hiong	4,698,120	0.55
29	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Poh Yang Hong	4,600,000	0.54
30	Beh Eng Par	4,578,620	0.54

ANALYSIS OF
WARRANTS HOLDINGS
AS AT 7 OCTOBER 2016

Date of Annual Report : 31 October 2016
Statement Date : 7 October 2016

I SUBSTANTIAL WARRANTS HOLDERS

No.	Name	Direct	%	Indirect	%
1.	Tan Sri Dato' Lim Kang Hoo	24,668,869	20.19	14,900,004 [1]	12.19
2.	Kota Jayasama Sdn Bhd	24,633,151	20.16	-	-
3.	Ekovest Holdings Sdn Bhd	14,900,004	12.19	-	-
4.	Khoo Nang Seng @ Khoo Nam Seng	7,082,400	5.80	-	-
5.	Lim Seong Hai Holdings Sdn Bhd	6,680,600	5.47	-	-
6.	Dato' Haris Onn Bin Hussein	-	-	24,633,151 [2]	20.16
7.	Datuk Seri Lim Keng Cheng	-	-	6,680,600 [3]	5.47
8.	Lim Keng Guan	-	-	6,680,600 [3]	5.47
9.	Lim Keng Hun	-	-	6,680,600 [3]	5.47
10.	Lim Pak Lian	-	-	6,680,600 [3]	5.47
	TOTAL	77,965,024	63.81		

II DIRECTORS' WARRANTS HOLDINGS

No.	Name	Direct	%	Indirect	%
1.	Tan Sri Dato' Lim Kang Hoo	24,668,869	20.19	14,900,004 [1]	12.19
2.	Datuk Seri Lim Keng Cheng	-	-	6,680,600 [3]	5.47
3.	Khoo Nang Seng @ Khoo Nam Seng	7,082,400	5.80	-	-
4.	Lim Hoe	569,650	0.47	-	-
5.	Kang Hui Ling	-	-	-	-
6.	Lim Ts-Fei	-	-	-	-
7.	Chow Yoon Sam	8,000	0.01	-	-
8.	Dr. Wong Kai Fatt	-	-	-	-
9.	Lee Wai Kuen	-	-	-	-
	TOTAL	32,328,919	26.47		

Notes:

[1] Deemed interest by virtue of his shareholdings in Ekovest Holdings Sdn Bhd
[2] Deemed interest by virtue of his shareholdings in Kota Jayasama Sdn Bhd
[3] Deemed interest by virtue of his/their shareholdings in Lim Seong Hai Holdings Sdn Bhd

ANALYSIS OF WARRANTS HOLDINGS
AS AT 7 OCTOBER 2016

III CLASS OF EQUITY SECURITY

Type of Securities	:	Warrants 2014/2019
No. of Warrants Issued	:	122,206,980
No. of Warrants Holders	:	877
Voting Rights	:	The Warrants do not entitle the registered holders thereof to any voting rights in any general meeting of the Company until and unless such holders of Warrants exercise their Warrants for new Ekovest Shares

IV DISTRIBUTION BY SIZE OF WARRANTS HOLDINGS

Size of Warrants Holdings	No. of Warrants Holders	%	No. of Warrants Held	%
Less than 100	27	3.08	1,180	0.00
100 to 1,000	213	24.29	125,262	0.10
1,001 to 10,000	371	42.30	1,553,130	1.27
10,001 to 100,000	200	22.81	6,851,436	5.61
100,001 to less than 5% of issued securities	62	7.07	42,391,548	34.69
5% and above of issued securities	4	0.46	71,284,424	58.33
TOTAL	877	100.00	122,206,980	100.00

ANALYSIS OF WARRANTS HOLDINGS
AS AT 7 OCTOBER 2016

No.	Name	Warrant Held	%
1	Tan Sri Dato' Lim Kang Hoo	24,668,869	20.19
2	Kota Jayasama Sdn Bhd	24,633,151	20.16
3	Ekovest Holdings Sdn Bhd	14,900,004	12.19
4	Khoo Nang Seng @ Khoo Nam Seng	7,082,400	5.80
5	Lim Seong Hai Holdings Sdn Bhd	3,928,800	3.21
6	Pembinaan Hamid Abd. Rahman Sdn Bhd	3,456,680	2.83
7	Lim Seong Hai Holdings Sdn Bhd	2,751,800	2.25
8	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yap Song Ming	2,174,700	1.78
9	Maybank Nominees (Tempatan) Sdn Bhd Nomura Singapore Limited for Lim Lian Hock	1,607,300	1.32
10	HSBC Nominees (Asing) Sdn Bhd Bintang Mas Consulting Ltd	1,315,520	1.08
11	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Daniel Lim Hwa Yew	1,299,900	1.06
12	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Mohamad Nor Bin Hamid	1,283,960	1.05
13	HSBC Nominees (Asing) Sdn Bhd Exempt An for The Hongkong and Shanghai Banking Corporation Limited	1,268,080	1.04
14	Ho Sau Mun	1,258,500	1.03
15	Goh Chye Keat	1,225,000	1.00
16	Beh Eng Par	1,104,100	0.90
17	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lye Sau Chee	1,072,560	0.88
18	Alliance Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mohamad Nor Bin Hamid	1,035,480	0.85
19	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Lai Leng	1,012,660	0.83
20	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Ronie Tan Choo Seng	1,000,000	0.82
21	Lokman Bin Omar	896,400	0.73
22	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Leak Goh	778,720	0.64

ANALYSIS OF WARRANTS HOLDINGS
AS AT 7 OCTOBER 2016

No.	Name	Warrant Held	%
23	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yap Kok Woon	743,760	0.61
24	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Suhaizi Bin Hamid	738,840	0.60
25	Wong Khai Shiuan	730,720	0.60
26	Loh Yu San	706,040	0.58
27	Lim Kia Hiong	671,160	0.55
28	Yong Wee Chin	647,640	0.53
29	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Ng Bing Chung	582,700	0.48
30	Lim Hoe	569,650	0.47

PARTICULARS OF
PROPERTIES
AS AT 30 JUNE 2016

List of top 20 properties in term of highest net book value

LOCATION	OWNER	AGE OF BUILDING	TENURE	LAND DESCRIPTION	LAND AREA# (sq.metres)/ BUILT-UP AREA^ (sq. metres)	COST/ REVALUATION/ FAIR VALUE (RM'000)	NET BOOK VALUE (RM'000)
EKOCHERAS Geran 78870, Lot 480726, Mukim Kuala Lumpur. (DOA: 04-02-2000)	Ekovest Capital Sdn Bhd	N/A	Freehold	Construction in progress	45,830#	61,387	61,387
EKOTITIWANGSA Geran Mukim 4944, Lot 20007, Seksyen 85, Bandar Kuala Lumpur. (DOA: 7-5-2007 & 10-08-2010)	Ekovest Land Sdn Bhd	N/A	Freehold	Construction in progress	9,348#	32,743	32,743
EKOAVENUE Geran 57616, Lot 520, Geran 57617, Lot 521, Seksyen 85, Bandar Kuala Lumpur. (DOA: 17-12-2007)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	4,658#	9,997	9,997
EKOQUAY Geran 36008, Lot 151, Geran 28520, Lot 152, Seksyen 85, Bandar Kuala Lumpur. (DOA: 5-8-2011 & 15-1-2013)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	2,742#	4,489	4,489
Geran 37575, Lot 310, Geran 37576, Lot 311, Geran 37577, Lot 312, Geran 37578, Lot 313, Geran 29686, Lot 336 Seksyen 85, Bandar Kuala Lumpur. (DOA: 18-10-2011 & 5-8-2011)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	996#	6,489	6,489

PARTICULARS OF PROPERTIES
AS AT 30 JUNE 2016

List of top 20 properties in term of highest net book value (Cont'd)

LOCATION	OWNER	AGE OF BUILDING	TENURE	LAND DESCRIPTION	LAND AREA# (sq.metres)/ BUILT-UP AREA^ (sq. metres)	COST/ REVALUATION/ FAIR VALUE (RM'000)	NET BOOK VALUE (RM'000)
Geran 78119, Lot 20004, Geran 78857, Lot 20006, Seksyen 85, Bandar Kuala Lumpur. (DA: 23-5-2015 & 7-1-2016)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	196#	648	648
HSD 120001, PT 84, Seksyen 85, Bandar Kuala Lumpur. (DA: 6-1-2016)	Ekovest Properties Sdn Bhd	N/A	Leasehold 99 years Expiring on 5 January 2115	Vacant land	3446#	5,530	5,530
EKORIVER CENTRE Geran 20722 Lot 297, Geran 20723 Lot 298, Geran 20724 Lot 299, Geran 20725 Lot 300, Geran 20726 Lot 301, Section 85, Bandar Kuala Lumpur. (DOA: 14-08-2006)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	5683#	9,695	9,695
PN51151, Lot 20001, Section 85, Bandar Kuala Lumpur. (DOA: 7-10-2014)	Ekovest Properties Sdn Bhd	N/A	Leasehold 99 years expiring on 1 Nov 2110	Vacant Land	2,748#	9,935	9,935
HSD 120087, PT85, Section 85, Bandar Kuala Lumpur. (DA: 5-5-2016)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	1628#	7,840	7,840

List of top 20 properties in term of highest net book value (Cont'd)

LOCATION	OWNER	AGE OF BUILDING	TENURE	LAND DESCRIPTION	LAND AREA# (sq.metres)/ BUILT-UP AREA^ (sq. metres)	COST/ REVALUATION/ FAIR VALUE (RM'000)	NET BOOK VALUE (RM'000)
EKOGATEWAY Lot 28270 & 28271 Mukim Setapak, Kuala Lumpur. (DOA: 01-10-2010)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant Land	14,970#	15,370	15,370
Lot 9460 to 9578, Mukim Setapak, Kuala Lumpur. (118 titles) (DOA: 09-07-2007)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant Land	22,228#	20,077	20,077
Lot 9762 to 9776, Lot 9780 to 9782, Mukim Setapak, Kuala Lumpur. (18 titles) (DOA: 18-12-2013)	Ekovest Properties Sdn Bhd	N/A	Leasehold 99 years Expiring on 14 Sept 2077	Vacant Land	1,962#	5,491	5,491
Lot 14238 & 14239, Lot 14250 to 14259, Mukim Setapak, Kuala Lumpur. (11 titles) (DOA: 18-12-2013)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant Land	1,328#	3,709	3,709
Geran Mukim 925, Lot 22520, Mukim Setapak, Kuala Lumpur. (DOA: 18-12-2013)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant Land	686#	7,700	7,700

PARTICULARS OF PROPERTIES
AS AT 30 JUNE 2016

List of top 20 properties in term of highest net book value (Cont'd)

LOCATION	OWNER	AGE OF BUILDING	TENURE	LAND DESCRIPTION	LAND AREA# (sq.metres)/ BUILT-UP AREA^ (sq. metres)	COST/ REVALUATION/ FAIR VALUE (RM'000)	NET BOOK VALUE (RM'000)
HSD 120216, PT10074, HSD 120217, PT10075, HSD 120218, PT10076, HSD 120212, PT10077, HSD 120213, PT10078, HSD 120214, PT10079, HSD 120215, PT10080, Mukim Setapak, Kuala Lumpur. (7 titles) (DA: 10-10-2016)	Ekovest Properties Sdn Bhd	N/A	Leasehold 99 years Expiring on 9 October 2115	Vacant Land	18172#	13,544	13,544
OTHERS							
HSD 120121, PT10066, Mukim Setapak, Kuala Lumpur. (DOA: 05-05-2016)	Ekovest KL Bund Sdn Bhd	N/A	Leasehold 99 years Expiring on 27 December 2114	Vacant Land	7940#	26,550	26,550
Geran 94689, Lot 675, Geran 43451, Lot 923, Mukim Pulai, Johor Bahru. (DOA: 11-06-2004)	Timur Terang Sdn Bhd	N/A	Freehold	Vacant Land	101609#	212,000	212,000

List of top 20 properties in term of highest net book value (Cont'd)

LOCATION	OWNER	AGE OF BUILDING	TENURE	LAND DESCRIPTION	LAND AREA# (sq.metres)/ BUILT-UP AREA^ (sq. metres)	COST/ REVALUATION/ FAIR VALUE (RM'000)	NET BOOK VALUE (RM'000)
Part of lands held under H Geran 250679 Lot 45370 Danga View Apartment Bandar of Johor District of Johor Bahru Johor Darul Takzim. (DOA: 24-11-2005) 6 Units (DOA: 07-02-2002) 3 Units (DOA: 15-01-2001) 8 Units	Ekovest Berhad	12 years	Freehold	17 units of Apartment	4,511^	20,908	20,908
Part of land held under Strata Geran No. 358304, Bandar Johor Bahru (DOA: 25-06-2010)	Ekovest Construction Sdn Bhd	7 years	Freehold	5 units of 3 Storey shop office and 1 unit of 4 storey shop office	22,586^	8,494	8,494

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

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EKOVEST BERHAD (132493-D)
Incorporated in Malaysia

FORM OF PROXY

I/We *(full name in capital letter)*____________________NRIC/Company No.____________________

of *(full address)*____

________________________________being a member/members of

Ekovest Berhad ("Company"), do hereby appoint *(full name in capital letter)*____________________

NRIC/Company No.____________________of *(full address)*____________________

____or failing

him/her *(full name in capital letter)*____________________NRIC/Company No.____________________

of *(full address)*____

or failing him/her, the Chairman of the **Thirty-First Annual General Meeting ("AGM")** as *my/our proxy/proxies to vote for *me/us and on *my/our behalf, at the AGM of the Company, to be held at **Grand Seasons Hotel, 72 Jalan Pahang, 53000 Kuala Lumpur** on **Wednesday, 23 November 2016 at 11.30 a.m.** and at any adjournment thereof.

* Delete where applicable

My/Our proxy/proxies is/are to vote as indicated below.

NO.	RESOLUTIONS		FOR	AGAINST
1.	Re-election of: i) Tan Sri Dato' Lim Kang Hoo	(Resolution 1)		
	ii) Mr. Lee Wai Kuen	(Resolution 2)		
	iii) Madam Lim Hoe	(Resolution 3)		
2.	Re-appointment of: i) Mr. Khoo Nang Seng @ Khoo Nam Seng	(Resolution 4)		
	ii) Mr. Chow Yoon Sam	(Resolution 5)		
3.	Approval of Directors' Fees	(Resolution 6)		
4.	Declaration of First and Final Single Tier Dividend	(Resolution 7)		
5.	Re-appointment of Auditors	(Resolution 8)		
6.	Continuing In Office As Independent Non-Executive Director	(Resolution 9)		
	Authorisation pursuant to Section 132D of the Companies Act, 1965	(Resolution 10)		
	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	(Resolution 11)		

(Please indicate with an "**X**" in the space provided above how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.)

Dated this ________ day of ________ 2016

Number of Shares held ________

Signature of Shareholder

Notes:

1. Only depositors whose names appear in the General Meeting Record of Depositors as at 9 November 2016 shall be entitled to attend and vote at the Annual General Meeting.
2. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting provided that where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
3. A proxy may but need not be a member of the Company and the provisions of Section 149 (1)(b) of the Companies Act, 1965 shall not apply to the Company. There shall be no restriction as to the qualification of a proxy.
4. For an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. If the appointor is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorised.
6. To be valid, the proxy form, duly completed must be deposited at the Registered Office not less than 48 hours before the time for holding the meeting or any adjournment thereof.

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THE COMPANY SECRETARY

EKOVEST BERHAD 132493-D

GROUND FLOOR, WISMA EKOVEST,
NO. 118, JALAN GOMBAK, 53000 KUALA LUMPUR.

AFFIX
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Certificate of Appreciation

On behalf of The Government of Malaysia,
Ministry of Women, Family and Community Development
is pleased to acknowledge

EKOVEST BERHAD

For achieving the target of At Least 30 Percent Women on Board in Public Listed Companies

The recognition is given in conjunction with **Hari Wanita 2016**

25 August 2016

Putrajaya International Convention Centre

DATO' SRI ROHANI ABDUL KARIM,
Minister of Women, Family and Community Development

FREEHOLD

EKOTITIWANGSA

The Heart Of KL River City

BE PART OF THE ICONIC DESTINATION

KL RIVER CITY

EKOTITIWANGSA is located along Titiwangsa, DUKE Highway and KL River City. It comprises 3 blocks of freehold service apartments with a total of 696 units and retail spaces (approximately 42,000 sf). The luxury suites have built-up size ranging from 620sf – 1240sf. The modern contemporary design includes highly unique exterior and interior decoration to create an inspiring living space full of natural light and yet maintaining the importance of comfort. EKOTITIWANGSA is connected to a 7 storey shopping mall (approximately 600,000sf) with a breathtaking view of the spectacular KL skyline.

Experience A Life Full of Discovery and Diversity

Artist's Impression

SPECIAL HIGHLIGHTS

- Located in the heart of KL River City
- Modern contemporary design
- Strategically located within the fringe at KL City
- 5min driving to KL City Centre
- Close proximity to DUKE, DUKE phase 2, MRR2, Mahameru Highway, Sentul Link, Jalan Pahang and Jalan Tun Razak
- Perfect living lifestyle and matured amenities
- Magnigicent KL skyline
- 3-tier security with guardhouse, card access and CCTV
- Stone's throw away from River of Life and 1 Malaysia Park

FREEHOLD

Serviced Apartments 696 Units
Retail Spaces: approximately 42,000 sf

Duke Highway Network



EKOVEST BERHAD
(132493-D)

GROUND FLOOR, WISMA EKOVEST,
No. 118, JALAN GOMBAK 53000 KUALA LUMPUR.
Tel : 03-4021 5948 Fax : 03-4021 5943

WWW.EKOVEST.COM.MY