Ekovest Berhad

Co. Reg. No. 198501000052 (132493-D)

ANNUAL REPORT 2021

INNOVATIVE FOR GREATER VALUE

"36TH ANNUAL GENERAL MEETING OF EKOVEST BERHAD

DATE Monday, 13 December 2021
TIME 10.30 a.m.

To access this report online, scan this QR code or log on to www.ekovest.com.my

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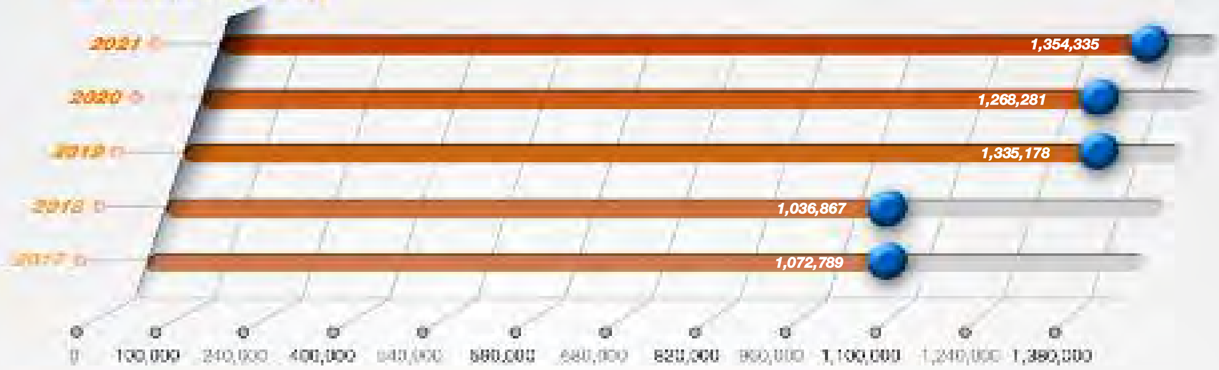
FINANCIAL HIGHLIGHTS

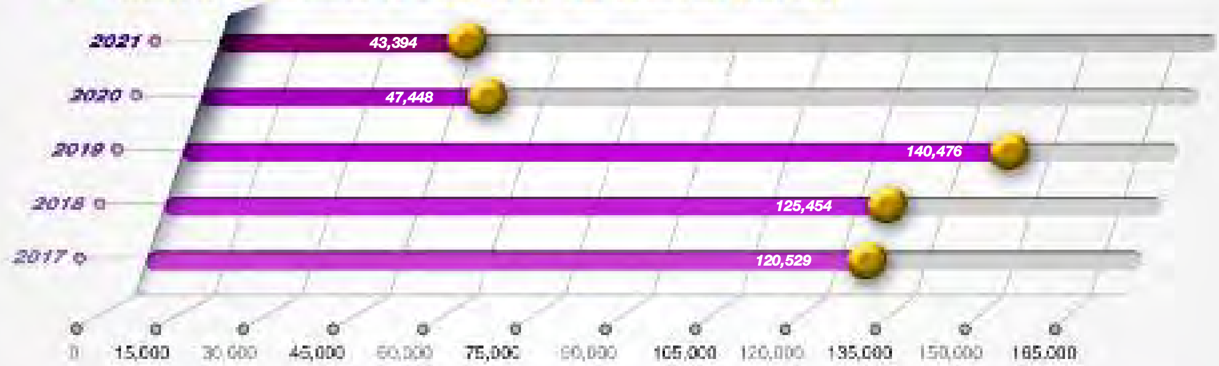
	Group 2017 RM'000	Group 2018 RM'000	Group 2019 RM'000	Group 2020 RM'000 (Restated)	Group 2021 RM'000
Revenue	1,072,789	1,036,867	1,335,178	1,268,281	**1,354,335**
Profit Before Tax	186,435	164,921	226,266	90,707	**120,401**
Taxation	(65,416)	(50,533)	(95,822)	(61,964)	**(100,956)**
Profit After Tax	121,019	114,388	130,444	28,743	**19,445**
Non-controlling Interests	(490)	11,066	10,032	18,705	**23,949**
Profit Attributable To Owners of the Company	120,529	125,454	140,476	47,448	**43,394**
Share Capital	428,115	755,593	1,117,961	1,117,961	**1,138,871**
Reserves	1,499,552	1,254,744	1,334,119	1,347,105	**1,394,512**
Equity Attributable To Owners of the Company	1,927,667	2,010,337	2,452,080	2,465,066	**2,533,383**
Represented By:					
Property, Plant and Equipment	64,417	70,248	133,922	224,580	**240,540**
Investment Properties	413,411	569,803	719,560	856,284	**851,511**
Right-of-use Assets	-	-	-	10,678	**267,177**
Land Held for Property Development	218,502	359,696	507,628	517,519	**528,036**
Concession Assets	3,179,661	3,828,941	4,682,373	5,657,254	**6,810,302**
Bearer Plants	-	-	-	-	**359,628**
Biological Assets	-	-	-	-	**6,708**
Intangible Assets	-	-	6,453	6,375	**17,922**
Investment In An Associate	-	-	104,348	102,716	**3,581**
Investment In a Joint Venture	-	-	-	816	**-**
Other Investment	-	-	-	-	**6,371**
Performance Deposits	-	-	-	-	**50,000**
Deferred Tax Assets	4,495	9,854	13,163	17,942	**21,125**
Trade and Other Receivables	-	-	-	5,132	**18,656**
Current Assets	5,472,396	4,909,309	4,534,150	3,033,460	**2,036,082**
Current Liabilities	(862,838)	(1,028,577)	(1,344,788)	(1,200,970)	**(1,368,124)**
Non-current Liabilities	(6,183,133)	(6,340,759)	(6,546,580)	(6,426,533)	**(6,863,816)**
Non-controlling Interests	(379,244)	(368,178)	(358,149)	(340,187)	**(452,316)**
	1,927,667	2,010,337	2,452,080	2,465,066	**2,533,383**
Net Assets Per Share (RM)	0.90	0.94	0.92	0.93	**0.94**
Basic Earnings Per share (Sen)	5.64	5.86	6.45	1.79	**1.62**

FINANCIAL HIGHLIGHTS

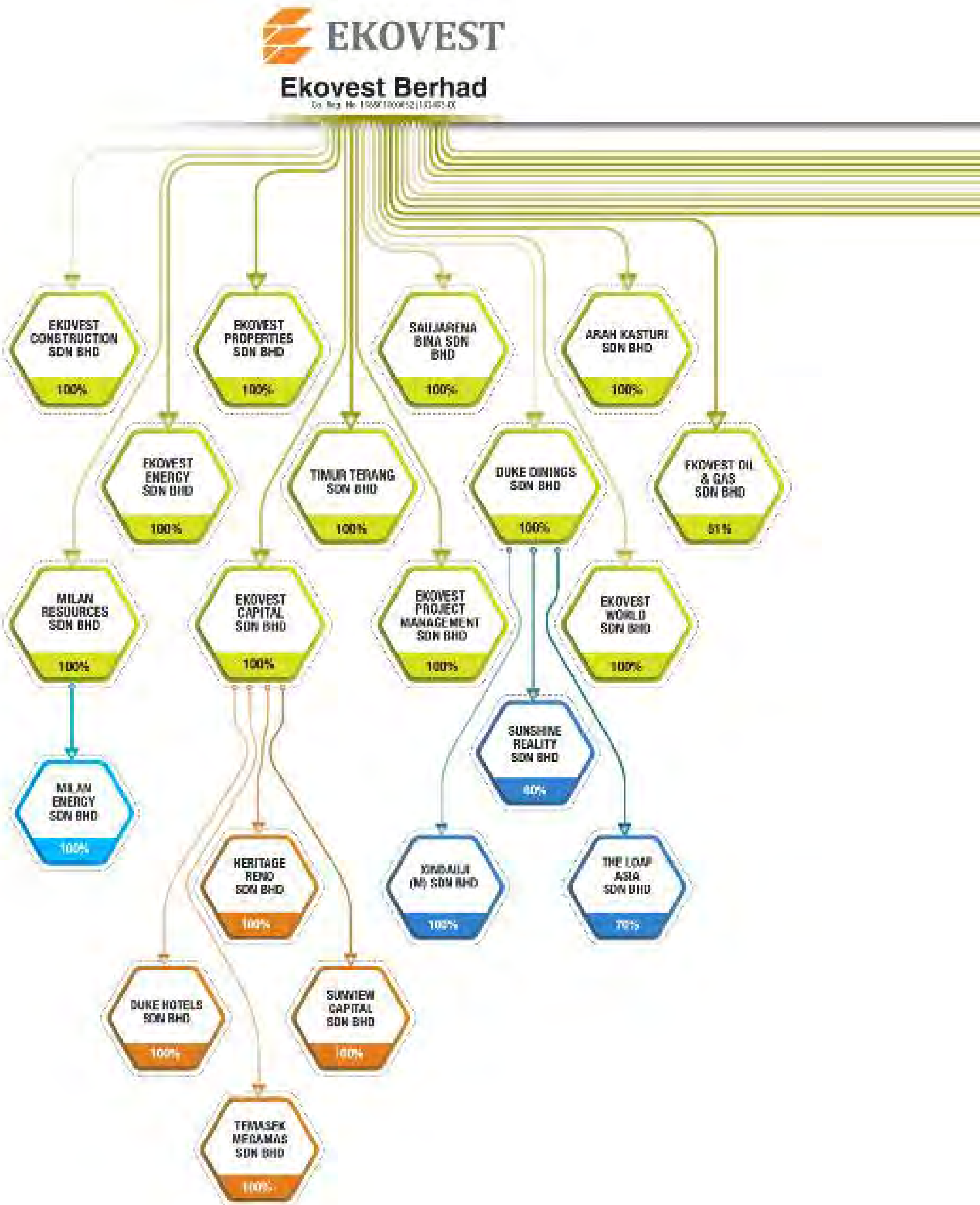
REVENUE (RM'000)



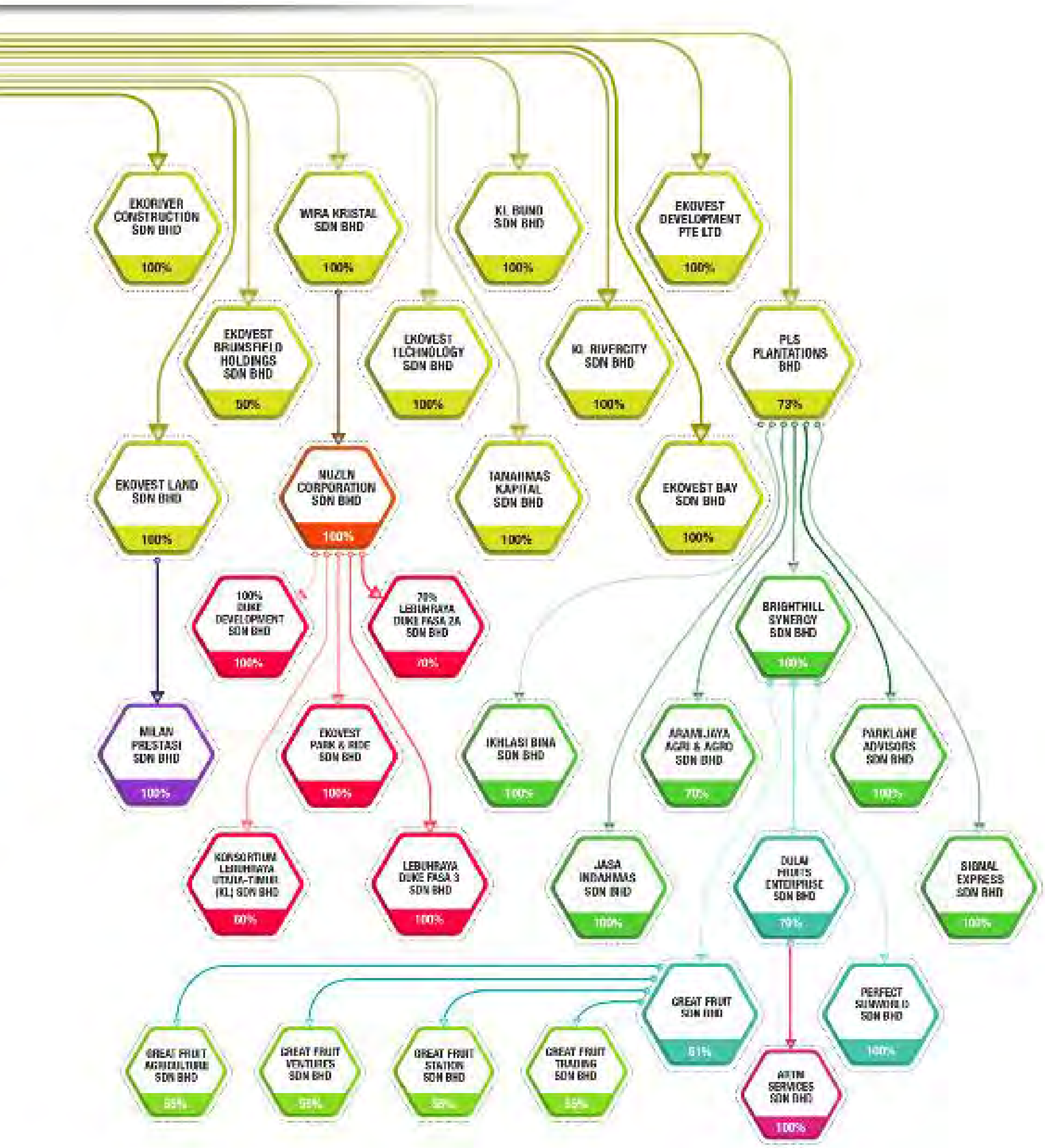
PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM'000)



EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM'000)


EKOVEST
Ekovest Berhad
EKOVEST CONSTRUCTION SDN BHD
100%
EKOVEST PROPERTIES SDN BHD
100%
SAUJARENA BINA SDN BHD
100%
ARAH KASTURI SDN BHD
100%
EKOVEST ENERGY SDN BHD
100%
TIMUR TERANG SDN BHD
100%
DUKE DININGS SDN BHD
100%
EKOVEST OIL & GAS SDN BHD
51%
MILAN RESOURCES SDN BHD
100%
EKOVEST CAPITAL SDN BHD
100%
EKOVEST PROJECT MANAGEMENT SDN BHD
100%
EKOVEST WORLD SDN BHD
100%
MILAN ENERGY SDN BHD
100%
SUNSHINE REALITY SDN BHD
60%
HERITAGE RENO SDN BHD
100%
XINDAIJI (M) SDN BHD
100%
THE LOAF ASIA SDN BHD
70%
DUKE HOTELS SDN BHD
100%
SUNVIEW CAPITAL SDN BHD
100%
TEMASEK MEGAMAS SDN BHD
100%

GROUP STRUCTURE



BOARD OF DIRECTORS

TAN SRI DATO' LIM KANG HOO
Group Executive Chairman

TAN SRI DATUK SERI LIM KENG CHENG
Managing Director

DATO' LIM HOE
Executive Director

LIM CHEN THAI
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

WONG KHAI SHIANG
Alternate Director to Dato' Lim Hoe

LIM DING SHYONG
Alternate Director to Tan Sri Datuk Seri Lim Keng Cheng

CORPORATE INFORMATION

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 : 03-40215943

REGISTERED OFFICE

Ground Floor, Wisma Ekovest
No. 118 Jalan Gombak
53000 Kuala Lumpur
Tel : 03-40215948
Fax : 03-40215943

WEBSITE

www.ekovest.com.my

AUDITORS

Mazars PLT
Chartered Accountants
Wisma Golden Eagle Realty
11th Floor, South Block
142-A Jalan Ampang
50450 Kuala Lumpur
Tel : 03-27025222

LEGAL FORM AND PLACE OF INCORPORATION

A public listed company incorporated in Malaysia and limited by shares

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad

Stock Code : 8877

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

PRINCIPAL BANKERS

AmBank Berhad
OCBC Al-Amin Bank Berhad
CIMB Bank Berhad
Malayan Banking Berhad
Public Bank Berhad
Hong Leong Bank Berhad

DOMICILE

Malaysia

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 30 JUNE 2021.

GROUP EXECUTIVE CHAIRMAN'S STATEMENT

INDUSTRY TRENDS

Growth in the construction sector is also expected to rebound, driven by resumption of activities across all subsectors. In the civil engineering subsector, growth is expected to recover in line with the ramp up of construction activity in large infrastructure projects. Malaysia's construction industry is forecast to record growth of 11.2% in 2021, following a contraction of 19.4% in 2020, though the imposition of Full Movement Control Order or 'FMCO' from 1st June 2021, poses a significant downside risk to this forecast. The outbreak of the Coronavirus (COVID-19) pandemic and the subsequent lockdown restrictions continue to weigh on the industry's output, but owing to low base effects, the industry is expected to post growth in the remaining quarter of the year. Reflecting the pandemic's impact on construction activities, the industry's value-add fell by 10.4% year on year (YoY) in Q1 2021, preceded by year-on-year (YoY) contractions of 13.9% in Q4, 12.4% in Q3 and 44.5% in Q2 2020, according to the Department of Statistics Malaysia (DOSM).

The property market is widely expected to start recovering in 2021, on the back of a more positive outlook for the economy. Bank Negara Malaysia (BNM) states that a more positive outlook is supported by a recovery in global demand, and turnaround in public and private sector expenditure amidst continued support from policy measures. Despite prevailing subdued market sentiments, the Malaysia market performed better than expected in 2020, placing it in good position to make positive gains in the coming year, albeit at a gradual and cautious pace. Demand remains strong despite cautious consumer sentiments, and the current climate of historically low interest rates, low house prices and rich incentives introduced by the government presents attractive property opportunities for those on good financial footing.

Growth in the agriculture sector is expected to expand, primarily due to a recovery in oil palm production. Slightly higher-than-average rainfall in the beginning of the year due to the La Nina phenomenon is expected to improve oil palm yields particularly towards the later part of the year.

Tan Sri Dato'
Lim Kang Hoo
Group Executive Chairman

According to the Malaysia Economic Monitor: Weathering the Surge report by the World Bank, the ongoing pandemic and movement restrictions will continue to affect Malaysia's economy in the near term. The current resurgence of the COVID-19 pandemic and the movement control order (MCO) reimposition is expected to significantly impact private consumption. The ongoing MCOs increased precautionary behaviour and subdued wage growth are all expected to exert negative pressure on private consumption activity.

FINANCIAL PERFORMANCE

Despite the unfavourable economic sentiment resulting from the prolonged COVID-19 pandemic and challenges faced in our business operations in financial year ended 30 June 2021 ("FYE2021"), Ekovest Berhad ("Ekovest") delivered yet another year of profitable financial performance. This reflects the core strength and expertise of Ekovest and its subsidiaries (the "Group") in construction as well as a result of our continuous effort to drive operational and cost efficiency throughout the Group.

In FYE2021, Ekovest registered revenue of RM1.354 billion, an increase of approximately 6.8% as compared to revenue of RM1.268 billion achieved in the previous financial year ended 30 June 2020 ("FYE2020"). Our construction division continues to be the main revenue driver, contributing RM1.092 billion or 80.7% of total revenue, while our toll operations contributed RM154.7 million or 11.4% and the property development and property investment divisions contributed RM37.3 million or 2.8% to the total revenue achieved in FYE2021. We are also pleased to report that upon completion of the unconditional Mandatory General Offer ("MGO") to acquire all the remaining PLS Plantations Berhad ("PLS") shares and warrants not held by Ekovest in February 2021, the Group have started to recognise revenue from the plantation segment as well with RM62.9 million being recognised in FYE2021.

The increase in revenue was mainly contributed by the increase in construction workdone recognised for DUKE Phase 3 project and the River of Life projects as well as the new revenue stream provided from the plantation division. Nonetheless, there was a decline in revenue contribution from the property development division as we have not launched any of our projects on hand after the completion of the EkoCheras development. The implementation of MCO and other preventive measures to contain further waves of the COVID-19 pandemic has resulted in slower than expected recovery in the property market and this has forced us to relook into the development planning to take into consideration post pandemic lifestyle and spending pattern. Our toll operations division reported stagnant growth in terms of revenue, its operations was badly affected by the lower traffic and highway usage through FYE2021. The Profit Before Tax ("PBT") for FYE2021 stood at RM120.4 million, an increase compared to the PBT reported in FYE2020 of RM90.7 million which is in tandem with the increase in revenue. Nonetheless, the reversal of deferred tax assets amounting to RM62.201 million from our toll operation division has resulted in Profit After Tax ("PAT") to decrease from RM28.7 million in FYE2020 to RM19.4 million in FYE2021.

GROUP EXECUTIVE
CHAIRMAN'S STATEMENT

STRATEGIC REVIEW

The impact and full extent of the COVID-19 pandemic has resulted in FYE2021 to be one of the most challenging years we have experienced but we have remained focused on delivering sustainable growth and long-term shareholders' value. We swiftly took appropriate and deliberate actions to drive performance while maintaining financial prudency. We will continue to navigate our way through the challenges to promote and grow the Group's various businesses. Ekovest is proud to have historically stable and reliable earnings with good visibility from the various business divisions. We are committed to improving the construction industry and we understand the wider impact that our businesses can make in supporting human activity through the delivery of quality in our buildings, roads, public spaces, infrastructure and other construction areas. The opening up of the economy with the National Recovery Plan moving into Phase 4 in certain states will certainly augur well for the future performance of our Group. We will have to continue with our operations and will take measures to ensure that the COVID-19 becomes an endemic to balance the economic scale and recovery.

We have also taken steps to grow further and have taken to bold step to invest in a property development project in Singapore. We will use this investment and experience gained to be the yardstick to measure our technical capabilities and to ascertain if we have what it takes to compete at international level. We have also previously entered into strategic collaboration with China Railway Dongfang Group, a wholly-owned subsidiary of China Railway Group Limited to establish a broad-based multi-angle and non-exclusive collaboration and strategic cooperation arrangement in relation to construction, development, infrastructure, airport and seaport and other development activities in Malaysia and in the Asia Pacific Region ("Collaboration"). We will continue to evaluate opportunities through this Collaboration in local market as well as in the Asia Pacific region.

The completion of the PLS Mandatory General Offer ("MGO") also will provide an opportunity for us to be one of the leading players in agriculture sector, specifically in the planting and maintenance of large-scale durian plantation and management and operation of oil palm plantation. We have set our sight as the durian business as this is an industry waiting to be harnessed as it is in the midst of transformation from being a small stakeholder business to a commercialised industry. There are proper plans and foundations being laid to enhance this area of business and provide fruitful returns to the Group in the medium to long term horizon. These plans that we have implemented is part of our strategy to transform Ekovest into a larger listed conglomerate with a larger portfolio of diversified businesses and is in line with the long-term strategy of expanding and diversifying into other businesses to reduce dependency and reliance on our existing businesses in construction, property development and toll operations.

During FYE2021, we had completed the second and final tranche of the Private Placement comprising the issuance of 41,000,000 new Ekovest shares, raising an amount of RM20.91 million. This has help improve our balance sheet position and proceeds raised will be utilised for working capital purposes.

While current COVID-19 pandemic had resulted to uncertainties, our strategic focus has put us in a strong position to benefit from longer-term growth. Our hybrid business model creates long-term shareholders' value by harnessing the benefits of our complementary businesses – construction, property development and property investment, plantation and highway concession. This model limits the impact of economic cycles and allows us to prioritise high-quality businesses, in order to improve margins and deliver disciplined revenue growth. The Group have adapted well to embrace the new normal of doing business and has since adapted efficiently in the fulfilment of our business obligations.

APPRECIATIONS

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. The Board remained optimistic in delivering positive financial results. We hold the responsibility that you have entrusted to us in high regard and we shall endeavour to deliver an even better financial year ended 2022. We look forward to a very exciting year ahead for the Ekovest Group.

TAN SRI DATO' LIM KANG HOO
Group Executive Chairman
29 October 2021

MANAGING DIRECTOR'S STATEMENT

The last financial year has continued to be a challenging year for the global economy and the COVID-19 pandemic has changed not only our daily lives but has also forced us to evolve and change our perception on the way we do business. We have been adapting to the new normal and was forced to rethink and understand the changes in behaviour and trends post COVID-19 and will continue with our innovative methods to ensure sustainability of our business. During this time of crisis, we also took up the challenge to support the policies and initiatives by the Government to contain the spread of COVID-19 by adhering to the various COVID-19 Standard Operating Procedures ("SOP") as introduced by the Government from time to time. We had also provided the free use of our Segambut Rest and Service Area (SEGAR) located at our DUKE-Phase 2 Segambut toll plaza to be one of the vaccination centers.

Nonetheless, we are grateful for the policies implemented by the Government to ensure the balance between containing the spread of COVID-19 and ensuring the recovery of economic activities during this unprecedented time. The National Recovery Plan ("NRP") which is in its 4th Phase now will be the catalyst to economic recovery and will pave the way for investors' confidence to return to Malaysia. Malaysia will benefit more from these positive economic and social spill-over effects moving forward. In this regard, we have and will continue to engage with the Government, ministries and agencies on our various innovative and cost-effective solutions and proposals.

MANAGING DIRECTOR'S STATEMENT

Tan Sri Datuk Seri
Lim Keng Cheng
Managing Director

MANAGING DIRECTOR'S STATEMENT

Construction – Safety and Innovation

Construction have always been the forte of our company and we expect this to be the same in the years to come. We had delivered more than RM8 billion worth of construction projects to clients all across Malaysia and pride ourselves for being one of the most respected construction players in Malaysia. Ekovest will continue with our practise of adopting the Construction Design and Management (CDM), to ensure that the health and safety aspect of a construction project is thoroughly evaluated during the design phase. In April 2021, we were awarded by the Malaysia Book of Records for having the "longest T-shaped beam bridge span" in the country at 67.5 meters long. This bridge span is part of our Setiawangsa-Pantia Expressway ("SPE" or more commonly known as the "DUKE Phase 3"), located at the Kerinchi Interchange, forming a crucial link over the 6-lane wide Federal Highway. In the making of this Malaysian Record, our design team optimized the design of the superstructures, using BH Girder beams to create this record. Ekovest have been the pioneers in Malaysia to use BH Girders as the beams for the bridge structures, where span lengths can be increased by 30% which is beneficial for river crossings and urban congested areas. Using BH Girders, the pier spacings are increased and cause less public disturbances during construction. There is a total of 424 BH Girders used in the SPE project.

During financial year ended 30 June 2021 ("FYE2021"), we continued to focus with the projects in hand, namely our DUKE Phase 3. Nonetheless, the various phases of MCO and on-site SOP's requirements throughout the financial year has proved to be very challenging for our construction operations. The breakdown in the supply chain of construction materials and loss of productivity in adapting to new health and safety protocols and SOP's had severely affected our construction progress. Nonetheless, we have had to re-evaluate the construction work programme and have put in place several measures to expediate work on site. Despite the challenges faced, we have physically completed SPE's Section 4 (Taman Melati to Setiawagsa Interchange) and this section of the expressway is currently being inspected by the Government for early opening. We look forward to deliver the entire DUKE Phase 3 in FYE2022, which will be another infrastructure milestone for Greater Kuala Lumpur. Upon its completion, the alignment of DUKE Phase 3 will complement the existing DUKE Phase 1 and 2 whereby it will serve the North-South travelling route in Kuala Lumpur and will a be viable alternative to the existing federal roads.

Looking forward, we are still pursuing the DUKE Phase 2A as well as the KL River City project to secure more infrastructure projects. We are also exploring other avenues and opportunities to replenish our construction orderbook.

Property Development and Property Investment

Surviving the Pandemic

During this current COVID-19 pandemic, our EkoCheras Mall have continued to be accommodative and supportive towards our tenants to ensure they are able to survive this troubled time. We have continued with our rebates assistance and have enforced and adhered to all SOPs to ensure the safety of all shoppers, tenants and visitors. We foresee that the Phase 4 of the NRP will see increase volume of foot traffic and recovery of rental revenues coming from the EkoCheras mall. The management remains very optimistic on the long-term performance of the mall as the EkoCheras development as it located in the nucleus of Cheras and will be able to provide comfortable shopping and F&B experience for all.

In addition, we are also re-evaluating the components of our other property development projects, namely the EkoTitiwangsa project, to cater for the spending habits post pandemic. We are hopeful that our property development projects can be launched in the near future.

MANAGING DIRECTOR'S STATEMENT

Infrastructure Concession – Long Term Asset In Greater Kuala Lumpur

Our infrastructure concession and toll operation division (i.e. the operation and management of the DUKE toll concession) was not spared from the MCO and traffic volumes since March 2020 has been volatile and co-relates to the type of MCO being enforced by the Government. Traffic volumes have dipped again tremendously during the total MCO 3.0 lockdown but have since steadily recovered as the country have moved along the NRP phases. Nonetheless, we have seen an overall decline in traffic volume and toll revenue collection compared to previous financial year as this is the first full financial year with the COVID-19 adverse impact. We together with our industry peers have been in constant communication and engagement with the Government to highlight the severity of the reduced traffic volume resulting from the MCO implemented to the overall business model as well as to the liquidity and cashflow position of concessionaires. In general, traffic volumes on expressway are a gauge of economic recovery post pandemic and is also an important economic sector whereby it employs more than 6,000 personnel and has between 15,000 to 20,000 "fence line" communities that relies on the toll industry. Any adverse impact to the toll industry will have a ripple-effect to the capital markets whereby there are more than RM60.0 billion of outstanding debt and/or sukuk raised by the industry.

Nevertheless, we remain optimistic on the long-term prospect and value of the DUKE as the seamless connectivity it provides will see it become an important road link and network for Greater Kuala Lumpur. The long concession period which we have for this urban highway also provide flexibility for potential future monetisation and value enhancements. We still believe that the current infrastructure development model adopted by the Government of Malaysia via Private Public Partnership (PPP) is still relevant and will help accelerate future infrastructure needs in Malaysia.

MANAGING DIRECTOR'S STATEMENT

Plantation – Presence in Agriculture Sector

Upon completion of the Mandatory General Offer ("MGO") by Ekovest, we expect this division to be one an additional source of revenue for the Ekovest Group. With the changing economic and business environment, our diversification into other industry is expected to augur well for the long-term growth and sustainability of the enlarged Ekovest Group. The Board and management of PLS Plantations Berhad ("PLS") are now working tirelessly to develop the overall business strategy and transformation plan to propel PLS as one of the leading agriculture player in Malaysia. Notwithstanding the plans and strategies that are being developed, they will continue to place emphasis on the oil palm plantation as well as to grow the durian business that is already on-going. Barring unforeseen circumstances and the favourable commodity prices, we expect this division to contribute positively in the coming years.

Management Discussion And Analysis

The total revenue for FYE2021 stands at RM1.354 billion, which is an increase of approximately 6.8% as compared to previous year. Illustration on the revenue for the Ekovest Group in financial year ended 30 June 2020 ("FYE2020") and FYE2021 is as below:-

	FYE 2021 RM '000	FYE 2020 RM '000	Variance RM '000	%
Construction	1,092,375	1,049,475	42,900	4.1
Property Development	11,380	30,731	(19,351)	(63.0)
Infrastructure Concession	154,660	154,205	455	0.3
Plantation*	62,922	-	62,922	100.0
Food and Beverages	6,315	10,027	(3,712)	(37.0)
Property Investment	25,889	23,417	2,472	10.6
Others	794	426	368	86.4
Total	1,354,335	1,268,281	86,054	6.8%

* Includes sales from trading of durian fruits and its by-products.

The increase in the current financial year revenue as compared to FYE2020 was due to the increase in construction work done as well as the recognition of revenue from plantation division arising from the completion of the unconditional MGO to acquire all the remaining PLS shares and warrants not held by Ekovest in February 2021. The increase in revenue is despite the reduction of sales income from property development in EkoCheras and the food and beverages division as well as the decrease in traffic volume of DUKE highways. The higher construction work done recognised for the DUKE Phase 3 project and our remaining construction outstanding orderbook will provide short-term earnings visibility. The decrease in revenue contribution from the property development division is due to the full hand over of the service apartments in EkoCheras during the FYE2020 and the sales of the remaining completed units in EkoCheras were affected by the weakening economic conditions and the COVID-19 pandemic during the FYE2021. The infrastructure concession division registered a similar revenue of RM154.7 million in FYE2021 as compared to RM154.2 million in FYE2020. However, the revenue reported includes the receipt of toll compensation for calendar 2019 which has been long overdue from the Government. From actual FYE2021 toll collection receipts, there is a decrease of approximately 13.3% in the toll revenue, largely due to the decrease in the traffic volume throughout the financial year.

MANAGING DIRECTOR'S STATEMENT

Management Discussion And Analysis (Cont'd)

Correspondingly, the gross profit for FYE2021 has increased as compared to FYE2020 which is in tandem with the increase in revenue. The profit before tax ("PBT") for FYE2021 stood at RM120.4 million, which is higher than the PBT reported in FYE2020 of RM90.7 million. This is mainly due to the overall higher revenue reporting in FYE2021.

From the balance sheet perspective, we have seen an increase in our Concession Assets from RM5.7 billion in FYE2020 to RM6.8 billion in the current year which is due to on-going construction progress of the DUKE Phase 3. Correspondingly, there is a decrease in our Investment Funds from RM1.6 billion in FYE2021 to RM988.9 million in FYE2021 together with a decrease in Short Term Deposits and Cash and Bank Balances from RM832.6 million in FYE2020 to RM420.1 million in FYE 2021, which was due to the utilisation of funds for the construction and financing requirements of our DUKE Phase 3. In addition, the reconginition of Bearer Plants and Right-of-use Assets arising from the post MGO consolidation of PLS has also increased the asset base of Ekovest Group. Overall, our capital expenditure and working capital requirements were financed from internal generated cash as well as borrowings from financial institutions. Moving forward, we expect this strategy to remain largely intact and will continue to look for project financing structure to ensure the borrowings risk is "ring-fenced" and kept at project level.

However, we do acknowledge that some of the projects that we participate in, requires the support and financial capability of the Ekovest Group to be commercially viable for all stakeholders. The gearing ratio of the Group remains low at 0.42 times for the FYE2021 vis-à-vis the gearing ratio of 0.32 times in FYE2020. The gearing ratio calculation above have excluded the Islamic Medium-Term Notes and Reimbursable Interest Assistance, which was issued to finance the construction of the DUKE highways. The increase in the gearing ratio is due to higher borrowings obtained to finance the MGO exercise and working capital purposes. The net assets per share attributable to equity holders as at FYE2021 had increase to RM0.94 from RM0.93 in FYE2020, which is mainly due to the net profit recorded in FYE2021.

Appreciation

To our customers, clients, bankers, business partners and associates, 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, Lembaga Lebuhraya Malaysia and Dewan Bandaraya Kuala Lumpur. I wish to express my most sincere appreciation to my fellow Board members for their support and contributions. To the management and employees of Ekovest Berhad, thank you for your commitment, hard work and perseverance Last but not least, thank you to our esteemed shareholders for your trust, patience, unwavering commitment and continuous confidence in us. We hold the responsibility that you have entrusted to us in high regard and we shall endeavour to deliver better value for you in the years to come.

Tan Sri Datuk Seri Lim Keng Cheng
Managing Director
29 October 2021

DIRECTOR'S PROFILE

01 TAN SRI DATO' LIM KANG HOO
GROUP EXECUTIVE CHAIRMAN

MALE, AGE 66, MALAYSIAN

Tan Sri Dato' Lim Kang Hoo is our Group Executive Chairman on 8 February 2021. He has been on the Board of Directors of Ekovest Berhad since 30 March 1988. He was appointed as the Executive Chairman of our company for the period 22 November 2010 to 7 February 2021.

Tan Sri Dato' Lim is a Malaysian business magnate and entrepreneur with more than 49 years of experience. He has interests in a variety of businesses including construction, master development, property development and investment, trading of building materials and plantations.

Tan Sri Dato' Lim has the visions, dynamisms and he provides strategic advice to the overall business directions of our Company. Over the past years, he has instrumental to the rapid growth of the various companies which he helms under his leaderships.

Tan Sri Dato' Lim grew up at Setapak, the northeast of Kuala Lumpur. He started his involvements in the construction industry soon after having a few years of his secondary education, start working on the plantation sector and assisting the family construction business.

Tan Sri Dato' Lim's vast experience in the construction industry had instrumented to the growth and development of the Ekovest Berhad Group. Tan Sri Dato' Lim instruments to transform Ekovest into a conglomerate with core interests in property development, construction & infrastructure, retail & hospitality and plantation, in particular for the durian plantation and other cash crop for food securities. Among the major construction and infrastructure projects undertaken by Ekovest include, the turnkey design and build for the construction of Universiti Malaysia Sabah and Labuan Financial Park, KLCC internal fit out, the concession for the Duta-Ulu Kelang Expressway (DUKE) Phase 1, 2 and the Setiawangsa-Pantai Expressway (also known as DUKE Phase-3), the construction of Kuala Lumpur Sentral Commuter Station under the joint venture with KMZ-Dragages and part of the road construction leading to Putrajaya and office blocks E8, E9, E12 and E13 and its related structures in the administrative precinct of Putrajaya.

At present, Tan Sri Dato' Lim is also the Executive Vice Chairman of PLS Plantations Berhad, a plantation company listed on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities"). PLS is currently a 73.08% subsidiary of Ekovest since the completion of a mandatory general offer for the remaining shares it does not own by Ekovest.

Tan Sri Dato' Lim has extensive experience in plantation sector since he left secondary school. In1971, he established a small business selling durians and other fruits and vegetables in Kuala Lumpur. In 1974, he relocated to Pahang as a contractor to the Federal Land Development Authority ("FELDA") for its rubber plantation project. Following the successful completion of the FELDA project in 1976, he was appointed as a contractor for FELDA's cocoa, rubber and oil palm nurseries in the east coast of Malaysia. He subsequently relocated to Aring and Chiku in Kelantan in 1978, again as a contractor to FELDA to develop oil palm plantations in those areas. One of the key development projects which he embarked on in 1986 was Felda Sahabat in Lahad Datu, Sabah comprising oil palm plantations, palm oil mills and infrastructure works. Through these development projects, he obtained knowledge and expertise in the plantation, construction, infrastructure and building materials industry.

Tan Sri Dato' Lim is also the Executive Vice Chairman for Iskandar Waterfont Holdings Sdn. Bhd. ("IWH"), a public-private-partnership ("PPP") company, which he joint ventures with the Federal Government (via Ministry of Finance Incorporated) and the investment arm for State Government of Johor (via Kumpulan Prasarana Rakyat Johor Sdn Bhd) since 1999. IWH is a successful PPP model which pioneered the First Economic Corridor in Malaysia and has successfully rebranded Johor Bahru and attracted various Fortune 500 Companies and Foreign Direct Investments to Johor. Tan Sri Dato' Lim is also the Executive Vice Chairman of Iskandar Waterfront City Berhad, a subsidiary of IWH, involving in property development, listed on the Main Board of Bursa Securities.

DIRECTORS' PROFILE

02 TAN SRI DATUK SERI LIM KENG CHENG
MANAGING DIRECTOR

MALE, AGE 59, MALAYSIAN

TAN SRI DATUK SERI LIM KENG CHENG, male, aged 59, Malaysian, was appointed as the Managing Director of Ekovest Berhad on 16 May 2011. He has more than 38 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, Tan Sri 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, Tan Sri 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. Tan Sri Datuk Seri Lim also holds directorship in several private limited companies which includes amongst others, Iskandar Waterfront Holdings Sdn Bhd. He is currently a Non-Executive Chairman of Lim Seong Hai Capital Berhad, a public listed company in Bursa Securities.

03 DATO' LIM HOE
EXECUTIVE DIRECTOR

FEMALE, AGE 69, MALAYSIAN

DATO' LIM HOE, female, aged 69, 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, Dato' Lim joined Ekovest Berhad in 1988 and has since risen to the position of Senior General Manager. She has more than 47 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 during the formative years of Ekovest Berhad. She is also a Director of several private limited companies.

DIRECTORS' PROFILE

04 MR LIM CHEN THAI
EXECUTIVE DIRECTOR

MALE, AGE 27, MALAYSIAN

MR. LIM CHEN THAI, male, aged 27, Malaysian, was appointed to the Board of Directors of Ekovest Berhad on 26 April 2018 as an Alternate Director and became an Executive Director on 25 February 2020. He graduated with a Bachelor of Banking and Finance from Monash University, Australia. He serves the Ekovest Group of companies in various capabilities since joining them in 2018. Besides, he is also an Executive Director of Knusford Berhad.

05 MS KANG HUI LING
SENIOR INDEPENDENT AND NON-EXECUTIVE DIRECTOR

FEMALE, AGE 49, MALAYSIAN

MS. KANG HUI LING, female, aged 49, 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 currently attached to a group of professional firms specialising in assurance, corporate advisory, taxation compliance and accounting services as an associate director. She is also an Independent Non-Executive Director of PLS Plantations Berhad.

06 MS. LIM TS-FEI
INDEPENDENT NON-EXECUTIVE DIRECTOR

FEMALE, AGE 58, MALAYSIAN

MS. LIM TS-FEI, female, aged 58, 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 assistant in the same firm for eight years. She is presently a partner of the firm.

DIRECTORS' PROFILE

07

MR. CHOW YOON SAM
INDEPENDENT NON-EXECUTIVE DIRECTOR

MALE, AGE 75, MALAYSIAN

MR. CHOW YOON SAM, male, aged 75, 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 to 2004. He was also an Independent Non-Executive Director of Iskandar Waterfront City Berhad from 2013 to 2016. He is currently an Independent Non-Executive Director of PLS Plantations Berhad.

08

MR. LEE WAI KUEN
INDEPENDENT NON-EXECUTIVE DIRECTOR

MALE, AGE 55, MALAYSIAN

MR. LEE WAI KUEN, male, aged 55, 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 29 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.

09

DR. WONG KAI FATT
INDEPENDENT NON-EXECUTIVE DIRECTOR

MALE, AGE 74, MALAYSIAN

DR. WONG KAI FATT, male, aged 74, 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.

DIRECTORS' PROFILE

10

MR. WONG KHAI SHIANG

ALTERNATE DIRECTOR TO DATO' LIM HOE

MALE, AGE 42, MALAYSIAN

MR. WONG KHAI SHIANG, male, aged 42, 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 20 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.

11

MR. LIM DING SHYONG

ALTERNATE DIRECTOR TO TAN SRI DATUK SERI LIM KENG CHENG

MALE, AGE 33, MALAYSIAN

MR. LIM DING SHYONG, male, aged 33, 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. Upon graduating, he entered the Ekovest Group as a Project Engineer since 1 February 2012. He is involved in the planning, design and construction of the extension of Duta-Ulu Kelang Expressway (DUKE 2 & 3) and in Ekoriver Construction Sdn. Bhd. (f.k.a. Ekovest – MRCB 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 has been involved in the sales and marketing activities as well as mall operations of EkoCheras, Ekovest's maiden property development project in Cheras. He is also a Director in Ekovest Project Management Sdn. Bhd. and is currently involved in the day to day operation of the highways business, in charge of highways development, highways operating and marketing.

DIRECTORS' PROFILE

CONFLICT OF INTEREST

There is no conflict of interest between the Directors and the Group except for the related party transactions where the Directors have interest, as disclosed in the Note 48 of the 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 Director has family relationship with other Directors or major shareholders except for:

1. Tan Sri Dato' Lim Kang Hoo is a brother to Dato' Lim Hoe, father of Lim Chen Thai, uncle to Tan Sri 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.

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

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

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

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

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

MR. THAM BENG CHOY

CHIEF EXECUTIVE OFFICER
CONSTRUCTION

MR. THAM BENG CHOY, male, aged 59, Malaysian, joined Ekovest Group in 1997 and was appointed as Chief Executive Officer (Construction) in 2016. He was involved in overseeing construction projects undertaken by the Group such as Duta-Ulu Kelang Expressway (DUKE), DUKE Phase 2, Ministry of Education Buildings in Putrajaya, Shapadu Highway and currently, Setiawangsa-Pantai Expressway (SPE). He has more than 35 years of experience in construction industry and was involved in the construction of roadworks, bridges, drainage & utilities, airport, pipelines & storage tanks, pumphouse, administration buildings and others. He graduated with a Bachelor of Civil Engineering with high distinction from Carleton University, Canada in 1985. He is a member of the Hong Kong Institution of Engineers and the Institution of Civil Engineers, UK.

KEY SENIOR MANAGEMENT

ENCIK ZULKHANINE BIN SHAMSUDIN

GENERAL MANAGER
CONSTRUCTION

ENCIK ZULKHANINE BIN SHAMSUDIN, male, aged 60, Malaysian. Graduated from Universiti Teknologi Malaysia and holds Bachelor Degree in Civil Engineering. He joined Ekovest Group since 1994. After 14 of his excellent years, the group had appointed him as the Head of Department in 2008. As a civil engineer who has more than 36 years of experience, his involvements in the construction industry cuts across works i.e. infrastructure, civil, building, river engineering, river beautification including as the Project Delivery Partner to the Government for River of Life (ROL) project. To-date, he had helmed jobs worth of more than RM 3.0 billion both in public and private sectors. Projects that he had oversaw among other the construction of new housing scheme for FELDA settlers located in Negeri Sembilan, Pahang and Johor, construction of hospital in Muar, construction of Putrajaya Road Package R3 and construction of Dewan Perdana FELDA. He also had successfully lead the team to complete the design and built project values of RM 800 million, for the construction of Universiti Tun Hussien Onn Malaysia, comprising of academia buildings, library, hostels, main halls and infrastructure works. For river works, he had managed and coordinated remarkably the river beautification and enhancement works surroundings the iconic places of Kuala Lumpur i.e. St. Mary's Cathedral, Leboh Pasar Besar, Dataran Merdeka, Bangunan Sultan Abdul Samad, Panggung Bandaraya, including exuberant water fountain and the lightings system located at Masjid Jamek for the Greater Kuala Lumpur / Klang Valley projects. The projects of which have elevated the image of Kuala Lumpur as one of the top 10 best water district in the world.

KEY SENIOR MANAGEMENT

MR. LOH PAK CHUN

GENERAL MANAGER
HIGHWAY CONCESSIONAIRE

Mr. Loh Pak Chun, male, aged 59, Malaysian, joined Ekovest Group in year 2009. He was involved in overseeing the construction in Johor Bahru and also involved in the construction of PLUS Fourth Lane Widening Project. In year 2015, he was transferred to Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd, a subsidiary of Ekovest Berhad. At present, he is the General Manager in charge of highway operation and maintenance of Duta Ulu-Kelang Expressway (DUKE). He has more than thirty years of experience in the construction industry & civil engineering. He graduated with a Bachelor of Science in Civil Engineering from Memphis State University, Tennessee, USA. He is a member of Institute Engineer Malaysia.

MR. M.G. MENON

CHIEF EXECUTIVE OFFICER
FOOD & BEVERAGE

Mr. M. G. Menon, male, aged 61, Malaysian, joined Ekovest Group in January 2019 as CEO (F&B). He was involved in overseeing the re-opening of The Loaf outlets in Langkawi and Klang Valley. He has 35 years of experience in Sales & Marketing, Human Resource, Front Office, Food & Beverage, ISO Audit, Finance Management, Training Providing, pre-opening of hotels, running F&B outlets, fit-out at malls and operating the mall business.

He graduated with a Bachelor of Pharmacy Degree from Kasturba Medical college, Manipal, India and used his experiences in both pharmaceutical industry and in the hospitality industry by incorporating best practises and good management abilities. His major accomplishments include restructuring a pharmaceutical company in Nigeria from the brink of closure to a fully operational company and establish the first Good Management Practise Factory in Malaysia for a Taiwan based company. He has worked in the hospitality and Tourism industry for 15 years from Director of Sales to being a General Manager of boutique hotel in Bali, Indonesia and opening a new boutique hotel for another company in Bali, Indonesia and currently in charge of The Loaf in Malaysia under Duke Dinings Sdn Bhd.

At present, he is continuing to look at expansion of The Loaf and in the process of acquiring more F&B franchise that will do well in Malaysia being a food haven. Most recent is a joint venture opening of Saemaeul Korean BBQ at food district in Ekocheras mall.

MS. JENNIFER KUEK

HEAD OF ASSETS MANAGEMENT
EkoCheras Mall

Ms. Jennifer Kuek, female, aged 39, Malaysian, joined Ekovest Group in June 2017 as General Manager, Business Development and was appointed as Head of Assets Management in September 2018. She was involved in overseeing the development of EkoCheras. She has more than 13 years of experience in travel luxury retail and downtown luxury retail since her time in Singapore, London and Malaysia. She graduated with a Masters in Business Administration (MBA) in year 2003. She is a member of the Persatuan Pengurusan Kompleks (PPK) Malaysia as well as the Malaysia Retailers Association (MRA). Presently, she is taking charge of EkoCheras Mall.

MS. LIM SOO SAN

CHIEF FINANCIAL OFFICER

Ms Lim Soo San, female, aged 51, Malaysian, was appointed as Chief Financial Officer of Ekovest Berhad in 2005. She holds a Bachelor of Accounting Degree from RMIT University, Melbourne, Australia and a Master in Business Administrative majoring in Finance from University of Hull, England. She is member of CPA Australia and the Malaysian Institute of Accountants. She has more than 20 years' experience in accounting and corporate finance areas. Her career includes 5 years stay with a leading accounting firm before joining Ekovest Berhad.

SUSTAINABILITY STATEMENT

The current financial year remains challenging to the Group due to the prolonged pandemic effect on the overall world economies. Nonetheless, the Group remains committed, though at a slower pace, to embrace sustainability and ensure that its business strategic plan continues supporting the long-term value creation in economic, environmental and social aspects.

CONTAINING PANDEMIC

Our top sustainability priority for 2020 and 2021 was to work with all stakeholders in containing the pandemic. To this end, we have offered the Segambut Rest and Service Area ("SEGAR") Building, underneath DUKE Phase 2 Sri Damansara Link's toll plaza to be used as a Covid-19 vaccination center at no cost and with free parking. Upon acceptance of our offer by the authority, the building was converted and set up with the ability to handle 1800 jabs per day.

This initiative not only benefited our staff, their family members and business partners but also members of other organisations and society within the area.

In addition to the on-going preventive measures explained under the *Safe Working Environment* section in this Statement, the Group has established emergency response guidelines and at the same time provided and conducted regular covid test on all employees throughout the year. The objectives of these added measures are to minimise interruption in operations and to ensure timely detection of infection at work place so that the well-being of the employees is protected while the spreading of the disease can be minimised. The achievement of these objectives is important in order to re-build a sustainable working environment for our employees.

LOCAL AGENDA 21 PROGRAM

Local Agenda 21 Program is a DBKL initiative to engage to local community in making KL city a more livable, vibrant, and resilient city.

As reported in our 2019 Annual Report, Ekovest had participated in this program in rejuvenating and rehabilitating the Sungai Bunus and promoting healthy and sustainable living in Kuala Lumpur. Under this program, Ekovest has adopted Taman Sungai Bunus as a pet park and collaborated with TAR University College in beautifying the columns in the park with vertical creeper plants and also artwork. This project is now part of DBKL's pilot project for the implementation of a carbon neutral community.

SUSTAINABLE CONSTRUCTION MEASURES

We are committed to uphold the highest standards pertaining to environmental issues and will continue to uphold to the quality of our environmental management system and the deployment of the environmental best practices throughout the lifecycle of our projects. These management system and practices include:

- The implementation of ISO14001:2015 on Environmental Management System, the Environmental Monitoring & Measurement Control Plan and Environmental Impact Assessment to identify and mitigate environmental impacts for our projects;
- Provision of trainings to our employees to enhance their understanding of their roles and responsibilities in maintaining environmental management system effectively and meeting the compliance requirements;
- Minimisation of waste, air and noise pollutions by adopting environmentally friendly approaches and noise barriers and limiting night work in compliance with the requirements at sites as well as engaging with local communities; and
- Application of sustainable construction methods such as the precast structures, selection of high-performance material, and standardisation of structure elements allowing reused of formwork and improve cost efficiency.

SUSTAINABILITY STATEMENT

BRIBERY AND CORRUPTION FREE BUSINESS ENVIRONMENT

The Board and management are committed to promote a bribery and corruption free business environment in Malaysia. Principally, all employees, directors and business associates are prohibited from soliciting, receiving, procuring, offering, giving and promise to give bribes in any form and are required to adhere to the anti-corruption laws when conducting their business.

The Group Anti-Bribery and Corruption Framework and Policy have been defined and put in place. These framework and policy were developed in accordance with the Guidelines of Adequate Procedures which was issued by the government pursuant to the S17A(5) of the Malaysian Anti-Corruption Commission Act 2009. The objective of these framework and policy is to provide guidance to staff members, employees and business associates in taking appropriate measures and steps to prevent involvement in bribery activities.

The Board has also reviewed and updated its Board Charter, Code of Conducts and Whistleblowing Policy in order to align these documents with the Group's framework and policy. These updated documents have been posted on the Company's website for public reference.

WORKPLACE DIVERSITY

The appointment of Board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. Following are the analysis of ethnicity, age distribution and skillsets of the existing Board members and key senior management:

Age Group/ Gender	26-35 years		36-45 years		46-55 years		56-65 years		66-75 years	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Number of Directors	1				1	1	1	1	3	1
Number of Key Senior Management				1		1	4			

Skill	Business Management / Others	Accounting & Finance Management	Engineering	Legal
Number of Directors	4	2	1	2
Number of Key Senior Management	3	1	2	

SAFE WORKING ENVIRONMENT

Compliance of health and safety regulations is a serious matter. Accordingly, when our employees, business partners, suppliers and contractors are working at site, they are required to equip themselves with appropriate Personal Protection Equipment ("PPE") as per requirement in the Standard Operating Procedure, and to implement and follow additional health and safety measures, if needed to minimise occupational hazards and risks at workplace.

In addition, Site Safety and Health Committee comprising members of employee and representatives from respective subcontractors is formed. This Committee overseeing the site safety and health program, job hazard analysis based on the application of Hazard Identification, Risk Assessment and Risk Control ("HIRARC"), and site inspection and audits. The Committee is also responsible to ensure that any significant incident/ accident reported are being investigated adequately with appropriate remedial measures taken to address the root causes.

SUSTAINABILITY STATEMENT

SAFE WORKING ENVIRONMENT (CONT'D)

The various safety preventive measures against the pandemic put in place since the last financial year are maintained and are required to be followed by all stakeholders continuously. These measures include regular sanitisation and disinfection procedures, scanning, temperature check, social distancing, implementation of work from home and job rotational, use of virtual meetings and posting of notices at prominent work places to create safety awareness.

A SAFE AND INCLUSIVE SHOPPING ENVIRONMENT FOR ALL

The Group is pleased to report that no material accident and injury were reported in our EkoCheras Mall during the year.

In order to provide an inclusive shopping environment for all, the EkoCheras mall is also equipped with adequate disabled-friendly amenities. These include wheelchairs, OKU toilets and parking spaces, handicap panels inside lifts and ramps in the premises.

For the safety of our female shoppers, in addition to the designated female parking spaces, CCTV surveillance systems are installed at strategic monitoring points while panic buttons are placed at low traffic areas in the carpark. Prompt investigation will be undertaken and followed by corrective action when complaints and feedbacks are received from our visitors.

STAKEHOLDER ENGAGEMENT

The Group will continue in engaging with its stakeholders directly and indirectly in gathering their feedbacks. Through stakeholder engagement, it enables the Group to identify and understand the stakeholders' expectations and concerns, and how the Group should make its future decision on sustainability issues.

Stakeholder Group	Engagement Methods	Areas of Concern
Employees	• On-boarding induction • Health and safety briefing • Meetings and internal communications	• Remuneration and rewards • Career development • Health, safety and well-being • Training and development
Clients / Customers	• HSE audits and inspections • Project meetings, quality control and audit at sites • Company's website	• Compliance with Health, Safety and Environment ("HSE") policies and requirements • Quality of work and services • Customer experience
Shareholders / Investors	• Annual general meetings • Meeting with analysts	• Pandemic impact on business • Impact of Government policies and regulations • Financial performance and growth • Business strategies • Corporate governance and risk management
Subcontractors and Suppliers	• Subcontractor and supplier performance evaluation • Site meeting and discussion • Tender and bidding processes • Participation in HSE Committee	• Legal compliance and contractual commitments • HSE practices and compliance • Fair and transparent tender
Regulatory Bodies / Government	• Local authority visits • Compliance and certification exercises • Periodic reporting and monitoring	• Certification, law and regulation compliances • Covid-19 preventive measures
Local Communities	• Volunteering programs • Participation in community services	• Sustainable development & project impact

SUSTAINABILITY STATEMENT

CONTINUING ASSESSMENT

As reported previously, we have selected and adopted six (6) Sustainability Development Goals ("SGD") using the materiality assessment approach. Annually, we continue to assess and study the extent of impact of our past key initiatives in relation to these SGDs to the society and environment. The objective of these assessment and study is to enable us in better understanding, positioning, planning and executing our future sustainability initiatives.

GOAL: GOOD HEALTH AND WELL-BEING
Ensure healthy lives and promote well-being for all at all ages.

Value Creation Initiatives	Sustainability Impact
• Application of Construction Design and Management, a widely practiced approach in Europe and that ensure that the health and safety during the project execution is embedded at the design phase. • Enhancement of the parapet wall designs from precast to cast in situ and the use of the safety platform for casting the deck slab in order to overcome the risk of precast panel collapsing. • Implementation and adherence of all COVID-19 standard operating procedures as recommended by the Government. Regular testing is also done to early detect any positive cases so that appropriate action can be taken. • Implementation of ISO45001 on Occupational Safety and Health management system.	We strive to maintain a low loss time injury at our construction sites and also provide a safe working environment for employees. We support the Government policies and initiatives to contain the spread of COVID-19.

GOAL: QUALITY EDUCATION
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Value Creation Initiatives	Sustainability Impact
Establishment of Ekovest Graduate Attachment Programme ("EGAP")	EGap has increased their vocational skills, for employment, decent jobs employability. Most of our EGap participants have been employed as permanent employee or be able to secure employment at other major construction.

GOAL: CLEAN WATER AND SANITATION
Ensure availability and sustainable management of water and sanitation for all.

Value Creation Initiatives	Sustainability Impact
Sullage Water Treatment Plant ("SWTP") Project	This project has restored the river ecosystem and enabled the treated water to be used as alternative water resources and for recreational activities.

SUSTAINABILITY STATEMENT

CONTINUING ASSESSMENT

As reported previously, we have selected and adopted six (6) Sustainability Development Goals ("SGD") using the materiality assessment approach. Annually, we continue to assess and study the extent of impact of our past key initiatives in relation to these SGDs to the society and environment. The objective of these assessment and study is to enable us in better understanding, positioning, planning and executing our future sustainability initiatives. (Cont'd)

GOAL: AFFORDABLE AND CLEAN ENERGY
Ensure Access to affordable, reliable, sustainable and modern energy for all.

Value Creation Initiatives	Sustainability Impact
Incorporation of renewable energy for operating Sewage Treatment Plants	The Sewage Treatment Plants were designed to facilitate the use of renewable energy to lower operating cost.

GOAL: SUSTAINABLE CITIES AND COMMUNITIES
Make cities and human settlements inclusive, safe, resilient and sustainable.

Value Creation Initiatives	Sustainability Impact
• Traffic dispersal schemes for congested roads in KL city • Idle land optimization project along the expressway • City beautification	These initiatives have alleviated the traffic congestion in the KL City, reduced carbon emission from traffic and improve the well-being the city dwellers with more green area, playground, parking and sporting facilities for the public to enjoy along the expressway, and in the public park.

GOAL: PARTNERSHIPS FOR THE GOALS
Strengthen the means of implementation and revitalise the partnership for sustainable development.

Value Creation Initiatives	Sustainability Impact
• Development of sustainability rating tool for infrastructure projects • Engagement and partnering with DBKL in achieving sustainable cities and communities under the KL City Plan 2050	Setting standard for sustainability measuring tool for infrastructure projects and contributing recommendations on carbon, mobility, and sustainable development subject matters.

SUSTAINABILITY STATEMENT

Adoption of Taman Sungai Bunus as Pet Park

Since 2017, Ekovest have committed to be a partner for DBKL's Local Agenda 21, to adopt Taman Sungai Bunus as a pet park.

Landscape design work have been ongoing since then and in 2021, we managed to get TAR University College to be also involved in this project. We are currently collaborating to beautify the columns in the park with vertical creeper plants and also some artwork to beautify the place. This project is now part of DBKL's pilot project in creating the city's first low carbon community in Wangsa Maju Seksyen

Ekovest Awarded By Malaysian Book Of Records

In April 2021, Ekovest was awarded by the Malaysia Book of Records for having the "longest T shaped beam bridge span" in the country at 67.5 meter long. This bridge span is part of Setiawangsa-Pantai Expressway, located at the Kerinchi Interchange, forming a crucial link over the 6-lane wide Federal Highway. In the making of this Malaysian Record, Ekovest design team optimized the design of the superstructures, using BH Girder beams to create this record. Ekovest have been the pioneers in Malaysia to use BH Girders as the beams for the bridge structures, where span lengths can be increased by 30% which is beneficial for river crossings and urban congested areas. Using BH Girders, the pier spacings are increased and cause less public disturbances during construction. There is a total of 424 BH Girders used in the SPE project.

SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

COVID-19 VACCINATION PROGRAM

SEGAR Building, underneath DUKE Phase 2 Sri Damansara Link's toll plaza was offered to be used as a Covid-19 vaccination center at no cost during the heights of the Covid-19 pandemic since July 2021. This building was quickly mobilized and converted as a vaccination center with the help of DUKE's employees, where a maximum capacity of 1800 jabs a day was achieved. In addition, parking fees at SEGAR's multi-storey car park were waived for all patrons. Through this program, all Ekovest staffs and their family members, Ekovest business partners were offered to be vaccinated here. Besides Ekovest and DUKE, many other companies have also benefitted from this vaccination program at SEGAR, including MMC-Gamuda, IJM and Chung Hwa Independent High School.

Enclosed below are photos of the newspaper cuttings on the news coverage for the SEGAR PPV and photos of the building during the vaccination program.


PPV at Segambut Toll Plaza rest area boosts vaccination efforts


巴生谷长者 料数周内全体接种

DUKE 休息区设疫苗中心


隆中華415教職員接種


06 16. 7. 2021

董事會努力安排

隆中華教職員完成

SUSTAINABILITY STATEMENT

COVID-19 VACCINATION PROGRAM (CONT'D)

In addition to the above, frequent Covid-19 screening were done for all employees throughout the year to protect the well being of the employees and to curb the spread of Covid-19 in the work place.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This corporate governance ("CG") overview statement is presented in accordance to paragraph 15.25(1) and the provisions in the Practice Note 9 of the Main Market Listing Requirements ("MMLR") and provides an overview of the key corporate governance practices of the Group during the financial year ended 30 June 2021.

In addition to this CG overview statement, the Board has provided specific disclosures on the application of each Practice in its Corporate Governance Report ("CG Report") together with the Annual Report of the Company. Shareholders may obtain this CG Report by accessing to Company's website for further details and are advised to read this CG overview statement together with the CG Report.

In all material aspect, the Company being a Large Company as defined in the MCCG has complied with the Principles and Practices as set out in the MCCG. The explanation for the significant departures of the MCCG practices are reported in the announced CG Report with respect to Practices 4.3 on Board Policy to limit the tenure of Independent Directors to nine (9) years and Practice 11.2 on the adoption of integrated reporting.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

(I) BOARD RESPONSIBILITIES

The Board understand its principal responsibilities in overseeing management performance and corporate strategies, promoting good governance, risk management, ensuring effective succession planning and investor relation and corporate reporting of the Group.

Presently, the roles of the Group Executive Chairman and Managing Director are assumed by different Directors. Principally, the Group Executive Chairman is responsible for leading the strategic direction of the Group while the Managing Director executing and managing the business and operations in the Group.

The executive roles of the Chairman enable the Group Executive Chairman to align the interest of the board, management and shareholders. Nonetheless, in order to safeguard the interest of minority shareholders, the Board comprises majority Independent Non-Executive Directors to enable greater expression of objective and independent views in the board conducts and meetings.

The Board is supported by qualified and competent Company Secretary to provide sound governance advice for ensuring adherence to regulatory requirements, guidelines, legislations, Board policies and advocate adoption of corporate governance best practices.

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 Group's Code of Conduct and Ethics aims to set the tone and standards of ethical conducts in the Group in accordance with the provision of the MCCG and to provide guidance to stakeholders on the ethical behaviours to be expected from the Group. It covers its tolerance against conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering and the expected actions to be taken and the responsibilities of the Board, Management and other employees towards this Code.

The Group has established Whistleblowing Policy, reporting channel and anti-corruption framework covering the Anti-Corruption Policy and Framework, the Anti-Bribery & Gratification Guidelines, the on-boarding screening process and contractual safeguards.

Separately, in order to provide greater comfort to whistleblowers about the confidentiality of information and identity reported, the Board has assigned the administration of the whistleblowing reporting channel to Internal Audit function. The Board did not receive any complaint from whistleblower during the financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

(I) BOARD RESPONSIBILITIES (CONT'D)

The Board Committees namely the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee ensure that greater objectivity and independence are provided in the deliberations of specific agenda. The Chairpersons of the respective Board Committees would report to the Board during the Board meetings on matters deliberated in the respective Committees and their proposed actions and recommendations. The ultimate responsibility for the final decision on all matters deliberated at Board Committees are rested with the Board.

The Board meets at least every quarter and other meeting is convened as and when necessary. All the proceedings at the Board meetings are properly recorded and confirmed by the Board members before being signed by the Group 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.

During the financial year under review, a total of 9 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	9/9
Tan Sri Datuk Seri Lim Keng Cheng	9/9
Dato' Lim Hoe	9/9
Lim Chen Thai	9/9
Kang Hui Ling	9/9
Lim Ts-Fei	8/9
Chow Yoon Sam	9/9
Dr. Wong Kai Fatt	8/9
Lee Wai Kuen	9/9

The Board recognises the importance to path the way for sustainable growth in the next phase. On this note, during the financial year the Board has explored, identified and evaluated several new investments together with the financial, legal and other professionals.

The Company Secretary updates the Board regularly on any changes to the statutory, corporate and regulatory requirements relating to Directors' duties and responsibilities or the discharge of their duties as Directors. Also, the External Auditors will brief the Board on changes to the Financial Reporting Standards and Malaysian Financial Reporting Standards that affect the Group's financial statements. In addition, the Board members also attend formal trainings to continuously enhancing their skillsets and knowledge. Details of trainings attended by the Directors during the financial year are as follows:

Name of Directors	Trainings	Date
Tan Sri Dato' Lim Kang Hoo	Corporate Liability Framework	25.11.2020
	Navigating ESG Requirements for Growth	21.04.2021
Tan Sri Datuk Seri Lim Keng Cheng	Navigating ESG Requirements for Growth	21.04.2021
Dato' Lim Hoe	Navigating ESG Requirements for Growth	21.04.2021
Lim Chen Thai	Navigating ESG Requirements for Growth	21.04.2021
Kang Hui Ling	2021 Budget Highlights	10.12.2020
	Navigating ESG Requirements for Growth	21.04.2021

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

(I) BOARD RESPONSIBILITIES (CONT'D)

The Company Secretary updates the Board regularly on any changes to the statutory, corporate and regulatory requirements relating to Directors' duties and responsibilities or the discharge of their duties as Directors. Also, the External Auditors will brief the Board on changes to the Financial Reporting Standards and Malaysian Financial Reporting Standards that affect the Group's financial statements. In addition, the Board members also attend formal trainings to continuously enhancing their skillsets and knowledge. Details of trainings attended by the Directors during the financial year as follows: (Cont'd)

Name of Directors	Trainings	Date
Lim Ts-Fei	Navigating ESG Requirements for Growth	21.04.2021
Chow Yoon Sam	Navigating ESG Requirements for Growth	21.04.2021
Dr. Wong Kai Fatt	Navigating ESG Requirements for Growth	21.04.2021
Lee Wai Kuen	Navigating ESG Requirements for Growth	21.04.2021

(II) BOARD COMPOSITION

Following is the summary of the changes in the boardroom during the financial year:

Date	Name	Change in Boardroom
8th Feb 2021	Tan Sri Dato' Lim Kang Hoo	Redesignated as Group Executive Chairman
8th Oct 2020	Kang Hui Ling	Redesignated as member of Nomination and Remuneration Committees
	Lim Ts-Fei	Redesignated as Chairlady of Nomination Committee
	Chow Yoon Sam	Redesignated as Chairman of Remuneration Committee

The current composition of the Board comprises of qualified and experienced individuals and their combined expertise and business experience provides insights and diversity of perspective to lead the Group. The profiles of the members of the Board are set out on pages 20 to 25 of this Annual Report.

As at the date of this statement, the Board has nine members and two alternative directors. Four of the nine members are executive members i.e. a Group Executive Chairman, a Managing Director and two (2) Executive Directors. The remaining five members are Independent Non-Executive Directors constituting the majority members in the Board.

In accordance to Board Charter, the maximum tenure of an Independent Non-Executive Director shall not exceed the cumulative term of nine (9) years from the date of first appointment as Director or upon the expiry of the on-going term of appointment as Director whichever is the later. Any extension beyond nine (9) years will require Board justification and shareholder approval unless the said Director wishes to be re-designated as non-independent non-executive Director which shall be decided by the Board. Two tier voting process will be applied for retaining an Independent Director beyond twelve (12) years. A resolution was put to vote in the last AGM and the result was to retain Ms. Kang Hui Ling who have served the Board as an Independent Director for 16 years. The Board will review and consider to formalise its policy to limit its independent directors under the 2021 MCCG.

When identifying candidates for appointment of Director, the Nomination Committee will consider recommendations from existing Board Members, management, major shareholders and third-party sources before recommending to the Board for further deliberation.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

(II) BOARD COMPOSITION (CONT'D)

The appointment of Board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

During the financial year, the Nomination Committee conducted a review on the composition of the Board, the performance of the Board, Board Committees and individual Directors and the independence status of Independent Directors. The evaluation was conducted based on the result complied from self-assessment form completed by all Directors through peer reviews.

Overall, the Board is satisfied with the performance and effectiveness of the Board and Board Committees. The Board concluded that the current composition of the Board members is made up of individual with mix of skills, experiences and competencies, appropriate qualification for leading the Group and all the directors have also performed to their expectation and contributed to the effectiveness of the Board as a whole.

The Independent Directors also conducted a self-assessment on their independence and confirmed that they have met the criteria for independence set out in Chapter 1 of the MMLR and they are able to exercise independent judgement and to act in the best interest of the Company.

As reported previously, the Board has engaged a human resource consulting firm to conduct an independent assessment on the board and individual director performance. Recommendations for improvement were identified and presented to the Board.

(III) REMUNERATION

The remuneration policy defined in the Board Charter provides that all Executive Directors and Senior Management shall be remunerated based on the Group's and individual's performances, market conditions and their responsibilities, whilst Independent Director shall be remunerated based on their experience, level of responsibilities assumed in the Board Committees, their special skills and expertise they bring to the Board.

The determination of directors' remuneration is subject to Board's approval. The director concerned should abstain from discussing his or her own remuneration.

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. The amount of Directors' fee for the new financial year proposed for the shareholders' approval at the forthcoming AGM is RM270,000.

The Remuneration Committee ("RC") comparises of the following Directors, all of whom are Independent Non-Executive Directors:-

Name of member	Designation	Role in RC
Chow Yoon Sam	Independent Non-Executive Director	Chairman
Kang Hui Ling	Senior Independent Non-Executive Director	Member
Lim Ts-Fei	Independent Non-Executive Director	Member
Dr. Wong Kai Fatt	Independent Non-Executive Director	Member
Lee Wai Kuen	Independent Non-Executive Director	Member

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

(III) REMUNERATION (CONT'D)

The Remuneration Committee has conducted a meeting to deliberate on the remunerations of the Executive Directors and top five (5) senior management. The details of Directors remuneration for the financial year ended 30 June 2021 are as follows:

Remuneration Received from the Company	Independent Non-Executive Directors					
	Kang Hui Ling (RM)	Lim Ts-Fei (RM)	Dr. Wong Kai Fatt (RM)	Chow Yoon Sam (RM)	Lee Wai Kuen (RM)	Total (RM)
Directors' Fee	30,000	30,000	30,000	30,000	30,000	150,000

Remuneration Received from the Group	Executive Director				
	Tan Sri Dato' Lim Kang Hoo (RM)	Tan Sri Datuk Seri Lim Keng Cheng (RM)	Dato' Lim Hoe (RM)	Lim Chen Thai (RM)	Total (RM)
Directors' Fee	30,000	30,000	30,000	30,000	120,000
Allowances	66,000	66,000	-	66,000	198,000
Salaries	1,080,000	576,000	432,000	156,000	2,244,000
Benefits-in-Kind	57,900	22,700	22,700	31,150	134,450
Defined Contribution Plan	43,200	69,120	14,400	18,720	145,440
Total	1,277,100	763,820	499,100	301,870	2,841,890

Details of the remuneration of the Top 5 senior management (including salary, bonus, benefits-in-kind and other emoluments) for financial year 2021 are as follow:

Senior Management	Range of Remuneration			
	RM150,001 - RM200,000	RM200,001 – RM250,000	RM250,001 – RM300,000	RM300,001 – RM350,000
Tham Beng Choy (Chief Executive Officer – Construction)	-	-	-	√
Encik Zulkhanine Bin Shamsudin (General Manager – Construction)	-	-	√	-
M.G. Menon (Chief Executive Officer-Food & Beverage)	-	-	√	-
Jennifer Kuek (Head of Assets Management)	-	-	√	-
Loh Pak Chun (General Manager - Highway Concessionaire)	√	-	-	-

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

(I) AUDIT AND RISK MANAGEMENT COMMITTEE ("ARMC")

The ARMC comprises five (5) members whom are Independent Non-Executive Directors and the Chairlady of the ARMC is not the Chairman of the Board. All members of the ARMC possess a wide range of skills to discharge its duties and majority of its members are financially literate and are able to understand matters under the purview of the ARMC including the financial reporting process.

During the financial year, the team of Executive Directors had proposed various business proposals to the Board. In reviewing these proposals, the ARMC scrutinised each proposal and assess if the proposals complement with the current Group's operations; able to sustain under the inherent economic cyclical risks; and their impact on the Group's financial position and potential dilution on shareholders' equity interest. For those proposals involving the interest of related party, the ARMC further deliberated the arm's length basis of the proposals and consulted corporate advisors on the issue of compliance with the MMLR requirements on significant and related party transactions.

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 ARMC review processes, the ARMC 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.

The summary of work of ARMC is reported in the ARMC Report on page 48

(II) RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the overall and oversight of risk management in the Group covering the systems of risk management and internal control for financial, operational and compliance while the Executive Directors together with the senior management team are primary responsible for managing risks in the Group.

The performance of the Group and its profitability, liquidity and cash flows during the financial year continued to be affected adversely by the weak market condition as a result of the prolonged pandemic. In order to minimise the impact of the pandemic, the Group continues to strengthen its current financial, operational, health and safety measures.

Despite the challenging environment, the Board are satisfied with the effectiveness and adequacy the existing level of systems of risk management and internal control. The Statement on Risk Management and Internal Control of the Group is set out on pages 44 to 47 of this Annual Report providing further details about the risk management and internal control systems as well as the Board's review mechanism.

Separately, the Internal Audit Function is outsourced to an internal audit consulting firm. The internal audit function is headed by a director who is assisted by a manager and audit executives. Further details of Internal Audit Function are reported in the CG Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

(I) COMMUNICATION WITH STAKEHOLDERS

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. Such information is disseminated through various disclosures and announcements made to the Bursa Securities from time to time which includes the annual reports, quarterly financial results and various announcements. This information is also electronically published in the Bursa Securities and the Group corporate website and it is accessible by public. In addition, the Group has used its general meeting to communicate, disseminate and enrich its communication with the its stakeholders.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

(II) CONDUCT OF GENERAL MEETINGS

In order to promote shareholders' participation and engagement with the Board and senior management effectively in the AGM, the Board would ensure that the Notice of the AGM is sent to shareholders at least 28 days ahead of the date of general meeting. The Board would also ensure that this Notice contains details of resolutions proposed along with background information and explanatory notes that are relevant.

In the last AGM, the company had issued its notice of AGM twenty-eight (28) day prior to the meeting. Shareholders who are unable to attend the AGM are advised that they can appoint proxies to attend and vote on the behalf by completing the proxy form enclosed in the Annual Report and depositing it at the Registrars' Office at least forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

The Group convened a virtual AGM during the financial year and has adopted online voting through the platform at https://dvote.my for the conduct of poll on all resolutions.

The Board Chairman and the Chairpersons of the Board Committees will respond to all questions raised by the shareholders during the Annual General Meeting. All shareholders were briefed on the voting procedures by the poll administrator prior to the poll voting and an independent scrutineer was appointed to validate the votes cast and announce the poll results.

Shareholders were encouraged to participate by posting questions to the Board.

The outcomes and the summary of key matters discussed in the last AGM were announced to Bursa Securities and posted on the Company website respectively.

This Corporate Governance Overview Statement was approved by the Board of Directors on 21 October 2021.

STATEMENT ON
RISK MANAGEMENT AND INTERNAL CONTROL
FOR THE YEAR ENDED 30 JUNE 2021

BOARD'S RESPONSIBILITIES

In accordance with the Malaysia Code of Corporate Governance, the Board is responsible for establishing, formulating policies, reviewing and assessing the Group's risk management and internal control systems, and seeking assurance that these systems are adequate and functioning effectively.

The Board understands the principal risks of the five business segments i.e. construction, property development, toll operation, plantation and shopping mall that the Group involves and accepts that all business ventures require balancing of risk, return and the cost of managing risks.

Presently, the Board's responsibility in overseeing the risk management of the Group is delegated and empowered to the Audit and Risk Management Committee ("ARMC"). The proceedings adopted by the ARMC in its oversight process include:

i. The assessment of the adequacy and effectiveness of internal controls based on the internal audit findings presented by the Internal Auditors. These reviews are done quarterly where the Internal Auditors will present their internal audit report to the ARMC highlighting the audit issues and action to be taken by management for improvement;

ii. Management presentation of the quarterly financial performance and results to ARMC. In this case, the ARMC will consider the Group's performance vis-à-vis the risks and challenges in the business as well as the measures taken by Management to address these risks and challenges;

iii. Annual External Audit Report to the ARMC on their audit findings and commentary on the key audit matters. As part of this review, ARMC will also obtain feedback from the External Auditors on risk and control issues noted by them, if any in the course of their statutory audit; and

iv. Provision of management's assurance that the Group's risk management and internal control systems are adequate and effective, in all material aspects.

RISK MANAGEMENT

The risk management process on risk identification, impact assessment, monitoring and mitigation plans adopted by the Group is based on the general principles of an international risk management framework.

The performance of the Group and its profitability, liquidity and cash flows during the financial year continued to be affected adversely by the weak market condition as a result of the prolonged pandemic. The Construction sector reported a lower revenue due to the lesser construction work done and recognised for Duke Phase 3 as a result of various Movement Control Orders ("MCO"). At the same time, the implementation of the various MCOs have also impacted property and mall segments which has led to lower sales revenue for the 3 residential blocks and rental income in Ekocheras as well as the reduction in traffic volume for the highways and toll collection.

In order to minimise the impact of the pandemic, the Group continues to strengthen its current measures on:

i. SOPs for the prevention of infection in the work place;

ii. Leveraging on electronic communication and virtual meeting to minimise physical contact;

RISK MANAGEMENT (CONT'D)

In order to minimise the impact of the pandemic, the Group continues to strengthen its current measures on: (Cont'd)

iii. Consolidating the result from the oil palm, forest and durian plantation, production, distribution businesses into the Group;

iv. Regularly reviewing and reprioritising the current business plan in consideration of the Group's financial position, obligation and liquidity;

v. Continuously engaged with the Government on various infrastructure projects which have been proposed to the Government in order to strengthen the order books;

vi. Performing further cost rationalisation and right sizing exercise and delaying capital expenditures;

vii. Persistent and close monitoring of collections and overdue debts by increasing follow-up actions and re-negotiating tenancy and offer for property sales; and

viii. Observing the market readiness and assessing its impact and opportunity for new property development projects.

INTERNAL CONTROLS

Internal controls are important to support the function of the risk management system. Therefore, the Group continuously reviews and enhances its internal control procedures by incorporating new recommendations provided by its Auditors.

The on-going key control frameworks and procedures that have been put in place in the Group are as follows:

- Delegation and separation of responsibilities between the Board and management and the establishment of various Board Committees and the presence of independent directors to overseeing the financial, compliance and operational performance of the management;

- Organisational structure outlining the lines of responsibilities and hierarchical structure for planning, executing, controlling and monitoring the business operations covering the procurement, tenders, project management, legal administration, human resources, information system, finance and treasury;

- The Technical Assessment Committee ("TAC") and Financial Assessment Committee ("FAC") with defined limit of approval for evaluation and selection of tenders. Both TAC and FAC comprise Executive Board Members, Project Director, Head of Contract Department or Quality Surveyor, Project Manager and representative from Finance Department;

- Contract budgeting and the review and monitoring of these budgets, project performance and variances reports for the contract jobs by the Executive Directors;

STATEMENT ON
RISK MANAGEMENT AND INTERNAL CONTROL STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

INTERNAL CONTROLS (CONT'D)

The on-going key control frameworks and procedures that have been put in place in the Group are as follows: (Cont'd)

- ISO management systems covering ISO 9001:2015 on Quality Management System, ISO 14001: 2015 on Environmental Management System and ISO 45001:2018 on Occupational Safety and Health Management System. These management systems and their underlying standard operating procedures are applied to the operational procedures in the provision of construction, civil engineering works, project management of building, bridges, irrigation systems, motorway, expressway and associated works;

- Review of insurance coverage and adequacy to minimise potential financial risk exposure resulting from construction activities, fire, perils, consequential loss, burglary and public liability;

- Monthly management reporting procedures for monitoring and tracking of performance of the Group; and

- The establishment and implementation of anti-corruption framework, the Corporate Code of Conduct and Ethics, and the Whistleblower Protection Policy.

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

In accordance with the Bursa Securities' Guidelines, Management is responsible for identifying risks; implementing and maintaining sound systems of risk management and internal control; and monitoring and reporting to the Board of significant control deficiencies and changes in risks that could significantly affect the Group achievement of its objectives and performance.

The Board has received assurance from Managing Director and Chief Finance Officer that, to the best of their knowledge that 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.

BOARD ASSURANCE AND LIMITATION

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").

The Board is satisfied that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Group and the existing level of systems of internal control and risk management are adequate and effective to enable the Group to achieve its business objectives.

Nonetheless, the Board wishes to reiterate that risk management and internal control are 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

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

As required by Paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement in accordance with the Audit and Assurance Practice Guide 3 ("AAPG3) issued by the Malaysia Institute of Accountants.

The External Auditors have reviewed this Statement and have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board and management in reviewing the adequacy and integrity of the risk management and effectiveness of the systems of risk management and internal control systems of the Group.

This Statement is made in accordance with the approval by the Board.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

COMPOSITION AND ATTENDANCE OF MEETINGS

The members of the Audit and Risk Management Committee ("ARMC") comprises 5 Independent Non-Executive Directors who remain the same as last financial year.

During the financial year under review, a total of eight(8) 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, MIA member)	8/8
Ms Lim Ts-Fei Director (Independent and Non-Executive)	8/8
Dr Wong Kai Fatt Director (Independent and Non-Executive)	8/8
Mr Chow Yoon Sam Director (Independent and Non-Executive)	8/8
Mr Lee Wai Kuen Director (Independent and Non-Executive)	8/8

The Company Secretary is the Secretary of the ARMC.

ARMC meetings were also attended by the External Auditors and the Internal Auditors.

TERMS OF REFERENCE

The Terms of Reference of ARMC are published on the corporate website of the Company at http://ekovest.listedcompany.com/tor_ac.html for shareholders' reference pursuant to Paragraph 9.25 of MMLR. These terms of reference were updated in accordance with the latest practices in the MCCG on the provisions of the composition requirements of Audit Committee members as well as the roles of Audit Committee Chairman and members.

During the financial year, the Nominating Committee had reviewed the performance and effectiveness of the ARMC and reported that the ARMC and its members have discharged their functions, duties and responsibilities in accordance with its Terms of Reference.

SUMMARY OF WORK OF THE AUDIT AND RISK MANAGEMENT COMMITTEE'S

The work carried out by the ARMC during the financial period were summarized as follows:

a) Reviewed the financial positions, quarterly interim financial reports and announcements for the respective financial quarters and considered the impact on the disclosure and presentations of the Group's financial position as well as the approved financial standards before recommending to the Board for further review and approval;

b) Reviewed and scrutinized the various business proposals presented by the Executive Members of the Board. Besides considering the impact of these proposals on the Group's financial position and potential dilution on shareholders' equity interest, the ARMC also assessed and made sure that these proposals complement with the current Group's operations and are able to sustain under the inherent economic cyclical risks. For those proposals involving the interest of related party, the ARMC further deliberated the arm's length basis of the proposals and consulted corporate advisors on the issue of compliance with the Listing Requirements on significant and related party transactions;

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
FOR THE YEAR ENDED 30 JUNE 2021

SUMMARY OF WORK OF THE AUDIT AND RISK MANAGEMENT COMMITTEE'S (CONT'D)

The work carried out by the ARMC during the financial period were summarized as follows: (Cont'd)

c) Reviewed and discussed with the External Auditors upon completion of 2020 audit on the audit status report, the audit opinion rendered, the key audit matters, audit findings and internal control deficiencies;

d) Reviewed the External Auditors' audit planning memorandum for financial year 2021 covering their scope of audit, methodology and timetable, audit materiality, areas of focus, key audit matter, fraud considerations prior to the commencement of their annual audit;

e) Considered and 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 were addressed;

f) Conducted independent private meeting sessions with the External Auditors and Internal Auditors without the presence of executive Board members and management to discuss matters arising from their audit;

g) Considered and reviewed the performance and independence of the External Auditors and recommended to the Board for re-appointment;

h) Reviewed the Corporate Governance Overview Statement, Audit and Risk Management Committee's Report, Statement on Risk Management and Internal Control and the Corporate Governance Report prior to submission to the Board for consideration and approval for inclusion in the Annual Report;

i) Reviewed any related party transactions and conflict of interest situations that may arise within the Company and / or Group including any transaction, procedure or course of conduct that raises questions of management integrity and ensure that these transactions were transacted on arm's length basis and are not detrimental to the interests of the minority shareholders;

j) Reviewed and reported to the Board the state of internal control system of the Group;

k) Reviewed the progress of internal audit plan to ensure that the direction of the audit is appropriate to changes in the environment, in which the Group is operating;

l) Reviewed the Internal Audit Reports and discussion on the audit findings, recommendations and management's comments on the internal audit issues as well as the follow-up audit status in order to ensure that management responded to the audit findings appropriately; and

m) Reviewed the adequacy of the scope, functions, competency and resources of the internal audit function and ascertained its effectiveness.

INTERNAL AUDIT FUNCTION

The Para 15.27 of MMLR provides that a listed issuer must establish an internal audit function which is independent of the activities it audits and must ensure its internal audit function reports directly to the ARMC.

The Company has outsourced its internal audit function to an internal audit consulting firm. 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 ARMC in reviewing and assessing the management systems of internal control and to provide recommendations to strengthen these internal control procedures.

The internal audit function is headed by a director of an internal audit consulting firm who is assisted by a manager and audit executives. The Director in charge is Mr. Chong Kian Soon. Kian Soon is a member of Chartered Accountants Australia and New Zealand, the Malaysian Institute of Certified Public Accountants and the Institute of Internal Auditors Malaysia while the team members are accounting graduates.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
FOR THE YEAR ENDED 30 JUNE 2021

INTERNAL AUDIT FUNCTION (CONT'D)

The Internal Auditors have performed their work in accordance with the principles of the International Professional Practice Framework on internal auditing covering the conduct of audit planning, execution, documentations, communication of findings and consultation with key stakeholders on the audit concerns. In order to ensure that the audit focus on relevant and appropriate risk areas, an internal audit plan was developed in consultation with the ARMC and management, taking into consideration the Group's structure, risks, on-going and upcoming construction and property development projects, segmental financial performance of the businesses in the Group and recurrent related party transactions. New internal audit plan will be proposed and presented to the ARMC when appropriate for deliberation and approval before internal audit reviews are carried out.

The Internal Auditors report to the ARMC during the ARMC's quarterly meetings on the audit findings and areas of improvement for the reviewed areas. Prior to the presentation of reports and findings to the ARMC, comments from the management are obtained and incorporated into the internal audit findings and reports. In addition, the Internal Auditors also conduct follow up audits to ensure that the agreed audit recommendations are implemented.

During the financial year, the Internal Auditors had attended Five (5) ARMC meetings. The summary of work conducted and reported by the Internal Auditors during the ARMC's quarterly meetings in the current financial year are as follows:

i. Evaluated the effectiveness of Covid-19 preventive measures in accordance to the authority's SOPs and management contingency plan covering construction sites, workers dormitories and Ekocheras Mall;

ii. Reviewed and participated in the deliberation of the Corporate Governance Report, the Corporate Governance Overview Statement, Audit and Risk Management Committee's Report, Statement on Risk Management and Internal Control and Sustainability Statement the prior to submission to the Board for consideration and approval for inclusion in the Annual Report;

iii. Reviewed recurrent related party transactions;

iv. Conducted follow-up audits to ascertain status of management implementations of the agreed audit recommendations; and

v. Evaluated the effectiveness of management control as well as compliance of operation instructions in Ekocheras Mall on tenancy administration, rental collection and car park operations.

The fees incurred during the current financial year for the internal audit function of the Group is RM80,000.

NOMINATION COMMITTEE STATEMENT

The Nomination Committee ("NC") comprises five (5) Independent Non-Executive Directors and the members of the NC and their key function are as follows:

Chairlady	:	Ms Lim Ts-Fei (Redesignated as chairlady of NC on 8 October 2020)
Member	:	Ms Kang Hui Ling (Redesignated as member of NC on 8 October 2020)
		Dr Wong Kai Fatt
		Mr Chow Yoon Sam
		Mr Lee Wai Kuen

The Key Functions: -

- 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 identify and assess directors' training needs and programmes;
- Review the boardroom diversity and encourage female participation in the Board;
- Develop the criteria and assess independence of independent directors when considering candidate for independent directorship, during the annual board evaluation, and when there are new interests or relationships developed and involving independent directors;
- 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.

The Terms of Reference of NC are available at the Company's website at https://ekovest.com.my.

During the financial year, NC has conducted its meeting on 8 October 2020. This meeting was attended by all members of the NC. Following are the agenda discussed and details of the deliberations on these agendas:

i) Assessment of the Independence Status of Independent Directors

The NC, save for Ms. Kang Hui Ling, has deliberated the position of Ms. Kang Hui Ling who has served the Board as an Independent Director for more than twelve (12) years and resolved to recommend to the Board to put forth her appointment to be approved by shareholders through a two-tier voting process in the Annual General Meeting. Besides fulling the independence criteria set out in the Listing Requirements, the NC feels that her long service has enabled her to contribute more effectively in Audit and Risk Management Committee and Board meetings.

The Independent Directors also conducted self-assessment and declared that they have met the criteria for independence set out in Chapter 1 of the Main Market Listing Requirements ("MMLR") and they continue to be able to exercise independent judgement and to act in the best interest of the Company.

NOMINATION COMMITTEE STATEMENT

During the financial year, NC has conducted its meeting on 8 October 2020. This meeting was attended by all members of the NC. Following are the agenda discussed and details of the deliberations on these agendas: (Cont'd)

ii) Effectiveness and Composition of the Board and Performance of Individual Directors

Broadly, the criteria used for these performance evaluations are as follows:

Criteria	Board	Board Committee	Individual Director
Mix and Composition	√	√	
Quality of Information and Decision Making	√	√	
Coverage of Activities	√	√	
Skill sets	√	√	√
Character and Personality			√
Experience			√
Integrity			√
Competency			√
Time Commitment			√

The NC has reviewed the evaluation completed by all Board members and noted that the performance and effectiveness of the Board, Board Committees and individual directors are satisfactory.

The evaluation also revealed that the present composition of the Board members and the Board Committees comprising individual with the required mix of skills, experiences and competencies, appropriate qualification, expertise and business experience. Also, all Board members have discharged their duties and responsibilities and demonstrated their commitment in attending to the affairs of the Company and Group. Accordingly, the NC has recommended to the Board to maintain the current compositions of the Board and Board Committee.

iii) Terms of Office and Performance of the Audit and Risk Management Committee ("ARMC") and Each of its Members Pursuant to Paragraph 15.20 of the MMLR of Bursa Securities

The NC has reviewed the self-assessment conducted by the ARMC. Overall, it was noted that all members of the ARMC have carried out their duties in accordance with the terms of reference of the ARMC.

iv) Re-election of Retiring Directors

Based on the above-mentioned annual assessment of Directors' performance, the NC also recommended to the Board resolutions to put forth for the shareholders' consideration of the re-election of all the retiring Directors at the Annual General Meeting.

FINANCIAL STATEMENTS

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 2016, applicable financial reporting standards and the Listing Requirements of the Bursa Securities 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 2021, 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 and disclosure requirements of the Listing Requirements have been followed in the preparation of the financial statements.

This Statement is made in accordance with a resolution of the Board dated 21 October 2021.

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2021

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 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, civil engineering and building works.

The principal activities of the subsidiaries are disclosed in note 13 to the financial statements.

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

RESULTS

	Group RM'000	Company RM'000
Net profit for the year attributable to:		
Owners of the Company	43,394	9,775
Non-controlling interests	(23,949)	-
Net profit for the financial year	19,445	9,775

DIVIDENDS

During the financial year, the Company paid a first and final single-tier dividend of 0.5 sen per ordinary share amounting to RM13,479,140 in respect of the financial year ended 30 June 2020 as disclosed in the Directors' Report of that year, on 10 December 2020.

The Company does not recommend any dividend in respect of the current financial year.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 41,000,000 new ordinary shares pursuant to the Private Placement for a total cash consideration of RM20,910,000 for working capital purpose.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

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

RESERVES AND PROVISIONS

All material transfers, if any, to or from reserves and provisions during the financial year are disclosed in the financial statements.

SUBSIDIARIES

Details of the subsidiaries are set out in note 13 to the financial statements.

There is no qualified auditor's report on the financial statements of any subsidiary for the financial year in which this report is made.

As at the end of the financial year, none of the subsidiaries hold any shares in the holding company.

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2021

DIRECTORS

The directors in office during the period commencing from the beginning of the financial year to the date of this report are:

Tan Sri Dato' Lim Kang Hoo*
Tan Sri Datuk Seri Lim Keng Cheng*
Dato' Lim Hoe*
Lim Chen Thai*
Kang Hui Ling
Lim Ts-Fei
Dr Wong Kai Fatt
Chow Yoon Sam
Lee Wai Kuen
Lim Ding Shyong* (Alternate Director to Tan Sri Datuk Seri Lim Keng Cheng)
Wong Khai Shiang* (Alternate Director to Dato' Lim Hoe)

* Director of the Company and its subsidiary companies.

DIRECTORS OF SUBSIDIARIES

The directors of the Company's subsidiaries (excluding directors who are also directors of the Company) during the period commencing from the beginning of the financial year to the date of this report are:

Ahmad Nasir Bin Mohd Said	
Azizul Bin Zainol	
Deng Hie Lang @ Teng Hieh Lang	
Gan Tien Chie	
Kuek Gek Hia	
Kharul Anuar Bin Abdul Basit	
Lim Chen Herng	
Lim Soo San	
Lim Fang Ching	
Mohamad Hassan Bin Zakaria	
Norsam @ Norsamsida Binti Hassan	
Rouziputra Bin Mad Noh	
Tham Beng Choy	
Zulkhanine Bin Shamsudin	
Kim Eun Hee	
Tan Sri Dato' Lim Kang Yew	
Dato' Haji Mohd Rashidi Bin Mohd Nor	
Dato' Majid Manjit Bin Abdullah	
Lee Hun Kheng	
Chan Yee Hong	
Cho Joy Leong @ Cho Yok Lon	
Haji Mohd Fauzee Bin Tahir *(Alternate Director to Dato' Haji Amran Bin A Rahman)*	
Dato' Haji Amran Bin A Rahman	
Lim Dian Ping *(Alternate Director to Tan Sri Dato' Lim Kang Yew)*	
Tan Hong Kheng	(Appointed on 10 February 2021)
Dato' Sri Mohamed Nazir bin Abdul Razak	(Appointed on 10 February 2021)
Li Hang	(Appointed on 16 December 2020)
Hussaini Bin Senusi	(Appointed on 15 February 2021)
Aminuddin Bin Omar Azaddin	(Resigned on 22 December 2020)
Chua Soo Kok	(Resigned on 10 May 2021)
Dato' Lim Kang Poh	(Resigned on 21 January 2021)
Lim Guan Shiun *(Alternate Director to Dato' Lim Kang Poh)*	(Resigned on 21 January 2021)
Late Hisham Bin Mahmood	(Resigned on 29 January 2021)
Shaharuddin Bin Mohamed	(Resigned on 15 February 2021)
Zakaria Bin Shaffie	(Resigned on 15 April 2021)

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2021

DIRECTORS' INTERESTS IN SHARES

The following directors, who held office at the end of financial year, had interests in shares as follows:

	Number of ordinary shares			
	At 1-7-2020	Bought & Conversion	Sold & Conversion	At 30-6-2021
Share in the Company:				
Tan Sri Dato' Lim Kang Hoo				
- direct interest	532,526,093	-	-	532,526,093
- indirect interest (1)	298,000,032	-	-	298,000,032
Tan Sri Datuk Seri Lim Keng Cheng				
- indirect interest (2)	134,607,000	1,073,100	27,453,600	108,226,500
Dato' Lim Hoe				
- direct interest	14,232,375	-	-	14,232,375
Lim Chen Thai				
- direct interest	600,000	3,000,000	-	3,600,000
Chow Yoon Sam				
- direct interest	160,000	-	-	160,000
Wong Khai Shiang (Alternate Director to Dato' Lim Hoe)				
- direct interest	750,000	-	-	750,000
Shares in PLS Plantations Berhad ("PLS")				
Tan Sri Dato' Lim Kang Hoo				
- indirect interest (3)	106,757,300	185,300,600	-	292,057,900
Tan Sri Datuk Seri Lim Keng Cheng				
- direct interest	7,539,200	-	7,539,200	-
- indirect interest (2)	6,635,000	-	6,635,000	-
Dato' Lim Hoe				
- direct interest	1,673,000	-	-	1,673,000
Wong Khai Shiang (Alternate Director to Dato' Lim Hoe)				
- direct interest	3,978,100	-	3,978,100	-
Chow Yoon Sam				
- direct interest	90,000	-	-	90,000

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2021

DIRECTORS' INTERESTS IN SHARES (CONT'D)

The following directors, who held office at the end of financial year, had interests in shares as follows:

	Number of warrants			
	At 1-7-2020	Bought & Conversion	Sold & Conversion	At 30-6-2021
Warrant in PLS				
Tan Sri Dato' Lim Kang Hoo				
- indirect interest (3)	53,378,650	7,556,150	12,500,000	48,434,800
Tan Sri Datuk Seri Lim Keng Cheng				
- direct interest	3,769,600	-	3,769,600	-
- indirect interest (2)	3,317,500	-	3,317,500	-
Dato' Lim Hoe				
- direct interest	836,500	-	-	836,500
Chow Yoon Sam				
- direct interest	45,000	-	-	45,000
Lee Wai Kuen				
- direct interest	-	4,000	4,000	-
Wong Khai Shiang (Alternate Director to Dato' Lim Hoe)				
- direct interest	1,974,050	-	1,974,050	-

Note:

1 *Deemed interest by virtue of his shareholding in Ekovest Holdings Sdn. Bhd.*
2 *Deemed interest by virtue of his shareholding in Lim Seong Hai Holdings Sdn. Bhd.*
3 *Deemed interest by virtue of his direct and indirect shareholding in Ekovest Berhad.*

By virtue of his interest in the shares of the Company, Tan Sri Dato' Lim Kang Hoo is also deemed to have interest in the shares of all the subsidiaries to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

Other than as disclosed above, none of the directors in office at the end of the financial year held any interest in the shares or debentures in the Company or its subsidiaries during the financial year.

DIRECTORS' BENEFITS

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.

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 48(a) to the financial statements which were carried out in the ordinary course of business.

Other benefits and remuneration of the directors are set out in note 49 to the financial statements.

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2021

INDEMNITY

There was no indemnity given for any of the directors of the Group or the Company.

OTHER INFORMATION

Before the financial statements were made out, the directors took reasonable steps:

(a) to ascertain that appropriate action has been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the financial statements of the Group and of the Company have been written down to an amount which they might be expected so to realise.

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

(a) which would render the amount written off for bad debts or allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

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

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

(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements misleading.

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

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

(b) any contingent liability which has arisen since the end of the financial year.

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.

In the opinion of the directors:

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

(b) 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.

SIGNIFICANT EVENTS

Details of significant events during the financial year are disclosed in note 59 to the financial statements.

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2021

SUBSEQUENT EVENTS

Details of subsequent events after the financial year end are disclosed in note 60 to the financial statements.

AUDITORS

To the extent permitted by laws, the Group has agreed to indemnify its auditors, as part of the terms of its audit engagement, against claims arising from the audit. No payment has been made to indemnify the auditors for the current financial period.

Auditors' remuneration is set out in note 43 to the financial statements.

The auditors, Mazars PLT, Chartered Accountants, have expressed their willingness to accept re-appointment.

APPROVAL OF THE DIRECTORS' REPORT

This report is approved by the board of directors, and signed on behalf of the board of directors in accordance with a directors' resolution.

TAN SRI DATO' LIM KANG HOO
Director

TAN SRI DATUK SERI LIM KENG CHENG
Director

Kuala Lumpur

21 October 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EKOVEST BERHAD

INCORPORATED IN MALAYSIA

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ekovest Berhad, which comprise the statements of financial position as at 30 June 2021 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 financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 67 to 178.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Revenue Recognition for Construction Contracts

The risk:

The Group's revenue and cost of sales are mainly generated from construction contracts. For the financial year ended 30 June 2021, construction contract revenue amounted to RM1 billion accounting for approximately 81% of the Group's revenue and construction contract costs amounted to RM853 million accounting for approximately 89% of the Group's cost of sales.

This revenue which is recognised over the period of the contracts, requires management to exercise significant judgements in determining the performance obligations as stated in the contracts with customers.

The determination of the percentage of completion requires exercise of significant judgement in estimating the total contract revenue and total construction costs for each of the projects. The directors consider the reasonableness and the completeness of the estimates, including the Group's obligations to contract variations, claim, cost contingencies and rebates.

There is a risk that the estimated revenue, cost or margins may be significantly different from actuals, resulting in material variance in amount of revenue and/or profit recognised in the current period.

The Group's accounting policies, revenue and cost arising from construction contracts are disclosed in notes 3.21, 39 and 40 respectively, to the financial statements.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

(a) Revenue Recognition for Construction Contracts (Cont'd)

Our response:

(i) We obtained understanding of the revenue recognition process and tested the operating effectiveness of the Group's internal controls relating to approvals of construction costs, budgets, authorisation and recognition of revenue and cost;

(ii) We assessed the reasonableness of management's key assumptions used in deriving at the estimates for total construction costs for each of these projects, where possible, examining documentary evidence such as letters of award issued, variation orders, historical evidence or results and retrospective review of these estimates;

(iii) We assessed the contract revenue against the agreed construction contracts;

(iv) We recomputed the percentage of completion after considering implications of identified errors (if any) or changes in estimates;

(v) We tested on sample basis, actual cost incurred to relevant documents such as contractors' claim certificates or suppliers' invoices. Where costs have not been billed or certified, we assessed the adequacy of accruals of such costs by checking subsequent contractors' claim certificates or suppliers' invoices; and

(vi) We evaluated whether the Group is liable for liquidated ascertained damages by read the contractual delivery dates of the signed agreements against the Group's estimated delivery dates and progress reports.

(b) Valuation of Investment Properties

The risk:

The Group's investment properties as at 30 June 2021 amounted to RM852 million.

The Group adopts fair value model for its investment properties. The fair value of the Group's investment properties was based on valuations or update on previous valuations carried out by independent professional valuers. The fair value of the investment properties was determined by using investment and comparison methods.

The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied and a small change in the assumptions can have a significant impact to the valuation.

The Group's accounting policies and disclosures on investment properties are disclosed in notes 3.7 and 6, respectively, to the financial statements.

Our response:

(i) We considered and assessed the independent professional valuers' competence, reputation or relevant experience, objectivity and independence;

(ii) We discussed and obtained an understanding of the methodology and assumptions adopted by the independent valuers in estimating the fair value of the investment properties;

(iii) We assessed the reasonableness of key assumptions and inputs in the valuation under comparison method, including, where applicable, selling prices of recent transactions, historical transaction prices of similar properties of nearby location, any adjustments for tenure, location, development concept and size;

(iv) We test checked the reasonableness of rental income and rental periods applied in the valuation under investment method, by comparing them with tenancy agreements on sample basis; and

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

(b) Valuation of Investment Properties (Cont'd)

Our response: (Cont'd)

(v) We tested and challenged the significant inputs applied in the valuation under investment method, such as market rental reversion, net projected operating costs, void allowance rate, projection of other income, yield rate, terminal yield rate by comparing them against historical data and available industry data for similar property types.

(c) Amortisation and Impairment Assessment of Expressways Concession Assets

The risk:

As at 30 June 2021, the Group's expressways concession assets amounted to RM6.8 billion, which represents 60% of the Group's total assets. The Group used projected traffic volume as a denominator (of the formula as disclosed in note 3.5 to the financial statements) to amortise the carrying amount of expressways concession assets over the concession period. The assumptions to arrive at the traffic volume projection take into consideration the growth rate and economic conditions.

Further, impairment assessment of expressways concession assets requires significant judgements and estimates on discount rate applied for the calculation of recoverable value and the assumptions used in the cash flow projections, including the projected traffic volume and forecast growth rates over the projection period.

There is a risk that the estimated projected traffic volume, growth rate, discount rate and cash flow projections may be significantly different from actuals, resulting in material variance in the calculated amortisation and recoverable value of the expressways concession assets.

The Group's accounting policies and disclosures on expressways concession assets are disclosed in notes 3.5 and 9, respectively, to the financial statements.

Our response:

(i) We considered and assessed the independent traffic consultant's competence, reputation or relevant experience, objectivity and independence;

(ii) We obtained an understanding of the methodology adopted by the independent traffic consultant in estimating the traffic volume projection;

(iii) We assessed the reasonableness of key assumptions, including traffic volume projection, discount rate and forecast growth rates used in cash flow projections;

(iv) We tested the mathematically accuracy of amortisation amount and recoverable amount calculation; and

(v) We performed sensitivity analysis on the projected traffic volume and assumptions used and assessed the impact to the carrying amount of expressways concession assets.

(d) Purchase Price Allocation (''PPA") Arising from Acquisition of Subsidiary – PLS Plantations Berhad ("PLS")

The risk:

On 30 October 2020, the Company completed the acquisition of an aggregate of 89,144,200 ordinary shares in PLS ("PLS Shares") and 7,087,100 warrants issued by PLS ("PLS Warrants") representing approximately 24.54% equity interest in PLS and 4.35% of the outstanding PLS Warrants respectively, for a total cash consideration of RM85.750 million. Upon completion of the acquisition, the Company's shareholding in PLS increased from 32.84% to 57.38%. As a result, PLS became a subsidiary of the Company.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

(d) Purchase Price Allocation ("PPA") Arising from Acquisition of Subsidiary – PLS Plantations Berhad ("PLS") (Cont'd)

The risk: (Cont'd)

The PPA exercise was finalised on 15 September 2021 with the assistance of an external professional advisor to determine the fair values of the net identifiable assets and liabilities of PLS and negative goodwill of RM73 million is recognised in profit or loss. Based on the PPA, the Group recorded, amongst others, bearer plants of RM365 million and right-of-use assets of RM264 million ("Plantation Assets").

The determination of fair values of the Plantation Assets required significant management judgment in estimating the underlying assumptions to be applied.

There is a risk of error in the computation of negative goodwill arising from error in estimation of Plantation Assets' fair value.

The Group's accounting policies and disclosures on acquisition of PLS are disclosed in notes 3.2 and 57, respectively, to the financial statements.

Our response:

(i) We obtained the shares purchase agreements and identified critical terms with accounting impact, including the purchase consideration and determined the control achieved date;

(ii) We obtained an understanding of the methodology adopted by the independent professional valuers in estimating the fair values of the Plantation Assets and assessed whether such methodologies are consistent with those used in the industry;

(iii) We considered and assessed the independent professional valuers' competence, reputation or relevant experience, objectivity and independence;

(iv) We evaluated the appropriateness of the data used by the independent professional valuers as input into their valuation of the Plantation Assets. We interviewed the external valuers, discussed and challenged the significant estimates; and

(v) We reviewed and recomputed the PPA calculation, including derived negative goodwill, by the management.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF EKOVEST BERHAD
INCORPORATED IN MALAYSIA

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS, IFRS and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF EKOVEST BERHAD
INCORPORATED IN MALAYSIA

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in note 13 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

MAZARS PLT
201706000496 (LLP0010622-LCA)
AF 001954
Chartered Accountants

FRANCIS XAVIER JOSEPH
02997/06/2022 J
Chartered Accountant

Kuala Lumpur

21 October 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Note	Group 30.06.2021 RM'000	Group 30.06.2020 RM'000 (Restated)	Group 01.07.2019 RM'000 (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment	5	240,540	224,580	133,922
Investment properties	6	851,511	856,284	719,560
Right-of-use assets	7	267,177	10,678	-
Land held for property development	8	528,036	517,519	507,628
Concession assets	9	6,810,302	5,657,254	4,682,373
Bearer plants	10	359,628	-	-
Biological assets	11	6,708	-	-
Intangible assets	12	17,922	6,375	6,453
Investment in an associate	14	3,581	102,716	104,348
Investment in a joint venture	15	-	816	-
Other investments	16	6,371	-	-
Performance deposits	17	50,000	-	-
Trade and other receivables	18	18,656	5,132	-
Deferred tax assets	20	21,125	17,942	14,916
Total non-current assets		9,181,557	7,399,296	6,169,200
Current assets				
Inventories	21	223,656	474	331
Biological assets	11	3,415	-	-
Contract assets	22	73,587	30,969	103,096
Contract costs	23	2,502	4,072	5,158
Property development costs	24	117,409	332,388	335,048
Trade and other receivables	18	180,734	210,425	256,840
Current tax assets		25,839	31,162	22,168
Investment funds	25	988,888	1,591,322	2,281,600
Short term deposits	26	232,645	562,270	689,122
Cash and bank balances	27	187,407	270,378	830,048
Total current assets		2,036,082	3,033,460	4,523,411
TOTAL ASSETS		11,217,639	10,432,756	10,692,611

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	Group 30.06.2021 RM'000	Group 30.06.2020 RM'000 (Restated)	Group 01.07.2019 RM'000 (Restated)
EQUITY AND LIABILITIES				
Equity				
Share capital	28	1,138,871	1,117,961	1,117,961
Reserves	29	1,394,512	1,347,105	1,325,133
Equity attributable to owners of the Company		2,533,383	2,465,066	2,443,094
Non-controlling interests		452,316	340,187	358,149
Total equity		2,985,699	2,805,253	2,801,243
Non-current liabilities				
Lease liabilities	30	12,258	12,379	6,578
Bank term loans	31	451,201	186,558	320,891
Medium term notes	32	5,367,723	5,380,483	5,404,634
Reimbursable interest assistance ("RIA")	33	304,162	286,577	270,008
Deferred income	34	275,534	284,365	292,181
Provision for heavy repairs	35	10,912	8,601	6,019
Deferred tax liabilities	36	442,026	267,570	246,269
Total non-current liabilities		6,863,816	6,426,533	6,546,580
Current liabilities				
Contract liabilities	22	-	3,585	20,536
Trade and other payables	37	666,148	568,118	586,849
Lease liabilities	30	7,308	7,596	6,043
Bank borrowings	38	582,673	570,858	661,611
Medium term notes	32	80,000	50,000	38,749
Current tax liabilities		31,995	813	31,000
Total current liabilities		1,368,124	1,200,970	1,344,788
Total liabilities		8,231,940	7,627,503	7,891,368
TOTAL EQUITY AND LIABILITIES		11,217,639	10,432,756	10,692,611

The accompanying notes form an integral part of the financial statements

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Note	Company 2021 RM'000	Company 2020 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,205	3,743
Investment properties	6	22,316	22,316
Right-of-use assets	7	1,203	1,486
Investment in subsidiaries	13	1,705,893	1,437,381
Investment in an associate	14	-	105,837
Other investments	16	289,102	267,459
Trade and other receivables	18	1,269	5,132
Amounts owing by subsidiaries	19	466,103	445,585
Total non-current assets		2,489,091	2,288,939
Current assets			
Contract assets	22	386,753	63,759
Trade and other receivables	18	6,888	14,926
Amounts owing by subsidiaries	19	429,671	477,282
Current tax assets		4,784	7,510
Short term deposits	26	51,701	223,282
Cash and bank balances	27	8,992	29,978
Total current assets		888,789	816,737
TOTAL ASSETS		3,377,880	3,105,676

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	Company 2021 RM'000	Company 2020 RM'000
EQUITY AND LIABILITIES			
Equity			
Share capital	28	1,138,871	1,117,961
Reserves	29	477,516	481,220
Total equity		1,616,387	1,599,181
Non-current liabilities			
Lease liabilities	30	516	1,460
Bank term loans	31	129,654	-
Amounts owing to subsidiaries	19	7,788	-
Deferred tax liabilities	36	1,112	1,162
Total non-current liabilities		139,070	2,622
Current liabilities			
Trade and other payables	37	82,376	152,937
Amounts owing to subsidiaries	19	1,134,439	992,251
Lease liabilities	30	310	497
Bank borrowings	38	405,298	358,188
Total current liabilities		1,622,423	1,503,873
Total liabilities		1,761,493	1,506,495
TOTAL EQUITY AND LIABILITIES		3,377,880	3,105,676

The accompanying notes form an integral part of the financial statements

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	Group 2021 RM'000	Group 2020 RM'000 (Restated)	Company 2021 RM'000	Company 2020 RM'000
Revenue	39	1,354,335	1,268,281	846,671	821,050
Cost of sales	40	(959,898)	(993,615)	(787,257)	(742,896)
Gross profit		394,437	274,666	59,414	78,154
Other income and gains	41	48,125	127,381	35,781	33,444
Selling and marketing expenses		(2,973)	(4,544)	-	-
Administrative and general expenses		(150,540)	(122,820)	(12,718)	(17,970)
Other expenses		(25,830)	(7,306)	(32,500)	(6,016)
Share of results of an associate		1,752	(2,788)	-	-
Share of results of a joint venture		(816)	816	-	-
Negative goodwill	57	72,966	-	-	-
Finance costs	42	(216,720)	(174,698)	(34,137)	(61,346)
Profit before tax	43	120,401	90,707	15,840	26,266
Tax expense	44	(100,956)	(61,964)	(6,065)	(4,081)
Net profit for the year		19,445	28,743	9,775	22,185
Other comprehensive income, net of tax		1	-	-	-
Total comprehensive income for the year		19,446	28,743	9,775	22,185
Net profit for the year attributable to:-					
Owners of the Company		43,394	47,448	9,775	22,185
Non-controlling interests		(23,949)	(18,705)	-	-
		19,445	28,743	9,775	22,185
Total comprehensive income for the year attributable to:-					
Owners of the Company		43,395	47,448	9,775	22,185
Non-controlling interests		(23,949)	(18,705)	-	-
		19,446	28,743	9,775	22,185
Earnings per share of net profit attributable to the owners of the Company					
- Basic and diluted	45	1.62 sen	1.79 sen		

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

	Attributable to owners of the Company							
	Non-distributable							
	Share capital RM'000	Asset revaluation reserve RM'000	Translation reserve RM'000	Share option reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total RM'000
At 1 July 2019 (as previously stated)	1,117,961	82,453	-	22,622	1,229,044	2,452,080	358,149	2,810,229
Effects on adoption of IFRIC Agenda Decision on borrowings costs (note 61)	-	-	-	-	(8,986)	(8,986)	-	(8,986)
At 1 July 2019 (as restated)	1,117,961	82,453	-	22,622	1,220,058	2,443,094	358,149	2,801,243
Total comprehensive income for the year	-	-	-	-	47,448	47,448	(18,705)	28,743
Expired share option (note 29(c))	-	-	-	(22,622)	22,622	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-	240	240
Accretion arising from issuance of shares by a subsidiary to non-controlling interest (note 58)	-	-	-	-	1,072	1,072	503	1,575
Dividend paid (note 46)	-	-	-	-	(26,548)	(26,548)	-	(26,548)
At 30 June 2020 (as restated)	1,117,961	82,453	-	-	1,264,652	2,465,066	340,187	2,805,253

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	Attributable to owners of the Company						
	Non-distributable						
	Share capital RM'000	Asset revaluation reserve RM'000	Translation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total RM'000
At 1 July 2020 (as previously stated)	1,117,961	82,453	-	1,273,212	2,473,626	340,187	2,813,813
Effects on adoption of IFRIC Agenda Decision on borrowings costs (note 61)	-	-	-	(8,560)	(8,560)	-	(8,560)
At 1 July 2020 (as restated)	1,117,961	82,453	-	1,264,652	2,465,066	340,187	2,805,253
Total comprehensive income for the year	-	-	1	43,394	43,395	(23,949)	19,446
Acquisition of a subsidiary (note 57(iii))	-	-	-	-	-	208,156	208,156
Arising from increase in equity interests in subsidiaries (note 58)	-	-	-	15,111	15,111	(106,070)	(90,959)
Accretion arising from issuance of shares by a subsidiary to non-controlling interest (note 58)	-	-	-	2,380	2,380	34,004	36,384
Issuance of shares pursuant to private placement notes 28 and 59(ii))	20,910	-	-	-	20,910	-	20,910
Dividend paid by a subsidiary to non-controlling interest	-	-	-	-	-	(12)	(12)
Dividend paid (note 46)	-	-	-	(13,479)	(13,479)	-	(13,479)
At 30 June 2021	1,138,871	82,453	1	1,312,058	2,533,383	452,316	2,985,699

The accompanying notes form an integral part of the financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	← Non-distributable →			
	Share capital RM'000	Share option reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 July 2019	1,117,961	22,622	462,961	1,603,544
Total comprehensive income for the year	-	-	22,185	22,185
Expired share option (note 29(c))	-	(22,622)	22,622	-
Dividend paid (note 46)	-	-	(26,548)	(26,548)
At 30 June 2020	1,117,961	-	481,220	1,599,181
Total comprehensive income for the year	-	-	9,775	9,775
Issuance of shares pursuant to private placement (notes 28 and 59(ii))	20,910	-	-	20,910
Dividend paid (note 46)	-	-	(13,479)	(13,479)
At 30 June 2021	1,138,871	-	477,516	1,616,387

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Group		Company	
	2021 RM'000	2020 RM'000 (Restated)	2021 RM'000	2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	120,401	90,707	15,840	26,266
Adjustments for:				
Amortisation of:				
- concession assets	24,342	26,913	-	-
- intangible assets	78	78	-	-
- bearer plants	8,278	-	-	-
Bad debts written off	1,850	19,929	299	52
Biological assets written off	1	-	-	-
Contract costs written off	460	-	460	-
Depreciation	23,150	19,977	1,186	1,160
Dividend income	-	-	(40,000)	(50,000)
Fair value (gain)/loss on:				
- investment funds	(212)	(2,408)	-	-
- other investments	-	-	(16,061)	-
- biological assets	(1,349)	-	-	-
- investment properties	26,527	1,703	-	1,129
Finance costs	216,720	174,698	34,137	61,346
Negative goodwill	(72,966)	-	-	-
Gain on remeasurement of retained equity interest in a former associate	(17,053)	-	-	-
Impairment loss on:				
- investments in subsidiaries	-	-	27,137	-
- intangible assets	6,297	-	-	-
- concession assets	25,578	-	-	-
- right-of-use assets	4,754	-	-	-
- property, plant and equipment	3,993	-	-	-
- bearer plants	240	-	-	-
Interest income	(11,420)	(31,338)	(18,415)	(33,444)
Inventories written off	223	-	-	-
Lease rebate and modification	(1,261)	-	-	-
Loss allowance on other receivables	1,420	-	-	-
Net (gain)/loss on disposal of property, plant and equipment	(596)	354	47	412
Property, plant and equipment written off	344	2,075	-	-
Provision for heavy repairs	1,855	2,174	-	-
Share of results of an associate	(1,752)	2,788	-	-
Share of results of a joint venture	816	(816)	-	-
Unrealised loss on foreign exchange	908	-	-	-
Operating profit before working capital changes	361,626	306,834	4,630	6,921

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Group		Company	
	2021 RM'000	2020 RM'000 (Restated)	2021 RM'000	2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D)				
Changes in property development costs	9,116	2,659	-	-
Changes in receivables	40,779	20,128	5,090	83,316
Changes in payables	59,687	(19,590)	86,241	146,555
Changes in contract assets/liabilities	(46,728)	55,176	(322,994)	(63,561)
Changes in contract costs	1,108	1,087	(460)	-
Changes in inventories	(12,561)	(143)	-	-
Cash generated from/(used in) operations	413,027	366,151	(227,493)	173,231
Interest received	7,872	24,456	2,885	10,835
Interest paid	(1,738)	(1,776)	(1,006)	(677)
Tax paid	(16,464)	(82,870)	(3,389)	(6,136)
Net cash generated from/(used in) operating activities	402,697	305,961	(229,003)	177,253
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment (note 50)	(9,542)	(106,831)	(350)	(1,499)
Additions to land held for property development	(10,517)	(9,891)	-	-
Acquisition of shares in an associate	(3,581)	(1,156)	-	(1,156)
Subscription of additional shares in subsidiaries	(90,959)	-	(89,472)	-
Acquisition of subsidiaries, net of cash and cash equivalent acquired (note 57)	(61,846)	-	(84,687)	-
Purchase of investment properties (note A)	(8,809)	(133,916)	-	-
Purchase of other investments	(6,000)	-	(1,133)	-
Net redemptions of investment funds	602,646	692,686	-	-
Additions to concession assets	(998,606)	(835,660)	-	-
Additions to bearer plants (note B)	(2,627)	-	-	-
Additions to biological assets (note C)	(145)	-	-	-
Proceeds from disposal of property, plant and equipment	1,800	1,863	85	513
Withdrawal/(Placement) of short term deposits	329,625	126,852	171,580	(9,772)
Withdrawal in Designated Bank Accounts	(160)	65,028	-	14,129
Repayment from/(Advances to) subsidiaries	-	-	11,928	(172,637)
Advances to an associate	(20,595)	-	-	-
Advances to a joint venture	(88)	(6,352)	(88)	(6,352)
Interest received	28,095	70,359	10,378	31,022
Net cash (used in)/generated from investing activities	(251,309)	(137,018)	18,241	(145,752)

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Group		Company	
	2021 RM'000	2020 RM'000 (Restated)	2021 RM'000	2020 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Drawdown of bank borrowings	248,716	32,042	178,839	31,000
Repayment of bank borrowings	(119,642)	(262,049)	(6,941)	(124,000)
Proceeds from issuance of shares	20,910	-	20,910	-
Payment of finance lease liabilities	(3,218)	(6,268)	(165)	(201)
Payment of finance lease term charges	(220)	(387)	(33)	(20)
Payment of rental lease liabilities	(9,643)	(3,064)	(146)	(333)
Payment of rental lease term charges	(805)	(658)	(12)	(90)
Dividend paid	(13,479)	(26,548)	(13,479)	(26,548)
Dividend paid to non-controlling interest	(12)	-	-	-
Proceeds from issuance of shares by a subsidiary to non-controlling interest	36,384	1,575	-	-
Advances from/(Repayment to) subsidiaries	-	-	24,665	(245)
Repayment of medium term notes	(50,000)	(38,749)	-	-
Repayment of profit element on IMTNs	(326,603)	(327,463)	-	-
Interest paid	(33,491)	(32,375)	(17,890)	(15,996)
Net cash (used in)/generated from financing activities	(251,103)	(663,944)	185,748	(136,433)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(99,715)	(495,001)	(25,014)	(104,932)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	243,177	738,178	16,790	121,722
EFFECT OF EXCHANGE RATE CHANGES	123	-	-	-
CASH AND CASH EQUIVALENTS CARRIED FORWARD	143,585	243,177	(8,224)	16,790
Represented by:				
CASH AND BANK BALANCES	187,407	270,378	8,992	29,978
BANK OVERDRAFTS (note 38)	(39,240)	(22,779)	(17,216)	(13,188)
DESIGNATED BANK ACCOUNTS (note 27)	(4,582)	(4,422)	-	-
	143,585	243,177	(8,224)	16,790

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Group 2021 RM'000	Group 2020 RM'000
Note A		
Purchase of investment properties		
Aggregate cost of investment properties acquired (note 6)	21,479	138,427
Less:		
Settlement of debts via transfer of investment properties	(12,670)	(4,511)
Cash paid during the financial year	8,809	133,916
Note B		
Additions to bearer plants		
Aggregate cost of bearer plants acquired (note 10)	2,878	-
Less:		
Amortisation of right-of-use assets (note 7)	(93)	-
Depreciation of property, plant and equipment (note 5)	(87)	-
Interest capitalised (note 42)	(71)	-
Cash paid during the financial year	2,627	-
Note C		
Additions to biological assets		
Aggregate cost of biological assets acquired (note 11)	161	-
Less:		
Depreciation of property, plant and equipment (note 5)	(16)	-
Cash paid during the financial year	145	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1. GENERAL INFORMATION

Ekovest Berhad (the "Company") is a public company limited by shares incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad. The address of the registered office and principal place of business of the Company are disclosed in page 6.

The principal activities of the Company are investment holding, civil engineering and building works. There is no significant change in the Company's principal activities during the financial year.

The principal activities of the subsidiaries are disclosed in note 13 to the financial statements.

2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 ("CA 2016") in Malaysia.

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

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency. All the amounts in the financial statements are rounded to the nearest thousand, unless otherwise stated.

(a) Application of New or Amended Standards

In the current year, the Group and the Company have applied a number of amendments that become effective mandatorily for the financial periods beginning on or after 1 July 2020.

The adoption of the amendments does not have significant impact on the financial statements of the Group and the Company except for the IFRIC Agenda Decision on borrowing costs as disclosed below.

IFRIC Agenda Decision

In March 2019, the IFRS Interpretations Committee published an agenda decision on IAS 23 Borrowing Costs (MFRS 123 Borrowings Costs) relating to over time transfer of constructed good. It is concluded that receivables, contract assets and inventory (work-in-progress) for unsold units under construction for which revenue is recognised over time are not qualifying assets under IAS 23 (MFRS 123).

On 20 March 2019, MASB allowed the affected entities to apply the changes in accounting policies to their financial statements in relation to IFRIC Agenda Decision on borrowing costs beginning on or after 1 July 2020.

The Group has complied with the requirements of the IFRIC Agenda Decision on borrowing costs and has reflected the impact for the financial year ended 30 June 2021. The effects of the transition to IFRIC Agenda Decision on the Group's reported financial position, financial performance and cash flows, are disclosed in note 61 to the financial statements.

2. BASIS OF PREPARATION (CONT'D)

(b) New or Amended Standards Issued that are not Yet Effective

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

		Effective Date
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 1, MFRS 9, MFRS 16 and MFRS 141	Annual Improvements to MFRS Standards 2018–2020	1 January 2022
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by the MASB

The adoption of the above standard and amendments are not expected to have significant impact on the financial position and financial performance of the Group and of the Company when they are effective.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and of the entities controlled by the Company 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.

When the Company has no majority voting rights of an investee, it considers that it has power over the investee if the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (Cont'd)

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. 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.

Non-controlling interests are initially measured at fair value. Subsequently, non controlling interests are the amount of those interests at initial recognition plus the non controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to 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.

When the Company loses control of a subsidiary:

(i) it derecognises the assets and liabilities, non-controlling interests, and other amounts previously recognised in other comprehensive income relating to the former subsidiary.

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

(iii) it recognises any investment retained in the former subsidiary at its fair value when control is lost. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with MFRS 9 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

3.2 Business combination

The Group accounts for each business combination by applying the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer. Acquisition related costs are recognised as expenses when the costs are incurred.

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

(i) The aggregate of: (i) the fair value of consideration transferred; (ii) the amount of any non-controlling interests in the investee; and (iii) the fair value of the Group's previously held equity interest in the investee, if the business combination achieved in stages.

(ii) The net fair value of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, a business combination in which the amount in (ii) above exceeds the aggregate of the amounts in (i) above, the Group recognises the resulting gain in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Business combination (Cont'd)

Measurement period adjustments are adjustments that arise from additional information obtained during 12 months from the acquisition date, about facts and circumstances that existed at the acquisition date. If the initial accounting for a business combination is incomplete by the reporting date in which the business combination occurs, the Group reports provisional amounts for the business combination. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of the acquisition date.

When the consideration in a business combination includes contingent consideration, the contingent consideration is measured at fair value on acquisition date.

- Subsequent changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill.

- Subsequent changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments: (i) contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity; or (ii) other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

3.3 Investments in associates and joint ventures

An associate is an entity in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

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

Investments in associates or joint ventures are accounted for in the financial statements using the equity method. The results and net assets of associates or joint ventures are accounted using uniform accounting policies for like transactions and other events in similar circumstances. An investment is accounted for using the equity method from the date on which the Group obtains significant influence or joint control until the date the Group ceases to have a significant influence or joint control. Under the equity method, the investments are initially recognised at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the associates or joint ventures. Unrealised gains or losses on transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures.

On acquisition of an investment in an associate or joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment, and goodwill is not tested for impairment separately. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised in profit or loss.

When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (includes long term interests that form part of the Group's net investment in the associate or joint venture, in substance), equity accounting is discontinued; unless the Group has legal or constructive obligations for such losses.

At each reporting date, the Group determines whether there is any objective evidence that the investment in an associate or a joint venture is impaired. If there is such indication, management recognises impairment loss in profit or loss as the difference between the recoverable amount of the associate or joint venture and its carrying value.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Investments in associates and joint ventures (Cont'd)

When changes in the Group's interest in an associate or joint venture do not affect the use of equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

The Group discontinues the use of equity accounting from the date when the investment ceases to be an associate or a joint venture. When the Group retains an interest in the former associate or former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value and the fair value is regarded as its fair value on initial recognition. Any gain or loss is recognised in profit or loss. In addition, if a gain or loss previously recognised in other comprehensive income by the associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate or joint venture is disposed.

3.4 Investments in subsidiaries, associates and joint ventures (separate financial statements)

In the Company's separate financial statements, investments in subsidiaries, associates and joint ventures 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 investments is recognised in profit or loss.

3.5 Concession assets

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

Concession assets refer to expressway development expenditures ("EDE") and park and ride building which comprise development and upgrading expenditures (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 any impairment losses. Amortisation of the concession assets begins when it is available for use, which means when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

EDE is amortised over the concession period. The amortisation formula applied in the preparation of the financial statements to arrive at the annual amortisation charge for each financial year is as follows:

$$\frac{\text{Traffic volume for the year}}{\text{(Actual traffic volume for the year + Projected total traffic volume for the subsequent years to the end of the concession period)}} \times \text{(Net book value of EDE at the beginning of the year + Additions for the year)}$$

The projected total traffic volume is based on the latest available base case traffic projection prepared by independent traffic consultants.

The traffic volume projection is independently reviewed on a periodic basis.

Park and ride building is amortised based on straight-line over remaining concession period of 50 years.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Property, plant and equipment

(i) Measurement basis

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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as profit or loss when incurred.

Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

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

(ii) Depreciation

Freehold land and capital work-in-progress are not depreciated.

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

The principal annual rates used for this purpose are:

Buildings	2% - 3%
Equipment, plant and machinery	4% - 20%
Motor vehicles	20%
Office equipment	10% - 33 1/3%
Furniture and fittings	10% - 20%
Renovation	2% - 20%

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.

3.7 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Investment properties (Cont'd)

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.

3.8 Biological assets

Biological assets comprised of produce growing on bearer plants and other biological assets. Biological assets are measured at fair value less costs to sell. Any gain or losses arising from changes in the fair value less costs to sell are recognised in profit or loss.

Biological assets are classified as current assets for produce that are expected to be harvested and sold on a date not more than 12 months after the reporting date and the balance is classified as non-current.

3.9 Bearer plants

Recognition and measurement

Bearer plants are living plants that are used in the supply of agriculture produce for more than one period and have remote likelihood of being sold as agriculture produce.

Bearer plants comprise pre-cropping costs incurred on land preparation, construction of drains, roads and irrigation, fertilisation, plant and planting, labour and any general overheads directly attributed to the development of the rootstock. Pre-cropping costs incurred are capitalised at cost and amortised over the useful life of the rootstock commencing from the date of maturity of the rootstock.

The carrying values of bearer plants are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The useful life and amortisation method are reviewed at each financial year end to ensure that the amount method and period of amortisation are consistent with previous estimates and the expected pattern of consumption of the future benefits.

The policy for the recognition and measurement of impairment loss is in accordance with note 3.18.

A bearer plants is derecognised upon disposal or when no future economic benefits are expected from it, use or disposal. Any gain or loss arising on derecognition of the bearer plants is included in the profit or loss in the year the bearer plants is derecognised.

Interest costs on borrowings and depreciation of bearer plants that are directly attributed to new planting or replanting incurred prior to maturity are also included in the pre-cropping costs.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Bearer plants (Cont'd)

Amortisation

Amortisation is recognised in the profit or loss on straight line basis commencing from the date of maturity over the mature period of the of each component of bearer plants at the following basis:

	Life cycle	Immature period	Mature period
Oil palm	30 years	4 years	26 years
Rubber	15 years	7 years	8 years
Durian	80 years	7 years	73 years or over the remaining mature period

The useful lives are reviewed, and adjusted if appropriate, at each reporting date.

3.10 Forest plantation project

The forest plantation project is measured at cost less any accumulated amortisation and any accumulated impairment loss.

The Group amortises its land use rights using straight-line method less impairment loss, if any, over the remaining management period of 30 to 60 years in accordance with the privatisation agreement.

The policy for the recognition and measurement of impairment loss is in accordance with note 3.18. The amortisation expense is recognised in profit or loss.

3.11 Leases

The Group as Lessee

Right-of-use assets and corresponding lease liabilities are recognised with respect to all lease agreements, except for short-term leases and leases of low value assets.

For short-term leases (i.e. leases with a lease term of 12 months or less) and leases of low value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the lease commencement date, discounted using the rate implicit in the lease or incremental borrowing rate, where applicable. Lease payments included in the measurement of the lease liability comprise: (i) fixed lease payments, less lease incentives; (ii) variable lease payments based upon an index or a rate; and (iii) payments of penalties for terminating the lease.

The right-of-use assets comprise the corresponding lease liability, lease payments made at or before the lease commencement date and initial direct costs. Whenever there is an obligation to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the agreed condition, a provision is recognised. These costs are included in the related right-of-use assets.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Leases (Cont'd)

The Group as Lessee (Cont'd)

Right-of-use assets are measured at cost less accumulated depreciation and impairment losses. They are depreciated over the shorter period of lease term and useful life of the underlying assets. The estimated useful lives of the right-of-use assets are determined as follows:

Forest plantation project	30 to 60 years
Leasehold land	6 to 92 years
Motor vehicles	5 years
Office equipment	5 years
Plant and machinery	5 to 10 years
Buildings	1 to 8 years
Contract farming	6 years

The depreciation periods and depreciation method are reviewed, and adjusted if appropriate, at each reporting date.

Variable lease payment (not based upon an index or a rate) are recognised as an expense in the period in which it is incurred.

The Group as Lessor

Leases are classified as finance leases or operating leases. Whenever the lease transfers substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the lease term. Initial direct costs incurred are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the net investment in the leases. Finance lease income is allocated to reporting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the leases.

3.12 Intangible assets

(i) Franchise rights

Franchise fees represent amount paid or payable in respect of the new outlets opened. The franchise fees are capitalised and amortised on a straight-line basis over the granted franchise rights periods of 4 years. The franchise fees are amortised from the effective date of franchise agreement.

(ii) Trademark

The cost of trademark acquired represents its fair value as at the date of acquisition. Following initial recognition, trademark is carried at cost less any accumulated impairment losses. Trademark, which is considered to have indefinite useful live, is not amortised but tested for impairment, annually or more frequently when indicators of impairment are identified. The useful live of trademark is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Intangible assets (Cont'd)

(iii) Goodwill

Goodwill acquired in a business combination represents the difference between the purchase consideration and the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities in the subsidiaries at the date of acquisition.

Goodwill is allocated to cash generating units and is stated at cost less accumulated impairment losses, if any. Impairment test is performed annually. Goodwill is also tested for impairment when indication of impairment exists. Impairment losses recognised are not reversed in subsequent periods.

Upon the disposal of investment in the subsidiary, the related goodwill will be included in the computation of gain or loss on disposal of investment in the subsidiary in the profit or loss.

3.13 Property development

Property development is classified under two categories i.e. land held for property development and property development costs.

Land held for property development

Land held for property development is land on which development is not expected to be completed within the normal operating cycle. No significant development work would have been undertaken on the land. Accordingly, land held for property development is classified as a non-current asset. Land held for property development is measured at the lower of cost and net realisable value. Costs include 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 (current asset).

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. Property development costs are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable selling expenses.

Property development costs are subsequently recognised as an expense in profit or loss when or as the entity's performance obligation is satisfied over time or at a point in time.

3.14 Performance deposits

Performance deposits are initially recognised as the advance net profit entitlement in respect of the Privatisation Agreement as stated in note 17. The performance deposits shall be set-off against future profit entitlement over the management period of 60 years.

Any outstanding balance of the performance deposits at the end of the 60 years management period that is not set off due to insufficient distributable profit shall be recognised to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Contract assets and contract liabilities

Contract assets are the right to consideration in exchange for goods or services transferred to customers. If goods or services are transferred to customers before the customers pay consideration or before payment is due, contract assets are recognised for the earned consideration that is conditional. Trade receivables represent the entity's right to an amount of consideration that is unconditional.

Contract liabilities are the obligation to transfer goods or services to customers for which the entity has received consideration (or an amount of consideration is due) from the customers. If the customers pay consideration before the entity transfers goods or services to the customers, contract liabilities are recognised when the payment is made, or the payment is due (whichever is earlier).

3.16 Contract costs

Property development contracts costs

Represents development costs attributable to development unit that are sold at reporting date. The capitalised costs are amortised on a systematic basis that is consistent with the entity's transfer of the related goods or services to the customer. Property development contracts costs are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable selling expenses.

Pre-contract cost

The Group recognises pre-contract cost that relate directly to a contract or to an anticipated contract as an asset. An impairment loss is recognised in profit or loss when the carrying amount of the contract cost asset exceeds the expected revenue less expected costs that will be incurred.

3.17 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.

3.18 Impairment of non-financial assets

Goodwill and trademark

Goodwill and trademark are tested for impairment at least annually, or more frequently if events or changes in circumstances indicate that the goodwill and trademark may be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units that are expected to benefit from synergies of the business combination.

An impairment loss is recognised when the carrying amount of a cash-generating unit, including the goodwill, exceeds the recoverable amount of the cash-generating unit. Recoverable amount of the cash-generating unit is the higher of the cash-generating unit's fair value less cost to sell and its value in use. The total impairment loss is allocated first to reduce the carrying amount of the allocated goodwill and trademark and then to the other assets in that cash-generating unit proportionately on the basis of the carrying amount of each asset in that cash-generating unit. Impairment loss recognised for goodwill is not reversed in subsequent periods.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.18 Impairment of non-financial assets (Cont'd)

Property, plant and equipment, concession assets, bearer plants, forest plantation project, franchise rights, right-of-use assets, investments in subsidiaries, associate and joint venture.

Property, plant and equipment, concession assets, bearer plants, forest plantation project, franchise rights, right-of-use assets, investments in subsidiaries, associate and joint venture 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 recognised in 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.

3.19 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined on the weighted average basis.

Cost comprises direct materials, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price in the ordinary course of business, less selling and distribution costs and all other estimated cost to completion.

3.20 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of an instrument.

Financial assets and financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are measured subsequently in the following manners:

- at amortised cost (debt instruments);
- at fair value through other comprehensive income ("FVTOCI"), with recycling of cumulative gains and losses (debt instruments);

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 Financial instruments (Cont'd)

Subsequent measurement (Cont'd)

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are measured subsequently in the following manners: (Cont'd)

- designated at FVTOCI, without recycling of cumulative gains and losses (equity instruments); or
- at fair value through profit or loss ("FVTPL").

Financial assets at amortised cost

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when an asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL, including but not limited to:

- Debt instruments that are designated as at FVTPL, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.
- Derivative instruments.

Financial assets at FVTPL are measured at fair value, with fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets.

Impairment of financial assets

Loss allowance is recognised for expected credit losses ("ECL") for all debt instruments not held at FVTPL, i.e. financial assets at amortised cost or FVTOCI, receivables, lease receivables, contract assets, loan commitments and financial guarantee contracts.

ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that are expected to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

Management measures the loss allowance of trade receivables, contract assets and lease receivables at an amount equal to their lifetime ECL (i.e. simplified approach). The ECL on these financial assets are estimated based on historical credit loss experience, and where appropriate, adjusted for forward-looking factors specific to the debtors and the economic environment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 Financial instruments (Cont'd)

Impairment of financial assets (Cont'd)

For all other financial assets at amortised cost, where credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL is provided for credit losses that result from default events that are possible within 12 months after the reporting date. For those credit exposures for which there has been a significant increase in the likelihood or risk of a default occurring since initial recognition (instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring), a loss allowance is required for credit losses expected over the remaining life of the financial assets.

Derecognition of financial assets

A financial asset is derecognised only when the contractual rights to the cash flows from the financial asset expire; or when the financial asset is transferred and substantially all the risks and rewards of ownership of the financial asset are transferred to another party.

If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control a transferred financial asset, the entity recognises its retained interest in the financial asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the financial asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the reserve is reclassified to profit or loss. On derecognition of an investment in equity instrument classified at FVTOCI, the cumulative gain or loss previously accumulated in the reserve is transferred to retained earnings.

Financial liabilities and equity instruments

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

All financial liabilities are subsequently measured at FVTPL or at amortised cost.

Financial liabilities at amortised cost

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument or a financial liability by allocating interest income/expense over the relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of a debt instrument or a financial liability, to the amortised cost of the debt instrument or the financial liability.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 Financial instruments (Cont'd)

Financial guarantee contracts

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

Financial guarantee contracts issued are initially measured at their fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the loss allowance determined in accordance with MFRS 9; and
- the amount recognised initially less, where appropriate, cumulative amount of income recognised.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the obligations under the liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability.

Equity instrument

Equity instruments issued are recognised at the proceeds received. Costs incurred directly attributable to the issuance of the equity instruments are accounted for as a deduction from equity.

Repurchase of own equity instruments is deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of own equity instruments.

3.21 Revenue and other income recognition

Revenue from a contract with a customer is recognised when control of the goods or services are transferred to the customer. Revenue is measured based on the consideration specified in the contract to which the entity expects to be entitled in exchange for transferring the goods or services to the customer, excluding amounts collected on behalf of third parties.

If a contract with a customer contains more than one performance obligation, the total consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

Construction contracts and property development

Revenue is recognised over time, if (i) the entity creates an asset with no alternative use to the entity and the entity has an enforceable right to payment for performance completed to-date; or (ii) a customer controls the asset as it is created or enhanced by the entity.

Revenue is recognised over the period of the contract by measuring the progress towards complete satisfaction of that performance obligation. Revenue is measured on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation. The stage of completion is determined by the proportion of contract costs incurred to-date relative to the estimated total contract costs.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.21 Revenue and other income recognition (Cont'd)

Construction contracts and property development (Cont'd)

Revenue from sales of completed properties is recognised when the control of the properties is transferred to the buyers.

Project management fee

Revenue from project management services is recognised over time, if a customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.

Revenue from project management services is recognised using an input method to measure progress towards complete satisfaction of the services.

Toll revenue

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

Toll compensation

Pursuant to Concession Agreement, the Government of Malaysia ("Government") reserves the right to restructure 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.

Renewable energy income

Energy fee derived from the conversion into electricity of renewable energy resources is recognised as revenue upon actual delivery of such converted energy.

Sales of goods

Revenue from sales of food and beverages and plantation products and produces is recognised at the point in time when control of the goods is transferred to a customer, generally upon delivery of goods.

In measuring the revenue for the sales of goods, the effects of variable consideration, the existence of significant financing component, non-cash consideration, and consideration payable to the customer, etc. are taken into consideration.

Other revenue is recognised as follows:

- Dividend income is recognised when the right to receive payment is established.

Other income is recognised as follows:

- Interest income is recognised using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.22 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.

3.23 Borrowing costs

Borrowing costs incurred on assets under development that take a substantial period of time for completion are capitalised into the carrying value of the assets. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred; and ceases when the asset is completed or during extended periods when active development is interrupted.

All other borrowing costs are recognised in profit or loss in the financial period in which they are incurred.

3.24 Income tax

The income tax expense represents the aggregate of current tax and deferred tax.

Current tax and deferred tax are recognised in profit or loss. Current tax and deferred tax are recognised in other comprehensive income or directly in equity, if the tax relates to items that are recognised in other comprehensive income or directly in equity. Where deferred tax arises from a business combination, the tax effect is included in the accounting for the business combination.

Current tax

Current tax is the expected income tax payable on the taxable profit for the year, estimated using the tax rates enacted or substantially enacted by the reporting date.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future payment to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, which is accounted using the liability method.

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is only recognised for deductible temporary differences and unutilised tax credit to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and unutilised tax credit can be utilised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.24 Income tax (Cont'd)

Deferred tax (Cont'd)

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 in a business combination) at the time of the transaction that affects neither accounting profit nor taxable profit.

Deferred taxes 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 the tax rates enacted or substantively enacted at the reporting date that are expected to apply to the financial period when the asset is realised or when the liability is settled.

3.25 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 and designated bank account pledged.

3.26 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.

3.27 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.27 Contingencies (Cont'd)

(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.

3.28 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 (recognised as deferred income) shall be recognised in profit or loss on a systematic basis over the financial 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 in the financial period in which it becomes receivable.

3.29 Foreign currencies

Transactions and balances in foreign currencies

Transactions in currencies other than the functional currency ("foreign currencies") are recognised at the prevailing exchange rate on the date of the transaction. At the reporting date, monetary items denominated in foreign currencies are translated at the prevailing exchange rate on that date.

Non-monetary items which are measured in terms of historical costs denominated in foreign currencies are translated at the prevailing exchange rate on the date of the transaction. Non-monetary items which are measured at fair values denominated in foreign currencies are translated at the prevailing exchange rate on the date when the fair values were determined.

Exchange differences are recognised in profit or loss, except for:

- Exchange differences on borrowings denominated in foreign currency relating to an asset under construction, which are included in the cost of that asset when the exchange difference is regarded as an adjustment to interest costs on those foreign currency borrowings.

- Exchange differences on amounts receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (i.e. form part of the net investment in that foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

Translation of foreign operations

For consolidation purposes, all assets and liabilities of foreign operations (including goodwill and fair value adjustments arising from the acquisition of a foreign operation) are translated at the prevailing exchange rate on the reporting date. Income and expense are translated at average exchange rate for the financial period. Exchange differences arising from the translation of the financial statements of the foreign operation are recognised in other comprehensive income; accumulated in a separate component of equity and attributed to non-controlling interests as appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.29 Foreign currencies (Cont'd)

Translation of foreign operations (Cont'd)

On disposal of a foreign operation (i.e. loss of control, joint control or significant influence), the accumulated exchange differences recognised in equity relating to that foreign operation is reclassified to profit or loss.

In a partial disposal that does not result in losing of control over a foreign operation, the proportionate share of accumulated exchange differences in equity is re attributed to non controlling interests and are not recognised in profit or loss. For other partial disposals (i.e. partial disposals of associates or joint ventures that do not result in losing of significant influence or joint control), the proportionate share of the accumulated exchange differences in equity is reclassified to profit or loss.

3.30 Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities, for which fair value is measured or disclosed, are categorised within the fair value hierarchy set out below based on the inputs that are significant to the fair value measurement. Fair value measurement is derived from:

Level 1: Unadjusted quoted prices in active markets (for identical assets or liabilities).

Level 2: Inputs (other than quoted prices included within Level 1) are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Valuation techniques that include unobservable inputs (not based on observable market data).

3.31 Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the financial year for the effects of all dilutive potential ordinary shares.

4. 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 (if any) 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 financial period in which the estimate is revised and in any future periods affected.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Critical judgement made in applying accounting policies

The following is judgement 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:

Revenue recognition of construction contracts

The Group and the Company recognise revenue from construction contracts based on the percentage of completion method. The percentage of completion of the construction contracts is measured in accordance with the accounting policies set out in note 3.21.

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.

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 have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are as follows:

Depreciation of property, plant and equipment and bearer plants

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

Impairment of property, plant and equipment, right-of-use assets and bearer plants

Property, plant and equipment, right-of-use-assets and bearer plants 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, right-of-use assets and bearer plants or the related cash generating unit.

Fair value of investment properties

The Group and the Company measure their investment properties at fair value with any change in fair value recognised in the profit or loss. Significant judgement is required in the determination of fair value which may be derived based on different valuation methods. In making the judgement, the Group and the Company evaluate based on past experience and reliance on the work of specialists. The Group and the Company engage independent professional valuers to determine the fair value using comparison and investment methods.

The valuation methodology commonly used is the comparison method which is based on comparable historical transactions adjusted for specific market factors such as selling prices of recent transactions, historical transaction prices of similar properties of nearby location, any adjustments for tenure, location, development concept and size. The investment method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the income stream associated with the real property.

Information regarding the valuation techniques and inputs used in determining the fair value is disclosed in note 6 to the financial statements.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Key sources of estimation uncertainty (Cont'd)

Amortisation and impairment of concession assets

The carrying amount of concession assets is amortised over the concession period by applying the formula in note 3.5. The denominator of the formula includes projected total traffic volume 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. 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 could impact future amortisation charges.

The Group assesses at the end of each reporting period whether there is any indicator that 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 the concession assets discounted at a suitable discount rate in order to calculate the present value of those cash flows.

Fair value of biological assets

Certain fair value of biological assets is determined based on valuations performed by an independent professional valuer.

The fair value of Acacia and Karas is dependent on life to maturity, mortality rate, production quantity, commodity prices and variable cost and profit margin.

In measuring the fair value of fresh fruits bunches ("FFB") and durian, estimates and judgements are required which include the market price, production quantity, maturity, processing costs, and other direct costs. Changes to any of these assumptions would affect the fair value of the FFB and durian.

The Group measured its biological assets at fair value less cost to sell with changes in fair value being recognised in profit or loss.

The key assumptions used in the valuation methods are disclosed in note 11.

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 Company's investments in subsidiaries and also choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences, unabsorbed capital allowances and unutilised tax losses to the extent that it 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.

Determining the loss allowance for trade receivables and contract assets

Management assesses the ECL for trade receivables and contract assets at each reporting date. Credit losses are the difference between the contractual cash flows that are due to the entity and the cash flows that it actually expects to receive. Management applies simplified approach of MFRS 9 Financial Instruments in assessing the impairment of trade receivables and contract assets.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Key sources of estimation uncertainty (Cont'd)

Determining the loss allowance for trade receivables and contract assets (Cont'd)

In determining the ECL, management uses historical credit loss experience for trade receivables and contract assets to estimate the ECL. Management is not only required to consider historical information that is adjusted to reflect the effects of current conditions and information that provides objective evidence that trade receivables and contract assets are impaired in relation to incurred losses, but management is also considering, when applicable, reasonable and supportable information that may include forecasts of future economic conditions when estimating the ECL, on an individual and collective basis. The need to consider forward-looking information means that management exercises considerable judgement as to how changes in macroeconomic factors will affect the ECL on trade receivables and contract assets.

The ECL on trade receivables and contract assets as at current reporting date is primarily mainly based upon the historical credit loss experience.

Determining the loss allowance for non-trade receivables

Management assesses the ECL of receivables (other than trade receivables and lease receivables) at each reporting date. Credit losses are the difference between the contractual cash flows that are due to the entity and the cash flows that it actually expects to receive.

In determining the ECL, management assesses whether there has been any significant increase in credit risk since initial recognition of a receivable. Where there has not been a significant increase in credit risk since initial recognition, management determines the loss allowance by estimating an amount equal to 12-month ECL of that receivable. For those credit exposures for which there has been a significant increase in the likelihood or risk of a default occurring since initial recognition (instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring), management measures a loss allowance for credit losses expected over the remaining life of that receivable. Management exercise considerable judgement in these estimations, using historical credit loss experience as well as reasonable and supportable information that may include forecasts of future economic conditions when estimating the ECL.

Provision for heavy repairs

Provision for heavy repairs is recognised based 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.

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.

Lease liability

Management estimates the lease term as the non-cancellable period of a lease together with both periods covered by an option to extend the lease and an option to terminate the lease. In assessing whether it is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, management exercises judgement by considering all relevant facts and circumstances that create an economic incentive to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Key sources of estimation uncertainty (Cont'd)

Lease liability (Cont'd)

Management measures the lease liability as the present value of the lease payments that are not paid at commencement date. The lease payments are discounted using the incremental borrowing rate.

The lease terms and discount rate are determined using certain assumptions and they represents management's best estimation. The assumptions on which it is based relate to the future. Actual outcome may be different from the estimation and the variation could be material.

Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating until to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows.

Purchase price allocation

As disclosed in note 57, the Group completed the purchase price allocation exercise in relation to the acquisition of PLS with the assistance of an external professional advisor to determine the fair values of the net identifiable assets and liabilities of PLS acquired during the year, pursuant to the requirements of MFRS 3. Significant management judgement was involved in determining the fair value of the identifiable assets and liabilities based on acceptable valuation procedures and practices that rely on the use of numerous reasonable assumptions.

5. PROPERTY, PLANT AND EQUIPMENT

Group 2021 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	Renovation RM'000	Capital work-in-progress RM'000	Total RM'000
At 1 July 2020	28,301	126,099	36,791	12,576	6,670	5,754	86,898	303,089
Acquisition of subsidiary (note 57)	23,893	1,651	25	290	792	533	193	27,377
Additions	125	1,588	6	496	715	1,555	5,063	9,548
Disposals	-	(3,048)	(1,497)	(66)	(7)	-	-	(4,618)
Write-offs	-	(386)	-	(184)	(39)	(18)	-	(627)
Reclassification	-	-	-	-	85	-	(85)	-
At 30 June 2021	52,319	125,904	35,325	13,112	8,216	7,824	92,069	334,769
Accumulated depreciation								
At 1 July 2020	1,399	43,370	19,964	9,400	3,240	1,136	-	78,509
Charge for the year	306	8,794	3,106	1,182	739	1,194	-	15,321
Capitalised to bearer plants (note 10)	(1)	56	7	2	23	-	-	87
Capitalised to biological assets (note 11)	-	2	-	1	13	-	-	16
Disposals	-	(2,357)	(1,003)	(54)	*	-	-	(3,414)
Write-offs	-	(199)	-	(79)	(5)	-	-	(283)
At 30 June 2021	1,704	49,666	22,074	10,452	4,010	2,330	-	90,236

* Represents RM167

Accumulated impairment losses								
At 1 July 2020	-	-	-	-	-	-	-	-
Impairment loss for the year	-	1,214	113	137	326	2,203	-	3,993
At 30 June 2021	-	1,214	113	137	326	2,203	-	3,993
Net carrying amount								
At 30 June 2021	50,615	75,024	13,138	2,523	3,880	3,291	92,069	240,540

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

Group 2020 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	Renovation RM'000	Capital work-in-progress RM'000	Total RM'000
At 1 July 2019	28,301	52,159	36,391	11,600	4,787	5,505	60,240	198,983
Additions	-	76,353	3,008	987	1,917	2,584	26,658	111,507
Disposals	-	(2,387)	(2,608)	-	(34)	-	-	(5,029)
Write-offs	-	(26)	-	(11)	-	(2,335)	-	(2,372)
At 30 June 2020	28,301	126,099	36,791	12,576	6,670	5,754	86,898	303,089
Accumulated depreciation								
At 1 July 2019	1,248	34,636	18,108	8,090	2,694	285	-	65,061
Charge for the year	151	10,081	3,338	1,318	549	1,120	-	16,557
Disposals	-	(1,327)	(1,482)	-	(3)	-	-	(2,812)
Write-offs	-	(20)	-	(8)	-	(269)	-	(297)
At 30 June 2020	1,399	43,370	19,964	9,400	3,240	1,136	-	78,509
Net carrying amount								
At 30 June 2020	26,902	82,729	16,827	3,176	3,430	4,618	86,898	224,580

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

Company **2021** **Cost**	**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 2020	6,129	8,706	2,942	3,584	21,361
Additions	-	3	14	333	350
Disposals	-	(290)	-	-	(290)
At 30 June 2021	6,129	8,419	2,956	3,917	21,421
Accumulated depreciation					
At 1 July 2020	6,057	6,417	2,886	2,258	17,618
Charge for the year	25	394	26	311	756
Disposals	-	(158)	-	-	(158)
At 30 June 2021	6,082	6,653	2,912	2,569	18,216
Net carrying amount					
At 30 June 2021	47	1,766	44	1,348	3,205

Company **2020** **Cost**	**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 2019	6,129	11,343	2,911	2,119	22,502
Additions	-	3	31	1,465	1,499
Disposals	-	(2,640)	-	-	(2,640)
At 30 June 2020	6,129	8,706	2,942	3,584	21,361
Accumulated depreciation					
At 1 July 2019	6,032	7,638	2,862	2,012	18,544
Charge for the year	25	494	24	246	789
Disposals	-	(1,715)	-	-	(1,715)
At 30 June 2020	6,057	6,417	2,886	2,258	17,618
Net carrying amount					
At 30 June 2020	72	2,289	56	1,326	3,743

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

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

Group	Cost 2021 RM'000	Accumulated depreciation 2021 RM'000	Net carrying amount 2021 RM'000	Net carrying amount 2020 RM'000
Freehold				
- land	35,523	-	35,523	20,734
- buildings	16,796	(1,704)	15,092	6,168
	52,319	(1,704)	50,615	26,902

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

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Property, plant and equipment charged to a licensed bank for bank term loans and IMTN as disclosed in notes 31 and 32(a)	15,436	824	-	-

(c) Impairment testing on plant and machinery used for food and beverages business.

The Group's food and beverage operations was impacted by varying degree of restrictions imposed by the Government of Malaysia due to Covid-19 pandemic. The Group has identified each restaurant outlet as smallest cash generating unit ("CGU") which comprised plant and equipment and right-of-use assets. The Group has carried out impairment assessments on each CGU when there are indications for impairment.

The Group estimated the recoverable amounts of the carrying amount of each CGU based on the value in-use ("VIU"). The VIU has been calculated using the cash flow projections covering 5 years period. Cash flow that beyond 5 years period have been extrapolated using terminal growth rate.

Key assumptions used in the VIU calculation are as follows:

	2021
Discount rate (pre-tax)	15.60%
Terminal growth rate	3.28%

Based on the impairment assessment, impairment losses of RM3,404,039 and RM4,753,504 (2020: Nil) have been recognised on plant and equipment and right-of-use assets, respectively during the financial year.

The sensitivity of the impairment assessment to a reasonably possible change in the key input is as follows:

	Change in assumption, holding other inputs constant	Additional impairment charge RM
Projected revenue	Decreased by 5%	1 million

6. INVESTMENT PROPERTIES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At 1 July	856,284	719,560	22,316	23,445
Acquisition of subsidiary (note 57)	275	-	-	-
Additions	21,479	138,427	-	-
Changes in fair value	(26,527)	(1,703)	-	(1,129)
At 30 June	851,511	856,284	22,316	22,316
Investment properties comprise:				
At fair value				
- Freehold land and commercial buildings/apartments	832,911	836,672	22,316	22,316
- Long term leasehold land and buildings/apartments	18,600	19,612	-	-
	851,511	856,284	22,316	22,316

Freehold land and commercial buildings/apartments with carrying value of RM494,404,282 (2020: RM641,404,282) are charged to licensed banks for banking facilities granted to the Group as disclosed in notes 31 and 38 to the financial statements.

The fair values of the investment properties are arrived at by reference to valuations or update on previous valuations carried out by 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, under comparison and investment method, determined by the directors based on independent external valuers' advice.

The following assumptions have been applied in the valuation:

(i) The comparison method entails critical analyses of recent evidence of values of comparable properties in the nearby location, and where necessary, adjusting for differences, such as tenure, location, development concept, and size, among others.

(ii) The investment method entails the determination of the probable gross annual rental the property is capable of producing and deducting therefrom the outgoings to arrive at the annual net income.

The fair value of investment properties classified under level 2 was determined using comparison method, and level 3 was determined using cost or investment method.

There is no transfer between levels of fair value hierarchy during the financial year.

The fair value hierarchy of the investment properties is as follows:

Group 2021	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
- Freehold land and commercial buildings/apartments	-	418,636	414,275	832,911
- Long term leasehold land and buildings/apartments	-	18,600	-	18,600
	-	437,236	414,275	851,511

6. INVESTMENT PROPERTIES (CONT'D)

The fair value hierarchy of the investment properties is as follows: (Cont'd)

Group 2020	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
- Freehold land and commercial buildings/apartments	-	422,672	414,000	836,672
- Long term leasehold land and buildings/apartments	-	19,612	-	19,612
	-	442,284	414,000	856,284

Company	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2021				
- Freehold land and commercial buildings/apartments	-	22,316	-	22,316
2020				
- Freehold land and commercial buildings/apartments	-	22,316	-	22,316

Details of level 3 fair value measurements are as follows:

Key inputs	Significant unobservable inputs	Relationship of unobservable inputs and fair value
Investment method which capitalises the actual or estimated rental income stream, net of projected operating costs, using a discount rate derived from capitalisation rate	Discount rate of 5.50% to 6.00% (2020: 6.00% to 6.50%)	The higher the discount rate, the lower the fair value
	Voids allowance at 8.00% (2020: 8.00%)	The higher the voids allowance, the lower the fair value

The following table shows a reconciliation of level 3 fair value:

	Group 2021 RM'000	Group 2020 RM'000
At 1 July	414,000	400,000
Additions	1,932	13,853
Acquisition of subsidiary (note 57)	275	-
Changes in fair value	(1,932)	147
At 30 June	414,275	414,000

7. RIGHT-OF-USE ASSETS

The Group/Company as a lessee:

Group 2021 Cost	Forest plantation project RM'000	Leasehold land RM'000	Motor vehicles RM'000	Office equipment RM'000	Plant and machinery RM'000	Buildings RM'000	Contract farming RM'000	Total RM'000
At 1 July 2020	-	-	-	-	-	14,098	-	14,098
Acquisition of subsidiary (note 57)	30,741	222,344	655	9	2,069	1,087	7,075	263,980
Additions	-	-	2,495	-	-	2,724	-	5,219
Lease modification	-	-	-	-	-	(199)	-	(199)
At 30 June 2021	30,741	222,344	3,150	9	2,069	17,710	7,075	283,098
Accumulated depreciation								
At 1 July 2020	-	-	-	-	-	3,420	-	3,420
Charge for the year	501	1,779	375	3	365	3,935	871	7,829
Capitalised to bearer plants (note 10)	-	-	15	-	78	-	-	93
Lease modification	-	-	-	-	-	(175)	-	(175)
At 30 June 2021	501	1,779	390	3	443	7,180	871	11,167
Accumulated impairment loss								
At 1 July 2020	-	-	-	-	-	-	-	-
Impairment loss for the year	-	-	-	-	-	4,754	-	4,754
At 30 June 2021	-	-	-	-	-	4,754	-	4,754
Net carrying amount								
At 30 June 2021	30,240	220,565	2,760	6	1,626	5,776	6,204	267,177

7. RIGHT-OF-USE ASSETS (CONT'D)

Group 2020	**Buildings RM'000**
Cost	
At 1 July 2019	-
Effect of initial application of MFRS 16 Leases on 1 July 2019	14,098
At 30 June 2020	14,098
Accumulated depreciation	
At 1 July 2019	-
Depreciation for the year	3,420
At 30 June 2020	3,420
Net carrying amount	
At 30 June 2020	10,678

Company 2021	**Buildings RM'000**
Cost	
At 1 July 2020	1,857
Additions	147
At 30 June 2021	2,004
Accumulated depreciation	
At 1 July 2020	371
Depreciation for the year	430
At 30 June 2021	801
Net carrying amount	
At 30 June 2021	1,203

Company 2020	**Buildings RM'000**
Cost	
At 1 July 2019	-
Effect of initial application of MFRS 16 Leases on 1 July 2019	1,857
At 30 June 2020	1,857
Accumulated depreciation	
At 1 July 2019	-
Depreciation for the year	371
At 30 June 2020	371
Net carrying amount	
At 30 June 2020	1,486

7. RIGHT-OF-USE ASSETS (CONT'D)

(a) Leasehold land

The leasehold lands of the Group with a net carrying amount of RM220,270,000 (2020: Nil) have been pledged as security to secure term loans of the Group as disclosed in notes 31 and 38. The leasehold lands have a lease period of more than 50 years.

(b) Forest plantation project

(i) On 4 December 2002, PLS and its subsidiary, Aramijaya Agri & Agro Sdn. Bhd. *(formerly known as Aramijaya Sdn Bhd)* ("Aramijaya") entered into a Privatisation Agreement arrangement with the Johor State Government and YPJ Holdings Sdn. Bhd. ("YPJH") for the right to maintenance, operation and management of forest plantation of all those reserved forest land measuring at 35,223 Hectares for a specific period of sixty (60) years. A total consideration of RM62,270,000 was paid to the Johor State Government for the concession and alienation.

The Group recognised the forest plantation project pursuant to the privatisation arrangement as right-of-use assets as the Group receives the right to control the use of the assets and granted the right to harvest forest produce in accordance with the Forest Harvesting Plan.

(ii) On 3 August 2010, Aramijaya entered into a Sub-lease Agreement arrangement with the Johor State Government and YPJ Holdings Sdn. Bhd. ("YPJH") for the development includes cultivating, planting and managing of Timber Species within the Planted Area at measuring of 722.67 Hectares for a specific period of thirty (30) years. A total consideration of RM1,100,000 was paid to the YPJH for the concession and alienation.

The Group recognised the forest plantation project pursuant to the privatisation arrangement as right-of-use assets as the Group receives the right to control the use of the assets and granted the right to carried out the cultivating, planting and managing of Timber Species in accordance with the Forest Management Plan approved by the State Technical Committee.

The Group amortises its land use rights using straight-line method less impairment loss, if any, over the remaining management period of 30 to 60 years in accordance with the privatisation agreement.

(c) Contract farming rights

On 11 March 2020, PLS and its subsidiary, Perfect Sunworld Sdn. Bhd. ("PSSB") had entered into four (4) Contract Farming Lease Agreements ("CFLAs") with the lessor, for the lease of 4 parcel of agriculture freehold lands at measuring of 12.85 hectares for a lease period of 6 years commencing from 11 March 2020. As at 30 June 2021, the Group has paid a total lease payment of RM8,220,000 pursuant to the payment schedule of the CFLAs as full consideration.

The Group recognises the contract farming rights as right-of-use assets as the lessor granted the lessee the right to control the use of the assets and granted an exclusive right to harvest, operate, and manage the durian trees planted thereon during the 6 years lease period.

The amortisation for the contract farming rights is based on the remaining lease period of the CFLAs.

7. RIGHT-OF-USE ASSETS (CONT'D)

Impairment review

The Group is required to perform impairment review on the carrying amount of right-of-use at each reporting date to assess whether there is any indication of impairment. The management assessed the recoverable amount of the respective CGU based on VIU using discounted cash flows projections.

(i) CFLA's business

As at 30 June 2021, PSSB had a deficit shareholder fund of RM530,247 and for the year ended 30 June 2021, PSSB incurred a loss of RM527,591. An assessment of recoverable amount had been performed based on future cash flows from the sales of fresh durian. In determining the VIU calculation, the key assumptions used are as follows:

- Cash flow projections were prepared based on past experience, actual and future expected operating results for durian plantation;
- Selling price based on latest actual average selling price and assumed to be consistently applied; and
- A pre-tax discount rate ranging from 7.5% to 9% per annum.

Based on the impairment assessment performed, the recoverable amount is higher than the carrying amount, hence no impairment loss is recognised for the financial year ended 30 June 2021.

(ii) Food and beverages business

Included in right-of-use assets as at 30 June 2021 is an amount of RM3 million (2020: RM9 million) related to food and beverages business. The Group carried out the impairment assessment of the right-of-use assets together with the plant and equipment related to food and beverages business as disclosed in note 5(c).

The Group as a Lessor:

Operating leases

Investment properties are leased out typically for periods of 1 to 9 years (2020: 1 to 9 years).

	Group	
	2021 RM'000	**2020 RM'000**
Carrying amount of investment properties (subject to operating leases as lessor)	414,000	414,000

Analysis of undiscounted lease receivable after the reporting date, on an annual basis:

	Group	
	2021 RM'000	**2020 RM'000**
In the first year	20,019	33,408
In the second year	5,018	14,912
In the third year	1,650	1,790
In the fourth year	759	741
In the fifth year	759	741
After fifth year	2,940	3,579
	31,145	55,171

8. LAND HELD FOR PROPERTY DEVELOPMENT

Group Cost 2021	Freehold/ Leasehold land RM'000	Development costs RM'000	Total RM'000
At 1 July 2020	449,206	68,313	517,519
Additions	500	10,017	10,517
At 30 June 2021	449,706	78,330	528,036
Cost 2020			
At 1 July 2019	448,922	58,706	507,628
Additions	284	9,607	9,891
At 30 June 2020	449,206	68,313	517,519

Land held for property development of the Group with carrying amount of RM312,852,000 (2020: RM245,731,000) has been charged to licensed banks for banking facilities granted to the Group as disclosed in notes 31 and 38 to the financial statements.

9. CONCESSION ASSETS

Group 2021 Cost	← Completed → Expressways RM'000	Park and ride Building RM'000	Under development Expressway RM'000	Total RM'000
At 1 July 2020	2,883,476	72,636	2,812,268	5,768,380
Additions	-	-	998,606	998,606
Net borrowing costs capitalised	-	-	204,362	204,362
At 30 June 2021	2,883,476	72,636	4,015,236	6,971,348
Accumulated amortisation				
At 1 July 2020	110,395	731	-	111,126
Charge for the year	22,880	1,462	-	24,342
At 30 June 2021	133,275	2,193	-	135,468
Accumulated impairment loss				
At 1 July 2020	-	-	-	-
Charge for the year	-	25,578	-	25,578
At 30 June 2021	-	25,578	-	25,578
Net carrying amount				
At 30 June 2021	2,750,201	44,865	4,015,236	6,810,302

9. CONCESSION ASSETS (CONT'D)

Group 2020 Cost	Completed Expressways RM'000	Completed Park and ride Building RM'000	Under development Expressway RM'000	Under development Park and ride Building RM'000	Total RM'000
At 1 July 2019	2,883,236	-	1,810,714	72,636	4,766,586
Additions	240	-	835,420	-	835,660
Net borrowing costs capitalised	-	-	166,134	-	166,134
Transferred of concession assets upon completion	-	72,636	-	(72,636)	-
At 30 June 2020	2,883,476	72,636	2,812,268	-	5,768,380
Accumulated amortisation					
At 1 July 2019	84,213	-	-	-	84,213
Charge for the year	26,182	731	-	-	26,913
At 30 June 2020	110,395	731	-	-	111,126
Net carrying amount					
At 30 June 2020	2,773,081	71,905	2,812,268	-	5,657,254

Concession assets refer to development expenditures (including borrowing costs, net of interest income, relating to financing of the development) incurred in connection with the following concession agreements:

(a) 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"), a 60%-owned subsidiary of the Company and the 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.

DUKE Project was completed on April 2009 and toll collections commenced on May 2009.

(b) 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 ("Sri Damansara Link") and Jalan Tun Razak near Kuala Lumpur Hospital/Institut Jantung Negara to Jalan Gombak ("Tun Razak Link") and includes construction of Park and Ride buildings.

The concession period for the entire DUKE Project and DUKE Phase-2, including the Park and Ride buildings, 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.

DUKE Phase-2, Tun Razak Link and Sri Damansara Link and the Park and Ride buildings were completed on 29 September 2017, 23 October 2017 and respectively.

(c) On 11 January 2016, Lebuhraya Duke Fasa 3 Sdn Bhd ("LDF3"), a wholly-owned subsidiary of the Company entered into a separate CA with the Government whereby the Government granted LDF3 the right and authority to undertake the design, construction, operation, management and maintenance of the Setiawangsa-Pantai Expressway ("SPE Project") commences from Jalan Kerinchi to Taman Melawati. The concession period was for a period of 53.5 years which commenced from 5 August 2016 and shall, subject to terms and conditions of the CA, be extended for a further period of 6.5 years.

9. CONCESSION ASSETS (CONT'D)

Upon expiry of the concession period, the Group shall hand over the concession assets to the Government in a well-maintained condition and make good any defects at the Group'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 notes 32(a), 32(b) and 33 to the financial statements.

Impairment Testing on Park and Ride Building

During the year, as a result of Covid-19 outbreak and deferment of commencement of park and ride operation, the Group performed an impairment assessment of the carrying amount of the park and ride building by comparing the net present values derived from the discounted future cash flows of the park and ride building against the carrying amount. The assessment has shown that the recoverable amount of park and ride building is lower than the carrying amount. The impairment test led to the recognition of an impairment loss of RM26 million in profit or loss.

The recoverable amount of park and ride building is determined based on a value-in-use calculation, using cash flow projection from financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projection is 5.6%.

The discount rate is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta. The beta is based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Key assumptions used for value-in-use calculation for park and ride building are as follows:

Pre-tax discount rate	5.6%
Revenue growth rate [(1)]	5.0%
Terminal growth rate [(2)]	1.4%

(1) Revenue growth rate is estimated based on past performance and its expectations of market development.

(2) Terminal growth rate is assigned at the end of five-year cash flow projections based on the assumed growth rate in perpetuity.

The sensitivity of the impairment assessment to a reasonably possible change in each of the key inputs is as follows:

	Change in assumption, holding other inputs constant	Additional impairment charge RM
Pre-tax discount rate	Increased by 1%	8.8 million
Commencement of operation	Delayed by 1 year	0.6 million
Revenue growth rate	Decreased by 1%	0.3 million

10. BEARER PLANTS

Bearer plants of the Group comprise of oil palm, rubber trees and durian.

Group 2021 Cost	Oil palm RM'000	Rubber trees RM'000	Durian RM'000	Total RM'000
At 1 July 2020	-	-	-	-
Acquisition of subsidiary (note 57)	264,372	18,109	82,787	365,268
Additions	261	721	1,896	2,878
At 30 June 2021	264,633	18,830	84,683	368,146
Accumulated depreciation				
At 1 July 2020				
Charge for the year	8,204	-	74	8,278
At 30 June 2021	8,204	-	74	8,278
Accumulated impairment loss				
At 1 July 2020	-	-	-	-
Charge for the year	-	240	-	240
At 30 June 2021	-	240	-	240
Net carrying amount				
At 30 June 2021	256,429	18,590	84,609	359,628

(a) Included in additions of the Group's bearer plants are the following expenses incurred and capitalised during the financial year:

Group	2021 RM'000	2020 RM'000
Amortisation of right-of-use assets	93	-
Depreciation of property, plant and equipment	87	-
Interest capitalised	71	-
Staff costs	1,314	-
	1,565	-

10. BEARER PLANTS (CONT'D)

(b) Impairment review

The Group is required to perform impairment review on the carrying amount of bearer plants at each reporting date to assess whether there are any indications of impairment. The management assessed the recoverable amount of the respective CGU based on VIU using discounted cash flows projections.

Rubber

An indirect subsidiary of the Company, Aramijaya has planted rubber trees in various estates commencing from Year 2012.

As at 30 June 2021, the management had carried an impairment review of its rubber segment which had experienced indicators of impairment. Based on the review, it was found that certain areas of rubber planted in earlier years were not in favourable field conditions with considerable delays in achieving the appropriate girth, which adversely affected the financial performance of the rubber segment.

An assessment of recoverable amount had been prepared based on future cash flows derived from the sales of logs and latex. In determining the VIU calculation, the key assumptions used are as follows:

- Projected future cash flows over the remaining life span of the rubber trees prior to harvesting;
- Average selling price for latex and log based on historical past years data and market selling price;
- Average latex production ranging from 200 to 1,200 metrics tonnes per year; and
- A pre-tax discount rate of 9% per annum.

Correspondingly, an impairment loss of RM240,000, representing the write-down of the carrying amount of the identified rubber site to the recoverable amount was recognised within other expenses in the statements of comprehensive income for the financial year ended 30 June 2021.

Durian

As at 30 June 2021, an indirect subsidiary of the Company, Jasa Indahmas Sdn. Bhd. had completed the acquisition of the durian plantation, including the durian trees accounted as bearer plants.

Rehabilitation works had to be undertaken by the management on the recently acquired durian plantation as it was in less-than-optimal conditions on acquisition, and in turn adversely affected its financial performance.

An assessment of recoverable amount had been prepared based on future cash flows derived from the sales of fresh durian. In determining the VIU calculation, the key assumptions used are as follows:

- Cash flow projections were prepared based on past experience, actual and future expected operating results for durian plantation;
- Selling price based on latest actual average selling price and assumed to be consistently applied; and
- A pre-tax discount rate ranging from 7.5% to 9% per annum.

Based on the impairment assessment, the recoverable amount was estimated to be higher than the carrying amount, hence no impairment loss was recognised in the financial year ended 30 June 2021.

(c) The bearer plants with a net carrying amount of RM5,713,000 (2020: Nil) have been pledged as security to secure term loan of the Group as disclosed in notes 31 and 38.

11. BIOLOGICAL ASSETS

Group	2021 RM'000	2020 RM'000
Non-current:		
At fair value		
- Acacia	1,210	-
- Karas	4,500	-
At cost		
- Eucalyptus	844	-
- Meranti	154	-
	6,708	-
Current:		
At fair value		
- Durians	210	-
- FFB	3,205	-
	3,415	-
	10,123	-

(a) Included in additions of the Group's biological assets are the following expenses incurred and capitalised during the financial year:

Group	2021 RM'000	2020 RM'000
Depreciation of property, plant and equipment	16	-

(b) Movement of biological assets can be analysed as follows:

	Immature				Mature		
Group	Acacia RM'000	Eucalyptus RM'000	Karas RM'000	Meranti RM'000	Fresh fruit bunches RM'000	Durians RM'000	Total RM'000
At 1 July 2019/ 30 June 2020	-	-	-	-	-	-	-
Acquisition of subsidiary (note 57)	1,082	804	4,000	101	2,627	-	8,614
Additions	33	40	35	53	-	-	161
Written off	-	-	(1)	-	-	-	(1)
Fair value changes	95	-	466	-	578	210	1,349
At 30 June 2021	1,210	844	4,500	154	3,205	210	10,123

11. BIOLOGICAL ASSETS (CONT'D)

(b) Movement of biological assets can be analysed as follows: (Cont'd)

The biological assets of the Group comprise of:

(i) Acacia and Karas

Acacia and Karas represent the plants prior to harvest. The fair values for Acacia and Karas was estimated by management through use of a registered valuer ("Valuer") using the comparison and income methods in arriving at the fair value. The Acacia and Karas are measured at cost on initial recognition and at the end of each reporting period at its fair value less cost to sell.

Fair value of Acacia

Description of valuation techniques used and key inputs to valuation on Acacia measured at Level 3, are as follows:

	Group	
	2021	2020
Estimated average timber stocking (MT/Hectares)	32.34	-
Area (Hectares)	516.47	-
Estimated selling price (RM/MT)	120	-

Comparison method and income method

For Acacia, the Valuer adopted the comparison method and income method to determine the land cost and biological asset, respectively. The adopted comparison approach is the most commonly used in property valuation and these similarities and dissimilarities of comparable are then adjusted for the differences between the assets under review and those comparable in order to arrive at the indicative value of the land.

The Income Method is based on the cash flows generated from the harvesting activities and the estimated the future log selling price together with the related operating costs, the existing and new planted trees conditions and age, estimated timber stocking level and in considerate the current market conditions and other factors. As at the reporting date, only the valuation of the biological asset is considered in arriving at the fair value of the Acacia.

Fair value of Karas

Description of valuation techniques used and key inputs to valuation on Karas measured of level 3, are as follows:

	Group	
	2021	2020
Success rate	75% - 80%	-
Discount rate	9%	-
Estimated selling price (RM/kilogram)	2,000	-
Area (Hectares)	265	-

11. BIOLOGICAL ASSETS (CONT'D)

(b) Movement of biological assets can be analysed as follows: (Cont'd)

The biological assets of the Group comprise of: (Cont'd)

(i) Acacia and Karas (Cont'd)

Income method

The income method is based on the discounted cash flows generated from the harvesting activities and the key assumptions used in determine the fair value less cost to sell of Karas as at the reporting date involve the following:

(i) Estimating the long-term selling price from the sale of assumed Grade C Gaharu harvested from the Karas trees;

(ii) Estimating the average annual costs of production for the crops which include processing costs, harvesting costs, inoculation costs, upkeep and maintenance costs, etc;

(iii) Estimating the profit per tree obtained by deducting (ii) from (i); and

(iv) Applying an appropriate rate of interest (yield) reflecting the security of future income receivable from the plantation.

Sensitivity analysis

The sensitivity analysis below indicates the approximate change in the Group's fair value of Acacia and Karas that would arise if the following key estimates and assumptions adopted in the valuation models had changed at the reporting date, assuming all other estimates, assumptions and other variables remained constant.

A 10% increase/(decrease) in the estimated selling price, would result to the following changes in fair value of Acacia and Karas:

	Group	
	2021 RM'000	2020 RM'000
Acacia		
10% increase	130	-
10% decrease	(130)	-
Karas		
10% increase	1,000	-
10% decrease	(1,000)	-

(ii) Eucalyptus and Meranti

Eucalyptus and Meranti represent the plants prior to harvest at cost less accumulated impairment loss. The directors are of the view that the fair value of the Eucalyptus and Meranti plant cannot be measured reliably as these are mainly pre-cropping cost related.

(iii) Durians

The fair value is represented by the present value of the net cash flows expected to be generated from the sale of durians. To arrive at the fair value, the management has made the assumption that the net cash flows to be generated from durian is based on its estimated 7 days ripening period and therefore the quantity of unripe durians on bearer plants of up to 7 days prior to harvest was used for valuation purposes.

The fair value measurement of the Group's durians was categorised within Level 3 of the fair value hierarchy.

The directors are in view that the impact from the change in the Group's fair value of durians, if the key estimates and assumption on selling price had increased or decreased by 10% at the reporting date, is insignificant to the Group. Therefore, the sensitivity analysis is not presented.

(iv) FFB prior to harvest

The fair value is represented by the present value of the net cash flows expected to be generated from the sale of FFB. To arrive at the fair value, the management has made the assumption that the net cash flows to be generated from FFB is based on its 15 days harvest interval and therefore the quantity of unripe FFB on bearer plants of up to 15 days prior to harvest was used for valuation purposes. The prices of the unripe FFB was estimated based on recent market prices of the FFB. The cost to sell include harvesting cost and transport etc.

The fair value of the Group's FFB were categorised within Level 3 of the fair value hierarchy.

Sensitivity analysis

The sensitivity analysis below indicates the approximate change in the Group's fair value of FFB that would arise if the following key estimates and assumptions adopted in the valuation model had changed at the reporting date, assuming all other estimates, assumptions and other variables remained constant.

Group	2021 Increase/(Decrease) in price and volume	Increase/(Decrease) in fair value of biological assets RM'000
Selling price	10%	353
	(10%)	(353)
Production volume	10%	353
	(10%)	(353)

12. INTANGIBLE ASSETS

Group 2021	**Goodwill RM'000**	**Trademark RM'000**	**Franchise rights RM'000**	**Total RM'000**
Cost				
At 1 July 2020	-	6,180	312	6,492
Acquisition of subsidiary (note 57)	17,922	-	-	17,922
At 30 June 2021	17,922	6,180	312	24,414
Accumulated amortisation				
At 1 July 2020	-	-	117	117
Charge for the year	-	-	78	78
At 30 June 2021	-	-	195	195
Accumulated impairment				
At 1 July 2020	-	-	-	-
Charge for the year	-	6,180	117	6,297
At 30 June 2021	-	6,180	117	6,297
Net carrying amount				
At 30 June 2021	17,922	-	-	17,922

Group 2020	**Goodwill RM'000**	**Trademark RM'000**	**Franchise rights RM'000**	**Total RM'000**
Cost				
At 1 July 2019/ 30 June 2020	-	6,180	312	6,492
Accumulated amortisation				
At 1 July 2019	-	-	39	39
Charge for the year	-	-	78	78
At 30 June 2020	-	-	117	117
Net carrying amount	-			
At 30 June 2020	-	6,180	195	6,375

12. INTANGIBLE ASSETS (CONT'D)

Goodwill

Goodwill acquired through business combination are allocated to the Group's plantation and fruits trading cash generating units, Aramijaya and Dulai Fruits Enterprise Sdn. Bhd ("Dulai") respectively.

The carrying amounts of goodwill allocated to each CGUs are as follows:

Group	**2021 RM'000**
Aramijaya	1,223
Dulai	16,699
	17,922

The recoverable amount of the cash-generating unit are determined using the VIU approach, and this is derived from the present value of the future cash flows from the cash-generating units computed based on the projections of financial budgets approved by management. The key assumptions used in the determination of the recoverable amount are as follows:-

Aramijaya

- Projected future cash flows over the remaining life span of the various crops, of which oil palm is the most significant contributor;
- Average selling prices of fresh fruit bunches price for past 3 years being used for the forecast and projection years;
- Growth rate based on management's estimate of commodity prices, oil palm yields and oil extraction rates
- Development and direct costs estimated based on past practices and experience;
- Average palm yields ranging from 135,029 to 189,000 metric tonnes per year; and
- A pre-tax discount rate of 6% per annum.

Dulai

- Cash flow projections were prepared based on past experience and, actual and future expected operating results for fruit trading business;
- The selling price and operation cost were assumed to be consistently applied; and
- A pre-tax discount rate of 13% has been applied in determining the recoverable amount of the operations.

The key assumptions represent management's assessment of future operations and are based on both external sources and internal sources (historical data) of information.

Management believes that any reasonably possible change in the key assumptions on which the recoverable amount of goodwill is based on would not cause the carrying amount to exceed its recoverable amounts.

12. INTANGIBLE ASSETS (CONT'D)

Trademark

Trademark relates to the intellectual property acquired by the Group.

Impairment review

The trademark with indefinite useful life is impractical to allocate to each CGU on a reasonable and consistent basis for the purpose of impairment review. Therefore, the management has performed impairment assessment at business operation level on annual basis.

The Group estimated the recoverable amounts of the carrying amount of trademark based on the VIU. The VIU has been calculated using the cash flow projections covering 5 years period. Cash flow that beyond 5 years period have been extrapolated using terminal growth rate.

Key assumptions used in the VIU calculation are as follows:

	2021
Discount rate (pre-tax)	15.60%
Long term growth rate	3.28%

Based on the impairment assessment, impairment loss of RM6.18 million (2020: Nil) has been recognised on trademark during the financial year.

The sensitivity of the impairment assessment to a reasonably possible change in each of the key inputs would not result in additional material impairment losses on the trademark as it has been fully impaired.

Franchise rights

Franchise rights are rights granted to the Group for their operation of restaurant business.

13. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021 RM'000	2020 RM'000
Quoted shares, at cost	279,995	-
Unquoted shares, at cost	363,454	365,254
Unquoted redeemable preference shares, at cost	1,083,346	1,067,693
	1,726,795	1,432,947
Less: Accumulated impairment losses	(32,061)	(6,725)
	1,694,734	1,426,222
Capital contributions	11,159	11,159
	1,705,893	1,437,381
Market value of quoted shares	280,376	-

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The fair value of the quoted shares as at 30 June 2021 is RM280,376,000 (2020: nil), based on the quoted market price at the reporting date included within level 1 of the fair value hierarchy.

The capital contributions are for subsidiaries' capital expenditures 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.

Details of the subsidiaries are as follows:

	Effective interest 2021 %	Effective interest 2020 %	Principal activities	Principal place of business and place of incorporation
Direct subsidiaries of the Company				
Ekovest Construction Sdn Bhd	100	100	Civil engineering and building works	Malaysia
Ekovest Project Management Sdn Bhd	100	100	Project management for construction works	Malaysia
Ekoriver Construction Sdn Bhd	100	100	Civil engineering and building works	Malaysia
Ekovest Development (S) Pte. Ltd.*	100	-	Property development	Singapore
Ekovest Asset Management Sdn Bhd	100	100	Inactive	Malaysia
Ekovest Bay Sdn Bhd	100	100	Inactive	Malaysia
Ekovest Energy Sdn Bhd	100	100	Property investment and renewable energy activity	Malaysia
Ekovest-Faber Sdn Bhd	-	60	Struck-off	Malaysia
Ekovest Oil & Gas Sdn Bhd	51	51	Inactive	Malaysia
Ekovest Properties Sdn Bhd	100	100	Property development	Malaysia
Ekovest World Sdn Bhd	100	100	Property investment	Malaysia
KL Bund Sdn Bhd	100	100	Project coordinator and manager for 'River of Life' project	Malaysia
KL Rivercity Sdn Bhd	100	100	Inactive	Malaysia
Saujarena Bina Sdn Bhd	100	100	Property investment	Malaysia
Timur Terang Sdn Bhd	100	100	Property investment	Malaysia
Tanahmas Kapital Sdn Bhd	100	100	Property development	Malaysia
Ekovest Capital Sdn Bhd ("ECSB")	100	100	Property development and property investment	Malaysia
Wira Kristal Sdn Bhd ("WKSB")	100	100	Investment holding	Malaysia
DUKE Dinings Sdn Bhd ("DDSB")	100	100	Investment holding	Malaysia

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (Cont'd)

	Effective interest 2021 %	Effective interest 2020 %	Principal activities	Principal place of business and place of incorporation
Direct subsidiaries of the Company (Cont'd)				
Ekovest Brunsfield Holdings Sdn Bhd ("EBHSB")	50	50	Investment holdings	Malaysia
Arah Kasturi Sdn Bhd ("AKSB")	100	100	Investment holding	Malaysia
Ekovest Land Sdn Bhd ("ELSB")	100	100	Property development	Malaysia
Milan Resources Sdn Bhd ("MRSB")	100	100	Investment holding	Malaysia
PLS Plantations Berhad ("PLS")*	73	-	Investment holding, civil engineering and construction works	Malaysia
Indirect subsidiaries of the Company				
Subsidiaries of ECSB:				
DUKE Hotels Sdn Bhd	100	100	Hotel operator	Malaysia
Heritage Reno Sdn Bhd	100	100	Property investment	Malaysia
Sunview Capital Sdn Bhd	100	100	Property investment	Malaysia
Temasek Megamas Sdn Bhd	100	100	Property investment	Malaysia
Subsidiary of WKSB: Nuzen Corporation Sdn Bhd ("NCSB")	100	100	Investment holding	Malaysia
Subsidiaries of NCSB: Duke Development Sdn Bhd	100	100	Inactive	Malaysia
Ekovest Park & Ride Sdn Bhd ("EPR")	100	100	To construct, operate, manage and maintain the park and ride building	Malaysia
Konsortium Lebuhraya Utara Timur (KL) Sdn Bhd ("Kesturi")	60	60	Design, construction, operation, management and maintenance of the Duta-Ulu Kelang Expressway	Malaysia
Lebuhraya Duke Fasa 2A Sdn Bhd	70	70	Inactive	Malaysia
Lebuhraya Duke Fasa 3 Sdn Bhd	100	100	To design, construct, operate, manage and maintain the Setiawangsa-Pantai Expressway	Malaysia
Subsidiaries of DDSB:				
Sunshine Reality Sdn Bhd	60	60	Restaurant operator	Malaysia
The Loaf Asia Sdn Bhd	70	70	Restaurant operator	Malaysia
Xindauji (M) Sdn Bhd	100	65	Restaurant operator	Malaysia

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (Cont'd)

	Effective interest 2021 %	Effective interest 2020 %	Principal activities	Principal place of business and place of incorporation
Indirect subsidiaries of the Company (Cont'd)				
Subsidiaries of EBHSB:				
Ekofield Danga Cove Sdn Bhd	-	50	Struck-off	Malaysia
Ekofield Projects Sdn Bhd	-	50	Struck-off	Malaysia
Ekofield Property Sdn Bhd	-	50	Struck-off	Malaysia
Subsidiary of ELSB:				
Milan Prestasi Sdn Bhd	100	100	Property investment	Malaysia
Subsidiary of MRSB:				
Milan Energy Sdn Bhd	100	100	Property investment	Malaysia
Subsidiaries of PLS:				
Aramijaya Agri & Agro Sdn. Bhd. ("Aramijaya")*	51	-	Management and operation of a forest plantation, logging, saw milling, chipping, other downstream, manufacturing and related activities and oil palm, plantation and undertaking of construction works	Malaysia
Brighthill Synergy Sdn. Bhd. ("BSSB")*	73	-	Investment holding, estate owners and trading of commercial goods	Malaysia
Ikhlasi Bina Sdn. Bhd.*	73	-	Civil engineering and construction works	Malaysia
Jasa Indahmas Sdn. Bhd.*	73	-	Estate owners, management and operation of a forest plantation	Malaysia
Signal Express Sdn. Bhd. ("SESB")*	73	-	Investment holding and wholesale of a variety of goods without any particular specialisation.	Malaysia
Parklane Advisors Sdn. Bhd.*	73	-	Design and develop durian investment scheme	Malaysia
Subsidiaries of BSSB:				
Dulai Fruits Enterprise Sdn Bhd ("Dulai")	51	-	Trading of fresh and processed fruits	Malaysia
Perfect Sunworld Sdn. Bhd. ("PSSB")*	73	-	Contract farming on management, operation, maintenance and harvesting of a durian plantation	Malaysia
Subsidiary of Dulai:				
ARTM Services Sdn. Bhd.*	51	-	Trading of fresh and processed fruits	Malaysia

*Subsidiaries not audited by Mazars PLT.

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Subsidiaries that have material non-controlling interests

Details of the Group's subsidiaries that have material non-controlling interests at the end of the reporting period are as follows:

Name of subsidiaries	Proportion of ownership interest held by non-controlling interests 2021 %	2020 %	Profit/(loss) allocated to non-controlling interests ** 2021 RM'000	2020 RM'000
Kesturi	40	40	(22,229)	(13,258)
PLS	27	-	2,594	-

Name of subsidiaries	Carrying amount of non-controlling interests 2021 RM'000	2020 RM'000
Kesturi	320,203	342,432
PLS	139,129	-

** Amounts before intra-group elimination.

Summarised financial information of the Group's subsidiaries that have material non-controlling interests (amounts before intra-group elimination) is as follows:

	2021 RM'000	2020 RM'000
Kesturi		
Current assets	153,281	184,443
Non-current assets	2,422,418	2,442,383
Current liabilities	(89,891)	(60,054)
Non-current liabilities	(2,390,079)	(2,401,520)

	2021 RM'000	2020 RM'000
Revenue	154,660	154,205
Expenses	(224,183)	(187,348)
Loss for the year	(69,523)	(33,143)
Other comprehensive income	-	-
Total comprehensive loss for the year	(69,523)	(33,143)
Net cash flows from operating activities	134,016	133,152
Net cash flows from investing activities	35,537	25,636
Net cash flows from financing activities	(168,627)	(160,833)
Net changes in cash and cash equivalents	926	(2,045)

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

	2021 RM'000	2020 RM'000
PLS* **		
Current assets	86,144	-
Non-current assets	413,488	-
Current liabilities	(57,408)	-
Non-current liabilities	(147,730)	-
Revenue	67,141	-
Expenses	(57,504)	-
Profit for the year	9,637	-
Other comprehensive income	-	-
Total comprehensive income for the year	9,637	-
Net cash flows from operating activities	(24,464)	-
Net cash flows from investing activities	(7,687)	-
Net cash flows from financing activities	48,679	-
Net changes in cash and cash equivalents	16,528	-

*** Post acquisition profit and cash flow impact

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

Impairment Testing on Investment in EPR

For the year ended 30 June 2021, EPR incurred a loss of RM27 million and also as a result of Covid-19 outbreak and deferment of commencement of park and ride operation, the Group performed an impairment assessment of the carrying amount of the investment in EPR by comparing the net present values derived from the discounted future cash flows of the park and ride operation against the carrying amount. The assessment has shown that the recoverable amount of investment in EPR is lower than the carrying amount. The impairment test led to the recognition of an impairment loss of RM27 million in profit or loss.

The recoverable amount of investment in EPR is determined based on a VIU calculation, using cash flow projection from financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projection is 5.6%.

The discount rate is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta. The beta is based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Key assumptions used for VIU calculation for investment in EPR are as follows:

Pre-tax discount rate	5.6%
Revenue growth rate(1)	5.0%
Terminal growth rate(2)	1.4%

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Impairment Testing on Investment in EPR (Cont'd)

Key assumptions used for VIU calculation for investment in EPR are as follows: (Cont'd)

(i) Revenue growth rate is estimated based on past performance and its expectations of market development.

(ii) Terminal growth rate is assigned at the end of five-year cash flow projections based on the assumed growth rate in perpetuity.

The sensitivity of the impairment assessment to a reasonably possible change in each of the key inputs is as follows:

	Change in assumption, holding other inputs constant	Additional impairment charge RM
Pre-tax discount rate	Increased by 1%	8.8 million
Commencement of operation	Delayed by 1 year	0.6 million
Revenue growth rate	Decreased by 1%	0.3 million

14. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Quoted shares, at cost	-	105,837	-	105,837
Unquoted shares, at cost	3,581	-	-	-
Group's share of post-acquisition reserves	-	(3,121)	-	-
	3,581	102,716	-	105,837
Market value of quoted shares	-	67,791	-	67,791

The fair value of the quoted shares as at 30 June 2020 was based on the quoted market price at the reporting date included within level 1 of the fair value hierarchy.

Details of the associate is as follows:

	Effective equity interest 2021 %	Effective equity interest 2020 %	Principal activities	Principal place of business and place of incorporation
PLS *#	-	30.44	Investment holding, civil engineering and construction works	Malaysia
MCC Land (TMK) Pte.Ltd.("MCC")*	29	-	Real estate developer	Singapore

* Associate not audited by Mazars PLT.

\# PLS became a subsidiary to the Group on 30 October 2020, upon the Company obtaining control over PLS. Accordingly, PLS ceased to be an associate and became a subsidiary to the group as disclosed in note 57(iii).

14. INVESTMENT IN AN ASSOCIATE (CONT'D)

On 30 December 2020, Ekovest Development (S) Pte. Ltd. ("EDS"), a wholly-owned subsidiary of the Company entered into a Shareholders Agreement with MCC Land (Singapore) Pte. Ltd. and Sky Vision Management Pte. Ltd. to jointly develop a piece of land in Tanah Merah Kechil, Singapore into a mixed-use development comprising residential flats with carpark, communal facilities and a commercial component. Accordingly, EDS has acquired 1,160,000 shares in MCC for a total consideration of RM3,581,000, representing 29% equity interest in MCC.

There are no adjustments made for the new associate's result between 1 January 2021 and 30 June 2021 as MCC is a newly incorporated company and its financial effect to the group are immaterial.

In the previous financial year, the Company acquired further additional 1,192,300 shares in PLS for a total consideration of RM1.156 million.

Summarised financial information of the associate is as follows:

PLS	2020 RM'000
Current assets	31,743
Non-current assets	390,788
Current liabilities	(56,998)
Non-current liabilities	(134,696)
Revenue	88,467
Expenses	(97,626)
Loss for the year	(9,159)
Other comprehensive income	-
Total comprehensive loss for the year	(9,159)

Reconciliation of summarised financial information of the associate to the carrying amount of interest in associate is as follows:

	2020 RM'000
Net assets	230,837
Proportion of ownership interest held by the Group	30.44%
Group's share of net assets	70,267
Goodwill	32,312
Adjustment to uniform accounting policy	137
Carrying amount of the Group's interest in the associate	102,716

15. INVESTMENT IN A JOINT VENTURE

Group	2021 RM'000	2020 RM'000
Unquoted shares, at cost	-	*
Group's share of post-acquisition reserves	-	816
	-	816

*Represents RM70.

15. INVESTMENT IN A JOINT VENTURE (CONT'D)

Details of the joint venture is as follows:

	Effective equity interest 2021 %	Effective equity interest 2020 %	Principal activities	Principal place of business and place of incorporation
Medan Jutajaya Sdn Bhd	70	70	Inactive	Malaysia

The Group's unrecognised share of losses of joint venture:

	2021 RM'000	2020 RM'000
Unrecognised share of losses for the year	86	-
Cumulative unrecognised share of losses	86	-

16. OTHER INVESTMENTS

		2021 RM'000	2020 RM'000
Group			
Investment in unquoted redeemable preference share, at amortised cost	(a)	6,371	-
Company			
Investment in Junior Bond, at amortised cost	(b)	271,908	267,459
Investment in warrants, at FVTPL	(c)	17,194	-
		289,102	267,459

(a) Investment in unquoted redeemable preference share

The Group subscribed 6,000,000 redeemable preference shares ("RPS") in Krillo Kakaw Sdn Bhd and Cocoa Vision Sdn Bhd.

The salient features of the RPS are as follows:

(i) The RPS has tenure of 5 years from date of issuance with redemption price equivalent to issue price; and

(ii) The RPS carry cumulative dividend at rate of 7% per annum throughout the entire tenure period. In the event that the subscriber becomes a shareholder of the issuers, the RPS cumulative dividend shall be reduced to 6% per annum.

16. OTHER INVESTMENTS (CONT'D)

(b) Investment in Junior Bond

The Company subscribed RM180 million Junior Bond from its subsidiary, Kesturi.

The salient features of the Junior Bond are as follows:

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

(ii) The Junior Bond's coupon is calculated at a rate of 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 principal is receivable at the maturity date of the Junior Bond. The coupon payment is paid semi-annually, commencing on 3 December 2020.

(c) Investment in warrants

The Company acquired 48,434,800 warrants in PLS ("PLS Warrant") for total consideration of RM1,133,000.

The salient feature of the warrant is that each PLS Warrant entitles the holder to subscribe for one (1) new PLS Share at the exercise price of RM0.80 at any time during the 10-year exercise period commencing 5 March 2020 up to 4 March 2030.

The fair value of the quoted warrants as at 30 June 2021 is RM17,194,000 (2020: Nil), based on the quoted market price at the reporting date included within level 1 of the fair value hierarchy.

17. PERFORMANCE DEPOSITS

Pursuant to the terms of the Privatisation Agreement dated 4 December 2002, the Group is required to pay YPJH a sum of RM2.5 million as security towards Aramijaya's performance in undertaking a major role in the proposed privatisation of forest plantation project ("performance deposits"), and a sum of RM5 million a year for the first ten years period commencing from the financial year ended 31 March 2003, being YPJH's minimum net profit entitlement.

In the event that the net profit entitlement payable to YPJH arising from its 30% equity participation is less than RM5 million in any of the first ten years period, YPJH shall be entitled to request from the subsidiary additional sum towards the performance deposit equivalent to the amount of the shortfall from the RM5 million payable. Accordingly, YPJH's minimum net profit entitlement for the first ten years period totalling RM50 million, inclusive of the deposit of RM2.5 million, have been recognised as performance deposits.

The minimum net profit entitlement of YPJH totalling RM50 million shall be recoverable by way of set-off against YPJH's future profit entitlement in respect of its 30% equity participation in the subsidiary over and above RM5 million in any financial year within the first ten years from the financial year ended 31 March 2003 and any profit entitlement of YPJH thereafter.

In the event that there is any outstanding balance of the performance deposit (including any additional sums added due to the shortfall from the RM5 million minimum net profit entitlement a year for the first ten years period) not set off due to insufficient profit entitlement at the end of the 60 years management period, YPJH shall not be required to refund the performance deposit (including any additional sums added) and the same shall be fully extinguished.

The YPJH's minimum net profit entitlement of RM50 million has been fully paid during the financial year ended 31 March 2015 mainly through cash payments and the issuance of redeemable convertible preference shares in the subsidiary.

18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current				
Amount owing by a joint venture	119	5,132	119	5,132
Amount owing by a related party	1,150	-	1,150	-
Amount owing by an associate	17,387	-	-	-
Total non-current	18,656	5,132	1,269	5,132
Current				
Receivables from contracts with customers				
- third parties	51,838	55,961	53	8,107
- fund held by stakeholders	33,632	34,711	-	-
- related parties	3,079	15,530	48	341
Trade receivables	88,549	106,202	101	8,448
Other receivables				
- third parties	59,402	55,837	94	369
- a joint venture (advances)	6,300	-	6,300	-
- related parties (advances)	4,963	6,227	111	2,179
	70,665	62,064	6,505	2,548
Less: Loss allowance	(1,420)	-	-	-
	69,245	62,064	6,505	2,548
Goods and Services Tax ("GST") recoverable	-	5,450	-	3,502
Prepayments	6,360	12,118	164	326
Deposits	16,580	24,591	118	102
Total current	180,734	210,425	6,888	14,926
Total	199,390	215,557	8,157	20,058

Non-current

The amounts owing by the joint venture, the related party and the associate included under non-current assets represent unsecured advances which is interest-free and not receivable within the next 12 months.

Current

Trade receivables comprise amounts receivable from progress billings made to customers on contract work performed, retention sums receivable, services rendered and goods sold to customers. Customers are granted normal credit periods from cash on delivery to 90 days (2020: 30 to 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 (2020: 12 and 24 months).

Included in the trade receivables of the Group is a gross balance of RM3,189,000 (2020: Nil) will be repaid in tranches over 12 months period pursuant to instalment scheme entered into subsequent to the financial period end. These trade balances are unsecured and interest free. The directors are of opinion that the fair value adjustment is not material to the Group as at the reporting date.

18. TRADE AND OTHER RECEIVABLES (CONT'D)

Current (Cont'd)

Amount owing by joint venture under current assets represent unsecured advances which is interest-free and receivable within the next 12 months.

Amounts owing by related parties represent amounts owing by companies in which certain directors have financial interests, which are unsecured, interest-free and receivable on demand. Included in the amounts owing by related parties is an amount of nil (2020: RM14,919,000) which bear interest at nil (2020: 6%) per annum with effect from 1 January 2020.

The currency profile of trade and other receivables are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
RM	175,202	215,557	8,157	20,058
United States Dollars ("USD")	241	-	-	-
Singapore Dollar ("SGD")	17,387	-	-	-
Chinese Yuan ("CNY")	6,560	-	-	-
	199,390	215,557	8,157	20,058

19. 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	2021 RM'000	2020 RM'000
Trade accounts	34	-
Unsecured advances bearing interest at 4.32% (2020: 5.48%) per annum	16,274	12,280
Unsecured interest-free advances	413,363	465,002
	429,671	477,282

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

The unsecured advances are receivable on demand.

Amounts owing to subsidiaries included under non-current liabilities

The amounts owing to subsidiaries included under non-current liabilities represent trade accounts which are not repayable within the next 12 months.

19. AMOUNTS OWING BY/TO SUBSIDIARIES (CONT'D)

Amounts owing to subsidiaries included under current liabilities

	2021 RM'000	2020 RM'000
Company		
Trade accounts	1,097,812	955,942
Unsecured interest-free advances	36,627	36,309
	1,134,439	992,251

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

The unsecured interest-free advances are repayable on demand.

The changes in amounts owing to subsidiaries are as follows:

	Company 2021 RM'000	Company 2020 RM'000
At 1 July	36,309	39,160
Cash flows:		
Advances received	24,665	75
Repayment	-	(320)
Non-cash:		
Dividend income	(40,000)	-
Transfer from amount owing to subsidiaries to investment in subsidiaries	15,653	-
Contra with amounts owing by subsidiaries	-	(2,606)
At 30 June	36,627	36,309

20. DEFERRED TAX ASSETS

	Group 2021 RM'000	Group 2020 RM'000 (Restated)
At 1 July	17,942	14,916
Acquisition of subsidiary (note 57)	195	-
Recognised in profit or loss	2,988	3,026
At 30 June	21,125	17,942
The deferred tax assets comprise:		
Deductible temporary differences		
- difference between net carrying amount and tax written down value of property, plant and equipment	183	1,317
- unabsorbed tax losses	5,323	571
- unabsorbed capital allowance	13,155	10,612
- future deductible development costs	1,320	4,725
- others	1,144	717
	21,125	17,942

20. DEFERRED TAX ASSETS (CONT'D)

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.

Deferred tax assets for the following temporary differences and unused tax credits are not recognised in the financial statements:

Group	2021 RM'000	2020 RM'000
Unabsorbed tax losses	43,470	24,630
Unabsorbed capital allowance	2,384	1,688
Other deductible temporary differences	12,294	6,030
	58,148	32,348

Pursuant to the applicable tax legislation, the unrecognised tax losses will expire as follows:

Group	2021 RM'000	2020 RM'000
Financial year:		
Expiring in 2025	17,316	7,088
Expiring in 2026	3,657	5,989
Expiring in 2027	8,487	11,553
Expiring in 2028	14,010	-
	43,470	24,630

21. INVENTORIES

	Group 2021 RM'000	Group 2020 RM'000
At Cost		
Completed properties (note 24)	205,863	-
Food and beverages	224	474
Sawn timbers	32	-
Consumables	2,170	-
Finished goods - durian related	15,367	-
	223,656	474

The amount of inventories recognised as an expense in the cost of sales of the Group is RM47,157,000 (2020: RM7,726,000).

22. CONTRACT ASSETS/LIABILITIES

Group		Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Contract assets					
- Property development contracts	(a)	331	4,475	-	-
- Construction contracts	(b)	73,256	26,494	386,753	63,759
		73,587	30,969	386,753	63,759
Contract liabilities					
- Advances received from customers	(c)	-	3,585	-	-

(a) Property development contracts

Group	2021 RM'000	2020 RM'000
At 1 July	4,475	16,948
Revenue recognised during the year (note 39)	11,380	30,731
Progress billings issued during the year	(15,524)	(43,204)
At 30 June	331	4,475

Revenue relating to property development contracts is recognised over time, while the customers pay according to contractual milestones.

A contract asset is recognised in respect of the right to consideration for work performed which has not billed at the reporting date.

(b) Construction contracts

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
At 1 July	26,494	85,663	63,759	198
Acquisition of subsidiary (note 57)	(525)	-	-	-
Revenue recognised during the year	93,771	208,555	806,430	770,776
Revenue recognised that was included in the contract liabilities at the beginning of the year	-	485	-	-
Progress billings issued during the year	(46,484)	(268,209)	(483,436)	(707,215)
At 30 June	73,256	26,494	386,753	63,759
Represented by:				
Contract assets	73,256	26,494	386,753	63,759

Revenue relating to cconstruction contracts is recognised over time, while the customers pay according to contractual milestones.

A contract asset is recognised in respect of the right to consideration for work performed which has not billed at the reporting date.

A contract liability is recognised upon collection of transaction price and being recognised as revenue over the period of the contract.

22. CONTRACT ASSETS/LIABILITIES (CONT'D)

(c) Advances received from customers

Represents advances received from customers for the construction works yet to be performed at the reporting date.

23. CONTRACT COSTS

Group		2021 RM'000	2020 RM'000 (Restated)
- property development contracts costs	(a)	-	1,856
- pre-contract cost	(b)	2,502	2,216
		2,502	4,072
Company			
- pre-contract cost	(b)	-	-

(a) Property development contracts costs

Group	2021 RM'000	2020 RM'000 (Restated)
At 1 July	1,856	2,942
Transfer from property development costs (note 24)	11,706	7,330
Costs recognised as expenses in the current year (note 40)	(13,562)	(8,416)
At 30 June	-	1,856

(b) Pre-contract cost

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At 1 July	2,216	2,216	-	-
Additions	746	-	460	-
Written off	(460)	-	(460)	-
At 30 June	2,502	2,216	-	-

24. PROPERTY DEVELOPMENT COSTS

	2021 RM'000	2020 RM'000 (Restated)
Freehold land, at cost	58,703	59,320
Development costs	273,685	275,728
At 1 July	332,388	335,048
Costs incurred during the year		
- Development costs	2,590	4,670
Transfer to inventories (note 21)	(205,863)	-
Transfer to contract costs (note 23 (a))	(11,706)	(7,330)
At 30 June	117,409	332,388

Represents development costs attributable to development units that are unsold at reporting date. These costs are expected to be recovered and will be transferred to contract costs when the control of the development units is transferred to customers.

The freehold land is charged to licensed banks for banking facilities granted to the Group as disclosed in notes 31 and 38 to the financial statements.

25. 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 comprises money market instruments.

The fair value of the investment funds at reporting date is measured at level 2 hierarchy, by reference to net asset value of the funds.

There is no transfer between levels of fair value hierarchy during the financial year.

The movements of the investment funds are as follows:

Group	2021 RM'000	2020 RM'000
At 1 July	1,591,322	2,281,600
Additions	460,411	684,554
Redemptions	(1,063,057)	(1,377,240)
Change in fair value	212	2,408
At 30 June	988,888	1,591,322

26. SHORT TERM DEPOSITS

The short-term deposits are placed with licensed banks and earn interests between 1.10% and 3.35% (2020: 1.62% and 3.58%) per annum. The short-term deposits have maturity periods of less than one year.

Included in short term deposits of the Group is an amount of RM6,189,000 (2020: RM2,000,000), which have been charged to banks as security for banking facilities granted to the Group as disclosed in notes 32(a) and 38(b) to the financial statements.

26. SHORT TERM DEPOSITS (CONT'D)

Included in short term deposits of the Group is an amount of RM161,137,000 (2020: RM159,881,000) maintained in Designated Account in accordance with the shareholders' agreement entered into between the Group and a minority shareholder of a subsidiary company on 13 February 2017 ("SHA").

The deposits maintained in the Designated Account can only be utilised by the Group upon fulfilment of certain terms and conditions stated in the SHA.

27. CASH AND BANK BALANCES

Cash and bank balances of the Group include an amount of RM246,000 (2020: RM723,000) maintained in Housing Development Account ("HDA"). 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 0.50% to 0.70% (2020: 0.65%) per annum.

Included in cash and bank balances of the Group and of the Company are amounts of RM4,500,000 and nil (2020: RM3,763,000 and nil), respectively, maintained in Designated Bank Accounts for which utilisation is restricted for the payments of principal, and interest or future profits in respect of the bank term loans and medium-term notes of the Group and of the Company.

Included in cash and bank balances of the Group is an amount of RM82,000 (2020: RM659,000) maintained in Designated Account in accordance with the SHA. The cash and bank balances maintained in Designated Account can only be utilised by the Group upon fulfilment of certain Group terms and conditions stated in the SHA.

The currency profile of cash and bank balances are as follow:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
RM	182,794	270,378	8,992	29,978
USD	4,613	-	-	-
	187,407	270,378	8,992	29,978

28. SHARE CAPITAL

	Group and Company			
	2021		2020	
	Number of shares	Amount RM'000	Number of shares	Amount RM'000
Issued and fully paid:				
Ordinary share				
At 1 July	2,654,828,002	1,117,961	2,654,828,002	1,117,961
Issued during the financial year, pursuant to private placement (note 59(ii))	41,000,000	20,910	-	-
At 30 June	2,695,828,002	1,138,871	2,654,828,002	1,117,961

29. RESERVES

(a) Asset revaluation reserve

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

(b) Translation reserve

Translation reserve represents foreign exchange differences arising from the translation of foreign operations.

(c) Share option reserve

The Company's Employees' Share Option Scheme ("ESOS") were governed by the By-Laws which was approved by the shareholders at an Extraordinary General Meeting held on 8 May 2014. The ESOS was implemented on 26 September 2014 and were in force for a period of 5 years from the date of implementation.

On 9 March 2017, the Company granted 120,330,000 options at an exercise price of RM1.30 per share under the ESOS.

The ESOS expired on 25 September 2019.

30. LEASE LIABILITIES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Future minimum lease payments	22,097	22,434	884	2,149
Less: Future finance charges	(2,531)	(2,459)	(58)	(192)
Total present value of minimum lease payments	19,566	19,975	826	1,957
Payable within one year				
Future minimum lease payments	8,072	8,405	344	580
Less: Future finance charges	(764)	(809)	(34)	(83)
Present value of minimum lease payments	7,308	7,596	310	497
Payable more than one year				
Future minimum lease payments	14,025	14,029	540	1,569
Less: Future finance charges	(1,767)	(1,650)	(24)	(109)
Present value of minimum lease payments	12,258	12,379	516	1,460
Representing:				
Non-current	12,258	12,379	516	1,460
Current	7,308	7,596	310	497
	19,566	19,975	826	1,957
Analysed by:				
Finance lease liabilities	5,733	8,941	287	433
Rental lease liabilities	13,833	11,034	539	1,524
	19,566	19,975	826	1,957

The effective interest rates of the finance lease liabilities are between 2.54% and 6.54% (2020: 2.44% and 5.63%) per annum.

30. LEASE LIABILITIES (CONT'D)

The changes in leases liabilities are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At 1 July	19,975	12,621	1,957	634
Cash flows:				
Payment of finance lease liabilities	(3,218)	(6,268)	(165)	(201)
Payment of finance lease term charges	(220)	(387)	(33)	(20)
Payment of rental lease liabilities	(9,643)	(3,064)	(146)	(333)
Payment of rental lease term charges	(805)	(658)	(12)	(90)
Non-cash:				
Acquisition of property, plant and equipment (note 50)	-	2,588	-	-
Acquisition of new leases (note 7)	5,219	-	-	-
Acquisition of subsidiary (note 57)	9,341	-	-	-
Effect of initial application of MFRS 16 leases on 1 July 2019	-	14,098	-	1,857
Transfer from deposit paid	(775)	-	(775)	-
Lease rebate received	(1,259)	-	-	-
Lease modification	(26)	-	-	-
Interest expense	977	1,045	-	110
At 30 June	19,566	19,975	826	1,957

Certain property leases contain both fixed and variable lease payment terms. The variable lease payments are linked to revenue generated by the leased properties.

The lease payments associated to short-term leases or leases of low-value assets are recognised as an expense on a straight-line basis over the lease term. No right-of-use assets and lease liabilities are recognised or these leases. At the reporting date, the Group and the Company do not have significant lease commitment for short-term leases.

The fixed and variable lease payments are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Fixed lease payment	13,858	10,367	356	644
Variable lease payment	28	10	-	-
At 30 June	13,886	10,377	356	644

Certain leases of retail store contain an option exercisable by the Group. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options.

31. BANK TERM LOANS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Bank term loans bearing interest rates at 2.20% below base lending rate [effective rates between 3.23% and 3.27% (2020: 3.51% and 4.52%) p.a.]	10,980	10,816	-	-
Bank term loans bearing interest rates at 1.75% above cost of fund [effective rates between 4.18% and 4.99% (2020: 4.99% and 5.89%) p.a.]	255,813	116,054	152,736	-
Bank term loans bearing interest rates at 0.50% above base lending rate [effective rates between 5.85% and 5.98% (2020: 6.19% and 7.22%;) p.a.]	68,994	66,192	-	-
Bank term loans bearing interest rates at 0.75% above base lending rate [effective rate between 5.26% and 6.35% (2020: 6.47% and 7.48%) p.a]	9,614	9,450	-	-
Bank term loan bearing interest rates at 2.25% above cost of fund [effective rate at 5.88% p.a]	27,000	-	-	-
Bank term loans bearing interest rates at 0.30% above base lending rate [effective rate between 5.80% and 6.90% p.a]	57,090	-	-	-
Bank term loans bearing interest rates at 1.00% above base lending rate [effective rate between 6.48% and 6.55% p.a]	15,689	-	-	-
Bank term loans bearing fixed interest rates at 3.00% p.a	13,976	-	-	-
Bank term loan bearing interest rates at 3.75% above 90-days LIBOR [effective rate between 3.94% and 3.98% p.a]	56,264	-	-	-
	515,420	202,512	152,736	-
Repayments due within 12 months (included in current liabilities, note 38)	(64,219)	(15,954)	(23,082)	-
Repayments due after 12 months	451,201	186,558	129,654	-

The bank term loans are secured by a first party legal charge over certain freehold land and buildings under investment properties, right-of-use assets, land held for property development, bearer plants and property development costs of the Group as disclosed in notes 6, 7, 8, 10 and 24 to the financial statements and charge over the Designated Bank Accounts and a deed of assignment of rental proceeds.

32. MEDIUM TERM NOTES

Group	Note	2021 RM'000	2020 RM'000
Islamic medium term notes - Kesturi	(a)	1,843,338	1,828,061
Islamic medium term notes - LDF3	(b)	3,604,385	3,602,422
		5,447,723	5,430,483
Repayments due within 12 months		(80,000)	(50,000)
Repayments due after 12 months		5,367,723	5,380,483

(a) The amount represents Islamic medium-term notes ("IMTN") issued by Kesturi, a 60%-owned subsidiary of the Company. 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 weighted average effective profit payment rate is 4.80% (2020: 4.78%).

(b) The amount represents IMTN issued by LDF3, a wholly-owned subsidiary of the Company. LDF3 issued IMTN pursuant to the Sukuk issuance programme under the Shariah principle of Wakalah Bi Al-Istithmar ("Sukuk Wakalah"). The IMTN with nominal value up to RM3.64 billion was constituted by a Trust Deed dated 23 August 2016 between LDF3 and the trustee for the holders of the IMTN.

The IMTN was issued in 16 tranches, with maturities commencing from 2024 to 2039. The profit payment is due every six months, commencing from the issue date of the relevant tranche of the IMTN. The weighted average effective profit payment rate is 6% (2020: 6%).

The changes in medium term notes are as follows:

Group	2021 RM'000	2020 RM'000
At 1 July	5,430,483	5,443,383
Cash flows:		
Repayments	(50,000)	(38,749)
Interest paid	(108,206)	(109,833)
Non-cash:		
Interest capitalised	1,963	1,963
Interest expense	173,483	133,719
At 30 June	5,447,723	5,430,483

33. REIMBURSABLE INTEREST ASSISTANCE

On 19 December 2016, LDF3, a wholly-owned subsidiary of the Company, entered into Reimbursable Interest Assistance ("RIA") Agreement with the Government for RIA facility of up to RM560 million to pay part of the financing cost payable by LDF3 in relation to the construction of SPE Project.

RM460 million out of the total drawdown of RM560 million bears interest at 2% per annum (2020: 2%). The repayment of the RIA commences on 23 August 2024, with 43 semi-annual instalments.

The fair value of the RIA is estimated using the prevailing market interest rate of 6% (2020: 6%) per annum for an equivalent borrowing. The difference between the proceeds received and the fair value of the RIA is recognised as deferred income in note 34 to financial statements.

The RIA is secured by a debenture incorporating fixed and floating charges over all the LDF3's assets, rights, undertakings and interests, both present and future.

The change in RIA is as follows:

Group	2021 RM'000	2020 RM'000
At 1 July	286,577	270,008
Non-cash:		
Accretion of discount	17,585	16,569
At 30 June	304,162	286,577

34. DEFERRED INCOME

Group	2021 RM'000	2020 RM'000
Government grant		
Cost		
At 1 July/30 June	299,251	299,251
Accumulated amortisation		
At 1 July	(14,886)	(7,070)
Charge for the year	(8,831)	(7,816)
At 30 June	(23,717)	(14,886)
Net carrying amount	275,534	284,365

Deferred income relates to government grant arising from RIA facility as disclosed in note 33 to the financial statements.

35. PROVISION FOR HEAVY REPAIRS

Group	2021 RM'000	2020 RM'000
At 1 July	8,601	6,019
Provision during the year	1,855	2,174
Unwinding of discount	456	408
At 30 June	10,912	8,601

35. PROVISION FOR HEAVY REPAIRS (CONT'D)

Provision for heavy repairs relates to expected future costs of repairs of bridges and embankments, rectification of settlements and pavement rehabilitation of medium and high traffic sections along the highways and is provided based on past experience of the level of repair and level of usage of the highway. Assumptions used to calculate the provision for heavy repairs were based on projected traffic volume prepared by independent traffic consultants. The traffic volume projection is independently reviewed on a periodic basis.

36. DEFERRED TAX LIABILITIES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At 1 July	267,570	246,269	1,162	1,127
Recognised in profit or loss	50,014	21,301	(50)	35
Acquisition of subsidiary (note 57)	124,442	-	-	-
At 30 June	442,026	267,570	1,112	1,162
The deferred tax liabilities comprise:				
Taxable temporary differences				
- relating to revaluation of properties	24,618	26,821	890	1,003
- between net carrying amount and tax written down value of concession assets and property, plant and equipment	131,698	85,540	63	168
- between carrying amount and tax written down value of lease liabilities	31,441	(13)	159	(9)
- relating to fair value adjustments on assets and liabilities of subsidiaries acquired	219,058	155,222	-	-
- between carrying amount and tax written down value of bearer plants	35,211	-	-	-
	442,026	267,570	1,112	1,162

37. TRADE AND OTHER PAYABLES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Trade payables:				
- third parties	431,730	438,001	-	7,878
- related parties	100,196	9,041	80,254	141,563
	531,926	447,042	80,254	149,441
Other payables				
- third parties	18,632	3,202	1,285	1,720
- related parties (advances)	3,607	4,537	-	16
	22,239	7,739	1,285	1,736
Deposits	11,242	10,363	-	-
Provision for buy back cost	-	820	-	-
Accruals	16,194	17,607	837	1,760
Profit elements payable on IMTNs	84,547	84,547	-	-
Total current	666,148	568,118	82,376	152,937

37. TRADE AND OTHER PAYABLES (CONT'D)

Trade payables comprise amounts outstanding from trade purchases, sub-contractors claim 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 other payables amount are payable for liquidated and ascertained damages totaling RM469,859 (2020: RM793,277).

Amounts owing to related parties represent amounts owing to companies in which certain directors have financial interests, which are unsecured, interest-free and repayable on demand.

Accruals mainly consist of construction costs yet to be billed by sub-contractors.

The change in profit element payable on IMTNs are as follows:

	Group	
	2021 RM'000	2020 RM'000
At 1 July	84,547	83,281
Cash flow:		
Repayments of profit elements on IMTNs	(326,603)	(327,463)
Non-cash:		
Profit elements on IMTNs recognised	326,603	328,729
At 30 June	84,547	84,547

38. BANK BORROWINGS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Secured bank overdrafts bearing interest rates between 0.50% and 1.75% above base lending rate [effective rates between 6.47% and 7.75% (2020: 5.97% and 7.64%) p.a.]	37,810	21,628	15,787	12,037
Unsecured bank overdraft bearing interest rate at 1.50% above base lending rate [effective rate at 7.10% (2020: 7.22%) p.a.]	1,430	1,151	1,429	1,151
	39,240	22,779	17,216	13,188
Secured revolving credits bearing interest rates between 1.25% and 1.60% above cost of fund [effective rates between 2.50% and 5.35% (2020: 3.34% and 5.63%) p.a.]	478,579	532,125	365,000	345,000
Secured trade working capital financing bearing interest rates at 1.50% above cost of fund [effective rates at 3.55% p.a.]	635	-	-	-
	518,454	554,904	382,216	358,188
Bank term loans (note 31)	64,219	15,954	23,082	-
	582,673	570,858	405,298	358,188

38. BANK BORROWINGS (CONT'D)

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

(a) a first party legal charge over the freehold land under investment properties, right-of-use assets, land held for property development, bearer plants and property development costs of the Group as disclosed in notes 6, 7, 8, 10 and 24 to the financial statements and a deed of assignment of rental proceeds from the land;

(b) short term deposits of the Group and of the Company as disclosed in note 26 to the financial statements;

(c) an irrevocable standby letter of credit in favour of the banks;

(d) corporate guarantee by the Company; and

(e) joint and several guarantee by a director of a subsidiary.

The changes in revolving credits and bank term loans (included current and non-current liabilities, note 31) are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At 1 July	734,637	960,082	345,000	435,414
Cash flows:				
Drawdown of bank borrowings	248,716	32,042	178,839	31,000
Repayment of bank borrowings	(119,642)	(262,049)	(6,941)	(124,000)
Interest paid	(32,930)	(32,109)	(17,890)	(15,996)
Non-cash:				
Acquisition of subsidiary (note 57)	125,075	-	-	-
Interest expense	37,712	36,671	18,728	18,582
Unrealised loss on foreign exchange	1,066	-	-	-
At 30 June	994,634	734,637	517,736	345,000

39. REVENUE

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Revenue from contracts with customers				
(i) Recognised over time				
- construction contract revenue	1,092,375	1,049,475	806,430	770,776
- property development revenue (note 22(a))	11,380	30,731	-	-
(ii) Recognised at point in time				
- food and beverages	6,315	10,027	-	-
- plantation products and produces	62,922	-	-	-
- renewable energy income	310	355	-	-
- toll revenue	154,660	154,205	-	-
	1,327,962	1,244,793	806,430	770,776
Hire of machineries and motor vehicles	484	71	101	71
Rental income from investment properties	25,889	23,417	140	203
Dividend income from subsidiaries	-	-	40,000	50,000
	1,354,335	1,268,281	846,671	821,050

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are, as follows:

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Revenue recognised over time				
- within one year	941,533	1,527,263	330,686	343,058
- one year to five year	59,740	31,096	-	276,602
	1,001,273	1,558,359	330,686	619,660

Financing component is not recognised at contract inception, as management expects that the period between when the promised good or service is transferred to a customer and when the customer pays for that good or service will be one year or less except for immaterial financing component as disclosed in note 18.

40. COST OF SALES

	Group 2021 RM'000	Group 2020 RM'000 (Restated)	Company 2021 RM'000	Company 2020 RM'000
Construction contract costs	852,707	915,213	787,018	742,581
Property development costs (note 23(a))	13,562	8,416	-	-
Toll operations costs	32,493	45,257	-	-
Renewable energy costs	179	289	-	-
Food and beverages	2,610	7,726	-	-
Plantation products and produces	44,547	-	-	-
Hire of machineries and motor vehicles costs	28	46	28	46
Investment properties costs	13,772	16,668	211	269
	959,898	993,615	787,257	742,896

41. OTHER INCOME AND GAINS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Amortisation of deferred income	8,831	7,816	-	-
Compensation of shortfall from profit guarantee (note a)	2,989	-	-	-
Gain on remeasurement of retained equity interest in a former associate	17,053	-	-	-
Net gain on disposals of:				
- property, plant and equipment	596	-	-	-
Net fair value gain on:				
- investment funds	212	2,408	-	-
- other investments	-	-	16,061	-
Interest income from:				
- investment funds	28,095	70,359	-	-
- other investments	371	-	-	-
- short term deposits	7,872	24,456	2,885	10,835
- unwinding of discount on Junior Bond	-	-	14,827	21,669
- subsidiary	-	-	703	673
- related party	-	267	-	267
Government grant	-	80,500	-	-
Lease rebate	1,261	-	-	-
Others	14,594	13,135	1,305	-
	81,874	198,941	35,781	33,444
Less:				
Amounts capitalised in:				
- concession assets	(33,749)	(71,560)	-	-
	48,125	127,381	35,781	33,444

(a) Compensation of shortfall from profit guarantee

Pursuant to the Profit Guarantee Stakeholder Agreement, the non-controlling interest shareholder (hereby also referred as the Vendor) of Dulai had provided a minimum Guaranteed Profit of amounting to RM10 million for a period of three (3) years covering from 31 March 2020 to 31 March 2022 ("guaranteed financial years"), whereby, at the lapse of guaranteed financial years, any shortfall from the guaranteed profit will be compensated by the Vendor.

During the financial year, the directors of the PLS and the Vendor have entered into a Supplemental Profit Guarantee Stakeholder Agreement to vary the terms of the abovesaid Profit Guarantee Stakeholder Agreement whereby an agreed interim compensation of approximately RM3 million pursuant to the shortfall in profit guarantee calculated up to 31 March 2021 has been paid and have mutually agreed that the remaining profit guarantee balance is to be approximately RM7.5 million after taking into consideration certain agreed adjustments, and with an extension of time to 31 March 2023 provided to fulfil the remaining obligations under the abovementioned agreement.

42. FINANCE COSTS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Finance costs on:				
- bank borrowings	37,712	36,671	18,728	18,582
- bank overdraft	1,991	1,065	1,004	677
- medium term notes	394,009	354,844	-	-
- lease liabilities	977	1,045	-	109
- fair value loss on financial assets measured at amortised cost	2,009	1,487	14,405	41,978
- accretion of discount on RIA	17,585	16,569	-	-
- others	619	711	-	-
	454,902	412,392	34,137	61,346
Less:				
Amounts capitalised in:				
- bearer plants	(71)	-	-	-
- concession assets	(238,111)	(237,694)	-	-
	216,720	174,698	34,137	61,346

43. PROFIT BEFORE TAX

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit before tax is stated after charging/(crediting):				
Auditors' remuneration				
- statutory audit				
- Mazars PLT	383	370	110	100
- Firms other than Mazars PLT	129	-	-	-
- Underprovision in prior year	10	-	10	-
- non-statutory audit				
- Mazars PLT	59	40	5	5
- Firms other than Mazars PLT	23	-	-	-
Amortisation of				
- concession assets	24,342	26,913	-	-
- intangible assets	78	78	-	-
- bearer plants	8,278	-	-	-
Bad debts written off	1,850	19,929	299	52
Biological assets written off	1	-	-	-
Contract costs written off	460	-	460	-
Depreciation				
- property, plant and equipment	15,321	16,557	756	789
- right-of-use assets	7,829	3,420	430	371
Direct operating expenses of investment properties				
- revenue generating	4,335	28,067	26	73
- non-revenue generating	2,256	7,322	185	196

43. PROFIT BEFORE TAX (CONT'D)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit before tax is stated after charging/(crediting): (Cont'd)				
Impairment loss on				
- investment in subsidiaries	-	-	27,137	-
- intangible assets	6,297	-	-	-
- concession assets	25,578	-	-	-
- right-of-use assets	4,754	-	-	-
- property, plant and equipment	3,993	-	-	-
- bearer plants	240	-	-	-
Inventory written off	223	-	-	-
Loss allowance on other receivables	1,420	-	-	-
Loss on disposal of property, plant and equipment	-	354	47	412
Net fair value loss in investment properties	26,527	1,703	-	1,129
Operating lease				
- rental of premises	1,048	159	18	34
- rental of machinery	652	32	-	260
- rental of motor vehicles	567	306	-	6
- rental of equipment	116	-	-	-
Property, plant and equipment written off	344	2,075	-	-
Provision for heavy repairs	1,855	2,174	-	-
Loss on foreign exchange				
- realised	631	-	-	-
- unrealised	908	-	-	-
Fair value gain on biological assets	(1,349)	-	-	-

44. TAX EXPENSE

	Group		Company	
	2021 RM'000	2020 RM'000 (Restated)	2021 RM'000	2020 RM'000
Malaysian taxation				
- current	61,254	36,092	5,813	4,000
- deferred	46,813	18,287	179	52
	108,067	54,379	5,992	4,052
(Over)/Underestimated in prior years				
- current	(7,324)	7,597	302	46
- deferred	213	(12)	(229)	(17)
	(7,111)	7,585	73	29
	100,956	61,964	6,065	4,081

44. TAX EXPENSE (CONT'D)

The reconciliations between the tax expense and the accounting profit excluding share of results of associate and joint venture are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000 (Restated)	2021 RM'000	2020 RM'000
Accounting profit	119,465	92,679	15,840	26,266
Tax at the applicable tax rate of 24% (2020: 24%)	28,672	22,243	3,802	6,304
Tax effects of:				
- non-deductible expenses	49,684	30,479	20,162	17,301
- non-taxable income	(33,376)	(15,244)	(17,972)	(19,553)
Difference between corporate tax rate and RPGT rate applied in the computation of deferred tax on fair value gain on investment properties	(2,155)	(33)	-	-
Tax incentive	(3,151)	(12,164)	-	-
Deferred tax assets not recognised	6,192	29,098	-	-
Reversal of deferred tax assets previously recognised	62,201	-	-	-
(Over)/Underestimated in prior years	(7,111)	7,585	73	29
Tax expense for the year	100,956	61,964	6,065	4,081

45. EARNINGS PER SHARE

	Group	
	2021	2020 (Restated)
Net profit attributable to the owner of the Company (RM'000)	43,394	47,448
Weighted average number of ordinary shares in issue after effect of share split ('000)	2,685,718	2,654,828
Earnings per shares for net profit attributable to the owners of the Company - basic and diluted	1.62 sen	1.79 sen

46 DIVIDEND

	Company	
	2021 RM'000	2020 RM'000
In respect of the financial year ended 30 June 2020:		
First and final single-tier dividend of 0.5 sen per ordinary share:		
- Payment in cash	13,479	-
In respect of the financial year ended 30 June 2019:		
First and final single-tier dividend of 1 sen per ordinary share:		
- Payment in cash	-	26,548
	13,479	26,548

The Company does not recommend any dividend in respect of the current financial year.

47. EMPLOYEES BENEFITS EXPENSE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Salaries, wages, allowances and bonuses	49,173	56,974	3,851	8,528
Defined contribution plan - EPF contributions	3,762	5,256	327	869
Social security costs	600	564	25	28
Other benefits expenses	1,709	961	1,062	2
	55,244	63,755	5,265	9,427

48. RELATED PARTY DISCLOSURES

For the purposes of these financial statements, parties are considered to be related to the Group and the Company, 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 and the Company either directly or indirectly. The key management personnel's compensation is disclosed in note 49 to the financial statements.

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, Kinston Park Sdn Bhd, Knusford Landscape Sdn Bhd and D-Hill Sdn Bhd are deemed related to Tan Sri Dato' Lim Kang Hoo, Dato' Lim Hoe, Wong Khai Shiang and Lim Chen Thai;

(ii) Danga Bay Sdn Bhd, Teras Hijaujaya Sdn Bhd, Iskandar Waterfront Sdn Bhd, Rampai Fokus Sdn Bhd and Pembinaan KS Tebrau Sdn Bhd are deemed related to Tan Sri Dato' Lim Kang Hoo, Tan Sri Datuk Seri Lim Keng Cheng, Dato' Lim Hoe, Wong Khai Shiang, Lim Ding Shyong and Lim Chen Thai;

(iii) Astana Setia Sdn Bhd, Lim Seong Hai Lighting Sdn Bhd, and Besteel Engtech Sdn Bhd are deemed related to Tan Sri Datuk Seri Lim Keng Cheng and Lim Ding Shyong; and

(iv) Ekovest Holdings Sdn Bhd is deemed related to Tan Sri Dato' Lim Kang Hoo and Dato' Lim Hoe.

48. RELATED PARTY DISCLOSURES (CONT'D)

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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Bad debts written off	-	19,574	-	-
Purchases of building/construction materials	6,754	8,381	-	-
Rental expenses of machineries and motor vehicles	1,063	1,402	-	-
Rental expenses of premises	817	729	422	422
Purchase of property, plant and equipment	823	100	-	-
Sales of property, plant and equipment	708	200	-	-
Construction services received	110,896	168,787	-	-
Rental income of machineries and motor vehicles	70	241	-	72
Rental income of premises	651	429	107	193
Project management fee income	60	-	-	-
Sales of residential units	-	1,119	-	-
Sales of durian product	547	-	-	-
Settlement of debts via transfer of investment properties	2,258	4,511	-	-

Outstanding balances in respect of the above transactions are disclosed in notes 18 and 37 to the financial statements.

(b) Transactions with subsidiaries:

	Company	
	2021 RM'000	2020 RM'000
Progress billings for construction works billed to subsidiaries	483,436	707,215
Sub-contractor claims charged by subsidiaries	821,299	724,378
Interest income from a subsidiary	703	673
Rental income of machineries	101	-
Dividend income from a subsidiary	40,000	50,000
Bad debts written off	299	-

Outstanding balances in respect of the above transactions are disclosed in note 19 to the financial statements.

(c) Transactions with an associate:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Advances to	20,595	-	-	-
Rental income of machineries	-	72	-	72

Outstanding balance in respect of the above transaction is disclosed in note 18 to the financial statements.

48. RELATED PARTY DISCLOSURES (CONT'D)

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

(d) Transactions with a joint venture:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Advances to	88	6,352	88	6,352

Outstanding balance in respect of the above transaction is disclosed in note 18 to the financial statements.

49. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel refer to the Board of Directors of the Company, other key management personnel refer to the directors of subsidiary companies.

The remuneration paid/payable to the key management personnel during the financial year comprise:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Directors				
Short-term benefits				
- directors' fees	300	270	270	270
- other remunerations (salaries, allowances, bonuses and benefits-in-kind)	2,600	7,321	1,025	4,043
	2,900	7,591	1,295	4,313
Post-employment benefits - defined contribution plan	145	563	76	402
	3,045	8,154	1,371	4,715
Other key management personnel				
Short-term benefits				
- director's fees	90	-	-	-
- other remunerations (salaries, allowances, bonuses, and benefit-in-kind)	1,517	768	-	-
Post-employment benefits - defined contribution plan	120	69	-	-
	1,727	837	-	-

50. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Aggregate cost of property, plant and equipment acquired	9,548	111,507	350	1,499
Financed via finance lease (note 30)	-	(2,588)	-	-
Deposits paid in the prior year	(6)	(2,088)	-	-
	9,542	106,831	350	1,499

51. CAPITAL COMMITMENT

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Capital expenditure in respect of:				
- undertaking to subscribe for rights entitlement under the proposed redeemable preference shares in PLS	-	213,515	-	213,515
- purchase of land and investment properties, approved and contracted for	10,350	57,260	-	-
- concession assets, approved and contracted for	256,686	783,672	-	-

52. CONTINGENT LIABILITIES

The Josu proceedings

On 18 December 2002, PLS had terminated a sub-contractor, Josu Engineering Construction Sdn. Bhd. ("the Defendant"), for failure to complete certain sub-contracted works in accordance with the agreed schedule. The termination was accepted by the Defendant, and in accordance with the terms of the subcontract, PLS engaged other contractors to complete the said sub-contracted works.

On 6 August 2007, PLS filed a suit against the Defendant, claiming a sum of RM10,303,000 for damages incurred by PLS in completing the sub-contracted works. The Defendant is counter-claiming a sum of RM11,612,000 being damages allegedly suffered.

On 21 November 2012, PLS had filed an application to amend its writ and statement of claim to include a prayer for pre-judgment interests and was allowed by the High Court and the matter was fixed for full trial.

However, on 5 December 2012, both parties have entered into a Consent Order to refer the matter to an arbitrator for determination. The Arbitrator had decided based on the Interim Award on Liability dated 13 November 2017 ("Interim Award"), amongst others, that neither party is entitled to terminate the sub-contract and that PLS's termination of the sub-contract was wrongful and therefore not valid.

The hearing dates in respect of quantum have yet to be fixed. On 22 December 2017, an application to challenge had been made to High Court, Kuala Lumpur to refer questions of law arising from the Interim Award pursuant to Section 42 of the Arbitration Act 2005. On 23 September 2019 both the parties complete their oral submission.

On 27 November 2019, the learned Judicial Commissioner was inclined to agree with the Defendant and dismissed the PLS's application with costs subject to allocator fees. The learned Judicial Commissioner was of the view that the Plaintiff's questions of law posed in its application were not within the context of section 42 of the Arbitration Act 2005 and had no merits.

52. CONTINGENT LIABILITIES (CONT'D)

The Josu proceedings (Cont'd)

On 16 October 2020, the Court informed that the hearing date for the appeal on 22 October 2020 has been vacated and a case management by way of e-Review was fixed on 3 November 2020.

On 3 November 2020, a case management was conducted by way of e-Review and the Court had proceeded to fix the matter for hearing on 17 September 2021.

On 17 September 2021, the Court fixed a new hearing date to 26 November 2021 with no further case management as both parties have filed their respective written submission.

Relying on the advice of its solicitors, the directors of the PLS believe that the PLS has a good chance of succeeding in its suit.

53. SEGMENT ANALYSIS

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

There was no transaction with any single external customer which amounted to 10% or more of the Group's revenues for the current financial year (2020: 10%).

(a) Business segment

(i) Construction operations (civil engineering, building works, project management services and project coordinator)
(ii) Property development
(iii) Toll operations
(iv) Plantation (sales of plantation products and produces)
(v) Food and beverages (operation of restaurants)
(vi) Property investment (management, operation and letting of properties)
(vii) Others (investment holding and renewable energy activity)

Transactions between segments are eliminated on consolidation.

53. SEGMENT ANALYSIS (CONT'D)

2021	Construction operations RM'000	Property development RM'000	Toll operations RM'000	Plantation RM'000	Food and beverages RM'000	Property investment RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue									
External sales	1,092,375	11,380	154,660	62,922	6,315	25,889	794	-	1,354,335
Inter-segment sales	838,966	-	-	-	-	-	565	(839,531)	-
	1,931,341	11,380	154,660	62,922	6,315	25,889	1,359	(839,531)	1,354,335
Results									
Segment results	233,055	(9,266)	92,099	32,438	(21,045)	(24,392)	(2,906)	(36,764)	263,219
Share of results of an associate									1,752
Share of results of a joint venture									(816)
Negative goodwill									72,966
Finance costs									(216,720)
Profit before tax									120,401
Tax expense									(100,956)
Profit for the year									19,445

53. SEGMENT ANALYSIS (CONT'D)

2021	Construction operations RM'000	Property development RM'000	Toll operations RM'000	Plantation RM'000	Food and beverages RM'000	Property investment RM'000	Others RM'000	Elimination RM'000	Total RM'000
Other information									
Segment assets	5,282,088	490,431	8,356,309	457,544	15,326	540,223	835,379	(4,810,206)	11,167,094
Unallocated assets:									
- Deferred tax assets									21,125
- Current tax assets									25,839
Investment in an associate	-	-	-	-	-	-	3,581	-	3,581
Consolidated total assets									11,217,639
Segment liabilities	3,157,340	725,151	7,074,697	228,183	43,243	214,296	257,949	(3,942,940)	7,757,919
Unallocated liabilities:									
- Deferred tax liabilities									442,026
- Current tax liabilities									31,995
Consolidated total liabilities									8,231,940
Capital expenditures	2,644	748	58	5,989	4,457	25,664	11,017	-	50,577
Depreciation and amortisation	12,112	893	24,578	13,097	4,764	77	327	-	55,848

53. SEGMENT ANALYSIS (CONT'D)

2020	Construction operations RM'000	Property development RM'000	Toll operations RM'000	Food and beverages RM'000	Property investment RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue								
External sales	1,049,475	30,731	154,205	10,027	23,417	426	-	1,268,281
Inter-segment sales	825,620	-	-	-	-	-	(825,620)	-
	1,875,095	30,731	154,205	10,027	23,417	426	(825,620)	1,268,281
Results								
Segment results	224,494	24,659	120,803	(7,949)	23,432	9,643	(127,705)	267,377
Share of results of an associate								(2,788)
Share of results of a joint venture								816
Finance costs								(174,698)
Profit before tax								90,707
Tax expense								(61,964)
Profit for the year								28,743

53. SEGMENT ANALYSIS (CONT'D)

2020	Construction operations RM'000	Property development RM'000	Toll operations RM'000	Food and beverages RM'000	Property investment RM'000	Others RM'000	Elimination RM'000	Total RM'000
Other information								
Segment assets	4,860,164	863,437	8,138,665	31,807	547,142	435,720	(4,596,815)	10,280,120
Unallocated assets:								
- Deferred tax assets								17,942
- Current tax assets								31,162
Investment in an associate	-	-	-	-	-	105,837	(3,121)	102,716
Investment in a joint venture	-	-	-	-	-	816	-	816
Consolidated total assets								10,432,756
Segment liabilities	2,982,941	702,267	6,805,062	41,234	215,087	350,396	(3,737,867)	7,359,120
Unallocated liabilities:								
- Deferred tax liabilities								267,570
- Current tax liabilities								813
Consolidated total liabilities								7,627,503
Capital expenditures	84,410	1,816	90	2,536	161,843	180	(941)	249,934
Depreciation and amortisation	13,983	820	23,441	1,465	9	4,297	2,953	46,968

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, investment properties, bearer plants, biological assets and intangible assets.

(b) Geographical segment

Information on the Group's operations by geographical segments has not been presented as the results from other geographical segments are insignificant.

54. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

30.6.2021 Group	FVTPL RM'000	At amortised cost RM'000	Total RM'000
Financial assets			
Other investments	-	6,371	6,371
Trade and other receivables	-	193,030	193,030
Investment funds	988,888	-	988,888
Short term deposits	-	232,645	232,645
Cash and bank balances	-	187,407	187,407
Total financial assets	988,888	619,453	1,608,341

30.6.2021 Group	At amortised cost RM'000
Financial liabilities	
Trade and other payables	666,148
Lease liabilities	19,566
Medium term notes	5,447,723
Reimbursable interest assistance	304,162
Bank borrowings	1,033,874
Total financial liabilities	7,471,473

30.6.2020 Group	FVTPL RM'000	At amortised cost RM'000	Total RM'000
Financial assets			
Trade and other receivables	-	197,989	197,989
Investment funds	1,591,322	-	1,591,322
Short term deposits	-	562,270	562,270
Cash and bank balances	-	270,378	270,378
Total financial assets	1,591,322	1,030,637	2,621,959

30.6.2020 Group	At amortised cost RM'000
Financial liabilities	
Trade and other payables	568,118
Lease liabilities	19,975
Medium term notes	5,430,483
Reimbursable interest assistance	286,577
Bank borrowings	757,416
Total financial liabilities	7,062,569

54. FINANCIAL INSTRUMENTS (CONT'D)

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

30.6.2021 Company	FVTPL RM'000	At amortised cost RM'000	Total RM'000
Financial assets			
Other investments	17,194	271,908	289,102
Trade and other receivables	-	7,993	7,993
Amounts owing by subsidiaries	-	895,774	895,774
Short term deposits	-	51,701	51,701
Cash and bank balances	-	8,992	8,992
Total financial assets	17,194	1,236,368	1,253,562

30.6.2020 Company	FVTPL RM'000	At amortised cost RM'000	Total RM'000
Financial assets			
Other investments	-	267,459	267,459
Trade and other receivables	-	16,230	16,230
Amounts owing by subsidiaries	-	922,867	922,867
Short term deposits	-	223,282	223,282
Cash and bank balances	-	29,978	29,978
Total financial assets	-	1,459,816	1,459,816

Company	At amortised cost 2021 RM'000	 2020 RM'000
Financial liabilities		
Trade and other payables	82,376	152,937
Amounts owing to subsidiaries	1,142,227	992,251
Lease liabilities	826	1,957
Bank borrowings	534,952	358,188
Total financial liabilities	1,760,381	1,505,333

(b) Fair values

The fair value of medium-term notes of the Group at the end of the financial period is approximately RM6,336 million (2020: RM6,579 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 due to the relatively short-term maturity or related interests are at market rate on these financial instruments.

55. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's activities are exposed to a variety of financial risks, including interest rate risk, credit risk, liquidity and cash flow risks, foreign currency risk, equity price risk and agricultural risk on biological assets. The Group's and the Company's overall financial risk management objective and policies are to minimise potential adverse effects on the financial performance of the Group and the Company 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 and the Company have been financing their operations mainly from internally generated funds, issuance of medium-term notes and bank borrowings. The Group and the Company do not find it necessary to enter into derivative transactions based on their current level of operations.

The management monitors the Group's and the Company's financial position closely with an objective to minimise potential adverse effects on the financial performance of the Group and the Company. There have been no significant changes on the Group's and the Company's exposure to financial risks from the previous year. Also, there have been no changes to the Group's and the Company's risk management objectives, policies and processes since the previous financial year end.

The Group's and the Company'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 and the Company are 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 relates the Group's and the Company's interest-bearing borrowings and medium term note.

Financial liabilities

The Group's and the Company'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 and the Company's financing costs are kept at the lowest possible. The Group and the Company do 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 and the Company have a policy to ensure that interest rates obtained are competitive.

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

A sensitivity analysis has been performed based on the outstanding floating rate bank borrowings and medium term note of the Group and the Company as at 30 June 2021. If interest rates increase or decrease by 100 basis points with all other variable held constant, the Group and the Company profit after tax would decrease or increase by RM7,751,000 and RM4,066,000 (2020: RM5,756,000 and RM2,722,000), respectively, as a result of higher or lower interest expense on these borrowings.

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

The Group's and the Company'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 and the Company have a gain position.

The entire financial assets and contract assets of the Group and the Company are exposed to credit risk.

Trade receivables

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

An impairment analysis is performed at each reporting date to measure the ECL. The calculation reflects information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

For other activities, the Group and the Company minimise and monitor their credit risks 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.

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

Group 30.06.2021	**Gross carrying amount RM'000**	**Loss allowances RM'000**	**Net balance RM'000**
Not past due	68,562	-	68,562
1 to 30 days	3,994	-	3,994
31 to 60 days	1,630	-	1,630
61 to 120 days	3,090	-	3,090
More than 120 days	11,273	-	11,273
Total	88,549	-	88,549
Group 30.06.2020			
Not past due	64,584	-	64,584
1 to 30 days	1,840	-	1,840
31 to 60 days	2,097	-	2,097
61 to 120 days	3,435	-	3,435
More than 120 days	34,246	-	34,246
Total	106,202	-	106,202

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

Company 30.06.2021	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
Not past due	42	-	42
1 to 30 days	8	-	8
31 to 60 days	8	-	8
61 to 120 days	16	-	16
More than 120 days	61	-	61
Total	135	-	135
Company 30.06.2020			
Not past due	44	-	44
1 to 30 days	11	-	11
31 to 60 days	11	-	11
61 to 120 days	32	-	32
More than 120 days	8,350	-	8,350
Total	8,448	-	8,448

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

At end of the financial year, the Group and the Company have no significant concentration of credit risk related to its financial assets.

Contract assets

None of the contract assets at the reporting date is past due. Management does not expect any credit loss based on their assessment at the reporting date.

Financial guarantee

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to subsidiaries. The maximum exposure to credit risk amounted to RM35,558,000 (2020: RM401,286,000) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in note 55(c) to the financial statements. As at the reporting date, there was no indication that the subsidiaries would default on repayment.

Advances to subsidiaries, associate and joint venture

Exposure to credit risk arising from unsecured advances to subsidiaries, associate and joint venture is managed through credit evaluation and ongoing monitoring of credit quality of the subsidiaries, associate and joint venture.

Management assessed the credit risk in respect of advances to subsidiaries, associate and joint venture with reference to the financial capability and probability of default.

Management concluded that the credit risk in respect of advances to subsidiaries, associate and joint venture is considered low.

Cash and cash equivalents

With regard to surplus cash, the Group and the Company seek to invest their cash assets safely by depositing them with licensed financial institutions.

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

(c) Liquidity and cash flow risks

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

The Group and the Company seek 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 and Company management on a monthly basis. Each unit must seek to ensure that projected cash inflows from operating and non-operating activities (comprising undrawn borrowing facilities) adequately cover funding requirements of operating and non-operating outflows. At a minimum, all projected net borrowings should be covered. Also, debt maturities are closely monitored to ensure that the Group is able to meet its obligations as they fall due.

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

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

Group 2021	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
Trade and other payables	666,148	666,148	-	-	666,148
Medium term notes	5,447,723	403,573	1,904,691	7,329,834	9,638,098
RIA	304,162	-	4,045	735,405	739,450
Bank borrowings	1,033,874	622,480	469,897	107,819	1,200,196
	7,451,907	1,692,201	2,378,633	8,173,058	12,243,892
Lease liabilities	19,566	8,197	10,585	3,988	22,770
	7,471,473	1,700,398	2,389,218	8,177,046	12,266,662

Group 2020	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
Trade and other payables	568,118	568,118	-	-	568,118
Medium term notes	5,430,483	395,254	1,990,904	7,648,761	10,034,919
RIA	286,577	-	-	739,450	739,450
Bank borrowings	757,416	610,861	162,562	77,372	850,795
	7,042,594	1,574,233	2,153,466	8,465,583	12,193,282
Lease liabilities	19,975	8,537	12,122	1,775	22,434
	7,062,569	1,582,770	2,165,588	8,467,358	12,215,716

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

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

Company 2021	Carrying value RM'000	Less than 1 year RM'000	1 to 5 years RM'000	Total RM'000
Trade and other payables	82,376	82,376	-	82,376
Amounts owing to subsidiaries	1,142,227	1,134,439	7,788	1,142,227
Bank borrowings	534,952	423,485	147,705	571,190
	1,759,555	1,640,300	155,493	1,795,793
Lease liabilities	826	344	540	884
	1,760,381	1,640,644	156,033	1,796,677
Company 2020				
Trade and other payables	152,937	152,937	-	152,937
Amounts owing to subsidiaries	992,251	992,251	-	992,251
Bank borrowings	358,188	376,274	-	376,274
	1,503,376	1,521,462	-	1,521,462
Lease liabilities	1,957	600	1,549	2,149
	1,505,333	1,522,062	1,549	1,523,611

The table below summarised issued financial guarantee contracts of the Company, which represent the maximum amounts of the guarantees, and is allocated to the earliest period in which the guarantees could be called. However, based on circumstances at the end of the financial period, the directors do not foresee the guarantees will be called.

Company	Less than 1 year RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
2021				
Financial guarantee contracts	23,648	11,210	700	35,558
2020				
Financial guarantee contracts	380,259	21,027	-	401,286

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

(d) Foreign currency risk

The Group undertakes transactions denominated in foreign currencies. Consequently, the Group is exposed to risk arising from fluctuation of exchange rates.

The Group does not consider it necessary to hedge against the foreign currency exchange risk based on its current level of operations.

The following table illustrates the Group's sensitivity to changes in exchange rate of RM against the relevant currencies on the material outstanding foreign currency denominated monetary items. Management has considered recent volatility in exchange rates and has concluded that the following movements in exchange rates are reasonably possible assumption. If the following foreign currencies were to strengthen or weaken by 5% against RM with all other variables held constant, the Group's profit after tax would decrease or increase as follows:

	2021 RM'000	2020 RM'000
USD	(2,573)	-
CNY	249	-
SGD	869	-

The sensitivity analysis is unrepresentative of the inherent foreign currency risk as the year-end exposure does not reflect the exposure during the year.

(e) Equity price risk

The Group and the Company are exposed to equity risk arising from equity investments at FVTPL. Further details of these equity investments can be found in note 16 to the financial statements.

The impact arising from changes in the equity prices is not expected to be material.

(f) Agricultural risk on biological assets

The Group is exposed to risks arising from environmental and climatic changes, commodity prices and financing risks arising mainly from the FFB and durian assets.

The Group is exposed to risks arising from fluctuations in the price and volume of FFB.

The seasonal nature of the durian plantation and trading business requires a high level of cash flows to be reserved by the Group during the durian seasons. The Group actively manages the working capital requirements and has secured sufficient credit facilities to meet the cash flow requirements.

The details of the sensitivity analysis to a reasonable change on the biological assets as at the end of the reporting date, with all other variable held constant is disclosed in note 11.

56. CAPITAL MANAGEMENT

The primary objective 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 of directors 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.

The Group was in compliance with externally imposed capital requirements as at the reporting date.

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

	2021 RM'000	2020 RM'000 (Restated)
Share capital	1,138,871	1,117,961
Reserves	1,394,512	1,347,105
Total equity	2,533,383	2,465,066
Medium term notes (note 32)	5,447,723	5,430,483
Bank borrowings (notes 31 and 38)	1,033,874	757,416
Lease liabilities (note 30)	19,566	19,975
Reimbursable interest assistance (note 33)	304,162	286,577
Total debts	6,805,325	6,494,451
Debt-to-equity ratio (times)	2.69	2.63

57. ACQUISITION OF SHARES IN SUBSIDIARY COMPANIES

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

(i) On 14 December 2020, the Company incorporated a wholly-owned subsidiary, namely Ekovest Development (S) Pte. Ltd., with SGD100.

(ii) On 9 December 2020, PLS acquired 100 ordinary shares representing the entire paid-up share capital of SESB for a consideration of RM100. Consequent thereon, SESB became a wholly-owned subsidiary of the PLS.

(iii) On 29 September 2020, the Company entered into three conditional share purchase agreements with Limbongan Resources Sdn Bhd, Tan Sri Datuk Seri Lim Keng Cheng and Lim Seong Hai Holdings Sdn Bhd for the acquisition of an aggregate of 89,144,200 ordinary shares in PLS ("PLS Shares") and 7,087,100 warrants issued by PLS ("PLS Warrants") representing approximately 24.54% equity interest in PLS and 4.35% of the outstanding PLS warrants respectively, for a total cash consideration of RM85.750 million ("Proposed Acquisitions"). The Proposed Acquisitions were completed on 30 October 2020. Upon completion of the Proposed Acquisitions, the Company's shareholding in PLS increased from 32.84% to 57.38%. As a result, PLS became a subsidiary of the Company.

On 15 September 2021, the Company had completed the purchase price allocation exercise in relation to the acquisition of PLS with the assistance of an independent professional adviser to determine the fair values of the net identifiable assets and liabilities of PLS pursuant to the requirements of MFRS 3 Business Combinations.

57. ACQUISITION OF SHARES IN SUBSIDIARY COMPANIES (CONT'D)

The identifiable assets and liabilities acquired and the effects on cash flows arising from the acquisitions were as follows:

	Note	Carrying amount 2021 RM'000	Fair value 2021 RM'000
Property, plant and equipment	5	24,536	27,377
Investment properties	6	275	275
Right-of-use assets	7	150,487	263,980
Bearer plants	10	166,334	365,268
Biological assets	11	8,199	8,614
Intangible assets	12	17,922	17,922
Performance deposits		50,000	50,000
Trade and other receivables		17,245	17,245
Inventories		4,979	4,979
Current tax assets		961	961
Cash and cash equivalents		23,904	23,904
Deferred tax assets	20	195	195
Contract liabilities	22	(525)	(525)
Lease liabilities	30	(9,341)	(9,341)
Deferred tax liabilities	36	(48,678)	(124,442)
Bank borrowings		(125,225)	(125,225)
Trade and other payables		(32,794)	(32,794)
Total identifiable net assets		248,474	488,393

	2021 RM'000
Fair value of net identifiable assets	488,393
Non-controlling interest	(208,156)
Negative goodwill on consolidation	(72,966)
Fair value on previously held stake	(121,521)
Total purchase consideration	85,750
Less: Cash and cash equivalents acquired	(23,904)
Net cash outflow arising from the acquisitions	61,846

The amounts of PLS's revenue and profit included in the Group's consolidated statement of comprehensive income for the cumulative 8-month period from 1 November 2020 to 30 June 2021 are as follows:

	8-month actual results from 1 November 2020 to 30 June 2021 RM'000
Revenue	67,141
Profit after tax	9,637

57. ACQUISITION OF SHARES IN SUBSIDIARY COMPANIES (CONT'D)

If the results of PLS had been consolidated from the beginning of the year, 1 July 2020 to 30 June 2021, the consolidated results of the Group for the year ended 30 June 2021 would have been as follows:

	Group's pro forma results RM'000
Revenue	1,400,132
Profit after tax	24,054

In the previous financial year, the Group acquired the following subsidiaries:

(i) On 18 November 2019, DDSB acquired 1 ordinary share in Sunshine Reality Sdn. Bhd., for a cash consideration of RM1. Subsequently, DDSB has acquired an additional 359,999 ordinary shares in Sunshine Reality for a total cash consideration of RM359,999 consequently representing 60% equity interest.

(ii) On 3 December 2019, the Company acquired 100 ordinary shares (representing 100% equity interest) in Arah Kasturi Sdn. Bhd., for a cash consideration of RM100.

(iii) On 16 January 2020, the Company acquired 2 ordinary shares (representing 100% equity interest) in Ekovest Bay Sdn. Bhd., for a cash consideration of RM2.

The acquisitions as stated 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 2020.

58. CHANGES IN STAKE IN SUBSIDIARIES

In the current financial year, the change in stake in subsidiaries are as below:

(i) On 20 November 2020, the Company has issued the Unconditional Mandatory Take-over offer ("MGO") to acquire the remaining securities in PLS not already held by the Company. Following the completion of MGO on 11 March 2021, the Company acquired additional 96,156,400 ordinary shares and 469,050 warrants for a cash consideration of RM89,471,598 and RM70,358 respectively. Consequently, the Group's equity interest in PLS increased from 57.38% to 73.08%.

(ii) On 24 December 2020, DDSB acquired 350,000 ordinary shares and 1,225,000 redeemable preference shares in Xindauji (M) Sdn Bhd ("Xindauji"), representing 35% equity interest in Xindauji, for a total consideration of RM1,417,500. Following the completion of the acquisition, Xindauji became a wholly-owned subsidiary of the Group.

The effect of increase in the Group's ownership as a result from (i) and (ii) is as follows:

	2021 RM'000
Net consideration paid to non-controlling interest	(90,959)
Increase in share of net assets	106,070
Excess recorded in retained earnings	15,111

58. CHANGES IN STAKE IN SUBSIDIARIES (CONT'D)

(iii) On 22 January 2021, PLS undertook a private placement of up to 10% of total number of issued shares of PLS ("Placement Share"). On 25 January 2021, Bursa Malaysia Securities Berhad has approved the listing and quotation of 52,605,000 Placement Shares. On 8 February 2021, PLS has completed three tranches of private placement comprising 19,000,000 Placement Shares at RM0.95 per share, 10,000,000 Placement Shares at RM1.01 per share and 7,320,000 Placement Shares at RM1.11 per share.

Subsequently, 136,000 PLS Warrants were exercised to purchase new ordinary shares in PLS at exercised price of RM0.80 per PLS Warrant.

The effect of decrease in the Group's ownership is as follows:

	2021 RM'000
Net consideration received from non-controlling interest	36,384
Decrease in share of net assets	(34,004)
Excess recorded in retained earnings	2,380

In the previous financial year, the change in stake in a subsidiary is as below:

(i) On 28 November 2019, Xindauji issued additional 300,000 ordinary shares and 2,275,000 redeemable preference shares to DDSB and 350,000 ordinary shares and 1,225,000 redeemable preference shares to non-controlling interests at consideration of RM2,575,000 and RM1,575,000, respectively. As a result, Xindauji became a 65% owned subsidiary of the Group.

The effect of decrease in the Group's ownership is as follows:

	2020 RM'000
Net consideration received from non-controlling interest	1,575
Decrease in share of net assets	(503)
Excess recorded in retained earnings	1,072

59. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(i) COVID-19 outbreak

On 11 March 2020, the World Health Organisation ("WHO") has declared the outbreak of Covid-19 to be a global pandemic. In Malaysia, to contain the spread of Covid-19, the Movement Control Order ("MCO") had been imposed from 18 March 2020 to 3 May 2020 and further extended through a Conditional MCO ("CMCO") till 9 June 2020. The CMCO is replaced by Recovery MCO ("RMCO") from 10 June 2020 to 31 March 2021.

On 11 January 2021, the Government of Malaysia (the "Government") announced the re-imposition of MCO to the states of Malacca, Johor, Penang, Selangor, Sabah and the Federal Territories of Kuala Lumpur, Putrajaya and Labuan from 13 January 2021 to 4 February 2021. The MCO, CMCO and RMCO are further extended till 11 May 2021 in respective states. On 10 May 2021, the Government announced nationwide MCO from 12 May 2021 to 7 June 2021.

59. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(i) COVID-19 outbreak (Cont'd)

On 25 May 2021, the Government announced nationwide Full Movement Control Order ("FMCO") on all social and economic sectors in Malaysia from 1 June 2021 to 14 June 2021. Under FMCO, only essential economic and social services listed by the National Security Council are allowed to operate. On 15 June 2021, the Government has implemented Phase 1 of the National Recovery Plan ("NRP"). The FMCO under the NRP was extended from 15 June 2021 to 28 June 2021 and this was further extended from 29 June 2021 onwards. Subsequently, the Government had imposed Enhanced MCO ("EMCO") in Selangor's major sub-districts and several Kuala Lumpur localities from 3 July 2021 and subsequently lifted on 16 July 2021. On 1 October 2021, both Selangor and Kuala Lumpur moved from Phase 2 to Phase 3 of the NRP.

Various measures to prevent the spread of the virus such as restricted movement, overseas and interstate travel bans, closure of businesses and education institutions and work-from-home arrangements have impacted consumer spending power and pattern and brought about significant economic uncertainties in Malaysia.

The restrictions imposed have not, however, negatively impacted the Group's and the Company's financial performance as most of their operations were allowed to operate throughout the MCO and NRP under the respective guidelines set by the National Security Council and the Ministry of International Trade and Industry.

The Group and the Company have assessed the impact of the Covid-19 outbreak on the Group's and the Company's operations, including the recoverability of the carrying amount of the assets and remeasurement of assets and liabilities as at 30 June 2021.

Directors are cognizant of the challenges posed by these events and the potential impact they have on the Group's and the Company's financial position, financial performance and cash flows subsequent to the reporting period. As the situation continues to evolve with significant level of uncertainty, the Group and the Company are unable to reasonably estimate the full financial impact of the Covid-19 outbreak for financial year ending 30 June 2022. The Group and the Company are monitoring the situation closely and to mitigate the financial impact. The Group and the Company are conscientiously managing its cost by adopting an operating cost reduction strategy and conserving liquidity by working with major creditors to align repayment obligations with receivable collections.

(ii) Private placement

On 29 September 2020, the Company completed the second and final tranche of the Private Placement comprising 41,000,000 Placement Shares at RM0.51 per share for total consideration of RM20,910,000.

60. SUBSEQUENT EVENTS

(i) On 1 September 2021, an indirect subsidiary of the Company, BSSB has entered into a Conditional Share Sale and Purchase Agreement ("SSP") with a vendor as follows:

(a) to acquire 51% of the equity interest in Great Fruit Sdn. Bhd. ("GFSB") for cash consideration of RM263,650; and

(b) to subscribe 1,356,480 redeemable preference shares A ("RPS A") at an issue price of RM1 per RPS A in GFSB for RM1,356,480.

As at the date of reporting date, both parties are still in the midst of fulfilling certain condition precedents as stated in the SSP.

(ii) On 7 October 2021, the Company subscribed 400,000,000 redeemable preference shares - Series DG ("RPS-DG") at an issue price of RM1 per RPS-DG in ECSB for otherwise than cash by way of capitalisation of amount owing by ECSB amounting to RM400,000,000.

61. IFRIC AGENDA DECISION ON BORROWING COSTS

In March 2019, the International Financial Reporting Standard Interpretation Committee ("IFRIC") concluded that interest cost should not be capitalised for assets created under the percentage-of-completion method i.e. receivables, contract assets and inventories as these assets do not meet the definition of qualifying assets.

On 20 March 2019, the MASB allowed the affected entities to apply the changes in accounting policies to their financial statements in relation to IFRIC Agenda Decision on borrowing costs beginning on or after 1 July 2020.

The Group has complied with the requirements of the IFRIC Agenda Decision on borrowing costs and has reflected the impact for the financial year ended 30 June 2021.

The financial effects of the adoption of IFRIC Agenda Decision on borrowing costs are disclosed as below:

Impact on Consolidated Statement of Financial Position as at 1 July 2019

	As previously stated RM'000	Prior year adjustments RM'000	As restated RM'000
Deferred tax assets	13,163	1,753	14,916
Contract costs	4,441	717	5,158
Property development costs	346,504	(11,456)	335,048
Retained earnings	1,229,044	(8,986)	1,220,058

Impact on Consolidated Statement of Financial Position as at 30 June 2020

	As previously stated RM'000	Prior year adjustments RM'000	As restated RM'000
Deferred tax assets	15,406	2,536	17,942
Contract costs	3,441	631	4,072
Property development costs	344,115	(11,727)	332,388
Retained earnings	1,273,212	(8,560)	1,264,652

Impact on Consolidated Statement of Comprehensive Income for the year ended 30 June 2020

	As previously stated RM'000	Prior year adjustments RM'000	As restated RM'000
Cost of sales	(993,258)	(357)	(993,615)
Profit before tax	91,064	(357)	90,707
Tax expense	(62,747)	783	(61,964)
Net profit for the year	28,317	426	28,743

61. IFRIC AGENDA DECISION ON BORROWING COSTS (CONT'D)

The financial effects of the adoption of IFRIC Agenda Decision on borrowing costs are disclosed as below: (Cont'd)

Impact on Consolidated Statement of Cash Flows for the year ended 30 June 2020

	As previously stated RM'000	Prior year adjustments RM'000	As restated RM'000
Profit before tax	91,064	(357)	90,707
Changes in property development costs	2,389	270	2,659
Changes in contract costs	1,000	87	1,087

62. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the board of directors on 21 October 2021.

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tan Sri Dato' Lim Kang Hoo and Tan Sri Datuk Seri Lim Keng Cheng, being the directors of Ekovest Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 67 to 178 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2021 and financial performance and cash flows of the Group and of the Company for the financial year then ended in accordance with Malaysia Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the board of directors in accordance with a directors' resolution.

TAN SRI DATO' LIM KANG HOO
Director

TAN SRI DATUK SERI LIM KENG CHENG
Director

Kuala Lumpur
Date : 21 October 2021

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

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 set out on pages 67 to 178 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 abovenamed
Lim Soo San
at Kuala Lumpur
in the Federal Territory
this 21 October 2021

LIM SOO SAN
Chartered Accountant
MIA Membership No.: 11021

Before me:

(Commissioner of Oaths)

MATERIAL LITIGATION
OF EKOVEST BERHAD AND ITS SUBSIDIARIES

Save as disclosed below as at 30 June 2021, 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 :

(i) On 3 July 2018, Ekovest Construction Sdn Bhd ("**ECSB**"), a wholly-owned subsidiary of our Company, had initiated an arbitration proceeding against Samling Resources Sdn Bhd ("**SRSB**") by serving a Notice of Arbitration on SRSB. Thereafter, ECSB had on 2 July 2019 filed a Statement of Case to claim against SRSB based on the following:

(a) wrongful termination of the joint venture and shareholders' agreement dated 6 January 2017 entered into between ECSB and SRSB to jointly undertake the development and upgrading of the Pan Borneo Highway in the state of Sarawak, Malaysia for work package contract WPC-02 (Semantan to Sg. Moyan Bridge + KSR Interchanges) ("**Highway Project**");

(b) misrepresentation by SRSB to ECSB, in order to induce ECSB into performing tasks, duties and responsibilities of SRSB prior to the submission of the tender; the procurement of the Highway Project from Lebuhraya Borneo Utara Sdn Bhd ("**LBUSB**"), the project delivery partner for the Highway Project; and managing the Highway Project and all its ensuing duties and tasks;

(c) failure to expeditiously and diligently make the necessary applications for the approvals from LBUSB for the sub-contract of the Highway Project to Samling – Ekovest JV Sdn Bhd, a special purpose vehicle incorporated by ECSB and SRSB to undertake the development and upgrading of the Highway Project ("**JV Company**"); and

(d) in the alternative, failure to take any step to compel LBUSB to consent to the sub-contract of the Highway Project to the JV Company, which should not have been unreasonably withheld, in which ECSB claims for general damages,interest and costs to be determined by the arbitrator ("**Arbitration Proceedings**").

The hearing in relation to the Arbitration Proceeding which was fixed from 29 September 2020 to 2 October 2020 were vacated following the order of the Court as detailed in item (iii) below.

(ii) On 3 February 2020, our Company and ECSB were served by the solicitors of SRSB with a Writ of Summons and Statement of Claim dated 31 January 2020 ("**Claim**") alleging that our Company and/or ECSB:

(aa) were negligent in their representation and/or assurances with regards to the technical advice and support and profit margin for the Highway Project;

(bb) failed, neglected and/or omitted to discharge their responsibilities with due care and diligence in the implementation and execution of the Highway Project;

(cc) acted in breach of their fiduciary duties owed to SRSB, including inter alia, the duties under common law and equity; and/or

(dd) breached and misrepresented in respect of the sub-contractors that were selected, recommended and appointed to carry out the sub-contract works of the Highway Project.

SRSB as plaintiff is claiming against our Company and ECSB as defendants jointly and severally for:

- general damages;
- interest at the rate of 5% per annum pursuant to Section 11 of the Civil Law Act 1956 or at such rate and from such date as the court deems fit and proper until the date of judgement;
- interest at the rate of 5% per annum from the date of judgement until the date of full and final settlement;
- costs; and
- such further and/or other relief as the court deems fit and proper.

MATERIAL LITIGATION
OF EKOVEST BERHAD AND ITS SUBSIDIARIES

Save as disclosed below as at 30 June 2021, 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 : (Cont'd)

(ii) On 3 February 2020, our Company and ECSB were served by the solicitors of SRSB with a Writ of Summons and Statement of Claim dated 31 January 2020 ("**Claim**") alleging that our Company and/or ECSB: (Cont'd)

ECSB and our Company had on 13 February 2020 and 14 February 2020 respectively filed our/its application for a stay of proceedings of the Claim pending the Arbitration Proceeding ("**Stay Applications**"). During the case management held on 21 April 2020, the Deputy Registrar further directed parties to file their respective affidavits and submissions, and had fixed the hearing of the Stay Applications on 6 July 2020. The hearing of the Stay Applications was then adjourned to 13 July 2020. Further to the filing of the written submissions and reply submissions by the parties' solicitors, the parties' solicitors also submitted orally and addressed the High Court Judge's questions during the hearing fixed on 13 July 2020. Thereafter, the High Court Judge fixed the Clarification/Decision for the Stay Applications on 30 July 2020. On 30 July 2020, the High Court Judge dismissed the Company's application for a stay of proceedings; and the High Court Judge allowed ECSB's application for a stay of proceedings but imposed a condition that the arbitration between ECSB and SRSB shall only proceed after the resolution of SRSB's Claim against the Company at Kuala Lumpur High Court.

On 25 August 2020, the Company has filed its notice of appeal to appeal against the decision of the High Court that dismissed the Company's Stay Application ("**Company's Appeal**"), and ECSB had also filed its notice of appeal to appeal partly against the condition imposed by the High Court when allowing ECSB's Stay Application. Both the appeals are now fixed for hearing on 25 November 2021 at the Court of Appeal.

The Company and ECSB have been advised that the Company's Stay Application and also the ECSB's Stay Application should be allowed given that the matters to be decided in the aforementioned proceedings are one of the same and that any contradiction in the decisions arising therefrom would unfairly prejudice one party's claim against each other.

The Company had on 2 September 2020 filed the application for a stay of proceedings pending the disposal of the Company's appeal at the Court of Appeal. After having instructed the parties to present their submissions, the High Court Judge had on 13 November 2020 dismissed the Company's application for a stay of proceedings pending the disposal of the Company's appeal at the Court of Appeal with costs of RM4,000 to be paid to SRSB. The High Court Judge thereafter proceeded to fix the trial for SRSB's Claim against the Company on 31 May 2021, 9 June 2021, 10 June 2021, 14 July 2021, 15 July 2021 and 16 July 2021 (collectively, "**High Court Proceedings**").

On 5 February 2021, the Company filed a motion at the Court of Appeal to apply to stay the aforesaid High Court Proceedings pending the Company's Appeal. The said motion was heard on 27 April 2021 and the Court of Appeal had allowed the Company's motion (i.e. the trial dates fixed for SRSB's High Court Proceedings were vacated). The next case management at the Kuala Lumpur High Court for the High Court Proceedings is fixed on 30 November 2021.

On the above matter as a whole, our solicitors are of the opinion that, notwithstanding that the maximum exposure to liabilities and amount of damages, interest and costs pursuant to the Claim cannot be ascertained at this juncture, ECSB has a fair chance of success in the Arbitration Proceeding and the Company has a fair chance of success in the defence to the Claim brought by SRSB as they have failed to expeditiously and diligently make the necessary applications for the approvals from LBUSB for the sub-contract of the Highway Project to the JV Company, and failed to take any step to compel LBUSB to consent to the sub-contract of the Highway Project to the JV Company which should not have been unreasonably withheld.

MATERIAL LITIGATION ON EKOVEST BERHAD AND ITS SUBSIDIARIES

(iii) On 7 October 2019, ECSB was served by the solicitors of SRSB with a Statement of Claim of the Defendant against the Third Party ("**Third Party Proceeding**").

SRSB is claiming that in the event it is held liable to Greenland Knusford Construction Sdn Bhd ("**GKCSB**") pursuant to the legal proceeding commenced by GKCSB to claim for loss and damage amounting to RM22,537,460.63 arising from alleged fraudulent, negligent representations, misstatements and/or alleged wrongful termination of GKCSB's employment by SRSB ("**Primary Proceeding**"), then SRSB is entitled to claim in this Third Party Proceeding against ECSB, for declaratory relief and consequential order for the following:

(a) a declaration that the alleged misrepresentations and/or misstatements pleaded by the GKCSB in the Statement of Claim was by ECSB and/or contributed by ECSB;

(b) a declaration that ECSB owes a duty of care to GKCSB and is in breach of that duty of care;

(c) a declaration that ECSB owes SRSB a fiduciary duty and/or a duty to take care, and ECSB is in breach of that duty;

(d) a declaration that ECSB has caused SRSB to be sued by GKCSB in the Primary Proceeding;

(e) consequently, and in the event that SRSB is held liable to GKCSB, an order that ECSB is liable to SRSB for an indemnity and/or a contribution in respect of GKCSB's claim;

(f) costs incurred by SRSB in defending GKCSB's action;

(g) cost of this Third Party Proceeding; and

(h) interests.

The pleadings in respect of the Third Party Proceeding closed on 9 December 2019 and the matter was fixed for further case management on 16 July 2020.

On 19 December 2019, SRSB filed an application under Order 14A and/or Order 33 rule 2 and/or rule 5 of the Rules of Court 2012 ("**O. 14A Application**") for determination of six questions of law and for several consequential orders, including (a) that in the event the questions are determined in SRSB's favour, the claim of GKCSB against SRSB be struck out and/or dismissed, and (b) until the determination of the said questions, all proceedings in this matter be stayed. The case management for this O.14A Application was also fixed on 16 July 2020.

On 16 July 2020, the High Court directed for the O.14A Application to be heard first before the amendment application filed by GKCSB, and that parties are to comply with the directions for submissions.

Upon having heard the parties on their submissions, the High Court had on 3 September 2021 dismissed the O. 14A Application with cost to GKCSB. On 27 September 2021, SRSB filed a Notice of Appeal in respect of the O. 14A Application. SRSB had also filed a Notice of Application together with the Affidavit in Support for a stay of proceedings application ("**Stay Application**") on 22 October 2021 and 25 October 2021 respectively. The hearing for the Stay Application is fixed on 22 November 2021. We have yet to receive SRSB's application for the aforementioned.

We had sought the necessary legal advice on the above matter and our solicitors are of the opinion that SRSB has a good case in defending GKCSB's claim in the Primary Proceeding on the basis that the allegation made by GKCSB is time barred pursuant to the limitation period of two (2) years for tort under Item 19 of the Schedule of Sarawak Limitation Ordinance. As such, ECSB has good prospects to avoid liability to indemnify SRSB against the amount of loss and damage claimed by GKCSB.

Our Directors are of the opinion that the Third Party Proceeding is not expected to have material operational and financial impact on our Group.

ADDITIONAL COMPLIANCE INFORMATION

MATERIAL CONTRACTS

Save as disclosed below as at 30 June 2021, 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 three (3) years immediately preceding the date of this Report.

(1)

On 21 September 2016, the Board of Directors of Ekovest Berhad (**"Board"**), had announced our wholly-owned subsidiary, Nuzen Corporation Sdn Bhd (**"Nuzen"**) had entered into a binding term sheet with Employees Provident Fund Board (**"EPF"**) to dispose a 40% equity interest held in Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd (**"Kesturi"**) to EPF.

On 8 November 2016, on behalf of the Board of Directors of Ekovest (**"Board"**), CIMB Investment Bank Berhad (**"CIMB"**), Astramina Advisory Sdn Bhd (**"Astramina"**) and AmInvestment Bank Berhad (**"AmInvestment"**) announced that Nuzen had entered into a conditional share sale agreement (**"SSA"**) with EPF for the disposal of:

(a) 3,440,400 ordinary shares of RM1.00 each in Kesturi, a wholly-owned subsidiary of Nuzen; and

(b) 18,000,000 redeemable preference shares of RM1.00 each in Kesturi,

which represents 40% of the issued and paid-up share capital of Kesturi, for a total cash consideration of RM1,130.0 million, subject to the terms and conditions contained in the SSA (**"Disposal"**).

In addition, the Company proposes to undertake the following:

(a) proposed share split involving the subdivision of every two (2) existing ordinary shares of RM0.50 each into five (5) ordinary shares of RM0.20 each in Ekovest held on an entitlement date to be determined and announced later (**"Share Split"**); and

(b) proposed amendments to the Company's Memorandum and Articles of Association to facilitate the implementation of the Share Split (**"Amendments"**).

On 18 November 2016, it was announced that the applications relating to the Share Split have been submitted to Bursa Malaysia Securities Berhad (**"Bursa Securities"**) and on 22 December 2016 announced that Bursa Securities resolved to approve the Share Split and listing of and quotation for up to 183,310,470 additional warrants arising from the adjustments to be made pursuant to the Share Split and up to 183,310,470 subdivided shares to be issued arising from the exercise of additional warrants, on the Main Market of Bursa Securities.

On 19 January 2017, the shareholders of the Company have approved the resolutions in respect of the Disposal, Share Split and Amendments.

The Disposal has been completed on 13 February 2017 and in accordance with the terms of the Share Sale Agreement, Nuzen and EPF have entered into the Shareholders' Agreement on 13 February 2017.

None of the Directors or major shareholders or persons connected to them has / have any interest or indirect in the above transaction.

ADDITIONAL COMPLIANCE INFORMATION

MATERIAL CONTRACTS

(1) (Cont'd)

(i) Utilisation of Proceeds

The status of utilisation of proceeds raised from the Proposed Disposal which was completed on 13 February 2017 are as follows:

Purpose	Gross Proceeds (RM '000)	Actual Utilisation (RM '000)	Balance (RM '000)	Deviation (RM '000)	Intended Timeframe for Utilisation
Repayment of borrowings	400,000	400,000	Nil	Nil	Within 6 months
Distribution to shareholders of Ekovest (Note1)	Between 213,862 and 244,414	213,920	Nil	Nil	Within 6 months
Exit Payment	149,000	Nil	149,000	Nil	(Note 2)
General corporate and working capital	Between 325,168 and 355,720	355,662	Nil	Nil	Within 24 months
Estimated expenses for the Proposal	11,418	11,418	Nil	Nil	Within 6 months
	1,130,000	981,000	149,000		

Remarks :

The total cash consideration for this Proposed Disposal is RM1,130.0 million, which is payable in the following manner :

(a) On the completion date, EPF shall pay to Nuzen the completion sum of RM921.0 million; and

(b) Within 7 Business Days following the receipt by Nuzen of a copy of the CPC for Duke Phase-2, EPF shall pay to Nuzen the CPC payment of RM209.0 million, of which the Exit Payment of RM149.0 million is to be deposited into the Designated Accounts and Nuzen shall retain the Exit Payment and all Accrued Income.

Note (1) : *The Proposed Distribution represents a cash dividend of RM0.25 per share. The Proposed Dividend has been paid on 8 March 2017 amounting to RM213.92 million. The actual amount paid to the shareholders of the Company is based on the Company's shares outstanding as the entitlement date.*

Note (2) : *Nuzen is entitled to the full legal and beneficial rights and title to the Exit Payment amounting to RM149.0 million and the Accrued Income but is obligated to retain the Exit Payment and the Accrued Income in the Designated Account. As at to-date, Nuzen has received the CPC Payment which includes the Exit Payment. Amount received to-date is RM1,130.0 million only.*

ADDITIONAL COMPLIANCE INFORMATION

MATERIAL CONTRACTS

(2)

On behalf of the Board of Directors of Ekovest (“Board”), RHB Investment Bank Berhad (“RHB Investment Bank”) and Astramina Advisory Sdn Bhd (“Astramina”) announced that Timur Terang Sdn Bhd (“TTSB”), a wholly-owned subsidiary of Ekovest, had on 21 November 2019, entered into the following agreements:

(i) a conditional sale and purchase agreement with Iskandar Waterfront Holdings Sdn Bhd (“IWH”) and Ekovest to acquire 17 parcels of freehold development land held under Title Nos. HSD 459 to HSD 475, Lot Nos. 3742 to 3758, all in the Mukim of Pulai, District of Johor Bahru, State of Johor, measuring approximately 30.49 hectares or 75.34 acres in aggregate from IWH for a total purchase consideration of approximately RM869.69 million which will be satisfied in the following manner:

(a) approximately RM849.89 million through the issuance of 849,887,600 ICPS at an issue price of RM1.00 per ICPS; and

(b) approximately RM19.80 million in cash (“Proposed Acquisition 1”); and

(ii) a conditional sale and purchase agreement with IWH to acquire three (3) parcels of freehold development land held under Title Nos. GRN 90574, GRN 90575 and GM 1424, Lot Nos. 728, 729 and 4354 respectively, all in the Mukim of Pulai, District of Johor Bahru, State of Johor, measuring approximately 6.32 hectares or 15.61 acres in aggregate from IWH for a total purchase consideration of approximately RM180.20 million (“Purchase Consideration 2”) which will be fully satisfied in cash.

In order to facilitate the issuance of the ICPS pursuant to the Proposed Acquisition 1, the Company also proposes to amend and/or include certain clauses in the existing Constitution of the Company.

The parties to the SPAs ("Parties") subsequently noted that there were discrepancies in the land area as stated in the issue documents of title to the Lands ("Land Titles") and those stated in the plans attached to the respective Land Titles. Accordingly, upon the receipt of subsequent clarification from the Land Registry, the Parties had on 10 January 2019 entered into two (2) supplemental agreements to vary certain terms of the SPAs ("Supplemental SPAs") in order to record their agreement on the revised land area of the Lands of 4,193,481 square feet ("sqft") and the consequential adjustment to the total purchase consideration for the Proposed Acquisitions (calculated at the same rate of RM265 per sq ft) as well as the manner in which the said total purchase consideration should be settled.

On 14 July 2020, TTSB and IWH had vide an exchange of letters dated 14 July 2020 agreed to extend the Conditional Period for another 6 months i.e. from 21 August 2020 to 20 February 2021 for the Parties to fulfill the Conditions Precedent set out in the SPAs. RHB Investment Bank, on behalf of the Company had sought an extension of time until 21 March 2021 to submit the draft Circular in relation to the above Proposals. Bursa Securities had subsequently vide its letter dated 26 January 2021 granted its approval for the EOT.

The Parties were unable to reach an agreement on 21 March 2021 and have therefore decided to allow the SPAs to lapse.

Subsequently on 5 April 2021, on behalf of the Board, MIDF Amanah Investment Bank Berhad ("MIDF Investment") and Astramina announced that TTSB, had re-entered into the following new agreements :

(i) A conditional sale and purchase agreement with Iskandar Waterfront Holdings Sdn Bhd ("IWH") and Ekovest to acquire 17 parcels of freehold development land held under Title Nos. HSD 459 to HSD 475, Lot Nos. 3742 to 3758, all in the Mukim of Pulai, District of Johor Bahru, State of Johor, measuring approximately 32.49 hectares or 80.28 acres in aggregate ("Lands 1") from IWH for a total purchase consideration of approximately RM785.21 million ("Purchase Consideration 1") which will be satisfied in the following manner:

(a) Approximately RM774.62 million through the issuance of 911,323,376 new irredeemable convertible preference shares in Ekovest ("ICPS") at an issue price of RM0.85 per ICPS; and

(b) Approximately RM10.59 million in cash,

("SPA 1") ("Proposed Acquisition 1"); and

ADDITIONAL COMPLIANCE INFORMATION

MATERIAL CONTRACTS (CONT'D)

(2)(Cont'd)

Subsequently on 5 April 2021, on behalf of the Board, MIDF Amanah Investment Bank Berhad ("MIDF Investment") and Astramina announced that TTSB, had re-entered into the following new agreements : (Cont'd)

(ii) a conditional sale and purchase agreement with IWH to acquire 3 parcels of freehold development land held under Title Nos. GRN 90574, GRN 90575 and GM 1424, Lot Nos. 728, 729 and 4354 respectively, all in the Mukim of Pulai, District of Johor Bahru, State of Johor, measuring approximately 6.47 hectares or 15.99 acres in aggregate (**"Lands 2"**) from IWH for a total purchase consideration of approximately RM159.41 million (**"Purchase Consideration 2"**) which will be fully satisfied in cash (**"SPA 2"**) (**"Proposed Acquisition 2"**),

(The Lands 1 and Lands 2, the Purchase Consideration 1 and Purchase Consideration 2, the SPA 1 and SPA 2, as well as the Proposed Acquisition 1 and Proposed Acquisition 2 shall hereinafter be collectively referred to as the **"Lands"**, the **"Total Purchase Consideration"**, the **"SPAs"** and the **"Proposed Acquisitions"** respectively).

The above Proposals are subject to and conditional upon approvals being obtained from the following:

(i) Shareholders of Ekovest at an EGM to be convened;
(ii) Bursa Securities for the listing and quotation of the Conversion shares on the Main Market Bursa Securities; and
(iii) Any other relevant authorities and/or parties, if required.

However, on 4 June 2021, on behalf of the Board, MIDF Investment and Astramina announced that in view of the uptick Covid-19 cases and nationwide lockdown, the Company, IWH and TTSB have vide letters of termination dated 4 June 2021 mutually agreed to terminate the SPA 1 and SPA 2. In view of the above, the transactions have been aborted.

(3)

The Company had on 8 September 2020 received a letter dated 7 September 2020 from IWH ("Letter") in relation to an exclusive offer to the Company to enter into exclusive negotiation with IWH to explore the participation of the Company as a strategic investor in the Bandar Malaysia development project, through the proposed acquisition by the Company of 40% of the equity interest held by IWH in IWH CREC Sdn Bhd ("IWH-CREC") ("Proposal").

IWH, through IWH-CREC, a joint venture vehicle between IWH and China Railway Engineering Corporation (M) Sdn Bhd ("CRECM")(a wholly owned company of the China state-owned company, China Railway Group Limited (CREC), which is a Fortune Global 500 company), had on 17 December 2019 entered into a restated and amended share sale agreement with TRX City Sdn Bhd ("TRXC") (an indirect wholly owned subsidiary of the Ministry of Finance Malaysia) in relation to the acquisition by IWH-CREC of a 60% equity interest in Bandar Malaysia Sdn Bhd to undertake the development of the Bandar Malaysia project.

The Board of Directors of the Company ("Board") wishes to announce that the Board has agreed to commence exclusive negotiation to finalize with IWH in relation to the Proposal, with a view towards entering into agreement within 30 market days from the acceptance of the Letter, unless extended with the consent of both parties.

The Proposal is subject to the approvals, waivers or consents of all relevant parties include, among others, CRECM and TRXC.

IWH takes cognizance of Ekovest as being one of its long-term trusted business partners that has the necessary skills and technical know-how to undertake largescale infrastructure developments. The Bandar Malaysia Project is a prime national economic project, in which Ekovest's direct participation and investment in IWH-CREC will potentially generate billions in order book sales arising from future infrastructure and development of Bandar Malaysia, which has an estimated gross development value (GDV) of approximately RM140 billion.

MATERIAL CONTRACTS (CONT'D)

(3) (Cont'd)

The Company had on 8 December 2020 entered into a heads of agreement ("HOA") with IWH in relation to the Proposed Joint Venture which entails the following:

(i) proposed subscription by Ekovest of new ordinary shares in a special purpose vehicle ("SPV"), which will be a wholly-owned subsidiary of IWH following the completion of the IWH's Reorganisation (as hereinafter defined) undertaken by IWH, comprising 40% of the enlarged issued share capital of the SPV ("Proposed OS Subscription"); and

(ii) proposed subscription by Ekovest of new redeemable preference shares-A ("RPS-A") and redeemable preference shares-B ("RPS-B") in IWH CREC Sdn Bhd ("IWH-CREC") for the purposes of redeeming 40% of the existing RPS-A and RPS-B held by IWH in IWH-CREC ("Proposed RPS Subscription").

On 15 July 2021, the Company announced that it has been notified by IWH that the Restated and Amended Share Sale Agreement executed between TRXC and IWH-CREC has lapsed. Consequence on the above, the Company and IWH will no longer proceed with the HOA dated 8 December as it is now deemed null and void.

ADDITIONAL COMPLIANCE INFORMATION

PRIVATE PLACEMENT

On 25 April 2019, the Company had submitted an application to Bursa Securities in respect of the listing and quotation of up to 256,446,959 placement shares to be issued pursuant to the private placement of up to 10% of the total number of issued shares of Ekovest, on the Main Market of Bursa Securities which was subsequently approved on 29 April 2019.

The issue price for the first tranche of the private placement has been fixed on 6 May 2019 at RM0.83 per Placement Share ("First Tranche"). The First Tranche comprised up to 214,812,359 Placement Shares, calculated based on 10% of the total number of issued shares of Ekovest as at 3 May 2019. The issue price of RM0.83 per placement share represents a discount of approximately 7.12% to the five (5)-day volume weighted average market price of Ekovest Shares up to and including 3 May 2019.

On 16 May 2019, the First Tranche of the private placement comprising 214,800,000 placement shares has been completed following the listing and quotation of 214,800,000 placement shares on the Main Market of Bursa Securities. The proceeds raised from this First Tranche placement have been fully utilized according to the approved utilisation purposes.

The remaining placement shares not issued under the First Tranche will be issued in subsequent tranches within six (6) months from 29 April 2019, being the date of Bursa Securities' approval letter for the listing and quotation of the placement shares on the Main Market of Bursa Securities. Subsequently, Bursa Securities had vide its letter dated 23 October 2019, granted an extension of time until 29 April 2020.

On 4 May 2020, Bursa Securities had granted a further extension of time until 29 October 2020 for the Company to complete the implementation of the Private Placement. However, on 29 September 2020, the Company completed the second and final tranche of the Private Placement comprising 41,000,000 Placement Shares at RM0.51 per share for total consideration of RM20,910,000. This proceeds were raised for general working capital purposes.

NON AUDIT FEES

The amount of non-audit fees paid or payable by the Company and by the Group to the external auditors for the financial year 30 June 2021 are RM5,000 and RM59,000 respectively.

ADDITIONAL COMPLIANCE INFORMATION

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 Monday, 13 December 2021.

OTHER INFORMATION

The Board had on 25 August 2021 announced that the Company is proposing to provide financial assistance to MCC Land (TMK) Pte. Ltd. ("MCC Land (TMK)"), a 29%-owned joint venture company of Ekovest Development (S) Pte. Ltd., which in turn is a wholly-owned subsidiary of the Company, in the form of deed of undertaking for banking facilities by MCC Land (TMK) from licensed financial institutions based in Singapore ("Proposed Provision of Financial Assistance").

The Proposed Provision of Financial Assistance is subject to the following approvals being obtained :-

a) the approval of shareholders of EB being obtained at the forthcoming Extraordinary General Meeting (EGM) on 30 September 2021;
b) the approval of Bank Negara Malaysia for financial guarantee issued by resident to non-resident; and
c) any other relevant authorities and/or parties approval; if required.

On 30 September 2021, the shareholders of the Company have approved the resolution in respect of the Proposed Provision of Financial Assistance. Barring any unforeseen circumstances, the Board of Directors of Ekovest Berhad expects the above to be completed by 4th quarter of calender year 2021.

ANALYSIS OF
SHAREHOLDINGS
AS AT 30 SEPTEMBER 2021

Date of Annual Report : 29 October 2021
Statement Date : 30 September 2021

I SUBSTANTIAL SHAREHOLDERS

No.	Name	Direct Shareholdings	%	Indirect Shareholdings	%
1.	Tan Sri Dato' Lim Kang Hoo	532,526,093	19.75	298,000,032 [1]	11.05
2.	Ekovest Holdings Sdn. Bhd.	298,000,032	11.05	-	-
	TOTAL	830,526,125	30.80		

II DIRECTORS' SHAREHOLDINGS

No.	Name	Direct Shareholdings	%	Indirect Shareholdings	%
1.	Tan Sri Dato' Lim Kang Hoo	532,526,093	19.75	298,000,032 [1]	11.05
2.	Tan Sri Datuk Seri Lim Keng Cheng	-	-	108,226,500 [2]	4.01
3.	Dato' Lim Hoe	14,232,375	0.53	-	-
4.	Lim Chen Thai	3,600,000	0.13	-	-
5.	Kang Hui Ling	-	-	-	-
6.	Lim Ts-Fei	-	-	-	-
7.	Chow Yoon Sam	160,000	0.01	-	-
8.	Dr. Wong Kai Fatt	-	-	-	-
9.	Lee Wai Kuen	-	-	-	-
10.	Wong Khai Shiang	750,000	0.03	-	-
11.	Lim Ding Shyong	-	-	-	-
	TOTAL	551,268,468	20.45		

Notes:
[1] Deemed interest by virtue of his shareholding in Ekovest Holdings Sdn. Bhd.
[2] Deemed interest by virtue of his shareholding in Lim Seong Hai Holdings Sdn. Bhd.

ANALYSIS OF SHAREHOLDINGS
AS AT 30 SEPTEMBER 2021

III CLASS OF EQUITY SECURITY

Total Number of Issued Shares	:	2,695,828,002
Class of Security	:	Ordinary Share
No. of Shareholders	:	31,093
Voting Rights	:	One (1) vote per ordinary share

IV DISTRIBUTION BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shareholdings	%
Less than 100	174	0.56	6,789	0.00
100 to 1,000	2,123	6.83	1,439,893	0.05
1,001 to 10,000	13,969	44.93	85,685,370	3.18
10,001 to 100,000	12,631	40.62	440,719,203	16.35
100,001 to less than 5% of issued shares	2,194	7.05	1,869,331,575	69.34
5% and above of issued shares	2	0.01	298,645,172	11.08
TOTAL	31,093	100.00	2,695,828,002	100.00

ANALYSIS OF SHAREHOLDINGS
AS AT 30 SEPTEMBER 2021

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	Shareholdings	%
1.	RHB NOMINEES (TEMPATAN) SDN BHD *OSK CAPITAL SDN BHD FOR TAN SRI DATO' LIM KANG HOO*	149,500,000	5.55
2.	RHB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN SRI DATO' LIM KANG HOO*	149,145,172	5.53
3.	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR EKOVEST HOLDINGS SDN BHD*	114,500,000	4.25
4.	RHB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN SRI DATO' LIM KANG HOO*	111,148,700	4.12
5.	KHOO NANG SENG @ KHOO NAM SENG	103,707,550	3.85
6.	LIM SEONG HAI HOLDINGS SDN BHD	73,082,800	2.71
7.	AMSEC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR EKOVEST HOLDINGS SDN. BHD. (SMART)*	72,000,000	2.67
8.	CIMSEC NOMINEES (TEMPATAN) SDN BHD *CIMB FOR TAN SRI DATO' LIM KANG HOO (PB)*	64,117,000	2.38
9.	RHB NOMINEES (TEMPATAN) SDN BHD *OSK CAPITAL SDN BHD FOR EKOVEST HOLDINGS SDN. BHD.*	58,000,000	2.15
10.	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR KOTA JAYASAMA SDN BHD*	54,000,000	2.00
11.	RHB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR EKOVEST HOLDINGS SDN BHD*	53,350,010	1.98
12.	AMSEC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR TAN SRI DATO' LIM KANG HOO (BX1206)*	43,200,000	1.60
13.	LIM SEONG HAI HOLDINGS SDN BHD	35,143,700	1.30
14.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *EMPLOYEES PROVIDENT FUND BOARD*	23,331,766	0.87
15.	LIM YAN BU	20,000,000	0.74
16.	UOB KAY HIAN NOMINEES (ASING) SDN BHD *EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)*	19,661,625	0.73
17.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *EXEMPT AN FOR BANK OF SINGAPORE LIMITED (LOCAL)*	18,367,550	0.68
18.	DATO' LIM HOE	14,232,375	0.53
19.	RHB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR YAP SONG MING*	13,978,600	0.52

ANALYSIS OF SHAREHOLDINGS
AS AT 30 SEPTEMBER 2021

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	Shareholdings	%
20.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TEOH SEE YONG (7004111)*	11,500,000	0.43
21.	LOH YU SAN	11,428,500	0.42
22.	LOH CHIN SEONG	11,226,002	0.42
23.	VINCENT WONG KEAN SOON	10,100,000	0.37
24.	GREAT OCEAN VENTURE SDN. BHD.	10,000,000	0.37
25.	LIM KIA HIONG	9,331,300	0.35
26.	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN SRI DATO' LIM KANG HOO*	8,716,000	0.32
27.	MAYBANK INVESTMENT BANK BERHAD *IVT (9)*	7,981,600	0.30
28.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN KUAN TECK*	7,591,000	0.28
29.	WONG KHAI SHIUAN	7,500,000	0.28
30.	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TENGKU UZIR BIN TENGKU UBAIDILLAH*	7,330,700	0.27
TOTAL		**1,293,171,950**	**47.97**

PARTICULARS OF MATERIAL PROPERTIES

AS AT 30 JUNE 2021

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)
PROJECT EKOCHERAS Geran 78870, Lot 480726, Mukim Kuala Lumpur. (DOA: 04-02-2000)	Ekovest Capital Sdn Bhd	3 years	Freehold	Shopping mall	55,996^	414,000	414,000
Part of Geran 78870, Lot 480726, Mukim Kuala Lumpur. (DOA: 04-02-2000)	DUKE Hotels Sdn Bhd	N/A	Freehold	Construction in progress	11,462^	101,090	101,090
PROJECT 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#	28,171	28,171
PROJECT 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
HSD 120433, PT 144, Seksyen 85A, Bandar Kuala Lumpur. (DA: 06-10-2017)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	2,660#	19,963	19,963
PROJECT EKOQUAY Geran 36008, Lot 151, Geran 28520, Lot 152, Seksyen 85, Bandar Kuala Lumpur. (DOA: 05-08-2011 & 15-01-2013)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	2,742#	5,538	5,538

PARTICULARS OF MATERIAL PROPERTIES
AS AT 30 JUNE 2021

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)
PROJECT EKOQUAY (CONT'D)							
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 & 05-08-2011)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	996	5,787	5,787
Geran 78119, Lot 20004, Geran 78857, Lot 20006, Seksyen 85, Bandar Kuala Lumpur. (DA: 23-05-2015 & 07-01-2016)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	196#	648	648
HSD 120001, PT 84, Seksyen 85, Bandar Kuala Lumpur. (DA: 06-01-2016)	Ekovest Properties Sdn Bhd	N/A	Leasehold 99 years Expiring on 5 Jan 2115	Vacant land	3,446#	5,809	5,809
GRN 24930, Lot 256, GM 1497, Lot 326, Seksyen 85, Bandar Kuala Lumpur. (DOA: 07-04-2017)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	4,693#	29,364	29,364

PARTICULARS OF MATERIAL PROPERTIES
AS AT 30 JUNE 2021

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)
PROJECT 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	5,683#	9,695	9,695
PN51151, Lot 20001, Section 85, Bandar Kuala Lumpur. (DOA: 07-10-2014)	Ekovest Properties Sdn Bhd	N/A	Leasehold 99 years expiring on 1 Nov 2110	Vacant land	2,748#	9,941	9,941
HSD 120087, PT85, Section 85, Bandar Kuala Lumpur. (DA: 05-05-2016)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	1,628#	7,822	7,822
HSD 120272, PT86, Section 85, Bandar Kuala Lumpur. (DA: 22-02-2017)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	1,663#	8,822	8,822
HSD 120398, PT87, Seksyen 85, Bandar Kuala Lumpur. (DA: 13-06-2017)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	628#	3,143	3,143

PARTICULARS OF MATERIAL PROPERTIES
AS AT 30 JUNE 2021

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)
PROJECT EKORIVER CENTRE (CONT'D)							
HSD 120778, PT88, Seksyen 85, Bandar Kuala Lumpur. (DA: 07-09-2018)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	2,926#	27,769	27,769
HSD 120779, PT146, Seksyen 85A, Bandar Kuala Lumpur. (DA: 07-09-2018)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	9,433#	41,500	41,500
PROJECT EKOGATEWAY							
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#	20,112	20,112
Lot 2767 GM 163 (PT28270) Lot 2768 GM 164 (PT28271) Mukim Setapak, Kuala Lumpur. (DOA: 01-10-2010)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	13,883#	15,370	15,370

PARTICULARS OF MATERIAL PROPERTIES
AS AT 30 JUNE 2021

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)
PROJECT EKOGATEWAY (CONT'D)							
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
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 September 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
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. (DA: 10-10-2016)	Ekovest Properties Sdn Bhd	N/A	Leasehold 99 years Expiring on 9 October 2115	Vacant land	18,172#	13,544	13,544

PARTICULARS OF MATERIAL PROPERTIES
AS AT 30 JUNE 2021

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)
OTHERS							
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	101,609#	190,000	190,000
Geran 421950, Lot 182988, Geran 414131, Lot 112873, Mukim Plentong Johor Bahru. (DOA: 20-12-2019)	Saujarena Bina Sdn Bhd	N/A	Freehold	Vacant Land	89,568#	123,900	123,900
HSD 565071, PT 24422, Bandar Johor Bahru, District of Johor Bahru Johor Darul Takzim. (DOA: 10-12-2018)	Tanahmas Kapital Sdn Bhd	N/A	Freehold	Vacant Land	45,242#	67,685	67,685
Geran no. 45357, Lot 160, Bandar Kuala Lumpur. (DOA: 29-09-2017)	KL Bund Sdn Bhd	N/A	Leasehold 99 years Expiring on 15 May 2106	Vacant Land	8,488#	43,549	43,549

PARTICULARS OF MATERIAL PROPERTIES
AS AT 30 JUNE 2021

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)
OTHERS (CONT'D)							
HSD 120121, PT10066, Mukim Setapak, Kuala Lumpur. (DOA: 05-05-2016)	KL Bund Sdn Bhd	N/A	Leasehold 99 years Expiring on 27 Dec 2114	Vacant land	7,940#	30,554	30,554
[1] Geran Mukim 354, Lot 228, [2] Geran Mukim 355, Lot 229, [3] Geran Mukim 356, Lot 231, Mukim Jimah Tempat Kuala Lukut [4] Geran Mukim 772, Lot 348 [5] Geran Mukim 773, Lot 404 [6] Geran Mukim 774, Lot 297 Mukim Jimah Tempat Telok Meranti [7] Geran 72701, Lot 486 [8] Geran 130368, Lot 528 [9] Geran 51638 , Lot 529 [10] Geran 65429 , Lot 828 Mukim Jimah Daerah Port Dickson [11] Geran Mukim 2141, Lot 10705 Pekan Lukut Tempat Kuala Lukut [12] Geran 75822, Lot 2604 [13] Geran 75823, Lot 2605 [14] Geran 75824, Lot 2606 [15] Geran 75825, Lot 2607 [16] Geran 75826, Lot 2608 Mukim Jimah, Daerah Port Dickson [17] Geran Mukim 241464, Lot 10703 Pekan Lukut, Daerah Port Dickson Negeri Sembilan (DOA : 8-10- 2018)	Ekovest World Sdn Bhd	N/A	Freehold	Vacant Land	504,319#	31,878	31,878

PARTICULARS OF MATERIAL PROPERTIES
AS AT 30 JUNE 2021

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)
OTHERS (CONT'D)							
Part of lands held under H Geran 250679 Lot 45370, Danga View Apartment, Bandar Johor Bahru, District of Johor Bahru, Johor Bahru (DOA : 15-01-2001) 8 units (DOA : 07-02-2002) 3 units (DOA : 24-11-2005) 6 units	Ekovest Berhad	20 years	Freehold	17 units of apartment	4,511^	20,567	20,567
GM 931 Lot 16345, GM 932 Lot 16346, Mukim Setapak, Kuala Lumpur. (DOA: 03-09-2015)	Ekovest Properties Sdn Bhd	6 years	Freehold	3-storey shop	1,458^	12,914	12,914
GM 762 Lot 14233, GM 763 Lot 14234, Mukim Setapak, Kuala Lumpur. (DOA: 25-07-2017)	Ekovest Properties Sdn Bhd	4 years	Freehold	3-storey shop	467^	9,301	9,301
HSD 119770, Lot 82, Seksyen 85, Bandar Kuala Lumpur. (DA: 19-01-2015)	Ekovest Land Sdn Bhd	N/A	Leasehold 99 years expiring on 18 Jan 2114	Vacant land	2,179#	10,342	10,342

PARTICULARS OF MATERIAL PROPERTIES
AS AT 30 JUNE 2021

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)
OTHERS (CONT'D)							
Lot 42483 to Lot 42489 (7 lots) Lot 42490 to Lot 42499 (10 lots) Lot 42500 to Lot 42514 (15 lots) Mukim Kuala Kuantan, Bandar Indera Mahkota, Kuantan. (DOA: 19-11-1996)	Milan Energy Sdn Bhd	N/A	Leasehold 99 years Expiring on 22 Mar 2093	Vacant land	46,940#	5,069	5,069
GM 929 Lot 16343, Mukim Setapak, Kuala Lumpur. (DOA: 15-12-2017)	Ekovest Properties Sdn Bhd	4 years	Freehold	3-storey shop	149#	4,488	4,488
Part of land held under Strata Geran No. 358304, Bandar Johor Bahru. (DOA: 25-06-2010)	Ekovest Construction Sdn Bhd	11 years	Freehold	4 units of 3 storey shop office and 3 unit of 4 storey shop office	2,608^	10,616	10,425

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

NOTICE OF THE THIRTY-SIXTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Sixth Annual General Meeting of the Company will be conducted on a fully virtual basis and entirely via remote control participation and voting via online meeting platform at https://dvote.my on Monday, 13 December 2021 at 10.30 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 2021 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 Clause 76 (3) of the Constitution of the Company:-

   i) Dato' Lim Hoe **Resolution 1**
   ii) Ms. Kang Hui Ling **Resolution 2**
   iii) Dr. Wong Kai Fatt **Resolution 3**

3. To approve the payment of Directors' Fees of RM270,000.00 for the financial year ended 30 June 2021. **Resolution 4**

4. To approve the payment of Directors' Benefits up to an amount of RM200,000.00 from the conclusion of the Thirty-Sixth Annual General Meeting until the next Annual General Meeting of the Company. **Resolution 5**

5. To re-appoint Mazars PLT. as Auditors for the financial year ending 30 June 2022 and to authorise the Directors to fix their remuneration. **Resolution 6**

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

   A. ORDINARY RESOLUTION
   CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR

   "THAT subject to the passing of Resolution 2, 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 12 years, to continue to act as an Independent Non-Executive Director of the Company." **Resolution 7**

   B. ORDINARY RESOLUTION
   PROPOSED AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE SHARES

   "THAT pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors be and are hereby given full authority to allot and issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued share capital of the Company for the time being **AND THAT** the Directors be and are hereby given full authority to obtain approval for the listing of and quotation for the additional shares so issued on the Bursa Securities **AND THAT** such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or at the expiry of the period within which the next Annual General Meeting is required to be held in accordance with the provisions of the Companies Act 2016, whichever is the earlier." **Resolution 8**

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

"THAT authority be and is hereby given pursuant to paragraph 10.09 of the 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 29 October 2021 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 AGM is to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or

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

whichever is the earlier." **Resolution 9**

7. To transact any other matter of which due notice shall have been given in accordance with the Constitution of the Company and the Companies Act 2016.

By Order of the Board

Lim Thiam Wah, ACIS
MAICSA No. 7000553
SSM PC No. 201908003868

Chartered Secretary
Kuala Lumpur

29 October 2021

NOTICE OF THE THIRTY-SIXTH ANNUAL GENERAL MEETING

Notes:

1. The 36th Annual General Meeting ("AGM") of the Company will be conducted on a fully virtual basis and entirely via remote control participation and voting via online meeting platform at https://dvote.my. Please refer to the Administrative Guide for the detailed steps on remote participation and vote remotely.

2. For the purpose of determining who shall be entitled to participate and vote at the AGM, the Company shall request Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at 30 November 2021. Only members whose name appears on this Record of Depositors shall be entitled to participate and vote at the AGM or appoint a proxy to participate and vote on his/her/its behalf.

3. A member entitled to participate and vote at the AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate and vote in his place at the AGM. A proxy may but need not be a member of the Company.

4. A member of the Company who is entitled to participate and vote at the AGM may appoint not more than two (2) proxies to participate and vote in his/her/its place at the AGM.

5. If two (2) proxies are appointed, the entitlement of those proxies to vote shall be in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

6. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

7. Where a member of the Company is 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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

8. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

9. An instrument appointing a proxy shall be in writing and in the case of an individual shall be signed by the appointor or by his attorney; and in the case of a corporate member, shall be either under its common seal or signed by its attorney or an officer on behalf of the corporation.

10. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote or in case of poll not less than 24 hours before the time appointed for taking the poll:-

    (i) In hard copy form
    In the case of an appointment made in hard copy form, the Proxy Form must be deposited with Registered Office of the Company situated at Ground Floor, Wisma Ekovest, No.118, Jalan Gombak, 53000 Kuala Lumpur.

    (ii) By electronic form via facsimile
    In the case of an appointment made by facsimile transmission, the Proxy Form must be received via facsimile at 03-4021 5943.

    (iii) By electronic form via email
    In the case of an appointment made by email transmission, the Proxy Form must be received via email at proxy@ekovest.com.my.

    For options (ii) and (iii), the Company may request member to deposit original executed proxy form to its registered office before or on the date of meeting for verification purpose.

Notes: (Cont'd)

11. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the registered office of the Company situated at Ground Floor, Wisma Ekovest, No. 118, Jalan Gombak, 53000 Kuala Lumpur not less than 48 hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote or in case of poll not less than 24 hours before the time appointed for taking the poll. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

12. Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.

13. Last date and time for lodging proxy form is Saturday, 11 December 2021 at 10.30 a.m.

14. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of AGM will be put to vote on a poll.

Explanatory Notes:-

Note A

The Audited Financial Statements is laid in accordance with Section 340(1)(a) of the Companies Act 2016 ("CA 2016") and meant for discussion only as the Audited Financial Statements do not require shareholders' approval under the provision of Section 251(1) of the CA 2016. As such, this Agenda item is not to be put forward for voting.

Resolutions 1 to 3

Clause 76 (3) of the Constitution of the Company ("Constitution") expressly states that at the annual general meeting in every subsequent year, one-third of the Directors for the time being or, if their number is not three or a multiple of three, then, the number nearest to one-third shall retire from office and be eligible for re-election.

Pursuant to Clause 76 (3) of the Constitution, Dato' Lim Hoe, Ms. Kang Hui Ling and Dr. Wong Kai Fatt are standing for re-election at this Annual General Meeting.

The profiles of the Directors standing for re-election are set out in their respective profiles in the Annual Report.

The Nomination Committee of the Company has assessed the criteria and contribution of Dato' Lim Hoe, Ms. Kang Hui Ling and Dr. Wong Kai Fatt and recommended them for their re-election. The Board endorsed the Nomination Committee's recommendation that Dato' Lim Hoe, Ms. Kang Hui Ling and Dr. Wong Kai Fatt be re-elected as Directors of the Company.

Resolutions 4 and 5

Section 230(1) of the CA 2016 provides amongst others, that the fees of the directors, and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

In this respect, the Board wishes to seek shareholders' approval for the following payments to the Directors of the Company at the Annual General Meeting in two (2) separate resolutions as below:

Resolution 4 seeks approval for the payment of Directors' Fees of RM270,000.00 for the financial year ended 30 June 2021.

Resolution 5 seeks approval for the payment of Directors' Benefits up to an amount of RM200,000.00 from the conclusion of the Thirty-Sixth Annual General Meeting until the next Annual General Meeting of the Company.

In determining the estimated total amount of Directors' Fees and Benefits payable for the Directors of the Company, the Board has considered various factors including the number of scheduled meetings for the Board, Board Committees, Board of Subsidiaries and Management Committees as well as the number of Directors involved in these meetings based on the current number of Directors and has included additional provisional sum for future appointment of Directors of the Company.

Explanatory Notes:- (Cont'd)

Note A (Cont'd)

Resolutions 4 and 5 (Cont'd)

In the event where the Directors' Benefits payable exceeds the estimated amount sought in the Annual General Meeting, a shareholders' approval is to be sought in the next Annual General Meeting of the Company in 2022 on the payment of the exceeded amount.

Resolution 6

The Audit and Risk Management Committee and the Board have considered the re-appointment of Mazars PLT. ("Mazars") as Auditors of the Company and collectively agreed that Mazars has met the relevant criteria prescribed under Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Explanatory Notes to Special Business

Resolution 7

The Proposed Resolution 7, if passed, will allow Ms. Kang Hui Ling to continue in office as Independent Non-Executive Director.

The Malaysian Code on Corporate Governance states that if the board intends to retain an independent director beyond twelfth years, it should justify and seek annual shareholders' approval through a two-tier voting process.

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

a. Fulfills 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; and

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 and Risk Management Committee and Board meetings.

Resolution 8

The Proposed Resolution 8, if passed, will empower the Directors of the Company to issue and allot shares in the Company up to an aggregate amount not exceeding ten per centum (10%) of the total number of issued shares 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 AGM held on 27 November 2020 and which will lapse at the conclusion of the Thirty-Sixth AGM. 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.

Resolution 9

The Proposed Resolution 9, if passed, will enable the Group to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations and are in the ordinary course of business made at on arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company. Details of the Proposed Mandate are set out in the Circular to Shareholders dated 29 October 2021.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Particular of Directors who are standing for election at the Thirty-Sixth Annual General Meeting.

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

Ekovest Berhad
Co. Reg. No. 198501000052 (132493-D)

ADMINISTRATIVE GUIDE FOR 36TH ANNUAL GENERAL MEETING

Date	:	Monday, 13 December 2021
Time	:	10.30 a.m.
Meeting Platform	:	Dvote Online website at https://dvote.my
Modes of Communication	:	Typed text in Online Meeting Platform during the 36th Annual General Meeting

MODE OF MEETING

The 36th Annual General Meeting of Ekovest Berhad ("AGM") will be conducted on a fully virtual basis and entirely via remote control participation and voting (RPV) via online meeting platform at https://dvote.my.

ENTITLEMENT TO PARTICIPATE AND VOTE

A shareholder whose name appears in the Record of Depositors as at 30 November 2021 shall be regarded as a shareholder entitled to participate and vote at the AGM or appoint a proxy(ies) to participate and/ or vote in his/her behalf.

PROXY(IES)

1. A member entitled to participate and vote at the AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate and vote in his place at the AGM. A proxy may but need not be a member of the Company

2. A member of the Company who is entitled to participate and vote at the AGM may appoint not more than two (2) proxies to participate and vote in his/her/its place at the AGM.

3. If two (2) proxies are appointed, the entitlement of those proxies to vote shall be in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

4. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

5. Where a member of the Company is 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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

6. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

7. An instrument appointing a proxy shall be in writing and in the case of an individual shall be signed by the appointor or by his attorney; and in the case of a corporate member, shall be either under its common seal or signed by its attorney or an officer on behalf of the corporation.

8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner, and must be received by the Company not less than 48 hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote or in case of poll not less than 24 hours before the time appointed for taking the poll:-

   i. In hard copy form

   In the case of an appointment made in hard copy form, the Proxy Form must be deposited at the Registered Office of the Company situated at Ground Floor, Wisma Ekovest, No.118, Jalan Gombak, 53000 Kuala Lumpur.

PROXY(IES) (CONT'D)

8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner, and must be received by the Company not less than 48 hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote or in case of poll not less than 24 hours before the time appointed for taking the poll:- (Cont'd)

   ii. By electronic form via facsimile

   In the case of an appointment made by facsimile transmission, the Proxy Form must be received via facsimile at 03-4021 5943.

   iii. By electronic form via email

   In the case of an appointment made by email transmission, the Proxy Form must be received via email at proxy@ekovest.com.my.

   For options (ii) and (iii), the Company may request the member to deposit the original Proxy Form at its Registered Office before or on the day of meeting for verification purpose.

9. Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.

10. The Last date and time for lodging the Proxy Form is Saturday, 11 December 2021 at 10.30 a.m.

11. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the registered office of the Company situated at Ground Floor, Wisma Ekovest, No. 118, Jalan Gombak, 53000 Kuala Lumpur not less than 48 hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote or in case of poll not less than 24 hours before the time appointed for taking the poll. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

12. A member who has appointed a proxy(ies)/authorised representative(s)/attorney(s) to participate in the AGM via RPV Facilities must request his/her proxy(ies)/authorised representative(s)/attorney(s) to register himself/herself for RPV Facilities via Dvote Online website at https://dvote.my.

PROCEDURE FOR REMOTE PARTICIPATION AND VOTING

Shareholder(s)/ Proxy(ies)/ Corporate Representative(s)/ Attorney(s), who wish to participate in the AGM remotely are advised to read and follow the procedure as summarised below:

Before Meeting Day

A. REGISTRATION AS USER

Procedure	Action
Sign up as a user with Dvote Online	Note : If you are already a user with Dvote Online, you are not required to sign-up again. You may proceed to sign-in using your email address and password.
	• Access the website at https://Dvote.my.
	• Click on <<Sign up>> to register as a new user with Dvote Online.
	• Complete registration and upload softcopy of MyKad/Identification card or passport.
	• You will be notified via email once your user registration is accepted / rejected by Dvote Online.

ADMINISTRATIVE GUIDE FOR 36TH ANNUAL GENERAL MEETING

PROCEDURE FOR REMOTE PARTICIPATION AND VOTING

Shareholder(s)/ Proxy(ies)/ Corporate Representative(s)/ Attorney(s), who wish to participate in the AGM remotely are advised to read and follow the procedure as summarised below:

Before Meeting Day

B. REGISTRATION FOR REMOTE PARTICIPATION AT MEETING

Procedure	Action
Register Meeting with Dvote Online	• Registration for Remote Participation will remain open from 2 December 2021 until the commencement of the polling during the AGM.
	• Login to https://dvote.my/user-login with your user ID (i.e: email address) and password.
	• Select event: "Ekovest Berhad – 36th Annual General Meeting", and click <<Register>>.
	• You will receive an email notifying on your registration for the remote participation and verification.
	• Once your registration has been verified against the Record of Depositors as at 30 November 2021, you will be notified via email whether your request for remote participation is approved/ rejected
	• If approved, you will receive an invitation email, *Join Meeting.*

On Meeting Day

Procedure	Action
Join the Live Stream Meeting	• Click on "Join Meeting" link in the invitation email and you will be directed to the live streaming room.
	• You are advised to log in early, at least 20 minutes, before the Meeting time.
Online Voting during Live Streaming	• Click on <<Proceed to Vote>>, to cast your votes for each resolution.
	• Review your casted votes, confirm and submit your votes.
	Note : You can proceed to vote and submit your votes at any time during the proceedings of the meeting until the end of voting session which will be announced by the Chairman of the meeting.
Post Questions during Live Streaming	• If you have any question for the Board of Directors, you may use the "Post Question" box to transmit your question.

Notes:-

- The quality of the live streaming is highly dependent on the bandwidth and stability of the internet connection at the location of the user.
- Users are advised to afford themselves ample time to complete the log in process in advance of the meeting.
- In the event you encounter any issues with logging-in, connection to live streamed meeting or online voting on the meeting day, kindly call 603-2276 6138 or email to Dvoteservice@gmail.com for assistance.

ADMINISTRATIVE GUIDE FOR 36TH ANNUAL GENERAL MEETING

PROCEDURE FOR REMOTE PARTICIPATION AND VOTING (CONT'D)

POLL VOTING

All the resolutions set out in the Notice of the AGM will be put to vote by way of poll in accordance to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Dvote Services Sdn. Bhd. as the Poll Administrator to conduct the poll by way of electronic voting and Coopers Professional Scrutineers Sdn. Bhd. as the Independent Scrutineers to verify the poll results.

ANNUAL REPORT 2021 AND OTHER DOCUMENTS

As part of our dedicated commitment to sustainable practices, Annual Report 2021, Statements/Reports can be viewed and downloaded from the Company's website at https://ekovest.com.my/ or by scanning the QR Code below.

To access this report online, scan this QR code or log on to www.ekovest.com.my

NO FOOD VOUCHERS OR DOOR GIFTS

There will be no distribution of food vouchers or door gifts during the AGM as the meeting is conducted on a fully virtual basis.

NO RECORDING OR PHOTOGRAPHY

No recording or photography of the AGM proceedings is allowed.

ENQUIRY

If you have any enquiry pertaining to the AGM, please contact our Share Registrar below during office hours from Mondays to Fridays from 9.00 a.m. to 5.00 p.m. (except on public holidays):-

DVOTE SERVICES SDN. BHD.
201701006322 (1220487-P)

Lot 9-7 Menara Sentral Vista
No. 150 Jalan Sultan Abdul Samad Brickfields
50470 Kuala Lumpir

Tel : 03-2276 6138

Email : dvoteservice@gmail.com

Contact Person : Ms. Sangetha / Mr. Hugo Wong

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EKOVEST

Ekovest Berhad

Co. Reg. No. 198501000052 (132493-D)

PROXY FORM

CDS Account No.

Number of shares held

I/We____NRIC/Company/Passport No.____________________
(full name in block)

of____
(full address)

being member(s) of Ekovest Berhad, hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email Address			

and / or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email Address			

or failing him/her, the Chairman of the Thirty-Sixth 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 conducted on a fully virtual basis and entirely via remote control participation and voting via online meeting platform at https://dvote.my on Monday, 13 December 2021 at 10.30 a.m. and at any adjournment thereof.

No	Resolutions		For	Against
1.	Re-election of: (i) Dato' Lim Hoe	(Resolution 1)		
	(ii) Ms. Kang Hui Ling	(Resolution 2)		
	(iii) Dr. Wong Kai Fatt	(Resolution 3)		
2.	Approval of Directors' Fees	(Resolution 4)		
3.	Approval of Directors' Benefits	(Resolution 5)		
4.	Re-appointment of Auditors	(Resolution 6)		
5.	Ordinary Resolution Continuing In Office As Independent Non-Executive Director	(Resolution 7)		
	Ordinary Resolution Proposed Authority for Directors to Allot and Issues Shares	(Resolution 8)		
	Ordinary Resolution Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	(Resolution 9)		

Please indicate with an "**X**" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this____________________day of______________________

____

Signature*
Member

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*** Manner of execution:**

(a) If you are an individual member, please sign where indicated.
(b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
(c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
(i) at least two (2) authorised officers, of whom one shall be a director; or
(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:

1. The 36th AGM of the Company will be conducted on a fully virtual basis and entirely via remote control participation and voting via online meeting platform at https://dvote.my. Please refer to the Administrative Guide for the detailed steps on remote participation and vote remotely.

2. For the purpose of determining who shall be entitled to participate and vote at the 36th AGM, the Company shall request Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at 30 November 2021. Only members whose name appears on this Record of Depositors shall be entitled to participate and vote at the AGM or appoint a proxy to participate and vote on his/her/its behalf.

3. A member entitled to participate and vote at the AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate and vote in his place at the AGM. A proxy may but need not be a member of the Company.

4. A member of the Company who is entitled to participate and vote at the AGM may appoint not more than two (2) proxies to participate and vote in his/her/its place at the AGM.

5. If two (2) proxies are appointed, the entitlement of those proxies to vote shall be in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

6. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

7. Where a member of the Company is 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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

8. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

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THE COMPANY SECRETARY

EKOVEST

Ekovest Berhad
Co. Reg. No. 198501000052 (132493-D)

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

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Notes: (Cont'd)

9. An instrument appointing a proxy shall be in writing and in the case of an individual shall be signed by the appointor or by his attorney; and in the case of a corporate member, shall be either under its common seal or signed by its attorney or an officer on behalf of the corporation.

10. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote or in case of poll not less than 24 hours before the time appointed for taking the poll:-

(i) In hard copy form
In the case of an appointment made in hard copy form, the Proxy Form must be deposited with Registered Office of the Company situated at Ground Floor, Wisma Ekovest, No.118, Jalan Gombak, 53000 Kuala Lumpur.
(ii) By electronic form via facsimile
In the case of an appointment made by facsimile transmission, the Proxy Form must be received via facsimile at 03-4021 5943.
(iii) By electronic form via email
In the case of an appointment made by email transmission, the Proxy Form must be received via email at proxy@ekovest.com.my.

For options (ii) and (iii), the Company may request member to deposit original executed proxy form to its registered office before or on the date of meeting for verification purpose.

11. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the registered office of the Company situated at Ground Floor, Wisma Ekovest, No. 118, Jalan Gombak, 53000 Kuala Lumpur not less than 48 hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote or in case of poll not less than 24 hours before the time appointed for taking the poll. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

12. Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.

13. Last date and time for lodging proxy form is Saturday, 11 December 2021 at 10.30 a.m.

14. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of AGM will be put to vote on a poll.

EKOVEST

Ekovest Berhad
Co. Reg. No. 198501000052 (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