EKOVEST

Ekovest Berhad

(Company No. 132493-D)

INNOVATIVE FOR GREATER VALUE

ANNUAL REPORT 2018

33rd ANNUAL GENERAL MEETING

VENUE Grand Seasons Hotel, 72 Jalan Pahang, 53000 Kuala Lumpur
DATE Tuesday, 27 November 2018
TIME 10.30 a.m.

CONTENTS

NOTICE OF THE THIRTY-THIRD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Third Annual General Meeting of the Company will be held at Grand Seasons Hotel, 72 Jalan Pahang, 53000 Kuala Lumpur on Tuesday, 27 November 2018 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 2018 together with the Reports of the Directors and the Auditors thereon. **Please refer Explanatory Note A**

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

   i) Tan Sri Dato' Lim Kang Hoo **Resolution 1**
   ii) Ms. Kang Hui Ling **Resolution 2**
   iii) Ms. Lim Ts-Fei **Resolution 3**

3. To re-elect Mr. Lim Chen Herng who retires in accordance with Article 89 of the Company's Articles of Association. **Resolution 4**

4. To approve the payment of Directors' Fees of RM270,000.00 for the financial year ended 30 June 2018. **Resolution 5**

5. To approve the payment of Directors' Benefits up to an amount of RM200,000.00 from 1 July 2018 until the next Annual General Meeting of the Company. **Resolution 6**

6. To declare a First and Final Single Tier Dividend of 1 sen per share in respect of the financial year ended 30 June 2018. **Resolution 7**

7. To re-appoint Messrs. Mazars PLT as Auditors for the financial year ending 30 June 2019 and to authorise the Directors to fix their remuneration. **Resolution 8**

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

   CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR

   "THAT approval be and is hereby given for Ms. Kang Hui Ling who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 12 years, to continue to act as an Independent Non-Executive Director of the Company". **Resolution 9**

   PROPOSED RENEWAL OF THE AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE SHARES

   "THAT pursuant to Section 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 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 Bursa Malaysia Securities Berhad **AND THAT** such authority shall continue in force until the conclusion of 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 10**

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND ADDITIONAL 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 30 October 2018 with the related parties listed in section 2.3 of the Circular which are necessary for the day-to-day operations, in the ordinary course of business, made on at arm's length basis and on normal commercial terms which are not more favourable than those normally available to the public and are not to the detriment of the minority shareholders;

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

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

b) the expiration of the period within which the next Annual General Meeting 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 11**

9. To transact any other matter for which due notices have been given in accordance with the Company's Articles of Association and the Companies Act 2016.

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the shareholders at the Thirty-Third Annual General Meeting, the First and Final Single Tier Dividend of 1 sen per share will be paid on 22 January 2019 to members whose names appear in the Record of Depositors on 31 December 2018.

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

i. Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 31 December 2018 in respect of ordinary transfers; and

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

By Order of the Board

Lim Thiam Wah, ACIS
Chartered Secretary
Kuala Lumpur
30 October 2018

NOTICE OF THE THIRTY-THIRD ANNUAL GENERAL MEETING

Notes:

1. Only depositors whose names appear in the General Meeting Record of Depositors as at 15 November 2018 shall be entitled to attend and vote at the Annual General Meeting.

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

3. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of a proxy.

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

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

6. To be valid, the proxy form, duly completed must be deposited at the Registered Office not less than 48 hours before the time for holding the meeting or any adjournment thereof, in the case of a poll, not less than twenty-four hours before the time appointed for the taking of the poll.

7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securites Berhad, all resolutions set out in this Notice will be put to vote by way of poll.

Explanatory Notes:

Note A:

The Audited Financial Statements are 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 will not be put forward for voting.

Resolutions 1 to 3:

Article 82 of the Company's Articles of Association 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 Article 82, Tan Sri Dato' Lim Kang Hoo, Ms. Kang Hui Ling and Ms. Lim Ts-Fei 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 (NC) of the Company has assessed the criteria and contribution of Tan Sri Dato' Lim Kang Hoo, Ms. Kang Hui Ling and Ms. Lim Ts-Fei and recommended for their re-election. The Board endorsed the NC's recommendation that Tan Sri Dato' Lim Kang Hoo, Ms. Kang Hui Ling and Ms. Lim Ts-Fei be re-elected as Directors of the Company.

Resolutions 4:

Article 89 of the Articles of Association expressly states that the Directors shall have power at any time and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors shall not at any time exceed the maximum number fixed in accordance with these Articles. Any Director so appointed shall hold office only until the next annual general meeting, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

Pursuant to Article 89, Mr. Lim Chen Herng is standing for re-election at this Annual General Meeting.

The profile of the Director standing for re-election is set out in his profile in the Annual Report.

The Nomination Committee (NC) of the Company has assessed the criteria and contribution of Mr. Lim Chen Herng and recommended for his re-election. The Board endorsed the NC's recommendation that Mr. Lim Chen Herng be re-elected as Director of the Company.

Resolutions 5 and 6:

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 5 seeks approval for the payment of Directors' Fees of RM270,000.00 for the financial year ended 30 June 2018.

Resolution 6 seeks approval for the payment of Directors' Benefits up to an amount of RM200,000.00 with effect from the Thirty-Third 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 on the Boards of Subsidiaries and increase in number of Board and committee meetings due to business expansion.

In the event where the payment of Directors' Benefits payable with effect from the Thirty-Third Annual General Meeting until the next Annual General Meeting of the Company 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 2019 on the payment of the exceeded amount.

NOTICE OF THE THIRTY-THIRD ANNUAL GENERAL MEETING

Explanatory Notes: (Cont'd)

Resolution 7:

With reference to Section 131 of the Companies Act, 2016, a Company may only make a distribution to the shareholders out of profits of the Company available if the Company is solvent. On 30 August 2018, the Board has considered the amount of dividend and decided to recommend the same for the shareholders' approval.

The Directors of the Company are satisfied that the Company will be solvent as it will be able to pay its debt as and when the debts become due within twelve (12) months immediately after the distribution is made on 22 January 2019 in accordance with the requirements under Section 132(2) and (3) of the Companies Act, 2016.

Resolution 8:

The Audit Committee and the Board have considered the re-appointment of Messrs. Mazars PLT as Auditors of the Company and collectively agreed that Mazars PLT has met the relevant criteria prescribed under Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Explanatory notes on Special Business:-

Resolution 9:

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

The Malaysian Code on Corporate Governance 2017 recommended that approval of shareholders be sought through a two-tier voting process in the event that the Company intends to retain a person as an Independent Director, a person who has served in that capacity for more than 12 years.

The Board has assessed and recommended that Ms. Kang Hui Ling who has served as Independent Non-Executive Director of the Company for more than 12 years, to continue to act as Independent Non-Executive Director, subject to shareholders' approval through a two-tier voting process at the forthcoming Annual General Meeting of the Company.

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

a. Fulfils the independent director criteria set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
b. Relevant experience and expertise as set out in her profile in the Annual Report.
c. Long service with the Company enhances her knowledge and understanding of the business operations of the Group which enable her to contribute actively and effectively during deliberations or discussion at Audit Committee and Board Meetings.

Resolution 10:

The Proposed Resolution 10, if passed, will empower the Directors of the Company to issue and allot shares in the Company up to an aggregate amount not exceeding 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 Annual General Meeting held on 23 November 2017 and which will lapse at the conclusion of the Thirty-Third Annual General Meeting. The general mandate will provide flexibility to the Company for any possible fund raising activities including but not limited for further placing of shares for purpose of funding future investment(s), working capital and/or acquisitions.

Resolution 11:

The Proposed Resolution 11, if passed, will authorise the Group to enter into recurrent related party transactions as specified in the Circular to Shareholders dated 30 October 2018, provided that such transactions are of a revenue or trading nature which are necessary for the Group's day-to-day operations and are in the ordinary course of business made at on arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

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

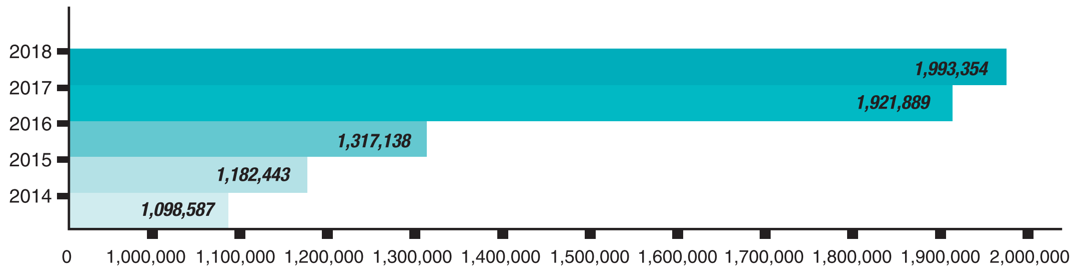
FINANCIAL HIGHLIGHTS

	Group 2014 RM'000	Group 2015 RM'000	Group 2016 RM'000	Group 2017 RM'000	Group 2018 RM'000
Gross Revenue	229,126	438,015	793,582	1,088,703	1,051,907
Profit Before Tax	7,726	31,766	190,951	176,705	152,910
Taxation	5,474	(11,760)	(35,345)	(61,464)	(49,727)
Profit After Tax	13,200	20,006	155,606	115,241	103,183
Minority Interests	33,911	(1,494)	(194)	(490)	11,066
Profit Attributable To Shareholders	47,111	18,512	155,412	114,751	114,249
Share Capital	427,724	427,724	427,724	428,115	*755,593
Reserves	670,863	754,719	889,414	1,493,774	1,237,761
Shareholders Funds	1,098,587	1,182,443	1,317,138	1,921,889	1,993,354
Represented By:					
Property, Plant and Equipment	107,645	59,411	67,290	64,417	70,248
Investment Properties	62,709	160,339	366,420	413,411	569,803
Land Held for Property Development	34,472	105,899	121,727	218,502	359,696
Concession Assets	1,579,610	1,796,922	2,388,462	3,179,661	3,828,941
Deferred Tax Assets	5,521	2,665	2,554	8,447	14,612
Current Assets	1,623,190	1,545,614	1,045,234	5,462,666	4,885,482
Current Liabilities	(338,383)	(461,753)	(568,501)	(862,838)	(1,026,491)
Non-current Liabilities	(1,972,978)	(2,021,961)	(2,105,979)	(6,183,133)	(6,340,759)
Minority Interests	(3,199)	(4,693)	(69)	(379,244)	(368,178)
	1,098,587	1,182,443	1,317,138	1,921,889	1,993,354
Net Tangible Assets Per Share (RM)	1.28	1.38	1.54	0.90	0.93
Gross Earnings Per Share (RM)	0.01	0.04	0.22	0.08	0.07
Net Earnings Per Share (RM)	0.02	0.02	0.18	0.05	0.05

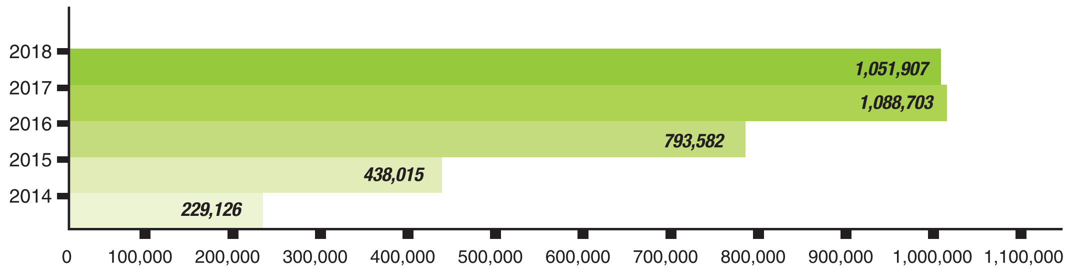
* *Transfer of share premium account of RM327 million to share capital pursuant to Companies Act 2016*

FINANCIAL HIGHLIGHTS

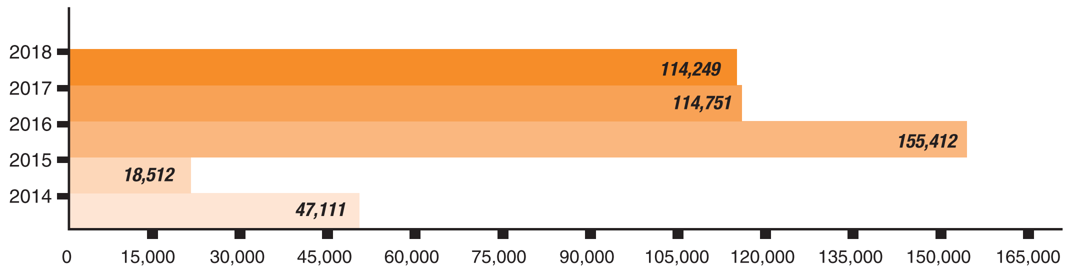
SHAREHOLDERS FUNDS



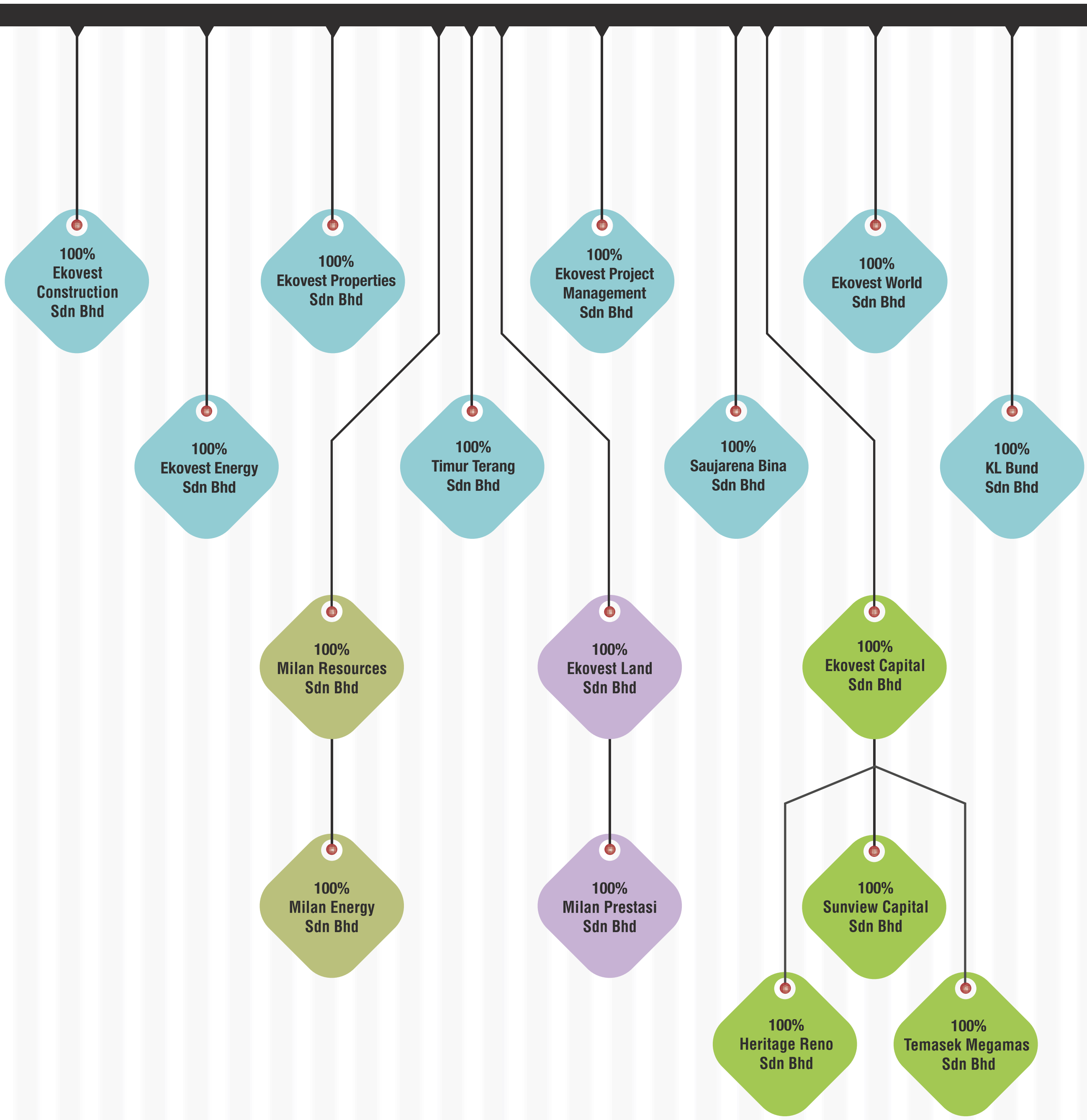
GROSS REVENUE



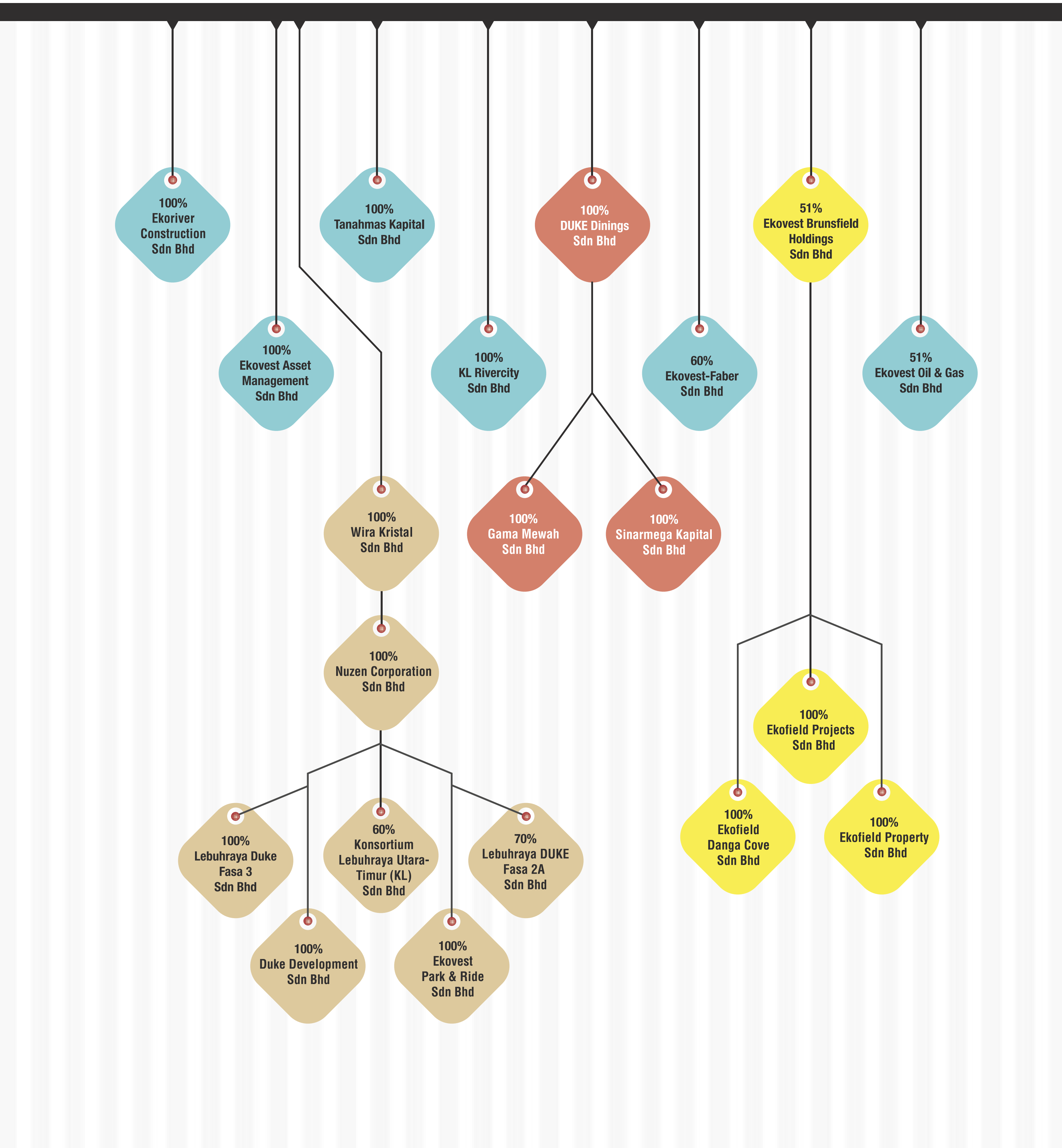
PROFIT ATTRIBUTABLE TO SHAREHOLDERS



Ekovest Berhad
(Company No. 132493-D)



GROUP STRUCTURE



CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN SRI DATO' LIM KANG HOO
Executive Chairman

TAN SRI DATUK SERI LIM KENG CHENG
Managing Director

DATO' LIM HOE
Executive Director

LIM CHEN HERNG
Executive Director

KANG HUI LING
Senior Independent & Non-Executive Director

LIM TS-FEI
Independent & Non-Executive Director

DR. WONG KAI FATT
Independent & Non-Executive Director

CHOW YOON SAM
Independent & Non-Executive Director

LEE WAI KUEN
Independent & Non-Executive Director

LIM CHEN THAI
Alternate Director to Tan Sri Dato' Lim Kang Hoo

WONG KHAI SHIANG
Alternate Director to Dato' Lim Hoe

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

COMPANY SECRETARY
Lim Thiam Wah, ACIS

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

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

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

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

LISTING STATUS
Listed on Bursa Malaysia
Main Market

LEGAL FORM AND PLACE OF INCORPORATION
A public listed company incorporated in Malaysia under Companies Act 2016 and limited by shares

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

DOMICILE
Malaysia

WEBSITE
www.ekovest.com.my


EKO

EXECUTIVE CHAIRMAN'S STATEMENT

DEAR VALUED SHAREHOLDERS,

ON BEHALF OF THE BOARD OF DIRECTORS OF EKOVEST BERHAD, I WOULD LIKE TO PRESENT TO YOU OUR ANNUAL REPORT AND THE GROUP'S REPORTS AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED ("FYE") 30 JUNE 2018.

Tan Sri Dato'
Lim Kang Hoo
Executive Chairman

INDUSTRY TRENDS

Global financial market volatility remained elevated, as market gyrations due to trade-related tensions persisted throughout the second quarter of 2018. In addition to trade tensions, capital outflows for emerging markets were also affected by higher interest rates in the United States of America, and a stronger US Dollar.

The Malaysian economy expanded at a slower pace of 4.5% in the second quarter of 2018 (1Q 2018: 5.4%). Growth was slower on account of supply disruptions in the mining sector and lower agriculture production. The latter is due to supply constraints and adverse weather conditions. On the demand side, growth was dampened by lower public investment and net export growth. Private sector spending remained resilient, expanding further by 7.5% (1Q 2018: 5.2%). In particular, private consumption increased strongly by 8.0% (1Q 2018: 6.9%). Growth in the construction sector continued to moderate in the second quarter. In the civil engineering sub-sector, growth was supported by the ongoing transportation, petrochemical and power plant projects. In the residential and non-residential sub-sectors, growth continued to decline. The development partly reflected the significant number of unsold residential properties and oversupply of office spaces and shopping complexes.

EXECUTIVE CHAIRMAN'S STATEMENT

FINANCIAL PERFORMANCE

In spite of an eventful, volatile and challenging conditions in financial year ended 30 June 2018 ("FYE2018"), Ekovest delivered another year of resilient, profitable and sustainable financial performance. The results reflect the core strength of the Group being the robust underlying construction expertise and a drive to improve the cost, efficiency and focus of our operations.

In FYE2018, Ekovest registered revenue of RM1.052 billion, a slight decrease of 3.4% as compared to RM1.089 billion achieved in the previous financial year ended 30 June 2017 ("FYE2017"). Our construction division contributed RM628.7 million or 60%, property development contributed RM274.5 million or 26%, while our toll operations contributed RM147.4 million or 14% to the revenue achieved in FYE2018.

The slight decrease in the revenue was due to the less construction billings milestones achieved, as the construction works of the Duke Phase 2, have been completed in this current financial year. Nonetheless, this is mitigated by the increase in revenue contributed from the property development as we have reached the billing stage of the residential component of the EkoCheras development and higher revenue from toll operations following the opening of the DUKE Phase 2 in October 2017.

The Profit Before Tax ("PBT") for FYE2018 stood at RM152.9 million, which is lower than the PBT reported in FYE2017 of RM176.7 million. This is mainly due to higher interest expense from the toll operations as all interest expense related to the DUKE are expensed off in the income statement instead of being capitalized in the balance sheet upon completion of DUKE.

STRATEGIC REVIEW

In FYE2018, it was an active year for us where we remained focused on delivering growth and long-term shareholders' value. We took appropriate and deliberate actions to drive performance. With a fair balance of strength and resilience, prudence and sound enterprise risk management, we continued to navigate our way through the challenges to promote the Group's various businesses. Ekovest is proud to have historically stable and reliable earnings with good visibility provided by a strong orderbook.

We are committed to improving the built environment and we understand the wider impact that our businesses can make in supporting human activity through the delivery of superior quality in our buildings, roads, public spaces, infrastructure, and other construction areas.

While short-term uncertainty exists in some of our segments, 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 highway concession. This model limits the impact of economic cycles and allows us to prioritise high-quality businesses, so that we can target margins and deliver disciplined revenue growth.

DIVIDENDS

To show commitment in granting our shareholders returns, the Board of Directors had on 30 August 2018 recommended a single tier dividend of 1 sen per ordinary share for the financial year ended 30 June 2018. This proposal is subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company.

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. We hold the responsibility that you have entrusted to us in high regard and we shall endeavour to deliver an even better FYE 2019. We look forward to a very exciting year ahead for the Ekovest Group.

Tan Sri Dato' Lim Kang Hoo
Executive Chairman
30 October 2018

KENYATAAN PENGERUSI EKSEKUTIF

PEMEGANG SAHAM YANG DIHARGAI, BAGI PIHAK LEMBAGA PENGARAH EKOVEST BERHAD, SAYA INGIN MEMBENTANGKAN LAPORAN TAHUNAN DAN PENYATA KEWANGAN EKOVEST BAGI TAHUN KEWANGAN BERAKHIR 30 JUN 2018.

TREND INDUSTRI

Keadaan pasaran kewangan global yang tidak menentu terus meningkat, di mana ketegangan pasaran yang berkaitan dengan perdagangan berterusan di sepanjang suku tahun kedua 2018. Selain daripada ketegangan perdagangan, aliran keluar modal untuk pasaran baru turut terjejas oleh kadar faedah yang lebih tinggi di Amerika Syarikat, dan Dolar AS yang lebih kukuh.

Ekonomi Malaysia berkembang pada kadar 4.5% lebih perlahan pada suku kedua 2018 (S1 2018: 5.4%). Pertumbuhan menjadi lebih perlahan disebabkan gangguan bekalan di sektor perlombongan dan pengeluaran pertanian yang lebih rendah.

Pengeluaran pertanian yang lebih rendah adalah disebabkan oleh kekangan bekalan dan keadaan cuaca buruk.

Dari segi permintaan, pertumbuhan telah terjejas oleh pelaburan awam yang lebih rendah dan pertumbuhan eksport bersih. Perbelanjaan sektor swasta kekal kukuh, berkembang sebanyak 7.5% (S1 2018: 5.2%). Khususnya, perbelanjaan persendirian meningkat dengan kukuh sebanyak 8.0% (S1 2018: 6.9%).

Pertumbuhan sektor pembinaan berkekalan sederhana pada suku kedua. Dalam sub-sektor kejuruteraan awam, pertumbuhan telah disokong oleh projek pengangkutan, petrokimia dan loji janakuasa yang berterusan. Dalam sub-sektor kediaman dan bukan kediaman, pertumbuhan terus menurun. Ini mencerminkan bilangan harta kediaman yang tidak terjual dan jumlah penawaran ruang pejabat dan kompleks membeli-belah yang berlebihan.

PRESTASI KEWANGAN

Walaupun Tahun Kewangan Berakhir 30 Jun 2018 merupakan tempoh yang tidak menentu dan mencabar, namun Ekovest berjaya mencapai prestasi kewangan yang kukuh dan mapan sekali lagi. Ini mencerminkan kekuatan teras kumpulan sebagai pakar pembinaan yang kukuh dan pemacu untuk meningkatkan prestasi kos, kecekapan dan tumpuan operasi kami.

Bagi Tahun Kewangan Berakhir 30 Jun 2018, pendapatan berdaftar Ekovest berjumlah RM1.052 bilion, mencatat penurunan yang sedikit iaitu sebanyak 3.4% berbanding dengan RM1.089 bilion yang dicapai pada tahun kewangan sebelumnya yang berakhir pada 30 Jun 2017. Segmen pembinaan menyumbang RM628.7 juta atau 60%, pembangunan hartanah menyumbang RM274.5 juta atau 26%, sementara operasi tol menyumbang RM147.4 juta atau 14% kepada hasil yang dicapai pada Tahun Kewangan Berakhir 30 Jun 2018.

Penurunan pendapatan adalah disebabkan oleh kerja pembinaan DUKE Fasa 2 telah diselesaikan pada tahun ini. Walau bagaimanapun, peningkatan pendapatan yang disumbangkan daripada segmen pembangunan hartanah seperti Projek EkoCheras dan hasil yang lebih tinggi daripada operasi tol berikutan pembukaan DUKE Fasa 2 pada Oktober 2017 telah mengurangkan impak penurunan pendapatan.

Keuntungan sebelum cukai bagi Tahun Kewangan Berakhir 2018 yang dilaporkan berjumlah RM152.9 juta adalah lebih rendah daripada keuntungan sebelum cukai bagi Tahun Kewangan Berakhir 2017 yang dilaporkan sebanyak RM176.7 juta. Ini adalah disebabkan oleh perbelanjaan faedah yang lebih tinggi dari operasi tol berkaitan dengan DUKE direkodkan dalam penyata pendapatan.

KENYATAAN PENGERUSI EKSEKUTIF

KAJIAN STRATEGIK

Tahun Kewangan Berakhir pada 2017 menyaksikan tahun yang rancak dimana kami terus memberikan tumpuan untuk meningkatkan nilai pemegang saham bagi jangka masa panjang. Kami telah mengambil langkah-langkah yang sesuai dalam memacukan prestasi syarikat. Dengan keseimbangan kekuatan dan ketahanan yang setara, pengurusan risiko perusahaan yang berhemat dan mantap, kami terus menembusi cabaran untuk mengembangkan pelbagai peluang perniagaan syarikat. Ekovest amat berbangga kerana berupaya mengekalkan prestasi syarikat yang stabil dengan kontrak sedia ada.

Kami komited untuk menambah baik persekitaran yang dibina dan kami juga memahami berkenaan faedah yang akan berhasil dari perniagaan kami dalam menyokong aktiviti kemanusiaan melalui penyampaian kualiti unggul dalam aspek pembinaan bangunan, jalan raya, ruang awam, infrastruktur dan lain-lain kawasan pembinaan.

Walaupun ketidaktentuan jangka pendek wujud dalam sesetengah segmen perniagaan kami, namun dengan kekuatan tumpuan strategik berjaya meletakkan Syarikat mengecapi manfaat hasil pertumbuhan jangka panjang. Model perniagaan hibrid kami menghasilkan nilai yang tinggi untuk pemegang saham kami untuk jangka panjang dengan memanfaatkan manfaat perniagaan pelengkap kami - pembinaan, pembangunan hartanah dan konsesi lebuh raya. Model ini menghadkan impak kitaran ekonomi dan membolehkan kami mengutamakan perniagaan berkualiti tinggi, supaya kami dapat mencapai pertumbuhan pendapatan yang konsisten.

DIVIDEN

Untuk menunjukkan komitmen dalam memberikan pulangan kepada pemegang saham, Lembaga Pengarah mengesyorkan dividen satu peringkat (single tier) sebanyak 1 sen bagi setiap saham biasa bagi Tahun Kewangan Berakhir 30 Jun 2018 pada 30 Ogos 2018. Cadangan ini adalah tertakluk kepada kelulusan para pemegang saham pada Mesyuarat Agung Tahunan Syarikat yang akan datang.

PENGHARGAAN

Saya ingin merakamkan setinggi-tinggi penghargaan kepada Lembaga Pengarah atas sokongan, komitmen dan sumbangan mereka dan pasukan pengurusan kami yang telah bekerja bersungguh-sungguh untuk memajukan syarikat ke tahap yang baru. Saya juga ingin memberi penghargaan kepada seluruh kakitangan syarikat atas dedikasi dan komitmen mereka.

Sekali lagi saya mengucapkan terima kasih kepada pelanggan-pelanggan, rakan niaga, pihak bank dan pelbagai agensi kerajaan dan pihak berkuasa tempatan atas sokongan berterusan dan keyakinan mereka terhadap keupayaan syarikat untuk menyempurnakan projek yang diamanahkan kepada kami.

Akhir sekali,saya ingin menzahirkan penghargaan yang tidak terhingga kepada para pemegang saham kami yang dihormati di atas kepercayaan, kesabaran dan keyakinan yang diberikan kepada Syarikat. Kami menyanjung tinggi tanggungjawab yang telah diamanahkan serta berusaha bersungguh-sungguh untuk memaksimakan nilai pegangan saham melalui pertumbuhan pendapatan jangka panjang yang berkekalan. Kami berharap agar sokongan ini akan berterusan untuk tahun kewangan yang lebih gemilang pada tahun akan datang.

Tan Sri Dato' Lim Kang Hoo
Pengerusi Eksekutif
30 Oktober 2018

执行主席致辞

各位尊敬的股东，我谨代表怡克伟士的董事部，在此为你呈现集团的年度报告和截至2018年6月30日的报告与财务报表。

行业趋势

2018年第二季紧张的贸易局势所导致的市场波动，促使全球金融市场的动荡持续升温。除了紧张的贸易局势，新兴市场的资本外流情况，也受到美元走强和美国升息的因素影响。

大马经济在今年第二季，以缓慢的步伐增长了4.5%（2018年首季：5.4%）。经济增长放缓，归咎于矿业领域的供应受到干扰，还有农业收成走低。其中，农业收成是受到不利的天气因素和供应制约所影响。在需求方面，增长率受到了净出口增长率和政府投资减少的冲击。私人领域开支依然保持强稳，进一步提高了7.5%（2018年首季：5.2%）。尤其是私人消费，这方面强劲地攀升了8%（2018年首季：6.9%）。

建筑业的增长继续在第二季放缓。该行业当中的土木工程领域，增长步伐获得正在进行当中的运输、石油化工和发电厂项目的支撑。在住宅和非住宅领域方面，增长率持续下滑。这个趋势在某程度上，放映了未售房屋数量高企和商场与办公空间供应过剩的情况。

财务表现

尽管截至2018年6月30日 (2018财年) 的财政年出现了很多变故、波动和挑战，怡克伟士今年再度交出了强稳的财务表现。这个表现反映出集团努力降低成本、提升效率和专注业务的核心优势。

在2018财年，怡克伟士营业额报10.52亿令吉，比截至2017年6月30日的上一财政年（2017财年）的10.89亿令吉，稍低3.4%。在2018财年的总营业额当中，我们的建筑业务贡献了6.287亿令吉或60%，房地产发展业务带来2.745亿令吉或26%，而收费站业务捎来1.474亿令吉或14%。

营业额出现稍微下跌的情况，是因为DUKE Phase 2 的建筑工程已完成，所以建筑工程进度入账减少。无论如何，DUKE Phase 2在2017年10月启用为收费站业务带来的收入以及亿国城（EkoCheras）住宅项目为产业发展业务捎来的营业额，抵消了这方面的冲击。

执行主席致辞

财务表现 (继续)

2018财年的税前盈利报1.529亿令吉，低于2017财年的1.767亿令吉。这主要归咎于收费站业务的利息开销增加，因为DUKE相关的所有利息开销，在建筑完成过后，已经计入在财务报表。在建筑期间，这些相关的利息开销是被资本化的。

战略评估

过去的2018财年，是我们积极地持续专注在实现增长和为股东带来长期价值的一年。我们采取了恰当与谨慎的举措来推动业绩。通过一个兼顾坚强与韧性、谨慎和安稳的企业风险管理，我们持续的在各种挑战中前进，推广集团的各个业务。多年来都非常强稳的订单所带来的可靠与稳定收入，是让怡克伟士引以自豪的。

我们承诺会提升建造行业，我们也了解到在通过旗下建筑物、道路、公共空间、基础建设和其他建筑方面交出卓越品质，集团的业务能够带来深远的影响。

虽然我们的一些业务将面临短期的阴霾，但我们的战略方针让我们企于一个强稳的位置，并能够从长期的增长中得益。我们的综合商业模式能利用建筑、房地产发展和高速大道特许经营业务之间互补互足的好处，为股东创造长期的价值。这个模式可限制经济循环周期造成的影响，并且有助我们优先专注在高品质的业务，从而达到利润目标和交出稳定的营业额增长。

股息

为了兑现为股东带来回酬的承诺，董事部已在2018年8月30日建议在截至2018年6月30日的财年派发每股1仙的单层股息。这项建议将在公司即将来临的年度股东大会寻求股东的通过。

致谢

我要向其他的董事部成员表达我最诚挚的谢意，感谢他们的支持、付出和贡献，还有我们不知劳苦、努力把集团推向另一个高峰的高级管理层。我也向所有怡克伟士的员工表达谢意，感谢他们的付出和努力。

感谢所有的客户、商业伙伴、银行和各个政府与地方当局持续给予的支持，还有他们对集团完成项目能力的信心。

最后，感谢尊敬的股东给予公司的信任、耐心和一直以来的信心。我们将对你给予我们的信任负上最高的责任，我们也将竭尽全力地在2019财年交出更好的业绩。我们期待怡克伟士集团在未来一年的表现。

执行主席
丹斯里拿督林刚河
2018年10月30日

MANAGING DIRECTOR'S STATEMENT

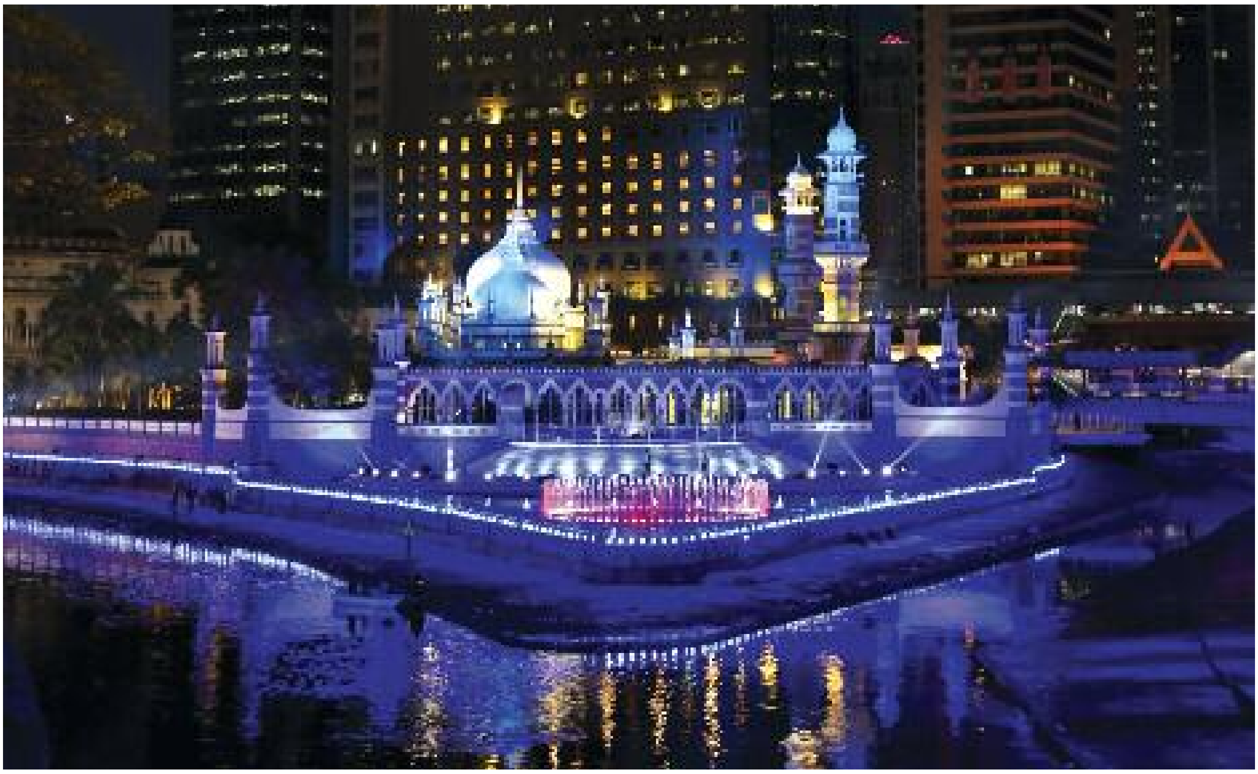
Tan Sri Datuk Seri
Lim Keng Cheng
Managing Director

During financial year ended 30 June 2018 ("FYE2018"), we have achieved several strategic milestones. We have completed and successfully delivered the Blue Pond Project as well as Universiti Tun Hussein Onn, Johor Bahru project to our clients. In addition, we have also completed the construction of the DUKE Phase-2 and with that, the toll operations have reported increased traffic volume since end October 2017.

We have continued to operate our businesses steadily and reliably across our 3 business divisions, namely, Construction, Property Development and Toll Operation.

Construction have always been the forte of our company and we expect this to be the same in the years to come as well. We have delivered more than RM8 billion worth of construction projects to clients all across Malaysia. We pride ourselves for being one of the most respected construction players in Malaysia. We intend to further strengthen our presence in large scale construction projects and to assist the

MANAGING DIRECTOR'S STATEMENT



Government to deliver the best infrastructure for Malaysia. Our expertise in construction have also resulted in implementation of innovative construction methods and value-added service to our clients in an effort to reduce the cost and time of construction, without sacrificing the fit, function and safety of the project. We have and will work closely with Government ministries, agencies, consultants and other stakeholders to further enhance and modernise the construction industry in Malaysia.

Under our property development division, Ekovest currently have a land bank of approximately 43 acres located primarily in northern Kuala Lumpur and this will be the focus of our property division in the coming years. Our EkoCheras project, launched in 2013 consists of 3 blocks of residential properties, 1 block of office tower, 1 block of hotel and a shopping mall. The EkoCheras shopping mall have obtained its Certificate of Completion and Compliance (CCC) on 20 August 2018 and will be in full operation by December 2018. 1 residential apartment block at our EkoTitiwangsa project have been launched and we will continue to market and sell the remaining unsold units. Apart from the land bank in Kuala Lumpur, we also own 25 acres of land in Johor Bahru and 12 acres in Kuantan, Pahang. As mentioned earlier, our focus at this time is on the developments that we have in Kuala Lumpur. We intend to utilise the property development projects in which we have lined up, as a balancing tool to ensure the revenue and returns of the company is sustainable amidst the cyclical nature of our construction division.

Our toll operation division (i.e. the operation and management of the DUKE toll concession) achieved a key milestone during the year where the DUKE Phase 2 was completed and opened to traffic. This will be the catalyst for our toll division as the traffic volume on the entire DUKE is expected to increase with further ease of connectivity provided by the Sri Damansara Link and Tun Razak Link. These links will result in shorter travelling time during peak period and we foresee that road users will see the long-term benefits of travelling on a tolled highway. The construction of our DUKE Phase 3 is also progressing well and is on track for completion and operation in 2020. Upon its completion, the alignment of DUKE 3 will complement the existing DUKE Phase 1 and 2 whereby it will serve the North-South travelling route in Kuala Lumpur and will be a viable alternative to the existing federal roads which are congested during peak hours. However, we do note that there has been some uncertainty in the Government's policy relating to tolled expressway and we have been in close contact with the relevant ministries and agencies to present our views on the industry as a whole. This division is expected to continue to provide a steady stream of revenue to complement both the construction and property development industry. In the long run, the management of Ekovest is on track to achieving its desired revenue mix of 40% from construction and 30% each from property development and toll operation.

MANAGING DIRECTOR'S STATEMENT

MANAGEMENT DISCUSSION AND ANALYSIS

The total revenue for FYE2018 stands at RM1.052 billion, which is a slight decrease of 3.4% or RM37.0 million as compared to previous year. An analysis on the revenue for the Group in FYE2018 and FYE2017 is as follow:-

	FYE2018 RM '000	FYE2017 RM '000	Variance RM '000	%
Construction	628,662	858,384	(229,722)	(26.7)
Property Development	274,538	103,403	171,135	165.5
Toll Operation	147,414	125,921	21,493	17.1
Others	1,293	995	298	30.0
Total	**1,051,907**	**1,088,703**	**(36,796)**	**(3.4)**

The decrease in the current year revenue was due to a lesser work certified in the construction division as the construction works of the DUKE Phase 2 and the Blue Pond Project have been completed in this current financial year.

Moving forward, our construction outstanding orderbook remains healthy and is able to provide earnings visibility for the next 3 years. Together with the construction contracts for the Setiawangsa – Pantai Expressway ("SPE" or better known as "DUKE Phase 3"), with contract value of RM3.7 billion and the various beautification packages under the River Of Life project, the estimated total outstanding orderbook for the Group stood around RM3.0 billion. As a testament to our ability and experience in the construction industry, we also have an ongoing incentive agreement with the Government of Malaysia relating to the design of sewerage treatment plants project.

The increase in FYE2018 revenue from the property development division is mainly due to the recognition of unbilled sales from the EkoCheras and EkoTitiwangsa development project. Moving forward, we are also expecting for the remaining RM200 million of unbilled sales to be recognised, as and when we achieve the construction percentage of completion.

The toll operation division registered a higher revenue of RM147.414 million in FYE 2018 as compared to RM125.921 million in FYE2017. The revenue for FYE2017 includes a one-off toll compensation amounting to RM7.986 million which relates to previous years toll deferment compensation. Had this compensation amount been excluded, the FYE2018 toll revenue would have increased by RM29.479 million, which is an increase of 25.0%. The increase in traffic volume and tolling revenue is mainly due to the opening of the Duke Phase 2 on 23 October 2017.

However, the Profit Before Tax ("PBT") for FYE2018 stood at RM152.9 million, which is lower than the PBT reported in FYE2017 of RM176.7 million. This is mainly due to higher interest expense from the toll operations. After the commencement for Duke Phase 2 tolling and operations, all the interest related to the Sukuk raised to finance the project are expensed off in the income statement instead of being capitalized in the balance sheet as per previous years.

From the Balance Sheet perspective, we have seen an increase in our Concession Assets from RM3.2 billion in FYE2017 to RM3.8 billion in the current year which is due to progress of the DUKE Phase 3 construction.

Similarly, we have also seen a decrease from RM4.6 billion in FYE 2017 to RM3.9 billion in FYE2018 in our Investment Funds, Short Term Deposits and Cash and Bank Balances which are mainly utilised for the construction of the Duke Phase 3 and the now completed DUKE Phase 2. Correspondingly, on the liabilities side, the Islamic Medium Term Notes of RM5.4 billion were raised to finance the two infrastructure projects. All monies raised for this project have been placed in various funds to maximise returns and help reduce the negative carry of our borrowings as much as possible.

MANAGING DIRECTOR'S STATEMENT

Overall, our capital expenditure and working capital requirements were financed generally from internal generated cash as well as borrowings from financial institutions. Moving forward, we expect this strategy remain largely intact in which we look into project financing structure and modelling to ensure the borrowings risk is "ring-fenced" and kept at project level with minimal recourse to the Group. However, we do acknowledge that some of the projects that we participate in, requires the support and financial capability of Ekovest Group as a whole in order to proceed.

The gearing ratio of the Group remains low at 0.58 times for the FYE2018, although it is slightly higher when compared to 0.55 times in the FYE2017. The gearing ratio calculation above have excluded the Islamic Medium Term Notes of RM5.4 billion in FYE2018 and FYE2017, which has minimal recourse to the Group.

The net assets per share attributable to equity holders as at FYE 2018 rose 3.3% to RM0.93 from RM0.90 at FYE 2017. There was a dividend payment amounting to RM42.8 million during the year under review.

CORPORATE DEVELOPMENTS

On 31 October 2017, the Board announced that the Company has received a proposal letter from Tan Sri Dato' Lim Kang Hoo ("TSDLKH"), in relation to a reorganisation exercise involving inter alia the acquisition by the Company of all the ordinary shares in Iskandar Waterfront City Berhad ("IWCity Shares") held by the existing shareholders of Iskandar Waterfront City Berhad ("IWC"), excluding IWC Shares held by Iskandar Waterfront Holdings Sdn Bhd (who is proposed by TSDLKH not to accept the offer by the Company for the acquisition of its shares in IWC), representing approximately 62% of the issued and paid-up share capital of IWC ("Proposed Offer").

On 18 December 2017, the Board (save for the Interested Directors) has decided to present the Proposed Offer to the non-interested shareholders of Ekovest for consideration at an Extraordinary General Meeting ("EGM") of the Company to be convened.

However, the shareholders of Ekovest have not approved the resolution pertaining to the Proposed Offer at the EGM held on 29 March 2018. In view of the above, the Proposed Offer has lapsed and all acceptances received pursuant to the Proposed Offer were returned to the respective shareholders of IWCity.

On 12 March 2018, Ekovest announced that our wholly-owned subsidiary, EkoRiver Construction Sdn Bhd ("ERCSB"), received a letter of acceptance from DBKL for the improvement and beautification works at Package 2 – Taman Titiwangsa, Kuala Lumpur, Federal Territory of Kuala Lumpur for the River of Life Project (Phase 2) for a total contract sum of RM99,888,888.00.

THANK YOU

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

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

Tan Sri Datuk Seri Lim Keng Cheng
Managing Director
30 October 2018

DIRECTORS' PROFILE

TAN SRI DATO' LIM KANG HOO

EXECUTIVE CHAIRMAN
AGE 63 MALAYSIAN

TAN SRI DATO' LIM KANG HOO, male, aged 63, Malaysian, and has been on the Board of Directors of Ekovest Berhad since 30 March 1988. He was appointed as Executive Chairman on 22 November 2010. Y.Bhg. Tan Sri Dato' Lim is a businessman with over 40 years of experience in the construction industry and machinery related industry. He started his involvement in the construction industry soon after completing his secondary education, assisting the family construction business. His dynamism and vision coupled with experience saw the companies that he leads grow by leaps and bound. At present, he is a Non-Executive Director of PLS Plantations Berhad and Executive Vice Chairman of Iskandar Waterfront City Berhad which are public companies listed on the Bursa Malaysia and also a Director of several other private limited companies. His vast experience in the construction industry had been instrumental to the growth and development of the Ekovest Berhad Group.

TAN SRI DATUK SERI LIM KENG CHENG

MANAGING DIRECTOR
AGE 56 MALAYSIAN

TAN SRI DATUK SERI LIM KENG CHENG, male, aged 56, Malaysian, was appointed as the Managing Director of Ekovest Berhad on 16 May 2011. He has more than 35 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.

DIRECTORS' PROFILE

DATO' LIM HOE

EXECUTIVE DIRECTOR
AGE 66 MALAYSIAN

DATO' LIM HOE, female, aged 66, 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 45 years of working experience in various industries, gaining exposure in the field of finance, management, human resource and corporate matters. She is one of the pioneer staff during the formative years of Ekovest Berhad. She is also a Director of several private limited companies.

MS. KANG HUI LING

SENIOR INDEPENDENT AND NON EXECUTIVE DIRECTOR
AGE 46 MALAYSIAN

MS. KANG HUI LING, female, aged 46, Malaysian, was appointed to the Board of Directors of Ekovest Berhad on 28 February 2005. She holds a Bachelor of Accounting (Hons) Degree from University of Malaya in 1997. She is a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. Since her graduation, she acquired 4 years of audit experience in one of the big five audit firm. As audit senior associate, she also gained exposure in the field of operational audit and financial due diligence. Subsequently she joined a medium size multinational consultancy firm as the Finance and Admin Manager where she was responsible for establishing and implementing the company's accounting and operating policies and procedures. She is presently a partner of a professional firm registered with the Malaysian Institute of Accountants. She is also an Independent Non-Executive Director of PLS Plantations Berhad.

MR LIM CHEN HERNG

EXECUTIVE DIRECTOR
AGE 31 MALAYSIAN

MR. LIM CHEN HERNG, male, aged 31, Malaysian, was appointed to the Board of Directors of Ekovest Berhad on 27 February 2014 as an Alternate Director to Tan Sri Dato' Lim Kang Hoo. He was redesignated to Executive Director of Ekovest Berhad on 10 April 2018. He graduated with a Degree in Business Management from Royal Holloway, University of London in 2008. He has been with the family business since 2008, with management exposure into the property development, construction, finance and oil and gas industry. Currently, he is an Executive Director of Knusford Berhad and an alternate director in Iskandar Waterfront City Berhad. He also sits on the board of several private limited companies, most notably the master developer Iskandar Waterfront Holdings Sdn Bhd.

MS. LIM TS-FEI

INDEPENDENT NON EXECUTIVE DIRECTOR
AGE 55 MALAYSIAN

MS. LIM TS-FEI, female, aged 55, 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

DR. WONG KAI FATT

INDEPENDENT NON EXECUTIVE DIRECTOR
AGE 71 MALAYSIAN

DR. WONG KAI FATT, male, aged 71, Malaysian, was appointed to the Board of Directors of Ekovest Berhad on 16 May 2013. He graduated with a Bachelor of Medicine, Bachelor of Surgery from the University of Singapore in 1972. He worked in Johor Bahru General Hospital and Ipoh General Hospital for three years before venturing into his own private practice in Kuala Lumpur.

MR LEE WAI KUEN

INDEPENDENT NON-EXECUTIVE DIRECTOR
AGE 52 MALAYSIAN

MR. LEE WAI KUEN, male, aged 52, 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 28 years of legal and corporate experience in companies involved in the field of property development, construction and road concession. He is currently the Executive Director of Aqua Genesis Sdn Bhd which is involved in the aquaculture and supply chain for quality seafood. He is also an Independent Non-Executive Director of Knusford Berhad.

MR CHOW YOON SAM

INDEPENDENT NON-EXECUTIVE DIRECTOR
AGE 72 MALAYSIAN

MR. CHOW YOON SAM, male, aged 72, Malaysian, was appointed to the Board of Directors of Ekovest Berhad on 16 May 2013. He graduated with a Bachelor of Engineering Degree (Civil) Hons from the Universiti Malaya in 1971. He was a member of the Institute of Engineers Malaysia and Board of Engineers Malaysia. During his tenure with Felda, he was the Project Engineer on design and construction of Felda oil palm mills and rubber factories. Subsequently he was the Deputy Director of engineering involved in administration and management of Felda development projects. In 1990 to 1994 he was Project Consultant and Project Manager for Felda joint venture projects. In Felda Ekovest Sdn Bhd he was the Senior General Manager from 1994-2004. He was also an Independent Non-Executive Director of Iskandar Waterfront City Berhad from 2013 to 2016.

MR LIM CHEN THAI

ALTERNATE DIRECTOR TO TAN SRI DATO' LIM KANG HOO
AGE 24 MALAYSIAN

MR. LIM CHEN THAI, male, aged 24, Malaysian, was appointed to the Board of Directors of Ekovest Berhad on 10 April 2018. He graduated with a Bachelor of Banking and Finance from Monash University (Caulfield Campus). He is a Director in Iskandar Waterfront Holdings Sdn Bhd ("IWH"). He serves the IWH Group of companies in various capabilities since joining them in 2015. He is currently a Non-Executive Director of PLS Plantations Berhad.

DIRECTORS' PROFILE

MR WONG KHAI SHIANG

ALTERNATE DIRECTOR TO DATO' LIM HOE
AGE 39 MALAYSIAN

MR. WONG KHAI SHIANG, male, aged 39, 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 17 years' experience in the construction and property development industry. Upon graduating, he began his career with Ekovest Group as an Engineer. He is currently the Head of Sales and Marketing of Ekovest Group's property division.

MR LIM DING SHYONG

ALTERNATE DIRECTOR TO TAN SRI DATUK SERI LIM KENG CHENG
AGE 30 MALAYSIAN

MR. LIM DING SHYONG, male, aged 30, Malaysian, was appointed to the Board of Directors of Ekovest Berhad on 27 February 2014. He graduated with a Bachelor of Engineering in Engineering with Business Management and a Master of Science in Robotics from King's College London. He has been a Project Engineer in Ekovest Berhad since 1 February 2012. He is involved in the planning, design and construction of DUKE Phase-2, DUKE Phase-3 and in Ekoriver Construction Sdn Bhd, which has been appointed as the Swiss Challenge Contractor for the proposed improvement and beautification works at Precinct 7 under the River of Life project. He is currently actively involved in the sales and marketing activities as well as mall operations of EkoCheras, Ekovest's maiden property development project in Cheras.

(Alternate Director to Tan Sri Datuk Seri Lim Keng Cheng)

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 39 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:

Tan Sri Dato' Lim Kang Hoo is a brother to Dato' Lim Hoe, father of Mr Lim Chen Herng and Mr 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.

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, Mr Lim Chen Herng and Mr Lim Chen Thai, grandaunt to Mr Lim Ding Shyong.

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 Lim Chen Herng, Mr Wong Khai Shiang and Mr Lim Chen Thai.

Mr Lim Chen Herng 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.

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.

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, nephew to Mr Lim Chen Herng, Mr Wong Khai Shiang and Mr Lim Chen Thai.

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, Mr Lim Chen Herng and Mr Lim Chen Thai, uncle to Mr Lim Ding Shyong.

KEY SENIOR MANAGEMENT

MR. THAM BENG CHOY

CHIEF EXECUTIVE OFFICER (CONSTRUCTION)

MR. THAM BENG CHOY, male, aged 57, Malaysian, joined Ekovest Group in 1997 and was appointed as Chief Executive Officer (Construction) in 2016. He was involved in overseeing construction project undertaken by the Group such as DUKE Phase 1, DUKE Phase 2, Ministry of Education Buildings in Putrajaya, Shapadu Highway and currently, the ongoing DUKE Phase 3. He has more than 30 years of experience in construction industry involved in the construction of roadworks, bridges, drainage & utilities, airport, pipelines & storage tanks, pumphouse, administration buildings and etc. 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.

MR CHRISTOPHER YEO SEO HUAT

HEAD OF DEVELOPMENT

MR. CHRISTOPHER YEO SEO HUAT, male, aged 58, Malaysian, joined Ekovest Group in 1992 and was appointed as Head of Development in 2011. He was involved in the construction management and property developments within the Group. He has more than 30 years of experience in diverse range of industries which includes quantity surveying consultancy, construction management and property developments. He graduated with a Diploma in Building (with distinction) and a Bachelor degree in Building Economics & Quantity Surveying from Herriot Watt University. He started his career in Quantity Surveying Consultancy firms before joining several established developers at the later stage. He is a member of Royal Institution of Surveyors Malaysia and registered with the Lembaga Jurukur Bahan Malaysia. At present, he is the Head Of Development for several property developments within Kuala Lumpur which includes EkoCheras Mixed Integrated Development and EkoTitiwangsa Service Apartments.

MR. HENG HOCK LAI

GENERAL MANAGER (CONSTRUCTION)

MR. HENG HOCK LAI, male, aged 58, Malaysian, joined Ekovest Group in 1992 and was appointed as General Manager (Construction) in 2011. He was involved in overseeing the overall operation, contractual and technical matters for the initial Lahad Datu projects, the various phases of University Malaysia Sabah Project and currently, EkoCheras Mixed Integrated Development. He has more than 35 years of experience in construction industry. He graduated with a Bachelor of Science in Civil Engineering (Honours) from University of South Western Louisiana. He is a member of the Institution of Engineers Malaysia and a Professional Engineer who is registered with the Board Of Engineers Malaysia.

KEY SENIOR MANAGEMENT

ENCIK ZULKHANINE BIN SHAMSUDIN

PROJECT DIRECTOR (CONSTRUCTION)

ENCIK ZULKHANINE BIN SHAMSUDIN, male, aged 57, Malaysian, joined Ekovest Group in 1994 and was appointed as Head of Development in 2008. He is an engineer by profession who has more than 30 years of experience in construction industry covering infrastructure works, civil works, building works, river engineering works, river beautification as well as a member of committee for Project Delivery Partner (PDP) for River of Life (ROL) Project for the Government. Through his extensive careers so far, he has oversee jobs with the total worth of more than RM 2.0 billion both in public and private sector. Among multi-scale of huge projects under his direction are construction of new housing scheme for settler of FELDA in Negeri Sembilan, Pahang and Johor, construction of Hospital in Muar, construction of Putrajaya Road Package R3, construction of Dewan Perdana FELDA. He also has successfully lead a team to complete design and built project costing almost RM 800 million for the construction of Universiti Tun Hussien Onn Malaysia comprising of Faculty Buildings, Library, Hostel, Center of Lecturing Hall and infrastructure work. Recently, he is responsible for the construction of river beautification and river interceptor system for Greater Kuala Lumpur / Klang Valley ROL Project.

ENCIK ZAKARIA BIN SHAFFIE

GENERAL MANAGER (BUSINESS DEVELOPMENT & OPERATION)

ENCIK ZAKARIA BIN SHAFFIE, male, aged 58, Malaysian, joined Ekovest Group in 2013 as the General Manager (Business Development & Operation). He was involved in the implementation and construction of Setiawangsa-Pantai Expressway (SPE) and DUKE Phase 2. Previously, he oversaw all operational matters of DUKE Phase 1. He has more than 20 years of experience in the highway industry. Prior to Ekovest, Encik Zakaria senior roles included being the General Manager (Traffic Safety Division) and as the Regional Manager (Operations Division) (1988 – 2010) for Projek Lebuhraya Usahasama Berhad (PLUS Berhad). In the former role as the General Manager (Traffic Safety Divison), Encik Zakaria was responsible for planning, developing and monitoring the implementation of Traffic Management and Safety Strategies in accordance with the company's vision. His role included establishing and implementation of plans, measures to improve and ensure safety as well as quality service levels of the company's expressways. He graduated with a Bachelor Degree in Civil Engineering from University of Hartford, Ct. USA in 1987. His earlier years' of working experience were with Kuala Lumpur City Hall (Dewan Bandaraya Kuala Lumpur) upon attaining his Diploma in 1981.

MS. LIM SOO SAN

CHIEF FINANCIAL OFFICER

MS. Lim Soo San, female, aged 48, Malaysian, joined Ekovest Group in 1997, 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 a 5 years stay with a leading accounting firm before joining Ekovest Berhad.

Conflict of interest	Conviction for offences	Family Relationship
There is no conflict of interest between the Key Senior Management and the Group except for the recurrent related party transactions where the Key Senior Management have interest, as disclosed in the Note 39 of the Financial Statements.	None of the Key Senior Management have been convicted for any offences (except traffic offences) within the past 5 years or any public sanction or penalty imposed by relevant regulatory bodies during the financial year.	No Key Senior Management has family relationship with other Directors or major shareholders.

SUSTAINABILITY
STATEMENT

Effective 31 December 2017, listed issuers are required to ensure that its annual report contains a Sustainability Statement in accordance with MMLR. In making this disclosure, listed issuers shall include disclosures on the following:

(a) the governance structure in place to manage the economic, environmental and social risks and opportunities ("sustainability matters");

(b) the scope of the Sustainability Statement and basis for the scope;

(c) material sustainability matters and -

- (i) how they are identified;
- (ii) why they are important to the listed issuer; and
- (iii) how they are managed including details on –
  - policies to manage these sustainability matters;
  - measures or actions taken to deal with these sustainability matters; and
  - indicators relevant to these sustainability matters which demonstrate how the listed issuer has performed in managing these sustainability matters.

Towards this end, the Board is pleased to share with the shareholders in its first Sustainability Statement covering the status and initiatives taken and future action plan on sustainability in the Group.

Corporate Objective and Philosophy

At Ekovest, our corporate objective is to be innovative and progressive as a turnkey, design and build contractor. In order to achieve our objective, we will continuously upgrade our skills and professionalism and excel in construction expertise; stay adaptable to advancement of new building technology; enhance value adds to projects; and strengthen our human capital as the most valuable resource.

As an extension of the corporate objective, the Board acknowledges that it is imperative for Ekovest to embrace sustainability and ensure that its business strategic plan supports the long-term value creation not only in economic but also environmental and social aspects underpinning sustainability.

Ekovest's Sustainability Initiatives

To connect our sustainability objectives with the global sustainability initiatives, we will review the seventeen (17) Sustainability Development Goals ("the Goals") identified by United Nation; adopt the relevant goals to our business; and assess the priority of these goals based on materiality assessment approach suggested by Bursa Securities. This material assessment will take into consideration of the Goals' impact on the Group's financial performance, operation, public exposure, business as well as the perceived concerns of the key stakeholders.

Presently, the material assessment is in progress and the Board will upon completion of this assessment establish a formal sustainability framework for Ekovest by:

- Defining its oversight structure for overseeing the sustainability reporting;
- Identifying and aligning key sustainability initiatives with the identified material goals and ensuring these material goals are managed appropriately; and
- Defining target to gauge the management performance on sustainability initiatives.

SUSTAINABILITY STATEMENT

Ekovest's Sustainability Initiatives (Cont'd)

As part of the material assessment process, management has mapped the past and existing initiatives undertaken by the Group against the Goals. Subject to the conclusion of the above material assessment exercise, this mapping is intended to provide indications to the Board on how and what Ekovest have carried out its current initiatives and projects to be initiated in the future.

Goals	Goals Description	Ekovest Initiatives
Good Health and Well Being	Ensure Healthy Lives And Promote Well-being For All At All Ages	**(a) Conducted Emergency Response and Drill, Fire Fighting Training, Oil Spill Response Training and Basic Occupational First Aid, CPR & AED Training** These courses are designed to familiarise the trainees to the duties and responsibilities and skill of handling these emergencies. **(b) Good Health and Well-Being** • Ekovest has implemented recycling programme for papers, mixed recyclable items (plastic bottle, cans and glass), reduce and reuse of plastic bags in office. Separate bins are provided for segregating these items. • Environmental Management Plans have been prepared and executed for the projects, which include Best Management Practices (BMP) for environmental control. • Implementation of ISO 14001 Certification on Environmental Management System. • Implementation of ISO 18001 Certification on Occupational Safety and Health.
Quality Education	Ensure Inclusive And Equitable Quality Education And Promote Lifelong Learning Opportunities For All	• Through the Ekovest Graduate Attachment Programme ("EGAP") programme, fresh graduates are offered on-job training and employment upon completion of the programme.
Clean Water and Sanitation	Ensure Availability And Sustainable Management Of Water And Sanitation For All	• Beautification and improvement work under the River of Life and "Blue Pond" projects in Kuala Lumpur City. • Design enhancements for sewerage treatment plant in Bunus & Batu, Jinjang - Kepong requirement project resulting in total cost saving of more than RM200mil to Malaysia Government. • Project environmental management plans are in place for Setiawangsa-Pantai Expressway ("SPE") Highway to ensure all surface run-offs are controlled within the project site.

SUSTAINABILITY STATEMENT

Ekovest's Sustainability Initiatives (Cont'd)

As part of the material assessment process, management has mapped the past and existing initiatives undertaken by the Group against the Goals. Subject to the conclusion of the above material assessment exercise, this mapping is intended to provide indications to the Board on how and what Ekovest could do to its achievement in its current initiatives and projects to next level. (Cont'd)

Goals	Goals Description	Ekovest Initiatives
Affordable and Clean Energy	Ensure Access To Affordable, Reliable, Sustainable And Modern Energy For All	• Solar panels are fixed above the existing toll plazas of DUKE Highway and also EkoCheras MRT Link Bridge, providing a sustainable source of energy. • Ekocheras Mall is awarded silver rating under Green Building Index. • Sustainable Construction methods are deployed in construction of SPE Expressway whereby: o The bridge structures (crosshead, beam, parapet wall) is designed to be precast in the factory, to minimise site disturbances, to minimise waste produced at site, and to increase material efficiency and energy efficiency. o BH Girder is being used to replace special spans of segmental box girders in the SPE project. BH Girder is a result of R&D in South Korea, which is proven to be more sustainable due to the advantages in terms of cost, time and structural efficiency. o New material such as ultra high performance concrete has also been introduced into the SPE project to in crease the efficiency of material for the design of special spans, where intermediate spans have been omitted to reduce the environmental and social impact of the bridge structures. o Standardisation of structure elements allowing steel formwork to be fabricated and reused, instead of using timber formwork.

Ekovest's Sustainability Initiatives (Cont'd)

As part of the material assessment process, management has mapped the past and existing initiatives undertaken by the Group against the Goals. Subject to the conclusion of the above material assessment exercise, this mapping is intended to provide indications to the Board on how and what Ekovest could do to its achievement in its current initiatives and projects to next level. (Cont'd)

Goals	Goals Description	Ekovest Initiatives
Sustainable Cities and Communities	Make Cities And Human Settlements Inclusive, Safe, Resilient And Sustainable	**(a) My City 2050** • My City 2050 is a city-planning competition held under the Arena of Youth banner, conceived as a means to develop the next generation of builders, involving schools under the PINTAR Foundation as well as Inter national Schools. • Ekovest has participated in the Arena Youth Programme "MyCity2050" as a mentor to guide the teams in managing their ideal city of 2050 in the areas of construction and infrastructure development, and share with the youth of Ekovest's experience in the industry. **(b) Green Expressway** • Ekovest has funded a project on the study of Green Expressway in association with Monash University. Fundamentally, this project seeks to engage the community in the discussion of Sustainability with respect to Roads - i.e. their design, building and maintenance. • This study was also a platform to educate other stakeholders, such as Government ministries and agencies, to look at planning sustainable infrastructure and its impact to the environment in order to ensure that the entire carbon footprint directly and indirectly from a project is reduced.
Partnerships for the Goals	Strengthen The Means Of Implementation And Revitalise The Global Partnership For Sustainable Development	• Ekovest signed a pledge towards Sustainable Development with CIDB, and have been involved in the development of an infrastructure sustainable rating tool together with CIDB. Pilot projects have been carried out on SPE in the tool development stage.

SUSTAINABILITY STATEMENT

With respect to the corporate social responsibilities, the Group continues to uphold its values of good corporate citizenship and committed to its three pillars of Corporate Social Responsibility ("CSR") initiatives on Education, Community, Employee & Sustainability. This CSR approach has been a mainstay in our company policy, and each year, becomes more and more significant. Following are the activities and programs carried out in financial year 2018:

Ekovest Blood Donation 2018

Ekovest Berhad held a blood donation campaign on 30 July 2018 at 3rd floor sales gallery.

Ground Breaking of Surau around DUKE Phase 3 Alignment

Ekovest Berhad organized Ground Breaking Surau event at Jalan Cochrane, Kuala Lumpur near to the Alignment of DUKE 3. The event was held on 6 May 2018.

Donation to Persatuan Perkhidmatan Pendidikan Siswazah Malaysia Wilayah Persekutuan K.L (PPPSMWP)

Ekovest handling over the cheque to Persatuan Perkhidmatan Pendidikan Siswazah Malaysia Wilayah Persekutuan K.L (PPPSMWP).

The donation is for organizing the Celebration of Teacher's Day 2018.

SUSTAINABILITY STATEMENT

Donation to The National Autism Society of Malaysia (NASOM)

Ekovest handling over the cheque to The National Autism Society of Malaysia (NASOM).

The donation is for organizing Autism Fun Run 2018.

Ekovest visited Institut Jantung Negara(IJN)

A visit to Institut Jantung Negara (IJN) by Ekovest Employees accompanied by Spongebob and Buzz Lightyear.

Hoping to bring some joy and happiness to the kids there. Always praying for their speedy recovery.

Donation to SMK St Mary

Ekovest handling over cheque to SMK ST Mary representative for donation of purchasing School Computer.

SUSTAINABILITY STATEMENT

With respect to the corporate social responsibilities, the Group continues to uphold its values of good corporate citizenship and committed to its three pillars of Corporate Social Responsibility ("CSR") initiatives on Education, Community, Employee & Sustainability. This CSR approach has been a mainstay in our company policy, and each year, becomes more and more significant. Following are the activities and programs carried out in financial year 2018: (Cont'd)

Donation to SK Danau Kota

Ekovest pleased to handling over the cheque to Persatuan Kebajikan Program Pendidikan Khas Integrasi (PPKI) SK Setapak Kuala Lumpur.

The donation will be used for organising school activities for the year of 2018.

Sponsorship for Bursa Bull Charge Run 2017

Ekovest Berhad is proud to support and sponsor the annual BURSA Bull Charge 2017, held through the streets of Kuala Lumpur again.

Our Managing Director, Tan Sri Datuk Seri Lim Keng Cheng ran with some of Ekovest's staff, as the marketplace came together to foster a sustainable and inclusive marketplace.

Donation to mosque and 'surau' around Duke 1, 2 and 3 alignment

Handling over of cheque by Tan Sri Datuk Seri Lim Keng Cheng, Managing Director of Ekovest Berhad to the representatives of mosque and 'surau' around Duke 1,2,3 alignment for "Ibadah Korban".

SUSTAINABILITY STATEMENT

Gotong Royong @ Taman Sungai Bunus

Our Managing Director, Tan Sri Datuk Seri Lim Keng Cheng and staffs attended the "Gotong Royong @ Taman Sungai Bunus" in conjunction with the World Rivers Day.

Sponsorship of 'MIROS Road Safety Run 2017'

Ekovest Berhad is one of the sponsor for 'MIROS Road Safety Run 2017'.

Ekovest Blood Donation Campaign-Nov 2017

Ekovest Berhad held a blood donation campaign on 15 November 2017 at 3rd floor sales gallery.

SUSTAINABILITY STATEMENT

With respect to the corporate social responsibilities, the Group continues to uphold its values of good corporate citizenship and committed to its three pillars of Corporate Social Responsibility ("CSR") initiatives on Education, Community, Employee & Sustainability. This CSR approach has been a mainstay in our company policy, and each year, becomes more and more significant. Following are the activities and programs carried out in financial year 2018: (Cont'd)

Sponsorship for Malaysian United Run Event 2017

Ekovest Berhad is one of the sponsor for Malaysian United Run 2017.

The event was held in Sepang.

Sponsorship for SMART Tunnel Run 2017

We are proud to be the Platinum Sponsor of the 10th Anniversary of the SMART Tunnel Run 2017. Flagged off by YB Dato Sri Dr. Haji Wan Junaidi Bin Tuanku Jaafar, Minister of Natural Resources and Environment at Berjaya Times Square and passing through the SMART Tunnel, the run was also held in conjunction with the 85th Anniversary of the Department of Irrigation and Drainage Malaysia.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Corporate Governance Overview Statement is presented pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). The objective of this statement is to provide an overview of the application of the corporate governance practices of the Group during the financial year ended 30 June 2018 with reference to the three (3) main principles, i.e. Board Leadership and Effectiveness, Effective Audit and Risk Management and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders as set out in the latest Malaysian Code on Corporate Governance ("MCCG").

The Board has also provided specific disclosures on the application of each Practices in its Corporate Governance Report ("CG Report"). The CG Report was announced together with the Annual Report of the Company on 30 October 2018. Shareholders may obtain the CG Report by accessing this link *https://ekovest.com.my/* for further details and are advised to read this overview statement together with the CG Report.

At the start of the financial year 2018, Ekovest is a Large Company as defined in the MCCG . Overall, the Board is of the view that the Company has, in all material aspect, complied with the Principles and Practices as set out in the MCCG. The explanation for the departure 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; Practice 11.2 on the adoption of integrated reporting; and Practice 12.3 for exploring technology to facilitate voting in absentia and remote shareholders' participation on General Meeting.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

(I) BOARD RESPONSIBILITIES

Principally, the responsibilities of the Board cover the areas of strategic plan, oversight of management performance, promote good governance, risk management, succession planning, investor relation and corporate reporting of the Group.

At the board level, the Executive Chairman, Managing Director and Executive Directors are responsible for the Group business operations while the Non-Executive and Independent Directors play a pivotal role by bringing objective judgment and views into the Board's deliberation and decision making processes. The roles of the Executive Chairman and Managing Director are assumed by different Directors. A designated Senior Independent Non-Executive Director is named for providing another channel of communication for shareholders.

The executive roles of the Chairman enable the Executive Chairman to align the interest of the board, management and shareholders for maximising shareholders' wealth. Nonetheless, majority of the Board members are Independent Non-Executive Directors to enable greater weight of expression of objective and independent views to safeguard the interest of minority shareholders.

The Board is supported by a qualified and competent Company Secretary. The Company Secretary advises the Board, particularly with regards to compliance with regulatory requirements, guidelines, legislations and the principles of best corporate governance practices.

The Directors have full and unrestricted access to all information pertaining to the Group's business and affairs, including amongst others, major financial, operational and corporate matters as well as activities and performance of the Company. The agenda and Board papers containing information relevant to the business of Board meeting are circulated to Board members prior to each meeting.

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 Board has defined its Board Charter setting out the roles, duties and responsibilities of the Board, the principles and practices of corporate governance to be followed as well as the key matters reserved for the Board's approval. The Board Charter is available in our Group's website at *https://ekovest.com.my/* for stakeholders' reference.

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 entire Board.

The Board supports of the principles of its Corporate Code of Conduct and Ethics. Management is currently reviewing the Group Code of Conducts and Ethics for further enhancement. This revised Code of Conducts and Ethics is expected to be published on the Company's website by end of this year.

The Board has established its Whistleblowing Policy & Procedure and encourages employees to report suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse involving resources of the Company. The Whistleblowing Policy and Procedure which is published in the Company's website provides and facilitates a mechanism for any individual to report concerns about any suspected and/or breaches of Code of Conduct and Ethics.

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

During the financial year under review, a total of Seven (7) 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	7/7
Tan Sri Datuk Seri Lim Keng Cheng	6/7
Khoo Nang Seng @ Khoo Nam Seng (resigned wef 7.11.2017)	1/3
Dato' Lim Hoe	7/7
Lim Chen Herng (appointed wef 10.4.2018)	1/1
Kang Hui Ling	7/7
Lim Ts-Fei	7/7
Chow Yoon Sam	7/7
Dr. Wong Kai Fatt	7/7
Lee Wai Kuen	7/7

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

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

(I) BOARD RESPONSIBILITIES (CONT'D)

Details of trainings attended by the Directors during the Financial Year are as follows:

Name of Directors	Training Programmes	Date
Tan Sri Dato' Lim Kang Hoo	1) Preparing the Bursa Sustainability Reporting 2) Financial Insights for Listed Companies	6 April 2018 26 July 2018
Tan Sri Datuk Seri Lim Keng Cheng	1) Preparing the Bursa Sustainability Reporting 2) Financial Insights for Listed Companies	6 April 2018 26 July 2018
Khoo Nang Seng @ Khoo Nam Seng (resigned wef 7.11.2017)	NIL	NIL
Dato' Lim Hoe	1) Preparing the Bursa Sustainability Reporting 2) Financial Insights for Listed Companies	6 April 2018 26 July 2018
Lim Chen Herng (appointed wef 10.4.2018)	1) Preparing the Bursa Sustainability Reporting 2) Financial Insights for Listed Companies	6 April 2018 26 July 2018
Kang Hui Ling	1) Preparing the Bursa Sustainability Reporting 2) Financial Insights for Listed Companies	6 April 2018 26 July 2018
Lim Ts-Fei	1) Preparing the Bursa Sustainability Reporting 2) Financial Insights for Listed Companies	6 April 2018 26 July 2018
Chow Yoon Sam	1) Preparing the Bursa Sustainability Reporting 2) Financial Insights for Listed Companies	6 April 2018 26 July 2018
Dr. Wong Kai Fatt	1) Preparing the Bursa Sustainability Reporting 2) Financial Insights for Listed Companies	6 April 2018 26 July 2018
Lee Wai Kuen	1) Preparing the Bursa Sustainability Reporting 2) Financial Insights for Listed Companies	6 April 2018 26 July 2018

(II) BOARD COMPOSITION

The current composition of the Board comprises of highly qualified and experienced individuals and their combined expertise and business experience provides insights and diversity of perspective to lead and guide the Group. The profiles of the members of the Board are set out on pages 24 to 27 of this Annual Report.

As at the date of this statement, the Board has nine (9) members comprising of an Executive Chairman, a Managing Director, two (2) Executive Directors and five (5) Independent Non-Executive Directors. Collectively, the Independent Directors constituting the majority number of the Board members.

Independence is important for ensuring objectivity and fairness in Board's decision making. The Board conducts annual assessment on the independence of its Independent Directors focusing on events that would affect their ability to continue to bring in independent and objective judgment during board deliberation.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

(II) BOARD COMPOSITION (CONT'D)

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.

The Board recognises the importance of gender diversity in the Board and encourages female participation in the Board. Presently, the Board has three (3) female members, out of nine (9) Board members. As reported in the 2016 Annual Report, the Company received a Certificate of Appreciation from the Ministry of Women, Family and Community Development for achieving the target of at least 30 percent women on Board in public listed companies.

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

Ms Kang Hui Ling
Chairman (Senior Independent and Non-Executive)

Ms Lim Ts-Fei
Director (Independent and Non-Executive)

Dr Wong Kai Fatt
Director (Independent and Non-Executive)

Mr Chow Yoon Sam
Director (Independent and Non-Executive)

Mr Lee Wai Kuen
Director (Independent and Non-Executive)

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

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

The Nomination Committee is chaired by an Independent Non-Executive Director. The Nomination Committee will consider recommendations from existing Board Members, management, major shareholders and third-party sources to identify suitably qualified candidates, when necessary 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. The ethnicity, age distribution and skill sets of the existing Board members are as follows:

	Race / Ethnicity				Nationality		Gender	
	Malay	Chinese	Indian	Others	Malaysian	Foreign	Male	Female
Executive Director	-	4	-	-	4	-	3	1
Independent and Non-Executive Director	-	5	-	-	5	-	3	2

Age Group	30-39 years	40-49 years	50-59 years	60-69 years	70-79 years
Executive Director	1	-	1	2	-
Independent and Non-Executive Director	-	1	2	-	2

Skill	Accounting & Finance Management	Engineering	Legal / Law	Business Management / Others
Executive Director	1	-	-	3
Independent and Non-Executive Director	1	1	2	1

During the financial year under review, the Nomination Committee carried out a review on the composition of the Board and the profile of each Director; an assessment of the Board, Board Committees and individual Directors in relation to their performance and contribution towards meeting the needs of the Company. The Board is satisfied with the overall performance effectiveness of the Board, Board Committees and individual directors had performed to its expectations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

(III) REMUNERATION

The remuneration policy of the Board provides that all Executive Directors and Senior Management are remunerated based on the Group's and individual's performances, market conditions and their responsibilities whilst the remuneration of the Independent and Non-Executive Directors is determined in accordance with their experience, level of responsibilities assumed in the Board Committees, their attendance and/or special skills and expertise they bring to the Board.

The Remuneration Committee comprise of 5 Independent Non-Executive Directors and the present members are as follows:

Ms Kang Hui Ling
Chairman (Senior Independent and Non-Executive)

Ms Lim Ts-Fei
Director (Independent and Non-Executive)

Dr Wong Kai Fatt
Director (Independent and Non-Executive)

Mr Chow Yoon Sam
Director (Independent and Non-Executive)

Mr Lee Wai Kuen
Director (Independent and Non-Executive)

The terms of reference of the Remuneration Committee are published in the corporate website.

The determination of directors' remuneration is subject to Board's approval. The director concerned should abstain from discussing his/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. In addition, shareholder's approval will also be sought at the forthcoming AGM for the payment of Directors' benefit (excluding Directors' fees) to the non-executive directors up to an amount of RM200,000 from 1 July 2018 until the next annual general meeting of the Company.

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

(III) REMUNERATION (CONT'D)

The details of Directors remuneration for the financial year ended 30 June 2018 are as follows:

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

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 Herng (RM)	Total (RM)
Directors' Fee	30,000	30,000	30,000	30,000	120,000
Allowances	33,000	33,000	-	-	66,000
Salaries	1,800,000	960,000	600,000	-	3,360,000
Bonus	900,000	480,000	300,000	-	1,680,000
Benefits-in-Kind	22,700	35,200	22,700	-	80,600
Defined Contribution Plan	324,000	172,800	108,000	-	604,800
Total	**3,109,700**	**1,711,000**	**1,060,700**	**30,000**	**5,911,400**

Details of the remuneration of the Top 5 senior management (including salary, bonus, benefits in-kind and other emoluments) during the financial year 2018, are as follow:

Senior Management	Range of Remuneration		
	RM250,001 – RM300,000	RM350,001 – RM400,000	RM400,001 – RM450,000
Tham Beng Choy (Chief Executive Officer, Construction)	-	-	√
Christopher Yeo Seo Huat (Head of Development)	-	-	√
Heng Hock Lai (General Manager, Construction)	-	-	√
Zulkhanine Bin Shamsusin (Project Director, Construction)	-	√	-
Zakaria Bin Shaffie (General Manager, Business Development & Operation)	√	-	-

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

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

The Board has established an effective and independent ARMC. Most members of ARMC are financially literate and are able to understand matters under the purview of the ARMC including the financial reporting process. Presently, the members of ARMC comprising fully Independent Non-Executive Directors and the Chairman of the ARMC is not the Chairman of the Board.

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 52.

(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 Statement on Risk Management and Internal Control is set out on pages 48 to 51 of this Annual Report detailing the state and fundamentals of the risk management and internal control systems in the Group as well as the review mechanism of the Board. The Board has also commented in the said statement that they are satisfied with the effectiveness and adequacy the existing level of systems of risk management and internal control. Going forward, the Board will implement and enhance its risk management framework covering the risk policy, risk appetite, risk assessment and define the oversight structure and review processes in 2018.

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 supported by an audit executive. 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

Presently, the stakeholders' communication is performed through the Annual Report and the various disclosures and announcements made to Bursa Securities. The results of Ekovest Group are also published quarterly in the Bursa Securities' website and these information and documents are accessible at *www.bursamalaysia.com*. The Company also attends to the requests for meetings from analyst and fund managers from time to time.

The Group has also leveraged on its corporate website to communicate, disseminate and add depth to its communication with the public.

(II) CONDUCT OF GENERAL MEETINGS

The Company's general meetings are an important avenue for dialogue with shareholders. During the general meeting, shareholders are provided with the opportunity to seek clarification on the Group's strategy, performance and major developments.

Notice of the Annual General Meeting and Annual Reports are sent to shareholders twenty eight (28) days prior to the meeting. At each Annual General Meeting, the Board encourages participation of shareholders during questions and answers sessions. The Board Chairman and the Chairpersons of the Board Committees will respond to all questions raised by the shareholders during the Annual General Meeting. The Board would ensure suitability of venue and timing of meeting and undertake other measures to encourage shareholders' participation in the meetings.

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

(II) CONDUCT OF GENERAL MEETINGS (CONT'D)

Explanation for each proposed resolution set out in the Notice of AGM will be provided, if needed during AGM to assist shareholders in making their decisions and exercising their voting rights. In line with Paragraph 8.29A(1) of the MMLR, all resolutions set out in the Notice of AGM will be put to vote by poll. The Company will also appoint an independent scrutineer to validate the vote cast in the AGM. The outcome of the AGM will be announced to Bursa Securities on the same meeting day while the summary of key matters discussed during the AGM will be posted on the Company website.

Shareholders who are unable to attend the AGM are advised that they can appoint proxies to attend and vote on their behalf.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

1. INTRODUCTION

The Board of Directors of Ekovest Berhad ("the Board") is pleased to present this Statement on Risk Management and Internal Control ("Statement") for the financial year ended 30 June 2018. This Statement is prepared pursuant to paragraph 15.26(b) of the Main Market Listing Requirements and guided by the "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers" ("the Guidelines") which was endorsed by the Bursa Malaysia Securities Berhad ("Bursa Securities").

2. RISK MANAGEMENT

The Group has adopted the principle of risk management framework for identifying, evaluating and managing significant risks facing the organization based on the ISO 31000 on Risk Management . Functionally, all Executive Directors and Senior Management are responsible to identify and manage business risks faced by the Group in order to ensure that business operations are under control and corporate targets and objectives are achieved.

At macro level, the inherent risks faced by Ekovest Group and the mitigating measures are:

a) Project Cost Overrun

The Group has on-going construction projects on hand. The risk of project cost overruns is mitigated by implementing measures for overseeing each project's execution and costing, and approval procedure by a Technical Assessment Committee ("TAC") prior to the commencement of each project as well as budget approval procedure. In addition, assignment of project team with relevant experience; monitoring of projects progress, timetable and budgetary controls are put in place to minimize possibility of cost overrun.

b) Market Risk

The Group's business is largely dependent on the performance of the construction and property development industry in which we operate. Such performance is affected by, among other factors, the state of the local and global economy and government regulations. Any slowdown in property demand will have an adverse impact on our business operations and financial performance. Management constantly monitors the market conditions and adjust its strategies to generate sales. This includes formulating effective marketing strategies, adopting dynamic and competitive pricing for its products, keeping abreast with latest market developments and needs, restructuring sales strategies and taking part in property road shows and exhibitions.

c) Regulatory Risk

The Group's revenue on toll operations segment is dependent on toll collections. Should the Government decide to set a toll rate lower than the rate prescribed in the Concession Agreement, the Government would compensate the Ekovest accordingly. However, the risk of any undue delay in the receipt of toll compensation will affect the financial obligations to the Sukuk Holders.

d) Natural Disaster Risk

The Group's revenue on toll operations segment could be affected by catastrophic events, such as a major landslide or bridge collapse. The Group has mitigated the impact of these risks in term of costs of repair and loss of revenue by securing adequate insurance coverage.

The Group has conducted its annual risk assessment in July 2018. The assessment process involved:

- Re-consideration of the impact and likelihood parameters to ensure that these parameters are still relevant to the risk appetite of the Group;
- Identification of any changes in the previously identified risks as well as new and emerging risks;
- Re-assessment of risk rating for all existing risks identified previously taking into consideration of the control effectiveness of each existing control, new control identified and completed mitigation plans;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

2. RISK MANAGEMENT (CONT'D)

The Group has conducted its annual risk assessment in July 2018. The assessment process involved: (Cont'd)

- Updating the status of further management action plan identified; and
- Documentation of risk in risk register to facilitate management tracking and monitoring of risks.

The result of the risk assessment was reported and deliberated in the Audit and Risk Management Committee meeting. The key operational risks focus and mitigation plan are as follows:

No.	Present Key Risk Focus	Mitigation Plan
i.	Risks from the highway operation such as accident and natural disasters	• Emergency response and notification procedures to relevant government authorities • Internal staff training for emergency response procedures • Monthly slope and drainage inspections • Biennial structural inspection
ii.	IT related risk on possibility of breakdown of IT system and external cyber threats	• Strengthening IT head counts, external supports, back-up procedures and user access controls • Establishing disaster recovery plan
iii.	Sub-contractors' performance	• On-site compliance and progress supervisions • Periodic review meetings on contractors' performance • Enforcement of contract terms on timelines and quality
iv.	Weak demand and buying sentiment in the overall property market	• Increasing marketing promotions and publicities at strategic timings for the existing developed project

3. REVIEW MECHANISM

The Board has delegated and empowered the Audit Committee to assume the responsibility in overseeing risk management in the Group. In this respect, the Audit Committee was renamed to Audit and Risk Management Committee ("ARMC") to reflect its new role.

Following are the main review mechanism conducted by the ARMC in addition to the annual review of risk assessment mentioned in the above Section:

i. The ARMC assesses the adequacy and effectiveness of internal controls based on the internal audit findings presented by the Internal Auditors. These reviews were done quarterly where the Internal Auditors will present their internal audit report to the ARMC and audit issues and action taken by management to address control deficiencies will be deliberated;

ii. Management supplements the ARMC's review on internal control and risk management when presenting their 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 and measures taken by Management to address these risks and challenges; and

iii. Annually, upon completion of audit, the External Auditors will report to the ARMC on their audit findings. As part of this review, ARMC will obtain feedback from the External Auditors on risk and control issues noted by them in the course of their statutory audit.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

4. OTHER KEY ELEMENTS OF INTERNAL CONTROL

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

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

5. MANAGEMENT RESPONSIBILITIES AND ASSURANCE

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

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

The Board has received assurance from Managing Director and Chief 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.

6. BOARD ASSURANCE AND LIMITATION

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.

7. 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. As set out in their terms of engagement, the procedures were performed in accordance with the Audit and Assurance Practice Guide 3 ("AAPG3") [Previously known as "RPG5 (Revised) 2015"] issued by MIA. The External Auditors' procedures have been conducted to assess whether the Statement on Risk Management and Internal Control is both supported by the documentation prepared by or for the Directors and appropriately reflects the process the Directors have adopted in reviewing the adequacy and integrity of the system of internal control for the Group. However, AAPG3 does not require the External Auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk and control procedures.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

7. REVIEW OF STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL BY EXTERNAL AUDITORS (CONT'D)

Based on their procedures performed, the External Auditors have reported to the Board that nothing has come to their attention which causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines, nor is it factually inaccurate.

This Statement is made in accordance with the approval by the Board dated 17 October 2018.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors of Ekovest Berhad ("the Board") is pleased to present the Audit and Risk Management Committee Report for the financial year ended 30 June 2018.

COMPOSITION AND ATTENDANCE OF MEETINGS

As at the date of this report, 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 five (5) 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)	5/5
Ms Lim Ts-Fei Director (Independent and Non-Executive)	5/5
Dr Wong Kai Fatt Director (Independent and Non-Executive)	5/5
Mr Chow Yoon Sam Director (Independent and Non-Executive)	5/5
Mr Lee Wai Kuen Director (Independent and Non-Executive)	5/5

Secretary

The Company Secretary is the Secretary of the ARMC.

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

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 ARMC members as well as the roles of ARMC Chairman and members.

During the financial year, the Nomination 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.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

SUMMARY OF WORK OF THE AUDIT COMMITTEE

The work carried out by the ARMC in discharging its duties and functions with respective to their responsibilities 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 discussed with the External Auditors upon completion of 2018 audit on their audit status report, the audit opinion rendered, the key audit matters, audit findings and internal control deficiencies;

c) Reviewed the External Auditors' audit planning memorandum for financial year 2018 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;

d) 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 are addressed;

e) Conducted independent meeting session with the External Auditors without the presence of executive Board members and management personnel to further discuss matter arising from audit and access the assistance given by management to the External Auditors;

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

g) Reviewed the Corporate Governance Statement, the Audit and Risk Management Committee's Report and Statement on Risk Management and Internal Control prior to submission to the Board for consideration and approval for inclusion in the 2018 Annual Report;

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

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

j) Reviewed and reported to the Board on 2018 Budget and matters addressed at the ARMC meetings;

k) Reviewed the progress of internal audit plan to ensure that the direction of the audit is appropriate to changes in the environment, if any 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.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION

The MMLR provide that a listed company must establish an Internal Audit Function which is independent of the activities it audits and reports directly to the ARMC.

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

The 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 management, taking into consideration the Group's structure, concerns and the challenges faced. 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 with management to ensure that the agreed audit recommendations are implemented.

During the financial year, the Internal Auditors had attended four (4) 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 management control procedures and compliance with the operating instructions in Construction of DUKE Phase 2;

ii. Reviewed on Recurrent Related Party Transactions;

iii. Conducted Board Briefing on 2017 Malaysian Code on Corporate Governance;

iv. Conducted follow-up audits with management to ensure implementations of the agreed audit recommendations;

v. Evaluated the effectiveness of management controls on finalisation of account for DUKE Phase 2; and

vi. Evaluate the adequacy and effectiveness of controls on DUKE Phase 2 toll operations.

The fees incurred during the current financial year for the Internal Audit Function of the Group is RM70,000.

FINANCIAL STATEMENTS

DIRECTORS' RESPONSIBILITY STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

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 2018, 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 17 October 2018.

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

The directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2018.

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 9 to the financial statements.

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

RESULTS

	Group RM'000	Company RM'000
Net profit for the year attributable to:		
Owners of the Company	114,249	133,298
Non-controlling interests	(11,066)	-
Net profit for the financial year	103,183	133,298

DIVIDENDS

During the financial year, the Company paid a first and final single-tier dividend of 2 sen per ordinary share amounting to RM42,784,058, in respect of the financial year ended 30 June 2017 as disclosed in the Directors' Report of that year, on 26 January 2018; and

The directors propose a final single-tier dividend of 1 sen per ordinary share amounting to RM21,392,029 for the financial year ended 30 June 2018.

ISSUE OF SHARES AND DEBENTURES

There were no issuance of shares or debentures during the financial year.

WARRANTS

The salient features of the Warrants are disclosed in Note 20(b) to the financial statements.

There was no movement in the number of Warrants of the Company during the financial year.

As at the end of financial year, 304,936,697 Warrants remain unexercised.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

EMPLOYEES' SHARE OPTION SCHEME

The Company's Employees' Share Option Scheme ("ESOS") is 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 is in force for a period of 5 years from the date of implementation, and may be further extended for a maximum period of 5 years at the absolute discretion of the Board of Directors.

The details of the share options are disclosed in Note 20(c) to the financial statements.

There were no options exercised or lapsed 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 9 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

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	
Kang Hui Ling	
Lim Ts-Fei	
Dr Wong Kai Fatt	
Chow Yoon Sam	
Lee Wai Kuen	
Lim Chen Herng	(Appointed as a director on 10 April 2018 and ceased to be alternate to Tan Sri Dato' Lim Kang Hoo)
Lim Chen Thai	(Appointed as alternate to Tan Sri Dato' Lim Kang Hoo on 10 April 2018)
Lim Ding Shyong	(Alternate to Tan Sri Datuk Seri Lim Keng Cheng)
Wong Khai Shiang	(Alternate to Dato' Lim Hoe)
Khoo Nang Seng @ Khoo Nam Seng	(Resigned on 7 November 2017)

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

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:

Zulkhanine Bin Shamsudin	
Zakaria Bin Shaffie	
Kharul Anwar Bin Abdul Basit	
Ahmad Nasir Bin Mohd Said	
Tham Beng Choy	
Lim Soo San	
Deng Hie Lang @ Teng Hieh Lang	
Azizul Bin Zainol	
Norsam @ Norsamsida Binti Hassan	
Shaharuddin Bin Mohamed	
Chua Soo Kok	
Aminuddin Bin Omar Azaddin	
Muhammad Noor Bin Abd Aziz @ Hashim	(Appointed on 30 August 2017)
Dato' Azmir Merican Bin Azmi Merican	
Rouziputra Bin Mad Noh	
Mohamad Hassan Bin Zakaria	
Gan Tien Chie	
Dato' Haris Onn Bin Hussein	(Resigned on 24 July 2018)
Dato' Jezilee Bin Mohamad Ramli	(Resigned on 30 August 2017)
Soh Hui Fung	(Resigned on 18 January 2018)

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

	Number of ordinary shares			
	At 1-7-2017	Bought	Sold	At 30-6-2018
Tan Sri Dato' Lim Kang Hoo				
- direct interest	431,705,221	-	-	431,705,221
- indirect interest	260,750,022	-	-	260,750,022
Tan Sri Datuk Seri Lim Keng Cheng				
- direct interest	10,833,000	-	-	10,833,000
- indirect interest	130,861,250	22,678,550	-	153,539,800
Dato' Lim Hoe				
- direct interest	9,628,250	950,000	-	10,578,250
Chow Yoon Sam				
- direct interest	140,000	-	-	140,000
Wong Khai Shiang (Alternate to Dato' Lim Hoe)				
- direct interest	-	750,000	-	750,000

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

The following directors, who held office at the end of financial year, had interests in shares or debentures as follows: (Cont'd)

	Number of Warrants				
	At 1-7-2017	Granted	Sold	Lapsed	At 30-6-2018
Tan Sri Dato' Lim Kang Hoo					
- direct interest	61,672,172	-	-	-	61,672,172
- indirect interest	37,250,010	-	-	-	37,250,010
Tan Sri Datuk Seri Lim Keng Cheng					
- indirect interest	16,701,500	-	-	-	16,701,500
Dato' Lim Hoe					
- direct interest	1,424,125	-	-	-	1,424,125
Chow Yoon Sam					
- direct interest	20,000	-	-	-	20,000

The following directors had interests in ESOS during the financial year as follows:

	Number of share options under the ESOS				
	At 1-7-2017	Granted	Exercised	Lapsed	At 30-6-2018
Tan Sri Dato' Lim Kang Hoo	16,000,000	-	-	-	16,000,000
Tan Sri Datuk Seri Lim Keng Cheng	16,000,000	-	-	-	16,000,000
Dato' Lim Hoe	16,000,000	-	-	-	16,000,000
Kang Hui Ling	3,200,000	-	-	-	3,200,000
Lim Ts-Fei	3,200,000	-	-	-	3,200,000
Dr Wong Kai Fatt	3,200,000	-	-	-	3,200,000
Chow Yoon Sam	3,200,000	-	-	-	3,200,000
Lee Wai Kuen	3,200,000	-	-	-	3,200,000
Lim Chen Herng	3,200,000	-	-	-	3,200,000
Lim Ding Shyong	3,200,000	-	-	-	3,200,000
Wong Khai Shiang	3,200,000	-	-	-	3,200,000

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, other than the shares, warrants or share options granted under the ESOS of the Company and its related corporations.

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 39(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 40 to the financial statements.

INDEMNITY

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

OTHER INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

(a) to ascertain that appropriate action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that there were no known bad debts to be written off and allowance for doubtful debts was not required; 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 accounting records 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 it necessary to write off any bad debts or to make an allowance for doubtful debts in the financial statements of the Group and of the Company; or

(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.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

AUDITORS

Auditors' remuneration is set out in Note 34 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

Date: 17 October 2018

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 2018 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 68 to 134.

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 2018, and of their financial performance and their cash flows for the financial year then ended in accordance with Financial Reporting Standards ("FRS") 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' Code of Ethics for Professional Accountants ("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 and Property Development Activities

The risk:

The Group's revenues and profits are mainly generated from construction contracts and sale of development properties. For the financial year ended 30 June 2018, construction contract revenue and property development revenue amounted to RM617 million and RM275 million, respectively, accounting for approximately 59% and 26% of the Group's revenue, respectively. These revenues are recognised by the Group over the period of the contract using the percentage of completion method of accounting, based on the proportion of development/construction costs incurred for work performed to date compared to the estimated total development/construction costs.

The determination of the percentage of completion requires exercise of significant judgement in estimating the total gross development value/contract revenue and total development/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, costs 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 and disclosures on construction contracts and property development revenues are disclosed in Notes 3(o) and 30, respectively, to the financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF EKOVEST BERHAD - INCORPORATED IN MALAYSIA

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

Key Audit Matters (Cont'd)

(a) Revenue Recognition for Construction Contracts and Property Development Activities (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 development/construction costs, budgets, authorisation and recognition of revenues and costs;

(ii) We assessed the reasonableness of management's key assumptions used in deriving at the estimates for total development/construction costs for each of the 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 gross development value/contract revenue against the signed sales and purchase agreements, selling price of the unsold units, rebates offered and construction contracts;

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

(v) We checked the mathematical accuracy of the revenue and profit based on the percentage of completion calculations and tested actual costs incurred and recorded, for the occurrence and accuracy; and

(vi) We enquired the management if there is any delay in completion of projects and assessed the adequacy of any possible foreseeable losses.

(b) Valuation of Investment Properties

The risk:

The Group's investment properties as at 30 June 2018 amounted to RM570 million.

The Group adopts fair value model for its investment properties. The fair value of the Group's investment properties were based on valuations or update on previous valuations carried out by independent professional valuers. The fair value of the investment properties were determined by reference to the selling prices of recent transactions or asking prices of similar properties of nearby location and where necessary, adjusting for tenure, location, development concept and size.

Determination of fair value involves significant judgement in estimating the inputs used that are other than quoted prices.

The Group's accounting policies and disclosures on investment properties are disclosed in Notes 3(g) and 6, respectively, to the financial statements.

Our response:

(i) We have 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 adopted by the independent valuers in estimating the fair value of the investment properties;

(iii) We have assessed the reasonableness of key assumptions and inputs used, including, where applicable, selling prices of recent transactions, asking prices of similar properties of nearby location, any adjustments for tenure, location, development concept and size; and

(iv) We performed site visits on major properties.

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

Key Audit Matters (Cont'd)

(c) Amortisation and Impairment Assessment of Concession Assets

The risk:

As at 30 June 2018, the Group's concession assets amounted to RM3.8 billion, which represents 79% of the Group's total non-current assets. The Group used projected traffic volume as a denominator (of the formula as disclosed in Note 3(e) to the financial statements) to amortise the carrying amount of concession assets over the concession period. The assumptions to arrive at the traffic volume projection take into consideration the growth rate based on current market and economic conditions

Further, impairment assessment of 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 concession assets.

The Group's accounting policies and disclosures on concession assets are disclosed in Notes 3(e) and 8, 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 and reliability of the traffic volume projection by comparing the previous years' actual traffic volume and growth rates with projection;

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

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

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

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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF EKOVEST BERHAD - INCORPORATED IN MALAYSIA

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

Information Other than the Financial Statements and Auditors' Report Thereon (Cont'd)

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.

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 FRS 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.

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)

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: (Cont'd)

- 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.

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, related safeguards.

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.

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
LLP0010622-LCA
AF 001954
Chartered Accountants

FRANCIS XAVIER JOSEPH
02997/06/2020 J
Chartered Accountant

Kuala Lumpur

Date: 17 October 2018

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Note	Group 2018 RM'000	Group 2017 RM'000	Company 2018 RM'000	Company 2017 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	70,248	64,417	3,949	3,796
Investment properties	6	569,803	413,411	23,438	22,443
Land held for property development	7	359,696	218,502	-	-
Concession assets	8	3,828,941	3,179,661	-	-
Investments in subsidiaries	9	-	-	1,617,381	1,545,381
Amounts owing by subsidiaries	10	-	-	176,590	281
Deferred tax assets	11	14,612	8,447	-	-
Total non-current assets		4,843,300	3,884,438	1,821,358	1,571,901
Current assets					
Gross amount due from customers	12	108,871	129,226	-	-
Property development costs	13	384,138	260,908	-	-
Trade and other receivables	14	227,777	423,301	17,888	19,867
Accrued billings	15	210,331	94,115	-	-
Amounts owing by subsidiaries	10	-	-	171,438	431,150
Current tax assets		11,374	1,174	4,135	-
Investment funds	16	3,183,782	3,945,318	-	-
Short term deposits	17	456,131	395,891	300,382	320,068
Cash and bank balances	18	303,078	212,733	188,919	71,886
Total current assets		4,885,482	5,462,666	682,762	842,971
TOTAL ASSETS		9,728,782	9,347,104	2,504,120	2,414,872

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Note	Group 2018 RM'000	Group 2017 RM'000	Company 2018 RM'000	Company 2017 RM'000
EQUITY AND LIABILITIES					
Equity					
Share capital	19	755,593	428,115	755,593	428,115
Reserves	20	1,237,761	1,493,774	378,814	615,778
Capital and reserves attributable to equity holders of the Company		1,993,354	1,921,889	1,134,407	1,043,893
Non-controlling interests		368,178	379,244	-	-
Total equity		2,361,532	2,301,133	1,134,407	1,043,893
Non-current liabilities					
Hire purchase liabilities	21	10,511	10,291	356	272
Bank term loans	22	603,128	598,909	395,282	443,832
Medium term notes	23	5,401,331	5,360,910	-	-
Reimbursable interest assistance	24	50,911	-	-	-
Deferred income	25	49,089	-	-	-
Provision for heavy repairs	26	3,827	2,567	-	-
Deferred tax liabilities	27	221,962	210,456	568	503
Total non-current liabilities		6,340,759	6,183,133	396,206	444,607
Current liabilities					
Gross amount due to customers	12	818	-	60,037	125,723
Trade and other payables	28	489,026	409,972	74,009	11,731
Amounts owing to subsidiaries	10	-	-	591,167	625,890
Hire purchase liabilities	21	6,781	5,704	165	437
Bank borrowings	29	511,211	403,107	248,129	156,765
Medium term notes	23	16,215	18,371	-	-
Current tax liabilities		2,440	25,684	-	5,826
Total current liabilities		1,026,491	862,838	973,507	926,372
Total liabilities		7,367,250	7,045,971	1,369,713	1,370,979
TOTAL EQUITY AND LIABILITIES		9,728,782	9,347,104	2,504,120	2,414,872

STATEMENTS OF
COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	Group 2018 RM'000	Group 2017 RM'000	Company 2018 RM'000	Company 2017 RM'000
Revenue	30	1,051,907	1,088,703	911,545	1,251,081
Cost of sales	31	(678,598)	(703,958)	(696,201)	(771,721)
Gross profit		373,309	384,745	215,344	479,360
Other income and gains	32	33,132	25,370	15,299	8,717
Selling and marketing expenses		(4,151)	(3,872)	-	-
Administrative and general expenses		(83,833)	(93,987)	(16,570)	(27,249)
Other expenses		(4,897)	(3,430)	(4,819)	(1,785)
Finance costs	33	(160,650)	(132,121)	(75,515)	(38,144)
Profit before tax	34	152,910	176,705	133,739	420,899
Tax expense	35	(49,727)	(61,464)	(441)	(11,194)
Net profit for the year		103,183	115,241	133,298	409,705
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the year		103,183	115,241	133,298	409,705
Net profit for the year attributable to :					
Owners of the Company		114,249	114,751	133,298	409,705
Non-controlling interests		(11,066)	490	-	-
		103,183	115,241	133,298	409,705
Total comprehensive income for the year attributable to :					
Owners of the Company		114,249	114,751	133,298	409,705
Non-controlling interests		(11,066)	490	-	-
		103,183	115,241	133,298	409,705
Earnings per share for net profit attributable to the owners of the Company					
- Basic	36	5.34 sen	5.37 sen		
- Diluted	36	4.95 sen	4.99 sen		

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Attributable to owners of the Company								
		Non-distributable							
	Share capital RM'000	Share premium RM'000	Asset revaluation reserve RM'000	Warrant 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 2016	427,724	327,478	82,453	40,328	-	439,155	1,317,138	69	1,317,207
Total comprehensive income for the year	-	-	-	-	-	114,751	114,751	490	115,241
Disposal of 40% equity interest in a subsidiary (Note 49)	-	-	-	-	-	706,648	706,648	378,685	1,085,333
Issuance of Employees' Share Options	-	-	-	-	22,622	-	22,622	-	22,622
Issuance of Shares pursuant to Warrants exercised	391	-	-	(77)	-	-	314	-	314
Dividend paid (Note 37)	-	-	-	-	-	(239,584)	(239,584)	-	(239,584)
At 30 June 2017	428,115	327,478	82,453	40,251	22,622	1,020,970	1,921,889	379,244	2,301,133

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Attributable to owners of the Company								
		Non-distributable							
	Share capital RM'000	Share premium RM'000	Asset revaluation reserve RM'000	Warrant 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 2017	428,115	327,478	82,453	40,251	22,622	1,020,970	1,921,889	379,244	2,301,133
Total comprehensive income/ (loss) for the year	-	-	-	-	-	114,249	114,249	(11,066)	103,183
Transfer pursuant to Companies Act 2016 (Note 19)	327,478	(327,478)	-	-	-	-	-	-	-
Dividend paid (Note 37)	-	-	-	-	-	(42,784)	(42,784)	-	(42,784)
At 30 June 2018	755,593	-	82,453	40,251	22,622	1,092,435	1,993,354	368,178	2,361,532

The accompanying notes form an integral part of the financial statements

STATEMENT OF
CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

		← Non-distributable	→			
	Share capital RM'000	**Share premium RM'000**	**Share Option reserve RM'000**	**Warrant reserve RM'000**	**Retained earnings RM'000**	**Total RM'000**
At 1 July 2016	427,724	327,478	-	40,328	55,306	850,836
Total comprehensive income for the year	-	-	-	-	409,705	409,705
Issuance of Employees' Share Options	-	-	22,622	-	-	22,622
Issuance of Shares pursuant to Warrants exercised	391	-	-	(77)	-	314
Dividend paid (Note 37)	-	-	-	-	(239,584)	(239,584)
At 30 June 2017	428,115	327,478	22,622	40,251	225,427	1,043,893
Total comprehensive income for the year	-	-	-	-	133,298	133,298
Transfer pursuant to Companies Act 2016 (Note 19)	327,478	(327,478)	-	-	-	-
Dividend paid (Note 37)	-	-	-	-	(42,784)	(42,784)
At 30 June 2018	755,593	-	22,622	40,251	315,941	1,134,407

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	152,910	176,705	133,739	420,899
Adjustments for:				
Employees' Share Option expense	-	22,622	-	16,826
Depreciation	11,176	9,698	235	1,041
Net (gain)/loss on disposal of property, plant and equipment	(7)	(120)	12	(103)
Property, plant and equipment written off	74	123	-	-
Development costs written off	1,004	-	-	-
Fair value gain on investment properties	(4,186)	(783)	(995)	-
Amortisation of concession assets	24,245	16,127	-	-
Fair value gain on investment funds	(1,359)	(3,041)	-	-
Provision for heavy repairs	1,445	1,206	-	-
Dividend income	-	-	(200,000)	(419,000)
Interest income	(22,255)	(11,315)	(13,982)	(8,613)
Finance costs	160,650	132,121	75,515	38,144
Provision for liquidated and ascertained damages	19,357	20,962	-	-
Operating profit/(loss) before working capital changes	343,054	364,305	(5,476)	49,194
Changes in property development costs	(118,200)	(78,910)	-	-
Changes in receivables	(98,407)	(175,212)	106,062	(92,110)
Changes in payables	62,767	82,674	139,381	317,400
Cash generated from operations	189,213	192,857	239,967	274,484
Interest received	19,099	11,298	13,277	4,967
Dividend received	-	-	15,000	422,000
Interest paid	(2,604)	(3,495)	(938)	(1,201)
Tax paid	(77,830)	(34,825)	(10,337)	(7,415)
Net cash generated from operating activities	127,879	165,835	256,969	692,835

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment (Note 41)	(9,612)	(7,964)	(290)	(102)
Subscription of redeemable preference shares in a subsidiary	-	-	-	(850,000)
Additions to land held for property development	(142,198)	(91,155)	-	-
Purchase of investment properties	(144,170)	(43,850)	-	-
Net redemptions of/(placements in) investment funds	762,895	(3,531,677)	-	-
Additions to concession assets	(553,045)	(685,942)	-	-
Proceeds from disposal of property, plant and equipment	921	358	195	103
Proceeds from disposal of investment property held for sale	-	260	-	-
Proceeds from disposal of 40% equity interest in a subsidiary	209,000	921,000	-	-
(Placement)/Withdrawal of short term deposits	(60,240)	(337,231)	19,686	(318,906)
Placement in Designated Bank Accounts	(76,285)	(123,910)	(92,056)	(70,936)
(Advances to)/Repayment from subsidiaries	-	-	(151,158)	61,928
Interest received	114,817	125,797	-	-
Net cash generated from/(used in) investing activities	102,083	(3,774,314)	(223,623)	(1,177,913)
CASH FLOWS FROM FINANCING ACTIVITIES				
Drawdown of bank borrowings	314,788	890,101	98,240	688,280
Repayment of bank borrowings	(192,419)	(329,495)	(60,000)	(266,000)
Proceed from warrants exercised	-	314	-	314
Proceeds from issuance of medium term notes	-	3,605,424	-	-
Payment of hire purchase liabilities	(7,086)	(5,816)	(493)	(635)
Payment of hire purchase term charges	(236)	(310)	(32)	(33)
Dividend paid	(42,784)	(239,584)	(42,784)	(239,584)
Proceeds from reimbursable interest assistance	100,000	-	-	-
Advances from subsidiaries	-	-	22,488	325,918
Repayment of profit element on IMTNs	(329,065)	(220,080)	-	-
Interest paid	(49,054)	(135,672)	(28,912)	(31,359)
Net cash (used in)/generated from financing activities	(205,856)	3,564,882	(11,493)	476,901
NET CHANGES IN CASH AND CASH EQUIVALENTS	24,106	(43,597)	21,853	(8,177)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	36,325	79,922	(11,815)	(3,638)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	60,431	36,325	10,038	(11,815)
Represented by:				
CASH AND BANK BALANCES	303,078	212,733	188,919	71,886
BANK OVERDRAFTS	(33,781)	(43,827)	(15,889)	(12,765)
DESIGNATED BANK ACCOUNTS (Note 18)	(208,866)	(132,581)	(162,992)	(70,936)
	60,431	36,325	10,038	(11,815)

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

1. GENERAL

Ekovest Berhad (the "Company") is a public listed company 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 is disclosed on page 10.

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

The principal activities of the subsidiaries are disclosed in Note 9 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

2. BASIS OF PREPARATION

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

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

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

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

Fair value measurements are categorised as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable inputs for the asset or liability.

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

Malaysian Financial Reporting Standards

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

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

2. BASIS OF PREPARATION (CONT'D)

Malaysian Financial Reporting Standards (Cont'd)

The Group and the Company will adopt the MFRS framework and will prepare their first set of MFRS financial statements for the financial year ending 30 June 2019. In presenting their first set of MFRS financial statements, the Group and the Company will quantify the financial effects arising from the differences between MFRS and the currently applied FRS. The majority of the adjustments required on transition are expected to be made, retrospectively, against opening retained earnings of the Group and of the Company. Accordingly, the financial performances and financial positions of the Group and of the Company as presented in these financial statements for the year ended 30 June 2018 could be different if prepared in accordance with MFRS.

Certain subsidiaries of the Group prepare their financial statements using the MFRS framework. However, these do not have significant impact to these consolidated financial statements.

(a) Application of new or revised standards

In current year, the Group and the Company have applied a number of new standards, amendments and interpretation that become effective mandatory for the financial periods beginning on or after 1 July 2017.

The adoption of the new standards, amendments and/or interpretation does not have significant impact on the financial statements of the Group and of the Company.

(b) Standards issued that are not yet effective

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

		Effective Date
Amendments to MFRS 1 and MFRS 128	Annual Improvements to MFRS Standards 2014–2016 Cycle	1 January 2018
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 140	Transfers of Investment Property	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 16	Leases	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments MFRS 3, MFRS 11, MFRS 112 and MFRS 123	Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

2. BASIS OF PREPARATION (CONT'D)

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

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

		Effective Date
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRSs	Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
MFRS 17	Insurance Contracts	1 January 2021
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 Group and the Company will adopt the above MFRSs, Amendments to MFRSs and IC Interpretations on their respective effective dates. Most of the above new standards, amendments and interpretations are not applicable to the Group and the Company. Management has made an assessment on the following new standards, amendments and interpretations that may be applicable to the Group and the Company, and the results are as follows:

MFRS 9 Financial Instruments

MFRS 9 addresses the classification, recognition, derecognition, measurement and impairment of financial assets and financial liabilities, as well as general hedge accounting. It replaces MFRS 139. MFRS 9 requires financial assets to be classified into two measurement categories, i.e. at fair value and at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the MFRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to changes in an entity's own credit risk is recorded in other comprehensive income, unless this creates an accounting mismatch. MFRS 9 contains a new impairment model based on expected losses (as opposed to the 'incurred loss' model under MFRS 139), i.e. a loss event needs not occur before an impairment loss is recognised, which will result in earlier recognition of losses.

The Group and the Company have assessed the effects of adopting MFRS 9 on their financial assets and financial liabilities. Based on the then facts and circumstances, the adoption of MFRS 9 does not significantly impact the Group and the Company.

MFRS 15 Revenue from Contracts with Customers

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

The Group and the Company have assessed the effects of adopting MFRS 15. Based on the then facts and circumstances, the adoption of MFRS 15 does not significantly impact the Group and the Company.

2. BASIS OF PREPARATION (CONT'D)

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

MFRS 16 Leases

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

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

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

(i) power over the investee;

(ii) exposure, or rights, to variable returns from its involvement with the investee; and

(iii) the ability to use its power over the investee to affect the amount of the investor's returns.

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

Changes of interests in subsidiaries

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

Loss of control

When the Company loses control of a subsidiary:

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

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

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

Transactions with non-controlling interests

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

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

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

(b) 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.

The Group accounts for acquisition related costs as expenses in the periods in which the costs are incurred and the services are received.

For each business combination, the Group measures at the acquisition date, components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation at either: (i) fair value; or (ii) the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Business combination (Cont'd)

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

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

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

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

(c) Investment in subsidiaries

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

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

(d) Financial instruments

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

Initial recognition and measurement

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

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

Financial instrument categories and subsequent measurement

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss ("FVTPL"), loans and receivables, held-to-maturity investments ("HTM") or available-for-sale financial assets ("AFS"), as appropriate. Management determines the classification of the financial assets upon initial recognition which depends on the nature and purpose of the financial assets. The Group and the Company do not have financial assets categorised as HTM and AFS.

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

(i) Financial assets at FVTPL

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial instruments (Cont'd)

Financial instrument categories and subsequent measurement (Cont'd)

Financial assets (Cont'd)

(i) Financial assets at FVTPL (Cont'd)

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

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

(ii) Loans and receivables

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

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

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

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

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or financial liabilities at amortised cost.

Financial liabilities at FVTPL comprises financial liabilities that are held for trading, derivatives (except for a designated and effective hedging instrument) and financial liabilities that are specifically designated into this category upon initial recognition. These financial liabilities are subsequently measured at their fair values with the gain or loss recognised in the profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method. The Group and the Company only have financial liabilities categorised as financial liabilities at amortised cost which are measured using the effective interest method.

Derecognition of financial assets and liabilities

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial instruments (Cont'd)

Financial liabilities (Cont'd)

Derecognition of financial assets and liabilities (Cont'd)

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

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

(e) Concession assets

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

Concession assets refer to expressways 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.

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

(f) 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 except for certain properties which are stated at valuation carried out in 1993, less accumulated depreciation and impairment losses.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(i) Measurement basis (Cont'd)

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

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

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

(g) Investment properties

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) 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.

(h) Leases

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

Finance lease

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

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

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

Leasehold land which in substance is a finance lease is classified as property, plant and equipment or investment properties.

Operating lease

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

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

Leasehold land which in substance is an operating lease is classified as prepaid lease payment.

(i) Construction contracts

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Construction contracts (Cont'd)

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

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

(j) Development properties

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

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

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

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

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

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

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

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

(k) 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Impairment of non-financial assets

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

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

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

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

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

(m) Impairment of financial assets

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

Assets carried at amortised cost

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

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

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

Assets carried at cost

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

Such impairment losses are not reversed in subsequent periods.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Equity instruments

Equity instruments are initially recognised at the proceeds received or receivable and are not remeasured subsequently.

(i) Ordinary shares

Ordinary shares are classified as equity.

(ii) Transaction costs

The transaction costs of an equity transaction (e.g. issue of shares) are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

(iii) Distributions

Distributions to holders of an equity instrument shall be debited directly to equity. The liability to pay a dividend shall be recognised when the dividend is appropriately authorised and is no longer at the discretion of the issuer.

Liability to distribute non-cash assets as a dividend to the holders is measured at the fair value of the assets to be distributed. At the end of each reporting period and at the date of settlement, the Group reviews and adjusts the carrying amount of the dividend payable, with any changes in the carrying amount of the dividend payable recognised in equity as adjustments to the amount of the distribution. On settlement of the dividend payable, the Group recognises the difference, if any, between the carrying amounts of the assets distributed and the carrying amount of the dividend payable in profit or loss.

(o) Revenue recognition

(i) Construction contracts

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

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

(ii) Property development

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

(iii) Toll revenue

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

(iv) Toll compensation

Pursuant to Concession Agreement, the Government 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Revenue recognition (Cont'd)

(v) 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.

(vi) Hiring and rental income

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

(vii) Project management fee

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

(viii) Dividend income

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

(ix) Interest income

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

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

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

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

(q) 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Employee benefits (Cont'd)

(iv) Employees' share option scheme ("ESOS")

The ESOS, an equity-settled, share-based compensation plan, allows the Group's employees and directors to acquire shares of the Company. The total fair value of share options granted is recognised as an employee cost with a corresponding increase in the share options reserve within equity over the vesting period and taking into account the probability that the options will vest.

The fair value of share options is measured at grant date using the trinomial model, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At each reporting date, the Company revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in profit or loss and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve

The fair value of the share option recognised in the share option reserve is transferred to share capital when the share options are exercised, or transferred to retained earnings upon expiry of the share options.

The proceeds received net of any direct attributable transaction costs are credited to equity when the options are exercised.

(r) Borrowing costs

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

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

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

(s) Taxation

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

Current tax is the expected income tax payable or receivable on the taxable income or loss for the year, estimated using the tax rates enacted or substantially enacted by the end of the reporting period.

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

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

(i) goodwill; or

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Taxation (Cont'd)

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

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

(t) 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.

(u) 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.

(v) 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)

(v) Contingencies

(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.

(w) Government grant

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

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

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

The benefit of a government loan at a below market rate of interest is treated as a government grant, and measured as the difference between the initial carrying value of the loan and the proceeds received, which will be credited to profit or loss over the expected life of the related assets on bases consistent with the depreciation or amortisation of the related assets for which the loan was granted to the Group.

(x) 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 payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

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 period in which the estimate is revised and in any future periods affected.

Critical judgement made in applying accounting policies

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

Classification between investment properties and owner-occupied properties

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

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

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

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

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

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

Revenue recognition of construction contracts

The Group and the Company recognise 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(i).

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

Revenue recognition of property development activities

The Group recognises revenue from property development activities based on the percentage of completion method. The percentage of completion of the property development activities is measured in accordance with the accounting policies set out in Note 3(j).

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

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

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 and impairment of property, plant and equipment

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

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

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 an independent professional valuer to determine the fair value on an open market value basis using comparison method.

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

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(e). 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.

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.

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

Key sources of estimation uncertainty (Cont'd)

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.

Allowance for doubtful debts

The collectibility of receivables is assessed on an ongoing basis. An allowance for doubtful debts is made for any account considered to be doubtful of collection.

The allowance for doubtful debts is made based on a review of all outstanding accounts at the end of each reporting period. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the creditworthiness and the past collections history of each customer. If the financial condition of customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

5. PROPERTY, PLANT AND EQUIPMENT

Group 2018 Cost	Freehold land and buildings RM'000	Equipment, plant and machinery RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Total RM'000
At 1 July 2017	28,301	38,739	32,238	8,397	3,267	110,942
Additions	-	11,143	5,426	1,197	229	17,995
Disposals	-	(411)	(1,991)	-	-	(2,402)
Write-offs	-	-	-	(317)	-	(317)
At 30 June 2018	28,301	49,471	35,673	9,277	3,496	126,218
Accumulated depreciation						
At 1 July 2017	946	19,751	17,057	6,306	2,465	46,525
Charge for the year	151	7,704	2,134	992	195	11,176
Disposals	-	(411)	(1,077)	-	-	(1,488)
Write-offs	-	-	-	(243)	-	(243)
At 30 June 2018	1,097	27,044	18,114	7,055	2,660	55,970
Net carrying amount						
At 30 June 2018	27,204	22,427	17,559	2,222	836	70,248

Group 2017 Cost	Freehold land and buildings RM'000	Equipment, plant and machinery RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Total RM'000
At 1 July 2016	34,062	29,090	32,159	7,605	3,137	106,053
Additions	-	9,661	2,214	801	130	12,806
Disposals	-	-	(1,974)	(6)	-	(1,980)
Write-offs	-	(12)	(161)	(3)	-	(176)
Transfer to land held for property development (Note 7)	(5,761)	-	-	-	-	(5,761)
At 30 June 2017	28,301	38,739	32,238	8,397	3,267	110,942
Accumulated depreciation						
At 1 July 2016	912	13,829	16,250	5,477	2,295	38,763
Charge for the year	175	5,922	2,600	831	170	9,698
Disposals	-	-	(1,741)	(1)	-	(1,742)
Write-offs	-	-	(52)	(1)	-	(53)
Transfer to land held for property development (Note 7)	(141)	-	-	-	-	(141)
At 30 June 2017	946	19,751	17,057	6,306	2,465	46,525
Net carrying amount						
At 30 June 2017	27,355	18,988	15,181	2,091	802	64,417

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

Company **2018** **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 2017	6,416	12,055	2,911	2,119	23,501
Additions	11	584	-	-	595
Disposal	(411)	(479)	-	-	(890)
At 30 June 2018	6,016	12,160	2,911	2,119	23,206
Accumulated depreciation					
At 1 July 2017	6,416	8,548	2,825	1,916	19,705
Charge for the year	2	162	20	51	235
Disposal	(411)	(272)	-	-	(683)
At 30 June 2018	6,007	8,438	2,845	1,967	19,257
Net carrying amount					
At 30 June 2018	9	3,722	66	152	3,949

Company **2017** **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 2016	6,416	13,000	2,907	2,103	24,426
Additions	-	426	4	16	446
Disposal	-	(1,371)	-	-	(1,371)
At 30 June 2017	6,416	12,055	2,911	2,119	23,501
Accumulated depreciation					
At 1 July 2016	6,416	8,951	2,803	1,865	20,035
Charge for the year	-	968	22	51	1,041
Disposal	-	(1,371)	-	-	(1,371)
At 30 June 2017	6,416	8,548	2,825	1,916	19,705
Net carrying amount					
At 30 June 2017	-	3,507	86	203	3,796

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

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

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

Group	Cost 2018 RM'000	Accumulated depreciation 2018 RM'000	Net carrying amount 2018 RM'000	Net carrying amount 2017 RM'000
Freehold				
- land	20,734	-	20,734	20,734
- buildings	7,567	(1,097)	6,470	6,621
	28,301	(1,097)	27,204	27,355

(b) Included in the cost of property, plant and equipment are fully depreciated property, plant and equipment to their residual values, as follows:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Equipment, plant and machinery	7,326	7,721	6,005	6,416
Motor vehicles	14,976	15,232	3,056	3,114
Office equipment	4,260	4,243	2,749	2,744
Furniture and fittings	1,854	1,854	1,606	1,606
	28,416	29,050	13,416	13,880

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

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Motor vehicles acquired under hire purchase	10,705	9,293	1,899	1,549
Property, plant and equipment charged to a licensed bank for IMTN as disclosed in Note 23(a)	1,320	1,603	-	-

6. INVESTMENT PROPERTIES

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
At 1 July	413,411	366,420	22,443	22,443
Additions	152,206	46,208	-	-
Changes in fair value	4,186	783	995	-
At 30 June	569,803	413,411	23,438	22,443
Investment properties comprise:				
At fair value				
- Freehold land and commercial buildings/apartments	294,479	289,790	23,438	22,443
- Long term leasehold land and buildings/apartments	9,865	4,600	-	-
At cost				
- Construction in progress	265,459	119,021	-	-
	569,803	413,411	23,438	22,443

Included in investment properties under construction of the Group are borrowing costs capitalised during the financial year amounting to RM8,036,000 (2017: RM2,358,000).

Freehold land and commercial buildings/apartments with carrying value of RM227,485,000 (2017: RM227,485,000) are charged to licensed banks for banking facilities granted to the Group as disclosed in Notes 22 and 29 to the financial statements.

The fair values of the investment properties are arrived at by reference to valuations 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 method, determined by the directors based on independent external valuers' advice. The fair values are within level 2 of the fair value hierarchy where the fair value is determined with reference to inputs other than quoted prices that are observable for the assets either directly or indirectly.

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.

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

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7. LAND HELD FOR PROPERTY DEVELOPMENT

Group	Freehold/ Leasehold land at cost	Development costs at cost	Total
2018	**RM'000**	**RM'000**	**RM'000**
At 1 July 2017	184,628	33,874	218,502
Additions	120,900	21,298	142,198
Write-offs	-	(1,004)	(1,004)
At 30 June 2018	305,528	54,168	359,696
2017			
At 1 July 2016	95,854	25,873	121,727
Additions	83,154	8,001	91,155
Transfer from property, plant and equipment (Note 5)	5,620	-	5,620
At 30 June 2017	184,628	33,874	218,502

Land held for property development of the Group with carrying amount of RM149,419,000 (2017: RM90,595,000) has been charged to licensed banks for banking facilities granted to the Group as disclosed in Notes 22 and 29 to the financial statements.

8. CONCESSION ASSETS

Group	Completed	Under development		
	Expressway	Expressways	Park and ride building	Total
2018	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At 1 July 2017	1,484,196	1,692,794	38,040	3,215,030
Additions	-	518,449	34,596	553,045
Net borrowing costs capitalised	-	120,480	-	120,480
Reclassification	1,398,950	(1,398,950)	-	-
At 30 June 2018	2,883,146	932,773	72,636	3,888,555
Accumulated amortisation				
At 1 July 2017	35,369	-	-	35,369
Charge for the year	24,245	-	-	24,245
At 30 June 2018	59,614	-	-	59,614
Net carrying amount				
At 30 June 2018	2,823,532	932,773	72,636	3,828,941

8. CONCESSION ASSETS (CONT'D)

	Completed	← Under development →		
Group 2017	**Expressway RM'000**	**Expressways RM'000**	**Park and ride building RM'000**	**Total RM'000**
At 1 July 2016	1,484,196	923,508	-	2,407,704
Additions	-	647,902	38,040	685,942
Net borrowing costs capitalised	-	121,384	-	121,384
At 30 June 2017	1,484,196	1,692,794	38,040	3,215,030
Accumulated amortisation				
At 1 July 2016	19,242	-	-	19,242
Charge for the year	16,127	-	-	16,127
At 30 June 2017	35,369	-	-	35,369
Net carrying amount				
At 30 June 2017	1,448,827	1,692,794	38,040	3,179,661

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 were completed on 29 September 2017 and 23 October 2017, respectively. The Park and Ride buildings are still under construction.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

8. 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 23(a), 23(c) and 24 to the financial statements.

9. INVESTMENTS IN SUBSIDIARIES

	Company 2018 RM'000	Company 2017 RM'000
Unquoted shares, at cost	365,254	365,254
Unquoted redeemable preference shares, at cost	1,067,693	995,693
Less: Accumulated impairment losses	(6,725)	(6,725)
	1,426,222	1,354,222
Junior Bond	180,000	180,000
Capital contributions	11,159	11,159
	1,617,381	1,545,381

The Company subscribed RM180 million Junior Bond from Kesturi.

The salient features of the Junior Bond are as follows:

(i) The Junior Bond has a tenure of 21 years (2017: 21 years) from the date of issuance; and

(ii) The Junior Bond's coupon is calculated at a rate of 11.5% (2017: 11.5%) p.a., any interest on overdue and payable amount shall be payable at 1% p.a. plus the prescribed coupon of the Junior Bond.

The capital contributions are for 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.

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

	Effective equity interest 2018 %	Effective equity interest 2017 %	Principal activities
Ekovest Energy Sdn Bhd	100	100	Investment holding and renewable energy activity
Ekofield Danga Cove Sdn Bhd	51	51	Inactive
Ekofield Projects Sdn Bhd	51	51	Inactive
Ekofield Property Sdn Bhd	51	51	Inactive
Ekovest Brunsfield Holdings Sdn Bhd	51	51	Investment holding
Ekovest Construction Sdn Bhd	100	100	Civil engineering and building works
Ekovest-Faber Sdn Bhd	60	60	Inactive
Ekovest Land Sdn Bhd	100	100	Property development
Ekoriver Construction Sdn Bhd	100	100	Civil engineering and building works
KL Bund Sdn Bhd	100	100	Project coordinator and manager for 'River of Life' project

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

9. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The subsidiaries, which are all incorporated in Malaysia, are as follows: (Cont'd)

	Effective equity 2018 %	interest 2017 %	Principal activities
Ekovest Oil & Gas Sdn Bhd	51	51	Inactive
Ekovest Project Management Sdn Bhd	100	100	Project management for construction works
Ekovest Properties Sdn Bhd	100	100	Property development
Ekovest World Sdn Bhd	100	100	Inactive
Heritage Reno Sdn Bhd	100	100	Property investment
Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd	60	60	Design, construction, operation, management and maintenance of the Duta-Ulu Kelang Expressway
Milan Energy Sdn Bhd	100	100	Property investment
Milan Prestasi Sdn Bhd	100	100	Property investment
Ekovest Asset Management Sdn Bhd	100	100	Inactive
Milan Resources Sdn Bhd	100	100	Investment holding
Nuzen Corporation Sdn Bhd	100	100	Investment holding
Ekovest Capital Sdn Bhd	100	100	Property development
Saujarena Bina Sdn Bhd	100	100	Property investment
Sunview Capital Sdn Bhd	100	100	Property investment
Temasek Megamas Sdn Bhd	100	100	Property investment
Timur Terang Sdn Bhd	100	100	Property investment
Tanahmas Kapital Sdn Bhd	100	-	Inactive
KL Rivercity Sdn Bhd	100	-	Inactive
Wira Kristal Sdn Bhd	100	100	Investment holding
Ekovest Park & Ride Sdn Bhd	100	100	Construction, operation, management and maintenance of park and ride building
DUKE Development Sdn Bhd	100	100	Inactive
Lebuhraya DUKE Fasa 3 Sdn Bhd	100	100	Design, construction, operation, management and maintenance of the Setiawangsa-Pantai Expressway
Lebuhraya DUKE Fasa 2A Sdn Bhd	70	70	Inactive

Subsidiary that has material non-controlling interests

Details of the Group's subsidiary that has material non-controlling interests at the end of the reporting period is as follows:

Name of subsidiary	Proportion of ownership interest held by non-controlling interests 2018 RM'000	2017 RM'000	(Loss)/Profit allocated to non-controlling interests * 2018 RM'000	2017 RM'000	Carrying amount of non-controlling interests 2018 RM'000	2017 RM'000
Kesturi	40%	40%	(4,004)	654	368,109	379,175

* Amounts before intra-group elimination.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

9. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

	2018 RM'000	2017 RM'000
Kesturi		
Current assets	154,697	204,853
Non-current assets	2,486,140	2,419,233
Current liabilities	(9,182)	(23,969)
Non-current liabilities	(2,420,626)	(2,379,861)
Revenue	204,661	354,544
Expenses	(214,671)	(346,251)
(Loss)/Profit for the year	(10,010)	8,293
Other comprehensive (loss)/income	-	-
Total comprehensive (loss)/income for the year	(10,010)	8,293
Dividend paid to non-controlling interests	-	-
Net cash flows from operating activities	130,344	105,291
Net cash flows from investing activities	(16,977)	5,465
Net cash flows from financing activities	(111,172)	(110,407)
Net changes in cash and cash equivalents	2,195	349

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.

10. 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 2018 RM'000	Company 2017 RM'000
Trade accounts	-	104,083
Dividend receivable	-	15,000
Unsecured interest-free advances	171,438	312,067
	171,438	431,150

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

The unsecured advances are receivable on demand.

10. AMOUNTS OWING BY/(TO) SUBSIDIARIES

Amounts owing to subsidiaries included under current liabilities

	Company	
	2018 RM'000	2017 RM'000
Trade accounts	442,621	299,832
Unsecured interest-free advances	148,546	326,058
	591,167	625,890

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 2018 RM'000
At 1 July	326,058
Cash flows:	
Advances received	73,915
Repayment	(51,427)
Non-cash:	
Dividend receivable	(200,000)
At 30 June	148,546

11. DEFERRED TAX ASSETS

	Group	
	2018 RM'000	2017 RM'000
At 1 July	8,447	2,554
Recognised in profit or loss	6,165	5,893
At 30 June	14,612	8,447
The deferred tax assets comprise:		
Deductible temporary differences		
- difference between net carrying amount and tax written down value of property, plant and equipment	2,472	1,238
- future deductible development costs	2,110	1,661
- provision of liquidated and ascertained damages	9,676	5,031
- provision of contract costs	320	319
- others	34	198
	14,612	8,447

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

11. 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.

The Group has not recognised deferred tax asset arising from unutilised tax losses amounting to RM6.9 million (2017: RM6.9 million) as it is not probable that future taxable profit is available against which the asset can be utilised.

12. GROSS AMOUNT DUE FROM/(TO) CUSTOMERS

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Cost of contracts incurred to-date	292,830	217,468	2,331,202	1,651,718
Attributable profit less foreseeable losses recognised to-date	118,374	75,986	127,616	105,373
	411,204	293,454	2,458,818	1,757,091
Progress billings	(303,151)	(164,228)	(2,518,855)	(1,882,814)
	108,053	129,226	(60,037)	(125,723)
Represented by:				
Gross amount due from customers	108,871	129,226	-	-
Gross amount due to customers	(818)	-	(60,037)	(125,723)
	108,053	129,226	(60,037)	(125,723)
Retention sums receivable from customers (included in trade receivables, Note 14)	21,601	21,553	8,064	8,064

13. PROPERTY DEVELOPMENT COSTS

	Group	
	2018 RM'000	2017 RM'000
Freehold land, at cost	81,529	94,225
Development costs	179,379	74,837
At 1 July	260,908	169,062
Costs incurred during the year		
- Development costs	305,651	151,488
Costs recognised as expenses in the current year	(182,421)	(59,642)
At 30 June	384,138	260,908

Development costs incurred during the financial year include capitalised borrowing costs amounting to RM5,030,000 (2017: RM9,676,000).

The freehold land is charged to licensed banks for banking facilities granted to the Group as disclosed in Notes 22, 23(b) and 29 to the financial statements.

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Trade receivables	71,260	93,689	8,463	9,016
Other receivables	113,877	87,883	1,263	224
Deferred consideration	-	198,180	-	-
GST recoverable	12,673	16,581	4,639	10,617
Prepayments	10,244	7,283	3,514	-
Deposits	19,723	19,685	9	10
	227,777	423,301	17,888	19,867

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

Included in trade receivables are:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Amounts owing by companies in which certain directors have financial interests	22,075	28,467	352	908

Included in other receivables are:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Amounts owing by companies in which certain directors have financial interests	53,248	17,265	54	38

Deferred consideration pertains to outstanding consideration receivable from the disposal of 40% interest in a subsidiary company which has been fully settled during the financial year.

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

15. ACCRUED BILLINGS

	Group	
	2018 RM'000	2017 RM'000
Revenue recognised in profit or loss to-date	486,440	211,902
Progress billings to-date	(276,109)	(117,787)
Accrued billings	210,331	94,115

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16. 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	
	2018 RM'000	2017 RM'000
At 1 July	3,945,318	410,600
Additions	219,601	3,749,233
Redemptions	(982,496)	(217,556)
Change in fair value	1,359	3,041
At 30 June	3,183,782	3,945,318

17. SHORT TERM DEPOSITS

The short term deposits are placed with licensed banks and earn interests between 2.50% and 4.15% (2017: 2.38% and 3.27%) per annum. The short term deposits have maturity periods of less than one year.

Included in short term deposits of the Group and of the Company are amounts of RM2,000,000 and Nil (2017: RM2,764,000 and RM764,000), respectively, which have been charged to banks as security for banking facilities granted to the Group and the Company as disclosed in Notes 23(a) and 29 to the financial statements.

Included in short term deposits of the Group is an amount of RM149,756,000 (2017: Nil) 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.

18. CASH AND BANK BALANCES

Cash and bank balances of the Group include an amount of RM10,175,000 (2017: RM9,770,000) 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 2.20% to 2.35% (2017: 1.70% to 1.97%) per annum.

Included in cash and bank balances of the Group and of the Company are amounts of RM206,366,000 and RM162,992,000 (2017: RM132,581,000 and RM70,936,000), 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 RM2,500,000 (2017: Nil) 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 terms and conditions stated in the SHA.

19. SHARE CAPITAL

	Group and Company			
	2018		2017	
	Number of shares	Amount RM'000	Number of shares	Amount RM'000
Issued and fully paid:				
Ordinary shares				
At 1 July	2,139,202,893	428,115	855,448,860	427,724
Transfer from share premium pursuant to CA 2016	-	327,478	-	-
Issued pursuant to Warrants exercised	-	-	232,300	391
Share split - subdivision of 2 for 5 ordinary shares	-	-	1,283,521,733	-
At 30 June	2,139,202,893	755,593	2,139,202,893	428,115

The CA 2016, which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts outstanding in the share premium account become part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the CA 2016.

Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount outstanding in the share premium account of RM327 million for purposes as set out in Section 618(3) of the CA 2016. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members of the Company as a result of this transition.

20. 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) Warrant reserve

The fair value of warrant issued at grant date is credited to warrant reserve which is non-distributable. Warrant reserve is transferred to the share capital account upon the exercise of the warrants. Unexercised warrants at the expiry of the warrant period are transferred to retained earnings.

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

232,300 warrants were exercised in prior years to purchase new ordinary shares in the Company at exercise price of RM1.35.

On 28 February 2017, the original exercise price of the Warrants of RM1.35 each was revised to RM1.20 each, after the issuance of special single tier dividend. The exercise price of the Warrants was further revised to RM0.48 each, upon the share split exercise of the Company involving the subdivision of every 2 existing ordinary shares into 5 ordinary shares. The Company issued additional 182,962,017 Warrants pursuant to the alteration in the share capital of the Company as a result of the share split.

There was no movement in the number of Warrants during the financial year.

20. RESERVES (CONT'D)

(b) Warrant reserve (Cont'd)

The salient features of the Warrants are as follows:

(i) the issue date of the Warrants is 26 June 2014 and the expiry date is 25 June 2019. Any Warrants not exercised during the five years from the date of issuance of Warrants ("Exercise Period") will thereafter lapse and cease to be valid for any purpose;

(ii) each Warrant entitles the registered holder to subscribe for one Ekovest Share at an exercise price of RM1.35 and at any time during the Exercise Period indicated above, subject to adjustments in accordance with the provisions of the Deed Poll;

(iii) the exercise price of the Warrants has been fixed at RM1.35 per Warrant. The exercise price and the number of Warrants in issue during the Exercise Period may also be adjusted in accordance with the terms and conditions set out in the Deed Poll;

(iv) the Warrants do not entitle the registered holders to any voting rights in any general meeting of the Company until and unless such holders of the Warrants exercise their Warrants for new Ekovest Shares;

(v) the new Ekovest Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment and issue, rank pari passu in all respects with the then existing ordinary shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the allotment date of the new Ekovest Shares to be issued arising from the exercise of the Warrants;

(vi) the exercise price and/or the number of Warrants in issue may be subject to adjustments in the event of any alteration in the share capital of the Company at any time during the Exercise Period of the Warrants, whether by way of, amongst others, rights issue, bonus issue, consolidation of shares, subdivision of shares or reduction of capital, in accordance with the provisions of the Deed Poll; and

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

(c) Share option reserve

The Company's Employees' Share Option Scheme ("ESOS") is 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 is in force for a period of 5 years from the date of implementation, and may be further extended for a maximum period of 5 years at the absolute discretion of the Board of Directors. The ESOS is administered by the ESOS Committee which is appointed by the Board of Directors.

On 9 March 2017, the Company granted 120,330,000 options at an exercise price of RM1.30 per share under the ESOS, which will expire on 25 September 2019. The ESOS granted are vested immediately at grant date.

There was no movement in the number of ESOS during the financial year.

The fair value as at the grant date of share options was determined using the trinomial model, taking into account the terms and conditions upon which the options were granted. The inputs to the model used were as follows:

	Inputs
Exercise price of option (RM)	1.30
Market price of share on offer date (RM)	1.29
Risk free interest rate (%)	3.43
Expected dividend yield (%)	1.56
Expected volatility (%)	21.16

21. HIRE PURCHASE LIABILITIES

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Outstanding hire purchase instalments due:				
- not later than one year	7,656	6,498	188	461
- later than one year but not later than five years	11,835	11,046	376	300
	19,491	17,544	564	761
Unexpired term charges	(2,199)	(1,549)	(43)	(52)
	17,292	15,995	521	709
Outstanding principal due:				
- not later than one year (included in current liabilities)	6,781	5,704	165	437
- later than one year but not later than five years	10,511	10,291	356	272
	17,292	15,995	521	709

The effective interest rates of the hire purchase liabilities are between 2.51% and 5.63% (2017: 2.46% and 5.63%) per annum.

The changes in hire purchase liabilities are as follows:

	Group 2018 RM'000	Company 2018 RM'000
At 1 July	15,995	709
Cash flow:		
Repayment of hire purchase	(7,086)	(493)
Payment of hire purchase term charges	(236)	(32)
Non-cash:		
Acquisition of plant and equipment (Note 41)	8,383	305
Hire purchase term charges	236	32
At 30 June	17,292	521

22. BANK TERM LOANS

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Bank term loan bearing interest rate at 0.75% above base lending rate [effective rate at Nil (2017: 7.70%) p.a.]	-	2,236	-	-
Bank term loans bearing interest rates at 2.20% below base lending rate [effective rates between 4.52% and 4.77% (2017: 4.65% and 4.80%) p.a.]	11,986	12,615	-	-
Bank term loans bearing interest rates at 1.75% above cost of fund [effective rates between 5.80% and 6.26% (2017: 5.57% and 5.83%) p.a.]	187,885	185,113	-	-
Bank term loans bearing interest rate at 0.50% above base lending rate [effective rates between 7.22% and 7.47% (2017: 7.35% and 7.45%) p.a.]	39,329	22,369	-	-
Term loans bearing interest rate at 0.75% above base lending rate [effective rate between 7.47% and 7.72% (2017: 7.47% and 7.70%)]	10,687	9,124	-	-
Term loan bearing interest rate at 2.00% above lender's effective cost of fund [effective rate between 5.87% and 6.27% (2017: 5.74% and 6.03%)]	395,282	453,832	395,282	453,832
	645,169	685,289	395.282	453,832
Repayments due within 12 months (included in current liabilities, Note 29)	(42,041)	(86,380)	-	(10,000)
Repayments due after 12 months	603,128	598,909	395,282	443,832

The bank term loans are secured by a first party legal charge over certain freehold land and buildings under investment properties, land held for property development and property development costs of the Group as disclosed in Notes 6, 7 and 13 to the financial statements and charge over the Designated Bank Accounts and a deed of assignment of rental proceeds.

23. MEDIUM TERM NOTES

		Group	
		2018 RM'000	**2017 RM'000**
Islamic medium term notes - Kesturi	(a)	1,784,077	1,747,819
Medium term notes	(b)	34,973	34,929
Islamic medium term notes - LDF3	(c)	3,598,496	3,596,533
		5,417,546	5,379,281
Repayments due within 12 months		(16,215)	(18,371)
Repayments due after 12 months		5,401,331	5,360,910

(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 4.78% (2017: 4.78%).

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

The MTN with nominal value of up to RM130 million and tenure of 5 years are repayable by way of 8 equal principal repayments of RM16.25 million each commencing from 39th month from the date of first issuance of MTN or redemption of development units sold at 30%, whichever is earlier. The MTN is subject to coupon interest rate of 1.75% above cost of funds [effective interest rate of 5.60% (2017: 5.60%) per annum].

(c) 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% (2017: 6%).

24. 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.

During the current financial year, LDF3 drawdown RM100 million from the RIA facility. The repayment of the RIA commences on 24 August 2024, with 31 semi-annual instalments.

The fair value of the RIA is estimated using the prevailing market interest rate of 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 25.

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 2018 RM'000
At 1 July	-
Cash flow:	
Proceeds received	100,000
Non-cash:	
Deferred income	(49,089)
At 30 June	50,911

25. DEFERRED INCOME

	Group 2018 RM'000
Cost	
At 1 July	-
Addition	52,032
At 30 June	52,032
Accumulated amortisation	
At 1 July	-
Charge for the year	(2,943)
At 30 June	(2,943)
Net carrying amount	49,089

Deferred income relates to government grant arising from RIA facility as disclosed in Note 24.

26. PROVISION FOR HEAVY REPAIRS

	Group	
	2018 RM'000	2017 RM'000
At 1 July	2,567	2,492
Provision during the year	1,445	1,206
Payment of maintenance cost	(185)	(1,131)
At 30 June	3,827	2,567

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.

27. DEFERRED TAX LIABILITIES

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
At 1 July	210,456	204,140	503	503
Recognised in profit or loss	11,506	6,316	65	-
At 30 June	221,962	210,456	568	503
The deferred tax liabilities comprise:				
Taxable temporary differences				
- relating to revaluation of properties	11,763	11,554	501	452
- between net carrying amount and tax written down value of concession assets and property, plant and equipment	58,374	57,387	67	51
- relating to fair value adjustments on assets and liabilities of subsidiaries acquired	151,825	141,515	-	-
	221,962	210,456	568	503

28. TRADE AND OTHER PAYABLES

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Trade payables	303,821	153,724	71,860	7,926
Other payables	49,866	44,570	737	2,426
GST payable	45	4,642	-	-
Deposits	3,368	355	-	-
Accruals	47,748	121,901	1,412	1,379
Profit elements payable on IMTNs	84,178	84,780	-	-
	489,026	409,972	74,009	11,731

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

28. TRADE AND OTHER PAYABLES (CONT'D)

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

Included in trade payables are:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Amounts owing to companies in which certain directors have financial interests	35,710	14,088	-	-

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

Included in other payables are:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Amounts owing to companies in which certain directors have financial interests	1,253	347	-	66

Accruals mainly consist of construction costs yet to be billed by sub-contractors and provision for liquidated and ascertained damages.

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

The change in profit element payable on IMTNs are as follows:

	Group 2018 RM'000
At 1 July	84,780
Cash flow:	
Repayments of profit elements on IMTNs	(329,065)
Non-cash:	
Profit elements on IMTNs recognised	328,463
At 30 June	84,178

29. BANK BORROWINGS

	Group 2018 RM'000	Group 2017 RM'000	Company 2018 RM'000	Company 2017 RM'000
Secured bank overdrafts bearing interest rates between 1.50% and 1.75% above base lending rate [effective rates between 8.22% and 8.72% (2017: 7.35% and 8.54%) p.a.]	32,813	42,348	14,921	11,286
Unsecured bank overdraft bearing interest rate at 1.50% above base lending rate [effective rate at 8.47% (2017: 8.22%) p.a.]	968	1,479	968	1,479
Secured revolving credits bearing interest rates between 1.25% and 1.60% above cost of funds [effective rates between 3.83% and 5.97% (2017: 3.76% and 5.41%) p.a.]	435,389	272,900	232,240	134,000
	469,170	316,727	248,129	146,765
Bank term loans (Note 22)	42,041	86,380	-	10,000
	511,211	403,107	248,129	156,765

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, land held for property development and property development costs of the Group as disclosed in Notes 6, 7 and 13 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 17 to the financial statements;

(c) an irrevocable standby letter of credit in favour of the banks; and

(d) corporate guarantee by the Company.

The changes in revolving credits and bank term loans (included current and non-current liabilities, Note 22) are as follows:

	Group 2018 RM'000	Company 2018 RM'000
At 1 July	958,189	587,832
Cash flows:		
Drawdown of bank borrowings	314,788	98,240
Repayment of bank borrowings	(192,419)	(60,000)
Interest paid	(1,944)	-
Non-cash:		
Interest expense	1,944	1,450
At 30 June	1,080,558	627,522

NOTES TO THE FINANCIAL STATEMENTS

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30. REVENUE

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Construction contract revenue	617,249	853,145	711,185	831,652
Property development revenue	274,538	103,403	-	-
Toll revenue	147,414	117,935	-	-
Toll compensation revenue	-	7,986	-	-
Renewable energy income	386	413	-	-
Hire of machineries and motor vehicles	112	230	112	230
Rental income from investment properties	795	352	248	199
Project management fee	11,413	5,239	-	-
Dividend income from subsidiaries	-	-	200,000	419,000
	1,051,907	1,088,703	911,545	1,251,081

31. COST OF SALES

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Construction contract costs	445,222	610,531	695,864	771,432
Property development costs	182,421	59,642	-	-
Toll operations costs	44,576	31,075	-	-
Renewable energy costs	222	214	-	-
Hire of machineries and motor vehicles costs	106	96	106	96
Investment properties costs	381	305	231	193
Project management costs	5,670	2,095	-	-
	678,598	703,958	696,201	771,721

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

32. OTHER INCOME AND GAINS

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Gain on disposals of:				
- property, plant and equipment	165	120	-	103
Fair value gain on:				
- investment properties	4,186	783	995	-
- investment funds	1,359	3,041	-	-
Interest income from:				
- subsidiary	-	-	705	3,646
- short term deposits	19,099	11,298	13,277	4,967
- investment funds	125,637	125,797	-	-
Others	5,167	10,111	322	1
	155,613	151,150	15,299	8,717
Less:				
Interest income capitalised (Note 8)	(122,481)	(125,780)	-	-
	33,132	25,370	15,299	8,717

33. FINANCE COSTS

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Finance costs on:				
- hire purchase	236	310	32	33
- bank borrowings	47,712	55,525	30,362	36,910
- bank overdraft	2,604	3,495	938	1,201
- medium term notes	363,776	331,989	-	-
- fair value loss on financial assets measured at amortised cost	-	-	44,183	-
- others	2,349	-	-	-
	416,677	391,319	75,515	38,144
Less:				
Amounts capitalised in:				
- investment properties (Note 6)	(8,036)	(2,358)	-	-
- concession assets (Note 8)	(242,961)	(247,164)	-	-
- property development costs (Note 13)	(5,030)	(9,676)	-	-
	160,650	132,121	75,515	38,144

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

34. PROFIT BEFORE TAX

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Profit before tax is stated after charging:				
Auditors' remuneration				
- statutory audit	306	280	88	85
- non-statutory audit	141	46	100	5
Operating lease				
- rental of premises	535	4,290	29	17
- rental of machinery	1,621	2,073	-	4
- rental of motor vehicles	1,089	727	5	5
Provision for liquidated and ascertained damages	19,357	20,962	-	-
Employees' share option expense	-	22,622	-	16,826

35. TAX EXPENSE

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Malaysian taxation				
- current	48,413	59,008	2,415	11,202
- deferred	7,429	3,469	14	-
	55,842	62,477	2,429	11,202
(Over)/Underestimated in prior years				
- current	(3,287)	121	(2,039)	(8)
- deferred	(2,088)	(3,046)	51	-
- real property gain tax ("RPGT")	(740)	-	-	-
	(6,115)	(2,925)	(1,988)	(8)
RPGT	-	1,912	-	-
	49,727	61,464	441	11,194

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

35. TAX EXPENSE (CONT'D)

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

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Accounting profit	152,910	176,705	133,739	420,899
Tax at the applicable tax rate of 24% (2017: 24%)	36,698	42,409	32,097	101,016
Tax effects of:				
- non-deductible expenses	30,404	31,501	20,010	14,038
- non-taxable income	(5,168)	(4,659)	(49,489)	(102,698)
Difference between corporate tax rate and RPGT rate applied in the computation of deferred tax on fair value gain on investment properties	(795)	(206)	(189)	-
Tax incentive	(5,297)	(6,568)	-	(1,154)
RPGT	-	1,912	-	-
Overestimated in prior years	(6,115)	(2,925)	(1,988)	(8)
Tax expense for the year	49,727	61,464	441	11,194

36. EARNINGS PER SHARE

	Group	
	2018	2017
Net profit attributable to equity holders of the Company (RM'000)	114,249	114,751
Weighted average number of ordinary shares in issue after effect of share split (basic) ('000)	2,139,203	2,138,831
Effect of conversion of outstanding Warrants ('000)	166,852	158,660
Effect of conversion of outstanding ESOS*	-	-
Weighted average number of ordinary shares in issue (diluted) ('000)	2,306,055	2,297,491
Earnings per shares for net profit attributable to the owners of the Company		
- basic	5.34 sen	5.37 sen
- diluted	4.95 sen	4.99 sen

* The computation of diluted earnings per share does not assume the exercise of the Company's ESOS because the exercise prices of those ESOS were higher than the average market price for the Company's share during the financial year.

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37. DIVIDEND

	Company	
	2018 RM'000	2017 RM'000
In respect of the financial year ended 30 June 2016:		
First and final single-tier dividend of 3 sen per ordinary share:		
- Payment in cash	-	25,664
Special single-tier dividend of 25 sen per ordinary share:		
- Payment in cash	-	213,920
In respect of the financial year ended 30 June 2017:		
First and final single-tier dividend of 2 sen per ordinary share:		
- Payment in cash	42,784	-
	42,784	239,584

The directors propose a final single-tier dividend of 1 sen per ordinary share amounting to RM21,392,029 for the financial year ended 30 June 2018.

38. EMPLOYEES BENEFITS EXPENSE

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Salaries, wages, allowances and bonuses	62,344	51,564	4,912	5,581
Defined contribution plan - EPF contributions	4,215	3,849	441	522
Social security costs	450	380	22	37
Employees' share option expense	-	22,622	-	16,826
Other benefits expenses	1,247	411	156	58
	68,256	78,826	5,531	23,024

Employee benefits expense includes directors' remunerations as disclosed in Note 40 to the financial statements.

39. 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 40.

39. RELATED PARTY DISCLOSURES (CONT'D)

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

(i) Knusford Berhad, Knusford Marketing Sdn Bhd, Knusford Equipment Sdn Bhd, Knusford Construction Sdn Bhd, Knusford Holdings Sdn Bhd, Radiant Seas Sdn Bhd, Knusford Project Management Sdn Bhd and D-Hill Sdn Bhd are deemed related to Tan Sri Dato' Lim Kang Hoo, Dato' Lim Hoe, Lim Chen Herng and Wong Khai Shiang; and

(ii) Danga Bay Sdn Bhd, Teras Hijaujaya Sdn Bhd, Aramijaya Sdn Bhd, Iskandar Waterfront Sdn Bhd and Rampai Fokus Sdn Bhd are deemed related to Tan Sri Dato' Lim Kang Hoo, Tan Sri Datuk Seri Lim Keng Cheng, Dato' Lim Hoe, Lim Chen Herng, Wong Khai Shiang and Lim Ding Shyong; and

(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.

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	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Purchases of land	-	26,773	-	-
Purchases of building/construction materials	23,251	28,485	-	-
Rental expenses of machineries and motor vehicles	681	1,939	-	-
Rental expenses of premises	121	-	-	-
Purchase of property, plant and equipment	19	4,589	-	-
Purchase of investment property	5,000	-	-	-
Construction services rendered	-	1,319	-	-
Construction services received	79,360	10,903	-	-
Civil engineering, mechanical & electrical services expenses	-	1,480	-	-
Rental income of machineries and motor vehicles	107	294	107	294
Rental income of premises	233	389	212	214
Project management fee income	124	141	-	-

Outstanding balances in respect of the above transactions are disclosed in Notes 14 and 28 to the financial statements.

(b) Transactions with subsidiaries:

	Company	
	2018 RM'000	2017 RM'000
Progress billings for construction works billed to subsidiaries	636,041	956,883
Sub-contractor claims charged by subsidiaries	720,604	761,862
Interest income from a subsidiary	705	3,646

Outstanding balances in respect of the above transactions are disclosed in Note 10 to the financial statements.

40. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel refer to the Board of Directors of the Company, other key management personnel refer to key senior management of the Company and directors of subsidiary companies.

The remuneration paid/payable to the key management personnel during the financial year comprise:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Directors				
Short-term benefits				
- directors' fees	270	180	270	180
- other remunerations (salaries, allowances, bonuses, incentives and benefits-in-kind)	5,220	23,212	1,858	1,858
- employees' share option expense	-	14,438	-	14,438
	5,490	37,830	2,128	16,476
Post employment benefits				
- defined contribution plan	605	730	216	216
	6,095	38,560	2,344	16,692
Other key management personnel				
Short-term benefits				
- other remuneration (salaries, allowances, bonuses, incentives and benefit-in-kind)	1,742	6,456	-	-
Post-employment benefits				
- defined contribution plan	181	100	-	-
	1,923	6,556	-	-

41. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Aggregate cost of property, plant and equipment acquired	17,995	12,806	595	446
Financed via hire purchase	(8,383)	(4,842)	(305)	(344)
	9,612	7,964	290	102

42. CAPITAL COMMITMENT

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Capital expenditure in respect of:				
- purchase of land and investment properties, approved and contracted for	31,781	37,308	-	-
- concession assets, approved and contracted for	2,341,183	3,052,397	-	-

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43. CONTINGENT LIABILITIES

Litigation

A dispute has arisen between the Company and Shapadu Construction Sdn Bhd ("Shapadu") in respect of five (5) packages of sub-contract works under the New North Klang Straits Bypass Highway Project ("the Project"). The employer for the Project is Lebuhraya Shapadu Sdn Bhd ("Lebuhraya Shapadu"), the holding company of Shapadu.

On 1 August 2000, the Company issued a Notice to Arbitrate. An arbitrator was appointed and both the Company and Shapadu filed their respective claims and defence. The hearing for the arbitration has been adjourned to a date to be fixed.

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

- the sum of RM29,558,721 on quantum meruit for its loss and damage due to the work carried out under the sub-contract; and/or alternatively

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

Shapadu's counter claims against the Company are, inter alia, the following:

- the sum of RM33,010,000 allegedly being the liquidated ascertained damages ("LAD") due to Shapadu; or alternatively

- the sum of RM30,700,000 being LAD due to Lebuhraya Shapadu;

- the sum of RM2,008,869 as an indemnity for failure to carry-out and maintain the work;

- the sum of RM22,189,860 as an indemnity being the cost of completion;

- the sum of RM8,298,456 as indemnity being damages suffered by Lebuhraya Shapadu in completing the work; and

- the sum of RM2,006,101 as an indemnity being the loss and expense suffered by Lebuhraya Shapadu.

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

The Company has sought legal advice in respect of the counter claims made by Shapadu and the Company's solicitors are of the opinion that the Company has reasonable prospects of defending the counter claims.

44. SEGMENT ANALYSIS

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

(a) Business segment

(i) Construction operations
(ii) Property development
(iii) Toll operations
(iv) Others (investment holding, renewable energy activity and property investment)

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44. SEGMENT ANALYSIS (CONT'D)

(a) Business segment (Cont'd)

Transactions between segments are eliminated on consolidation.

2018	Construction operations RM'000	Property development RM'000	Toll operations RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue						
External sales	628,662	274,538	147,414	1,293	-	1,051,907
Inter-segment sales	1,243,526	-	-	-	(1,243,526)	-
	1,872,188	274,538	147,414	1,293	(1,243,526)	1,051,907
Results						
Segment results	353,447	47,258	122,087	44,850	(254,082)	313,560
Finance cost						(160,650)
Profit before tax						152,910
Tax expense						(49,727)
Profit for the year						103,183
Other information						
Segment assets	4,211,492	1,097,790	7,592,603	632,777	(3,805,880)	9,728,782
Segment liabilities	2,738,273	964,870	6,280,468	272,255	(2,888,616)	7,367,250
Capital expenditures	22,349	103,635	502	777	42,938	170,201
Depreciation and amortisation	10,158	214	24,721	328	-	35,421

2017	Construction operations RM'000	Property development RM'000	Toll operations RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue						
External sales	858,384	103,403	125,921	995	-	1,088,703
Inter-segment sales	1,332,754	-	-	-	(1,332,754)	-
	2,191,138	103,403	125,921	995	(1,332,754)	1,088,703
Results						
Segment results	613,587	55,814	135,647	1,608	(497,830)	308,826
Finance cost						(132,121)
Profit before tax						176,705
Tax expense						(61,464)
Profit for the year						115,241
Other information						
Segment assets	3,750,583	801,312	7,478,762	498,264	(3,181,817)	9,347,104
Segment liabilities	2,272,648	702,802	6,239,431	178,802	(2,347,712)	7,045,971
Capital expenditures	12,456	44,358	218	2,552	(570)	59,014
Depreciation and amortisation	8,467	227	16,780	351	-	25,825

44. SEGMENT ANALYSIS (CONT'D)

(b) Geographical segment

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

45. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

2018 Group	FVTPL RM'000	Loans and receivables RM'000	Total RM'000
Financial assets			
Trade and other receivables	-	204,860	204,860
Investment funds	3,183,782	-	3,183,782
Short term deposits	-	456,131	456,131
Cash and bank balances	-	303,078	303,078
Total financial assets	3,183,782	964,069	4,147,851

	At amortised cost RM'000
Financial liabilities	
Trade and other payables	488,981
Hire purchase liabilities	17,292
Medium term notes	5,417,546
RIA	50,911
Bank borrowings	1,114,339
Total financial liabilities	7,089,069

2017 Group	FVTPL RM'000	Loans and receivables RM'000	Total RM'000
Financial assets			
Trade and other receivables	-	399,437	399,437
Investment funds	3,945,318	-	3,945,318
Short term deposits	-	395,891	395,891
Cash and bank balances	-	212,733	212,733
Total financial assets	3,945,318	1,008,061	4,953,379

	At amortised cost RM'000
Financial liabilities	
Trade and other payables	405,330
Hire purchase liabilities	15,995
Medium term notes	5,379,281
Bank borrowings	1,002,016
Total financial liabilities	6,802,622

45. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of financial instruments

2018 **Company**	**Loans and receivables** **RM'000**
Financial assets	
Trade and other receivables	9,735
Amounts owing by subsidiaries	348,028
Short term deposits	300,382
Cash and bank balances	188,919
Total financial assets	847,064

	At amortised cost **RM'000**
Financial liabilities	
Trade and other payables	74,009
Amount owing to subsidiaries	591,167
Hire purchase liabilities	521
Bank borrowings	643,411
Total financial liabilities	1,309,108

2017 **Company**	**Loans and receivables** **RM'000**
Financial assets	
Trade and other receivables	9,250
Amounts owing by subsidiaries	431,431
Short term deposits	320,068
Cash and bank balances	71,886
Total financial assets	832,635

	At amortised cost **RM'000**
Financial liabilities	
Trade and other payables	11,731
Amount owing to subsidiaries	625,890
Hire purchase liabilities	709
Bank borrowings	600,597
Total financial liabilities	1,238,927

(b) Fair values

The fair value of IMTN of the Group at the end of the financial period is approximately RM6,176 million (2017: RM6,285 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.

46. 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 and liquidity and cash flow risks. 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 notes of the Group and the Company as at 30 June 2018. 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 RM7,636,000 and RM4,890,000 (2017: RM6,410,000 and RM4,565,000), respectively, as a result of higher or lower interest expense on these borrowings.

For those interest expense incurred and capitalised as part of the expenditure on property development costs and investment properties during the financial year, if the interest rates were to increase or decrease by 100 basis points with all other variable held constant, the property development and investment properties costs of the Group would increase or decrease by amount totalling RM1,814,000 (2017: RM1,834,000).

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (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 of the Group and the Company are exposed to credit risk except for bank balances, short term deposits and investment funds which are placed with licensed banks in Malaysia..

The Group's 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.

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.

With regard to surplus cash, the Group and the Company seek to invest their cash assets safely by depositing them with licensed financial institutions.

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

	Group			
	2018		2017	
	Gross RM'000	Impairment RM'000	Gross RM'000	Impairment RM'000
Not past due	33,335	-	56,683	-
1 to 30 days past due	2,452	-	1,071	-
31 to 60 days past due	1,349	-	412	-
61 to 120 days past due	3,697	-	414	-
More than 120 days past due	30,427	-	35,109	-
	71,260	-	93,689	-

	Company			
	2018		2017	
	Gross RM'000	Impairment RM'000	Gross RM'000	Impairment RM'000
Not past due	46	-	104,153	-
1 to 30 days past due	47	-	16	-
31 to 60 days past due	16	-	85	-
61 to 120 days past due	16	-	42	-
More than 120 days past due	8,338	-	8,803	-
	8,463	-	113,099	-

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

(b) Credit risk (Cont'd)

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. However, the Company has credit risk exposure arising from financial guarantees given to banks in respect of loans granted to subsidiaries.

The maximum exposure to credit risk amounted to RM505,900,000 (2017: RM436,394,000) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 46(c) to the financial statements. As at the reporting date, there was no indication that the subsidiaries would default on repayment.

(c) Liquidity and cash flow risks

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

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

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

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

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

Group 2018	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	488,981	488,981	-	-	488,981
Hire purchase liabilities	17,292	7,656	11,835	-	19,491
Medium term notes	5,417,546	346,673	1,806,356	8,585,704	10,738,733
RIA	50,911	-	-	100,000	100,000
Bank borrowings	1,114,339	554,442	643,300	210,576	1,408,318
	7,089,069	1,397,752	2,461,491	8,896,280	12,755,523

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

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

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

Company 2018	Carrying value RM'000	Less than 1 year RM'000	1 to 5 years RM'000	Total RM'000
Trade and other payables	74,009	74,009	-	74,009
Amount owing to subsidiaries	591,167	591,167	-	591,167
Hire purchase liabilities	521	188	376	564
Bank borrowings	643,411	261,902	472,693	734,595
	1,309,108	927,266	473,069	1,400,335

Group 2017	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	405,330	405,330	-	-	405,330
Hire purchase liabilities	15,995	6,498	11,046	-	17,544
Medium term notes	5,379,281	348,451	1,613,602	9,105,313	11,067,366
Bank borrowings	1,002,016	405,321	640,204	224,640	1,270,165
	6,802,622	1,165,600	2,264,852	9,329,953	12,760,405

Company 2017	Carrying value RM'000	Less than 1 year RM'000	1 to 5 years RM'000	Total RM'000
Trade and other payables	11,731	11,731	-	11,731
Amount owing to subsidiaries	625,890	625,890	-	625,890
Hire purchase liabilities	709	461	300	761
Bank borrowings	600,597	157,315	477,000	634,315
	1,238,927	795,397	477,300	1,272,697

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
2018				
Financial guarantee contracts	279,328	128,380	98,192	505,900
2017				
Financial guarantee contracts	265,150	122,616	48,628	436,394

47. 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 have met the requirement of minimum finance service coverage ratio and debt-to-equity ratio of its subsidiaries, as at reporting date.

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

	Group	
	2018 RM'000	2017 RM'000
Share capital	755,593	428,115
Reserves	1,237,761	1,493,774
Total equity	1,993,354	1,921,889
Medium term notes	5,417,546	5,379,281
Bank borrowings	1,114,339	1,002,016
Hire purchase liabilities	17,292	15,995
Total debts	6,549,177	6,397,292
Debt-to-equity ratio (times)	3.29	3.33

48. ACQUISITION OF SUBSIDIARIES

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

(i) On 19 October 2017, the Company acquired 2 ordinary shares in KL Rivercity Sdn Bhd ("KL Rivercity"), representing the entire issued and paid-up share capital of KL Rivercity for a total cash consideration of RM2.

(ii) On 20 October 2017, the Company acquired 2 ordinary shares in Tanahmas Kapital Sdn Bhd ("TKSB"), representing the entire issued and paid-up share capital of TKSB for a total cash consideration of RM2.

The acquisitions above have no significant effect on the financial results of the Group in the current financial year and the financial position of the Group as at 30 June 2018.

49. TRANSACTIONS WITH NON-CONTROLLING INTERESTS

2017

Disposal of 40% equity interest in a subsidiary, Kesturi

On 8 November 2016, Nuzen Corporation Sdn Bhd, a wholly-owned subsidiary of the Company has disposed 40% equity interest in Kesturi, an indirect subsidiary of the Company with a net consideration of RM1,085,333,296. The Group's effective ownership in Kesturi decreased from 100% to 60% as a result of the disposal in Kesturi.

The effect of the decrease in the Group's ownership was as follows:

	RM'000
Net consideration received and receivable (after transaction costs)	1,085,333
Decrease in share of net assets	(378,685)
Excess recorded directly in equity	706,648

50. SUBSEQUENT EVENTS

On 13 August 2018, the number of issued and paid-up ordinary share capital of the Company was increased by way of issuance of 35,000 new ordinary shares in the Company upon exercise of Warrants at exercise price of RM0.48.

On 4 September 2018, the Company incorporated a new wholly-owned subsidiary known as DUKE Dinings Sdn Bhd ("DDSB") with RM2. The intended principal activity of DDSB is dealing in food and beverage related business.

On 13 September 2018, DDSB acquired the entire issued and paid-up share capital in Gama Mewah Sdn Bhd and Sinarmega Kapital Sdn Bhd, at a total cash consideration of RM2. Both companies are currently dormant.

51. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the board of directors on 17 October 2018.

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 directors of Ekovest Berhad, do hereby state that, in the opinion of the directors, the financial statements set out on pages 68 to 134 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 2018 and their financial performance and cash flows of the Group and of the Company for the financial year then ended in accordance with 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: 17 October 2018

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) 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 68 to 134 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	)	**LIM SOO SAN**
in the Federal Territory	)	Chartered Accountant
this	)	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 2018, neither the Company nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and the Board are not aware and do not have any knowledge of any proceedings, pending or threatened against the Group or any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Company and its subsidiaries:

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

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

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

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

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

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

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

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

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

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

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

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

Our Directors are of the opinion that the financial impact on our Group is minimal since we had sub-contracted all the relevant work to a third party on a "back-to-back" basis, and the third party sub-contractor has agreed to indemnify us against any losses or damages that we may suffer in the event Shapadu's counter claim is allowed by the court.

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

ADDITIONAL COMPLIANCE INFORMATION

MATERIAL CONTRACTS

Save as disclosed below as at 30 June 2018, 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 two (2) years immediately preceding the date of this Report.

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, 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:

(i) 3,440,400 ordinary shares of RM1.00 each in Kesturi, a wholly-owned subsidiary of Nuzen; and

(ii) 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:

(i) 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

(ii) 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 interest in the above transaction.

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS

The status of utilisation of proceeds raised from the above 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.

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 ended 30 June 2018 are RM100,000 and RM141,500 respectively.

The non-audit fees incurred for the services rendered to the Company and the Group by its external auditors and their affiliated company for the financial year ended 30 June 2018 are RM6,500 and RM64,350 respectively.

ADDITIONAL COMPLIANCE INFORMATION

EMPLOYEE SHARE SCHEME

The ESOS of the Company had been implemented on 26 September 2014 and shall expire on 25 September 2019, unless extended for an additional 5 years. In accordance with the ESOS By-Law, the aggregate maximum allocation applicable to Directors and senior management shall not exceed 75% of the options available under the scheme.

On 9 March 2017, the Company had announced the grant of 120,330,000 options under the Employees Share Option Scheme ("ESOS") - First Batch ESOS, being the first grant of options under the said scheme. The First Batch ESOS Options was offered by the Board of Directors of Ekovest at an exercise price of RM1.30 per ESOS Option which is equivalent to the five (5)-day volume weighted average market price up to 8 March 2017, being the day preceding the Offer Date, of Ekovest share. The ESOS options have no vesting period and are exercisable immediately.

Further information on the ESOS is set out in the Directors' Report and Note 20 (c) of the Annual Audited Financial Statements for financial year ended 2018 in this Annual Report.

Brief details on the numbers of Shares and Options granted, vested and outstanding since the commencement of the ESOS on 9 March 2017 is set out in the table below:

	Total	Director	Senior Management	Other Entitled Employees
ESOS				
Number of Shares granted ('000)	120,330	76,800	12,500	31,030
Number of Shares vested ('000)	-	-	-	-
Number of Shares lapsed ('000)	-	-	-	-
Number of Shares Outstanding as at 30 June 2018 ('000)	120,330	76,800	12,500	31,030

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 and additional 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 27 November 2018.

ANALYSIS OF SHAREHOLDINGS
AS AT 10 OCTOBER 2018

Date of Annual Report : 30 October 2018
Statement Date : 10 October 2018

I SUBSTANTIAL SHAREHOLDERS

No.	Name	Direct Shareholdings	%	Indirect Shareholdings	%
1.	Tan Sri Dato' Lim Kang Hoo	431,705,221	20.18	260,750,022 [1]	12.19
2.	Ekovest Holdings Sdn Bhd	260,750,022	12.19	-	-
3.	Lim Seong Hai Holdings Sdn Bhd	153,737,700	7.19	-	-
4	Tan Sri Datuk Seri Lim Keng Cheng	10,833,000	0.51	153,737,700 [2]	7.19
5.	Datuk Lim Keng Guan	-		153,737,700 [2]	7.19
6.	Lim Keng Hun	-		153,737,700 [2]	7.19
7.	Lim Pak Lian	-		153,737,700 [2]	7.19
	TOTAL	857,025,943	40.06		

II DIRECTORS' SHAREHOLDINGS

No.	Name	Direct Shareholdings	%	Indirect Shareholdings	%
1.	Tan Sri Dato' Lim Kang Hoo	431,705,221	20.18	260,750,022 [1]	12.19
2.	Tan Sri Datuk Seri Lim Keng Cheng	10,833,000	0.51	153,737,700 [2]	7.19
3.	Dato' Lim Hoe	10,578,250	0.49	-	-
4.	Lim Chen Herng	-	-	-	-
5.	Kang Hui Ling	-	-	-	-
6.	Lim Ts-Fei	-	-	-	-
7.	Chow Yoon Sam	140,000	0.01	-	-
8.	Dr. Wong Kai Fatt	-	-	-	-
9.	Lee Wai Kuen	-	-	-	-
10.	Lim Chen Thai	-	-	-	-
11.	Wong Khai Shiang	750,000	0.04	-	-
12.	Lim Ding Shyong	-	-	-	-
	TOTAL	454,006,471	21.23		

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

ANALYSIS OF SHAREHOLDINGS

AS AT 10 OCTOBER 2018

III CLASS OF EQUITY SECURITY

Issued and Fully Paid-up	:	RM2,139,237,893
Class of Security	:	Ordinary Share
No. of Shareholders	:	17,758
Voting Rights	:	Each share entitles the holder to 1 vote

IV DISTRIBUTION BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	Shareholders	%	Shareholdings	%
Less than 100	132	0.74	5,638	0.00
100 to 1,000	1,281	7.21	952,127	0.04
1,001 to 10,000	9,105	51.27	53,092,035	2.48
10,001 to 100,000	6,218	35.02	205,206,785	9.59
100,001 to less than 5% of issued shares	1,019	5.74	1,187,526,065	55.51
5% and above of issued shares	3	0.02	692,455,243	32.37
TOTAL	17,758	100.00	2,139,237,893	100.00

ANALYSIS OF SHAREHOLDINGS

AS AT 10 OCTOBER 2018

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	Shareholdings	%
1	EKOVEST HOLDINGS SDN BHD	260,750,022	12.19
2	UOBM NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN SRI DATO' LIM KANG HOO*	208,750,000	9.76
3	TAN SRI DATO' LIM KANG HOO	199,677,889	9.33
4	KHOO NANG SENG @ KHOO NAM SENG	103,465,850	4.84
5	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *EXEMPT AN FOR AIA BHD*	87,466,400	4.09
6	LIM SEONG HAI HOLDINGS SDN BHD	87,082,800	4.07
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *EMPLOYEES PROVIDENT FUND BOARD*	71,653,100	3.35
8	LIM SEONG HAI HOLDINGS SDN BHD	66,654,900	3.12
9	RHB NOMINEES (TEMPATAN) SDN BHD *OSK CAPITAL SDN BHD FOR KOTA JAYASAMA SDN BHD*	46,471,700	2.17
10	LEMBAGA TABUNG HAJI	33,558,000	1.57
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD *NATIONAL TRUST FUND (IFM MAYBANK)*	20,000,000	0.93
12	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR KOTA JAYASAMA SDN BHD (3RD PARTY EDSP)*	19,750,000	0.92
13	CITIGROUP NOMINEES (ASING) SDN BHD *EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)*	17,447,800	0.82
14	SOH HUI FUNG	15,000,050	0.70
15	CITIGROUP NOMINEES (ASING) SDN BHD *CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC*	14,185,250	0.66
16	WONG WEI CHOY	13,500,000	0.63
17	TAN SRI DATO' LIM KANG HOO	13,288,332	0.62
18	RHB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR YAP SONG MING*	12,547,100	0.59
19	LOH YU SAN	11,428,500	0.53
20	ANASTASIA AMANDA BEH GAIK SIM	11,360,050	0.53

ANALYSIS OF SHAREHOLDINGS

AS AT 10 OCTOBER 2018

THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

No.	Name	Shareholdings	%
21	TAN SRI DATUK SERI LIM KENG CHENG	10,833,000	0.51
22	LIM KIA HIONG	10,557,300	0.49
23	TAN SRI DATO' LIM KANG HOO	9,989,000	0.47
24	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR GOH CHOON KIM*	8,087,900	0.38
25	CITIGROUP NOMINEES (ASING) SDN BHD *CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND*	7,540,000	0.35
26	WONG KHAI SHIUAN	7,500,000	0.35
27	KENANGA INVESTMENT BANK BERHAD *IVT-(EDSP-OTC/ESH)*	7,290,400	0.34
28	CITIGROUP NOMINEES (ASING) SDN BHD *CBNY FOR DFA EMERGING MARKETS SMALL CAP SERIES*	7,131,250	0.33
29	MAYBANK NOMINEES (TEMPATAN) SDN BHD *ETIQA LIFE INSURANCE BERHAD (LIFE PAR)*	7,000,000	0.33
30	TA KIN YAN	7,000,000	0.33

ANALYSIS OF WARRANTS HOLDINGS
AS AT 10 OCTOBER 2018

Date of Annual Report : 30 October 2018
Statement Date : 10 October 2018

I SUBSTANTIAL WARRANTS HOLDERS

No.	Name	Direct	%	Indirect	%
1.	Tan Sri Dato' Lim Kang Hoo	61,672,172	20.23	37,250,010 [1]	12.22
2.	Kota Jayasama Sdn Bhd	59,205,377	19.42	-	-
3.	Ekovest Holdings Sdn Bhd	37,250,010	12.22	-	-
4.	Lim Seong Hai Holdings Sdn Bhd	16,701,500	5.48	-	-
5.	Dato' Haris Onn Bin Hussein	-	-	59,205,377 [2]	19.42
6.	Tan Sri Datuk Seri Lim Keng Cheng	-	-	16,701,500 [3]	5.48
7.	Datuk Lim Keng Guan	-	-	16,701,500 [3]	5.48
8.	Lim Keng Hun	-	-	16,701,500 [3]	5.48
9.	Lim Pak Lian	-	-	16,701,500 [3]	5.48
	TOTAL	174,829,059	57.34		

II DIRECTORS' WARRANTS HOLDINGS

No.	Name	Direct	%	Indirect	%
1.	Tan Sri Dato' Lim Kang Hoo	61,672,172	20.23	37,250,010 [1]	12.22
2.	Tan Sri Datuk Seri Lim Keng Cheng	-	-	16,701,500 [3]	5.48
3.	Dato' Lim Hoe	1,424,125	0.47	-	-
4.	Lim Chen Herng	-	-	-	-
5.	Kang Hui Ling	-	-	-	-
6.	Lim Ts-Fei	-	-	-	
7.	Chow Yoon Sam	20,000	0.01	-	-
8.	Dr. Wong Kai Fatt	-	-	-	-
9.	Lee Wai Kuen	-	-	-	-
10.	Lim Chen Thai	-	-	-	-
11.	Wong Khai Shiang	-	-	-	-
12.	Lim Ding Shyong	-	-	-	-
	TOTAL	63,116,297	20.71		

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

ANAYLSIS OF WARRANTS HOLDINGS

AS AT 10 OCTOBER 2018

III CLASS OF EQUITY SECURITY

Type of Securities	:	Warrants 2014/2019
No. of Warrants Issued	:	304,901,697
No. of Warrants Holders	:	2,209
Voting Rights	:	The warrants do not entitle the registered holders thereof to any voting rights in any general meeting of the Company until and unless such holders of warrants exercise their warrants for new Ekovest shares

IV DISTRIBUTION BY SIZE OF WARRANTS HOLDINGS

Size of Warrants Holdings	No. of Warrants Holders	%	No. of Warrants Held	%
Less than 100	44	1.99	1,856	0.00
100 to 1,000	120	5.43	88,284	0.03
1,001 to 10,000	934	42.28	5,501,475	1.80
10,001 to 100,000	918	41.56	32,392,678	10.63
100,001 to less than 5% of issued securities	190	8.60	108,789,845	35.68
5% and above of issued securities	3	0.14	158,127,559	51.86
TOTAL	2,209	100.00	304,901,697	100.00

ANAYLSIS OF WARRANTS HOLDINGS

AS AT 10 OCTOBER 2018

THIRTY (30) LARGEST WARRANTS HOLDERS

No.	Name	Warrant Held	%
1	KOTA JAYASAMA SDN BHD	59,205,377	19.42
2	EKOVEST HOLDINGS SDN BHD	37,250,010	12.22
3	TAN SRI DATO' LIM KANG HOO	31,019,492	10.17
4	TAN SRI DATO' LIM KANG HOO	29,225,680	9.59
5	LIM SEONG HAI HOLDINGS SDN BHD	9,822,000	3.22
6	UOB KAY HIAN NOMINEES (ASING) SDN BHD *EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)*	7,300,475	2.39
7	LIM SEONG HAI HOLDINGS SDN BHD	6,879,500	2.26
8	KHOO NANG SENG @ KHOO NAM SENG	5,610,750	1.84
9	RHB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR YAP SONG MING*	3,511,850	1.15
10	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR YONG KWEE LIAN*	3,015,000	0.99
11	YONG KWEE LIAN	2,792,000	0.92
12	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR MOHAMAD NOR BIN HAMID*	2,588,700	0.85
13	RHB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN LAI LENG*	2,441,650	0.80
14	AMSEC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN LEAK GOH*	1,946.800	0.64
15	KKENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR YAP KOK WOON*	1,859,400	0.61
16	WONG KHAI SHIUAN	1,826,800	0.60
17	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LYE SAU CHEE*	1,601,300	0.53
18	RHB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN CHONG JUN*	1,471,800	0.48
19	CIMSEC NOMINEES (TEMPATAN) SDN BHD *CIMB BANK FOR CHONG HWA JAU*	1,427,000	0.47
20	TAN SRI DATO' LIM KANG HOO	1,427,000	0.47

ANAYLSIS OF WARRANTS HOLDINGS

AS AT 10 OCTOBER 2018

THIRTY (30) LARGEST WARRANTS HOLDERS (CONT'D)

No.	Name	Warrant Held	%
21	MAYBANK NOMINEES (TEMPATAN) SDN BHD TAN KEAN CHENG	1,425,000	0.47
22	NGU YII HIENG	1,334,100	0.44
23	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR HO YOCK MAIN (REM 857-MARGIN)*	1,310,000	0.43
24	CIMSEC NOMINEES (TEMPATAN) SDN BHD *CIMB BANK FOR MOHAMAD NOR BIN HAMID (MY0954)*	1,297,400	0.43
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD WONG ZENG FAN	1,290,000	0.42
26	YONG WEE CHIN	1,244,100	0.41
27	LOKMAN BIN OMAR	1,183,400	0.39
28	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TEOH SEE YONG (7004111)*	1,110,000	0.36
29	CIMSEC NOMINEES (TEMPATAN) SDN BHD *CIMB BANK FOR TEY HOCK SENG (M53002)*	1,051,000	0.34
30	BEH ENG PAR	1,050,000	0.34

PARTICULARS OF MATERIAL PROPERTIES
AS AT 30 JUNE 2018

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	N/A	Freehold	Construction in progress	45,830#	66,903	66,903
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#	32,838	32,838
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: 5-8-2011 & 15-1-2013)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	2,742#	5,537	5,537

PARTICULARS OF MATERIAL PROPERTIES

AS AT 30 JUNE 2018

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 & 5-8-2011)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	996#	7,177	7177
Geran 78119, Lot 20004, Geran 78857, Lot 20006, Seksyen 85, Bandar Kuala Lumpur. (DA: 23-5-2015 & 7-1-2016)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	196#	648	648
HSD 120001, PT 84, Seksyen 85, Bandar Kuala Lumpur. (DA: 6-1-2016)	Ekovest Properties Sdn Bhd	N/A	Leasehold 99 years Expiring on 5 January 2115	Vacant land	3,446#	5,530	5,530
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 2018

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: 7-10-2014)	Ekovest Properties Sdn Bhd	N/A	Leasehold 99 years expiring on 1 Nov 2110	Vacant land	2,748#	9,935	9,935
HSD 120087, PT 85, Section 85, Bandar Kuala Lumpur. (DA: 5-5-2016)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	1,628#	7,822	7,822
HSD 120272, PT 86, Section 85, Bandar Kuala Lumpur. (DA: 22-2-2017)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	1,663#	8,822	8,822
HSD 120398, PT 87, Seksyen 85, Bandar Kuala Lumpur. (DA: 13-6-2017)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	628#	3,143	3,143

PARTICULARS OF MATERIAL PROPERTIES

AS AT 30 JUNE 2018

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, PT 88, Seksyen 85, Bandar Kuala Lumpur. (DA: 7-9-2018)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	2926#	16,400	16,400
HSD 120779, PT 146, Seksyen 85A, Bandar Kuala Lumpur. (DA: 7-9-2018)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	9433#	52,869	52,869
HSD 119770, Lot 82, Seksyen 85, Bandar Kuala Lumpur. (DA: 19-1-15)	Ekovest Land Sdn Bhd	N/A	Leasehold 99 years expiring on 18 January 2114	Vacant land	2,179#	10,342	10,342
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 28270 & 28271 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 2018

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 Sept 2077	Vacant land	1,962#	5,491	5,491
Lot 14238 & 14239, Lot 14250 to 14259, Mukim Setapak, Kuala Lumpur. (11 titles) (DOA: 18-12-2013)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	1,328#	3,709	3,709
HSD 120216, PT10074, HSD 120217, PT10075, HSD 120218, PT10076, HSD 120212, PT10077, HSD 120213, PT10078, HSD 120214, PT10079, HSD 120215, PT10080, Mukim Setapak, Kuala Lumpur. (7 titles) (DA: 10-10-2016)	Ekovest Properties Sdn Bhd	N/A	Leasehold 99 years Expiring on 9 October 2115	Vacant land	18,172#	13,544	13,544

PARTICULARS OF MATERIAL PROPERTIES

AS AT 30 JUNE 2018

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#	212,000	212,000
HSD 120121, PT10066, Mukim Setapak, Kuala Lumpur. (DOA: 05-05-2016)	Ekovest KL Bund Sdn Bhd	N/A	Leasehold 99 years Expiring on 27 December 2114	Vacant land	7,940#	26,550	26,550
GM 931 Lot 16345, GM 932 Lot 16346, Mukim Setapak, Kuala Lumpur. (DOA: 3-9-2015)N	Ekovest Properties Sdn Bhd	3 years	Freehold	Vacant land	15,695^	12,343	12,343
Part of lands held under H Geran 250679 Lot 45370 Danga View Apartment Bandar of Johor District of Johor Bahru Johor Darul Takzim. (DOA: 24-11-2005) 6 Units (DOA: 07-02-2002) 3 Units (DOA: 15-01-2001) 8 Units	Ekovest Berhad	13 years	Freehold	17 units of Apartment	4,511^	20,908	20,908

PARTICULARS OF MATERIAL PROPERTIES

AS AT 30 JUNE 2018

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)							
GM 762 Lot 14233, GM 763 Lot 14234, Mukim Setapak, Kuala Lumpur. (DOA: 25-7-2017)	Ekovest Properties Sdn Bhd	1 year	Freehold	Vacant land	467^	9,301	9,301
Part of land held under Strata Geran No. 358304, Bandar Johor Bahru (DOA: 25-06-2010)	Ekovest Construction Sdn Bhd	8 years	Freehold	5 units of 3 Storey shop office and 1 unit of 4 storey shop office	22,616^	8,552	8,552
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 Mac 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	1 year	Freehold	Three storey shot lot	149^	4,341	4,341

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

EKOVEST
Ekovest Berhad
(Company No. 132493-D)

FORM OF PROXY

I/We *(full name in capital letter)*____________________________________NRIC/Company No.____________________________

of *(full address)*____

____being a member/members of

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

NRIC/Company No.____________________________of *(full address)*____

____or failing

him/her *(full name in capital letter)*__________________________________NRIC/Company No.____________________________

of *(full address)*____

or failing him/her, the Chairman of the **Thirty-Third Annual Meeting ("AGM")** as *my/our proxy/proxies to vote for *me/us and on *my/our behalf, at the AGM of the Company, to be held at **Grand Seasons Hotel, 72 Jalan Pahang, 53000 Kuala Lumpur** on **Tuesday, 27 November 2018** at **10.30 a.m.** and at any adjournment thereof.

* *Delete where applicable*

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

NO.	RESOLUTIONS		FOR	AGAINST
1.	Re-election of : i) Tan Sri Dato' Lim Kang Hoo	(Resolution 1)		
	ii) Ms. Kang Hui Ling	(Resolution 2)		
	iii) Ms. Lim Ts-Fei	(Resolution 3)		
2.	Re-election of Mr. Lim Chen Herng	(Resolution 4)		
3.	Approval of Directors' Fees	(Resolution 5)		
4.	Approval of Directors' Benefits	(Resolution 6)		
5.	Declaration of First and Final Single Tier Dividend	(Resolution 7)		
6.	Re-appointment of Auditors	(Resolution 8)		
7.	Continuing In Office As Independent Non-Executive Director	(Resolution 9)		
	Authorisation pursuant to Section 75 and 76 of the Companies Act 2016	(Resolution 10)		
	Proposed Renewal of Shareholders' Mandate and Additional Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	(Resolution 11)		

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

Dated this ________ day of ________ 2018

Number of Shares held ________

Signature of Shareholder

Notes:

1. Only depositors whose names appear in the General Meeting Record of Depositors as at 15 November 2018 shall be entitled to attend and vote at the Annual General Meeting.
2. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting provided that where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
3. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of a proxy.
4. For an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. If the appointor is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorised.
6. To be valid, the proxy form, duly completed must be deposited at the Registered Office not less than 48 hours before the time for holding the meeting or any adjournment thereof, in the case of a poll, not less than twenty-four hours before the time appointed for the taking of the poll.

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securites Berhad, all resolutions set out in this Notice will be put to vote by way of poll.

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AFFIX
STAMP

THE COMPANY SECRETARY

EKOVEST

Ekovest Berhad
(Company No. 132493-D)

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

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THE INSTITUTION OF ENGINEERS MALAYSIA

Established *May 1959*

THE INSTITUTION OF ENGINEERS MALAYSIA

Presented in recognition to Company's Contribution to the Engineering Industry in Malaysia

This certificate is awarded to

EKOVEST Berhad

In recognition for contribution in the Engineering Industry
(Property Development)

Witness *our hands and Seal at Petaling Jaya on 21st April 2018*

Ir. Dr Tan Yean Chin
President
Eng. D., M. Eng., B. Eng. (Hons), P. Eng., FIEM, FAAET, MOArb, MACEM
APEC Eng., IntPE (MY), ACPE, Hon. FAFEO, ASEAN Eng.

Ir. Yap Soon Hoe
Hon. Secretary
Hon. MAFEO, B.Sc. (Hons), P.Eng, FIEM
C.Eng, MICE, ASEAN Eng, ASEAN Eng. Tech

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(Best Sustainable Development)

DATUK SERI WONG CHUN WAI
(Group Managing Director / Chief Executive Officer)
STAR MEDIA GROUP

EKOVEST

Ekovest Berhad
(Company No. 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