EKOVEST

Ekovest Berhad

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

INNOVATIVE FOR GREATER VALUE

ANNUAL REPORT 2022

“37TH ANNUAL GENERAL MEETING OF EKOVEST BERHAD

DATE Friday, 09 December 2022
TIME 10.30 a.m.

CONTENTS

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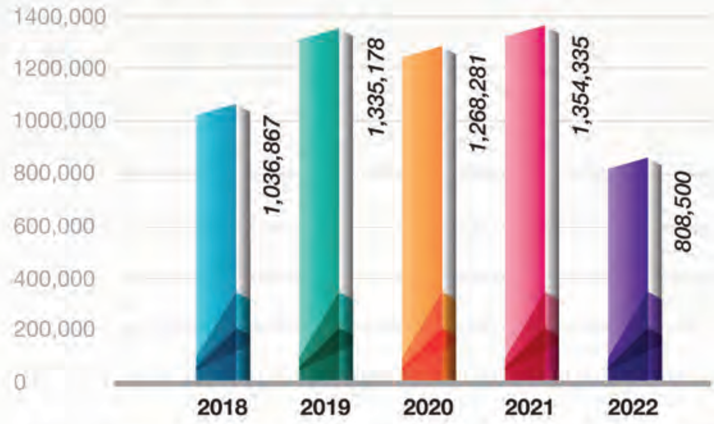
FINANCIAL HIGHLIGHTS

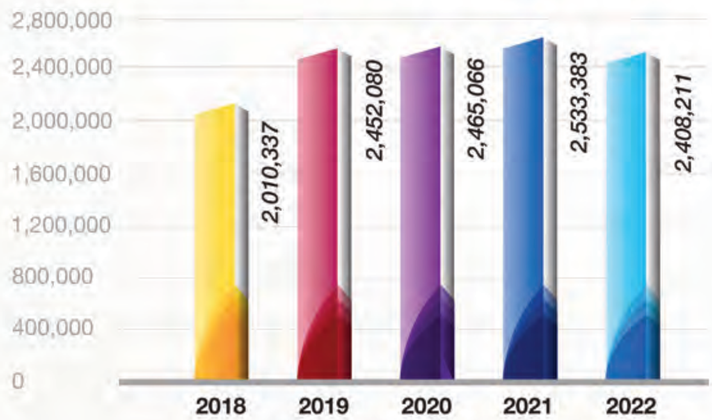
	Group 2018 RM'000	Group 2019 RM'000	Group 2020 RM'000 (Restated)	Group 2021 RM'000	Group 2022 RM'000
Revenue	1,036,867	1,335,178	1,268,281	1,354,335	**808,500**
Profit/(Loss) Before Tax	164,921	226,266	90,707	120,401	**(40,513)**
Taxation	(50,533)	(95,822)	(61,964)	(100,956)	**(82,933)**
Profit/(Loss) After Tax	114,388	130,444	28,743	19,445	**(123,446)**
Non-controlling Interests	11,066	10,032	18,705	23,949	**(1,733)**
Profit/(Loss) Attributable To Owners of the Company	125,454	140,476	47,448	43,394	**(125,179)**
Share Capital	755,593	1,117,961	1,117,961	1,138,871	**1,138,871**
Reserves	1,254,744	1,334,119	1,347,105	1,394,512	**1,269,340**
Equity Attributable To Owners of the Company	2,010,337	2,452,080	2,465,066	2,533,383	**2,408,211**
Represented By:					
Property, Plant and Equipment	70,248	133,922	224,580	240,540	**235,479**
Investment Properties	569,803	719,560	856,284	851,511	**855,080**
Right-of-use Assets	-	-	10,678	267,177	**265,222**
Land Held for Property Development	359,696	507,628	517,519	528,036	**528,947**
Concession Assets	3,828,941	4,682,373	5,657,254	6,810,302	**7,336,821**
Bearer Plants	-	-	-	359,628	**347,749**
Biological Assets	-	-	-	6,708	**2,681**
Intangible Assets	-	6,453	6,375	17,922	**18,508**
Investment In An Associate	-	104,348	102,716	3,581	**3,649**
Investment In a Joint Venture	-	-	816	-	**-**
Other Investments	-	-	-	6,371	**-**
Performance Deposits	-	-	-	50,000	**50,000**
Deferred Tax Assets	9,854	13,163	17,942	21,125	**24,251**
Other Receivables	-	-	5,132	18,656	**18,773**
Current Assets	4,909,309	4,534,150	3,033,460	2,036,082	**1,540,109**
Current Liabilities	(1,028,577)	(1,344,788)	(1,200,970)	(1,368,124)	**(1,413,950)**
Non-current Liabilities	(6,340,759)	(6,546,580)	(6,426,533)	(6,863,816)	**(6,951,302)**
Non-controlling Interests	(368,178)	(358,149)	(340,187)	(452,316)	**(453,806)**
	2,010,337	2,452,080	2,465,066	2,533,383	**2,408,211**
Net Assets Per Share (RM)	0.94	0.92	0.93	0.94	**0.89**
Basic Earnings/(Losses) Per share (Sen)	5.86	6.45	1.79	1.62	**(4.64)**

FINANCIAL HIGHLIGHTS

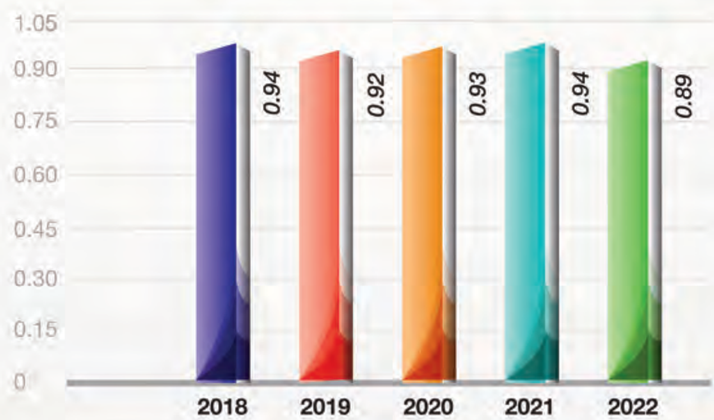
REVENUE (RM'000)

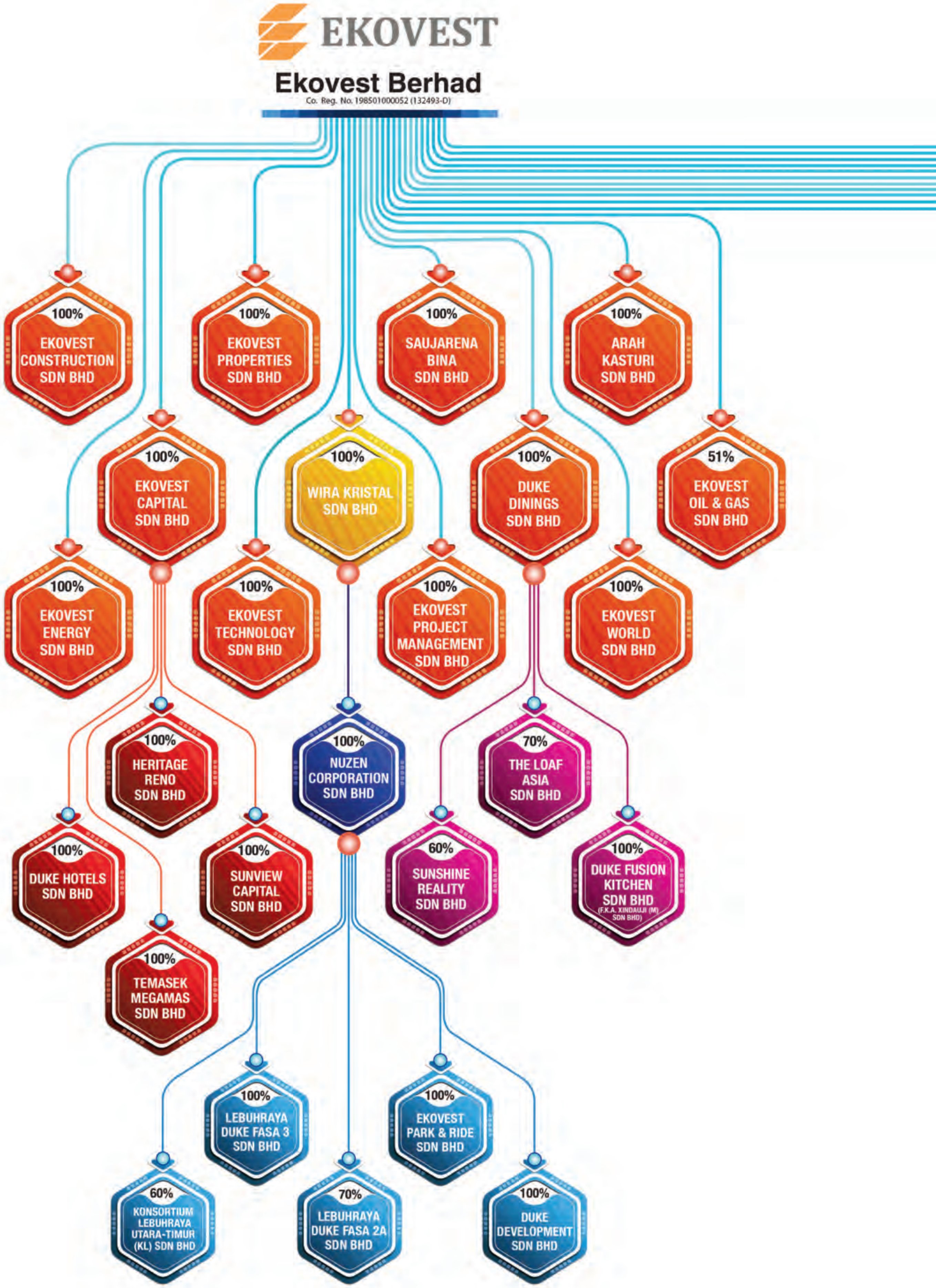


EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM'000)

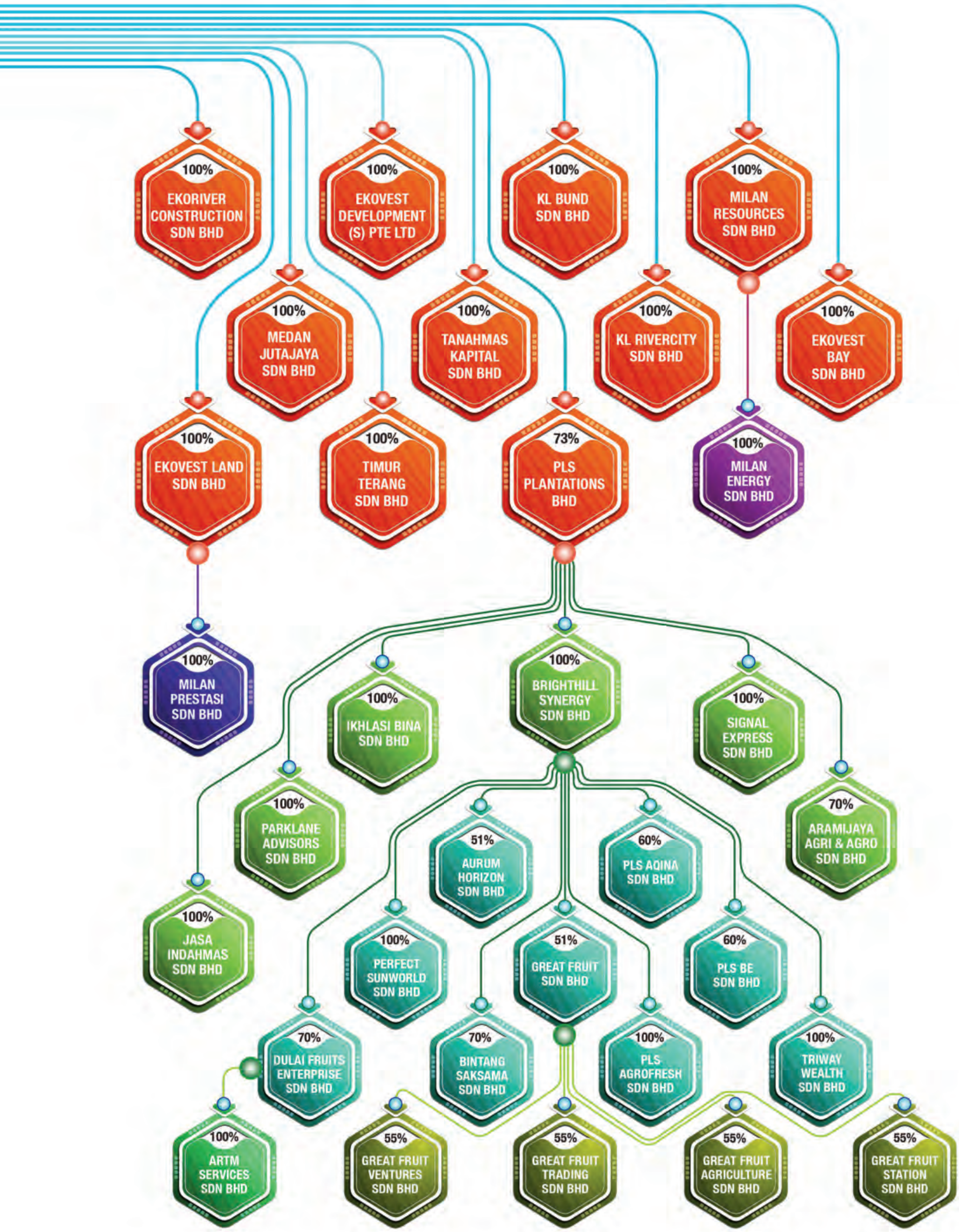


NET ASSETS PER SHARE (RM)




EKOVEST
Ekovest Berhad
Co. Reg. No. 198501000052 (132493-D)
100% EKOVEST CONSTRUCTION SDN BHD
100% EKOVEST PROPERTIES SDN BHD
100% SAUJARENA BINA SDN BHD
100% ARAH KASTURI SDN BHD
100% EKOVEST CAPITAL SDN BHD
100% WIRA KRISTAL SDN BHD
100% DUKE DININGS SDN BHD
51% EKOVEST OIL & GAS SDN BHD
100% EKOVEST ENERGY SDN BHD
100% EKOVEST TECHNOLOGY SDN BHD
100% EKOVEST PROJECT MANAGEMENT SDN BHD
100% EKOVEST WORLD SDN BHD
100% HERITAGE RENO SDN BHD
100% NUZEN CORPORATION SDN BHD
70% THE LOAF ASIA SDN BHD
100% DUKE HOTELS SDN BHD
100% SUNVIEW CAPITAL SDN BHD
60% SUNSHINE REALITY SDN BHD
100% DUKE FUSION KITCHEN SDN BHD (F.K.A. XINDAUJI (M) SDN BHD)
100% TEMASEK MEGAMAS SDN BHD
100% LEBUHRAYA DUKE FASA 3 SDN BHD
100% EKOVEST PARK & RIDE SDN BHD
60% KONSORTIUM LEBUHRAYA UTARA-TIMUR (KL) SDN BHD
70% LEBUHRAYA DUKE FASA 2A SDN BHD
100% DUKE DEVELOPMENT SDN BHD

GROUP STRUCTURE



CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN SRI DATO' LIM KANG HOO
Group Executive Chairman

TAN SRI DATUK SERI LIM KENG CHENG
Managing Director

DATO' LIM HOE
Executive Director

LIM CHEN THAI
Executive Director

KANG HUI LING
Senior Independent & Non-Executive Director

LIM TS-FEI
Independent & Non-Executive Director

DR. WONG KAI FATT
Independent & Non-Executive Director

CHOW YOON SAM
Independent & Non-Executive Director

LEE WAI KUEN
Independent & Non-Executive Director

WONG KHAI SHIANG
Alternate Director to Dato' Lim Hoe

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

CORPORATE INFORMATION

CORPORATE INFORMATION

COMPANY SECRETARY

Lim Thiam Wah, ACIS

PRINCIPAL PLACE OF BUSINESS

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

LEGAL FORM AND PLACE OF INCORPORATION

A public listed company incorporated in Malaysia and limited by shares

AUDITORS

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

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

STOCK EXCHANGE LISTING

Main Market of Bursa
Malaysia
Securities Berhad

Stock Code : 8877

REGISTERED OFFICE

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

PRINCIPAL BANKERS

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

WEBSITE

www.ekovest.com.my

DOMICILE

Malaysia

GROUP 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 30 JUNE 2022.

INDUSTRY TREND

Growth in the construction sector is expected to rebound, driven by resumption of activities across all subsectors. In the civil engineering subsector, growth is expected to recover in line with the government's focus on completing large infrastructure projects and increased investment on industrial and energy projects. Malaysia's construction industry is forecast to record growth of 16.5% in 2022 as compared to the growth of 11.2% in 2021, this is supported by further improving economic conditions. However, reflecting the pandemic's impact on construction activities, the Malaysian construction industry contracted by 2.6% year on year (YoY) in the first three quarters of 2021, according to the Department of Statistics Malaysia (DOSM). The industry is expected to have registered positive growth in the final quarter of 2021, supported by a fall in Coronavirus (COVID-19) infections and the subsequent relaxation of restrictions. However, severe flooding towards the end of Q4 2021 slow the growth in early Q1 2022, however the industry is expected to recover in the remaining quarters of the year 2022.

Tan Sri Dato'
Lim Kang Hoo
Group Executive Chairman

GROUP EXECUTIVE CHAIRMAN'S STATEMENT

INDUSTRY TREND (cont'd)

The construction sector is projected to turn around by 11.5% in 2022 on account of better performance in all its subsectors. The civil engineering subsector is anticipated to regain its positive growth, following the continuation and acceleration of major infrastructure projects, such as Light Rail Transit Line 3 (LRT3), Mass Rail Transit Line 3 (MRT3), Johor-Singapore Rapid Transit System (RTS) as well as the Pan Borneo highways in Sabah and Sarawak. Utility projects, including Baleh Hydroelectric, Sarawak Water Supply Grid Programme and Large-Scale Solar 3 plant, are also projected to spur growth. Similarly, the residential buildings subsector is expected to expand further in line with the Government's measures to address the shortage of affordable houses. The measures, among others, are the continuation of the Rent-to-Own scheme and full stamp duty exemptions for first-time home buyers as well as Rumah Mesra Rakyat and People's Housing programmes. In addition, the non-residential buildings subsector is anticipated to improve, backed by ongoing commercial projects, namely Kwasa Damansara, Tun Razak Exchange and KLIA Aeropolis.

The property market is widely expected to face hard times for the remainder of this year 2022 due to waning demand, high cost of materials and an expected increase in interest rates. With the uptrend in interest rates, this has a negative impact on the demand for properties. New launches could be scale back due to higher raw material and labour costs while weakening consumer sentiment caused by inflationary pressures are expected to dampen consumer spending. Despite prevailing subdued market sentiments, the Malaysia property market performed modestly than expected in 2021. Although close to a flatline, it is still an improvement and one that is sustainable over the longer term, placing it in good position to make positive gains in the coming year. Demand remains strong despite cautious consumer sentiments, and the current climate of rich incentives introduced by the government presents attractive property opportunities for those on good financial footing.

The property market is expected to regain its momentum in 2022 though the environment remained challenging. The 'Transition to Endemic' phase of COVID-19 starting April 1 2022 will see the lifting of restrictions of business operating hours and reopening of country borders, which is expected to further improve domestic economic activities.

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

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

FINANCIAL PERFORMANCE

The challenging business environment resulting from the long-term effects of the COVID-19 pandemic had impacted our financial year ended 30 June 2022 ("FYE2022"). Notwithstanding the challenges faces, Ekovest Berhad ("Ekovest") and its subsidiaries (the "Group") have managed to adapt and will continue to draw lessons to continue our effort to drive operational and cost efficiency throughout all business segment within the Group.

In FYE2022, Ekovest registered revenue of RM808.5 million, a decrease of approximately 40.3% as compared to revenue of RM1.354 billion achieved in the previous financial year ended 30 June 2021 ("FYE2021"). Our construction division continues to be the main revenue driver, contributing RM380.8 million or 47.1% of total revenue, while our toll operations contributed RM191.7 million or 23.7% and the property development and property investment divisions contributed RM59.0 million or 7.3% to the total revenue achieved in FYE2022. Upon completion of the unconditional Mandatory General Offer ("MGO") to acquire all the remaining PLS Plantations Berhad ("PLS") shares and warrants not held by Ekovest in February 2021, the Group have started to recognise revenue from the plantation segment. The first full year consolidation from this division has contributed RM167.2 million or 20.7% to the Group's revenue.

GROUP EXECUTIVE CHAIRMAN'S STATEMENT

The decrease in revenue was mainly due to lesser construction activities undertaken during this FYE2022. Nonetheless, there was an increase in the new revenue stream provided from the plantation division and also increase in revenue contribution from the property development division from the sales of the completed residential units in EkoCheras. With the "Transition to Endemic" phase, we are looking into the development planning to take into consideration post pandemic lifestyle and spending pattern. Our toll operations division reported a growth in terms of revenue, its operations has improved with the higher traffic volume throughout FYE2022 as the movement controls were eased. The Loss Before Tax ("LBT") for FYE2022 stood at RM40.5 million, a decrease compared to the Profit Before Tax ("PBT") reported in FYE2021 of RM120.4 million which is in tandem with the decrease in revenue. The reversal of deferred tax assets amounting to RM62.2 million from our toll operation division has resulted in Profit After Tax ("PAT") to decrease from RM19.4 million in FYE2021 to a Loss After Tax ("LAT") RM123.4 million in FYE2022.

STRATEGIC REVIEW

The impact and full extent of the COVID-19 pandemic has resulted in FYE2022 to be one of the most challenging years we have experienced but we have remained focused on delivering sustainable growth and long-term shareholders' value. We will continue to take appropriate and deliberate actions to drive performance while maintaining financial prudency. We will continue to navigate our way through the challenges to promote and grow the Group's various businesses. We are committed to improving the construction industry and we understand the wider impact that our businesses can achieve to support the development of the nation through the delivery of sustainable quality in our buildings, roads, public spaces, infrastructure and other construction areas. The new contracts that we have secured, specifically the Johor Bahru to Singapore Rapid Transit System Link Rail connecting Johor Bahru and Singapore ("RTS Link Project"), will augur well for our construction division and we will continue to focus and engage with the Government on new projects which we have submitted, including DUKE Phase 2A and the KL River City project.

We have also taken steps to grow further and have taken to bold step to invest in a property development project in Singapore. We will use this investment and experience gained to be the yardstick to measure our technical capabilities and to ascertain if we have what it takes to compete at international level.

The business transformation plan for our plantation division is in motion and we strive to be one of the leading players in agriculture and agrifood sector, specifically in the planting and maintenance of oil palm and durian plantation and management. We have set our sight in the durian business as this is an industry waiting to be harnessed as it is in the midst of transformation from being a small stakeholder business to a commercialised industry. There are proper plans and foundations being laid to enhance this area of business and provide fruitful returns to the Group in the medium to long term horizon.

These plans that we have implemented is part of our strategy to transform Ekovest into a larger listed conglomerate with a larger portfolio of diversified businesses and is in line with the long-term strategy of expanding and diversifying into other businesses to reduce dependency and reliance on our existing businesses in construction, property development and toll operations. Our strategic focus is to 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, plantation and highway concession. This model limits the impact of economic cycles and allows us to prioritise high-quality businesses, in order to improve margins and deliver disciplined revenue growth.

APPRECIATIONS

I wish to express my most sincere appreciation to my fellow Board members for their support, commitment and contributions and our senior management team who has been working tirelessly to propel the Group to new heights and my personal gratitude to all employees of Ekovest Group for their dedication and commitment. Thank you to all our customers, clients, business associates, bankers and the various government and local authorities for their continuing support and confidence in our Group's ability to deliver projects that was entrusted to us.

Last but not least, thank you to our esteemed shareholders for your trust, patience, and continuous confidence in our Company. The Board remained optimistic in delivering positive financial results. We hold the responsibility that you have entrusted to us in high regard and we shall endeavour to deliver an even better financial year ended 2023. We look forward to a very exciting year ahead for the Ekovest Group.

TAN SRI DATO' LIM KANG HOO
Group Executive Chairman
28 October 2022

MANAGING DIRECTOR'S STATEMENT

Our financial year ended 30 June 2022 ("FYE2022") has remained to be a challenging year. The upliftment of the COVID-19 restrictions as well as the introduction of the National Recovery Plan ("NRP") has been the catalyst for Malaysia's economic recovery and for our business activities and operations as well. The returning investors' confidence in Malaysia has provided comfort that we are on the right track to put the COVID-19 episode behind us and look forward to capitalise on the recovery of the economy.

As part of our strategy to transform Ekovest into a larger listed conglomerate with a portfolio of diversified businesses, our presence in PLS Plantations Berhad ("PLS") has enabled us to venture into the management and operation of oil palm and forest plantations as well as in durian plantation, production, distribution and related businesses. This is in line with the long-term strategy of expanding and diversifying into other businesses to reduce dependency and reliance on our existing businesses in construction, property development and toll operations.

Nonetheless, we are grateful for the policies implemented by the Government to ensure the balance between containing the spread of COVID-19 and ensuring the recovery of economic activities during this unprecedented time. Malaysia will benefit more from these positive economic and social spill-over effects moving forward. We have and will continue to engage with the Government, ministries and agencies on our various innovative and cost-effective solutions and proposals.

Tan Sri Datuk Seri
Lim Keng Cheng
Managing Director

MANAGING DIRECTOR'S STATEMENT

Construction – Delivering Infrastructure Milestone

Construction have always been the forte of our company and we expect this to remain the same in the years to come. We had delivered more than RM8 billion worth of construction projects to clients all across Malaysia and pride ourselves for being one of the most respected construction players in Malaysia. Ekovest will continue to embrace the Fourth Industrial Revolution (IR4.0) and the digitisation of construction processing to improve efficiency of our operations. The use of Construction Design and Management (CDM) has been implemented to ensure that the health and safety aspect of a construction project is thoroughly evaluated

during the design phase. We will continue to support the Government efforts to transform the industry and is proud to be the pioneers in new construction method such as having the "longest T shaped beam bridge span" in Malaysia at 67.5 meters long using BH Girder beams. Our Setiawangsa – Pantai Expressway project ("SPE" or "DUKE Phase 3") was also awarded the Innovative Technology Highway Construction award by the Malaysian Highway Authority (MHA) for the use of DURA UBG Girder and in December 2021 was accorded the 4 STAR rating under Construction Industry Development Board (CIDB) Malaysia Sustainable INFRASTAR rating tool.

During FYE2022, we have continued to focus on the full completion of our SPE. Nonetheless, the long-term COVID-19 effects, including challenges in the construction supply chain and unpredictable fluctuation material prices, have continued to hamper the progress. We also had to deal and resolve several on-site issues since commencement of its construction that has impacted the overall work progress, aggravated by the new health and safety protocols and procedures post COVID-19. Despite the challenges faced, we have completed and have opened SPE's Section 4 (Taman Melati to Setiawangsa Interchange) on 22 December 2021. Tolling for this section have commenced in March 2022. We are still optimistic to complete and deliver the remaining sections of the SPE this coming financial year.

MANAGING DIRECTOR'S STATEMENT

Construction – Delivering Infrastructure Milestone (Cont'd)

Looking forward, the recently secured RM1.9 billion RTS Link Project which was awarded on 5 July 2022 will continue to keep our construction division busy for the next few years. Upon the completion of these high-impact infrastructure projects, it will mark another milestone of the projects that we have been trusted with and delivered for the nation.

We still believe that the current infrastructure development model adopted by the Government of Malaysia via Private Public Partnership (PPP) is still relevant and will help accelerate future infrastructure needs in Malaysia. In addition, we are pursuing and actively looking for new opportunities, including the DUKE Phase 2A and the KL River project to secure more infrastructure projects to replenish our construction orderbook.

Property Development and Property Investment Post Pandemic Recovery

Our EkoCheras Mall have continued its road to recovery. Notwithstanding that we had no choice but to discontinue or terminate some tenants, we had been very accommodative and supportive towards our tenants to ensure their business is able to recover into normalcy after a long period of uncertainty during the COVID-19 pandemic. We have continued with our rebates assistance, although at a lower level compared to the peak of the pandemic and continuing support to the tenants in various other forms. The management remains very optimistic on the long-term performance of the mall as the EkoCheras development as it located in the nucleus of Cheras and will be able to provide comfortable shopping and F&B experience for all.

On a positive note, our property development division had performed better than previous years with higher sales of completed residential units at EkoCheras, in line with the transition to the endemic phase and gradual recovery from the relaxation of the restrictions imposed. In addition, we are also re-evaluating the components of our other property development projects, namely the EkoTitiwangsa project, to cater for the spending habits post pandemic. We will continue to monitor the property market for opportunities to launch new projects in the near future.

MANAGING DIRECTOR'S STATEMENT

Infrastructure Concession – Long Term Asset In Greater Kuala Lumpur

Our infrastructure concession and toll operation division (i.e. the operation and management of the DUKE toll concession) was not spared from the movement control order ("MCO") but the traffic recovery since October 2021 has been short of remarkable. In early the first quarter of 2022, traffic volumes have exceeded the pre-pandemic levels and this trend is expected to continue, barring any further movement restrictions by the Government. We are now focused to ensure the comfort of road users remain at a high level to entice them to utilise our alternative highway network. We are also ensuring that the long-term maintenance of the expressway is kept within the standards set by the MHA.

Nonetheless, although troubled times for traffic volume may be over, we should not forget the lasting impact the COVID-19 pandemic had, especially on the cashflow and overall financial commitment we have to our sukukholders. The lost opportunity for toll collection since March 2020 to October 2021 have created a huge financial gap between projected and actual toll collection. Nonetheless, we remain positive to be able to meet all principal and profit payment, as and when due, but require the support and patience of all stakeholders to recover and realign our financial covenant obligations. Our industry peers have also continued with the engagement with the Government to highlight the severity of the reduced traffic volume resulting from the MCO implemented to the overall business model as well as to the liquidity and cashflow position of all concessionaires in Malaysia. Any adverse impact to the toll industry will have a ripple-effect to the capital markets whereby there are more than RM60.0 billion of outstanding debt and/or sukuk raised by the industry.

The opening of the SPE and also the Sungai Besi – Ulu Kelang Elevated Expressway (SUKE) together with the Damansara – Shah Alam Elevated Expressway (DASH) will further enhance the entire road network in Greater Kuala Lumpur. This is especially important for us as the seamless integration between our DUKE and these expressways will provide the impetus required for increased traffic volumes utilising our DUKE.

Nevertheless, the long-term prospect and value of the DUKE is still present as the seamless connectivity it provides will see it become an important road link and network for Greater Kuala Lumpur. The long concession period which we have for this urban highway also provide flexibility for potential future monetisation and value enhancements.

MANAGING DIRECTOR'S STATEMENT

Plantation – Strengthening Presence in Agriculture & Agrofood

Since the completion of the Mandatory General Offer ("MGO") on PLS, the plantation division had been a steady contributor to the overall Group revenue and profitability. With the changing economic and business environment, our diversification strategy has shown great potential and is expected to augur well for the long-term growth and sustainability of the enlarged Ekovest Group.

The implementation of PLS's business strategy and transformation plan is in motion. In addition to diversifying the business into different cash crops, PLS are also building distribution channels and diversifying into downstream products, specifically into durian consumer products. The rolling out of their Agropreneur Programme, an Integrated Agrotech Park and collaboration with both the Federal and State Government and ecosystem partners will be the backbone to strengthening their role in the local agrofood ecology and network. Barring unforeseen circumstances and the favourable commodity prices, we expect this division to contribute positively in the coming years.

Management Discussion And Analysis

The total revenue reported for FYE2022 is RM808.5 million, which is a decrease of approximately 40.3% as compared to previous year. Tabulation on the revenue for the Ekovest Group in financial year ended FYE2022 and financial year ended 30 June 2021 ("FYE2021") is as below:-

	FYE 2022 RM '000	FYE 2021 RM '000	Variance RM '000	%
Construction	380,779	1,092,375	(711,596)	(65.1)
Property Development	35,604	11,380	24,224	212.9
Infrastructure Concession	191,720	154,660	37,060	24.0
Plantation	167,206	62,922	104,284	165.7
Food and Beverages	9,499	6,315	3,184	50.4
Property Investment	23,352	25,889	(2,537)	(9.8)
Others	340	794	(454)	(57.2)
Total	808,500	1,354,335	(545,835)	(40.3)

The decrease in the current financial year revenue as compared to FYE2021 was mainly contributed by the decrease in construction work done during the year due to lesser construction activities undertaken during this financial year. The construction activities on-site in the first half of FYE2022 was still recovering and adjusting to the effects of MCO. Although the construction industry was allowed to operate under strict SOPs, the lockdown had disrupted the supply-chain of the entire construction industry, resulting in slower lead time for supply of building materials.

Notwithstanding the overall decrease in revenue, we had reported increase in revenue in other divisions, mainly by sales income from property development EkoCheras, the increase in traffic volume and toll revenue from the DUKE as well higher revenue from the food and beverages division as well. In addition, the first full year of revenue from the plantation division has also contributed positively to the overall revenue of the Group.

MANAGING DIRECTOR'S STATEMENT

Management Discussion And Analysis (Cont'd)

The property development division reported an increase in revenue from the improved sales of the completed properties in EkoCheras. With the transition to the endemic phase as compared the government implementation of MCO in the preceding year, there was a gradual recovery from the relaxation of restrictions imposed.

The infrastructure concession division registered a revenue of RM191.7 million in FYE2022 as compared to RM154.7 million in FYE2021. However, the revenue reported includes the receipt of balance of toll compensation for calendar 2019 which has been long overdue from the Government. From actual FYE2022 vs FYE2021 toll collection receipts, there is an increase of approximately 16.2% in the toll revenue, largely due to the increase in the traffic volume in the second half of FYE2022.

The plantation division registered a higher revenue of RM167.2 million and a gross profit of RM58.0 million in FYE2022 as compared with the revenue of RM62.9 million and gross profit of RM18.4 million in FYE2021. The lower revenue in FYE2021 is partly due to the incorporation of the plantation sector results for only eight (8) months following the completion of the acquisition of PLS on 30 October 2020. As for FYE2022, other than the increase being due to the inclusion of the entire 12 months results, the revenue and gross profit have increased attributable to the higher sales contribution from the oil palm and sales for the frozen durian products. The increase in fresh fruit bunches (FFB) average selling price has further improved the revenue of the plantation division.

Correspondingly, the gross profit for FYE2022 has decreased as compared to FYE2021 which is in tandem with the decrease in revenue. The loss before tax ("LBT") for FYE2022 stood at RM40.5 million as compared with the PBT reported in FYE2021 of RM120.4 million. Notwithstanding the decrease in FYE2022 total revenue had impacted the overall performance of the Group, there was also a recognition of a negative goodwill amounting to RM73.0 million in FYE2021 arising from the completion of the MGO to acquire all the remaining PLS shares and warrants.

In addition, the deferred tax expense amounting to RM63.5 million arising from our toll operations division had also impacted the loss after tax of the Group. This is mainly due to the reversal of the deferred tax assets recognised in prior years and not recognizing current year deferred tax assets arising from unabsorbed business losses under Section 44(5F) of the Income Tax Act, which the new law has imposed a 10-year limitation and can no longer carried forward indefinitely.

From the balance sheet perspective, we have seen an increase in our Concession Assets from RM6.8 billion in FYE2021 to RM7.3 billion in the current year which is due to construction progress of the DUKE Phase 3. Correspondingly, there is a decrease in our Investment Funds from RM988.9 million in FYE2021 to RM676.4 million in FYE2022 together with a decrease in Short Term Deposits and Cash and Bank Balances from RM420.0 million in FYE2021 to RM248.5 million in FYE 2022, which was due to funds utilised the construction and financing requirements of DUKE Phase 3. Overall, our capital expenditure and working capital requirements were financed from internal generated cash as well as borrowings from financial institutions. Moving forward, we expect this strategy to remain largely intact and will continue to look for project financing structure to ensure the borrowings risk is "ring-fenced" and kept at project level.

However, we do acknowledge that some of the projects that we participate in, requires the support and financial capability of the Ekovest Group to be commercially viable. The gearing ratio of the Group remains low at 0.40 times for the FYE2022 vis-à-vis the gearing ratio of 0.42 times in FYE2021. The calculating the gearing ratio, we have excluded the Islamic Medium-Term Notes and Reimbursable Interest Assistance, which was issued to finance the construction of the DUKE highway. The slight decrease in the gearing ratio is due to repayment of our borrowings. The net assets per share attributable to equity holders as at FYE2022 had decrease to RM0.89 from RM0.94 in FYE2021, which is mainly due to the net loss recorded in FYE2022.

Appreciation

To our customers, clients, bankers, business partners and associates, thank you for the trust and support you have placed in us. Thank you to all governmental agencies that have assisted and supported us, especially Kementerian Kewangan, Kementerian Kerja Raya, Kementerian Alam Sekitar dan Air, Kementerian Wilayah Persekutuan, Unit Kerjasama Awam Swasta (UKAS), Lembaga Lebuhraya Malaysia, Dewan Bandaraya Kuala Lumpur, Jabatan Pengairan dan Saliran, Jabatan Perkhidmatan dan Pembetungan, and Construction Industry Development Board Malaysia. I wish to express my most sincere appreciation to my fellow Board members for their support and contributions. To the management and employees of Ekovest Berhad, thank you for your commitment, hard work and perseverance. Last but not least, thank you to our esteemed shareholders for your trust, patience, unwavering commitment and continuous confidence in us. We hold the responsibility that you have entrusted to us in high regard and we shall endeavour to deliver better value for you in the years to come.

Tan Sri Datuk Seri Lim Keng Cheng
Managing Director
28 October 2022

DIRECTORS' PROFILE

TAN SRI DATO' LIM KANG HOO
Group Executive Chairman

MALE, AGE 67, MALAYSIAN

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

Tan Sri Dato' Lim is a Malaysian business magnate and entrepreneur with more than 50 years of experience. He has interests in a variety of businesses including construction, master development, property development and investment, trading of building materials and plantations.

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

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

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

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

DIRECTORS' PROFILE

TAN SRI DATUK SERI LIM KENG CHENG
MANAGING DIRECTOR

MALE, AGE 60, MALAYSIAN

TAN SRI DATUK SERI LIM KENG CHENG, male, aged 60, Malaysian, was appointed as the Managing Director of Ekovest Berhad on 16 May 2011. He has more than 39 years' experience in diverse range of industries which includes building, civil, design and build turnkey construction projects, machinery trading and property development, having started his career immediately after his high school education. He began his career as a director in a private limited infrastructure company and was responsible behind the success of the infrastructure works in Felda Sahabat, Sabah which is twice the size of Singapore. He also steered the construction of the Labuan Financial Park, a world-class offshore financial haven. Soon after, Tan Sri Datuk Seri Lim oversaw several design and build projects namely Universiti Malaysia Sabah (UMS) and Universiti Tun Hussein Onn in Batu Pahat, Johor whereby both projects were completed in time despite the technical and social challenges faced. He also led the design and build project of the Iskandar Coastal Highway, a high profile infrastructure project in Iskandar Malaysia, Johor. With his vast experience in infrastructure projects, Tan Sri Datuk Seri Lim also contributed significantly to the success of the Duta-Ulu Kelang Expressway (DUKE) and was instrumental in the supplemental concession agreement for the extension of the DUKE. He is also the driving force behind Ekovest group role as the project delivery partner for the River of Life project. He is also a strong advocate of the government current push for the Greater Kuala Lumpur to be the country's engine of growth. He was formerly an Executive Director of Iskandar Waterfront City Berhad, a public listed investment holding company with its principal activities in property development, construction and property management services, and was also the former Executive Director cum Chief Executive Officer of Knusford Berhad, a public listed company principally engaged in machinery trading. Tan Sri Datuk Seri Lim also holds directorship in several private limited companies which includes amongst others, Iskandar Waterfront Holdings Sdn Bhd. He is currently a Non-Executive Chairman of Lim Seong Hai Capital Berhad, a public listed company in Bursa Securities.

Tan Sri Dato' Lim has extensive experience in plantation sector since he left secondary school. In 1971, he established a small business selling durians and other fruits and vegetables in Kuala Lumpur. In 1974, he relocated to Pahang as a contractor to the Federal Land Development Authority ("FELDA") for its rubber plantation project. Following the successful completion of the FELDA project in 1976, he was appointed as a contractor for FELDA's cocoa, rubber and oil palm nurseries in the east coast of Malaysia. He subsequently relocated to Aring and Chiku in Kelantan in 1978, again as a contractor to FELDA to develop oil palm plantations in those areas. One of the key development projects which he embarked on in 1986 was Felda Sahabat in Lahad Datu, Sabah comprising oil palm plantations, palm oil mills and infrastructure works. Through these development projects, he obtained knowledge and expertise in the plantation, construction, infrastructure and building materials industry.

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

DIRECTORS' PROFILE

DATO' LIM HOE
EXECUTIVE DIRECTOR

FEMALE, AGE 70, MALAYSIAN

DATO' LIM HOE, female, aged 70, 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 48 years of working experience in various industries, gaining exposure in the field of finance, management, human resource and corporate matters. She is one of the pioneer during the formative years of Ekovest Berhad. She is also a Director of several private limited companies.

MR LIM CHEN THAI
EXECUTIVE DIRECTOR

MALE, AGE 28, MALAYSIAN

MR. LIM CHEN THAI, male, aged 28, Malaysian, was appointed to the Board of Directors of Ekovest Berhad on 26 April 2018 as an Alternate Director and became an Executive Director on 25 February 2020. He graduated with a Bachelor of Banking and Finance from Monash University, Australia. He serves the Ekovest Group of companies in various capabilities since joining them in 2018. Besides, he is also an Executive Director of Knusford Berhad.

MS KANG HUI LING
SENIOR INDEPENDENT AND NON EXECUTIVE DIRECTOR

FEMALE, AGE 50, MALAYSIAN

MS. KANG HUI LING, female, aged 50, 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 Four audit firm. As audit senior associate, she also gained exposure in the field of operational audit and financial due diligence. Subsequently she joined a medium size multinational consultancy firm as the Finance and Admin Manager where she was responsible for establishing and implementing the company's accounting and operating policies and procedures. She is currently attached to a group of professional firms specialising in assurance, corporate advisory, taxation compliance and accounting services as an associate director. She is currently an Independent Non-Executive Director of PLS Plantations Berhad and Iskandar Waterfront City Berhad.

DIRECTORS' PROFILE

MS LIM TS-FEI
INDEPENDENT NON EXECUTIVE DIRECTOR

FEMALE, AGE 59, MALAYSIAN

MS. LIM TS-FEI, female, aged 59, 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.

MR CHOW YOON SAM
INDEPENDENT NON-EXECUTIVE DIRECTOR

MALE, AGE 76, MALAYSIAN

MR. CHOW YOON SAM, male, aged 76, Malaysian, was appointed to the Board of Directors of Ekovest Berhad on 16 May 2013. He graduated with a Bachelor of Engineering Degree (Civil) Hons from the Universiti Malaya in 1971. He was a member of the Institute of Engineers Malaysia and Board of Engineers Malaysia. During his tenure with Felda, he was the Project Engineer on design and construction of Felda oil palm mills and rubber factories. Subsequently he was the Deputy Director of Engineering involved in administration and management of Felda development projects. In 1990 to 1994 he was Project Consultant and Project Manager for Felda joint venture projects. In Felda Ekovest Sdn Bhd he was the Senior General Manager from 1994 to 2004. He was also an Independent Non-Executive Director of Iskandar Waterfront City Berhad from 2013 to 2016. He is currently an Independent Non-Executive Director of PLS Plantations Berhad.

MR LEE WAI KUEN
INDEPENDENT NON-EXECUTIVE DIRECTOR

MALE, AGE 56, MALAYSIAN

MR. LEE WAI KUEN, male, aged 56, 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 30 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.

DIRECTORS' PROFILE

DR. WONG KAI FATT

INDEPENDENT NON EXECUTIVE DIRECTOR

MALE, AGE 75, MALAYSIAN

DR. WONG KAI FATT, male, aged 75, 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 WONG KHAI SHIANG

ALTERNATE DIRECTOR TO DATO' LIM HOE

MALE, AGE 43, MALAYSIAN

MR. WONG KHAI SHIANG, male, aged 43, 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 21 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

MALE, AGE 34, MALAYSIAN

MR. LIM DING SHYONG, male, aged 34, Malaysian, was appointed to the Board of Directors of Ekovest Berhad on 27 February 2014. He graduated with a Bachelor of Engineering in Engineering with Business Management and a Master of Science in Robotics from King's College London. Upon graduating, he entered the Ekovest Group as a Project Engineer since 1 February 2012. He is involved in the planning, design and construction of the extension of Duta-Ulu Kelang Expressway (DUKE 2 & 3) and in Ekoriver Construction Sdn. Bhd. (f.k.a. Ekovest – MRCB Construction Sdn. Bhd.,) which has been appointed as the Swiss Challenge Contractor for the proposed improvement and beautification works at Precinct 7 under the River of Life project. He has been involved in the sales and marketing activities as well as mall operations of EkoCheras, Ekovest's maiden property development project in Cheras. He is also a Director in Ekovest Project Management Sdn. Bhd. and is currently involved in the day to day operation of the highways business, in charge of highways development, highways operating and marketing.

DIRECTORS' PROFILE

CONFLICT OF INTEREST

There is no conflict of interest between the Directors and the Group except for the related party transactions where the Directors have interest, as disclosed in the Note 48 of the Financial Statements.

CONVICTION FOR OFFENCES

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

FAMILY RELATIONSHIP

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

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

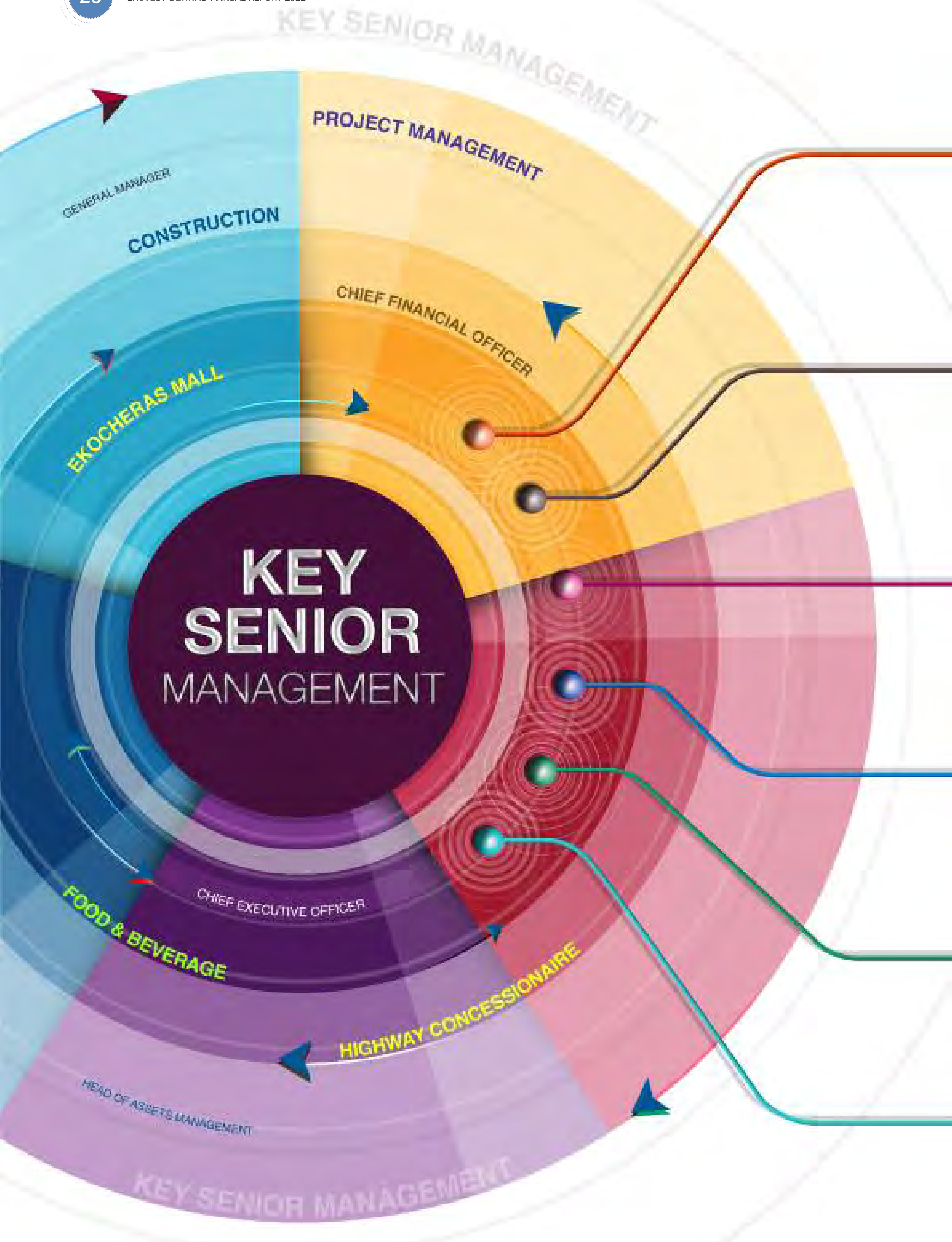
2. Dato' Lim Hoe is a sister to Tan Sri Dato' Lim Kang Hoo, mother of Mr Wong Khai Shiang, aunt to Tan Sri Datuk Seri Lim Keng Cheng and Mr Lim Chen Thai and grandaunt to Mr Lim Ding Shyong.

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

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

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

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


KEY SENIOR MANAGEMENT
PROJECT MANAGEMENT
GENERAL MANAGER
CONSTRUCTION
CHIEF FINANCIAL OFFICER
EKOCHERAS MALL
KEY
SENIOR
MANAGEMENT
FOOD & BEVERAGE
CHIEF EXECUTIVE OFFICER
HIGHWAY CONCESSIONAIRE
HEAD OF ASSETS MANAGEMENT
KEY SENIOR MANAGEMENT

MR. THAM BENG CHOY | CHIEF EXECUTIVE OFFICER | CONSTRUCTION

MR. THAM BENG CHOY, male, aged 60, Malaysian, joined Ekovest Group in 1997 and was appointed as Chief Executive Officer (Construction) in 2016. He was involved in overseeing construction projects undertaken by the Group such as Duta-Ulu Kelang Expressway (DUKE), DUKE Phase 2, Ministry of Education Buildings in Putrajaya, Shapadu Highway and currently, Setiawangsa-Pantai Expressway (SPE). He has more than 36 years of experience in construction industry and was involved in the construction of roadworks, bridges, drainage & utilities, airport, pipelines & storage tanks, pumphouse, administration buildings and others. He graduated with a Bachelor of Civil Engineering with high distinction from Carleton University, Canada in 1985. He is a member of the Hong Kong Institution of Engineers and the Institution of Civil Engineers, UK.

MR. KHARUL ANUAR ABDUL BASIT | GENERAL MANAGER | PROJECT MANAGEMENT

MR. KHARUL ANUAR ABDUL BASIT, male, aged 57, Malaysian, joined Ekovest Group in 2015 as General Manager for our Project Management Company (PMC). He was involved in administering the construction project undertaken by the Group mainly for Setiawangsa-Pantai Expressway. He is involved in all aspects of project implementation and construction of the highway. He is also coordinating the works related to the Concessions Agreement which requires him to liaise with all Government agencies and other Stakeholders. He has more than 31 years of working experience. His experience includes involvement in the construction of low and medium cost flats, shop lots and the iconic Johor Menteri Besar Complex at Nusajaya. His first engagement with Ekovest was in 2008 when he worked with a Joint Venture Company, constructing the Coastal Road at Johor Bahru and upgrading Jalan Abu Bakar-Skudai. He graduated with a Bachelor of Science in Applied Mathematics at University Malaya in 1989 and a Master Degree in Construction Contract Management from Universiti Teknologi Malaysia in 2005.

MR. LOH PAK CHUN | GENERAL MANAGER | HIGHWAY CONCESSIONAIRE

MR. LOH PAK CHUN, male, aged 60, Malaysian, joined Ekovest Group in year 2009. He was involved in overseeing the construction in Johor Bahru and also involved in the construction of PLUS Fourth Lane Widening Project. In year 2015, he was transferred to Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd, a subsidiary of Ekovest Berhad. At present, he is the General Manager in charge of highway operation and maintenance of Duta Ulu-Kelang Expressway (DUKE). He has more than 31 years of experience in the construction industry & civil engineering. He graduated with a Bachelor of Science in Civil Engineering from Memphis State University, Tennessee, USA. He is a member of Institute Engineer Malaysia

MR HIZMI BIN GHAZALI | GENERAL MANAGER | FOOD & BEVERAGE

MR. HIZMI BIN GHAZALI, male, aged 40, Malaysian, joined The Loaf Asia Sdn Bhd as Assistant General Manager in November 2019 and was appointed as General Manager in January 2022. He graduated with a Degree in Hospital Management & Culinary Arts from Universiti Teknologi MARA (UiTM), Shah Alam. He is very passionate about his work where he spent the last 20 years learning and perfecting his skills and knowledge in the Food & Beverage and retail industry from three(3) well known chain of restaurants. Throughout his career he has successfully opened 32 outlets across Malaysia & Singapore. His core strengths include Market and Business Development, Sales and Solutions and Project Management. At present, he is continuing to look at expansion of The Loaf across Klang Valley, North and South and in the process to develop a new portfolio model; Business-to-Business (B2B) for the F&B Group.

MS. JENNIFER KUEK | HEAD OF ASSETS MANAGEMENT | EKOCHERAS MALL

MS. JENNIFER KUEK, female, aged 40, Malaysian, joined Ekovest Group in June 2017 as General Manager, Business Development and was appointed as Head of Assets Management in September 2018. She was involved in overseeing the development of EkoCheras. She has more than 14 years of experience in travel luxury retail and downtown luxury retail since her time in Singapore, London and Malaysia. She graduated with a Masters in Business Administration (MBA) in year 2003. She is a member of the Persatuan Pengurusan Kompleks (PPK) Malaysia as well as the Malaysia Retailers Association (MRA). Presently, she is taking charge of EkoCheras Mall.

MS. LIM SOO SAN | CHIEF FINANCIAL OFFICER

MS. LIM SOO SAN, female, aged 52, Malaysian, was appointed as Chief Financial Officer of Ekovest Berhad in 2005. She holds a Bachelor of Accounting Degree from RMIT University, Melbourne, Australia and a Master in Business Administrative majoring in Finance from University of Hull, England. She is member of CPA Australia and the Malaysian Institute of Accountants. She has more than 25 years' experience in accounting and corporate finance areas. Her career includes 5 years stay with a leading accounting firm before joining Ekovest Berhad.

SUSTAINABILITY STATEMENT

The COVID-19 pandemic not only affected businesses, the livelihood and well beings of society but also slowed down the sustainability initiatives of the world and most organisations. This is no exception to Ekovest. Our financial performance has dropped due to the Covid-19 pandemic Movement Control Orders effect. Despite this, the Board's sustainability oversight function and the Group's material sustainability matters determined previously remain intact. The Board truly believes in balancing profit, corporate social responsibilities and sustainability and being mindful of the employees' well-being, health, safety, and workplace and social inclusivity.

SUSTAINABLE CONSTRUCTION MANAGEMENT

As one of the leading construction companies in Malaysia involved in major civil engineering, infrastructure and building works, we are proud to be at the forefront of championing the application of sustainable construction management. These applications include:

- The Construction Design and Management approach, a practice that embeds health and safety considerations during the project execution at the design stage;
- The use of the precast structures, selection of high-performance material, and standardisation of structure elements allowing not only the reused of formwork but also improve efficiency and sustainability;
- The parapet wall design enhancement from precast to cast in situ and the use of the safety platform for casting the deck slab to overcome the risk of precast panel collapse;
- The application of reducing, reusing and recycling waste at the construction sites and reusing on-site building materials such as reusable prefabricated formwork for columns, walls and slabs;
- The implementation of ISO14001:2015 on Environmental Management System, the Environmental Monitoring and Measurement Control Plan and Environmental Impact Assessment to identify and mitigate environmental impacts;
- The implementation of the Environmental Management Plan addressing the recommendations identified in the environmental risk assessment for the projects undertaken;
- Provision of training to our employees to enhance their knowledge in maintaining the environmental management system and meeting the compliance requirements;
- Ensuring all vehicles, plants, and equipment are maintained in good working condition to reduce wear and tear that can increase air and noise pollution; and
- Planning and limiting the movement of heavy vehicles in the daytime, installing noise barriers and limiting night work at sites.

Ekovest is the pioneer in using BH Girders, a sustainable construction method in Malaysia, as the beams for bridge structures. In 2021, the Company was awarded by the Malaysia Book of Records for having the "longest T-shaped beam bridge span" in the country at 67.5 meter long. Using a BH Girder increases the span lengths by 30%, making it suitable for construction involving river crossings and congested urban areas. Also, the increase in the pier spacings caused fewer public disturbances during construction.

Throughout the 2022 financial year, the construction operation did not receive summon and has conformed with the Environmental Quality Act 1974 and all relevant regulations on the prevention, abatement, control of pollution, air and water emission and waste management and did not negatively impact biodiversity in the environment.

In October 2022, in conjunction with CIDB's Safety, Health, Environment and Quality Day 2022 (SHEQ2022), our wholly-owned subsidiary, Lebuhraya DUKE Fasa 3 Sdn Bhd was recognized with an Award of Excellence through our Sustainable Infrastar assessment for Setiawangsa-Pantai Expressway (Design Stage).

HEALTH AND SAFETY

The Group is pleased to report that no material accident and injury were reported in the workplace during the year. Our employees, business partners, suppliers and contractors are well-versed in the safety and health standard operating procedures. Health and safety assessments are performed based on the principles of Hazard Identification, Risk Assessment and Risk Control ("HIRARC").

SUSTAINABILITY STATEMENT

HEALTH AND SAFETY (CONT'D)

The Site Safety and Health Committee periodically hold meetings to review and ensure timely communication and effective HIARARC process implementation. The Committee is also responsible for ensuring significant incident reported is being investigated with appropriate remedial measures taken to address the root causes.

To foster safety awareness, daily toolbox briefings, safety induction courses and refresher training are held. Besides health and safety, these briefings and training aim to inculcate environmental protection and compliance awareness. Similar induction training is conducted for new employees, contractors and subcontractors.

The table below shows the health and safety training conducted during the financial year:

No	Training	Date
1	Training How to Inspect Scaffold	07 July 2021
2	Forum Virtual: Pengurusan Covid-19 Industri Pembinaan di Kuala Lumpur & Putrajaya	08 September 2021
3	Wearing Safety Harness and Use Landyard Properly	22 September 2021
4	Webinar on Scaffolding and Falsework - In Conjunction with Worlds Standards Day	14 October 2021
5	Manage Chemical Waste	16 December 2021
6	Expressway Operation Safety Passport	24 June 2022

ETHICAL BUSINESS CONDUCT, CORPORATE INTEGRITY AND ANTI-CORRUPTION AND BRIBERY

As strong and effective corporate governance cultivates a culture of integrity, ensures long-term corporate success, and maintains investors' confidence, the Board and management are committed to promoting bribery and a corruption-free business environment.

Presently, the Board has articulated the Corporate Code of Conduct and Ethics, Anti-Corruption and Bribery Policy and Whistleblower Policy to promote governance, accountability, integrity and transparency in the Group. These policies prohibit conflicts of interest, abuse of power, corruption, bribery, insider trading and money laundering and guide staff members, employees and business associates in the expected actions to comply with the policies and report suspected violations.

In addition, during the financial year, Management performed a corruption risk assessment. The potential corruption risk exposures are evaluated based on the occasions and interactions with stakeholders, the frequency of interactions, and the use of agents, consultants, gifts and entertainment. Measures needed to strengthen the anti-corruption defence were also identified.

DIVERSITY AND INCLUSIVENESS

At Ekovest, we welcome employees from diverse backgrounds. All employees are provided equal access to opportunities and resources for promotion, education and career advancement.

Our employees composition include Malay 76.0%, Chinese 19.2%, Indian 3.4% and other races 1.4%. The gender profile by seniority is as follows:

SENIORITY	Key Senior Management	Middle Management	Executive Level	Non-Executive Level
Female	2	24	71	122
Male	4	36	60	248

SUSTAINABILITY STATEMENT

DIVERSITY AND INCLUSIVENESS (CONT'D)

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

AGE GROUP/ GENDER	27-36 years		37-46 years		47-56 years		57-66 years		67-76 years	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Number of Directors	1				1	1	1	1	3	1
Number of Key Senior Management			1	1		1	3			

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

STAKEHOLDER ENGAGEMENT AND CONTRIBUTION

The Group engage with its stakeholders continuously. Engagement enables the Group to understand and respond to stakeholders' needs better.

ADOPTION OF TAMAN SUNGAI BUNUS AS PET PARK

Ekovest has committed to be a partner for DBKL's Local Agenda 21 and adopted Taman Sungai Bunus as a pet park. Landscape design work has been ongoing since 2017. In 2021, the Group collaborated with TAR University College to beautify the columns in the garden with vertical creeper plants and artwork. This project is now part of DBKL's pilot project in creating the city's first low-carbon community in Wangsa Maju Seksyen.

SOCIAL WELLBEING

Ekovest has sponsored "Jom Breakfast", one of the Institute Onn Ja'afar's ("IOJ") signature initiatives in 2022. Under this initiative, IOJ provides breakfast for more than 800 underprivileged students in Kuala Lumpur, Selangor and Penang every Wednesday. Below are 12 locations for 2022 "JOM BREAKFAST":

- Sekolah SJK(T) Ladang Glenmarie Shah Alam
- Integrasi Fastabiqul Khairat (KAFA) di Kampung Kebun Bunga, Shah Alam
- Persatuan Kanak-kanak Spastik Selangor dan Wilayah
- Sekolah Bimbangan Jalinan Kasih SBJK Chow Kit
- KL Krash Pad Chow Kit
- Pusat Asuhan Kanak-kanak YCK Chow Kit
- Karen Myanmar Learning Center
- Pusat Transit Gelandangan PTG Jalan Pahang Kuala Lumpur
- Anjung Singgah Kuala Lumpur
- Penang Peace Learning Center Pulau Pinang
- St Nicholas Home Pulau Pinang
- Pertubuhan Pemulihan Dalam Komuniti Timur Laut Pulau Pinang

SOCIAL WELLBEING (CONT'D)

Separately, in celebrating the Holy Month of Ramadan and Syawal, the Company has contributed RM52,400 to 5 mosques and 6 prayer halls near the SPE Highway project sites and provided voluntary assistance to the local communities surrounding of SPE construction site in replacing and repairing drain pipe, installing new sumps drainage, cleaning drainage, bushes and grass at the nearby residential areas and donated two units of submersible pump and hose.

FLOOD RELIEF

Several areas were severely hit during the monsoon season with no access to necessities the last December 2021. Management had collaborated with the Ministry of Communications and Multimedia (Kementerian Komunikasi dan Multimedia Malaysia, KKMM) and Ministry of Works (Kementerian Kerja Raya Malaysia, KKR) to reach out to those local communities in Kampung Sungai Lui, Bukit Changgang, and Taman Sri Nanding, Hulu Langat. Our workers, machinery and equipment such as a backhoe, excavator and truck, were mobilised to carry out "gotong-royong" to clean the houses and infrastructure. At the same time, management distributed food and necessities to the communities.

CONTINUING ASSESSMENT

As a diversified conglomerate, the Group is committed to ensuring that not only its shareholders' interests are taken care of but also employees, clients/customers, community, contractors and suppliers and other stakeholders.

As reported previously, we have selected and adopted six (6) Sustainability Development Goals ("SGD") using the materiality assessment approach. Annually, we continue to assess and study the impact of our past critical initiatives regarding these SGDs on society and the environment. These assessments and studies aim to improve our understanding, position, plan and execution of our future sustainability initiatives.

SELECTED SGD GOAL	GOOD HEALTH AND WELL-BEING Ensure healthy lives and promote well-being for all ages.
Ekovest's Contribution	**Sustainability Impact**
• Apply Construction Design and Management, a widely practised approach in Europe, that ensures that health and safety during the project execution are embedded in the design phase • Enhance the parapet wall designs from precast to cast in situ and use the platform for casting the deck slab to overcome the risk of collapsing precast panels • Implement ISO45001 on Occupational Safety and Health management system • Provide employee health benefits, compassionate leaves, maternal and paternal leaves and does not tolerate any form of harassment	We strive to maintain a low loss time injury at our construction sites and provide employees with a safe working environment. We support the Government policies and initiatives use to contain the spread of COVID-19.

SELECTED SGD GOAL	QUALITY EDUCATION Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
Ekovest's Contribution	**Sustainability Impact**
• Establish Ekovest Graduate Attachment Programme ("EGAP") • Promote employee education and career advancement	EGap has increased their vocational skills for employment and decent jobs employability. Most our EGap participants have been employed as permanent employees or can secure employment at other major construction.

SUSTAINABILITY STATEMENT

CONTINUING ASSESSMENT (CONT'D)

SELECTED SGD GOAL — **CLEAN WATER AND SANITATION**
Ensure availability and sustainable management of water and sanitation for all.

Ekovest's Contribution	Sustainability Impact
Participate in the construction of water infrastructure, Sullage Water Treatment Plant ("SWTP") Project	This project has restored the river ecosystem and enabled the treated water to be used as alternative water resources and for recreational activities.

SELECTED SGD GOAL — **AFFORDABLE AND CLEAN ENERGY**
Ensure Access to affordable, reliable, sustainable and modern energy for all.

Ekovest's Contribution	Sustainability Impact
Incorporate renewable energy for operating Sewage Treatment Plants	The Sewage Treatment Plants were designed to facilitate using renewable energy to lower operating costs.

SELECTED SGD GOAL — **SUSTAINABLE CITIES AND COMMUNITIES**
Make cities and human settlements inclusive, safe, resilient and sustainable.

Ekovest's Contribution	Sustainability Impact
• Develop traffic dispersal schemes for congested roads in KL city • Idle land optimisation project along the expressway • Beautify city	These initiatives have alleviated the traffic congestion in KL City, reduced carbon emissions traffic and improved the city dwellers' well-being with more green areas, playgrounds, parking and sporting facilities for the public to enjoy along the expressway and in the public park.

SELECTED SGD GOAL — **PARTNERSHIPS FOR THE GOALS**
Strengthen the means of implementation and revitalise the partnership for sustainable development

Ekovest's Contribution	Sustainability Impact
• Develop sustainability rating tool for infrastructure projects • Engage and partner with DBKL in achieving sustainable cities and communities under the KL City Plan 2050	Setting standards for sustainability measuring tools for infrastructure projects and contributing recommendations on carbon, mobility, and sustainable development subject matters.

The last material sustainability matters assessment was conducted in 2018. Management will re-commission a sustainability materiality assessment to holistically enhance the identification and prioritisation of the material sustainability matters. After that, management shall set the sustainability performance targets and timeline and their responsibilities for achieving them. Upon completing this exercise, the sustainability performance evaluation criteria will be defined for the Board and management.

The Board has held a meeting to review and approve this Statement on 19 October 2022.

SUSTAINABILITY STATEMENT

FLOOD RELIEF

Our workers, machinery and equipment such as a backhoe, excavator and truck, were mobilised to carry out **"gotong-royong"** to clean the houses and infrastructure. At the same time, management distributed food and necessities to the communities.

MUTUAL COOPERATION

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Corporate Governance ("CG") Overview Statement is presented in accordance with the requirements under Paragraph 15.25(1) and the provisions in the Practice Note 9 of the Main Market Listing Requirement ("MMLR"). The Statement highlights the applications of the key corporate governance practices of the Group during the financial year ended 30 June 2022.

In addition to this CG Overview Statement, the Board has provided detailed disclosures on the application of the Malaysian Code on Corporate Governance practices in the Corporate Governance Report ("CG Report"). Shareholders may download this CG Report through the Company's website link at https://ekovest.listedcompany.com/statement_corporate_governance.html/

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

(I) BOARD RESPONSIBILITIES

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

Presently, the positions of the Executive Chairman and Managing Director are separated. The Chairman instils good governance practices, leadership and effectiveness of the Board by leading and navigating the Group's business directions and chairing the board meetings. In contrast, the key responsibilities of the Managing Director are to lead the management team in planning, executing and managing the businesses and operations in the Group.

The Board is supported by a qualified and competent Company Secretary. The Company Secretary is the member of the Malaysian Institute of Chartered Secretaries and Administrators. The Company Secretary advises the Board regarding compliance with regulatory requirements, guidelines, legislations and the principles of best corporate governance practices. The decisions for appointment and removal of Company Secretary rest with the Board.

The Board has defined and formalised the Code of Conduct and Ethics ("this Code"). This Code prohibits conflicts of interest, abuse of power, corruption, insider trading and money laundering and the expected actions to be taken and the responsibilities of the Board, Management and staff members towards this Code.

The Board has established the Anti-Corruption and Bribery Policy, Whistleblowing Policy and reporting channel. The Whistleblowing and Anti-Corruption and Bribery Policies are available on the Company's website. To protect the confidentiality of information and identity of the whistleblower, the Board has assigned the administration of the whistleblowing reporting channel to the Internal Auditor. There was no whistleblowing notification received during the financial year.

The Board has established Board Committees, namely the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee. The roles, duties and responsibilities of the Board Committees are defined in its terms of reference respectively. These Committees provide greater objectivity and independence in the deliberations of specific agendas and assist the Board in effectively discharging its duties and responsibilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

(I) BOARD RESPONSIBILITIES (CONT'D)

The Board meets every quarter, and other meetings are convened as and when necessary. During the financial year under review, a total of 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	7/7
Dato' Lim Hoe	7/7
Lim Chen Thai	7/7
Kang Hui Ling	6/7
Lim Ts-Fei	7/7
Chow Yoon Sam	7/7
Dr. Wong Kai Fatt	6/7
Lee Wai Kuen	7/7

The Directors are updated by the Company Secretary, External and Internal Auditors on changes in the governance and regulatory requirements relating to the Directors' duties and responsibilities. The External Auditors would also brief the Board on changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements.

Following are the training and briefings attended by Board members during the financial year.

Name of Directors	Training	Date
Tan Sri Dato' Lim Kang Hoo	Corporate Briefing on Sustainability and Environmental, Social and Governance	24.11.2021
	Macroeconomics & Investment Strategies for Business Sustainability	20.04.2022
Tan Sri Datuk Seri Lim Keng Cheng	Macroeconomics & Investment Strategies for Business Sustainability	20.04.2022
Dato' Lim Hoe	Macroeconomics & Investment Strategies for Business Sustainability	20.04.2022
Lim Chen Thai	Macroeconomics & Investment Strategies for Business Sustainability	20.04.2022
Kang Hui Ling	Tax Governance	13.01.2022
	AOB conversation with audit committees	07.04.2022
	Macroeconomics & Investment Strategies for Business Sustainability	20.04.2022
Lim Ts-Fei	Macroeconomics & Investment Strategies for Business Sustainability	20.04.2022
Chow Yoon Sam	Macroeconomics & Investment Strategies for Business Sustainability	20.04.2022
Dr. Wong Kai Fatt	Macroeconomics & Investment Strategies for Business Sustainability	20.04.2022
Lee Wai Kuen	Macroeconomics & Investment Strategies for Business Sustainability	20.04.2022

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

(II) BOARD COMPOSITION

The Board has nine members and two alternative directors. Four of the nine members are executive members, i.e. a Group Executive Chairman, a Managing Director and two (2) Executive Directors. The remaining five members are Independent Non-Executive Directors constituting the majority members of the Board. Also, one-third of the Board members are female directors. The profiles of the members of the Board are set out on pages 20 to 25 of this Annual Report.

The Board recognises and the embraces benefit of gender diversity in board composition. This principle is provided in the Board Charter. The appointment of the Board and senior management is based on objective criteria, merit and with due regard for diversity in skills, experience, age and gender.

The Nomination Committee reviewed the composition of the Board, the performance of the Board, Board Committees and individual Directors and the independence status of Independent Directors. The evaluation was conducted by way of self-assessment. Overall, the Board is satisfied with the performance and effectiveness of the Board, Board Committees and individual directors, as well as the composition of the Board members.

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

(III) SUSTAINABILITY

The Company's sustainability core values and initiatives are communicated to all stakeholders under the Sustainability Report.

The current key sustainability consideration of the Company when developing and implementing company strategies are the employees' wellbeing, health and safety, sustainable construction methods and approaches, compliance, governance and a safe and inclusive shopping environment.

The Company will re-commission a sustainability materiality assessment to enhance the identification and prioritisation of the material sustainability matters. Upon completing this exercise, management shall set the sustainability performance targets and timeline and their responsibilities for achieving these targets.

(IV) REMUNERATION

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

(IV) REMUNERATION (CONT'D)

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

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

The Remuneration Committee has conducted a meeting to deliberate on the remunerations of the Executive Directors and top five (5) senior management. The details of Directors remuneration for the financial year ended 30 June 2022 are as follows:

Remuneration Received from the Group and 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	60,000*	30,000	30,000	60,000*	30,000	210,000

* The director fees of Kang Hui Ling and Chow Yoon Sam included a fee of RM30,000 received by them individually from PLS Plantations Berhad. No other Independent Directors received remuneration from other subsidiary and associated companies of the Group.

Remuneration Received from the Group and the Company	Executive Director				
	Tan Sri Dato' Lim Kang Hoo (RM)	Tan Sri Datuk Seri Lim Keng Cheng (RM)	Dato' Lim Hoe (RM)	Lim Chen Thai (RM)	Total (RM)
Directors' Fee	55,000	30,000	30,000	30,000	145,000
Allowances	84,000	84,000	-	66,000	234,000
Salaries	1,035,000	312,000	414,000	293,000	2,054,000
Benefits-in-Kind	57,900	22,700	22,700	31,150	134,450
Defined Contribution Plan	41,400	37,440	15,000	35,160	129,000
Total	1,273,300	486,140	481,700	455,310	2,696,450

Further details of the Executive Directors' remuneration received at the Company and the Group levels respectively are provided in Practice 8.1 of the CG Report.

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

(IV) REMUNERATION (CONT'D)

The remuneration (including salary, bonus, benefits-in-kind and other emoluments) of the top 5 senior management for the financial year 2022 are as follows:

Senior Management	Range of Remuneration			
	RM150,001 – RM200,000	RM250,001 – RM300,000	RM300,001 – RM350,000	RM400,001 – RM450,000
Tham Beng Choy (Chief Executive Officer – Construction)	-	-	√	-
Loh Pak Chun (General Manager – Highway Concessionaire)	-	√	-	-
Jennifer Kuek (Head of Assets Management)	-	-	-	√
Kharul Anuar Abdul Basit (General Manager – PMC)	-	√	-	-
Hizmi Ghazali (General Manager – Food & Beverage)	√	-	-	-

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

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

Presently, the Audit and Risk Management Committee ("ARMC") members comprise independent Non-Executive Directors. The Chairperson of the ARMC is Ms. Kang Hui Ling who is not the Chairman of the Board.

Most ARMC members are financially literate and understand matters under the purview of the ARMC. The review of the terms of office and performance of the ARMC and its members are carried out annually. The ARMC's composition, functions and activities are set out separately under ARMC Report in this Annual Report.

The policy on the assessment of External Auditors is defined in the ARMC's terms of reference. Annually, the ARMC reviews the appointment, performance and remuneration of the External Auditors before recommending them to the shareholders for re-appointment in the Annual General Meeting. In assessing the External Auditors, the ARMC will consider the adequacy of the firm's resources, quality of service and competency of the staff assigned to the audit, as well as the auditors' independence and fee. As part of the ARMC review processes, the ARMC will obtain written assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement.

The ARMC will convene meetings with the External Auditors and Internal Auditors without the presence of the Executive Directors and employees of the Group if needed to allow the Auditors to exchange their views freely with the AMRC.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

(II) RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for overall oversight of risk management in the Group, while the Executive Directors and senior management team are primarily responsible for managing risks in the Group.

The main revenue contributor, the construction sector, reported lower revenue bringing down the overall financial performance of the Group in this financial year. The lower construction revenue was due to the lesser construction activities undertaken as construction activities in the first half year were still adjusting to the effect of the Covid-19 pandemic and Movement Control Order on longer lead time in the building material supplies.

The Board is satisfied with the effectiveness and adequacy of the current level of risk management and internal control systems. The details of the Group's systems of risk management and internal control are reported in the Statement on Risk Management and Internal Control in this Annual Report .

The Internal Audit Function is outsourced to IA Essential Sdn Bhd, an internal audit consulting firm. The Internal Auditors have conducted their work with reference to the broad principles of the International Professional Practice Framework of the Institute of Internal Auditors. Besides reviewing the internal control systems, the Internal Auditor also assesses the governance, risk management and anti-corruption practices of the Group. The details of the internal audit function are disclosed in the ARMC Report in this Annual Report.

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

(I) COMMUNICATION WITH STAKEHOLDERS

The Group believes that clear and consistent communication with investors promotes a better appreciation of the Company's business and activities and allows the Group's business and prospects to be evaluated appropriately. The Board uses the following means and approaches to communicate with stakeholders:

i. Annual Report, which contains the financial and operational review of the Group's business, corporate information, and financial statements;
ii. Announcements to the Bursa Securities;
iii. Company website at https://ekovest.com.my, where shareholders or investors may access information on the Group under the "Investor Relations" link;
iv. Shareholders interaction during general meetings; and
v. Meetings with analysts and fund managers, if required to provide insight into the Group.

(II) CONDUCT OF GENERAL MEETINGS

The Company had issued its notice of AGM twenty-eight (28) days prior to the last AGM meeting. The Board will continue to ensure that the Notice of the AGM is sent to shareholders at least 28 days before the general meeting. Also, the Board will ensure that this Notice contains details of resolutions proposed along with background information and relevant explanatory notes.

The last AGM was held on 13 December 2021 via an online meeting platform at https://dvote.my provided by Dvote Services Sdn. Bhd.. The platform provider assured the Board of the cyber hygiene, privacy and protection of the shareholders' data.

During the Q&A session of the last AGM, the shareholders raised 36 questions, and the Board responded to these questions point-by-point. For the benefit of those shareholders who did not attend the AGM, the polling results and summary of the matters discussed during the AGM were announced to Bursa Securities and published on the Company's corporate website.

This Corporate Governance Overview Statement was reviewed and approved by the Board on 19 October 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

BOARD'S RESPONSIBILITIES

Under the Malaysia Code of Corporate Governance, the Board should:

- ensure there is a sound framework for internal controls and risk management;
- understand the principal risks of the company's business and recognise that business decisions involve the taking of appropriate risks; and
- set the risk appetite within which the Board expects Management to operate and ensure an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks.

The Board acknowledges the above responsibilities, understands the principal risks of the six business segments, i.e. construction, property development, toll operation, plantation, shopping mall and food & beverage that the Group involves and accepts that all business ventures require balancing risk, the cost for control, and return to shareholders.

The Audit and Risk Management Committee ("ARMC") assisted the Board in overseeing the risk management and internal control systems of the Group. The procedures adopted by the ARMC in its oversight process include:

i. Reviewing the integrity of the interim financial results, annual report and audited financial statements in consultation with Management;

ii. Evaluating the adequacy and effectiveness of the internal control systems based on the audit findings and timeliness of action taken by Management, reported by the Internal Auditors;

iii. Discussing with Management during the meetings on business and operational issues as well as the measures taken by Management to mitigate and manage the business and operational challenges;

iv. Studying the External Audit Memorandum on the annual audit findings and risk and control issues noted by them during their statutory audit; and

v. Seeking Management's assurance that the Group's risk management and internal control systems are adequate and effective in all material aspects.

RISK MANAGEMENT

The Executive Directors and Heads of Departments are accountable to the Board for identifying, evaluating, monitoring and managing significant risks appropriately and timely; and assuring the Board that these controls have been carried out adequately and effectively.

The main revenue contributor, the Construction sector, reported lower revenue bringing down the overall financial performance of the Group in this financial year. The lower construction revenue was due to the lesser construction activities undertaken as construction activities in the first half year were still adjusting to the Covid-19 pandemic's and Movement Control Orders' ("MCO") effect on longer lead time in the building material supplies.

In anticipation of a more volatile market due to global economic uncertainty, Management has relentlessly engaged in various proposed infrastructure projects to strengthen the order books. The recent award of the engineering, procurement and construction contract of the RTS Link Project is a positive outcome of the management effort in managing risk and opportunity.

To hedge against the cyclical nature of construction and property development businesses, besides venturing into the toll operation previously, the Group has, in the recent year, acquired PLS Plantations Berhad ("PLS"). The profit from PLS and the toll operation have alleviated the Group's losses for the current financial year.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROLS

Internal controls are essential to support the function of the risk management system. The ongoing key control frameworks and procedures that have been put in place in the Group are as follows:

- Delegation and separation of responsibilities between the Board and Management and the establishment of various Board Committees, and the presence of independent directors to oversee the financial, compliance and operational performance of the Management;
- Organisational structure outlining the lines of responsibilities and hierarchical structure covering the procurement, tenders, project management, legal administration, human resources, information system, finance and treasury;
- The Financial Assessment Committee ("FAC") and Technical Assessment Committee ("TAC") with a defined limit of approval for the evaluation and selection of tenders. Both FAC and TAC comprise Executive Board Members, Project Director, Head of Contract Department or Quantity Surveyor, Project Manager and a representative from the Finance Department;
- Contract budgeting and the review and monitoring of these budgets, project performance and variances reports for the contract jobs by the Executive Directors;
- Insurance coverage to minimise potential financial risk exposure resulting from construction activities, fire, perils, consequential loss, burglary and public liability;
- Monthly management reporting procedures for monitoring the performance of the Group;
- The establishment and implementation of the anti-corruption framework, the Corporate Code of Conduct and Ethics, and the Whistleblower Protection Policy; and
- The ISO 9001:2015 on Quality Management System, ISO 14001: 2015 on Environmental Management System and ISO 45001:2018 on Occupational Health and Safety Management System.

In addition, during the financial year, Management performed a corruption risk assessment and identified the further measures needed to strengthen the defence against corruption and bribery.

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

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

In producing this Statement, the Board has received assurance from the Managing Director and Chief Finance Officer that, to the best of their knowledge, the Group's risk management and internal control systems are operating adequately and effectively in all material aspects.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

BOARD ASSURANCE AND LIMITATION

This Statement is prepared under paragraph 15.26(b) of the Main Market Listing Requirements and guided by the "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers" ("the Guidelines"), which was endorsed by the Bursa Malaysia Securities Berhad ("Bursa Securities").

The Board is satisfied that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Group and that the existing internal control and risk management systems are adequate and effective to enable the Group to achieve its business objectives. No material loss resulted from significant control weaknesses for the financial year under review.

The Board wishes to reiterate that risk management and internal control would be continuously improved in line with the evolving business environment. However, it should be noted that risk management and internal control systems are only designed to manage rather than eliminate risks of failure to achieve business objectives. Therefore, these systems can only provide reasonable but not absolute assurance against material misstatements, fraud and losses.

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

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

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

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

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

COMPOSITION AND MEETINGS

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, six (6) 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)	6/6
Ms Lim Ts-Fei Director (Independent and Non-Executive)	6/6
Dr Wong Kai Fatt Director (Independent and Non-Executive)	5/6
Mr Chow Yoon Sam Director (Independent and Non-Executive)	6/6
Mr Lee Wai Kuen Director (Independent and Non-Executive)	6/6

The Company Secretary is the Secretary of the ARMC.

TERMS OF REFERENCE

The Terms of Reference of ARMC are published on the Company's corporate website at http://ekovest.listedcompany.com/tor_ac.html for shareholders' reference pursuant to Paragraph 9.25 of MMLR.

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

SUMMARY OF ACTIVITIES

The work carried out by the ARMC during the financial period is summarised as follows:

a) Reviewed the quarterly financial reports and their disclosure and presentations before recommending them to the Board for approval;

b) Reviewed and scrutinised the proposal in relation to the provision of Financial Assistance in favour of MCC Land (TMK) Pte. Ltd., a 29%-owned joint venture company of Ekovest Development (S) Pte. Ltd., which in turn is a wholly-owned subsidiary of Ekovest Berhad presented by the Senior Management. Besides considering the impact of this proposal on the Group's financial position and potential dilution of shareholders' equity interest, the ARMC also assessed and made sure that this proposal complement the current Group's operations and can sustain under the inherent economic cyclical risks.

c) Reviewed and discussed with the External Auditors on the 2021 audit status, the key audit matters, audit findings, internal control deficiencies, change in major accounting policy, judgements made by management, significant and unusual events or transactions and how these matters were addressed;

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

SUMMARY OF ACTIVITIES (CONT'D)

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

d) Reviewed the External Auditors' audit planning memorandum for the financial year 2022, covering their audit scope, methodology and timetable, audit materiality, key audit matter, and fraud considerations;

e) Conducted independent private meeting sessions with the External Auditors and Internal Auditors without the presence of executive Board members and management;

f) Considered and reviewed the performance and independence of the External Auditors and recommended to the Board to propose their re-appointment to the shareholder for approval in the coming Annual General Meeting of the Company;

g) Reviewed the Corporate Governance Report, Corporate Governance Overview Statement, Audit and Risk Management Committee's Report, Statement on Risk Management and Internal Control before recommending to the Board for approval and inclusion in the Annual Report;

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

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

j) Reviewed the audit findings, management's actions and comments in the Internal Audit Reports and the follow-up audit status to ensure that management responded to the audit findings appropriately; and

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

INTERNAL AUDIT FUNCTION

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

The Company has outsourced its internal audit function to an internal audit consulting firm. The audit team members are independent of the activities audited by them. The primary responsibility of this internal audit function is to assist the Board and the ARMC in reviewing and assessing the management systems of internal control and to provide recommendations to strengthen these internal control procedures.

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

The Internal Auditors have carried out their work with reference to the principles of the International Professional Practice Framework ("IPPF") of the Institute of Internal Auditors ("IIA"). These principles include the audit planning, execution, documentation, communication of findings and consultation with key stakeholders.

The audit scope of work in the Internal Audit Plan is determined in consideration of the Group's structure, risks, ongoing and upcoming construction and property development projects, the segmental financial performance of the businesses in the Group, recurrent related party transactions and consultation with management and the ARMC. A 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.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION (CONT'D)

The Internal Auditors report and present the Internal Audit reports to the ARMC every quarter. These reports contained the conclusion of control status, overview of management performance, audit findings, management actions for improvement, and target completion dates. In addition, the Internal Auditors also conduct follow-up audits to ascertain the management action status.

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

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

ii. Reviewed recurrent related party transactions;

iii. Conducted follow-up audits to ascertain the status of management actions;

iv. Assessed the adequacy of the anti-corruption and bribery preventive measures; and

v. Evaluated the adequacy and effectiveness of management control procedures in The Loaf outlets.

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

NOMINATION COMMITTEE STATEMENT

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

Chairlady	:	Ms Lim Ts-Fei
Member	:	Ms Kang Hui Ling
		Dr Wong Kai Fatt
		Mr Chow Yoon Sam
		Mr Lee Wai Kuen

The Key Functions: -

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

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

During the financial year, NC conducted its meeting on 21 October 2021. This meeting was attended by all members of the NC. Following are the agendas discussed and details of the deliberations:

i) Assessment of the Independence Status of Independent Directors

All Independent Directors conducted a self-assessment and declared that they have met the independence criteria set out in Chapter 1 of the Main Market Listing Requirements ("MMLR") and can exercise independent judgement and act in the best interest of the Company objectively.

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

NOMINATION COMMITTEE STATEMENT

During the financial year, NC conducted its meeting on 21 October 2021. This meeting was attended by all members of the NC. Following are the agendas discussed and details of the deliberations: (Cont'd)

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

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

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

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

The evaluation also revealed that the present Board members and the Board Committees comprises individual with the required mix of skills, experiences, competencies, and appropriate qualifications. Also, all Board members have discharged their duties and responsibilities and demonstrated their commitment to attending to the affairs of the Company and Group. Accordingly, the NC recommended that the Board maintained the current compositions of the Board and Board Committee.

iii) Terms of Office and Performance of the Audit and Risk Management Committee ("ARMC")

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

iv) Re-election of Retiring Directors

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

FINANCIAL STATEMENTS

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for ensuring that:

I. The annual audited financial statements of the Group and of the Company are drawn up in accordance with the provisions of the Companies Act 2016, applicable financial reporting standards and the Listing Requirements of the Bursa Securities so as to give a true and fair view of the state of affairs of the Group and of the Company for the financial year under review; and

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

In the preparation of the financial statements for the financial year ended 30 June 2022, 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 19 October 2022.

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2022.

PRINCIPAL ACTIVITIES

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

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

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

RESULTS

	Group RM'000	Company RM'000
Net (loss)/profit for the year attributable to:		
Owners of the Company	(125,179)	7,740
Non-controlling interests	1,733	-
Net (loss)/profit for the financial year	(123,446)	7,740

DIVIDENDS

No dividend was paid or declared by the Company since the end of the previous financial year.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue new shares or debentures during the financial year.

RESERVES AND PROVISIONS

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

SUBSIDIARIES

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

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

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

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

DIRECTORS

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

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

* Director of the Company and its subsidiary companies.

DIRECTORS OF SUBSIDIARIES

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

Ahmad Nasir Bin Mohd Said
Azizul Bin Zainol
Deng Hie Lang @ Teng Hieh Lang
Kuek Gek Hia
Kharul Anuar Bin Abdul Basit
Lim Chen Herng
Lim Soo San
Lim Fang Ching
Norsam @ Norsamsida Binti Hassan
Rouziputra Bin Mad Noh
Zulkhanine Bin Shamsudin
Kim Eun Hee
Tan Sri Dato' Lim Kang Yew
Dato' Haji Mohd Rashidi Bin Mohd Nor
Dato' Majid Manjit Bin Abdullah
Lee Hun Kheng
Chan Yee Hong
Cho Joy Leong @ Cho Yok Lon
Haji Mohd Fauzee Bin Tahir *(Alternate Director to Dato' Haji Amran Bin A Rahman)*
Dato' Haji Amran Bin A Rahman
Lim Dian Ping *(Alternate Director to Tan Sri Dato' Lim Kang Yew)*
Tan Hong Kheng
Tan Sri Mohamed Nazir bin Abdul Razak
Datuk Gan Chee Wah
Chong Jin Xi
Gan Khai Teq
Pok Won Kit
Hussaini Bin Senusi

Mely Rusli	(Appointed on 19 August 2021)
Leong Wai Yeun	(Appointed on 8 December 2021)
Ng Toon Loon	(Appointed on 25 January 2022)
Dato' Chow Chin Kiat	(Appointed on 12 April 2022)
Wesley Tan Seah Ging	(Appointed on 18 April 2022)
Alex Tan Kuan Hong	(Appointed on 18 April 2022)
Quek Choon Mong	(Appointed on 21 April 2022)

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

DIRECTORS OF SUBSIDIARIES (CONT'D)

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: (Cont'd)

Kuek Choon Heng	(Appointed on 21 April 2022)
Dato' Chin Yoke Choon	(Appointed on 17 May 2022)
Dato' Chin Yoke Kan	(Appointed on 17 May 2022)
Li Guilan	(Appointed on 17 May 2022)
Yang Liancheng	(Appointed on 17 May 2022)
Lin JieYuan	(Appointed on 17 May 2022)
Lim Chen Yang	(Resigned on 17 September 2021)
Dato' Chua Goon Eng	(Resigned 9 November 2021)
Tham Beng Choy	(Resigned on 8 December 2021)
Najiha Farzana Binti Othman	(Resigned on 28 December 2021)
Norhayati Binti Abdul Rahim	(Resigned on 9 May 2022)
Li Hang	(Resigned on 17 May 2022)

DIRECTORS' INTERESTS IN SHARES

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

	Number of ordinary shares			
	At 1-7-2021	Bought & Conversion	Sold & Conversion	At 30-6-2022
Share in the Company:				
Tan Sri Dato' Lim Kang Hoo				
- direct interest	532,526,093	-	-	532,526,093
- indirect interest (1)	298,000,032	-	-	298,000,032
Tan Sri Datuk Seri Lim Keng Cheng				
- indirect interest (2)	108,226,500	-	-	108,226,500
Dato' Lim Hoe				
- direct interest	14,232,375	-	-	14,232,375
Lim Chen Thai				
- direct interest	3,600,000	-	-	3,600,000
Chow Yoon Sam				
- direct interest	160,000	-	-	160,000
Wong Khai Shiang (Alternate Director to Dato' Lim Hoe)				
- direct interest	750,000	-	-	750,000
Shares in PLS Plantations Berhad ("PLS")				
Tan Sri Dato' Lim Kang Hoo				
- indirect interest (3)	292,057,900	-	-	292,057,900
Dato' Lim Hoe				
- direct interest	1,673,000	-	-	1,673,000
Chow Yoon Sam				
- direct interest	90,000	-	-	90,000

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

DIRECTORS' INTERESTS IN SHARES (CONT'D)

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

	Number of warrants			
	At 1-7-2021	Bought & Conversion	Sold & Conversion	At 30-6-2022
Warrant in PLS				
Tan Sri Dato' Lim Kang Hoo				
- indirect interest	48,434,800	-	-	48,434,800
Dato' Lim Hoe				
- direct interest	836,500	-	-	836,500
Chow Yoon Sam				
- direct interest	45,000	-	-	45,000

Note:

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

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

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

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit, other than a benefit included in the aggregate amount of remuneration received or due and receivables by directors shown in the accounts or the fixed salary of 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.

Remuneration of the directors or past directors of the Company during the financial year are as follows:

	Group RM'000	Company RM'000
Directors' fees	355	270
Other emoluments		
(salaries, allowances, bonuses and benefit-in-kind)	2,422	1,203
Contribution to retirement benefit scheme	129	83
	2,906	1,556

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

INDEMNITY

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

OTHER INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

In the opinion of the directors:

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

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

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

SIGNIFICANT EVENTS

Details of significant events during the financial year are disclosed in note 57 to the financial statements.

SUBSEQUENT EVENTS

Details of subsequent events after the financial year end are disclosed in note 58 to the financial statements.

AUDITORS

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

The total amount paid to or receivable by the auditors of the Group and of the Company as remuneration for their services as auditors for the current financial period amounted to RM818,000 and RM185,000 respectively.

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 DATUK SERI LIM KENG CHENG
Director

LIM CHEN THAI
Director

Kuala Lumpur

19 October 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EKOVEST BERHAD

(INCORPORATED IN MALAYSIA) Registration No.: 198501000052

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 2022 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 62 to 177.

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 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards 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. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

(a) Amortisation and Impairment Assessment of Expressway Concession Assets

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

The risk:

As at 30 June 2022, the Group's expressway concession assets amounted to RM7.3 billion, which represents approximately 65% of the Group's total assets. As disclosed in note 3.5 to the financial statements, the Group used projected traffic volume estimated by independent traffic consultant as a denominator to amortise the carrying amount of expressway concession assets over the concession period. The basis to arrive at the traffic volume projection take into consideration of the growth rate and market and economic conditions. Management exercises judgement when adopting the projected traffic volume in determining the amortisation of expressway concession assets.

Further, impairment assessment of expressway 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 traffic volume, growth rate, discount rate and cash flow projections may be significantly different from actual outcome, resulting in material variance in the calculated amortisation and recoverable amount of the expressway concession assets.

In view of the significance of the expressway concession assets, the level of judgement exercised by management and the estimation uncertainty, we identified amortisation and impairment assessment of expressway concession assets as key audit matters.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF EKOVEST BERHAD
(INCORPORATED IN MALAYSIA) Registration No.: 198501000052

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

Key Audit Matters (Cont'd)

(a) Amortisation and Impairment Assessment of Expressway Concession Assets (Cont'd)

Our response:

(i) We considered and assessed the independent traffic consultant's competency, capability and objectivity;

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

(iii) We assessed the reasonableness of the assumptions applied in determining the projected traffic volume;

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

(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 key assumptions used and assessed the impact to the carrying amount of expressway concession assets.

(b) Valuation of Investment Properties

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

The risk:

The Group's investment properties as at 30 June 2022 amounted to RM855 million.

The Group adopts fair value model for its investment properties. The fair value of the Group's investment properties was determined by management based on valuations performed by independent valuers. The fair value of the investment properties was determined by using investment and comparison methods.

The valuation process involves significant judgement in determining the appropriate valuation methodologies and the underlying assumptions. The valuations are highly sensitive to key assumptions applied and any change in the assumptions can have a significant impact to the valuations.

In view of the significance of the investment properties, the level of judgement exercised by management and the estimation uncertainty, we identified valuation of investment properties as a key audit matter.

Our response:

(i) We considered and assessed the independent valuers' competency, capability and objectivity;

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

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

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

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

Key Audit Matters (Cont'd)

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

Our response: (Cont'd)

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

(c) Revenue Recognition for Construction Contracts

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

The risk:

For the financial year ended 30 June 2022, revenue arising from construction contracts amounted to RM381 million representing approximately 47% of the Group's total revenue. The Company's revenue from construction contracts amounted RM160 million for the same period, representing approximately 76% of the Company's total revenue.

Revenue from construction contracts is recognised overtime, which requires management to exercise significant judgement in measuring the progress towards satisfaction of the performance obligations as stated in the contracts with customers.

The estimation of the percentage of completion requires significant judgement in estimating the total contract revenue and total construction costs for each of the contracts. Other areas of estimation, including the obligations to contract variations, claim, cost contingencies and rebates.

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

In the view of the significance of revenue from construction contracts recognised by the Group and by the Company, the level of judgement exercised by management and the estimation uncertainty, we identified revenue recognition for construction contracts as a key audit matter.

Our response:

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

(ii) We assessed the reasonableness of management's key assumptions used in the estimates for total construction costs for each of these projects, where applicable, examining documentary evidences such as signed letters of awards, approved variation orders, and performing retrospective review of the key estimates;

(iii) We validated the contract revenue against the agreed customers' contracts;

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

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

(vi) We evaluated whether the Group or the Company is liable for liquidated ascertained damages by reviewing the contractual delivery dates of the signed agreements against the estimated delivery dates and latest progress reports.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF EKOVEST BERHAD
(INCORPORATED IN MALAYSIA) Registration No.: 198501000052

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

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 Malaysian Financial Reporting Standards, International Financial Reporting Standards 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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughtout 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF EKOVEST BERHAD
(INCORPORATED IN MALAYSIA) Registration No.: 198501000052

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 International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (Cont'd)

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

OTHER MATTER

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

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

LEE SOO ENG
03230/02/2024 J
Chartered Accountant

Kuala Lumpur
19 October 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 RM'000	2021 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	235,479	240,540
Investment properties	6	855,080	851,511
Right-of-use assets	7	265,222	267,177
Land held for property development	8	528,947	528,036
Concession assets	9	7,336,821	6,810,302
Bearer plants	10	347,749	359,628
Biological assets	11	2,681	6,708
Intangible assets	12	18,508	17,922
Investment in an associate	14	3,649	3,581
Investment in a joint venture	15	-	-
Other investments	16	-	6,371
Performance deposits	17	50,000	50,000
Other receivables	18	18,773	18,656
Deferred tax assets	20	24,251	21,125
Total non-current assets		9,687,160	9,181,557
Current assets			
Inventories	21	203,674	223,656
Biological assets	11	3,139	3,415
Contract assets	22	61,433	73,587
Contract costs	23	2,650	2,502
Property development costs	24	117,897	117,409
Trade and other receivables	18	206,464	180,734
Current tax assets		19,898	25,839
Investment funds	25	676,427	988,888
Short term deposits	26	170,057	232,645
Cash and bank balances	27	78,470	187,407
Total current assets		1,540,109	2,036,082
TOTAL ASSETS		11,227,269	11,217,639

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	2022 RM'000	2021 RM'000
EQUITY AND LIABILITIES			
Equity			
Share capital	28	1,138,871	1,138,871
Reserves	29	1,269,340	1,394,512
Equity attributable to owners of the Company		2,408,211	2,533,383
Non-controlling interests		453,806	452,316
Total equity		2,862,017	2,985,699
Non-current liabilities			
Lease liabilities	30	10,155	12,258
Bank term loans	31	383,089	451,201
Medium term notes	32	5,447,049	5,367,723
Reimbursable interest assistance	33	322,827	304,162
Deferred income	34	265,623	275,534
Provision for heavy repairs	35	13,589	10,912
Deferred tax liabilities	36	508,970	442,026
Total non-current liabilities		6,951,302	6,863,816
Current liabilities			
Trade and other payables	37	709,801	666,148
Lease liabilities	30	6,973	7,308
Bank borrowings	38	572,600	582,673
Medium term notes	32	120,000	80,000
Current tax liabilities		4,576	31,995
Total current liabilities		1,413,950	1,368,124
Total liabilities		8,365,252	8,231,940
TOTAL EQUITY AND LIABILITIES		11,227,269	11,217,639

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 RM'000	2021 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,562	3,205
Investment properties	6	22,316	22,316
Right-of-use assets	7	802	1,203
Investments in subsidiaries	13	2,505,424	1,705,893
Investment in a joint venture	15	-	-
Other investments	16	305,514	289,102
Other receivables	18	922	1,269
Amounts owing by subsidiaries	19	341,678	466,103
Total non-current assets		3,179,218	2,489,091
Current assets			
Contract assets	22	135,705	386,753
Trade and other receivables	18	11,667	6,888
Amounts owing by subsidiaries	19	28,484	429,671
Current tax assets		1,257	4,784
Short term deposits	26	562	51,701
Cash and bank balances	27	9,455	8,992
Total current assets		187,130	888,789
TOTAL ASSETS		3,366,348	3,377,880

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 RM'000	2021 RM'000
EQUITY AND LIABILITIES			
Equity			
Share capital	28	1,138,871	1,138,871
Reserves		485,256	477,516
Total equity		1,624,127	1,616,387
Non-current liabilities			
Lease liabilities	30	243	516
Bank term loans	31	101,746	129,654
Amounts owing to subsidiaries	19	-	7,788
Medium term note	32	146,799	-
Deferred tax liabilities	36	1,036	1,112
Total non-current liabilities		249,824	139,070
Current liabilities			
Trade and other payables	37	79,487	82,376
Amounts owing to subsidiaries	19	995,028	1,134,439
Lease liabilities	30	274	310
Bank borrowings	38	417,608	405,298
Total current liabilities		1,492,397	1,622,423
Total liabilities		1,742,221	1,761,493
TOTAL EQUITY AND LIABILITIES		3,366,348	3,377,880

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Revenue	39	808,500	1,354,335	209,766	846,671
Cost of sales	40	(525,243)	(959,898)	(152,436)	(787,257)
Gross profit		283,257	394,437	57,330	59,414
Other income and gains	41	38,536	48,125	49,385	35,781
Selling and marketing expenses		(3,182)	(2,973)	-	-
Administrative and general expenses		(122,189)	(150,540)	(10,589)	(12,718)
Other expenses		(16,477)	(25,830)	(53,702)	(32,500)
Share of results of an associate		(28)	1,752	-	-
Share of results of a joint venture		-	(816)	-	-
Negative goodwill	57	59	72,966	-	-
Finance costs	42	(220,489)	(216,720)	(28,104)	(34,137)
(Loss)/Profit before tax	43	(40,513)	120,401	14,320	15,840
Tax expense	44	(82,933)	(100,956)	(6,580)	(6,065)
Net (loss)/profit for the year		(123,446)	19,445	7,740	9,775
Other comprehensive income, net of tax		7	1	-	-
Total comprehensive (loss)/income for the year		(123,439)	19,446	7,740	9,775
Net (loss)/profit for the year attributable to:-					
Owners of the Company		(125,179)	43,394	7,740	9,775
Non-controlling interests		1,733	(23,949)	-	-
		(123,446)	19,445	7,740	9,775
Total comprehensive (loss)/income for the year attributable to:-					
Owners of the Company		(125,172)	43,395	7,740	9,775
Non-controlling interests		1,733	(23,949)	-	-
		(123,439)	19,446	7,740	9,775
(Loss)/Earnings per share of net (loss)/profit attributable to the owners of the Company					
- Basic and diluted	45	(4.64) sen	1.62 sen		

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	Attributable to owners of the Company						
	Non-distributable						
	Share capital RM'000	Asset revaluation reserve RM'000	Translation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 July 2020	1,117,961	82,453	-	1,264,652	2,465,066	340,187	2,805,253
Total comprehensive income/(loss) for the year	-	-	1	43,394	43,395	(23,949)	19,446
Acquisition of a subsidiary (note 57.1)	-	-	-	-	-	208,156	208,156
Arising from increase in equity interests in subsidiaries (note 57.2)	-	-	-	15,111	15,111	(106,070)	(90,959)
Accretion arising from issuance of shares by a subsidiary to non-controlling interest (note 57.2)	-	-	-	2,380	2,380	34,004	36,384
Issuance of shares pursuant to private placement (note 28)	20,910	-	-	-	20,910	-	20,910
Dividend paid by a subsidiary to non-controlling interest	-	-	-	-	-	(12)	(12)
Dividend paid (note 46)	-	-	-	(13,479)	(13,479)	-	(13,479)
At 30 June 2021	1,138,871	82,453	1	1,312,058	2,533,383	452,316	2,985,699
At 1 July 2021	1,138,871	82,453	1	1,312,058	2,533,383	452,316	2,985,699
Total comprehensive income/(loss) for the year	-	-	7	(125,179)	(125,172)	1,733	(123,439)
Acquisition of subsidiaries (note 57.1)	-	-	-	-	-	782	782
Dividend paid by subsidiaries to non-controlling interest	-	-	-	-	-	(1,025)	(1,025)
At 30 June 2022	1,138,871	82,453	8	1,186,879	2,408,211	453,806	2,862,017

The accompanying notes form an integral part of the financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	Share capital RM'000	Retained earnings RM'000	Total RM'000
At 1 July 2020	1,117,961	481,220	1,599,181
Total comprehensive income for the year	-	9,775	9,775
Issuance of shares pursuant to private placement (note 28)	20,910	-	20,910
Dividend paid (note 46)	-	(13,479)	(13,479)
At 30 June 2021	1,138,871	477,516	1,616,387
Total comprehensive income for the year	-	7,740	7,740
At 30 June 2022	1,138,871	485,256	1,624,127

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/Profit before tax	(40,513)	120,401	14,320	15,840
Adjustments for:				
Amortisation of:				
- concession assets	27,822	24,342	-	-
- intangible assets	-	78	-	-
- bearer plants	12,309	8,278	-	-
Bad debts written off	3,090	1,850	292	299
Bearer plants written off	2,963	-	-	-
Biological assets written off	237	1	-	-
Contract costs written off	-	460	-	460
Depreciation	21,099	23,150	1,111	1,186
Dividend income	-	-	(50,000)	(40,000)
Fair value (gain)/loss on:				
- investment funds	(2,930)	(212)	-	-
- other investments	-	-	3,875	(16,061)
- biological assets	4,324	(1,349)	-	-
- investment properties	(2,970)	26,527	-	-
Finance costs	220,489	216,720	28,104	34,137
Negative goodwill	(59)	(72,966)	-	-
Intangible assets written off	212	-	-	-
Reversal of GST payable	(3,131)	-	-	-
Gain on remeasurement of retained equity interest in a former associate	-	(17,053)	-	-
Impairment loss on:				
- investments in subsidiaries	-	-	45,769	27,137
- intangible assets	-	6,297	-	-
- concession assets	7,494	25,578	-	-
- other investments	6,765	-	-	-
- right-of-use assets	1,741	4,754	-	-
- property, plant and equipment	626	3,993	-	-
- bearer plants	-	240	-	-
Interest income	(7,050)	(11,420)	(20,727)	(18,415)
Net gain from derecognition of financial assets measured at amortised cost	-	-	(28,645)	-
Inventories written off	-	223	-	-
Lease rebate and modification	(1,413)	(1,261)	-	-
Loss allowance on:				
- trade receivables	3,413	-	-	-
- other receivables	904	1,420	-	-
Net (gain)/loss on disposal of property, plant and equipment	(591)	(596)	44	47
Property, plant and equipment written off	26	344	-	-
Provision for heavy repairs	2,046	1,855	-	-
Share of results of an associate	28	(1,752)	-	-
Share of results of a joint venture	-	816	-	-
Unrealised loss on foreign exchange	2,892	908	-	-

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D)				
Operating profit/(loss) before working capital changes	259,823	361,626	(5,857)	4,630
Changes in property development costs	(488)	9,116	-	-
Changes in receivables	(17,614)	40,779	(11,134)	5,090
Changes in payables	37,180	60,617	(118,821)	86,241
Changes in contract assets/liabilities	12,154	(46,728)	251,048	(322,994)
Changes in contract costs	(148)	1,108	-	(460)
Changes in inventories	19,982	(12,561)	-	-
Cash generated from/(used in) operations	310,889	413,957	115,236	(227,493)
Interest paid	(2,499)	(1,738)	(1,271)	(1,006)
Tax paid	(40,593)	(16,464)	(3,129)	(3,389)
Net cash generated from/(used in) operating activities	267,797	395,755	110,836	(231,888)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment and right-of-use assets (note 50)	(7,894)	(9,542)	(156)	(350)
Additions to land held for property development	(911)	(10,517)	-	-
Acquisition of intangible assets	(485)	-	-	-
Acquisition of shares in an associate	-	(3,581)	-	-
Subscription of additional shares in subsidiaries	-	(90,959)	(248,300)	(89,472)
Acquisition of subsidiaries, net of cash and cash equivalent acquired (note 57.1)	103	(61,846)	-	(84,687)
Purchase of investment properties (note 50)	(599)	(8,809)	-	-
Purchase of other investments	-	(6,000)	-	(1,133)
Net redemptions of investment funds	315,391	602,646	-	-
Additions to concession assets	(357,902)	(998,606)	-	-
Additions to bearer plants (note 50)	(3,020)	(2,627)	-	-
Additions to biological assets (note 50)	(234)	(145)	-	-
Proceeds from disposal of property, plant and equipment	900	1,800	45	85
Withdrawal of short term deposits	62,588	329,625	51,139	171,580
Placement in Designated Bank Accounts	(2,331)	(160)	(3,694)	-
(Advances to)/Repayment from subsidiaries	-	-	(12,812)	11,928
Advances to an associate	(464)	(20,595)	-	-
(Advances to)/Repayment from related parties	(10,170)	-	230	-
Repayment from/(Advances to) a joint venture	6,417	(88)	6,417	(88)
Interest received	16,146	35,967	271	13,263
Net cash generated from/(used in) investing activities	17,535	(243,437)	(206,860)	21,126

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Drawdown of bank borrowings	114,471	248,716	110,000	178,839
Repayment of bank borrowings	(204,865)	(119,642)	(128,292)	(6,941)
Proceeds from issuance of shares	-	20,910	-	20,910
Proceeds from issuance of new sukuk	146,799	-	146,799	-
Payment of lease liabilities	(6,648)	(12,861)	(309)	(311)
Payment of lease interest	(823)	(1,025)	(34)	(45)
Dividend paid	-	(13,479)	-	(13,479)
Dividend paid to non-controlling interest	(20)	(12)	-	-
Proceeds from issuance of shares by a subsidiary to non-controlling interest	-	36,384	-	-
(Repayment to)/Advances from subsidiaries	-	-	(11,298)	24,665
(Repayment to)/Advances from related parties	(1,914)	(930)	32	-
Repayment of medium term notes	(80,000)	(50,000)	-	-
Repayment of profit element on IMTNs	(327,664)	(326,603)	(3,821)	-
Interest paid	(43,669)	(33,491)	(22,395)	(17,890)
Net cash (used in)/generated from financing activities	(404,333)	(252,033)	90,682	185,748
NET CHANGES IN CASH AND CASH EQUIVALENTS	(119,001)	(99,715)	(5,342)	(25,014)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	143,585	243,177	(8,224)	16,790
EFFECT OF EXCHANGE RATE CHANGES	(88)	123	-	-
CASH AND CASH EQUIVALENTS CARRIED FORWARD	24,496	143,585	(13,566)	(8,224)
Represented by:				
CASH AND BANK BALANCES	78,470	187,407	9,455	8,992
BANK OVERDRAFTS (note 38)	(47,061)	(39,240)	(19,327)	(17,216)
RESTRICTED DEPOSITS (note 27)	(6,913)	(4,582)	(3,694)	-
	24,496	143,585	(13,566)	(8,224)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

1. GENERAL INFORMATION

Ekovest Berhad (the "Company") is a public company limited by shares incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad. The address of the registered office and principal place of business of the Company are disclosed in page 7.

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

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

2. BASIS OF PREPARATION

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

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

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

(a) Application of New or Amended Standards

In the current year, the Group and the Company have applied a number of amendments that become effective mandatorily for the financial periods beginning on or after 1 July 2021.

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

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

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

		Effective Date
Amendments to MFRS 1, MFRS 9, MFRS 16 and MFRS 141	Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendment to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023

2. BASIS OF PREPARATION (CONT'D)

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

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

		Effective Date
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by MASB

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and of the entities controlled by the Company made up to the end of the financial year.

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

(i) power over the investee;

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

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

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

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All intra-group balances, transactions, income and expenses are eliminated in full on consolidation. Consolidation of an investee shall begin from the date the Company obtains control of the investee and cease when the investor loses control of the investee.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 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.

When the Company loses control of a subsidiary:

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

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

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

3.2 Business combination

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Business combination (Cont'd)

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

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

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

3.3 Investments in associates and joint ventures

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

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

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

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

3.5 Concession assets

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

Concession assets refer to expressway development expenditures ("EDE") and park and ride building which comprise development and upgrading expenditures (including interest charges relating to financing of the development) incurred in connection with the concession.

Concession assets are stated at cost less accumulated amortisation and any impairment losses. Amortisation of the concession assets begins when it is available for use, which means when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Property, plant and equipment

(i) Measurement basis

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

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

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

(ii) Depreciation

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

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

The principal annual rates used for this purpose are:

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

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

3.7 Investment properties

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Investment properties (Cont'd)

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

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

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

3.8 Biological assets

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

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

3.9 Bearer plants

Recognition and measurement

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Bearer plants (Cont'd)

Amortisation

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

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

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

3.10 Forest plantation project

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

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

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

3.11 Leases

The Group as Lessee

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Leases (Cont'd)

The Group as Lessee (Cont'd)

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

Forest plantation project	30 to 60 years
Leasehold land	6 to 92 years
Motor vehicles	5 to 7 years
Office equipment	5 years
Plant and machinery	5 to 10 years
Buildings	1 to 10 years
Contract farming	3 to 6 years
Contract logging rights	Over lease term

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

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

The Group as Lessor

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

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

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

3.12 Intangible assets

(i) Franchise rights

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

(ii) Trademark

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Intangible assets (Cont'd)

(ii) Trademark (Cont'd)

Trademark which has finite useful lives, is measured at cost less accumulated amortisation and accumulated impairment losses. Trademark with finite useful lives is amortised on a straight-line basis over the estimated economic useful lives. The amortisation period and the amortisation method for the trademark are reviewed at each reporting date.

(iii) Goodwill

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

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

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

3.13 Property development

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

Land held for property development

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

Land on which development has commenced and is expected to be completed within the normal operating cycle is included in property development costs (current asset).

Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities. Property development costs are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable selling expenses.

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

3.14 Performance deposits

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Contract assets and contract liabilities

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

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

3.16 Contract costs

Property development contracts costs

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

Pre-contract cost

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

3.17 Provision for heavy repairs

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

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

3.18 Impairment of non-financial assets

Goodwill and trademark

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Goodwill and trademark (Cont'd)

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

Property, plant and equipment, concession assets, bearer plants, forest plantation project, franchise rights, right-of-use assets and investments in subsidiaries, associate and joint venture are assessed at the end of each reporting period to determine whether there is any indication of impairment.

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

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

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

3.19 Inventories

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

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

3.20 Financial instruments

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

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

Financial assets

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 Financial instruments (Cont'd)

Subsequent measurement

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

- at amortised cost (debt instruments);
- at fair value through other comprehensive income ("FVTOCI"), with recycling of cumulative gains and losses (debt instruments);
- designated at FVTOCI, without recycling of cumulative gains and losses (equity instruments); or
- at fair value through profit or loss ("FVTPL").

Financial assets at amortised cost

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

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

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

Financial assets at FVTPL

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

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

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

Impairment of financial assets

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 Financial instruments (Cont'd)

Impairment of financial assets (Cont'd)

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

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

Derecognition of financial assets

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

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

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

Financial liabilities and equity instruments

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

Financial liabilities

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

Financial liabilities at amortised cost

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

Effective interest method

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 Financial instruments (Cont'd)

Financial guarantee contracts

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

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

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

Derecognition of financial liabilities

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

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

Equity instrument

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

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

3.21 Revenue and other income recognition

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

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

Construction contracts and property development

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.21 Revenue and other income recognition (Cont'd)

Construction contracts and property development (Cont'd)

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

Project management fee

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

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

Toll revenue

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

Toll compensation

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

Renewable energy income

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

Sales of goods

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

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

Other revenue is recognised as follows:

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

Other income is recognised as follows:

- Interest income is recognised using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.22 Employee benefits

(i) Short term employee benefits

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

(ii) Defined contribution plan

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss in the period to which they relate.

(iii) Termination benefits

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

3.23 Borrowing costs

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

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

3.24 Income tax

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

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

Current tax

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

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

Deferred tax

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.24 Income tax (Cont'd)

Deferred tax (Cont'd)

No deferred tax is recognised for temporary differences arising from the initial recognition of: (i) goodwill, or (ii) an asset or liability (which is not in a business combination) at the time of the transaction that affects neither accounting profit nor taxable profit.

Deferred taxes are measured based on tax consequences that would follow from the manner in which the asset or liability is expected to be recovered or settled and based on the tax rates enacted or substantively enacted at the reporting date that are expected to apply to the financial period when the asset is realised or when the liability is settled.

3.25 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, bank overdrafts and other short-term, highly liquid investments that are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and designated bank account pledged.

3.26 Segment reporting

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

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

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

3.27 Contingencies

(i) Contingent liabilities

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.27 Contingencies (Cont'd)

(ii) Contingent assets

Where it is not probable that there is economic benefits, or the amount cannot be estimated reliably, the asset is not recognised in the statements of financial position and is disclosed as contingent asset, unless the probability of inflow of economic benefits is remote.

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

3.28 Government grant

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

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

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

3.29 Foreign currencies

Transactions and balances in foreign currencies

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

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

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

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

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

Translation of foreign operations

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.29 Foreign currencies (Cont'd)

Translation of foreign operations (Cont'd)

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

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

3.30 Fair value

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

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

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

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

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

3.31 Earnings per share

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

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

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

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

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

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

The key judgement and 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:

Revenue recognition of construction contracts

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

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

Depreciation of property, plant and equipment and bearer plants

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

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

Property, plant and equipment, right-of-use-assets and bearer plants are assessed at the end of each reporting period to determine whether there is any indication of impairment. If such an indication exists, an estimation of the recoverable amount is required. Estimating the recoverable amount (based on value in use) requires management to make an estimate of the future cash flows from the property, plant and equipment, right-of-use assets and bearer plants or the related cash generating unit and the discount rate.

Fair value of investment properties

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

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

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

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

Amortisation and impairment of concession assets

The carrying amount of concession assets is amortised over the concession period by applying the formula in note 3.5. The denominator of the formula includes projected total traffic volume for subsequent years to the end of the concession period and is based on the latest available base case traffic volume projection prepared by independent traffic consultants. The assumptions to arrive at the traffic volume projection take into consideration the growth rate based on current market and economic conditions. Changes in the expected traffic volume could impact future amortisation charges.

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

Measurement of inventories

Inventories are stated at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected selling prices.

Inventories are reviewed on a regular basis and the Group write down the inventories based primarily on historical trends and management estimates of expected and future product demand and related pricing.

Demand levels, changes in product preference and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's inventories, the Group might be required to reduce the value of its inventories and additional write down for slow-moving inventories may be required.

Measurement of land held for property development

Land held for property development is stated at the lower of cost or net realisable value. The Group estimates the net realisable value of land held for property development based on assessment of expected market prices for similar land, less estimated costs necessary to make the sale.

Land held for property development is reviewed on a regular basis and the Group will write down its carrying amount primarily based on historical trends and management estimates of expected and future demand and related pricing.

Measurement of impairment loss on investments in subsidiaries

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

Deferred tax assets

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

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

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

Determining the loss allowance for trade receivables and contract assets

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

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

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

Determining the loss allowance for non-trade receivables

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

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

Provision for heavy repairs

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

Income taxes

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

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

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

Lease liability

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

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

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

Impairment of goodwill

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

5. PROPERTY, PLANT AND EQUIPMENT

Group 2022 Cost	Freehold land and buildings RM'000	Equipment, plant and machinery RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Renovation RM'000	Capital work-in-progress RM'000	Total RM'000
At 1 July 2021	52,319	125,904	35,325	13,112	8,216	7,824	92,069	334,769
Acquisition of subsidiaries (note 57.1)	254	866	390	66	-	545	-	2,121
Additions	86	709	556	820	307	1,132	3,809	7,419
Disposals	-	(1,220)	(1,228)	(75)	(33)	-	-	(2,556)
Write-offs	-	(207)	(55)	(127)	(1)	-	-	(390)
Reclassification	-	(21)	-	21	-	-	-	-
Reclassified to right-of use assets (note 7)	-	-	(292)	-	-	-	-	(292)
At 30 June 2022	52,659	126,031	34,696	13,817	8,489	9,501	95,878	341,071
Accumulated depreciation								
At 1 July 2021	1,704	49,666	22,074	10,452	4,010	2,330	-	90,236
Acquisition of subsidiaries (note 57.1)	7	72	114	14	-	64	-	271
Charge for the year	422	7,226	2,981	752	757	834	-	12,972
Capitalised to bearer plants (note 10)	-	100	2	3	34	-	-	139
Capitalised to biological assets	-	4	-	1	19	-	-	24
Reclassified to right-of use assets (note 7)	-	-	(58)	-	-	-	-	(58)
Disposals	-	(1,220)	(1,006)	(11)	(10)	-	-	(2,247)
Write-offs	-	(183)	(55)	(103)	-	-	-	(341)
At 30 June 2022	2,133	55,665	24,052	11,108	4,810	3,228	-	100,996

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

Group 2022	Freehold land and buildings RM'000	Equipment, plant and machinery RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Renovation RM'000	Capital work-in-progress RM'000	Total RM'000
Accumulated impairment losses								
At 1 July 2021	-	1,214	113	137	326	2,203	-	3,993
Impairment loss for the year	-	161	30	8	51	376	-	626
Write-offs	-	(20)	-	(3)	-	-	-	(23)
At 30 June 2022	-	1,355	143	142	377	2,579	-	4,596
Net carrying amount								
At 30 June 2022	50,526	69,011	10,501	2,567	3,302	3,694	95,878	235,479

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

Group 2021 Cost	Freehold land and buildings RM'000	Equipment, plant and machinery RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Renovation RM'000	Capital work-in-progress RM'000	Total RM'000
At 1 July 2020	28,301	126,099	36,791	12,576	6,670	5,754	86,898	303,089
Acquisition of subsidiary (note 57.1)	23,893	1,651	25	290	792	533	193	27,377
Additions	125	1,588	6	496	715	1,555	5,063	9,548
Disposals	-	(3,048)	(1,497)	(66)	(7)	-	-	(4,618)
Write-offs	-	(386)	-	(184)	(39)	(18)	-	(627)
Reclassification	-	-	-	-	85	-	(85)	-
At 30 June 2021	52,319	125,904	35,325	13,112	8,216	7,824	92,069	334,769
Accumulated depreciation								
At 1 July 2020	1,399	43,370	19,964	9,400	3,240	1,136	-	78,509
Charge for the year	306	8,794	3,106	1,182	739	1,194	-	15,321
Capitalised to bearer plants (note 10)	(1)	56	7	2	23	-	-	87
Capitalised to biological assets	-	2	-	1	13	-	-	16
Disposals	-	(2,357)	(1,003)	(54)	-	-	-	(3,414)
Write-offs	-	(199)	-	(79)	(5)	-	-	(283)
At 30 June 2021	1,704	49,666	22,074	10,452	4,010	2,330	-	90,236
Accumulated impairment losses								
At 1 July 2020	-	-	-	-	-	-	-	-
Impairment loss for the year	-	1,214	113	137	326	2,203	-	3,993
At 30 June 2021	-	1,214	113	137	326	2,203	-	3,993
Net carrying amount								
At 30 June 2021	50,615	75,024	13,138	2,523	3,880	3,291	92,069	240,540

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

Company 2022 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 2021	6,129	8,419	2,956	3,917	21,421
Additions	-	125	29	2	156
Disposals	-	(587)	-	-	(587)
At 30 June 2022	6,129	7,957	2,985	3,919	20,990
Accumulated depreciation					
At 1 July 2021	6,082	6,653	2,912	2,569	18,216
Charge for the year	25	375	35	275	710
Disposals	-	(498)	-	-	(498)
At 30 June 2022	6,107	6,530	2,947	2,844	18,428
Net carrying amount					
At 30 June 2022	22	1,427	38	1,075	2,562
2021					
Cost					
At 1 July 2020	6,129	8,706	2,942	3,584	21,361
Additions	-	3	14	333	350
Disposals	-	(290)	-	-	(290)
At 30 June 2021	6,129	8,419	2,956	3,917	21,421
Accumulated depreciation					
At 1 July 2020	6,057	6,417	2,886	2,258	17,618
Charge for the year	25	394	26	311	756
Disposals	-	(158)	-	-	(158)
At 30 June 2021	6,082	6,653	2,912	2,569	18,216
Net carrying amount					
At 30 June 2021	47	1,766	44	1,348	3,205

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

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

Group	Cost 2022 RM'000	Accumulated depreciation 2022 RM'000	Net carrying amount 2022 RM'000	Net carrying amount 2021 RM'000
Freehold				
- land	35,523	-	35,523	35,523
- buildings	17,136	(2,133)	15,003	15,092
	52,659	(2,133)	50,526	50,615

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

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Property, plant and equipment charged to the lenders for bank term loans and IMTN as disclosed in notes 31 and 32(a)	15,457	15,436	-	-

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

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

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

Key assumptions used in the VIU calculation are as follows:

	2022	2021
Discount rate (pre-tax)	13.40%	15.60%
Terminal growth rate	3.30%	3.28%

Based on the impairment assessment, impairment losses of RM626,000 and RM441,000 (2021: RM3,404,000 and RM4,754,000) have been recognised on plant and equipment and right-of-use assets, respectively during the financial year.

The sensitivity of the impairment assessment to a reasonably possible change in the key input 5% decrease in projected revenue, would not cause the recoverable amount of the CGU to differ materially from its carrying amount as at 30 June 2022.

6. INVESTMENT PROPERTIES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 July	851,511	856,284	22,316	22,316
Acquisition of subsidiary (note 57.1)	-	275	-	-
Additions	599	21,479	-	-
Changes in fair value	2,970	(26,527)	-	-
At 30 June	855,080	851,511	22,316	22,316
Investment properties comprise:				
- Freehold land and commercial buildings/apartments	836,480	832,911	22,316	22,316
- Leasehold land and buildings/apartments	18,600	18,600	-	-
	855,080	851,511	22,316	22,316

Freehold land and commercial buildings/apartments of the Group with carrying value of RM623,211,000 (2021: RM494,404,000) are charged to licensed banks for banking facilities and IMTN granted to the Group as disclosed in notes 31, 32 (c) and 38 to the financial statements.

The fair values of the investment properties are arrived at by reference to valuations or update on previous valuations carried out by registered independent valuers having appropriate recognised professional qualifications.

The Group's and the Company's investment properties are stated at fair value, representing open-market value, under comparison and investment methods, determined by the directors based on registered independent valuers' opinion.

The following assumptions have been applied in the valuation:

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

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

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

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

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

Group 2022	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
- Freehold land and commercial buildings/apartments	-	421,205	415,275	836,480
- Leasehold land and buildings/apartments	-	18,600	-	18,600
	-	439,805	415,275	855,080

6. INVESTMENT PROPERTIES (CONT'D)

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

Group 2021	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
- Freehold land and commercial buildings/apartments	-	418,636	414,275	832,911
- Leasehold land and buildings/apartments	-	18,600	-	18,600
	-	437,236	414,275	851,511
Company				
2022				
- Freehold land and commercial buildings/apartments	-	22,316	-	22,316
2021				
- Freehold land and commercial buildings/apartments	-	22,316	-	22,316

Details of level 3 fair value measurements are as follows:

Key inputs	Significant unobservable inputs	Relationship of unobservable inputs and fair value
Investment method which capitalises the actual or estimated rental income stream, net of projected operating costs, using a discount rate derived from capitalisation rate	Discount rate of 5.50% to 6.00% (2021: 6.00% to 6.50%)	The higher the discount rate, the lower the fair value
	Voids allowance at 8.00% (2021: 8.00%)	The higher the voids allowance, the lower the fair value

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

	Group	
	2022 RM'000	2021 RM'000
At 1 July	414,275	414,000
Additions	599	1,932
Acquisition of subsidiary (note 57.1)	-	275
Changes in fair value	401	(1,932)
At 30 June	415,275	414,275

7. RIGHT-OF-USE ASSETS

The Group/Company as a lessee:

Group 2022 Cost	Forest plantation project RM'000	Leasehold land RM'000	Motor vehicles RM'000	Office equipment RM'000	Plant and machinery RM'000	Buildings RM'000	Contract farming RM'000	Contract logging rights RM'000	Total RM'000
At 1 July 2021	30,741	222,344	3,150	9	2,069	17,710	7,075	-	283,098
Acquisition of subsidiaries (note 57.1)	-	-	584	-	-	270	1,231	1,855	3,940
Additions	-	-	1,764	-	2,761	-	-	-	4,525
Reclassification	-	-	(116)	-	116	-	-	-	-
Reclassified from property, plant and equipment (note 5)	-	-	292	-	-	-	-	-	292
Lease modification	-	-	-	-	-	20	-	-	20
At 30 June 2022	30,741	222,344	5,674	9	4,946	18,000	8,306	1,855	291,875
Accumulated depreciation									
At 1 July 2021	501	1,779	390	3	443	7,180	871	-	11,167
Acquisition of subsidiaries (note 57.1)	-	-	67	-	-	34	417	155	673
Charge for the year	751	2,669	798	4	653	1,534	1,563	155	8,127
Capitalised to bearer plants (note 10)	-	-	19	-	151	-	-	-	170
Reclassified from property, plant and equipment (note 5)	-	-	-	-	-	58	-	-	58
Lease modification	-	-	-	-	-	(37)	-	-	(37)
At 30 June 2022	1,252	4,448	1,274	7	1,247	8,769	2,851	310	20,158

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

The Group/Company as a lessee: (Cont'd)

Group **2022**	**Forest plantation project RM'000**	**Leasehold land RM'000**	**Motor vehicles RM'000**	**Office equipment RM'000**	**Plant and machinery RM'000**	**Buildings RM'000**	**Contract farming RM'000**	**Contract logging rights RM'000**	**Total RM'000**
Accumulated impairment losses									
At 1 July 2021	-	-	-	-	-	4,754	-	-	4,754
Impairment loss for the year	-	-	-	-	-	441	1,300	-	1,741
At 30 June 2022	-	-	-	-	-	5,195	1,300	-	6,495
Net carrying amount									
At 30 June 2022	29,489	217,896	4,400	2	3,699	4,036	4,155	1,545	265,222
2021									
Cost									
At 1 July 2020	-	-	-	-	-	14,098	-	-	14,098
Acquisition of subsidiary (note 57.1)	30,741	222,344	655	9	2,069	1,087	7,075	-	263,980
Additions	-	-	2,495	-	-	2,724	-	-	5,219
Lease modification	-	-	-	-	-	(199)	-	-	(199)
At 30 June 2021	30,741	222,344	3,150	9	2,069	17,710	7,075	-	283,098

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

The Group/Company as a lessee: (Cont'd)

Group 2021	Forest plantation project RM'000	Leasehold land RM'000	Motor vehicles RM'000	Office equipment RM'000	Plant and machinery RM'000	Buildings RM'000	Contract farming RM'000	Total RM'000
Accumulated depreciation								
At 1 July 2020	-	-	-	-	-	3,420	-	3,420
Charge for the year	501	1,779	375	3	365	3,935	871	7,829
Capitalised to bearer plants (note 10)	-	-	15	-	78	-	-	93
Lease modification	-	-	-	-	-	(175)	-	(175)
At 30 June 2021	501	1,779	390	3	443	7,180	871	11,167
Accumulated impairment losses								
At 1 July 2020	-	-	-	-	-	-	-	-
Impairment loss for the year	-	-	-	-	-	4,754	-	4,754
At 30 June 2021	-	-	-	-	-	4,754	-	4,754
Net carrying amount								
At 30 June 2021	30,240	220,565	2,760	6	1,626	5,776	6,204	267,177

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

Company

	Buildings RM'000
2022	
Cost	
At 1 July 2021/ 30 June 2022	2,004
Accumulated depreciation	
At 1 July 2021	801
Depreciation for the year	401
At 30 June 2022	1,202
Net carrying amount	
At 30 June 2022	802
2021	
Cost	
At 1 July 2020	1,857
Additions	147
At 30 June 2021	2,004
Accumulated depreciation	
At 1 July 2020	371
Depreciation for the year	430
At 30 June 2021	801
Net carrying amount	
At 30 June 2021	1,203

(a) Leasehold land

The leasehold lands of the Group with a net carrying amount of RM219,221,000 (2021: RM220,270,000) have been pledged as security to secure term loans of the Group as disclosed in notes 31 and 38. The leasehold lands have a lease period of more than 50 years.

(b) Forest plantation project

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

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

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

(b) Forest plantation project (Cont'd)

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

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

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

(c) Contract farming rights

Perfect Sunworld Sdn Bhd

On 11 March 2020, PLS and its subsidiary, Perfect Sunworld Sdn. Bhd. ("PSSB") had entered into four (4) Contract Farming Lease Agreements ("CFLAs") with a lessor, for the lease of 4 parcel of agriculture freehold lands at measuring of 12.85 hectares for a lease period of 6 years commencing from 11 March 2020. In the previous financial year, the Group has paid a total lease payment of RM7,075,000 pursuant to the payment schedule of the CFLAs as full consideration.

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

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

Great Fruit Trading Sdn Bhd

PLS and its subsidiary, Great Fruit Trading Sdn Bhd ("GFTSB") had entered into three (3) CFLAs with a lessor, for the lease of 3 parcel of agriculture lands for a lease period of 5 years commencing from 1 January 2021. As at 30 June 2022, GFTSB has paid a total lease payment of RM383,000 pursuant to the payment schedule of the CFLAs as full consideration.

The Group recognises the contract farming rights as right-of-use assets as the lessor granted the lessee the right to control the use of the assets and granted an exclusive right to harvest, operate, and manage the durian trees planted thereon during the 5 years lease period.

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

Great Fruit Agriculture Sdn Bhd

PLS and its subsidiary, Great Fruit Agriculture Sdn Bhd ("GFASB") had entered into various CFLAs with a lessor, for the lease agriculture lands for a lease period of ranging from 3 to 6 years. As at 30 June 2022, GFASB has paid a total lease payment of RM848,000 pursuant to the payment schedule of the CFLAs as full consideration.

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

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

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

(d) Contract logging rights

On 1 July 2021, PLS and its subsidiary, Aurum Horizon Sdn. Bhd. ("AHSB") (herein as "Contractor") had entered to a Timber Harvesting and Extracting Agreement ("Agreement") with a lessor relating to accepting an award granted by the lessor to AHSB for the rights to undertakes the timber harvesting and extracting works at the concession lands owned by the lessor.

As stipulated in the Agreement, this contract works shall also be included all the required timber harvesting and extracting works, including but not limited to the tree stumps, branches, dead trees as well as unwanted tree remains. All the components and items thereof shall be extracted from the logging areas by AHSB at its own cost.

AHSB has made a cash payment amounting to RM554,000 to the lessor as the consideration to undertake the timber harvesting and extracting works and incurred a direct cost of RM1,301,000 paid to the relevant authorities for obtaining the relevant license on logging activities for a validity period of 12 months.

AHSB recognises the cash consideration paid to the lessor and the direct cost incurred for a totality of RM1,855,000 as contract logging rights, as AHSB has the exclusive rights to control the use of the asset, harvesting and extracting timber.

The amortisation for the contract logging rights is based on the validity of license period of 12 months.

Impairment review

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

(i) Contract farming business

PSSB's contract farming activities for the durian plantation was loss making in the current and previous year/period, mainly due to lower yields and rehabilitation works undertaken by management to improve the yields as the durian plantation was in less than optimal conditions since previous durian season.

The management has performed the impairment assessment and has recognised an impairment loss of RM1.3 million (2021: nil) for the financial year ended 30 June 2022.

In the impairment assessment, the management determined the recoverable amount of the assets based on a future discounted cash flows forecast and projections derived from the sales of fresh durian based on the remaining lease period of the CLFAs. In determining the VIU calculation, the key assumptions used are as follows:

- Cash flow projections were prepared based on past experience, actual and future expected operating results for durian plantation;
- Estimated a 5% increase in selling price annually for each type of durian species based on historical past year data and current market selling price;
- Estimated the yield of production based on the key assumptions including fruit weight, grade, species, number of mature durian trees and mortality rate in accordance with management's experience based on the existing condition of the plantation; and
- A pre-tax discount rate of 9% (2021: 7.5% to 9 %) per annum.

The sensitivity of the impairment assessment to a reasonably possible change in each of the key inputs (i.e. selling price decreased by 5%, production volume decreased by 5%, discount rate at 10%, respectively) would not cause the recoverable amount to differ materially.

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

Impairment review (Cont'd)

(ii) Food and beverages business

Included in right-of-use assets as at 30 June 2022 is an amount of RM0.44 million (2021: RM3 million) related to food and beverages business. The Group carried out the impairment assessment of the right-of-use assets together with the plant and equipment related to food and beverages business as disclosed in note 5(c).

The Group as a Lessor:

Operating leases

Investment properties are leased out typically for periods of 1 to 9 years (2021: 1 to 9 years).

	Group	
	2022 RM'000	2021 RM'000
Carrying amount of investment properties (subject to operating leases as lessor)	415,000	414,000

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

	Group	
	2022 RM'000	2021 RM'000
In the first year	14,648	20,019
In the second year	16,878	5,018
In the third year	4,992	1,650
In the fourth year	133	759
In the fifth year	13	759
After fifth year	7	2,940
	36,671	31,145

8. LAND HELD FOR PROPERTY DEVELOPMENT

Group Cost 2022	Freehold/ Leasehold land RM'000	Development costs RM'000	Total RM'000
At 1 July 2021	449,706	78,330	528,036
Additions	40	871	911
At 30 June 2022	449,746	79,201	528,947
Group Cost 2021			
At 1 July 2020	449,206	68,313	517,519
Additions	500	10,017	10,517
At 30 June 2021	449,706	78,330	528,036

Land held for property development of the Group with carrying amount of RM245,088,000 (2021: RM312,852,000) has been charged to the lenders for banking facilities and IMTN granted to the Group as disclosed in notes 31, 32(c) and 38 to the financial statements.

9. CONCESSION ASSETS

	Completed		Under development	
Group 2022 Cost	**Expressways RM'000**	**Park and ride building RM'000**	**Expressway RM'000**	**Total RM'000**
At 1 July 2021	2,883,476	72,636	4,015,236	6,971,348
Additions	1,300	-	356,602	357,902
Net borrowing costs capitalised	-	-	203,933	203,933
Reclassification	1,133,873	-	(1,133,873)	-
At 30 June 2022	4,018,649	72,636	3,441,898	7,533,183
Accumulated amortisation				
At 1 July 2021	133,275	2,193	-	135,468
Charge for the year	26,890	932	-	27,822
At 30 June 2022	160,165	3,125	-	163,290
Accumulated impairment losses				
At 1 July 2021	-	25,578	-	25,578
Charge for the year	-	7,494	-	7,494
At 30 June 2022	-	33,072	-	33,072
Net carrying amount				
At 30 June 2022	3,858,484	36,439	3,441,898	7,336,821

9. CONCESSION ASSETS (CONT'D)

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

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

(a) The concession assets are related to a Concession Agreement ("CA") dated 12 August 2004 entered into between Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd ("Kesturi"), a 60%-owned subsidiary of the Company and the Government whereby the Government granted Kesturi the right and authority to undertake the design, construction, operation, management and maintenance of the Duta-Ulu Kelang Expressway ("DUKE Project") commences from the Jalan Duta Interchange to Hill View Interchange and the Karak Link from Sentul Pasar Interchange to Greenwood Interchange. The concession period was for a period of 34 years which commenced from 11 August 2005.

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

(b) On 3 December 2012, Kesturi entered into a Supplemental Concession Agreement ("SCA") with the Government in relation to the extension of the DUKE Project ("DUKE Phase-2"). The DUKE Phase-2 commences from Menjalara Interchange at Bandar Menjalara to Segambut Interchange ("Sri Damansara Link") and Jalan Tun Razak near Kuala Lumpur Hospital/Institut Jantung Negara to Jalan Gombak ("Tun Razak Link") and includes construction of Park and Ride buildings.

The concession period for the entire DUKE Project and DUKE Phase-2, including the Park and Ride buildings, under the SCA is for a period of 54 years commencing from the effective date, 11 August 2005 and shall, subject to terms and conditions of the SCA, be extended for a further period of 10 years.

DUKE Phase-2, Tun Razak Link and Sri Damansara Link and the Park and Ride buildings were completed on 29 September 2017, 23 October 2017 and 31 December 2019 respectively.

9. CONCESSION ASSETS (CONT'D)

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

(c) On 11 January 2016, Lebuhraya Duke Fasa 3 Sdn Bhd ("LDF3"), a wholly-owned subsidiary of the Company entered into a concession agreement 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 concession agreement, be extended for a further period of 6.5 years.

Section 4 of SPE Project (Taman Melati to Setiawangsa) was completed and opened to public on 22 December 2021.

Upon expiry of the concession period, the Group shall hand over the concession assets to the Government in a well-maintained condition and make good any defects at the Group's own expenses within twelve months after the date of handing over.

The concession assets are charged as security for the borrowings as disclosed in notes 32(a), 32(b) and 33 to the financial statements.

Impairment Testing on Park and Ride Building

During the year, as a result of Covid-19 outbreak and deferment of commencement of park and ride operation, the Group performed an impairment assessment of the carrying amount of the park and ride building by comparing the discounted future cash flows of the park and ride building against the carrying amount. The assessment has shown that the recoverable amount of park and ride building is lower than the carrying amount. The impairment test led to the recognition of an impairment loss of RM7 million (2021: RM26 million) in profit or loss.

The recoverable amount of park and ride building is determined based on a value-in-use calculation, using cash flow projection from financial budgets approved by management covering a five-year period.

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

	Group	
	2022	2021
Pre-tax discount rate	5.7%	5.6%
Revenue growth rate	5.0%	5.0%
Terminal growth rate	1.4%	1.4%

9. CONCESSION ASSETS (CONT'D)

Impairment Testing on Park and Ride Building (Cont'd)

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

2022	Change in assumption, holding other inputs constant	Additional impairment loss RM
Pre-tax discount rate	Increased by 1 percentage point	5.8 million
Commencement of operation	Delayed by 1 year	1.7 million
Revenue growth rate	Decreased by 1 percentage point	0.4 million
2021		
Pre-tax discount rate	Increased by 1 percentage point	8.8 million
Commencement of operation	Delayed by 1 year	0.6 million
Revenue growth rate	Decreased by 1 percentage point	0.3 million

10. BEARER PLANTS

Group 2022 Cost	Oil palm RM'000	Rubber trees RM'000	Durian trees RM'000	Total RM'000
At 1 July 2021	264,633	18,830	84,683	368,146
Additions	253	989	2,151	3,393
Written off	(3,067)	-	-	(3,067)
At 30 June 2022	261,819	19,819	86,834	368,472
Accumulated amortisation				
At 1 July 2021	8,204	-	74	8,278
Charge for the year	12,197	-	112	12,309
Written off	(104)	-	-	(104)
At 30 June 2022	20,297	-	186	20,483
Accumulated impairment losses				
At 1 July 2021/ 30 June 2022	-	240	-	240
Net carrying amount				
At 30 June 2022	241,522	19,579	86,648	347,749

10. BEARER PLANTS (CONT'D)

Group 2021 Cost	Oil palm RM'000	Rubber trees RM'000	Durian trees RM'000	Total RM'000
At 1 July 2020	-	-	-	-
Acquisition of subsidiary (note 57.1)	264,372	18,109	82,787	365,268
Additions	261	721	1,896	2,878
At 30 June 2021	264,633	18,830	84,683	368,146
Accumulated amortisation				
At 1 July 2020	-	-	-	-
Charge for the year	8,204	-	74	8,278
At 30 June 2021	8,204	-	74	8,278
Accumulated impairment losses				
At 1 July 2020	-	-	-	-
Charge for the year	-	240	-	240
At 30 June 2021	-	240	-	240
Net carrying amount				
At 30 June 2021	256,429	18,590	84,609	359,628

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

Group	Note	2022 RM'000	2021 RM'000
Depreciation of right-of-use assets	7	170	93
Depreciation of property, plant and equipment	5	139	87
Expenses related to short-term leases		100	-
Interest capitalised	42	64	71
Staff costs		1,542	1,314
		2,015	1,565

10. BEARER PLANTS (CONT'D)

(b) Impairment review

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

Rubber trees

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

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

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

- Projected future cash flows over the remaining life span of the rubber trees prior to harvesting;
- Average selling price for latex and log based on historical past years data and market selling price;
- Average latex production ranging from 200 to 1,200 (2021: 200 to 1,200) metrics tonnes per year; and
- A pre-tax discount rate of 9% (2021: 9%) per annum.

In the financial year ended 30 June 2022, the management assessed the recoverable amount to be higher than the underlying net carrying amount, and accordingly, no impairment loss recognised.

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

Durian trees

An indirect subsidiary of the Company, Jasa Indahmas Sdn. Bhd. had completed the acquisition of the durian plantation, including the durian trees accounted as bearer plant.

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

In the impairment assessment, the management engaged an independent valuer to determine the recoverable amount of the asset based on a 50-year future discounted cash flows forecast and projections derived from the sales of fresh durian based on the remaining life span of the durian trees. In determining the fair value less cost to sell calculation, the key assumptions used are as follows:

- Cash flow projections were prepared based on past experience, actual and future expected operating results for durian plantation;
- Estimated the average selling price of each type of durian species based on historical past year data and current market selling price;
- Estimated the yield of production based on the key assumptions including fruit weight, grade, species, number of mature durian trees and mortality rate in accordance with management's experience based on the existing condition of the plantation; and
- A pre-tax discount rate of 7.5% (2021: ranging from 7.5% to 9%) per annum.

10. BEARER PLANTS (CONT'D)

(b) Impairment review (Cont'd)

Durian trees (Cont'd)

Based on the impairment assessment, the recoverable amount of the Durian trees CGU was estimated to be higher than the carrying amount of the assets, and accordingly no impairment loss was recognised in the financial year ended 30 June 2022 and 30 June 2021.

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

(c) The bearer plants with a net carrying amount of RM5,601,000 (2021: RM5,713,000) have been pledged as security to secure term loan of the Group as disclosed in notes 31 and 38.

(d) During the financial year, the Group engaged independent professionals to conduct a full census to remeasure the number and condition of oil palm trees as well the planted area.

As a result, the differential between the Acreage Statement as maintained by the management compared to the Census Report produced by the independent professionals were written off to Group's cost of sales within statements of comprehensive income amounting to RM2.9 million for the financial year ended 30 June 2022, including a portion related to oil palm crops damaged by the intrusion of wild animals.

11. BIOLOGICAL ASSETS

Group	2022 RM'000	2021 RM'000
Non-current:		
At fair value		
- Acacia	1,140	1,210
- Karas	370	4,500
At cost		
- Eucalyptus	919	844
- Meranti	252	154
	2,681	6,708
Current:		
At fair value		
- Durians	165	210
- Fresh fruit bunches ("FFB")	2,974	3,205
	3,139	3,415
	5,820	10,123

11. BIOLOGICAL ASSETS (CONT'D)

Movement of biological assets can be analysed as follows:

	Group	
	2022 RM'000	2021 RM'000
At 1 July	10,123	-
Acquisition of subsidiary (note 57.1)	-	8,614
Additions	258	161
Written off	(237)	(1)
Fair value changes	(4,324)	1,349
	5,820	10,123

The biological assets of the Group comprise of:

(i) Acacia and Karas

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

(ii) Eucalyptus and Meranti

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

(iii) Durians

The fair value is represented by the present value of the net cash flows expected to be generated from the sale of durians.

(iv) FFB prior to harvest

The fair value is represented by the present value of the net cash flows expected to be generated from the sale of FFB.

12. INTANGIBLE ASSETS

Group 2022	Goodwill RM'000	Trademark-indefinite useful life RM'000	Trademark-definite useful life RM'000	Franchise rights RM'000	Total RM'000
Cost					
At 1 July 2021	17,922	6,180	-	312	24,414
Additions	212	-	485	-	697
Acquisition of subsidiaries (note 57.1)	101	-	-	-	101
Write-off	(212)	-	-	(312)	(524)
At 30 June 2022	18,023	6,180	485	-	24,688
Accumulated amortisation					
At 1 July 2021	-	-	-	195	195
Write-off	-	-	-	(195)	(195)
At 30 June 2022	-	-	-	-	-
Accumulated impairment losses					
At 1 July 2021	-	6,180	-	117	6,297
Write-off	-	-	-	(117)	(117)
At 30 June 2022	-	6,180	-	-	6,180
Net carrying amount					
At 30 June 2022	18,023	-	485	-	18,508

Group 2021	Goodwill RM'000	Trademark-indefinite useful life RM'000	Franchise rights RM'000	Total RM'000
Cost				
At 1 July 2020	-	6,180	312	6,492
Acquisition of subsidiary (note 57.1)	17,922	-	-	17,922
At 30 June 2021	17,922	6,180	312	24,414
Accumulated amortisation				
At 1 July 2020	-	-	117	117
Charge for the year	-	-	78	78
At 30 June 2021	-	-	195	195
Accumulated impairment losses				
At 1 July 2020	-	-	-	-
Charge for the year	-	6,180	117	6,297
At 30 June 2021	-	6,180	117	6,297
Net carrying amount				
At 30 June 2021	17,922	-	-	17,922

12. INTANGIBLE ASSETS (CONT'D)

Goodwill

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

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

Group	2022 RM'000	2021 RM'000
Aramijaya	1,223	1,223
Dulai	16,699	16,699
GFSB	101	-
	18,023	17,922

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

Aramijaya

- Projected future cash flows over the remaining life span of the various crops, of which oil palm is the most significant contributor;
- Average selling prices of fresh fruit bunches price for past 3 years being used for the forecast and projection years;
- Growth rate based on management's estimate of commodity prices, oil palm yields and oil extraction rates;
- Development and direct costs estimated based on past practices and experience;
- Average palm yields ranging from 116,000 to 164,000 (2021: 135,029 to 189,000) metric tonnes per year; and
- A pre-tax discount rate of 5.80% (2021: 6%) per annum.

Dulai

- Cash flow projections were prepared based on past experience and, actual and future expected operating results for fruit trading business;
- The selling price and operation cost were assumed to be consistently applied; and
- A pre-tax discount rate of 13% (2021: 13%) per annum.

12. INTANGIBLE ASSETS (CONT'D)

Trademark with definite useful life

Trademark relates to the intellectual property acquired by the Group with definite useful life of 10 years.

Trademark with indefinite useful life

The management has performed impairment assessment at business operation level on annual basis.

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

In the previous financial year, an impairment loss of RM6.18 million has been recognised.

Key assumptions used in the VIU calculation are as follows:

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

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

Franchise rights

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

The Group has written off the franchise rights during the financial year.

13. INVESTMENTS IN SUBSIDIARIES

	Company	
	2022 RM'000	2021 RM'000
Quoted shares, at cost	279,995	279,995
Unquoted shares, at cost	368,754	363,454
Unquoted redeemable preference shares, at cost	1,923,346	1,083,346
	2,572,095	1,726,795
Less: Accumulated impairment losses	(77,830)	(32,061)
	2,494,265	1,694,734
Capital contributions	11,159	11,159
	2,505,424	1,705,893
Market value of quoted shares	271,613	280,376

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The fair value of the quoted shares as at 30 June 2022 is RM271,613,000 (2021: RM280,376,000), based on the quoted market price at the reporting date included within level 1 of the fair value hierarchy.

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

Details of the subsidiaries are as follows:

	Effective interest 2022 %	Effective interest 2021 %	Principal activities	Principal place of business and place of incorporation
Direct subsidiaries of the Company				
Ekovest Construction Sdn Bhd ("ECSB")	100	100	Civil engineering and building works	Malaysia
Ekovest Project Management Sdn Bhd	100	100	Project management for construction works	Malaysia
Ekoriver Construction Sdn Bhd	100	100	Civil engineering and building works	Malaysia
Ekovest Development (S) Pte. Ltd.*	100	100	Investment holding and property development	Singapore
Ekovest Bay Sdn Bhd	100	100	Inactive	Malaysia
Ekovest Energy Sdn Bhd	100	100	Property investment and renewable energy activity	Malaysia
Ekovest Oil & Gas Sdn Bhd	51	51	Inactive	Malaysia
Ekovest Properties Sdn Bhd	100	100	Property development	Malaysia
Ekovest World Sdn Bhd	100	100	Property investment	Malaysia
KL Bund Sdn Bhd	100	100	Project coordinator and manager for 'River of Life' project	Malaysia
KL Rivercity Sdn Bhd	100	100	Inactive	Malaysia
Saujarena Bina Sdn Bhd	100	100	Property investment	Malaysia
Timur Terang Sdn Bhd	100	100	Property investment	Malaysia
Tanahmas Kapital Sdn Bhd	100	100	Property development	Malaysia
Ekovest Capital Sdn Bhd ("Ekovest Capital")	100	100	Property development and property investment	Malaysia
Wira Kristal Sdn Bhd ("WKSB")	100	100	Investment holding	Malaysia
Duke Dinings Sdn Bhd ("DDSB")	100	100	Investment holding	Malaysia
Ekovest Brunsfield Holdings Sdn Bhd ("EBHSB")	-	50	Struck-off	Malaysia

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13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

	Effective interest 2022 %	Effective interest 2021 %	Principal activities	Principal place of business and place of incorporation
Direct subsidiaries of the Company (Cont'd)				
Arah Kasturi Sdn Bhd ("AKSB")	100	100	Investment holding	Malaysia
Ekovest Land Sdn Bhd ("ELSB")	100	100	Property development	Malaysia
Milan Resources Sdn Bhd ("MRSB")	100	100	Investment holding	Malaysia
PLS Plantations Berhad ("PLS")*	73	73	Investment holding, civil engineering and construction works	Malaysia
Ekovest Technology Sdn Bhd	100	100	Inactive	Malaysia
Medan Jutajaya Sdn Bhd	100	70**	Property development	Malaysia
Indirect subsidiaries of the Company				
Subsidiaries of Ekovest Capital:				
Duke Hotels Sdn Bhd	100	100	Hotel operator	Malaysia
Heritage Reno Sdn Bhd	100	100	Property investment	Malaysia
Sunview Capital Sdn Bhd	100	100	Property investment	Malaysia
Temasek Megamas Sdn Bhd	100	100	Property investment	Malaysia
Subsidiary of WKSB:				
Nuzen Corporation Sdn Bhd ("NCSB")	100	100	Investment holding	Malaysia
Subsidiaries of NCSB:				
Duke Development Sdn Bhd	100	100	Inactive	Malaysia
Ekovest Park & Ride Sdn Bhd ("EPR")	100	100	Construct, operate, manage and maintain the park and ride building	Malaysia
Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd ("Kesturi")	60	60	Design, construction, operation, management and maintenance of the Duta-Ulu Kelang Expressway	Malaysia
Lebuhraya Duke Fasa 2A Sdn Bhd	70	70	Inactive	Malaysia
Lebuhraya Duke Fasa 3 Sdn Bhd	100	100	Design, construct, operate, manage and maintain the Setiawangsa-Pantai Expressway	Malaysia

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

	Effective interest 2022 %	Effective interest 2021 %	Principal activities	Principal place of business and place of incorporation
Indirect subsidiaries of the Company (Cont'd)				
Subsidiaries of DDSB:				
Sunshine Reality Sdn Bhd	60	60	Restaurant operator	Malaysia
The Loaf Asia Sdn Bhd	70	70	Restaurant operator	Malaysia
Duke Fusion Kitchen Sdn Bhd (f.k.a Xindauji (M) Sdn Bhd)	100	100	Restaurant operator	Malaysia
Subsidiary of ELSB:				
Milan Prestasi Sdn Bhd	100	100	Property investment	Malaysia
Subsidiary of MRSB:				
Milan Energy Sdn Bhd	100	100	Property investment	Malaysia
Subsidiaries of PLS:				
Aramijaya Agri & Agro Sdn Bhd ("Aramijaya")*	51	51	Management and operation of a forest plantation, logging, saw milling, chipping, other downstream, manufacturing and related activities and oil palm, plantation and undertaking of construction works	Malaysia
Brighthill Synergy Sdn Bhd ("BSSB")*	73	73	Investment holding, estate owners and trading of commercial goods	Malaysia
Ikhlasi Bina Sdn Bhd*	73	73	Civil engineering and construction works	Malaysia
Jasa Indahmas Sdn Bhd*	73	73	Estate owners, management and operation of a forest plantation	Malaysia
Signal Express Sdn Bhd ("SESB")*	73	73	Investment holding and wholesale of variety of good without any particular specialisation	Malaysia
Parklane Advisors Sdn Bhd*	73	73	Design and develop durian investment scheme	Malaysia
Subsidiaries of BSSB:				
Dulai Fruits Enterprise Sdn Bhd ("Dulai")	51	51	Trading of fresh and processed fruits	Malaysia
Perfect Sunworld Sdn Bhd ("PSSB")*	73	73	Contract farming on management, operation, maintenance and harvesting of a durian plantation	Malaysia
Bintang Saksama Sdn Bhd ("Bintang")*	51	-	Retail business including trading of fresh and processed fruits and wholesale of a variety goods	Malaysia

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

	Effective interest 2022 %	Effective interest 2021 %	Principal activities	Principal place of business and place of incorporation
Indirect subsidiaries of the Company (Cont'd)				
Subsidiaries of BSSB: (Cont'd)				
Great Fruit Sdn Bhd ("GFSB")*	37	-	Investment holding in durian related businesses	Malaysia
PLS Agrofresh Sdn Bhd ("PLS Agrofresh")*	73	-	Management, operation, maintenance and harvesting of a banana plantation including packaging, trading, export, wholesaling of bananas	Malaysia
PLS Aqina Sdn Bhd ("PLS Aqina")*	44	-	Management, operation, maintenance and harvesting of a pineapple plantation including packaging, trading, export, wholesaling of pineapples	Malaysia
PLS BE Sdn Bhd ("PLS BE")*	44	-	Manufacturing, production, trading, marketing and export of biomass wood pallets including all kinds of wood products	Malaysia
Aurum Horizon Sdn Bhd ("AHSB")*	37	-	Trading on products for wood-based manufacturing industries	Malaysia
Triway Wealth Sdn Bhd ("TWSB")*	73	-	Inactive	Malaysia
Subsidiary of Dulai:				
ARTM Services Sdn Bhd*	51	51	Trading of fresh and processed fruits	Malaysia
Subsidiary of GFSB:				
Great Fruit Agriculture Sdn Bhd*	20	-	Durian collection, processing and packaging center	Malaysia
Great Fruit Ventures Sdn Bhd*	20	-	Durian collection, processing and packaging center	Malaysia
Great Fruit Station Sdn Bhd*	20	-	Fruit stalls	Malaysia
Great Fruit Trading Sdn Bhd*	20	-	Durian collection, processing and packaging center	Malaysia

* Subsidiaries not audited by Mazars PLT.

** It was a joint venture of the Group in financial year ended 30 June 2021.

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Subsidiaries that have material non-controlling interests

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

Name of subsidiaries	Proportion of ownership interest held by non-controlling interests		Profit/(Loss) allocated to non-controlling interests **	
	2022 %	2021 %	2022 RM'000	2021 RM'000
Kesturi	40	40	1,352	(22,229)
PLS	27	27	13,206	2,594

Name of subsidiaries	Carrying amount of non-controlling interests	
	2022 RM'000	2021 RM'000
Kesturi	321,555	320,203
PLS	152,335	139,129

** Amounts before intra-group elimination.

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

	2022 RM'000	2021 RM'000
Kesturi		
Current assets	137,020	153,281
Non-current assets	2,400,857	2,422,418
Current liabilities	(129,517)	(89,891)
Non-current liabilities	(2,309,252)	(2,390,079)
Revenue	189,795	154,660
Expenses	(186,416)	(224,183)
Profit/(Loss) for the year	3,379	(69,523)
Other comprehensive income	-	-
Total comprehensive income/(loss) for the year	3,379	(69,523)
Net cash flows from operating activities	166,346	134,016
Net cash flows from investing activities	19,779	35,537
Net cash flows from financing activities	(185,476)	(168,627)
Net changes in cash and cash equivalents	649	926

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Subsidiaries that have material non-controlling interests (Cont'd)

	2022 RM'000	*** 2021 RM'000
PLS		
Current assets	113,719	86,144
Non-current assets	408,163	413,488
Current liabilities	(56,047)	(57,408)
Non-current liabilities	(136,983)	(147,730)
Revenue	184,053	67,141
Expenses	(149,091)	(57,504)
Profit for the year	34,962	9,637
Other comprehensive income	-	-
Total comprehensive income for the year	34,962	9,637
Net cash flows from operating activities	41,097	(24,464)
Net cash flows from investing activities	(6,293)	(7,687)
Net cash flows from financing activities	(31,014)	48,679
Net changes in cash and cash equivalents	3,790	16,528

*** Post acquisition profit and cash flow impact

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

Impairment Loss on Investment in EPR

For the year ended 30 June 2022, EPR incurred a loss of RM8 million (2021: RM27 million) and also as a result of Covid-19 outbreak and deferment of commencement of park and ride operation, the Group performed an impairment assessment of the carrying amount of the investment in EPR by comparing the discounted future cash flows of the park and ride operation against the carrying amount. The assessment has shown that the recoverable amount of investment in EPR is lower than the carrying amount. The impairment test led to the recognition of an impairment loss of RM16 million (2021: RM27 million) in profit or loss.

The recoverable amount of investment in EPR is determined based on a VIU calculation, using cash flow projection from financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projection is 10.9% (2021: 5.6%).

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Impairment Loss on Investment in EPR (Cont'd)

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

	2022	2021
Pre-tax discount rate	10.9%	5.6%
Revenue growth rate	5.0%	5.0%
Terminal growth rate	1.4%	1.4%

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

	Change in assumption, holding other inputs constant	Additional impairment loss RM
2022		
Pre-tax discount rate	Increased by 1 percentage point	5.8 million
Commencement of operation	Delayed by 1 year	1.6 million
Revenue growth rate	Decreased by 1 percentage point	0.3 million
2021		
Pre-tax discount rate	Increased by 1 percentage point	8.8 million
Commencement of operation	Delayed by 1 year	0.6 million
Revenue growth rate	Decreased by 1 percentage point	0.3 million

Impairment Loss on Investment in Duke Dinings Sdn Bhd ("DDSB")

For the year ended 30 June 2022, the Company has fully impaired the investment in DDSB of RM30 million (2021: nil) due to losses incurred by DDSB and its net liability position as of 30 June 2022. The directors do not expect the investment in DDSB is recoverable in the foreseeable future.

14. INVESTMENT IN AN ASSOCIATE

	Group	
	2022 RM'000	2021 RM'000
Unquoted shares, at cost	3,581	3,581
Effect of foreign currency translation	96	-
Group's share of post-acquisition reserves	(28)	-
	3,649	3,581

14. INVESTMENT IN AN ASSOCIATE (CONT'D)

Details of the associate is as follows:

	Effective equity interest 2022 %	Effective equity interest 2021 %	Principal activities	Principal place of business and place of incorporation
MCC Land (TMK) Pte.Ltd.("MCC")	29	29	Real estate developer	Singapore

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

15. INVESTMENT IN A JOINT VENTURE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unquoted shares, at cost	#	*	#	-
Share of post-acquisition reserves	-	-	-	-
	-	-	-	-

* Represents RM70.
# Represents RM1.

Details of the joint venture is as follows:

	Effective equity interest 2022 %	Effective equity interest 2021 %	Principal activities	Principal place of business and place of incorporation
Medan Jutajaya	-	70	Inactive	Malaysia
Ekovest IWH Sdn Bhd	50	-	Inactive	Malaysia

(i) On 14 December 2021, Arah Kasturi Sdn Bhd ("AKSB"), a wholly-owned direct subsidiary of the Company, acquired additional 30 ordinary shares for total cash consideration of RM30 representing 30% of the issued and paid-up share capital in Medan Jutajaya. As such, Medan Jutajaya became a wholly-owned subsidiary of the Group. The financial effect arising from the change in stake in the joint venture is not material to the Group for the financial year ended 30 June 2022.

(ii) On 15 December 2021, the Company subscribed one (1) ordinary share representing 50% of the issued and paid-up share capital in Ekovest IWH Sdn Bhd for total cash consideration of RM1. The financial effect to the Group and the Company is immaterial.

16. OTHER INVESTMENTS

Group		2022 RM'000	2021 RM'000
Investment in unquoted redeemable preference share, at amortised cost	(a)	6,765	6,371
Less: Accumulated impairment losses		(6,765)	-
		-	6,371
Company			
Investment in Junior Bond, at amortised cost	(b)	292,195	271,908
Investment in warrants, at FVTPL	(c)	13,319	17,194
		305,514	289,102

(a) Investment in unquoted redeemable preference share

The Group subscribed 6,000,000 redeemable preference shares ("RPS") in Krillo Kakaw Sdn Bhd and Cocoa Vision Sdn Bhd.

The salient features of the RPS are as follows:

(i) The RPS has tenure of 5 years from date of issuance with redemption price equivalent to issue price; and

(ii) The RPS carry cumulative dividend at rate of 7% per annum throughout the entire tenure period. In the event that the subscriber becomes a shareholder of the issuers, the RPS cumulative dividend shall be reduced to 6% per annum.

(b) Investment in Junior Bond

The Company subscribed RM180 million Junior Bond from its subsidiary, Kesturi.

The salient features of the Junior Bond are as follows:

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

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

The principal is receivable at the maturity date of the Junior Bond. The coupon payment is paid semi-annually, commencing on 3 December 2020.

16. OTHER INVESTMENTS (CONT'D)

(c) Investment in warrants

The Company acquired 48,434,800 warrants in PLS ("PLS Warrant") for total consideration of RM1,133,000.

The salient feature of the warrant is that each PLS Warrant entitles the holder to subscribe for one (1) new ordinary share in PLS at the exercise price of RM0.80 at any time during the 10-year exercise period commencing 5 March 2020 up to 4 March 2030.

The fair value of the quoted warrants as at 30 June 2022 is RM13,319,000 (2021: RM17,194,000), based on the quoted market price at the reporting date included within level 1 of the fair value hierarchy.

17. PERFORMANCE DEPOSITS

Pursuant to the terms of the Privatisation Agreement dated 4 December 2002, the Group is required to pay YPJH a sum of RM2.5 million as security towards Aramijaya's performance in undertaking a major role in the proposed privatisation of forest plantation project ("performance deposits"), and a sum of RM5 million a year for the first ten years period commencing from the financial year ended 31 March 2003, being YPJH's minimum net profit entitlement.

In the event that the net profit entitlement payable to YPJH arising from its 30% equity participation is less than RM5 million in any of the first ten years period, YPJH shall be entitled to request from the subsidiary additional sum towards the performance deposit equivalent to the amount of the shortfall from the RM5 million payable. Accordingly, YPJH's minimum net profit entitlement for the first ten years period totalling RM50 million, inclusive of the deposit of RM2.5 million, have been recognised as performance deposits.

The minimum net profit entitlement of YPJH totalling RM50 million shall be recoverable by way of set-off against YPJH's future profit entitlement in respect of its 30% equity participation in the subsidiary over and above RM5 million in any financial year within the first ten years from the financial year ended 31 March 2003 and any profit entitlement of YPJH thereafter.

In the event that there is any outstanding balance of the performance deposit (including any additional sums added due to the shortfall from the RM5 million minimum net profit entitlement a year for the first ten years period) not set off due to insufficient profit entitlement at the end of the 60 years management period, YPJH shall not be required to refund the performance deposit (including any additional sums added) and the same shall be fully extinguished.

The YPJH's minimum net profit entitlement of RM50 million has been fully paid during the financial year ended 31 March 2015 mainly through cash payments and the issuance of redeemable convertible preference shares in the subsidiary.

18. TRADE AND OTHER RECEIVABLES

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Non-current				
Amount owing by a joint venture	-	119	-	119
Amount owing by a related party	922	1,150	922	1,150
Amount owing by an associate	17,851	17,387	-	-
Total non-current	18,773	18,656	922	1,269
Current				
Receivables from contracts with customers				
- third parties	63,843	51,838	-	53
- fund held by stakeholders	17,548	33,632	-	-
- related parties	1,188	3,079	21	48
Gross trade receivables	82,579	88,549	21	101
Less: Loss allowance	(3,413)	-	-	-
Trade receivables	79,166	88,549	21	101
Other receivables				
- third parties	75,862	59,419	64	94
- a joint venture	2	6,300	2	6,300
- related parties	17,211	6,813	109	111
	93,075	72,532	175	6,505
Less: Loss allowance	(4,191)	(3,287)	-	-
	88,884	69,245	175	6,505
Goods and Services Tax ("GST") recoverable	1,248	-	-	-
Prepayments	4,515	6,360	189	164
Deposits	32,651	16,580	11,282	118
Total current	206,464	180,734	11,667	6,888
Total	225,237	199,390	12,589	8,157

Non-current

The amounts owing by a joint venture, a related party and an associate included under non-current assets represent unsecured advances which are interest-free and not receivable within the next 12 months.

Current

Trade receivables comprise amounts receivable from progress billings made to customers on contract work performed, retention sums receivable, services rendered and goods sold to customers. Customers are granted normal credit periods from cash on delivery to 90 days (2021: cash on delivery to 90 days) and may be extended at the discretion of the management, while retention sums are receivable upon the expiry of the defect liability periods of the respective construction contracts. The defect liability periods of the construction contracts are between 12 and 24 months (2021: 12 and 24 months).

18. TRADE AND OTHER RECEIVABLES (CONT'D)

Current (Cont'd)

Amount owing by a joint venture represent unsecured advances which is interest-free and receivable within the next 12 months.

Amounts owing by related parties represent amounts owing by companies in which certain directors have financial interests, which are unsecured, interest-free and receivable on demand.

The currency profile of trade and other receivables are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
RM	199,609	175,202	12,589	8,157
United States Dollars ("USD")	823	241	-	-
Singapore Dollar ("SGD")	17,851	17,387	-	-
Chinese Yuan ("CNY")	6,954	6,560	-	-
	225,237	199,390	12,589	8,157

19. AMOUNTS OWING BY/TO SUBSIDIARIES

Amounts owing by subsidiaries included under non-current assets

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

Amounts owing by subsidiaries included under current assets

Company	2022 RM'000	2021 RM'000
Trade accounts	23	34
Unsecured advances bearing interest at nil (2021: 4.32%) per annum	-	16,274
Unsecured interest-free advances	28,461	413,363
	28,484	429,671

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

The unsecured advances are receivable on demand.

Amounts owing to subsidiaries included under non-current liabilities

The amounts owing to subsidiaries included under non-current liabilities represented trade accounts which were not repayable within the next 12 months.

19. AMOUNTS OWING BY/TO SUBSIDIARIES (CONT'D)

Amounts owing to subsidiaries included under current liabilities

Company	2022 RM'000	2021 RM'000
Trade accounts	989,699	1,097,812
Unsecured interest-free advances	5,329	36,627
	995,028	1,134,439

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	
	2022 RM'000	2021 RM'000
At 1 July	36,627	36,309
Cash flows:		
Advances received	-	24,665
Repayment	(11,298)	-
Non-cash:		
Dividend income	(20,000)	(40,000)
Transfer from amounts owing to subsidiaries to investment in subsidiaries	-	15,653
At 30 June	5,329	36,627

20. DEFERRED TAX ASSETS

	Group	
	2022 RM'000	2021 RM'000
At 1 July	21,125	17,942
Acquisition of subsidiary (note 57.1)	-	195
Recognised in profit or loss	3,126	2,988
At 30 June	24,251	21,125
The deferred tax assets comprise:		
Deductible temporary differences		
- difference between net carrying amount and tax written down value of property, plant and equipment	(72)	183
- unabsorbed tax losses	4,734	5,323
- unabsorbed capital allowance	16,311	13,155
- future deductible development costs	2,528	1,320
- others	750	1,144
	24,251	21,125

20. DEFERRED TAX ASSETS (CONT'D)

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

Deferred tax assets for the following temporary differences and unused tax credits are not recognised in the financial statements:

Group	2022 RM'000	2021 RM'000
Unabsorbed tax losses	474,567	378,988
Unabsorbed capital allowance	2,958	2,349
Other deductible temporary differences	12,680	10,911
	490,205	392,248

Pursuant to the applicable tax legislation, the unrecognised tax losses will expire as follows:

Group	2022 RM'000	2021 RM'000
Financial year:		
Expiring in 2025	-	6,901
Expiring in 2026	-	82,464
Expiring in 2027	-	117,062
Expiring in 2028	6,901	157,642
Expiring in 2029	91,218	8,755
Expiring in 2030	120,170	3,108
Expiring in 2031	159,768	2,125
Expiring in 2032	96,510	931
	474,567	378,988

Under the Malaysian Finance Act 2021 which was gazetted on 31 December 2021, the existing time limit for the Group to carry forward its accumulated unutilised tax losses has been extended for a further 10 years. Accordingly, any accumulated unabsorbed tax losses brought forward from year of assessment 2018 onwards can be carried forward for 10 consecutive years of assessment (i.e from year of assessments 2019 to 2028 and so on).

21. INVENTORIES

	Group 2022 RM'000	2021 RM'000
Completed properties	179,882	205,863
Food and beverages	469	224
Sawn timbers	28	32
Consumables	4,420	2,170
Finished goods - durian related	18,875	15,367
	203,674	223,656

The amount of inventories recognised as an expense in the cost of sales of the Group is RM55,012,000 (2021: RM47,157,000).

22. CONTRACT ASSETS

		Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Contract assets					
- Property development contracts	(a)	331	331	-	-
- Construction contracts	(b)	61,102	73,256	135,705	386,753
		61,433	73,587	135,705	386,753

(a) Property development contracts

Group	2022 RM'000	2021 RM'000
At 1 July	331	4,475
Revenue recognised during the year (note 39)	-	11,380
Progress billings issued during the year	-	(15,524)
At 30 June	331	331

Revenue relating to property development contracts is recognised over time, while the customers pay according to contractual milestones.

A contract asset is recognised in respect of the right to consideration for work performed which has not billed at the reporting date.

(b) Construction contracts

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 July	73,256	26,494	386,753	63,759
Acquisition of subsidiary (note 57.1)	-	(525)	-	-
Revenue recognised during the year	24,177	93,771	159,605	806,430
Progress billings issued during the year	(36,331)	(46,484)	(410,653)	(483,436)
At 30 June	61,102	73,256	135,705	386,753

Revenue relating to construction contracts is recognised over time, while the customers pay according to contractual milestones.

A contract asset is recognised in respect of the right to consideration for work performed which has not billed at the reporting date.

23. CONTRACT COSTS

Group		2022 RM'000	2021 RM'000
- property development contracts costs	(a)	-	-
- pre-contract cost	(b)	2,650	2,502
		2,650	2,502

(a) Property development contracts costs

Group	2022 RM'000	2021 RM'000
At 1 July	-	1,856
Transfer from property development costs (note 24)	-	11,706
Costs recognised as expenses in the current year (note 40)	-	(13,562)
At 30 June	-	-

(b) Pre-contract cost

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 July	2,502	2,216	-	-
Additions	148	746	-	460
Written off	-	(460)	-	(460)
At 30 June	2,650	2,502	-	-

24. PROPERTY DEVELOPMENT COSTS

	Group	
	2022 RM'000	2021 RM'000
Freehold land, at cost	58,703	58,703
Development costs	58,706	273,685
At 1 July	117,409	332,388
Costs incurred during the year		
- Development costs	488	2,590
Transfer to inventories (note 21)	-	(205,863)
Transfer to contract costs (note 23 (a))	-	(11,706)
At 30 June	117,897	117,409

24. PROPERTY DEVELOPMENT COSTS (CONT'D)

Represents development costs attributable to development units that are unsold at reporting date. These costs are expected to be recovered and will be transferred to contract costs when the control of the development units is transferred to customers.

The freehold land is charged to licensed banks for banking facilities granted to the Group as disclosed in notes 31 and 38 to the financial statements.

25. INVESTMENT FUNDS

Investment funds which are carried at fair value represent funds placed with licensed fund managers. The portfolio of investments 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	2022 RM'000	2021 RM'000
At 1 July	988,888	1,591,322
Additions	474,226	460,411
Redemptions	(789,617)	(1,063,057)
Change in fair value	2,930	212
At 30 June	676,427	988,888

26. SHORT TERM DEPOSITS

The short-term deposits are placed with licensed banks and earn interests between 1.18% and 2.40% (2021: 1.10% and 3.35%) per annum. The short-term deposits have maturity periods of less than one year.

Included in short term deposits of the Group is an amount of RM4,582,000 (2021: RM6,189,000), which have been charged to banks as security for banking facilities granted to the Group as disclosed in notes 32(a) and 38(b) to the financial statements.

Included in short term deposits of the Group is an amount of RM163,301,000 (2021: RM161,137,000) maintained in Designated Account in accordance with the shareholders' agreement entered into between the Group and a minority shareholder of a subsidiary company on 13 February 2017 ("SHA").

The deposits maintained in the Designated Account can only be utilised by the Group upon fulfilment of certain terms and conditions stated in the SHA.

27. CASH AND BANK BALANCES

Cash and bank balances of the Group include an amount of RM245,000 (2021: RM246,000) maintained in Housing Development Account ("HDA"). Withdrawals from the HDAs are restricted in accordance with the Housing Developers (Housing Development Account) Regulations, 1991.

Included in cash and bank balances of the Group and of the Company are amounts of RM6,838,000 and RM3,694,000 (2021: RM4,500,000 and nil), respectively, maintained in Designated Bank Accounts for which utilisation is restricted for the payments of principal and interest or future profits in respect of the bank term loans and medium-term notes of the Group and of the Company.

Included in cash and bank balances of the Group is an amount of RM75,000 (2021: RM82,000) maintained in Designated Account in accordance with the SHA. The cash and bank balances maintained in Designated Account can only be utilised by the Group upon fulfilment of certain Group terms and conditions stated in the SHA.

Included in cash and bank balances of the Group is a short-term deposits of RM30,175,000 (2021: nil) which earn interest rates ranged from 1.25% to 1.5% per annum (2021: nil) and mature at period of not more than 7 days (2021: nil).

The currency profile of cash and bank balances are as follow:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
RM	78,467	182,794	9,455	8,992
USD	-	4,613	-	-
SGD	3	-	-	-
	78,470	187,407	9,455	8,992

28. SHARE CAPITAL

	Group and Company			
	2022		2021	
	Number of shares	Amount RM'000	Number of shares	Amount RM'000
Issued and fully paid:				
Ordinary share				
At 1 July	2,695,828,002	1,138,871	2,654,828,002	1,117,961
Issued pursuant to private placement	-	-	41,000,000	20,910
At 30 June	2,695,828,002	1,138,871	2,695,828,002	1,138,871

During the year ended 30 June 2021, the Company issued 41,000,000 new ordinary shares at RM0.51 per share for total consideration of RM20,910,000 pursuant to private placement.

29. RESERVES

(a) Asset revaluation reserve

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

(b) Translation reserve

Translation reserve represents foreign exchange differences arising from the translation of foreign operations.

30. LEASE LIABILITIES

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Non-current	10,155	12,258	243	516
Current	6,973	7,308	274	310
	17,128	19,566	517	826

The lease payments are discounted at rates between 2.00% and 7.75% (2021: 2.54% and 6.54%) per annum.

The changes in leases liabilities are as follows:

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
At 1 July	19,566	19,975	826	1,957
Cash flows:				
Payment of lease liabilities	(6,648)	(12,861)	(309)	(311)
Payment of lease interest	(823)	(1,025)	(34)	(45)
Non-cash:				
Addition of right-of-use assets	4,050	5,219	-	-
Acquisition of subsidiaries (note 57.1)	1,573	9,341	-	-
Transfer from deposit paid	-	(775)	-	(775)
Lease rebate and modification	(1,413)	(1,285)	-	-
Interest expense	823	977	34	-
At 30 June	17,128	19,566	517	826

Certain property leases contain both fixed and variable lease payment terms. The variable lease payments are linked to revenue generated by the leased properties. The variable lease payments of the Group is immaterial.

The lease payments associated to short-term leases or leases of low-value assets are recognised as an expense on a straight-line basis over the lease term. No right-of-use assets and lease liabilities are recognised for these leases. At the reporting date, the Group and the Company do not have significant lease commitment for short-term leases.

Certain leases of retail store contain an option exercisable by the Group. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options.

Total cash outflows for leases during the current financial year (including fixed, variable and short-term lease payments) of the Group and of the Company amounted to RM10,962,000 and RM361,000 (2021: RM16,269,000 and RM374,000) respectively.

31. BANK TERM LOANS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Bank term loans bearing interest rates at 2.20% below base lending rate [effective rates between 3.27% and 3.52% (2021: 3.23% and 3.27%) p.a.]	11,194	10,980	-	-
Bank term loans bearing interest rates at 1.75% above cost of fund [effective rates between 4.14% and 4.32% (2021: 4.18% and 4.99%) p.a.]	230,072	255,813	130,027	152,736
Bank term loans bearing interest rates at 0.50% above base lending rate [effective rates between 5.97% and 6.22% (2021: 5.85% and 5.98%) p.a.]	66,922	68,994	-	-
Bank term loans bearing interest rates at 0.75% above base lending rate [effective rate between 6.22% and 6.47% (2021: 5.26% and 6.35%) p.a.]	9,024	9,614	-	-
Bank term loan bearing interest rates at 2.25% above cost of fund [effective rate at 6.45% (2021: 5.88%) p.a.]	12,000	27,000	-	-
Bank term loans bearing interest rates at 0.30% above base lending rate [effective rate between 5.80% and 6.05% (2021: 5.80% and 6.90%) p.a.]	48,478	57,090	-	-
Bank term loans bearing interest rates at 1.00% above base lending rate [effective rate at 6.50% (2021: 6.48% and 6.55%) p.a.]	14,273	15,689	-	-
Bank term loans bearing fixed interest rates at 3.00% (2021: 3.00%) p.a.	14,310	13,976	-	-
Bank term loan bearing interest rates at 3.75% above 90-days LIBOR [effective rate between 3.87% and 4.26% (2021: 3.94% and 3.98%) p.a.]	46,884	56,264	-	-
	453,157	515,420	130,027	152,736
Repayments due within 12 months (included in current liabilities, note 38)	(70,068)	(64,219)	(28,281)	(23,082)
Repayments due after 12 months	383,089	451,201	101,746	129,654

The bank term loans are secured by a first party legal charge over certain freehold land and buildings under investment properties, right-of-use assets, land held for property development, bearer plants and property development costs of the Group as disclosed in notes 6, 7, 8, 10 and 24 to the financial statements and charge over the Designated Bank Accounts and a deed of assignment of rental proceeds.

32. MEDIUM TERM NOTES

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Secured					
Islamic medium term notes					
- Kesturi	(a)	1,813,902	1,843,338	-	-
- LDF3	(b)	3,606,348	3,604,385	-	-
- the Company	(c)	146,799	-	146,799	-
		5,567,049	5,447,723	146,799	-
Repayments due within 12 months		(120,000)	(80,000)	-	-
Repayments due after 12 months		5,447,049	5,367,723	146,799	-

(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 RM2.30 billion 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 4.82% (2021: 4.80%) per annum.

(b) The amount represents IMTN issued by LDF3, a wholly-owned subsidiary of the Company. LDF3 issued IMTN pursuant to the Sukuk issuance programme under the Shariah principle of Wakalah Bi Al-Istithmar ("Sukuk Wakalah"). The IMTN with nominal value up to RM3.64 billion was constituted by a Trust Deed dated 23 August 2016 between LDF3 and the trustee for the holders of the IMTN.

The IMTN was issued in 16 tranches, with maturities commencing from 2024 to 2039. The profit payment is due every six months, commencing from the issue date of the relevant tranche of the IMTN. The weighted average effective profit payment rate is 6% (2021: 6%) per annum.

(c) The amount represents IMTN issued by the Company pursuant to the Sukuk issuance programme under the Shariah principle of Murabahah via Tawarruq arrangement ("Sukuk Murabahah"). The IMTN with nominal value up to RM1.30 billion was constituted by a Trust Deed dated 8 December 2021 between the Company and the trustee for the holders of the IMTN.

The first tranche of IMTNs was issued with maturities commencing from 2023 to 2029. 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% (2021: nil) per annum.

The changes in medium term notes are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 July	5,447,723	5,430,483	-	-
Cash flows:				
Drawdown	146,799	-	146,799	-
Repayments	(80,000)	(50,000)	-	-
Interest paid	(327,426)	(326,769)	(3,821)	-
Non-cash:				
Finance cost	379,953	394,009	3,821	-
At 30 June	5,567,049	5,447,723	146,799	-

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33. REIMBURSABLE INTEREST ASSISTANCE

On 19 December 2016, LDF3, a wholly-owned subsidiary of the Company, entered into Reimbursable Interest Assistance ("RIA") Agreement with the Government for RIA facility of up to RM560 million to pay part of the financing cost payable by LDF3 in relation to the construction of SPE Project.

RM460 million out of the total drawdown of RM560 million bears interest at 2% per annum (2021: 2%). The repayment of the RIA commences on 23 August 2024, with 43 semi-annual instalments.

The fair value of the RIA is estimated using the prevailing market interest rate of 6% (2021: 6%) per annum for an equivalent borrowing. The difference between the proceeds received and the fair value of the RIA is recognised as deferred income in note 34 to financial statements.

The RIA is secured by a debenture incorporating fixed and floating charges over all the LDF3's assets, rights, undertakings and interests, both present and future.

The change in RIA is as follows:

Group	2022 RM'000	2021 RM'000
At 1 July	304,162	286,577
Non-cash:		
Finance cost	18,665	17,585
At 30 June	322,827	304,162

34. DEFERRED INCOME

Group	2022 RM'000	2021 RM'000
Government grant		
Cost		
At 1 July/30 June	299,251	299,251
Accumulated amortisation		
At 1 July	(23,717)	(14,886)
Charge for the year	(9,911)	(8,831)
At 30 June	(33,628)	(23,717)
Net carrying amount	265,623	275,534

Deferred income relates to government grant arising from RIA facility as disclosed in note 33 to the financial statements.

35. PROVISION FOR HEAVY REPAIRS

Group	2022 RM'000	2021 RM'000
At 1 July	10,912	8,601
Provision during the year	2,046	1,855
Unwinding of discount	631	456
At 30 June	13,589	10,912

35. PROVISION FOR HEAVY REPAIRS (CONT'D)

Provision for heavy repairs relates to expected future costs of repairs of bridges and embankments, rectification of settlements and pavement rehabilitation of medium and high traffic sections along the highways and is provided based on past experience of the level of repair and level of usage of the highway. Assumptions used to calculate the provision for heavy repairs were based on projected traffic volume prepared by independent traffic consultants. The traffic volume projection is independently reviewed on a periodic basis.

36. DEFERRED TAX LIABILITIES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 July	442,026	267,570	1,112	1,162
Recognised in profit or loss	66,898	50,014	(76)	(50)
Acquisition of subsidiaries (note 57.1)	46	124,442	-	-
At 30 June	508,970	442,026	1,036	1,112
The deferred tax liabilities comprise:				
Taxable temporary differences				
- relating to revaluation of properties	25,611	24,618	854	890
- between net carrying amount and tax written down value of concession assets and property, plant and equipment	210,813	131,698	45	63
- between carrying amount and tax written down value of lease liabilities	29,096	31,441	137	159
- relating to fair value adjustments on assets and liabilities of subsidiaries acquired	210,602	219,058	-	-
- between carrying amount and tax written down value of bearer plants	32,848	35,211	-	-
	508,970	442,026	1,036	1,112

37. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Trade payables				
- third parties	463,807	431,730	-	-
- related parties	98,634	100,196	75,048	80,254
	562,441	531,926	75,048	80,254
Other payables				
- third parties	30,884	18,632	1,206	1,285
- related parties	1,693	3,607	32	-
	32,577	22,239	1,238	1,285
Deposits	10,599	11,242	-	-
Dividend payable	1,005	-	-	-
Accruals	18,902	16,194	3,201	837
Profit elements payable on IMTNs	84,277	84,547	-	-
Total current	709,801	666,148	79,487	82,376

37. TRADE AND OTHER PAYABLES (CONT'D)

Trade payables comprise amounts outstanding from trade purchases, sub-contractors claim on contract works performed and retention sums payable. The normal credit periods granted by trade suppliers and sub-contractors range from 30 to 90 days (2021: 30 to 90 days) whereas retention sums are payable upon the expiry of the defect liability periods of the respective construction contracts. The defect liability periods of the construction contracts are between 12 and 24 months.

Included in other payables amount are payable for liquidated and ascertained damages totalling RM451,000 (2021: RM470,000).

Amounts owing to related parties under other payables represent amounts owing to companies in which certain directors have financial interests, which are unsecured, interest-free and repayable on demand.

Accruals mainly consist of construction costs yet to be billed by sub-contractors.

The change in non-trade amounts owing to related parties are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 July	3,607	4,537	-	-
Cash flow:				
(Repayment to)/Advances from	(1,914)	(930)	32	-
At 30 June	1,693	3,607	32	-

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

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 July	84,547	84,547	-	-
Cash flow:				
Repayments of profit elements on IMTNs	(327,664)	(326,603)	(3,821)	-
Non-cash:				
Profit elements on IMTNs charged by banks	327,394	326,603	3,821	-
At 30 June	84,277	84,547	-	-

The currency profile of trade and other payables are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
RM	704,242	663,971	79,487	82,376
USD	5,559	2,177	-	-
	709,801	666,148	79,487	82,376

38. BANK BORROWINGS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Secured bank overdrafts bearing interest rates between 0.50% and 1.75% above base lending rate [effective rates between 5.97% and 7.64% (2021: 6.47% and 7.75%) p.a.]	44,569	37,810	16,835	15,787
Unsecured bank overdraft bearing interest rate at 1.50% above base lending rate [effective rate at 7.22% (2021: 7.10%) p.a.]	2,492	1,430	2,492	1,429
	47,061	39,240	19,327	17,216
Secured revolving credits bearing interest rates between 1.25% and 1.60% above cost of fund [effective rates between 3.34% and 5.63% (2021: 2.50% and 5.35%) p.a.]	452,328	478,579	370,000	365,000
Secured trade working capital financing bearing interest rates at 1.50% above cost of fund [effective rates at 3.55% (2021:3.55%) p.a.]	3,143	635	-	-
	502,532	518,454	389,327	382,216
Bank term loans (note 31)	70,068	64,219	28,281	23,082
	572,600	582,673	417,608	405,298

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

(a) a first party legal charge over the freehold land under investment properties, right-of-use assets, land held for property development, bearer plants and property development costs of the Group as disclosed in notes 6, 7, 8, 10 and 24 to the financial statements and a deed of assignment of rental proceeds from the land;

(b) short term deposits of the Group as disclosed in note 26 to the financial statements;

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

(d) corporate guarantee by the Company; and

(e) joint and several guarantee by a director of a subsidiary.

38. BANK BORROWINGS (CONT'D)

The changes in revolving credits and bank term loans (included current and non-current liabilities, note 31) are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 July	994,634	734,637	517,736	345,000
Cash flows:				
Drawdown of bank borrowings	114,471	248,716	110,000	178,839
Repayment of bank borrowings	(204,865)	(119,642)	(128,292)	(6,941)
Interest paid	(39,822)	(32,930)	(22,395)	(17,890)
Non-cash:				
Acquisition of subsidiary (note 57.1)	-	125,075	-	-
Interest expense	41,159	37,712	22,978	18,728
Unrealised loss on foreign exchange	3,051	1,066	-	-
At 30 June	908,628	994,634	500,027	517,736

The currency profile of revolving credits and bank term loans (included current and non-current liabilities, note 31) are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
RM	861,744	938,370	500,027	517,736
USD	46,884	56,264	-	-
	908,628	994,634	500,027	517,736

39. REVENUE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue from contracts with customers				
(i) Recognised over time				
- construction contract revenue	380,779	1,092,375	159,605	806,430
- property development revenue (note 22(a))	-	11,380	-	-
(ii) Recognised at point in time				
- sale of completed properties	35,604	-	-	-
- food and beverages	9,499	6,315	-	-
- plantation products and produces	167,206	62,922	-	-
- renewable energy income	236	310	-	-
- toll revenue	191,720	154,660	-	-
	785,044	1,327,962	159,605	806,430
Hire of machineries and motor vehicles	104	484	97	101
Rental income from investment properties	23,352	25,889	64	140
Dividend income from subsidiaries	-	-	50,000	40,000
	808,500	1,354,335	209,766	846,671

39. REVENUE (CONT'D)

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are, as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue recognised over time				
- within one year	578,248	941,533	171,082	330,686
- one year to five years	60,602	59,740	-	-
	638,850	1,001,273	171,082	330,686

Financing component is not recognised at contract inception, as management expects that the period between when the promised good or service is transferred to a customer and when the customer pays for that good or service will be one year or less except for immaterial financing component as disclosed in note 18.

40. COST OF SALES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Construction contract costs	326,397	852,707	152,186	787,018
Property development costs (note 23(a))	-	13,562	-	-
Cost of completed properties sold	25,981	-	-	-
Toll operations costs	37,200	32,493	-	-
Renewable energy costs	228	179	-	-
Food and beverages	3,548	2,610	-	-
Plantation products and produces	109,199	44,547	-	-
Hire of machineries and motor vehicles costs	33	28	33	28
Investment properties costs	22,657	13,772	217	211
	525,243	959,898	152,436	787,257

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

41. OTHER INCOME AND GAINS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Amortisation of deferred income	9,911	8,831	-	-
Compensation of shortfall from profit guarantee (note a)	8,084	2,989	-	-
Gain on remeasurement of retained equity interest in a former associate	-	17,053	-	-
Net gain on disposals of property, plant and equipment	591	596	-	-
Net fair value gain on:				
- investment funds	2,930	212	-	-
- investment properties	2,970	-	-	-
- other investments	-	-	-	16,061
Interest income from:				
- investment funds	11,499	28,095	-	-
- other investments	394	371	-	-
- short term deposits	4,647	7,872	271	2,885
- Junior Bond	-	-	20,287	14,827
- subsidiary	-	-	-	703
- others	-	-	169	-
Net gain from derecognition of financial assets measured at amortised cost	-	-	28,645	-
Lease rebate and modification	1,413	1,261	-	-
Reversal of GST payable	3,131	-	-	-
Others	12,367	14,594	13	1,305
	57,937	81,874	49,385	35,781
Less:				
Amounts capitalised in:				
- concession assets	(19,401)	(33,749)	-	-
	38,536	48,125	49,385	35,781

(a) Compensation of shortfall from profit guarantee

Pursuant to the Profit Guarantee Stakeholder Agreement, the non-controlling interest shareholder (hereby also referred as the Vendor) of Dulai had provided a minimum Guaranteed Profit of amounting to RM10 million for a period of three (3) years covering from 31 March 2020 to 31 March 2022 ("guaranteed financial years"), whereby, at the lapse of guaranteed financial years, any shortfall from the guaranteed profit will be compensated by the Vendor.

In the previous financial year, the directors of the PLS and the Vendor have entered into a Supplemental Profit Guarantee Stakeholder Agreement to vary the terms of the abovesaid Profit Guarantee Stakeholder Agreement whereby an agreed interim compensation of approximately RM3 million pursuant to the shortfall in profit guarantee calculated up to 31 March 2021 has been paid and have mutually agreed that the remaining profit guarantee balance is to be approximately RM7.5 million after taking into consideration certain agreed adjustments, and with an extension of time to 31 March 2023 provided to fulfil the remaining obligations under the abovementioned agreement.

During the financial year, the directors of the PLS and the Vendor have agreed to a compensation of approximately RM8 million pursuant to the shortfall in profit guarantee calculated up to 31 March 2022 and the calculation of the shortfall has adjusted an impairment loss from uncollected sales which occurred during the financial period ended 30 June 2021. As at 30 June 2022, PLS had received the said shortfall payment of approximately RM8 million from the Vendor and, as stated in the Supplemental letter dated 5 May 2022, the remaining profit guarantee amounting to approximately RM391,000 shall be fulfilled by the Vendor by end of 31 March 2023.

42. FINANCE COSTS

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Finance costs on:				
- bank borrowings	41,159	37,712	22,978	18,728
- bank overdraft	2,500	1,991	1,271	1,004
- medium term notes	379,953	394,009	3,821	-
- lease liabilities	823	977	34	-
- fair value loss on financial assets measured at amortised cost	-	2,009	-	14,405
- RIA	18,665	17,585	-	-
- others	787	619	-	-
	443,887	454,902	28,104	34,137
Less:				
Amounts capitalised in:				
- bearer plants	(64)	(71)	-	-
- concession assets	(223,334)	(238,111)	-	-
	220,489	216,720	28,104	34,137

43. (LOSS)/PROFIT BEFORE TAX

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
(Loss)/Profit before tax is stated after charging/(crediting):				
Auditors' remuneration				
- statutory audit				
- Mazars PLT	458	383	150	110
- Firms other than Mazars PLT	267	129	-	-
- Underprovision in prior year	34	10	30	10
- other assurance and related serices				
- Mazars PLT	34	59	5	5
- Firms other than Mazars PLT	55	23	30	-
Amortisation of				
- concession assets	27,822	24,342	-	-
- intangible assets	-	78	-	-
- bearer plants	12,309	8,278	-	-
Bad debts written off	3,090	1,850	292	299
Bearer plants written off	2,963	-	-	-
Biological assets written off	237	1	-	-
Contract costs written off	-	460	-	460
Depreciation				
- property, plant and equipment	12,972	15,321	710	756
- right-of-use assets	8,127	7,829	401	430
Direct operating expenses of investment properties				
- revenue generating	7,495	4,335	18	26
- non-revenue generating	4,483	2,256	197	185

43. (LOSS)/PROFIT BEFORE TAX (CONT'D)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
(Loss)/Profit before tax is stated after charging/(crediting): (Cont'd)				
Fair value loss/(gain) on				
- biological assets	4,324	(1,349)	-	-
- other investments	-	-	3,875	-
Intangible assets written off	212	-	-	-
Loss on disposal of property, plant and equipment	-	-	44	47
Impairment loss on				
- investment in subsidiaries	-	-	45,769	27,137
- intangible assets	-	6,297	-	-
- concession assets	7,494	25,578	-	-
- right-of-use assets	1,741	4,754	-	-
- property, plant and equipment	626	3,993	-	-
- bearer plants	-	240	-	-
- other investments	6,765	-	-	-
Inventory written off	-	223	-	-
Loss allowance on				
- trade receivables	3,413	-	-	-
- other receivables	904	1,420	-	-
Net fair value loss in investment properties	-	26,527	-	-
Expenses relating to short-term leases	3,491	2,383	18	18
Property, plant and equipment written off	26	344	-	-
Provision for heavy repairs	2,046	1,855	-	-
Loss on foreign exchange				
- realised	237	631	-	-
- unrealised	2,892	908	-	-

44. TAX EXPENSE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Malaysian taxation				
- current	15,453	61,254	3,061	5,813
- deferred	24,451	46,813	(64)	179
	39,904	108,067	2,997	5,992
Under/(Over) estimated in prior years				
- current	3,708	(7,324)	3,595	302
- deferred	39,321	213	(12)	(229)
	43,029	(7,111)	3,583	73
	82,933	100,956	6,580	6,065

44. TAX EXPENSE (CONT'D)

The reconciliations between the tax expense and the accounting (loss)/profit excluding share of results of associate and joint venture are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Accounting (loss)/profit	(40,485)	119,465	14,320	15,840
Tax at the applicable tax rate of 24% (2021: 24%)	(9,716)	28,672	3,437	3,802
Tax effects of:				
- non-deductible expenses	32,182	49,684	18,445	20,162
- non-taxable income	(3,175)	(33,376)	(18,885)	(17,972)
Difference between corporate tax rate and RPGT rate applied in the computation of deferred tax on fair value gain on investment properties	1,119	(2,155)	-	-
Tax incentive	(4,016)	(3,151)	-	-
Deferred tax assets not recognised	23,510	6,192	-	-
Reversal of deferred tax assets previously recognised	-	62,201	-	-
Under/(Over) estimated in prior years	43,029	(7,111)	3,583	73
Tax expense for the year	82,933	100,956	6,580	6,065

45. EARNINGS PER SHARE

	Group	
	2022	2021
Net (loss)/profit attributable to the owners of the Company (RM'000)	(125,179)	43,394
Weighted average number of ordinary shares ('000)	2,695,828	2,685,718
(Loss)/Earnings per shares for net (loss)/profit attributable to the owners of the Company - basic and diluted	(4.64) sen	1.62 sen

46 DIVIDEND

	Group and Company	
	2022 RM'000	2021 RM'000
In respect of the financial year ended 30 June 2021:		
First and final single-tier dividend of 0.5 sen per ordinary share: - Payment in cash	-	13,479

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

47. EMPLOYEES BENEFITS EXPENSE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Salaries, wages, allowances and bonuses	57,487	49,173	4,494	3,851
Defined contribution plan - EPF contributions	4,401	3,762	393	327
Social security costs	638	600	25	25
Other benefits expenses	899	1,709	173	1,062
	63,425	55,244	5,085	5,265

48. RELATED PARTY DISCLOSURES

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

Related parties also include key management personnel defined as these persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly. The key management personnel's compensation is disclosed in note 49 to the financial statements.

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

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

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

(iii) Astana Setia Sdn Bhd, Lim Seong Hai Lighting Sdn Bhd and Besteel Engtech Sdn Bhd are related to Tan Sri Datuk Seri Lim Keng Cheng and Lim Ding Shyong; and

(iv) Ekovest Holdings Sdn Bhd is related to Tan Sri Dato' Lim Kang Hoo and Dato' Lim Hoe.

48. RELATED PARTY DISCLOSURES (CONT'D)

Other than those disclosed elsewhere in the financial statements, 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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Purchases of building/construction materials	6,562	6,754	-	-
Rental expenses of machineries and motor vehicles	1,145	1,063	-	-
Rental expenses of premises	759	817	422	422
Purchase of property, plant and equipment	739	823	125	-
Sales of property, plant and equipment	75	708	-	-
Construction services received	31,518	110,896	-	-
Contract works for plantation related activities	8,108	-	-	-
Rental income of machineries and motor vehicles	1,142	70	-	-
Rental income of premises	241	651	56	107
Project management fee income	55	60	-	-
Sales of durian product	533	547	-	-
Purchases of durian product	509	-	-	-
Settlement of debts via transfer of investment properties	-	2,258	-	-

Outstanding balances in respect of the above transactions are disclosed in notes 18 and 37 to the financial statements.

(b) Transactions with subsidiaries:

	Company	
	2022 RM'000	2021 RM'000
Progress billings for construction works billed to subsidiaries	410,653	483,436
Sub-contractor claims charged by subsidiaries	157,421	821,299
Interest income from a subsidiary	-	703
Rental income of machineries	97	101
Dividend income from subsidiaries	50,000	40,000
Bad debts written off	227	299

Outstanding balances in respect of the above transactions are disclosed in note 19 to the financial statements.

49. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel refer to the directors of the Company and other key management personnel (i.e. to the directors of subsidiary companies and certain members of senior management of the Group).

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

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Directors of the Company				
Short-term benefits				
- directors' fees	355	300	270	270
- other remunerations (salaries, allowances, bonuses and benefits-in-kind)	2,422	2,600	1,203	1,025
	2,777	2,900	1,473	1,295
Post-employment benefits - defined contribution plan	129	145	83	76
	2,906	3,045	1,556	1,371
Other key management personnel				
Short-term benefits				
- director's fees	745	90	-	-
- other remunerations (salaries, allowances, bonuses, and benefit-in-kind)	3,790	1,517	-	-
Post-employment benefits - defined contribution plan	344	120	-	-
	4,879	1,727	-	-
Total	7,785	4,772	1,556	1,371

50. NOTE TO STATEMENTS OF CASH FLOWS

Purchase of property, plant and equipment and right-of-use assets

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Aggregate cost of property, plant and equipment acquired	7,419	9,548	156	350
Aggregate cost of right-of-use assets acquired	4,525	5,219	-	-
Financed via lease liabilities	(4,050)	(5,219)	-	-
Deposits paid in the prior year	-	(6)	-	-
Cash paid during the financial year	7,894	9,542	156	350

Purchase of investment properties

	Group	
	2022 RM'000	2021 RM'000
Aggregate cost of investment properties acquired (note 6)	599	21,479
Less:		
Settlement of debts via transfer of investment properties	-	(12,670)
Cash paid during the financial year	599	8,809

Additions to bearer plants

	Group	
	2022 RM'000	2021 RM'000
Aggregate cost of bearer plants acquired (note 10)	3,393	2,878
Less:		
Amortisation of right-of-use assets (note 7)	(170)	(93)
Depreciation of property, plant and equipment (note 5)	(139)	(87)
Interest capitalised (note 42)	(64)	(71)
Cash paid during the financial year	3,020	2,627

Additions to biological assets

	Group	
	2022 RM'000	2021 RM'000
Aggregate cost of biological assets acquired (note 11)	258	161
Less:		
Depreciation of property, plant and equipment (note 5)	(24)	(16)
Cash paid during the financial year	234	145

51. CAPITAL COMMITMENT

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Capital expenditure in respect of:				
- purchase of land and investment properties, approved and contracted for	8,531	10,350	-	-
- purchase of property, plant and equipment and motor vehicles, approved and contracted for	1,907	-	-	-
- concession assets, approved and contracted for	138,521	256,686	-	-

52. CONTINGENT LIABILITIES

The Josu proceedings

On 18 December 2002, PLS had terminated a sub-contractor, Josu Engineering Construction Sdn. Bhd. ("the Defendant"), for failure to complete certain sub-contracted works in accordance with the agreed schedule. The termination was accepted by the Defendant, and in accordance with the terms of the subcontract, PLS engaged other contractors to complete the said sub-contracted works.

On 6 August 2007, PLS filed a suit against the Defendant, claiming a sum of RM10,303,000 for damages incurred by PLS in completing the sub-contracted works. The Defendant is counter-claiming a sum of RM11,612,000 being damages allegedly suffered.

On 21 November 2012, PLS had filed an application to amend its writ and statement of claim to include a prayer for pre-judgment interests and was allowed by the High Court and the matter was fixed for full trial.

However, on 5 December 2012, both parties have entered into a Consent Order to refer the matter to an arbitrator for determination. The Arbitrator had decided based on the Interim Award on Liability dated 13 November 2017 ("Interim Award"), amongst others, that neither party is entitled to terminate the sub-contract and that PLS's termination of the sub-contract was wrongful and therefore not valid.

The hearing dates in respect of quantum have yet to be fixed. On 22 December 2017, an application to challenge had been made to High Court, Kuala Lumpur to refer questions of law arising from the Interim Award pursuant to Section 42 of the Arbitration Act 2005. On 23 September 2019 both the parties complete their oral submission.

On 27 November 2019, the learned Judicial Commissioner was inclined to agree with the Defendant and dismissed the PLS's application with costs subject to allocator fees. The learned Judicial Commissioner was of the view that the plaintiff's questions of law posed in its application were not within the context of section 42 of the Arbitration Act 2005 and had no merits.

52. CONTINGENT LIABILITIES (CONT'D)

The Josu proceedings (Cont'd)

On 16 October 2020, the Court informed that the hearing date for the appeal on 22 October 2020 has been vacated and a case management by way of e-Review was fixed on 3 November 2020.

On 3 November 2020, a case management was conducted by way of e-Review and the Court had proceeded to fix the matter for hearing on 17 September 2021.

On 17 September 2021, the Court fixed a new hearing date to 26 November 2021 with no further case management as both parties have filed their respective written submission.

On 26 November 2021, the following related appeals came up for hearing together before the Court of Appeal Construction Panel:

(i) the appeal against the High Court's dismissal of the Defendant's striking out application ("Josu's Appeal"). By way of brief background, the Defendant had filed an interlocutory application during the High Court proceeding to strike out PLS's application filed pursuant to Section 42 of the Arbitration Act 2005 to refer questions of law arising from the interim arbitral Award in question ("PLS's Substantive Application"). The said striking out application was dismissed by the learned Judicial Commissioner (as she then was) and the Defendant appealed against the same to the Court of Appeal i.e. Civil Appeal No. W-02(IM)(C)-1527-08/2019; and

(ii) the appeal against the High Court's dismissal of PLS's Substantive Application ("PLS's Appeal") i.e. Civil Appeal No. W-02(C)(A)-2269-12/2019

The Honorable Court allowed Josu's Appeal with costs, thus setting aside the decision of the learned Judicial Commissioner (as she then was). The Court of Appeal held, inter-alia, that the arbitration was conducted strictly pursuant to Section 24A of the Courts of Judicature Act 1964 and that the Arbitration Act 2005 has no application in a court-ordered arbitration. Therefore, the Court of Appeal agreed with the Defendant's contention that the High Court of Malaya, Kuala Lumpur lacked jurisdiction to hear PLS's Substantive Application filed therein.

Following therefrom, the Court of Appeal held that there was no basis to proceed with PLS's Appeal as the Defendant's application to strike out PLS's Substantive Application was allowed. PLS's Appeal was therefore dismissed with costs.

Arising from the Court of Appeal's decision on 26 November 2021 in allowing the Defendant striking out appeal and in turn, dismissing PLS's Substantive Appeal, PLS had instructed its solicitors to file an application for leave to appeal to the Federal Court against the said decision of the Court of Appeal.

PLS has been apprised by its solicitors that two (2) Notices of Motion were filed in the Federal Court on 27 December 2021 as follows:

(i) Application No. 08(f)-702-12/2021(W) - for leave to appeal against the said Court of Appeal's decision in allowing the Defendant Appeal to strike out PLS's substantive application filed before the High Court to refer questions of law arising from the interim arbitral award in question; and

(ii) Application No. 08(f)-703-12/2021(W) - for leave to appeal against the Court of Appeal's decision in dismissing PLS's Appeal solely on the basis that Josu's Appeal was allowed and without hearing PLS's Appeal on its merits.

On 26 January 2022, both the above leave applications filed by PLS came up for case management before the learned Deputy Registrar wherein the following directions were handed down:

(i) affidavits are to be exhausted by 22 February 2022;

(ii) parties are to file their respective Written Submissions and other relevant documents by 29 April 2022;

(iii) both the leave applications will be heard together on 19 May 2022; and

(iv) a further case management by way of e-Review has been fixed for 9 May 2022.

52. CONTINGENT LIABILITIES (CONT'D)

The Josu proceedings (Cont'd)

On 9 May 2022, the leave applications filed by PLS came up for case management before the learned Deputy Registrar wherein a new hearing date was fixed for the same on 16 August 2022.

On 1 August 2022, the leave applications filed by PLS came up for case management before the learned Deputy Registrar. Given that the Grounds of Judgment from the Court of Appeal ("Grounds") is still pending, the hearing fixed for 16 August 2022 was vacated upon the parties' request for the same. The Court then proceeded to fix another case management on 21 September 2022 for parties to apprise the Court on the status of the Grounds and to fix a new Hearing date.

Relying on the advice of the solicitors, the directors of the Company believe that PLS has a good chance of succeeding in its suit.

53. SEGMENT ANALYSIS

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

There was no transaction with any single external customer which amounted to 10% or more of the Group's revenues for the current financial year (2021: 10%).

(a) Business segment

(i) Construction operations (civil engineering, building works, project management services and project coordinator)

(ii) Property development

(iii) Toll operations

(iv) Plantation (sales of plantation products and produces)

(v) Food and beverages (operation of restaurants)

(vi) Property investment (management, operation and letting of properties)

(vii) Others (investment holding and renewable energy activity)

Transactions between segments are eliminated on consolidation.

53. SEGMENT ANALYSIS (CONT'D)

2022	Construction operations RM'000	Property development RM'000	Toll operations RM'000	Plantation RM'000	Food and beverages RM'000	Property investment RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue									
External sales	380,779	35,604	191,720	167,206	9,499	23,352	340	-	808,500
Inter-segment sales	212,513	-	-	-	7	389	-	(212,909)	-
	593,292	35,604	191,720	167,206	9,506	23,741	340	(212,909)	808,500
Results									
Segment results	33,950	(134)	142,815	49,581	(8,421)	(5,813)	417	(32,450)	179,945
Share of results of an associate									(28)
Negative goodwill									59
Finance costs									(220,489)
Loss before tax									(40,513)
Tax expense									(82,933)
Loss for the year									(123,446)

53. SEGMENT ANALYSIS (CONT'D)

2022	Construction operations RM'000	Property development RM'000	Toll operations RM'000	Plantation RM'000	Food and beverages RM'000	Property investment RM'000	Others RM'000	Elimination RM'000	Total RM'000
Other information									
Segment assets	5,003,392	458,066	8,152,072	492,279	7,017	936,819	524,180	(4,394,354)	11,179,471
Unallocated assets:									
- Deferred tax assets									24,251
- Current tax assets									19,898
Investment in an associate	-	-	-	-	-	-	3,649	-	3,649
Consolidated total assets									11,227,269
Segment liabilities	2,929,990	294,465	6,769,934	111,619	20,664	158,374	280,000	(2,713,340)	7,851,706
Unallocated liabilities:									
- Deferred tax liabilities									508,970
- Current tax liabilities									4,576
Consolidated total liabilities									8,365,252
Capital expenditures	1,732	110	249	11,545	314	2,532	1,320	-	17,802
Depreciation and amortisation	10,227	667	28,038	20,331	1,389	14	564	-	61,230

53. SEGMENT ANALYSIS (CONT'D)

2021	Construction operations RM'000	Property development RM'000	Toll operations RM'000	Plantation RM'000	Food and beverages RM'000	Property investment RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue									
External sales	1,092,375	11,380	154,660	62,922	6,315	25,889	794	-	1,354,335
Inter-segment sales	838,966	-	-	-	-	-	565	(839,531)	-
	1,931,341	11,380	154,660	62,922	6,315	25,889	1,359	(839,531)	1,354,335
Results									
Segment results	233,055	(9,266)	92,099	32,438	(21,045)	(24,392)	(2,906)	(36,764)	263,219
Share of results an associate									1,752
Share of results a joint venture									(816)
Negative goodwill									72,966
Finance costs									(216,720)
Profit before tax									120,401
Tax expense									(100,956)
Profit for the year									19,445

53. SEGMENT ANALYSIS (CONT'D)

2021	Construction operations RM'000	Property development RM'000	Toll operations RM'000	Plantation RM'000	Food and beverages RM'000	Property investment RM'000	Others RM'000	Elimination RM'000	Total RM'000
Other information									
Segment assets	5,282,088	490,431	8,356,309	457,544	15,326	941,814	433,788	(4,810,206)	11,167,094
Unallocated assets:									
- Deferred tax assets									21,125
- Current tax assets									25,839
Investment in an associate	-	-	-	-	-	-	3,581	-	3,581
Consolidated total assets									11,217,639
Segment liabilities	3,157,340	725,151	7,074,697	228,183	43,243	214,296	257,949	(3,942,940)	7,757,919
Unallocated liabilities:									
- Deferred tax liabilities									442,026
- Current tax liabilities									31,995
Consolidated total liabilities									8,231,940
Capital expenditures	2,644	748	58	5,989	4,457	25,664	11,017	-	50,577
Depreciation and amortisation	12,112	893	24,578	13,097	4,764	77	327	-	55,848

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, right-of-use-assets, land held for development, investment properties, bearer plants, biological assets and intangible assets.

(b) Geographical segment

Information on the Group's operations by geographical segments has not been presented as the results from other geographical segments are insignificant.

54. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

30.6.2022 Group	FVTPL RM'000	At amortised cost RM'000	Total RM'000
Financial assets			
Trade and other receivables	-	219,474	219,474
Investment funds	676,427	-	676,427
Short term deposits	-	170,057	170,057
Cash and bank balances	-	78,470	78,470
Total financial assets	676,427	468,001	1,144,428

30.6.2022 Group	At amortised cost RM'000
Financial liabilities	
Trade and other payables	708,796
Lease liabilities	17,128
Medium term notes	5,567,049
Reimbursable interest assistance	322,827
Bank borrowings	955,689
Total financial liabilities	7,571,489

30.6.2021 Group	FVTPL RM'000	At amortised cost RM'000	Total RM'000
Financial assets			
Other investments	-	6,371	6,371
Trade and other receivables	-	193,030	193,030
Investment funds	988,888	-	988,888
Short term deposits	-	232,645	232,645
Cash and bank balances	-	187,407	187,407
Total financial assets	988,888	619,453	1,608,341

30.6.2021 Group	At amortised cost RM'000
Financial liabilities	
Trade and other payables	666,148
Lease liabilities	19,566
Medium term notes	5,447,723
Reimbursable interest assistance	304,162
Bank borrowings	1,033,874
Total financial liabilities	7,471,473

54. FINANCIAL INSTRUMENTS (CONT'D)

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

30.6.2022 Company	FVTPL RM'000	At amortised cost RM'000	Total RM'000
Financial assets			
Other investments	13,319	292,195	305,514
Trade and other receivables	-	12,400	12,400
Amounts owing by subsidiaries	-	370,162	370,162
Short term deposits	-	562	562
Cash and bank balances	-	9,455	9,455
Total financial assets	13,319	684,774	698,093

30.6.2021 Company	FVTPL RM'000	At amortised cost RM'000	Total RM'000
Financial assets			
Other investments	17,194	271,908	289,102
Trade and other receivables	-	7,993	7,993
Amounts owing by subsidiaries	-	895,774	895,774
Short term deposits	-	51,701	51,701
Cash and bank balances	-	8,992	8,992
Total financial assets	17,194	1,236,368	1,253,562

Company	At amortised cost 2022 RM'000	 2021 RM'000
Financial liabilities		
Trade and other payables	79,487	82,376
Amounts owing to subsidiaries	995,028	1,142,227
Lease liabilities	517	826
Bank borrowings	519,354	534,952
Medium term notes	146,799	-
Total financial liabilities	1,741,185	1,760,381

(b) Fair values

The fair value of medium-term notes of the Group and of the Company at the end of the financial year is approximately RM5,943 million and RM150 million (2021: RM6,336 million and RM nil) respectively. 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 the related interest rates are at/approximate market rate on these financial instruments.

55. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Financial risk management is carried out through risk reviews, internal control systems, benchmarking the industry's best performance, insurance programmes and adherence to financial risk management policies.

The Group and the Company have been financing their operations mainly from internally generated funds, issuance of medium-term notes and bank borrowings. The Group and the Company do not find it necessary to enter into derivative transactions based on their current level of operations.

The management monitors the Group's and the Company's financial position closely with an objective to minimise potential adverse effects on the financial performance of the Group and the Company. There have been no significant changes on the Group's and the Company's exposure to financial risks from the previous year. Also, there have been no changes to the Group's and the Company's risk management objectives, policies and processes since the previous financial year end.

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

(a) Interest rate risk

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

Exposure to interest rate risk relates the Group's and the Company's interest-bearing borrowings and medium term note.

Financial liabilities

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

A sensitivity analysis has been performed based on the outstanding floating rate bank borrowings and medium term note of the Group and the Company as at 30 June 2022. 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 RM7,154,000 and RM3,947,000 (2021: RM7,751,000 and RM4,066,000), respectively, as a result of higher or lower interest expense on these borrowings.

The sensitivity analysis is unrepresentative of the inherent interest rate risk as the year-end exposure does not reflect the exposure during the year.

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

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

(b) Credit risk

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

The entire financial assets and contract assets of the Group and the Company are exposed to credit risk.

Trade receivables

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

An impairment analysis is performed at each reporting date to measure the ECL. The calculation reflects information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

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

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

Group 30.06.2022	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
Not past due	47,507	-	47,507
1 to 30 days	921	-	921
31 to 60 days	5,156	-	5,156
61 to 120 days	12,694	-	12,694
More than 120 days	16,301	(3,413)	12,888
Total	82,579	(3,413)	79,166
Group 30.06.2021			
Not past due	68,562	-	68,562
1 to 30 days	3,994	-	3,994
31 to 60 days	1,630	-	1,630
61 to 120 days	3,090	-	3,090
More than 120 days	11,273	-	11,273
Total	88,549	-	88,549

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

(b) Credit risk (Cont'd)

Trade receivables (Cont'd)

The aging analysis of receivables which are trade in nature is as follows: (Cont'd)

Company 30.06.2022	**Gross carrying amount RM'000**	**Loss allowances RM'000**	**Net balance RM'000**
Not past due	23	-	23
1 to 30 days	-	-	-
31 to 60 days	7	-	7
61 to 120 days	7	-	7
More than 120 days	7	-	7
Total	44	-	44
Company 30.06.2021			
Not past due	42	-	42
1 to 30 days	8	-	8
31 to 60 days	8	-	8
61 to 120 days	16	-	16
More than 120 days	61	-	61
Total	135	-	135

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.

The movements in the allowance for doubtful debts of trade receivables during the year are as follows:

Group	**2022 RM'000**	**2021 RM'000**
At 1 July	-	-
Additions	3,413	-
At 30 June	3,413	-

Receivables that are not past due

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records and mostly are regular customers that have been transacting with the Group.

Receivables that are past due but not impaired

The Group has not provided for these trade receivables as there has been no significant change in their credit quality and the amounts are still considered recoverable which are not past due for more than 90 days.

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

(b) Credit risk (Cont'd)

Credit impaired

Trade receivables that are determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments, the assessment of which commences from debts past due more than 90 days from different customer profiles. These receivables are not secured by any collateral or credit enhancements.

The movements in the allowance for doubtful debts of other receivables during the year are as follows:

Group	2022 RM'000	2021 RM'000
At 1 July	3,287	1,867
Additions	904	1,420
At 30 June	4,191	3,287

At end of the financial year, the Group and the Company have no significant concentration of credit risk related to its financial assets.

Contract assets

None of the contract assets at the reporting date is past due. Management does not expect any credit loss based on their assessment at the reporting date.

Financial guarantee

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to subsidiaries. The maximum exposure to credit risk amounted to RM25,511,000 (2021: RM35,558,000) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in note 55(c) to the financial statements. As at the reporting date, there was no indication that the subsidiaries would default on repayment.

Advances to subsidiaries, associate and joint venture

Exposure to credit risk arising from unsecured advances to subsidiaries, associate and joint venture is managed through credit evaluation and ongoing monitoring of credit quality of the subsidiaries, associate and joint venture.

Management assessed the credit risk in respect of advances to subsidiaries, associate and joint venture with reference to the financial capability and probability of default.

Management assessed and concluded that there is no significant increase in credit risk in respect of advances to subsidiaries, associate and joint venture.

Deposits, cash and bank balances

The Group and the Company always deposit or invest their funds with licensed financial institutions.

(c) Liquidity and cash flow risks

Liquidity and cash flow risks are the risk that the Group will not be able to meet its financial obligations when they fall due.

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

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

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

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 quarterly basis. Each unit must seek to ensure that projected cash inflows from operating and non-operating activities (comprising undrawn borrowing facilities) adequately cover funding requirements of operating and non-operating outflows. At a minimum, all projected net borrowings should be covered. Also, debt maturities are closely monitored to ensure that the Group is able to meet its obligations as they fall due.

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

The directors actively manage the cash flows of the Group and of the Company to ensure they able to meet all obligations as and when they fall due. Other than cash generated from operating activities, the directors also generate cash from realisation of the Group's and the Company's assets when necessary.

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 2022	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	708,796	708,796	-	-	708,796
Medium term notes	5,567,049	446,360	2,143,613	6,823,827	9,413,800
RIA	322,827	-	10,185	729,265	739,450
Bank borrowings	955,689	609,910	347,451	92,439	1,049,800
	7,554,361	1,765,066	2,501,249	7,645,531	11,911,846
Lease liabilities	17,128	7,703	10,466	1,300	19,469
	7,571,489	1,772,769	2,511,715	7,646,831	11,931,315

Group 2021	Carrying value RM'000	Less than 1 year RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
Trade and other payables	666,148	666,148	-	-	666,148
Medium term notes	5,447,723	403,573	1,904,691	7,329,834	9,638,098
RIA	304,162	-	4,045	735,405	739,450
Bank borrowings	1,033,874	622,480	469,897	107,819	1,200,196
	7,451,907	1,692,201	2,378,633	8,173,058	12,243,892
Lease liabilities	19,566	8,161	10,441	3,495	22,097
	7,471,473	1,700,362	2,389,074	8,176,533	12,265,989

55. 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 2022	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	79,487	79,487	-	-	79,487
Amounts owing to subsidiaries	995,028	995,028	-	-	995,028
Bank borrowings	519,354	436,046	111,595	-	547,641
Medium term notes	146,799	7,170	109,930	62,175	179,275
	1,740,668	1,517,731	221,525	62,175	1,801,431
Lease liabilities	517	292	248	-	540
	1,741,185	1,518,023	221,773	62,175	1,801,971
Company 2021					
Trade and other payables	82,376	82,376	-	-	82,376
Amounts owing to subsidiaries	1,142,227	1,134,439	7,788	-	1,142,227
Bank borrowings	534,952	423,485	147,705	-	571,190
	1,759,555	1,640,300	155,493	-	1,795,793
Lease liabilities	826	344	540	-	884
	1,760,381	1,640,644	156,033	-	1,796,677

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
2022				
Financial guarantee contracts	17,528	7,283	700	25,511
2021				
Financial guarantee contracts	23,648	11,210	700	35,558

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

(d) Foreign currency risk

The Group undertakes transactions denominated in foreign currencies. Consequently, the Group is exposed to risk arising from fluctuation of exchange rates.

The Group does not consider it necessary to hedge against the foreign currency exchange risk based on its current level of operations.

The following table illustrates the Group's sensitivity to changes in exchange rate of RM against the relevant currencies on the material outstanding foreign currency denominated monetary items. Management has considered recent volatility in exchange rates and has concluded that the following movements in exchange rates are reasonably possible assumption. If the following foreign currencies were to strengthen by 5% against RM with all other variables held constant, the Group's profit after tax would decrease or increase as follows:

(Decrease)/ Increase	2022 RM'000	2021 RM'000
USD	(2,591)	(2,682)
CNY	264	249
SGD	893	869

The sensitivity analysis is unrepresentative of the inherent foreign currency risk as the year-end exposure does not reflect the exposure during the year.

(e) Agricultural risk on biological assets

The Group is exposed to risks arising from environmental and climatic changes, commodity prices and financing risks arising mainly from the oil palm and durian assets.

The Group is exposed to risks arising from fluctuations in the price and demand of FFB.

The seasonal nature of the durian plantation and trading business requires a high level of cash flows to be reserved by the Group during the durian seasons. The Group actively manages the working capital requirements and has secured sufficient credit facilities to meet the cash flow requirements.

Management actively monitors and manages the risks relating to the plantation business segment. The reasonable risk exposure due to changes in external factors are not expected to have significant financial impact to the Group in the near future.

56. CAPITAL MANAGEMENT

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

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

The Group was in compliance with externally imposed capital requirements as at the reporting date.

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

	Group	
	2022 RM'000	2021 RM'000
Share capital	1,138,871	1,138,871
Reserves	1,269,340	1,394,512
Total equity	2,408,211	2,533,383
Medium term notes	5,567,049	5,447,723
Bank borrowings	955,689	1,033,874
Lease liabilities	17,128	19,566
Reimbursable interest assistance	322,827	304,162
Total debts	6,862,693	6,805,325
Debt-to-equity ratio (times)	2.85	2.69

57. SIGNIFICANT EVENTS

57.1 Acquisition of shares in subsidiary companies

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

(i) On 1 September 2021, an indirect subsidiary of the Company, BSSB entered into a Conditional Share Sale and Purchase Agreement with a vendor as follows:

(a) to acquire 51% of the equity interest in GFSB for cash consideration of RM263,650; and

(b) to subscribe 1,356,480 redeemable preference shares A ("RPS A") at an issue price of RM1 per RPS A in GFSB for RM1,356,480.

(ii) On 30 May 2022, PLS acquired 51% equity interest of AHSB for consideration of RM153.

The identifiable assets and liabilities acquired and the effects on cash flows arising from the acquisition of GFSB and AHSB were as follows:

	Note	GFSB RM'000	AHSB RM'000	Total RM'000
Property, plant and equipment	5	1,850	-	1,850
Right-of-use assets	7	1,566	1,701	3,267
Intangible assets	12	101	-	101
Trade and other receivables		1,663	164	1,827
Current tax assets		22	-	22
Cash and cash equivalents		340	27	367
Lease liabilities	30	(1,018)	(555)	(1,573)
Deferred tax liabilities	36	(46)	-	(46)
Trade and other payables		(2,955)	(1,512)	(4,467)
Current tax liabilities		(332)	-	(332)
Non-controlling interest		(868)	86	(782)
Fair value of identifiable net assets/(liabilities)		323	(89)	234
(Negative goodwill)/Goodwill on consolidation		(59)	89	30
Total purchase consideration		264	*	264
Less: Cash and cash equivalents acquired		(340)	(27)	(367)
Net cash inflow arising from the acquisitions		(76)	(27)	(103)

* *Represented RM153.*

(iii) On 23 July 2021 and 5 January 2022, the Company subscribed 1,000 and 1,430 redeemable preference shares – Class B ("RPS B") in Nuzen Corporation Sdn Bhd ("NCSB") at an issue price of RM100,000 per RPS B amounting to RM100,000,000 and RM143,000,000 respectively.

(iv) On 25 October 2021, the Company subscribed 400,000,000 redeemable preferences shares – Series DG ("RPS-DG") at an issue price of RM1 per RPS-DG in Ekovest Capital for otherwise than cash by way of capitalisation of amount owing by Ekovest Capital amounting to RM400,000,000.

(v) On 29 June 2022, the Company subscribed 91,000,000 redeemable preferences shares – Series DS ("RPS-DS") at an issue price of RM1 per RPS-DS in Saujarena Bina Sdn Bhd ("Saujarena Bina") for otherwise than cash by way of capitalisation of amount owing by Saujarena Bina amounting to RM91,000,000.

57. SIGNIFICANT EVENTS (CONT'D)

57.1 Acquisition of shares in subsidiary companies (Cont'd)

(vi) On 29 June 2022, the Company subscribed 46,000,000 redeemable preferences shares – Series DS ("RPS-DS") at an issue price of RM1 per RPS-DS in Tanahmas Kapital Sdn Bhd ("Tanahmas Kapital") for otherwise than cash by way of capitalisation of amount owing by Tanahmas Kapital amounting to RM46,000,000.

(vii) On 29 June 2022, the Company subscribed 30,000,000 redeemable preferences shares – Series DS ("RPS-DS") at an issue price of RM1 per RPS-DS in DDSB for otherwise than cash by way of capitalisation of amount owing by DDSB amounting to RM30,000,000.

(viii) On 17 May 2022, the Company further subscribed 299,900 new ordinary shares at RM1 per share in its wholly-owned subsidiary, AKSB for a total cash consideration of RM299,900.

(ix) On 29 June 2022, the Company subscribed 5,000,000 ordinary shares at an issue price of RM1 per share and 30,000,000 redeemable preferences shares – Series DS ("RPS-DS") at an issue price of RM1 per RPS-DS in its wholly-owned subsidiary, Ekovest Construction Sdn Bhd ("ECSB") for a total consideration of RM35,000,000.

In the previous financial year, the Group acquired the following subsidiaries:

(i) On 29 September 2020, the Company entered into three conditional share purchase agreements with Limbongan Resources Sdn Bhd, Tan Sri Datuk Seri Lim Keng Cheng and Lim Seong Hai Holdings Sdn Bhd for the acquisition of an aggregate of 89,144,200 ordinary shares in PLS ("PLS Shares") and 7,087,100 warrants issued by PLS ("PLS Warrants") representing approximately 24.54% equity interest in PLS and 4.35% of the outstanding PLS warrants respectively, for a total cash consideration of RM85,750 million. The acquisitions were completed on 30 October 2020. Upon completion of the acquisitions, the Company's shareholding in PLS increased from 32.84% to 57.38%. As a result, PLS became a subsidiary of the Company.

The identifiable assets and liabilities acquired and the effects on cash flows arising from the acquisitions of PLS were as follows:

	Note	Carrying amount 2021 RM'000	Fair value 2021 RM'000
Property, plant and equipment	5	24,536	27,377
Investment properties	6	275	275
Right-of-use assets	7	150,487	263,980
Bearer plants	10	166,334	365,268
Biological assets	11	8,199	8,614
Intangible assets	12	17,922	17,922
Performance deposits		50,000	50,000
Trade and other receivables		17,245	17,245
Inventories		4,979	4,979
Current tax assets		961	961
Cash and cash equivalents		23,904	23,904
Deferred tax assets	20	195	195
Contract liabilities		(525)	(525)
Lease liabilities	30	(9,341)	(9,341)
Deferred tax liabilities	36	(48,678)	(124,442)
Bank borrowings		(125,225)	(125,225)
Trade and other payables		(32,794)	(32,794)
Total identifiable net assets		248,474	488,393

57. SIGNIFICANT EVENTS (CONT'D)

57.1 Acquisition of shares in subsidiary companies (Cont'd)

The identifiable assets and liabilities acquired and the effects on cash flows arising from the acquisitions of PLS were as follows: (Cont'd)

	2021 RM'000
Fair value of net identifiable assets	488,393
Non-controlling interest	(208,156)
Negative goodwill on consolidation	(72,966)
Fair value on previously held stake	(121,521)
Total purchase consideration	85,750
Less: Cash and cash equivalents acquired	(23,904)
Net cash outflow arising from the acquisitions	61,846

The amounts of PLS's revenue and profit included in the Group's consolidated statement of comprehensive income for the cumulative 8-month period from 1 November 2020 to 30 June 2021 are as follows:

	8-month actual results from 1 November 2020 to 30 June 2021 RM'000
Revenue	67,141
Profit after tax	9,637

If the results of PLS had been consolidated from the beginning of the year, 1 July 2020 to 30 June 2021, the consolidated results of the Group for the year ended 30 June 2021 would have been as follows:

	Group's pro forma results RM'000
Revenue	1,400,132
Profit after tax	24,054

57. SIGNIFICANT EVENTS (CONT'D)

57.2 Changes in stake in subsidiaries

In the current financial year, the change in stake in a subsidiary is as below:

(i) On 14 December 2021, AKSB, a wholly-owned direct subsidiary of the Company, acquired additional 30 ordinary shares representing 30% of the issued and paid-up share capital in Medan Jutajaya for total cash consideration of RM30. As such, Medan Jutajaya became wholly-owned subsidiary of AKSB. Subsequently on 28 January 2022, 100 ordinary shares held by AKSB has been transferred to the Company and thereon Medan Jutajaya became direct subsidiary of the Company.

The financial effect arising from the change in stake in the joint venture is not material to the Group for the financial year ended 30 June 2022.

In the previous financial year, the change in stake in a subsidiary is as below:

(i) On 20 November 2020, the Company has issued the Unconditional Mandatory Take-over offer ("MGO") to acquire the remaining securities in PLS not already held by the Company. Following the completion of MGO on 11 March 2021, the Company acquired additional 96,156,400 ordinary shares and 469,050 warrants for a cash consideration of RM89,471,598 and RM70,358 respectively. Consequently, the Group's equity interest in PLS increased from 57.38% to 73.08%.

(ii) On 24 December 2020, DDSB acquired 350,000 ordinary shares and 1,225,000 redeemable preference shares in Xindauji (M) Sdn Bhd ("Xindauji"), representing 35% equity interest in Xindauji, for a total consideration of RM1,417,500. Following the completion of the acquisition, Xindauji became a wholly-owned subsidiary of the Group.

The effect of increase in the Group's ownership as a result from (i) and (ii) is as follows:

	2021 RM'000
Net consideration paid to non-controlling interest	(90,959)
Increase in share of net assets	106,070
Excess recorded in retained earnings	15,111

(iii) On 22 January 2021, PLS undertook a private placement of up to 10% of total number of issued shares of PLS ("Placement Share"). On 25 January 2021, Bursa Malaysia Securities Berhad has approved the listing and quotation of 52,605,000 Placement Shares. On 8 February 2021, PLS has completed three tranches of private placement comprising 19,000,000 Placement Shares at RM0.95 per share, 10,000,000 Placement Shares at RM1.01 per share and 7,320,000 Placement Shares at RM1.11 per share.

Subsequently, 136,000 PLS Warrants were exercised to purchase new ordinary shares in PLS at exercised price of RM0.80 per PLS Warrant.

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

	2021 RM'000
Net consideration received from non-controlling interest	36,384
Decrease in share of net assets	(34,004)
Excess recorded in retained earnings	2,380

58. SUBSEQUENT EVENTS

(i) On 5 July 2022, a wholly-owned subsidiary of the Company, ECSB has been accepted by Malaysia Rapid Transit System Sdn Bhd ("MRTS") (a wholly-owned subsidiary of Mass Rapid Transit Corporation Sdn Bhd), the developer and owner of the civil infrastructure for the section of Malaysia in Johor Bahru to Singapore Rapid Transit System Link Rail connecting Johor Bahru and Singapore ("RTS Link Project"), as the collaborative partner of Adil Permata Sdn Bhd ("APSB"), the appointed main contractor by MRTS for the RTS Link Project, to undertake the construction of the RTS Link Project.

ECSB has accepted the Letter of Award issued by APSB as the engineering, procurement and construction ("EPC") contractor for the RTS Link Project with a contract sum of RM1.979 billion for the RTS Link rail works.

(ii) On 16 August 2022, PLS announced that it had entered into a binding term sheet with Landasan Erajaya Sdn Bhd ("LESB") (PLS and LESB are collectively referred to as the "Parties") in relation to a proposed collaboration by PLS and its subsidiaries with LESB to undertake cash crops, durian and other plantation activities over land located in Pahang to be identified by the Parties for the purpose of intercropping with cash crops, durian and other plantations ("Proposed Collaboration"), which the target initial investment by PLS for the Proposed Collaboration is RM50 million.

LESB shall utilise the proceeds from the investment by PLS solely for LESB's obligations to undertake intercrop and cash crops, durian and/or other plantation activities on the identified lands including, among others, construction, operation, planting, farming or maintenance works undertaken.

In consideration of the investment by PLS for the Proposed Collaboration, the Parties have agreed for the economic interests sharing of 51:49 between PLS and LESB on the net earnings generated from the sale of the harvested cash crops, agriculture and aquaculture carried out on the identified lands after netting of all costs incurred by LESB for construction works, contract farming works, marketing costs and all necessary costs in relation to the abovementioned.

As at the reporting date, the Parties have agreed that they shall enter into the Definitive Agreement within 30 days upon completion of the due diligence, with an automatic extension of another 30 days, or such further extension of time as the Parties may mutually agree upon.

(iii) On 25 August 2022, the Company subscribed for an additional 1,250 Redeemable Preference Shares – Class B ("RPS B") in the share capital of NCSB at an issue price of RM100,000 per RPS B totalling RM125,000,000.

59. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the board of directors on 19 October 2022.

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tan Sri Datuk Seri Lim Keng Cheng and Lim Chen Thai, being the directors of Ekovest Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 62 to 177 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 2022 and financial performance and cash flows of the Group and of the Company for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the board of directors in accordance with a directors' resolution.

TAN SRI DATUK SERI LIM KENG CHENG
Director

LIM CHEN THAI
Director

Kuala Lumpur
Date: 19 October 2022

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 62 to 177 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared
by the abovenamed
Lim Soo San
at Kuala Lumpur
in the Federal Territory
this 19 October 2022

LIM SOO SAN
Chartered Accountant
MIA Membership No.: 11021

Before me:

(Commissioner of Oaths)

MATERIAL LITIGATION
OF EKOVEST BERHAD AND ITS SUBSIDIARIES

Save as disclosed below as at 30 June 2022, neither the Company nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and the Board are not aware and do not have any knowledge of any proceedings, pending or threatened against the Group or any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Company and its subsidiaries :

(i) On 3 July 2018, Ekovest Construction Sdn Bhd (**"ECSB"**), a wholly-owned subsidiary of our Company, had initiated an arbitration proceeding against Samling Resources Sdn Bhd (**"SRSB"**) by serving a Notice of Arbitration on SRSB. Thereafter, ECSB had on 2 July 2019 filed a Statement of Case to claim against SRSB based on the following:

(a) wrongful termination of the joint venture and shareholders' agreement dated 6 January 2017 entered into between ECSB and SRSB (**"JV Agreement"**) to jointly undertake the development and upgrading of the Pan Borneo Highway in the state of Sarawak, Malaysia for work package contract WPC-02 (Semantan to Sg. Moyan Bridge + KSR Interchanges) (**"Highway Project"**);

(b) misrepresentation by SRSB to ECSB, in order to induce ECSB into performing tasks, duties and responsibilities of SRSB prior to the submission of the tender; the procurement of the Highway Project from Lebuhraya Borneo Utara Sdn Bhd (**"LBUSB"**), the project delivery partner for the Highway Project; and managing the Highway Project and all its ensuing duties and tasks;

(c) failure to expeditiously and diligently make the necessary applications for the approvals from LBUSB for the sub-contract of the Highway Project to Samling – Ekovest JV Sdn Bhd, a special purpose vehicle incorporated by ECSB and SRSB to undertake the development and upgrading of the Highway Project (**"JV Company"**); and

(d) in the alternative, failure to take any step to compel LBUSB to consent to the sub-contract of the Highway Project to the JV Company, which should not have been unreasonably withheld, in which ECSB claims for general damages, interest and costs to be determined by the arbitrator (**"Arbitration Proceedings"**).

The hearing in relation to the Arbitration Proceeding which was fixed from 29 September 2020 to 2 October 2020 were vacated following the order of the Court as detailed in item (ii) below.

On 12 January 2022, SRSB had initiated an arbitration proceeding against ECSB by serving a new Notice of Arbitration on ECSB, claiming against ECSB for, amongst others, the following:

(a) negligent misrepresentation and/or misstatements;

(b) breach of duty of care, fiduciary duties, duties under common law and equity;

(c) breach of the JV Agreement; and

(d) breach of a collateral agreement between the parties.

ECSB had challenged the validity of the aforesaid notice on grounds that SRSB's attempt to initiate this fresh arbitration tantamount to duplicity and is an abuse of process. ECSB is now pending a response from SRSB.

(ii) On 3 February 2020, our Company and ECSB were served by the solicitors of SRSB with a Writ of Summons and Statement of Claim dated 31 January 2020 (**"Claim"**) alleging that our Company and/or ECSB:

(aa) were negligent in their representation and/or assurances with regards to the technical advice and support and profit margin for the Highway Project;

(bb) failed, neglected and/or omitted to discharge their responsibilities with due care and diligence in the implementation and execution of the Highway Project;

(cc) acted in breach of their fiduciary duties owed to SRSB, including inter alia, the duties under common law and equity; and/or

(dd) breached and misrepresented in respect of the sub-contractors that were selected, recommended and appointed to carry out the sub-contract works of the Highway Project.

MATERIAL LITIGATION
OF EKOVEST BERHAD AND ITS SUBSIDIARIES

Save as disclosed below as at 30 June 2022, neither the Company nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and the Board are not aware and do not have any knowledge of any proceedings, pending or threatened against the Group or any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Company and its subsidiaries : (Cont'd)

(ii) On 3 February 2020, our Company and ECSB were served by the solicitors of SRSB with a Writ of Summons and Statement of Claim dated 31 January 2020 (**"Claim"**) alleging that our Company and/or ECSB: (Cont'd)

SRSB as plaintiff is claiming against our Company and ECSB as defendants jointly and severally for:

- general damages;
- interest at the rate of 5% per annum pursuant to Section 11 of the Civil Law Act 1956 or at such rate and from such date as the court deems fit and proper until the date of judgement;
- interest at the rate of 5% per annum from the date of judgement until the date of full and final settlement;
- costs; and
- such further and/or other relief as the court deems fit and proper.

ECSB and our Company had on 13 February 2020 and 14 February 2020 respectively filed our/its application for a stay of proceedings of the Claim pending the Arbitration Proceeding (**"Stay Applications"**). During the case management held on 21 April 2020, the Deputy Registrar further directed parties to file their respective affidavits and submissions, and had fixed the hearing of the Stay Applications to be on 6 July 2020. The hearing of the Stay Applications was then adjourned to 13 July 2020. Further to the filing of the written submissions and reply submissions by the parties' solicitors, the parties' solicitors also submitted orally and addressed the High Court Judge's questions during the hearing fixed on 13 July 2020. Thereafter, the High Court Judge fixed the Clarification/Decision for the Stay Applications on 30 July 2020. On 30 July 2020, the High Court Judge dismissed the Company's application for a stay of proceedings; and the High Court Judge allowed ECSB's application for a stay of proceedings but imposed a condition that the arbitration between ECSB and SRSB shall only proceed after the resolution of SRSB's claim against the Company at Kuala Lumpur High Court.

On 25 August 2020, the Company has filed its notice of appeal to appeal against the decision of the High Court that dismissed the Company's Stay Application (**"Company's Appeal"**), and ECSB had also filed its notice of appeal to appeal partly against the condition imposed by the High Court when allowing ECSB's Stay Application. The Company and ECSB were advised that the Company's Stay Application and also the ECSB's Stay Application should be allowed given that the matters to be decided in the aforementioned proceedings are one of the same and that any contradiction in the decisions arising therefrom would unfairly prejudice one party's claim against each other.

Notwithstanding the aforesaid, the Court of Appeal had on 25 November 2021 (after reading the parties' respective written submissions together with all relevant documents) (a) allowed ECSB's appeal and set aside the condition imposed by the High Court Judge that the arbitration between ECSB and SRSB shall only proceed after the resolution of SRSB's Claim against the Company at the Kuala Lumpur High Court (**"Set Aside Decision"**); and (b) dismissed the Company's Appeal as the Court of Appeal was of the view that the High Court proceedings between SRSB and the Company could proceed.

On 24 December 2021, SRSB had filed a Notice of Motion to the Federal Court to seek leave from the Federal Court to appeal against the Court of Appeal's Set Aside Decision (**"SRSB's Motion"**). The Company had also on 27 December 2021 filed a Notice of Motion to seek leave from the Federal Court to appeal against the decision of the Court of Appeal in dismissing the Company's Appeal as earlier mentioned (**"Company's Motion"**). The case management for both the Company's Motion and SRSB's Motion is fixed on 12 September 2022 pending the Grounds of Judgment from the Court of Appeal. A final Case Management is fixed on 25 October 2022 to update the Court Registrar on the filing of the written submission. The Hearing of both the Company's Motion and SRSB's Motion at the Federal Court is fixed on 8 November 2022.

MATERIAL LITIGATION
OF EKOVEST BERHAD AND ITS SUBSIDIARIES

Save as disclosed below as at 30 June 2022, neither the Company nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and the Board are not aware and do not have any knowledge of any proceedings, pending or threatened against the Group or any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Company and its subsidiaries : (Cont'd)

(ii) On 3 February 2020, our Company and ECSB were served by the solicitors of SRSB with a Writ of Summons and Statement of Claim dated 31 January 2020 (**"Claim"**) alleging that our Company and/or ECSB: (Cont'd)

On the above matter as a whole, our solicitors are of the opinion that, notwithstanding that the maximum exposure to liabilities and amount of damages, interest and costs pursuant to the Claim cannot be ascertained at this juncture, ECSB has a fair chances of success in the Arbitration Proceeding and the Company has a fair chances of success in the defence to the Claim brought by SRSB as SRSB has failed to expeditiously and diligently make the necessary applications for the approvals from LBUSB for the sub-contract of the Highway Project to the JV Company, and failed to take any step to compel LBUSB to consent to the sub-contract of the Highway Project to the JV Company which should not have been unreasonably withheld. Our solicitors are also of the opinion that the Company has a fair chance of success in the defence to the Claim brought by SRSB as the Company has no involvement after the execution of the JV agreement.

(iii) On 7 October 2019, ECSB was served by the solicitors of SRSB with a Statement of Claim of the Defendant against the Third Party (**"Third Party Proceeding"**).

SRSB is claiming that in the event it is held liable to Greenland Knusford Construction Sdn Bhd (**"GKCSB"**) pursuant to the legal proceeding commenced by GKCSB to claim for loss and damage amounting to RM22,537,460.63 arising from alleged fraudulent, negligent representations, misstatements and/or alleged wrongful termination of GKCSB's employment by SRSB (**"Primary Proceeding"**), then SRSB is entitled to claim in this Third Party Proceeding against ECSB, for declaratory relief and consequential order for the following:

(a) a declaration that the alleged misrepresentations and/or misstatements pleaded by the GKCSB in the Statement of Claim was by ECSB and/or contributed by ECSB;

(b) a declaration that ECSB owes a duty of care to the GKCSB and is in breach of that duty of care;

(c) a declaration that ECSB owes SRSB a fiduciary duty and/or a duty to take care, and ECSB is in breach of that duty;

(d) a declaration that ECSB has caused SRSB to be sued by the GKCSB in the Primary Proceeding;

(e) consequently, and in the event that SRSB is held liable to GKCSB, an order that ECSB is liable to SRSB for an indemnity and/or a contribution in respect of the GKCSB's claim;

(f) costs incurred by SRSB in defending the GKCSB's action;

(g) cost of this Third Party Proceeding; and

(h) interests.

The pleadings in respect of the Third Party Proceeding closed on 9 December 2019 and the matter was fixed for further case management on 16 July 2020.

On 19 December 2019, SRSB filed an application under Order 14A and/or Order 33 rule 2 and/or rule 5 of the Rules of Court 2012 (**"O. 14A Application"**) for determination of six questions of law and for several consequential orders, including (a) that in the event the questions are determined in SRSB's favour, the claim of GKCSB against SRSB be struck out and/or dismissed, and (b) until the determination of the said questions, all proceedings in this matter be stayed. The case management for this O.14A Application was also fixed on 16 July 2020.

On 16 July 2020, the High Court directed for the O.14A Application to be heard first before the amendment application filed by the GKCSB, and that parties are to comply with the directions for submissions.

MATERIAL LITIGATION
OF EKOVEST BERHAD AND ITS SUBSIDIARIES

Save as disclosed below as at 30 June 2022, neither the Company nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and the Board are not aware and do not have any knowledge of any proceedings, pending or threatened against the Group or any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Company and its subsidiaries : (Cont'd)

(iii) On 7 October 2019, ECSB was served by the solicitors of SRSB with a Statement of Claim of the Defendant against the Third Party (**"Third Party Proceeding"**). (Cont'd)

Upon having heard the parties on their submissions, the High Court had on 3 September 2021 dismissed the O. 14A Application with cost to GKCSB. On 27 September 2021, SRSB filed a Notice of Appeal in respect of the O. 14A Application. SRSB had also filed a Notice of Application together with the Affidavit in Support for a stay of proceedings application (**"Stay Application"**) on 22 October 2021 and 25 October 2021 respectively. In addition, SRSB had on 20 December 2021 filed a Notice of Application for the recusal of the present judge from hearing and deciding on the action, and that the action be heard and decided by a different high court judge (**"Recusal Application"**). The High Court ordered that in the interest of justice, the Recusal Application shall be heard first. Accordingly, the hearing of this Recusal Application is fixed on 22 March 2022.

Upon hearing parties on 22 March 2022, the Court dismissed the Recusal Application (Encl. 137) with no order as to costs. The Defendant further filed a Stay Application (Encl. 163) in respect of the Recusal Application (Encl. 137). On 25 April 2022, the Court fixed a ruling date on 11 May 2022 to rule whether to hear the Stay Application for Order 14 (Encl. 126) or Stay Application for Recusal (Encl. 163) first both filed by the Defendant. The Court vacated the ruling date on 11 May 2022 and further fixed the same on 17 June 2022. On 17 June 2022, the Court ordered that the Stay Application for Recusal (Encl. 163) should be heard first.

Upon hearing parties on 21 July 2022 and noted the appeals for both the O. 14A Application and Recusal Application on 28 September 2022, the Court allowed the Stay Application for Recusal (Encl. 163) with no order as to costs for the interest of justice. The O.14A Application and Recusal appeals are fixed for hearing on 23 June 2023.

We had sought the necessary legal advice on the above matter and our solicitors are of the opinion that SRSB has a good case in defending GKCSB's claim in the Primary Proceeding on the basis that the allegation made by GKCSB is time barred pursuant to the limitation period of two (2) years for tort under Item 19 of the Schedule of Sarawak Limitation Ordinance. As such, ECSB has good prospects to avoid liability to indemnify SRSB against the amount of loss and damage claimed by GKCSB.

Our Directors are of the opinion that the Third Party Proceeding is not expected to have material operational and financial impact on our Group.

ADDITIONAL COMPLIANCE INFORMATION

MATERIAL CONTRACTS

Save as disclosed below as at 30 June 2022, neither the Company nor its subsidiaries has entered into any material contracts or material loans, not being contracts entered into the ordinary course of business, within three (3) years immediately preceding the date of this Report.

On 21 September 2016, the Board of Directors of Ekovest Berhad (**"Board"**), had announced our wholly-owned subsidiary, Nuzen Corporation Sdn Bhd (**"Nuzen"**) had entered into a binding term sheet with Employees Provident Fund Board (**"EPF"**) to dispose a 40% equity interest held in Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd (**"Kesturi"**) to EPF.

On 8 November 2016, on behalf of the Board of Directors of Ekovest (**"Board"**), CIMB Investment Bank Berhad (**"CIMB"**), Astramina Advisory Sdn Bhd (**"Astramina"**) and AmInvestment Bank Berhad (**"AmInvestment"**) announced that Nuzen had entered into a conditional share sale agreement (**"SSA"**) with EPF for the disposal of:

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

(b) 18,000,000 redeemable preference shares of RM1.00 each in Kesturi,

which represents 40% of the issued and paid-up share capital of Kesturi, for a total cash consideration of RM1,130.0 million, subject to the terms and conditions contained in the SSA (**"Disposal"**).

In addition, the Company proposes to undertake the following:

(a) proposed share split involving the subdivision of every two (2) existing ordinary shares of RM0.50 each into five (5) ordinary shares of RM0.20 each in Ekovest held on an entitlement date to be determined and announced later (**"Share Split"**); and

(b) proposed amendments to the Company's Memorandum and Articles of Association to facilitate the implementation of the Share Split (**"Amendments"**).

On 18 November 2016, it was announced that the applications relating to the Share Split have been submitted to Bursa Malaysia Securities Berhad (**"Bursa Securities"**) and on 22 December 2016 announced that Bursa Securities resolved to approve the Share Split and listing of and quotation for up to 183,310,470 additional warrants arising from the adjustments to be made pursuant to the Share Split and up to 183,310,470 subdivided shares to be issued arising from the exercise of additional warrants, on the Main Market of Bursa Securities.

On 19 January 2017, the shareholders of the Company have approved the resolutions in respect of the Disposal, Share Split and Amendments.

The Disposal has been completed on 13 February 2017 and in accordance with the terms of the Share Sale Agreement, Nuzen and EPF have entered into the Shareholders' Agreement on 13 February 2017.

None of the Directors or major shareholders or persons connected to them has / have any interest or indirect in the above transaction.

ADDITIONAL COMPLIANCE INFORMATION

MATERIAL CONTRACTS (Cont'd)

(i) Utilisation of Proceeds

The status of utilisation of proceeds raised from the Proposed Disposal which was completed on 13 February 2017 are as follows:

Purpose	Gross Proceeds (RM '000)	Actual Utilisation (RM '000)	Balance (RM '000)	Deviation (RM '000)	Intended Timeframe for Utilisation
Repayment of borrowings	400,000	400,000	Nil	Nil	Within 6 months
Distribution to shareholders of Ekovest (Note 1)	Between 213,862 and 244,414	213,920	Nil	Nil	Within 6 months
Exit Payment	149,000	Nil	149,000	Nil	(Note 2)
General corporate and working capital	Between 325,168 and 355,720	355,662	Nil	Nil	Within 24 months
Estimated expenses for the Proposal	11,418	11,418	Nil	Nil	Within 6 months
	1,130,000	981,000	149,000		

Remarks :

The total cash consideration for this Proposed Disposal is RM1,130.0 million, which is payable in the following manner :

(a) On the completion date, EPF shall pay to Nuzen the completion sum of RM921.0 million; and

(b) Within 7 Business Days following the receipt by Nuzen of a copy of the CPC for Duke Phase-2, EPF shall pay to Nuzen the CPC payment of RM209.0 million, of which the Exit Payment of RM149.0 million is to be deposited into the Designated Accounts and Nuzen shall retain the Exit Payment and all Accrued Income.

Note (1) : The Proposed Distribution represents a cash dividend of RM0.25 per share. The Proposed Dividend has been paid on 8 March 2017 amounting to RM213.92 million. The actual amount paid to the shareholders of the Company is based on the Company's shares outstanding as the entitlement date.

Note (2) : Nuzen is entitled to the full legal and beneficial rights and title to the Exit Payment amounting to RM149.0 million and the Accrued Income but is obligated to retain the Exit Payment and the Accrued Income in the Designated Account. As at to-date, Nuzen has received the CPC Payment which includes the Exit Payment. Amount received to-date is RM1,130.0 million only

ADDITIONAL COMPLIANCE INFORMATION

NON AUDIT FEES

The amount of non-audit fees paid or payable by the Company and by the Group to the external auditors for the financial year 30 June 2022 are RM43,000 and RM150,000 respectively.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE NATURE OR TRADING NATURE

Pursuant to paragraph 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad, the Company will be seeking shareholders' mandate for the Group to enter into recurrent related party transactions of a revenue or trading nature, at the forthcoming Annual General Meeting of Ekovest Berhad scheduled to be held on Friday, 9 December 2022.

ANALYSIS OF
SHAREHOLDINGS
AS AT 30 SEPTEMBER 2022

Date of Annual Report : 28 October 2022
Statement Date : 30 September 2022

I SUBSTANTIAL SHAREHOLDERS

No.	Name	Direct Shareholdings	%	Indirect Shareholdings	%
1.	Tan Sri Dato' Lim Kang Hoo	532,526,093	19.75	298,000,032 [1]	11.05
2.	Ekovest Holdings Sdn. Bhd.	298,000,032	11.05	-	-
	TOTAL	830,526,125	30.80		

II DIRECTORS' SHAREHOLDINGS

No.	Name	Direct Shareholdings	%	Indirect Shareholdings	%
1.	Tan Sri Dato' Lim Kang Hoo	532,526,093	19.75	298,000,032 [1]	11.05
2.	Tan Sri Datuk Seri Lim Keng Cheng	-	-	108,226,500 [2]	4.01
3.	Dato' Lim Hoe	14,232,375	0.53	-	-
4.	Lim Chen Thai	3,600,000	0.13	-	-
5.	Kang Hui Ling	-	-	-	-
6.	Lim Ts-Fei	-	-	-	-
7.	Chow Yoon Sam	160,000	0.01	-	-
8.	Dr. Wong Kai Fatt	-	-	-	-
9.	Lee Wai Kuen	-	-	-	-
10.	Wong Khai Shiang	750,000	0.03	-	-
11.	Lim Ding Shyong	-	-	-	-
	TOTAL	551,268,468	20.45		

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

III CLASS OF EQUITY SECURITY

Total Number of Issued Shares : 2,695,828,002
Class of Security : Ordinary Share
No. of Shareholders : 28,387
Voting Rights : One (1) vote per ordinary share

IV DISTRIBUTION BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shareholdings	%
Less than 100	187	0.66	6,987	0.00
100 to 1,000	2,039	7.18	1,355,595	0.05
1,001 to 10,000	12,618	44.45	77,194,163	2.86
10,001 to 100,000	11,495	40.49	401,534,212	14.89
100,001 to less than 5% of issued shares	2,047	7.21	2,045,487,045	75.88
5% and above of issued shares	1	0.01	170,250,000	6.32
TOTAL	28,387	100.00	2,695,828,002	100.00

ANALYSIS OF SHAREHOLDINGS
AS AT 30 SEPTEMBER 2022

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	Shareholdings	%
1.	RHB NOMINEES (TEMPATAN) SDN BHD *OSK CAPITAL SDN BHD FOR TAN SRI DATO' LIM KANG HOO*	170,250,000	6.32
2.	RHB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN SRI DATO' LIM KANG HOO*	119,145,172	4.42
3.	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR EKOVEST HOLDINGS SDN BHD*	114,500,000	4.25
4.	KHOO CHANG CHIANG	104,109,550	3.86
5.	RHB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN SRI DATO' LIM KANG HOO*	91,148,700	3.38
6.	AMSEC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR EKOVEST HOLDINGS SDN. BHD. (SMART)*	74,600,000	2.77
7.	LIM SEONG HAI HOLDINGS SDN BHD	73,082,800	2.71
8.	CIMSEC NOMINEES (TEMPATAN) SDN BHD *CIMB FOR TAN SRI DATO' LIM KANG HOO (PB)*	70,117,000	2.60
9.	RHB NOMINEES (TEMPATAN) SDN BHD *OSK CAPITAL SDN BHD FOR EKOVEST HOLDINGS SDN. BHD.*	58,000,000	2.15
10.	AMSEC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR TAN SRI DATO' LIM KANG HOO (BX1206)*	54,200,000	2.01
11.	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR KOTA JAYASAMA SDN BHD*	53,720,000	1.99
12.	RHB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR EKOVEST HOLDINGS SDN BHD*	42,350,010	1.57
13.	LIM SEONG HAI HOLDINGS SDN BHD	35,143,700	1.30
14	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN SRI DATO' LIM KANG HOO	25,836,000	0.96
15	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD	23,331,766	0.87
16	LIM KONG JOO	22,295,000	0.83
17	AMSEC NOMINEES (TEMPATAN) SDN. BHD. AMBANK (M) BERHAD (SWAP)	21,000,000	0.78
18	UOB KAY HIAN NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	19,752,625	0.73
19	LIM YAN BU	19,000,000	0.70

ANALYSIS OF SHAREHOLDINGS
AS AT 30 SEPTEMBER 2022

THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

No.	Name	Shareholdings	%
20	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR BANK OF SINGAPORE LIMITED (LOCAL)	18,367,550	0.68
21	DATO' LIM HOE	14,232,375	0.53
22	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YAP SONG MING	13,978,600	0.52
23	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEOH SEE YONG (7004111)	12,280,000	0.46
24	LOH YU SAN	11,428,500	0.42
25	LOH CHIN SEONG	11,226,002	0.42
26	VINCENT WONG KEAN SOON	10,100,000	0.37
27	GREAT OCEAN VENTURE SDN. BHD.	10,000,000	0.37
28	UOB KAY HIAN NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	9,917,900	0.37
29	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHEN KHAI VOON	8,762,200	0.33
30	EKOVEST HOLDINGS SDN. BHD.	8,550,022	0.32

PARTICULARS OF
MATERIAL PROPERTIES
AS AT 30 JUNE 2022

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	4 years	Freehold	Shopping mall	55,996^	415,000	415,000
Part of Geran 78870, Lot 480726, Mukim Kuala Lumpur. (DOA: 04-02-2000)	DUKE Hotels Sdn Bhd	N/A	Freehold	Construction in progress	11,462^	102,409	102,409
PROJECT EKOTITIWANGSA Geran Mukim 4944, Lot 20007, Seksyen 85, Bandar Kuala Lumpur. (DOA: 7-5-2007 & 10-08-2010)	Ekovest Land Sdn Bhd	N/A	Freehold	Construction in progress	9,348#	28,171	28,171
PROJECT EKOAVENUE Geran 57616, Lot 520, Geran 57617, Lot 521, Seksyen 85, Bandar Kuala Lumpur. (DOA: 17-12-2007)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	4,658#	9,997	9,997
HSD 120433, PT 144, Seksyen 85A, Bandar Kuala Lumpur. (DA: 06-10-2017)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	2,660#	19,963	19,963
PROJECT EKOQUAY Geran 36008, Lot 151, Geran 28520, Lot 152, Seksyen 85, Bandar Kuala Lumpur. (DOA: 05-08-2011 & 15-01-2013)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	2,742#	5,538	5,538

PARTICULARS OF MATERIAL PROPERTIES
AS AT 30 JUNE 2022

LOCATION	OWNER	AGE OF BUILDING	TENURE	LAND DESCRIPTION	LAND AREA# (sq. metres)/ BUILT-UP AREA^ (sq. metres)	COST/ REVALUATION/ FAIR VALUE (RM'000)	NET BOOK VALUE (RM'000)
PROJECT EKOQUAY (CONT'D)							
Geran 37575, Lot 310, Geran 37576, Lot 311, Geran 37577, Lot 312, Geran 37578, Lot 313, Geran 29686, Lot 336 Seksyen 85, Bandar Kuala Lumpur. (DOA: 18-10-2011 & 05-08-2011)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	996	5,644	5,644
Geran 78119, Lot 20004, Geran 78857, Lot 20006, Seksyen 85, Bandar Kuala Lumpur. (DA: 23-05-2015 & 07-01-2016)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	196#	648	648
HSD 120001, PT 84, Seksyen 85, Bandar Kuala Lumpur. (DA: 06-01-2016)	Ekovest Properties Sdn Bhd	N/A	Leasehold 99 years Expiring on 5 Jan 2115	Vacant land	3,446#	5,809	5,809
GRN 24930, Lot 256, GM 1497, Lot 326, Seksyen 85, Bandar Kuala Lumpur. (DOA: 07-04-2017)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	4,693#	29,364	29,364

PARTICULARS OF MATERIAL PROPERTIES

AS AT 30 JUNE 2022

LOCATION	OWNER	AGE OF BUILDING	TENURE	LAND DESCRIPTION	LAND AREA# (sq .metres)/ BUILT-UP AREA^ (sq. metres)	COST/ REVALUATION/ FAIR VALUE (RM'000)	NET BOOK VALUE (RM'000)
PROJECT EKORIVER CENTRE Geran 20722 Lot 297, Geran 20723 Lot 298, Geran 20724 Lot 299, Geran 20725 Lot 300, Geran 20726 Lot 301, Section 85, Bandar Kuala Lumpur. (DOA: 14-08-2006)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	5,683#	9,695	9,695
PN51151, Lot 20001, Section 85, Bandar Kuala Lumpur. (DOA: 07-10-2014)	Ekovest Properties Sdn Bhd	N/A	Leasehold 99 years expiring on 1 Nov 2110	Vacant land	2,748#	9,941	9,941
HSD 120087, PT85, Section 85, Bandar Kuala Lumpur. (DA: 05-05-2016)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	1,628#	7,822	7,822
HSD 120272, PT86, Section 85, Bandar Kuala Lumpur. (DA: 22-02-2017)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	1,663#	8,822	8,822
HSD 120398, PT87, Seksyen 85, Bandar Kuala Lumpur. (DA: 13-06-2017)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	628#	3,143	3,143

PARTICULARS OF MATERIAL PROPERTIES

AS AT 30 JUNE 2022

LOCATION	OWNER	AGE OF BUILDING	TENURE	LAND DESCRIPTION	LAND AREA# (sq. metres)/ BUILT-UP AREA^ (sq. metres)	COST/ REVALUATION/ FAIR VALUE (RM'000)	NET BOOK VALUE (RM'000)
PROJECT EKORIVER CENTRE (CONT'D) HSD 120778, PT88, Seksyen 85, Bandar Kuala Lumpur. (DA: 07-09-2018)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	2,926#	27,769	27,769
HSD 120779, PT146, Seksyen 85A, Bandar Kuala Lumpur. (DA: 07-09-2018)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	9,433#	41,500	41,500
PROJECT EKOGATEWAY Lot 9460 to 9578, Mukim Setapak, Kuala Lumpur. (118 titles) (DOA: 09-07-2007)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	22,228#	20,112	20,112
Lot 2767 GM 163 (PT28270) Lot 2768 GM 164 (PT28271) Mukim Setapak, Kuala Lumpur. (DOA: 01-10-2010)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	13,883#	15,370	15,370

PARTICULARS OF MATERIAL PROPERTIES
AS AT 30 JUNE 2022

LOCATION	OWNER	AGE OF BUILDING	TENURE	LAND DESCRIPTION	LAND AREA# (sq. metres)/ BUILT-UP AREA^ (sq. metres)	COST/ REVALUATION/ FAIR VALUE (RM'000)	NET BOOK VALUE (RM'000)
PROJECT EKOGATEWAY (CONT'D)							
Geran Mukim 925, Lot 22520, Mukim Setapak, Kuala Lumpur. (DOA: 18-12-2013)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	686#	7,700	7,700
Lot 9762 to 9776, Lot 9780 to 9782, Mukim Setapak, Kuala Lumpur. (18 titles) (DOA: 18-12-2013)	Ekovest Properties Sdn Bhd	N/A	Leasehold 99 years Expiring on 14 September 2077	Vacant land	1,962#	5,491	5,491
Lot 14238 & 14239, Lot 14250 to 14259, Mukim Setapak, Kuala Lumpur. (11 titles) (DOA: 18-12-2013)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	1,328#	3,709	3,709
HSD 120216, PT10074, HSD 120217, PT10075, HSD 120218, PT10076, HSD 120212, PT10077, HSD 120213, PT10078, HSD 120214, PT10079, HSD 120215, PT10080, Mukim Setapak, Kuala Lumpur. (DA: 10-10-2016)	Ekovest Properties Sdn Bhd	N/A	Leasehold 99 years Expiring on 9 October 2115	Vacant land	18,172#	13,544	13,544

PARTICULARS OF MATERIAL PROPERTIES

AS AT 30 JUNE 2022

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							
Lot 42483 to Lot 42489 (7 lots) Lot 42490 to Lot 42499 (10 lots) Lot 42500 to Lot 42514 (15 lots) Mukim Kuala Kuantan, Bandar Indera Mahkota, Kuantan. (DOA: 19-11-1996)	Milan Energy Sdn Bhd	N/A	Leasehold 99 years Expiring on 22 Mar 2093	Vacant land	46,940#	5,069	5,069
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#	192,000	192,000
HSD 119770, Lot 82, Seksyen 85, Bandar Kuala Lumpur. (DA: 19-01-2015)	Ekovest Land Sdn Bhd	N/A	Leasehold 99 years expiring on 18 Jan 2114	Vacant land	2,179#	10,342	10,342
HSD 120121, PT10066, Mukim Setapak, Kuala Lumpur. (DOA: 05-05-2016)	KL Bund Sdn Bhd	N/A	Leasehold 99 years Expiring on 27 Dec 2114	Vacant land	7,940#	30,554	30,554

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)							
Geran no. 45357, Lot 160, Bandar Kuala Lumpur. (DOA: 29-09-2017)	KL Bund Sdn Bhd	N/A	Leasehold 99 years Expiring on 15 May 2106	Vacant Land	8,488#	43,549	43,549
HSD 565071, PT 24422, Bandar Johor Bahru, District of Johor Bahru Johor Darul Takzim. (DOA: 10-12-2018)	Tanahmas Kapital Sdn Bhd	N/A	Freehold	Vacant Land	45,242#	67,725	67,725
[1] Geran Mukim 354, Lot 228, [2] Geran Mukim 355, Lot 229, [3] Geran Mukim 356, Lot 231, Mukim Jimah Tempat Kuala Lukut [4] Geran Mukim 772, Lot 348 [5] Geran Mukim 773, Lot 404 [6] Geran Mukim 774, Lot 297 Mukim Jimah Tempat Telok Meranti [7] Geran 72701, Lot 486 [8] Geran 130368, Lot 528 [9] Geran 51638 , Lot 529 [10] Geran 65429 , Lot 828 Mukim Jimah Daerah Port Dickson [11] Geran Mukim 2141, Lot 10705 Pekan Lukut Tempat Kuala Lukut [12] Geran 75822, Lot 2604 [13] Geran 75823, Lot 2605 [14] Geran 75824, Lot 2606	Ekovest World Sdn Bhd	N/A	Freehold	Vacant Land	504,319#	31,878	31,878

PARTICULARS OF MATERIAL PROPERTIES

AS AT 30 JUNE 2022

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)							
[15] Geran 75825, Lot 2607 [16] Geran 75826, Lot 2608 Mukim Jimah, Daerah Port Dickson [17] Geran Mukim 241464, Lot 10703 Pekan Lukut, Daerah Port Dickson Negeri Sembilan (DOA : 8-10- 2018)							
Geran 421950, Lot 182988, Geran 414131, Lot 112873, Mukim Plentong Johor Bahru. (DOA: 20-12-2019)	Saujarena Bina Sdn Bhd	N/A	Freehold	Vacant Land	89,568#	125,100	125,100
Part of lands held under H Geran 250679 Lot 45370, Danga View Apartment, Bandar Johor Bahru, District of Johor Bahru, Johor Bahru (DOA : 15-01-2001) 8 units (DOA : 07-02-2002) 3 units (DOA : 24-11-2005) 6 units	Ekovest Berhad	21 years	Freehold	17 units of apartment	4,511^	20,567	20,567
Part of land held under Strata Geran No. 358304, Bandar Johor Bahru. (DOA: 25-06-2010)	Ekovest Construction Sdn Bhd	12 years	Freehold	4 units of 3 storey shop office and 3 unit of 4 storey shop office	2,608^	10,616	10,616

PARTICULARS OF MATERIAL PROPERTIES
AS AT 30 JUNE 2022

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 931 Lot 16345, GM 932 Lot 16346, Mukim Setapak, Kuala Lumpur. (DOA: 03-09-2015)	Ekovest Properties Sdn Bhd	7 years	Freehold	3-storey shop	1,458^	12,914	12,914
GM 762 Lot 14233, GM 763 Lot 14234, Mukim Setapak, Kuala Lumpur. (DOA: 25-07-2017)	Ekovest Properties Sdn Bhd	5 years	Freehold	3-storey shop	467^	9,301	9,301
GM 929 Lot 16343, Mukim Setapak, Kuala Lumpur. (DOA: 15-12-2017)	Ekovest Properties Sdn Bhd	5 years	Freehold	3-storey shop	149#	4,488	4,488

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

NOTICE OF THE THIRTY-SEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Seventh Annual General Meeting of the Company will be conducted on virtual basis through live streaming and online remote voting from the broadcast venue at Ekovest Sales Gallery, 3rd Floor, No. 122, Jalan Desa Gombak 1, Jalan Gombak, 53000 Kuala Lumpur on Friday, 9 December 2022 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 2022 together with the Reports of the Directors and the Auditors thereon. — **Please refer Explanatory Note A**

2. To re-elect the following Directors who retire in accordance with Clause 76 (3) of the Constitution of the Company:-

   (i) Ms. Lim Ts-Fei — **Resolution 1**

   (ii) Mr. Chow Yoon Sam — **Resolution 2**

   (iii) Mr. Lee Wai Kuen — **Resolution 3**

3. To approve the payment of Directors' Fees of RM270,000.00 for the financial year ended 30 June 2022. — **Resolution 4**

4. To approve the payment of Directors' Benefits up to an amount of RM200,000.00 with effect from the Thirty-Seventh Annual General Meeting until the next Annual General Meeting of the Company. — **Resolution 5**

5. To re-appoint Mazars PLT as Auditors for the financial year ending 30 June 2023 and to authorise the Directors to fix their remuneration. — **Resolution 6**

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

   (I) PROPOSED AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE SHARES

   "THAT pursuant to Sections 75 and 76 of the Companies Act, 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements"), the Constitution of the Company and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 20% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed 20% General Mandate").

   THAT such approval on the Proposed 20% General Mandate shall continue to be in force until 31 December 2022.

NOTICE OF THE THIRTY-SEVENTH ANNUAL GENERAL MEETING

THAT with effect from 1 January 2023, the general mandate will be reinstated from a 20% limit to a 10% limit pursuant to Paragraph 6.03 of the Listing Requirements or at such percentage threshold on the total number of issued shares as prescribed in the Listing Requirements or pursuant to temporary relief measures for listed issuers announced by Bursa Securities, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer by the Company from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% or the allowable threshold by Bursa Securities of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed 10% General Mandate").

THAT such approval on the Proposed 10% General Mandate shall continue to be in force until:

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company held after the approval was given;

(b) the expiration of the period within which the next AGM of the Company is required to be held after the approval was given; or

(c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

(The Proposed 20% General Mandate and Proposed 10% General Mandate shall hereinafter referred to as "Proposed General Mandate").

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate."

AND THAT pursuant to Section 85(1) of the Companies Act 2016 to be read together with Clause 12 of the Constitution of the Company, it may be construed to mean that all new shares or other convertible securities in the Company shall, before they are issued, be first offered to such persons who are entitled to receive notices from the Company of general meetings as at the date of this offer in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled ("Pre-emptive Rights") and accordingly, should this resolution for the allotment and issuance of the New Shares be passed by the shareholders of the Company, this resolution shall have the effect of the shareholders of the Company having agreed to irrevocably waive their Pre-emptive Rights in respect of the New Shares to be allotted and issued by the Company pursuant to the Proposed General Mandate, which will result in a dilution to the shareholders' shareholdings in the Company. Subsequent to the passing of this resolution, if this paragraph is or is found to be in any way void, invalid or unenforceable, then this paragraph shall be ineffective to the extent of such voidness, invalidity or unenforceability and the remaining provisions of this resolution shall remain in full force and effect. **Resolution 7**

NOTICE OF THE THIRTY-SEVENTH ANNUAL GENERAL MEETING

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

"THAT authority be and is hereby given pursuant to paragraph 10.09 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as stated in section 2.4 of the Circular to Shareholders dated 28 October 2022 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 an 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:-

(i) 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;

(ii) 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

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

whichever is the earlier." **Resolution 8**

(III) CONTINUING IN OFFICE AS SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

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

(IV) CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR

"THAT subject to the passing of Resolution 1, approval be and is hereby given for Ms. Lim Ts-Fei who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as Independent Non-Executive Director of the Company." **Resolution 10**

(V) CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR

"THAT approval be and is hereby given for Dr. Wong Kai Fatt who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as Independent Non-Executive Director of the Company." **Resolution 11**

(VI) CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR

"THAT subject to the passing of Resolution 2, approval be and is hereby given for Mr. Chow Yoon Sam who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as Independent Non-Executive Director of the Company." **Resolution 12**

NOTICE OF THE THIRTY-SEVENTH ANNUAL GENERAL MEETING

(VII) CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR

"THAT subject to the passing of Resolution 3, approval be and is hereby given for Mr. Lee Wai Kuen who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as Independent Non-Executive Director of the Company." **Resolution 13**

7. To transact any other matter of which due notice shall have been given in accordance with the Constitution of the Company and the Companies Act 2016.

By Order of the Board

Lim Thiam Wah, ACIS
MAICSA No. 7000553
SSM PC No. 201908003868

Chartered Secretary
Kuala Lumpur

28 October 2022

NOTICE OF THE THIRTY-SEVENTH ANNUAL GENERAL MEETING

Notes:

1. The Thirty-Seventh (37th) Annual General Meeting ("AGM") of the Company will be conducted on virtual basis through live streaming and online remote voting via online meeting platform at https://www.digitizevote.my. Please refer to the Administrative Guide for the detailed steps on remote participation and vote remotely.

2. For the purpose of determining who shall be entitled to participate and vote at the 37th AGM, the Company shall request Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at 23 November 2022. Only members whose name appears on this Record of Depositors shall be entitled to participate and vote at the AGM or appoint a proxy to participate and vote on his/her/its behalf.

3. A member entitled to participate and vote at the AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate and vote in his place at the AGM. A proxy may but need not be a member of the Company.

4. A member of the Company who is entitled to participate and vote at the AGM may appoint not more than two (2) proxies to participate and vote in his/her/its place at the AGM.

5. If two (2) proxies are appointed, the entitlement of those proxies to vote shall be in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

6. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (**"Central Depositories Act"**), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (**"Omnibus Account"**), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

8. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

9. An instrument appointing a proxy shall be in writing and in the case of an individual shall be signed by the appointor or by his attorney; and in the case of a corporate member, shall be either under its common seal or signed by its attorney or an officer on behalf of the corporation.

10. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote or in case of poll not less than 24 hours before the time appointed for taking the poll:-

    (i) In hard copy form
    In the case of an appointment made in hard copy form, the Proxy Form must be deposited with Registered Office of the Company situated at Ground Floor, Wisma Ekovest, No.118, Jalan Gombak, 53000 Kuala Lumpur.

    (ii) By electronic form via facsimile
    In the case of an appointment made by facsimile transmission, the Proxy Form must be received via facsimile at 03-4021 5943

    (iii) By electronic form via email
    In the case of an appointment made by email transmission, the Proxy Form must be received via email at proxy@ekovest.com.my

    For options (ii) and (iii), the Company may request member to deposit original executed proxy form to its registered office before or on the date of meeting for verification purpose.

Notes: (Cont'd)

11. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the registered office of the Company situated at Ground Floor, Wisma Ekovest, No. 118, Jalan Gombak, 53000 Kuala Lumpur not less than 48 hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote or in case of poll not less than 24 hours before the time appointed for taking the poll. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

12. Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.

13. Last date and time for lodging proxy form is Wednesday, 9 December 2022 at 10.30 a.m.

14. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of AGM will be put to vote on a poll.

Explanatory Notes:-

Note A

The Audited Financial Statements is laid in accordance with Section 340(1)(a) of the Companies Act 2016 ("CA 2016") and meant for discussion only as the Audited Financial Statements do not require shareholders' approval under the provision of Section 251(1) of the CA 2016. As such, this Agenda item is not to be put forward for voting.

Resolutions 1 to 3

Clause 76 (3) of the Constitution of the Company ("Constitution") expressly states that at the annual general meeting in every subsequent year, one-third of the Directors for the time being or, if their number is not three (3) or a multiple of three (3), then, the number nearest to one-third (1/3) shall retire from office and be eligible for re-election.

Pursuant to Clause 76 (3) of the Constitution, Ms. Lim Ts-Fei, Mr. Chow Yoon Sam and Mr. Lee Wai Kuen are standing for re-election at this Annual General Meeting.

The profiles of the Directors standing for re-election are set out in their respective profiles in the Annual Report.

The Nomination Committee of the Company has assessed the criteria and contribution of Ms. Lim Ts-Fei, Mr. Chow Yoon Sam and Mr. Lee Wai Kuen and recommended for their re-election. The Board endorsed the Nomination Committee's recommendation that Ms. Lim Ts-Fei, Mr. Chow Yoon Sam and Mr. Lee Wai Kuen be re-elected as Directors of the Company.

Resolutions 4 and 5

Section 230(1) of the CA 2016 provides amongst others, that the fees of the directors, and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

In this respect, the Board wishes to seek shareholders' approval for the following payments to the Directors of the Company at the Annual General Meeting in two (2) separate resolutions as below:

Resolution 4 seeks approval for the payment of Directors' Fees of RM270,000.00 for the financial year ended 30 June 2022.

Resolution 5 seeks approval for the payment of Directors' Benefits up to an amount of RM200,000.00 with effect from the Thirty-Seventh 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.

NOTICE OF THE THIRTY-SEVENTH ANNUAL GENERAL MEETING

Explanatory Notes:- (Cont'd)

Resolutions 4 and 5 (Cont'd)

In the event where the Directors' Benefits payable exceeds the estimated amount sought in the Annual General Meeting, a shareholders' approval is to be sought in the next Annual General Meeting of the Company in 2023 on the payment of the exceeded amount.

Resolution 6

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

Explanatory Notes to Special Business

Resolution 7

The proposed ordinary resolution, if passed, will empower the Directors of the Company to issue and allot ordinary shares of the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares allotted pursuant to this resolution does not exceed 20% of the total number of issued shares (excluding treasury shares) of the Company for the time being ("Proposed 20% General Mandate") up to 31 December 2022. With effect from 1 January 2023, the Proposed 20% General Mandate will be reinstated to a 10% limit according to Paragraph 6.03 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad or such percentage threshold on the total number of issued shares as prescribed in the Listing Requirements or pursuant to such temporary relief measures for listed issuers announced by Bursa Securities ("Proposed 10% General Mandate").

The authority for the Proposed 10% General Mandate will, 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 13 December 2021 and which will lapse at the conclusion of the Thirty-Seventh 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 8

The Proposed Resolution 8, if passed, will enable the Group to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations and are in the ordinary course of business made on an arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company. Details of the Proposed Mandate are set out in the Circular to Shareholders dated 28 October 2022.

Resolutions 9 to 13

The Proposed Resolutions 9 to 13, if passed, will approve and authorise Ms. Kang Hui Ling, Ms. Lim Ts-Fei, Dr. Wong Kai Fatt, Mr. Chow Yoon Sam and Mr. Lee Wai Kuen to continue to act as Independent Non-Executive Directors of the Company.

The Malaysian Code on Corporate Governance states that if the board intends to retain an independent director beyond nine (9) years, it should justify and seek annual shareholders' approval through a two-tier voting process.

Explanatory Notes:- (Cont'd)

Resolutions 9 to 13 (Cont'd)

The Nomination Committee has assessed the independence of Ms. Kang Hui Ling, Ms. Lim Ts-Fei, Dr. Wong Kai Fatt, Mr. Chow Yoon Sam and Mr. Lee Wai Kuen who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years and recommended them to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:

(a) Their expertise in finance, corporate, legal and engineering matters, which had significant contribution to the effectiveness of the Board and the Committees;

(b) They have exercised their due care during their tenure as an Independent Non-Executive Director of the Company and they have carried out their professionalism duties in the interest of the Company and the shareholders; and

(c) Long service with the Company enhances their knowledge and understanding of the business operations of the Group which enable them to contribute actively and effectively during deliberations or discussion at Audit and Risk Management Committee and Board meetings.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Particular of Directors who are standing for election at the Thirty-Seventh Annual General Meeting.

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

ADMINISTRATIVE GUIDE FOR 37TH ANNUAL GENERAL MEETING

Date	:	Friday, 9 December 2022
Time	:	10.30 a.m.
Broadcast Venue	:	Ekovest Sales Gallery, 3rd Floor, No. 122, Jalan Desa Gombak 1, Jalan Gombak, 53000 Kuala Lumpur
Meeting Platform	:	Dvote Online website at **https://www.DigitizeVote.my**
Mode of Communication	:	Typed text in Online Meeting Platform during the Thirty-Seventh Annual General Meeting

MODE OF MEETING

The Thirty-Seventh Annual General Meeting of Ekovest Berhad ("AGM") will be conducted on a virtual basis through live streaming from the Broadcast Venue and online remote voting using the Remote Participation and Voting ("RPV") Facilities (collectively referred hereinafter as "Virtual 37th AGM").

The above decision is made pursuant to Section 327 of the Companies Act 2016 and Clause 52 of the Constitution of the Company.

In line with the Malaysian Code on Corporate Governance Practice 13.3, conducting a Virtual 37th AGM, would facilitate greater shareholder participation as it facilitates electronic voting and remote shareholders' participation. With the RPV Facilities, you may exercise your right as a member of the Company to participate (including the right to pose questions to the Board of Directors and/or Management of the Company) and vote at the Virtual 37th AGM. Alternatively, you may also appoint the Chairperson of the Meeting as your proxy to attend and vote on your behalf at the Virtual 37th AGM.

BROADCAST VENUE

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires that the Chairperson of the meeting to be present at the main venue. Shareholders or proxies are **not allowed** to be physically present at the Broadcast Venue as the venue is only meant to facilitate the conduct of the Virtual 37th AGM. Shareholders or proxies who turn up at the Broadcast Venue would be requested to leave the venue politely.

ENTITLEMENT TO PARTICIPATE AND VOTE

In respect of deposited securities, only members whose names appear in the Record of Depositors on 23 November 2022 shall be eligible to participate in the Virtual 37th AGM or appoint proxy(ies) to participate and/or vote on his/her behalf.

FORM(S) OF PROXY

1. A member entitled to participate and vote at the AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate and vote in his place at the AGM. A proxy may but need not be a member of the Company.

2. A member of the Company who is entitled to participate and vote at the AGM may appoint not more than two (2) proxies to participate and vote in his/her/its place at the AGM.

3. If two (2) proxies are appointed, the entitlement of those proxies to vote shall be in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

ADMINISTRATIVE GUIDE FOR 37TH ANNUAL GENERAL MEETING

FORM(S) OF PROXY (CONT'D)

4. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (**"Central Depositories Act"**), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (**"Omnibus Account"**), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

6. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

7. An instrument appointing a proxy shall be in writing and in the case of an individual shall be signed by the appointor or by his attorney; and in the case of a corporate member, shall be either under its common seal or signed by its attorney or an officer on behalf of the corporation.

8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote or in case of poll not less than 24 hours before the time appointed for taking the poll:-

   (i) **In hard copy form**

   In the case of an appointment made in hard copy form, the Proxy Form must be deposited at the Registered Office of the Company situated at Ground Floor, Wisma Ekovest, No.118, Jalan Gombak, 53000 Kuala Lumpur.

   (ii) **By electronic form via facsimile**

   In the case of an appointment made by facsimile transmission, the Proxy Form must be received via facsimile at 03-4021 5943.

   (iii) **By electronic form via email**

   In the case of an appointment made by email transmission, the Proxy Form must be received via email at proxy@ekovest.com.my

   For options (ii) and (iii), the Company may request member to deposit original executed proxy form to its registered office before or on the date of meeting for verification purpose.

9. Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.

10. Last date and time for lodging proxy form is Wednesday, 7 December 2022 at 10.30 a.m.

VOTING PROCEDURE

The voting at the Virtual 37th AGM will be conducted by poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Company has appointed Dvote Services Sdn. Bhd. (**"Dvote"**) as the Poll Administrator to conduct the poll by way of electronic voting or online remote voting (**"e-voting"**) and Coopers Professional Scrutineers Sdn. Bhd. as the independent Scrutineer to validate the votes cast.

Kindly refer to item (2) below of the Procedures for RPV Facilities for guidance on how to vote remotely from Dvote Online website at https://www.DigitizeVote.my.

VOTING PROCEDURE (CONT'D)

During the Virtual 37th AGM, the Chairperson of the Meeting will invite the Poll Administrator to brief on the e-Polling housekeeping rules. The voting session will commence as soon as the Chairperson of the Meeting calls for the poll to be opened and until such time when the Chairperson of the Meeting announces the closure of the poll.

For the purposes of the Virtual 37th AGM, e-voting will be carried out via personal smart mobile phones, tablets or personal computers/laptops.

Upon the conclusion of the poll session, the Scrutineer will verify the poll results followed by the announcement of the poll results by the Chairperson of the Meeting.

Kindly follow the steps below on how to register, request for login ID and password:-

1. REMOTE PARTICIPATION AND E-VOTING FACILITIES

Members are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, **"Participate"**) remotely at the Virtual 37th AGM using RPV Facilities provided by Dvote via its **Dvote Online** website at https://www.DigitizeVote.my. Please refer to Procedure for RPV Facilities.

2. PROCEDURES FOR RPV FACILITIES

Member(s)/proxy(ies)/corporate representative(s)/attorney(s) who wish to participate in the Virtual 37th AGM remotely using the RPV Facilities are to follow the requirements and procedures as summarised below:

BEFORE MEETING DAY		
USER REGISTRATION		
Procedure		**Action**
(a)	Sign up as a user with **Dvote Online**	*Note: If you are already a user with Dvote Online, you are not required to sign-up again. You may proceed to sign-in using your email address and password.*
		• Access the website at **https://www.DigitizeVote.my.**
		• Click on **"Sign up"** to register as a new user with Dvote Online.
		• Complete registration and upload softcopy of Malaysia Identification Card (front and back) or passport for foreigner(s).
		You will be notified via email once your user registration is accepted/rejected by Dvote Online.

ADMINISTRATIVE GUIDE FOR 37TH ANNUAL GENERAL MEETING

2. PROCEDURES FOR RPV FACILITIES (CONT'D)

Member(s)/proxy(ies)/corporate representative(s)/attorney(s) who wish to participate in the Virtual 37th AGM remotely using the RPV Facilities are to follow the requirements and procedures as summarised below: (Cont'd)

BEFORE MEETING DAY		
USER REGISTRATION		
Procedure		**Action**
(b)	Register Meeting with **Dvote Online**	• Registration for Remote Participation will remain open from **24 November 2022** until the commencement of the polling during the Virtual 37th AGM. • Login to https://www.digitizevote.my/Identity/Account/Login with your user ID (i.e. email address) and password. • Select event: **"Ekovest Berhad - 37th Annual General Meeting"** and click **"Register"**. • You will receive an email notifying on your registration for the remote participation and verification. • Once your registration has been verified against the Record of Depositors as at 23 November 2022, you will be notified via email whether your request for remote participation is approved/rejected. • If approved, you will receive an invitation email together with the meeting link to "Join Meeting".
ON MEETING DAY		
Procedure		**Action**
(a)	Join Meeting via Live Streaming	• Click on **"Join Meeting"** link in the invitation email and you will be directed to the live streaming room. • You are advised to log in early, at least 20 minutes, before the Meeting time.
(b)	Post Questions during Live Streaming	• If you have any question(s) for the Board of Directors, you may use the "**Question"** box to transmit your question(s).
(c)	Online Voting during Live Streaming	• Click on **"Vote"**, to cast your votes for each resolution(s). • Review your casted votes, confirm and submit your votes.
(d)	End of remote participation	• Upon the announcement by the Chairperson on the closure of the 37th AGM, the live streaming room will end.

Notes to users of the RPV Facilities:

- The quality of the live streaming is highly dependent on the bandwidth and stability of the internet connection at the location of the user and the device of the user.
- Users are advised to afford themselves ample time to complete the log in process in advance of the meeting.
- In the event you encounter any issues with logging-in, connection to live streamed meeting or online voting on the meeting day, kindly call 603-2276 6138 and/or email to Dvoteservice@gmail.com for assistance.

3. APPOINTMENT OF PROXY(IES)/CORPORATE REPRESENTATIVE(S)/ATTORNEY(S)

A member who has appointed a proxy(ies)/authorised representative(s)/attorney(s) to participate in the Virtual 37th AGM via RPV Facilities must request his/her proxy(ies)/authorised representative(s)/attorney(s) to register himself/herself for RPV Facilities via Dvote Online website at https://www.DigitizeVote.my.

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

NO DOOR GIFTS OR FOOD VOUCHERS

There will be no distribution of food vouchers or door gifts during the Virtual 37th AGM as the meeting is conducted on a virtual basis.

NO RECORDING OR PHOTOGRAPHY

Strictly no recording or photography of the Virtual 37th AGM proceedings is allowed.

ENQUIRY

If you have any enquiry pertaining to the Pre-Registration via RPV Facilities, kindly contact the Poll Administrator during office hours, Mondays to Fridays, 9.00 a.m. to 5.00 p.m. (except public holidays):

DVOTE SERVICES SDN. BHD.
Lot 9-7, Menara Sentral Vista
No. 150, Jalan Sultan Abdul Samad
Brickfield, 50470 Kuala Lumpur

Contact Person	:	Ms. Sangetha / Mr. Hugo
Telephone No.	:	603-2276 6138
Email	:	Dvoteservice@gmail.com

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EKOVEST

Ekovest Berhad

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

PROXY FORM

CDS Account No.

Number of shares held

I/We____NRIC/Company/Passport No.__________________

(full name in block)

of____

(full address)

being member(s) of Ekovest Berhad, hereby appoint:

Full Name (in Block)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Email Address & Contact No.			

and / or* (*delete as appropriate)

Full Name (in Block)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Email Address & Contact No.			

or failing him/her, the Chairman of the Thirty-Seventh Annual General Meeting ("AGM") as *my/our proxy/proxies to vote for *me/us and on *my/our behalf, at the AGM of the Company, to be conducted on virtual basis through live streaming and online remote voting from the broadcast venue at Ekovest Sales Gallery, 3rd Floor, No. 122, Jalan Desa Gombak 1, Jalan Gombak, 53000 Kuala Lumpur on Friday, 9 December 2022 at 10.30 a.m. and at any adjournment thereof.

No	**Resolutions**		**For**	**Against**
1.	Re-election of:			
	(i) Ms. Lim Ts-Fei	(Resolution 1)		
	(ii) Mr. Chow Yoon Sam	(Resolution 2)		
	(iii) Mr. Lee Wai Kuen	(Resolution 3)		
2.	Approval of Directors' Fees	(Resolution 4)		
3.	Approval of Directors' Benefits	(Resolution 5)		
4.	Re-appointment of Auditors	(Resolution 6)		
5.	(I) Proposed Authority for Directors to Allot and Issues Shares	(Resolution 7)		
	(II) Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	(Resolution 8)		
	(III) Continuing in Office of Ms. Kang Hui Ling as Senior Independent Non-Executive Director	(Resolution 9)		
	(IV) Continuing in Office of Ms. Lim Ts-Fei as Independent Non-Executive Director	(Resolution 10)		
	(V) Continuing in Office of Dr. Wong Kai Fatt as Independent Non-Executive Director	(Resolution 11)		
	(VI) Continuing in Office of Mr. Chow Yoon Sam as Independent Non-Executive Director	(Resolution 12)		
	(VII) Continuing in Office of Mr. Lee Wai Kuen as Independent Non-Executive Director	(Resolution 13)		

Please indicate with an "**X**" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this__________________day of____________________

____

Signature*
Member

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*** Manner of execution:**

(a) If you are an individual member, please sign where indicated.
(b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
(c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
(i) at least two (2) authorised officers, of whom one shall be a director; or
(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:

1. The Thirty-Seventh (37th) Annual General Meeting ("AGM") of the Company will be conducted on virtual basis through live streaming and online remote voting via online meeting platform at https://www.digitizevote.my. Please refer to the Administrative Guide for the detailed steps on remote participation and vote remotely.

2. For the purpose of determining who shall be entitled to participate and vote at the 37th AGM, the Company shall request Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at 23 November 2022. Only members whose name appears on this Record of Depositors shall be entitled to participate and vote at the AGM or appoint a proxy to participate and vote on his/her/its behalf.

3. A member entitled to participate and vote at the AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate and vote in his place at the AGM. A proxy may but need not be a member of the Company.

4. A member of the Company who is entitled to participate and vote at the AGM may appoint not more than two (2) proxies to participate and vote in his/her/its place at the AGM.

5. If two (2) proxies are appointed, the entitlement of those proxies to vote shall be in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

6. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (**"Central Depositories Act"**), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (**"Omnibus Account"**), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

8. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

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AFFIX
STAMP

THE COMPANY SECRETARY

EKOVEST

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

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

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Notes: (Cont'd)

9. An instrument appointing a proxy shall be in writing and in the case of an individual shall be signed by the appointor or by his attorney; and in the case of a corporate member, shall be either under its common seal or signed by its attorney or an officer on behalf of the corporation.

10. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote or in case of poll not less than 24 hours before the time appointed for taking the poll:-

    (i) In hard copy form
    In the case of an appointment made in hard copy form, the Proxy Form must be deposited with Registered Office of the Company situated at Ground Floor, Wisma Ekovest, No.118, Jalan Gombak, 53000 Kuala Lumpur.

    (ii) By electronic form via facsimile
    In the case of an appointment made by facsimile transmission, the Proxy Form must be received via facsimile at 03-4021 5943.

    (iii) By electronic form via email
    In the case of an appointment made by email transmission, the Proxy Form must be received via email at proxy@ekovest.com.my

    For options (ii) and (iii), the Company may request member to deposit original executed proxy form to its registered office before or on the date of meeting for verification purpose.

11. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the registered office of the Company situated at Ground Floor, Wisma Ekovest, No. 118, Jalan Gombak, 53000 Kuala Lumpur not less than 48 hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote or in case of poll not less than 24 hours before the time appointed for taking the poll. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

12. Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.

13. Last date and time for lodging proxy form is Wednesday, 7 December 2022 at 10.30 a.m.

14. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of AGM will be put to vote on a poll.

EKOVEST

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

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

WWW.EKOVEST.COM.MY