EKOVEST

Ekovest Berhad

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

INNOVATIVE FOR GREATER VALUE

ANNUAL REPORT 2023

38TH ANNUAL GENERAL MEETING OF EKOVEST BERHAD

BROADCAST VENUE
EKOVEST Sales Gallery, 3rd Floor,
No. 122, Jalan Desa Gombak 1,
Jalan Gombak, 53000 Kuala Lumpur.

DATE Friday, 15 December 2023

TIME 10.30 a.m.

CONTENTS

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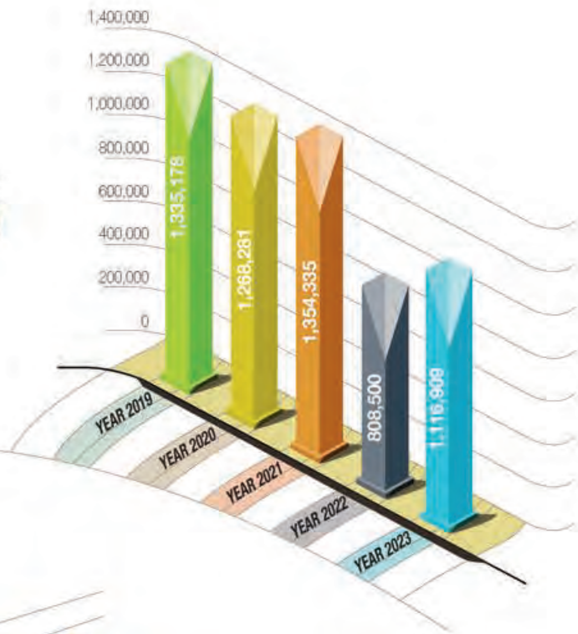
ONLINE ANNUAL REPORT 2023

FINANCIAL HIGHLIGHTS

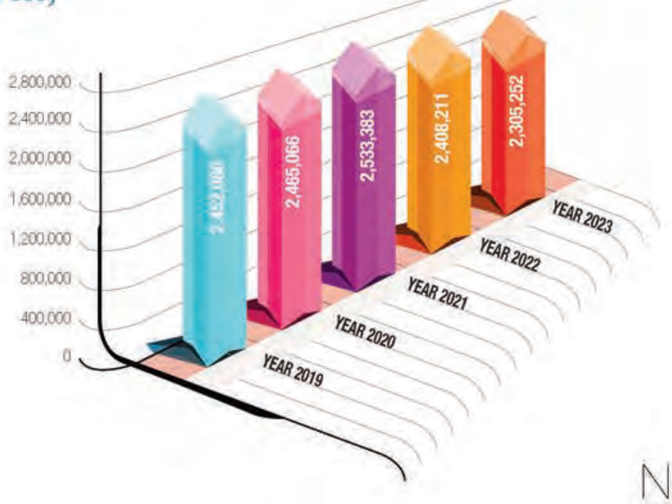
	Group 2019 RM'000	Group 2020 RM'000 (Restated)	Group 2021 RM'000	Group 2022 RM'000	Group 2023 RM'000
Revenue	1,335,178	1,268,281	1,354,335	808,500	**1,116,909**
Profit/(Loss) Before Tax	226,266	90,707	120,401	(40,513)	**(9,855)**
Taxation	(95,822)	(61,964)	(100,956)	(82,933)	**(99,469)**
Profit/(Loss) After Tax	130,444	28,743	19,445	(123,446)	**(109,324)**
Non-controlling Interests	10,032	18,705	23,949	(1,733)	**(1,791)**
Profit/(Loss) Attributable To Owners of the Company	140,476	47,448	43,394	(125,179)	**(111,115)**
Share Capital	1,117,961	1,117,961	1,138,871	1,138,871	**1,138,871**
Reserves	1,334,119	1,347,105	1,394,512	1,269,340	**1,166,381**
Equity Attributable To Owners of the Company	2,452,080	2,465,066	2,533,383	2,408,211	**2,305,252**
Represented By:					
Property, Plant and Equipment	133,922	224,580	240,540	235,479	**247,584**
Investment Properties	719,560	856,284	851,511	855,080	**858,423**
Right-of-use Assets	-	10,678	267,177	265,222	**263,057**
Land Held for Property Development	507,628	517,519	528,036	528,947	**529,057**
Concession Assets	4,682,373	5,657,254	6,810,302	7,336,821	**7,701,568**
Bearer Plants	-	-	359,628	347,749	**339,297**
Biological Assets	-	-	6,708	2,681	**3,046**
Intangible Assets	6,453	6,375	17,922	18,508	**1,622**
Investment In Associates	104,348	102,716	3,581	3,649	**15,843**
Investment In a Joint Venture	-	816	-	-	**-**
Other Investments	-	-	6,371	-	**1,310**
Performance Deposits	-	-	50,000	50,000	**48,995**
Deferred Tax Assets	13,163	17,942	21,125	24,251	**27,569**
Other Receivables	-	5,132	18,656	18,773	**20,093**
Current Assets	4,534,150	3,033,460	2,036,082	1,540,109	**1,328,656**
Current Liabilities	(1,344,788)	(1,200,970)	(1,368,124)	(1,413,950)	**(1,462,749)**
Non-current Liabilities	(6,546,580)	(6,426,533)	(6,863,816)	(6,951,302)	**(7,126,901)**
Non-controlling Interests	(358,149)	(340,187)	(452,316)	(453,806)	**(491,218)**
	2,452,080	2,465,066	2,533,383	2,408,211	**2,305,252**
Net Assets Per Share (RM)	0.92	0.93	0.94	0.89	**0.86**
Basic Earnings/(Losses) Per Share (Sen)	6.45	1.79	1.62	(4.64)	**(4.12)**

FINANCIAL HIGHLIGHTS

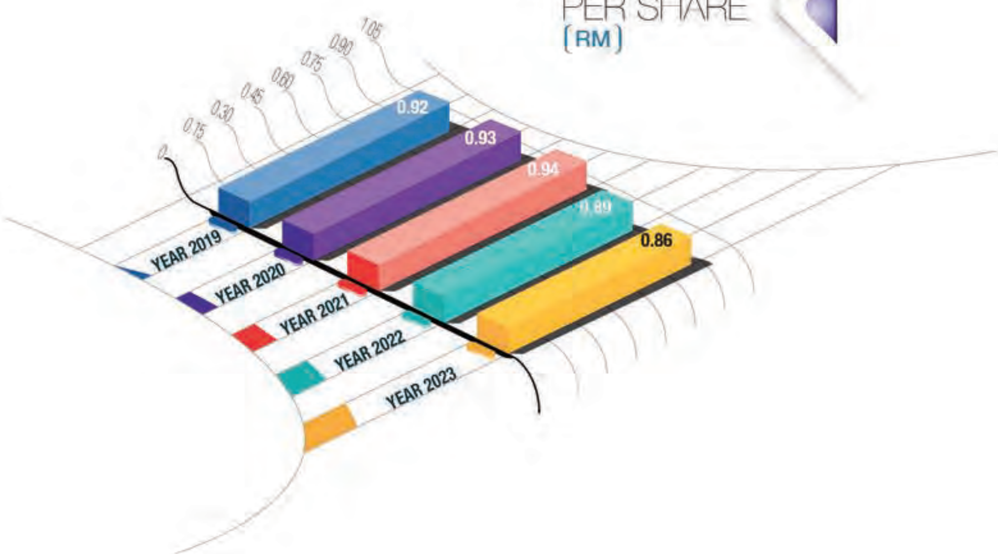
REVENUE (RM'000)

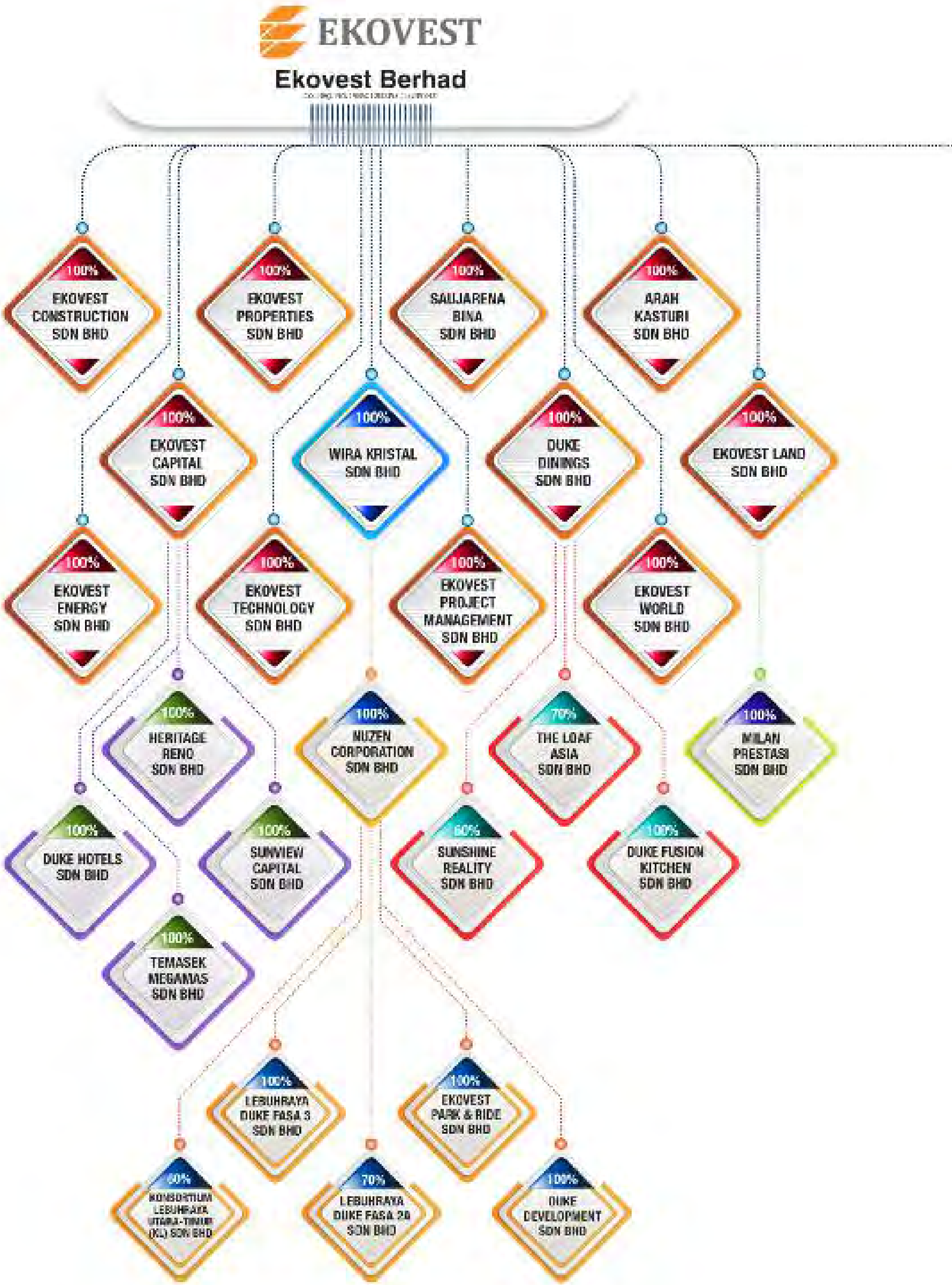


EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM'000)

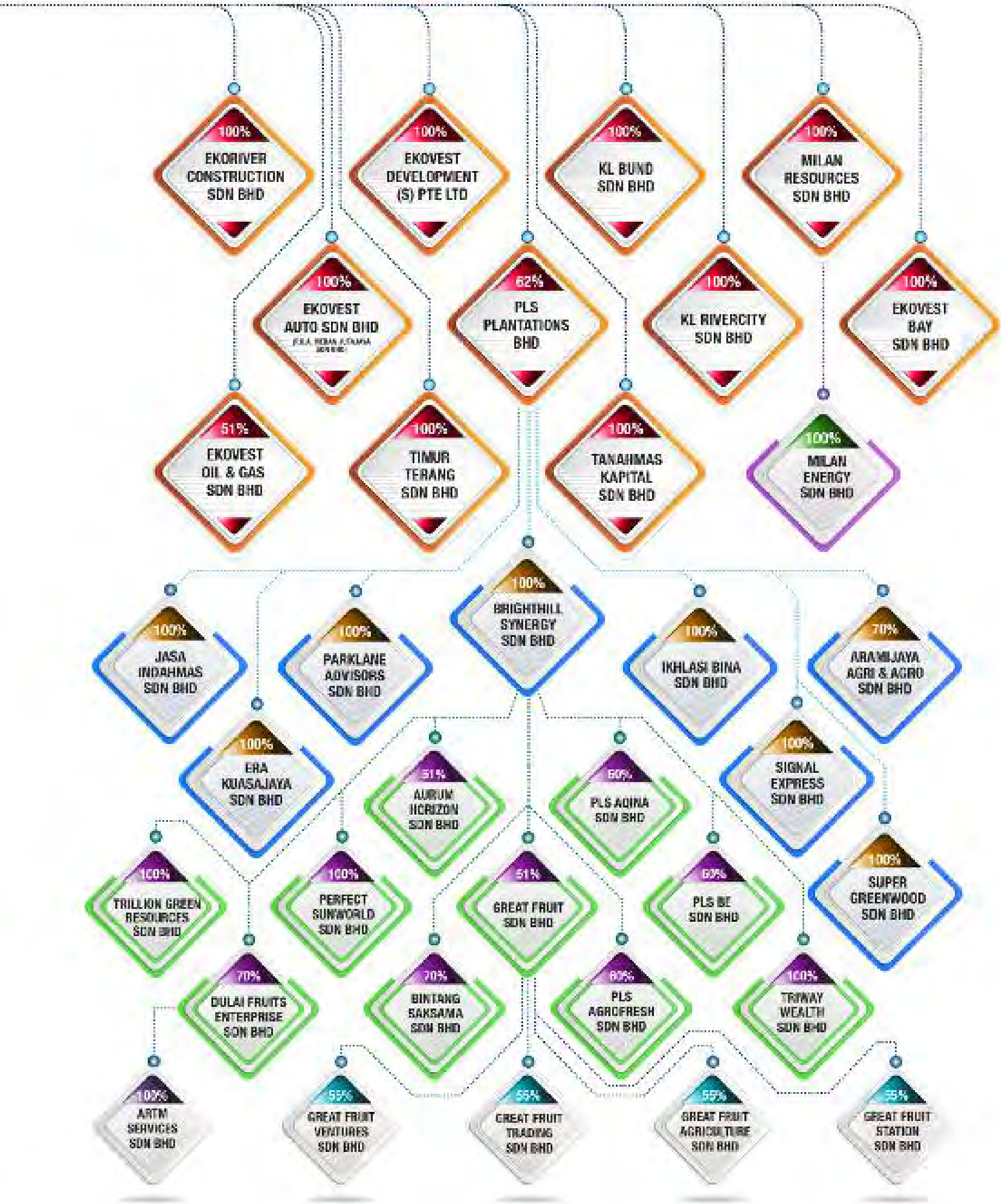


NET ASSETS PER SHARE (RM)




EKOVEST
Ekovest Berhad
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
100% EKOVEST LAND 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% MUZEN CORPORATION SDN BHD
70% THE LOAF ASIA SDN BHD
100% MILAN PRESTASI SDN BHD
100% DUKE HOTELS SDN BHD
100% SUNVIEW CAPITAL SDN BHD
60% SUNSHINE REALITY SDN BHD
100% DUKE FUSION KITCHEN 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



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

CHIN WAI KIT
Independent & Non-Executive Director

LIM TS-FEI
Independent & Non-Executive Director

DATO' MAJID MANJIT BIN ABDULLAH
Independent & Non-Executive Director

JASMINE CHEONG CHI-MAY
Independent & Non-Executive Director

LEE WAI KUEN
Independent & Non-Executive Director

WONG KHAI SHIANG
Alternate Director to Dato' Lim Hoe

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

CORPORATE INFORMATION

COMPANY SECRETARIES

Lim Thiam Wah, ACIS
Tee Lee Leng, 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

REGISTERED OFFICE

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

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

PRINCIPAL BANKERS

AmBank (M) 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 2023.

INDUSTRY TRENDS

The growth momentum in the construction industry in Malaysia is expected to continue to grow steadily in 2023. The growth in the construction sector is driven by the full 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. The construction sector continued to expand in the second quarter of 2023, rising by 8.1 per cent to record RM32.4 billion value of work done according to the Department of Statistics Malaysia (DOSM), this is supported by further improving economic conditions.

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.

Malaysia's property sector poised for sustainable growth in 2023. During this 1st half year 2023, Malaysia's economy continues its strong growth momentum, underpinned by strong pick-up in domestic demand, improving labour market conditions as well as favourable policy support. As compared to 2022, the property sector due to waning demand, high cost of materials and increase in interest rates which has a negative impact on the demand for properties. In 2022, new launches were scale back due to higher raw material and labour costs while weakening consumer sentiment caused by inflationary pressures were expected to dampen consumer spending. Despite prevailing subdued market sentiments, the Malaysia property market performed modestly than expected in 2022. 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 2023 though the environment remained challenging.

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.

Tan Sri Dato'
Lim Kang Hoo
Group Executive Chairman

GROUP EXECUTIVE CHAIRMAN'S STATEMENT

FINANCIAL PERFORMANCE

Throughout the past year, we remained committed to implementing our strategy to transform Ekovest into a larger listed conglomerate with a portfolio of diversified businesses to reduce dependency on our existing businesses in construction, property development and toll operations in the ever-changing and uncertain landscape. We are now intensely focused on cultivating growth drivers for our businesses, and rejuvenating key management teams to drive us forward. Notwithstanding the challenges faces in financial year ended 30 June 2023 ("FYE2023")., 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 FYE2023, Ekovest registered revenue of RM1.117 billion, an increase of approximately 38.1% as compared to revenue of RM808.5 million achieved in the previous financial year ended 30 June 2022 ("FYE2022"). Our construction division continues to be the main revenue driver, contributing RM527.0 million or 47.2% of total revenue, while our toll operations remained the second largest contributor with RM287.7 million or 25.8%. Our property development division contributed RM139.1 million or 12.5% and the plantation division had contributed RM118.3 million or 10.6% to the total revenue achieved in FYE2023.

The increase in revenue was mainly attributable to the increase in construction activities from the commencement of the new Rapid Transit System Link ("RTS Link") project during this FYE2023. The revenue from the sales of the completed residential units in EkoCheras has gradually increased after the government lifted the MCO restrictions with the sales from the property development division had also further improved after obtaining approval for the release of unsold Bumiputera units at EkoCheras in September 2022. 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 FYE2023 as the movement controls were lifted. The Loss Before Tax ("LBT") for FYE2023 stood at RM9.9 million, decreased compared to the LBT reported in FYE2022 of RM40.5 million which is in tandem with the increase in revenue. However, with the deferred tax expenses amounting to RM81.3 million mainly from our toll operation division has resulted in Loss After Tax ("LAT") of RM109.4 million in FYE2023 as compared to a LAT of RM123.4 million in FYE2022.

STRATEGIC REVIEW

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.

With the "Transition to Endemic", FYE2023 is a challenging year 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 contracts that we have secured, specifically the Johor Bahru to Singapore Rapid Transit System Link Rail connecting Johor Bahru and Singapore, 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 project. Upon the upliftment of the MCO, the Group has experienced steady increase in toll revenue for Duke Phase 1 and Phase 2 and the upcoming full opening of the Setiawangsa - Pantai Expressway ("SPE") will further increase the revenue for our toll operations segment.

We have also taken steps to grow further and have taken a bolder 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.

Our subsidiary, PLS Plantations Berhad ("PLS"), is in a transition phase from its core business in traditional oil palm plantation to the broader agrofood industry. PLS's transformation journey from the cyclical oil palm plantation to a more diversified range of upstream and downstream activities will require a longer gestation period. In particular, the gestation period for the durian trees is about 4 to 5 years and thus, the bulk of our durian revenues is only from trading activities. In the near term, while PLS's oil palm business is

GROUP EXECUTIVE CHAIRMAN'S STATEMENT

Setiawangsa - Pantai Expressway ("SPE")

RTS Link Project

RTS Link Project

STRATEGIC REVIEW (CONT'D)

expected to see improved productivity and yield with the recent availability of labour, the selling price of fresh fruit bunches ("FFB") may remain less buoyant than the previous financial year. PLS has also entered into various cash crops joint ventures for the purpose of intercropping with cash crops, durian and other plantations. 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.

To strengthen the achievement of the company strategy as mentioned above, on 27 September 2023, in my personal capacity as a major shareholder of Ekovest, I have served a letter of proposal to convey my intention to undertake a reorganisation, rationalisation and merger proposal to transform the enlarged Ekovest group into a listed public-private-partnership conglomerate in Malaysia, with interests in construction, property development, infrastructure and plantations. My proposals are intended to streamline the businesses and to consolidate the assets, resources, capabilities and core strengths of the respective companies in order to strengthen the performance, competitiveness and sustainability of the enlarged conglomerate, which I believe will create value for the all shareholders.

Furthermore, the proposals are aimed at mitigating any potential conflict of interest and it is my goal to share the economic propositions and benefits that I have for my business assets with all my minority shareholders. In issuing this letter, I am seeking to be completely transparent with the Board of Directors relating to my intention and vision for Ekovest and to consider the proposal, if thought fit implement them. The enlarged conglomerate through Ekovest post completion of the various proposed corporate exercises will have a stronger financial position, assets portfolio, vast strategic landbank as well as the skill and expertise required to compete both locally and internationally.

APPRECIATIONS

On behalf of the Board of Directors and Management, I would like to extend my deepest gratitude to Dr. Wong Kai Fatt, Mr Chow Yoon Sam and Ms Kang Hui Ling, who have been a part of this remarkable journey and have been serving Ekovest Group over the years. To our dedicated board members, thank you for your visionary leadership, invaluable guidance, relentless commitment and contributions to Ekovest. Also, let me take this opportunity to welcome Dato' Majid Manjit Bin Abdullah, Mr Chin Wai Kit and Ms Jasmine Cheong Chi-May as our new Independent Non-Executive Directors.

Next, I wish to express my most sincere appreciation to 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 2024. We look forward to a very exciting year ahead for the Ekovest Group.

TAN SRI DATO' LIM KANG HOO
Group Executive Chairman
27 October 2023

MANAGING DIRECTOR'S STATEMENT

We are relieved that Malaysia's economy is heading to a rebound post pandemic and with the end of movement controls restrictions, our business activities and operations are recovering as well. Despite the promising economic situation, our financial year ended 30 June 2023 ("FYE2023") has remained to be a challenging year. The economic framework announced by the Government recently which was aimed at boosting the Malaysian economy has returned investors' confidence in Malaysia and has provided comfort that we are on the right track and look forward to capitalise on the recovery of the economy.

Construction
Delivering Infrastructure Milestone

During FYE2023, we have continued to focus on the full completion of our Setiawangsa - Pantai Expressway ("SPE") despite the many challenges faced throughout the construction period. Nonetheless, the long-term effects post pandemic, especially challenges in the construction supply chain resulting in unpredictable fluctuation material prices and tight labour market, had previously hampered 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, the SPE's Section 4 (Taman Melati to Setiawangsa Interchange) was opened to public on 22 December 2021. The remaining sections of the SPE has been issued its certificate of practical completion and is currently under inspection from Government authorities. Barring any unforeseen circumstances, we expect the SPE to be fully opened to public in the early 4th quarter calendar year 2023.

Tan Sri Datuk Seri
Lim Keng Cheng
Managing Director

MANAGING DIRECTOR'S STATEMENT

Construction
Delivering Infrastructure Milestone (Cont'd)

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.

Looking forward, the RM1.45 billion engineering, procurement and construction contract for the RTS Link project has enabled the Group to replenish its construction order book and this is expected to contribute positively to the financial performance of the Group for the next two (2) financial 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 to secure more infrastructure projects to replenish our construction orderbook.

MANAGING DIRECTOR'S STATEMENT

Property Development and Property Investment

Post Pandemic Recovery

Our property development division had performed better than previous years with higher sales of completed residential units at EkoCheras with sales further improving after obtaining approval for the release of unsold "Bumiputera" units in September 2022. In addition, we are finalising the financial requirement and the authorities' submission for the launch of the upcoming new property development, the EkoTitiwangsa project in the 4th quarter calendar year 2023. EkoTitiwangsa consists of one office tower and two blocks of service apartments and has an estimated GDV of RM500.11 million to cater for lifestyle and spending habits post pandemic. We will continue to explore the right opportunities to monetise our other landbanks which will contribute to both the property development and construction segment simultaneously.

Our EkoCheras Mall have continued its road to recovery past pandemic where we were faced with tough decision and had 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 pandemic. We have continued with our rebates assistance, although at a much 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.

Our EkoCheras integrated development comprises a mall, a hotel, an office tower and three blocks of serviced apartments have been fully completed with the final opening of the hotel operations. We have appointed Spain's largest hotel chain, Meliá Hotels International, as the operator of the 238-room hotel at EkoCheras. The Innside by Meliá has opened its doors to the public since March 2023.

Overall, we believe that the entire EkoCheras development is able to offer an affordable yet comfortable experience and will be the nucleus of Cheras. We hope that EkoCheras will be able to open up more growth opportunities and rejuvenate Cheras as a whole.

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) has recovered well and traffic volumes have returned to pre-Covid levels. In early the first quarter of 2023, traffic volumes have exceeded the pre-pandemic levels and this trend is expected to continue. 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 anticipated full opening of the SPE in the 4th quarter calendar year 2023 and also the opening of 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

PLS, a leading player in the agro-food industry, their implementation of the business strategy and transformation plan is in a transition phase. 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 agro-food ecology and network. PLS has also sets its sights on refining its approach to the Chinese market as their previous strategy of direct selling to China, primarily through exports, encountered challenges. PLS is recalibrating to form collaborations with renowned players in China's wholesale and retail sectors instead of the earlier direct selling strategy. PLS is currently engaged in discussions with multiple stakeholders to enhance its access to the Chinese market. The aim of this collaboration is to align interests and foster sustainable growth for PLS, allowing the PLS to maintain its core expertise in planting, sourcing and downstream processing. 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 FYE2023 is RM1.117 billion, which is an increase of approximately 38.1% as compared to previous year. Tabulation on the revenue for the Ekovest Group in financial year ended FYE2023 and financial year ended 30 June 2022 ("FYE2022") is as below:-

	FYE 2023 RM '000	FYE 2022 RM '000	Variance RM '000	%
Construction	526,988	380,779	146,209	38.4
Property Development	139,090	35,604	103,486	290.7
Infrastructure Concession	287,728	191,720	96,008	50.1
Plantation	118,280	167,206	(48,926)	(29.3)
Food and Beverages	12,655	9,499	3,156	33.2
Property Investment	30,037	23,352	6,685	28.6
Others	2,131	340	1,791	526.8
Total	1,116,909	808,500	308,409	38.1

The increase in the current financial year revenue as compared to FYE2022 was mainly contributed by the increase in construction work done during the year due to more construction activities undertaken during this financial year. The higher construction revenue is mainly attributable to RTS Link project in this current financial year 2023 and also workdone from SPE project.

Management Discussion And Analysis (Cont'd)

Notwithstanding the overall increase 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. The property development division reported an increase in revenue from the improved sales of the completed properties in EkoCheras. The increase in the property investment segment is primarily attributed to lower rental rebates granted to tenants at EkoCheras Shopping Mall. In addition, the newly opened Innside by Meliá Hotel in EkoCheras has commenced the hotel operations in the last quarter of FYE 2023 and had contributed to the financial performance of this division.

Our infrastructure concession division registered a revenue of RM287.7 million in FYE2023 as compared to RM191.7 million in FYE2022 supported by the increase in traffic volume utilising the DUKE highway. From actual FYE2023 vs FYE2022 toll collection receipts, there is an increase of approximately 3.5% in the toll revenue, largely due to the increase in the traffic volume in the second half of FYE2023.

The plantation division registered a lower revenue of RM118.3 million in FYE2023 as compared with the revenue of RM167.2 million in FYE2022. The decline in revenue was attributed to moderated crude palm oil prices, inflationary pressures on operational costs, and the lingering effects of adverse weather on durian production where the volume and quality of durian plantation and contract farming activities were adversely affected by inclement weather condition. Furthermore, the challenges in the past year were compounded by an increase in maintenance activities as the labour supply began its recovery, coupled with a slower offtake of our downstream durian products by export customers.

The Group's total gross profit for FYE2023 has increased as compared to FYE2022 which is in tandem with the increase in total revenue. This has resulted a lower loss before tax ("LBT") for FYE2023 which stood at RM9.9 million as compared with the LBT reported in FYE2022 of RM40.5 million.

However, the Group reported a net loss after tax of RM109.3 million in FYE2023, this is mainly due to the recognition of deferred tax liabilities for the toll operations' segment. The deferred tax expense amounting to RM87.2 million arising from our toll operations division had impacted the net loss after tax of the Group. This is mainly due to unrecognition of the deferred tax assets accumulated unabsorbed business losses pursuant to 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), as it not probable that the existing toll operation business would generate sufficient taxable profit within the next 10-year against which the deferred tax asset can be utilised.

MANAGING DIRECTOR'S STATEMENT

Management Discussion And Analysis (Cont'd)

From the balance sheet perspective, we have seen an increase in our Concession Assets from RM7.3 billion in FYE2022 to RM7.7 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, Short Term Deposits and Cash and Bank Balances from RM925.0 million in FYE2022 to RM675.3 million in FYE2023, which was due to funds utilised for 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. In addition, to further strengthen the balance sheet and financial standing of the Ekovest Group, we have also completed a Private Placement in September 2023 comprising of 269,582,800 new ordinary shares in Ekovest and has raised a total of RM117.3 million.

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 0.37 times for the FYE2023 vis-à-vis the gearing ratio of 0.40 times in FYE2022. For the calculation of 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 FYE2023 had decrease to RM0.86 from RM0.89 in FYE2022, which is mainly due to the net loss recorded in FYE2023.

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, Unit Kerjasama Awam Swasta (UKAS), Lembaga Lebuhraya Malaysia, Dewan Bandaraya Kuala Lumpur, Jabatan Wilayah Persekutuan, 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

27 October 2023

DIRECTORS' PROFILE

TAN SRI DATO' LIM KANG HOO
GROUP EXECUTIVE CHAIRMAN

MALE AGE 68 MALAYSIAN

Tan Sri Dato' Lim Kang Hoo is our Group Executive Chairman since 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 51 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 vision and dynamism and he provides strategic advice to the overall business directions of our Company. Over the past years, he has been instrumental in the rapid growth of the various companies which he helms under his leadership. He started his involvement in the construction industry soon after having a few years of his secondary education and started working in the plantation sector and assisting the family construction business.

Tan Sri Dato' Lim's vast experience in the construction industry has contributed 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 crops for food securities.

DIRECTORS' PROFILE

CONTINUED

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 61.60% subsidiary of Ekovest.

Tan Sri Dato' Lim also has extensive experience in the plantation industry. In 1971, he established a small business selling durians and other fruits and vegetables in Kuala Lumpur. In 1974, he was 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 the 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. In addition, Tan Sri Dato' Lim holds the position of Executive Vice Chairman of Iskandar Waterfront City Berhad, a subsidiary of IWH that engages in real estate development and is listed on the Main Board of Bursa Malaysia.

DIRECTORS' PROFILE

TAN SRI DATUK SERI LIM KENG CHENG
MANAGING DIRECTOR

MALE AGE 61 MALAYSIAN

TAN SRI DATUK SERI LIM KENG CHENG, male, aged 61, Malaysian, was appointed as the Managing Director of Ekovest Berhad on 16 May 2011. He has more than 40 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 company listed on the LEAP Market of Bursa Malaysia Securities Berhad.

DIRECTORS' PROFILE

CONTINUED

MR LIM CHEN THAI
EXECUTIVE DIRECTOR

MALE AGE 29 MALAYSIAN

MR. LIM CHEN THAI, Malaysian, male, aged 29, was an Alternate Director to Tan Sri Dato Lim Kang Hoo at Ekovest Berhad on April 26, 2018, and subsequently appointed as Executive Director on February 25, 2020. He holds a Bachelor of Banking and Finance degree from Monash University, Australia.

Over the years, he has demonstrated his unwavering dedication and outstanding leadership through a series of progressively challenging roles and projects and has a profound understanding of the Group's operations.

Notably, he has successfully completed two significant national infrastructure projects: the redevelopment of Titiwangsa Lake Park (2021) and the development of River of Life (RoL) (2019) in Kuala Lumpur City Centre.

Currently, Mr. Lim Chen Thai is actively contributing in various capacities across the group. Under his portfolio, he oversees the infrastructure development of the Duta-Ulu Kelang Expressway 1 and 2 (DUKE), Setiawangsa-Pantai Expressway (SPE), Johor Bahru-Singapore Rapid Transit System (RTS) while also managing Ekovest Berhad's hospitality sector - the INNSiDE by Meliá Kuala Lumpur Cheras hotel, Ekocheras mall and residences. Additionally, he is also responsible for the upcoming RiverFront development - Ekotitiwangsa, a multifaceted project featuring offices, retail spaces, and residential areas situated in Kuala Lumpur.

Mr Lim Chen Thai also serves as an Executive Director at Knusford Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad.

DATO' LIM HOE
EXECUTIVE DIRECTOR

FEMALE AGE 71 MALAYSIAN

DATO' LIM HOE, female, aged 71, 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 49 years of working experience in various industries, gaining exposure in the field of finance, management, human resource and corporate matters. She is one of the pioneer during the formative years of Ekovest Berhad. She is also a Director of several private limited companies.

DIRECTORS' PROFILE

CONTINUED

MS LIM TS-FEI

INDEPENDENT NON EXECUTIVE DIRECTOR

FEMALE AGE 60 MALAYSIAN

MS. LIM TS-FEI, female, aged 60, 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 CHIN WAI KIT

INDEPENDENT AND NON-EXECUTIVE DIRECTOR

MALE AGE 44 MALAYSIAN

MR. CHIN WAI KIT, male, aged 44, Malaysian, was appointed to the Board of Directors of Ekovest Berhad on 1 June 2023. He began his career in January 2003 as an Account cum Audit Assistant where he was responsible for the accounting, auditing and taxation of various industries. In September 2003, he joined PCCO Tax Services Sdn Bhd as a Tax Associate where he assisted the preparation of tax computations for individuals, partnerships and companies in the various industries including trading, manufacturing and construction sectors. In January 2007, he took on the role of a Tax Manager where his responsibilities and portfolios were expanded to include advisory works, tax incentives and exemptions, tax risks management, transfer pricing and provide training and update on tax laws, tax regulations and tax developments to his team members, clients and the public. Mr. Chin is also equipped with vast experience in dealing and managing tax audit and tax investigation works across a wide range of industries comprising of small medium enterprises, listed companies, multinational companies and high net worth individuals. He was promoted to Tax Director in July 2010 and is presently a Tax Partner and shareholder of PCCO Group. Mr. Chin is also a licensed tax agent and licensed GST agent approved by the Ministry of Finance. Mr. Chin is a Fellow of the Association of Chartered Certified Accountants (FCCA) since July 2007, Chartered Accountant registered with the Malaysian Institute of Accountants (MIA) since March 2008, Associate Member of Chartered Tax Institute of Malaysia (ACTIM) since August 2009, Chartered Tax Practitioner since June 2012 and ASEAN Chartered Professional Accountant certified by ASEAN Chartered Professional Accountants Coordinating Committee (ACPACC) since November 2018. He is currently an Independent Non-Executive Director of Iskandar Waterfront City Berhad.

DIRECTORS' PROFILE

DATO' MAJID MANJIT BIN ABDULLAH

INDEPENDENT NON EXECUTIVE DIRECTOR

MALE AGE 64 MALAYSIAN

DATO' MAJID MANJIT BIN ABDULLAH, male, aged 64, Malaysian, was appointed to the Board of Directors of Ekovest Berhad on 12 May 2023. He holds a Diploma in Business Administration. Dato' Majid Manjit joined the Civil Service and was attached to the Johor Bahru Municipal Council (now known as Johor Bahru City Council). He served in various capacity in Johor Bahru City Council from 1984 to 2003. In 2003, Dato' Majid Manjit was re-assigned from Johor Bahru City Council to Royal Johor Country Club ("RJCC"). He served as the General Manager of RJCC from 2003 to 2013. He resigned from RJCC in 2013 to join HRH Tengku Mahkota Pahang and was appointed as HRH's Sports Consultant. In 2016, Dato' Majid Manjit was appointed as the Chairman of Tree Movement Sdn. Bhd. ("TMSB"). TMSB manufactures electric vehicles such as motorcycles, food trucks and others. TMSB is licensed to manufacture and assemble electric motorcycles for MIDA. Dato' Majid Manjit is the Executive Chairman and shareholder of TMSB. He is currently an Independent Non-Executive Director of PLS Plantations Berhad and a Director of SKS Airways Sdn Bhd.

MR LEE WAI KUEN

INDEPENDENT NON EXECUTIVE DIRECTOR

MALE AGE 57 MALAYSIAN

MR. LEE WAI KUEN, male, aged 57, 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 operations 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 31 years of legal and corporate experience serving 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 the Chief Corporate Officer GK Aqua Sdn Bhd and Sento Biotech Sdn Bhd. He is also an Independent Non-Executive Director of Knusford Berhad.

DIRECTORS' PROFILE

CONTINUED

MS JASMINE CHEONG CHI-MAY

INDEPENDENT NON EXECUTIVE DIRECTOR

FEMALE AGE 30 MALAYSIAN

MS JASMINE CHEONG CHI-MAY, female, aged 30, Malaysian, was appointed to the Board of Directors of Ekovest Berhad on 3 April 2023. She graduated with a Bachelor of Law (Hons) from University of Hertfordshire, United Kingdom in 2015. She obtained her Certificate in Legal Practice the following year and was subsequently admitted to the Malaysian Bar as an Advocate and Solicitor in 2017. She has since found her specialty in white-collar cases such as graft and capital market offences. Currently, Ms. Cheong is the Managing Partner of Messrs. Cheong & Maman, a firm she co-founded in 2020. Thereafter, her practice has expanded to many areas of law including corporate, conveyancing, tort, tax, civil and criminal litigation.

MR WONG KHAI SHIANG

ALTERNATE DIRECTOR TO DATO' LIM HOE

MALE AGE 44 MALAYSIAN

MR. WONG KHAI SHIANG, male, aged 44, 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 22 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.

DIRECTORS' PROFILE

MR LIM DING SHYONG

ALTERNATE DIRECTOR TO TAN SRI DATUK SERI LIM KENG CHENG

MALE AGE 35 MALAYSIAN

MR. LIM DING SHYONG, male, aged 35, Malaysian, was appointed to the Board of Directors of Ekovest Berhad on 27 February 2014 and has over 10 years of experience in construction and property related industries. He graduated with a Master of Science in Robotics in 2012 and a Bachelor Degree in Engineering with Business Management in 2010 from King's College London. Upon graduating, he joined the Ekovest Group as a Project Engineer on 1 February 2012. He was involved in the planning, design and construction of the extension of Duta-Ulu Kelang Expressway (DUKE Phase 2), the Setiawangsa-Pantai Expressway (Duke Phase 3) and in Ekoriver Construction Sdn Bhd which was been appointed as the Swiss Challenge Contractor for the proposed improvement and beautification works at Precinct 7 under the River of Life project. He was also involved in the sales and marketing activities as well as mall operations of EkoCheras, Ekovest's maiden property development project located in Cheras. He is currently the alternate director to Tan Sri Datuk Seri Lim Keng Cheng in Ekovest Berhad and is also a Director in Ekovest Project Management Sdn Bhd.

CONFLICT OF INTEREST

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

CONVICTION FOR OFFENCES

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

FAMILY RELATIONSHIP

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

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

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

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

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

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

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

MR. THAM BENG CHOY
CHIEF EXECUTIVE OFFICER
CONSTRUCTION

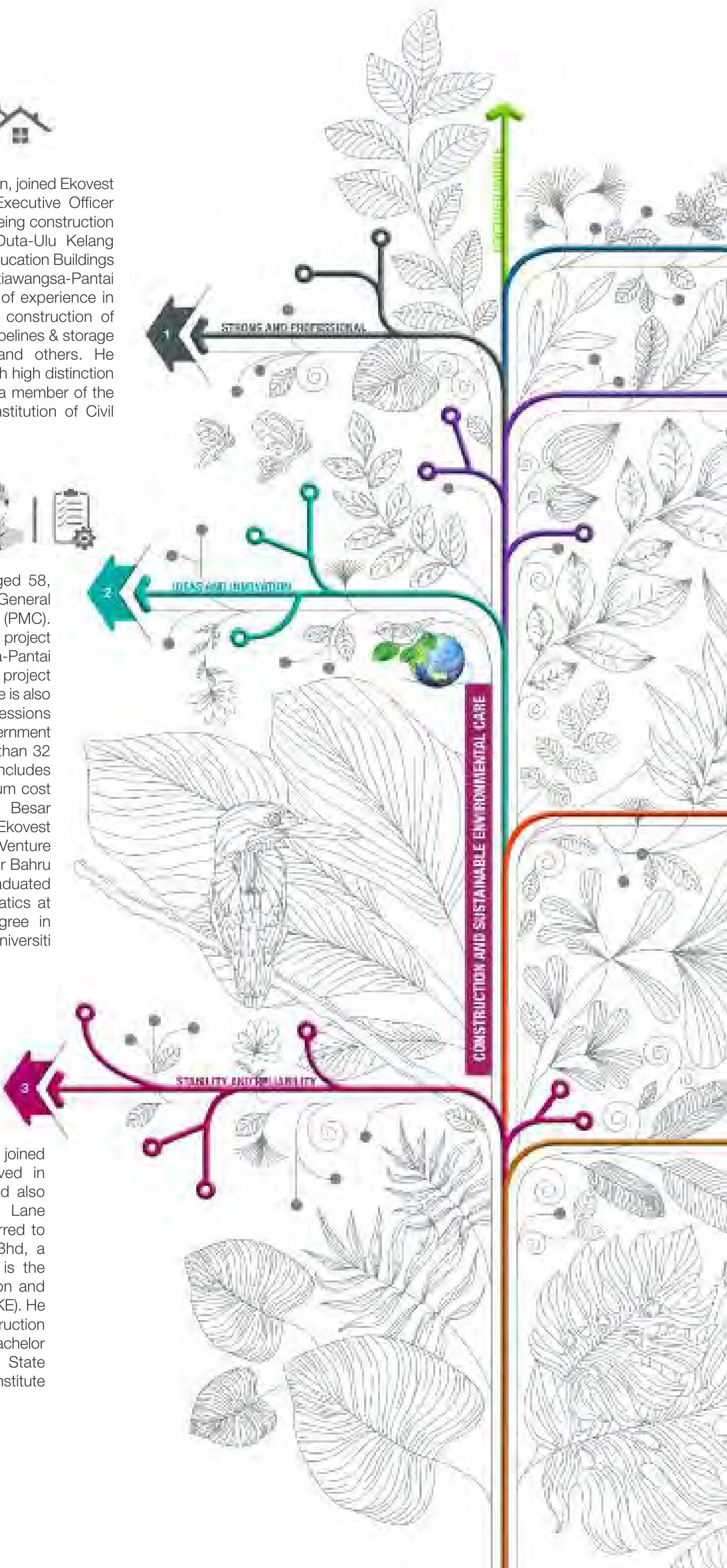
MR. THAM BENG CHOY, male, aged 61, Malaysian, joined Ekovest Group in 1997 and was appointed as Chief Executive Officer (Construction) in 2016. He was involved in overseeing construction projects undertaken by the Group such as Duta-Ulu Kelang Expressway (DUKE), DUKE Phase 2, Ministry of Education Buildings in Putrajaya, Shapadu Highway and currently, Setiawangsa-Pantai Expressway (SPE). He has more than 37 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 58, 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 32 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 61, 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 32 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 41, 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 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.

KEY SENIOR MANAGEMENT

MS. JENNIFER KUEK
HEAD OF ASSETS MANAGEMENT
EKOCHERAS MALL

MS. JENNIFER KUEK, female, aged 41, 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 15 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 53, 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 26 years' experience in accounting and corporate finance areas. Her career includes 5 years stay with a leading accounting firm before joining Ekovest Berhad.

DIRECTORSHIP IN PUBLIC LISTED COMPANIES
None of the Key Senior Management hold directorship in any public listed companies.

FAMILY RELATIONSHIP
None of the Key Senior Management have family relationship with any Directors or major shareholders of the Group.

CONFLICT OF INTEREST
There is no conflict of interest between the Key Senior Management and the Group.

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

SUSTAINABILITY STATEMENT

This Statement focuses on the construction and highway business segments of the Group. It highlights the key Environmental, Social and Governance ("ESG") performances of these business segments during the financial year. The plantation segment's ESG practices are reported separately under the PLS Plantations Berhad's Annual Report. The Board assures that integrity and business ethics are upheld across other businesses in the hospitality and development segments by the respective management teams in accordance with the regulations governing ESG. As this is our first year of data collection and reporting, we shall continue to monitor our performance to better understand our baseline before setting the ESG targets.

STAKEHOLDER ENGAGEMENT

The Group engages with its stakeholders directly and indirectly in gathering their feedback. Through stakeholder engagement, it enables the Group to identify and understand the stakeholders' expectations and concerns and how the Group should make its future decisions on sustainability issues. The engagements with our key stakeholders are summarised below:

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

SUSTAINABILITY STATEMENT

ANTI-CORRUPTION AND BRIBERY

The Board and management are committed to promoting bribery and a corruption-free business environment.

The Group Anti-Bribery and Corruption Framework and Policy was developed and put in place in accordance with the Guidelines of Adequate Procedures, which was issued by the government pursuant to the S17A(5) of the Malaysian Anti-Corruption Commission Act 2009. The objective of this framework and policy is to provide guidance to staff members, employees and business associates in taking appropriate measures and steps to foster bribery and corruption-free business practices.

Management conducted a corruption risk assessment to evaluate the adequacy of the corruption and bribery preventive measures and risk. In this assessment, the potential exposures associated with the occasions and interactions with stakeholders, the frequency of interactions, and the use of agents, consultants, gifts and entertainment are considered vis-à-vis the existing anti-corruption measures. Additional action plans are identified to strengthen the bribery and corruption preventive defence.

In addition, the Board established the Corporate Code of Conduct and Ethics and Whistleblowing Policy to promote integrity and transparency in the Group. These policies are posted on the Company's website for public reference , aim to provide guidance to staff members, employees and business associates in complying with the policies and encouraging stakeholders to report suspected violations such as conflicts of interest, abuse of power, corruption, bribery, insider trading and money laundering.

PERFORMANCE IN FYE2023

(a) 22% of employees who have received training on anticorruption

(b) All operations assessed for corruption-related risks

(c) No incidents of corruption was reported

HEALTH AND SAFETY

We are committed to provide a healthy and safe working environment for our people. We enforce a strong culture of health and safety within the organisation that requires our employees, suppliers and contractors to be well-versed in the safety and health standard operating procedures.

The Hazard Identification, Risk Assessment and Risk Control (“HIRARC”) is a requirement for all sites. 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 major 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. These briefings and training also inculcate workers’ awareness of environmental protection and compliance awareness. Induction training is conducted for new employees, contractors and subcontractors.

PERFORMANCE IN FYE2023

(a) Zero work-related fatalities

(b) Zero lost time incident rate

(c) 83 of employees were trained on health and safety standards

SUSTAINABILITY STATEMENT

HEALTH AND SAFETY (CONT'D)

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

TRAINING	DATE	NO. EMPLOYEE
Basic First Aider, CPR AED (BOFFA)	15-09-2022	23
Oil / Chemical Spillage	12-10-2022	26
Traffic Management Supervisor	20-10-2022 - 31-10-2022	2
Emergency Response Plan (ERP)	27-10-2022	22
Prepareness Emergency Response	14-07-2023	10

LABOR PRACTICES

At Ekovest, we believe the growth of our business is dependent on the career growth and well-being of our employees. Hence, we practice fair employment and maintain a work culture where our employees are respected and given the opportunities to perform.

We prohibit and condemn forced labour, human trafficking, and modern slavery in employment and do not discriminate against our employees based on race, age, gender, religion, marital status, ethnicity, physical impairments, political viewpoints, or nationality. Recruitment, remuneration, promotion, and benefits are evaluated based on objective assessment and meritocracy.

The top management conducts engagement sessions fortnightly with the respective business heads and promotes similar engagement to be cascaded down in their management teams.

Career progression is discussed with our employees to pave the way for assuming higher positions and more responsibilities. Annually, employee remuneration schemes are assessed to ensure that compensation and benefits are in line with the industry in order to retain and attract talent. Also, discretionary incentives are granted to eligible employees based on their performance and contributions to the Group.

We maintained approximately 72% of our staff strength as full-time employees in FYE2023. Our headcount increased by 25% from 567 employees in FYE2022 to 710 employees in FYE2023.

Employees are given the opportunity to upgrade and improve their skills and knowledge through formal and on-the-job training programmes. Training programmes are provided based on the employees' skill and knowledge gaps, roles and responsibilities.

In FYE2023, we achieved an aggregate of 784 of training hours for the total employees and an average of 1 hour of training programmes per employee in FYE2023.

PERFORMANCE IN FYE2023

(a) Total hours of training by employee category:

Gender/ Category	Male	Female
Management	20	12
Executive	104	344
Non-Executive	192	112
Average Hour/ Person	1	1

(b) 28% of employees that are contractual staff

(c) Total number of employee turnover by employee category

Gender/ Category	No. of Employee
Management	5
Executive	22
Non-Executive	163

(d) No complaints concerning human rights were reported

SUSTAINABILITY STATEMENT

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 allow not only the reused 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 pioneered 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 meters 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 2023 financial year, the construction operation did not receive a summon. It 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.

During the financial year, the total water and electricity consumed in the construction and highway business segment were 68,292 litres and 15,378.01 gigajoules.

SUSTAINABILITY STATEMENT

DIVERSITY

As explained under the labour practice, we do not discriminate against our employees based on race, age, gender, religion, marital status, ethnicity, physical impairments, political viewpoints, or nationality. However, the construction and highway business segments are male-dominated due to their inherent job nature. In FYE2023, the employees gender composition of the Group was 61% male and 39% female. A similar composition was recorded in FYE2022.

The gender profile by age and employee category as of 30 June 2023 are summarised as follows.

(a) Employees by Gender, Age Group and Employee Category

Category / Age Group	Below 30 years old		30 - 50 years old		Over 50 years old	
	Male	Female	Male	Female	Male	Female
Key Senior Management	-	-	1	1	3	1
Middle Management	-	-	63	28	26	4
Executive	5	14	45	77	8	1
Non-Executive	117	47	157	103	5	4
Total Employees	122	61	266	209	42	10

(b) Percentage of Directors by Gender and Age Group

Age Group/ Gender	<35 years		36-45 years		46-55 years		56-65 years		>65 years	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Number of	1	1	1	-	-	-	3	1	1	1

DATA PRIVACY AND SECURITY

Considering the increased usage of digital devices and data transmission, we are stepping up our efforts to protect our information system. During the financial year, we maintain our record of zero incidents of non-compliance and complaints concerning breaches of customer privacy and losses of customer data.

SUSTAINABILITY STATEMENT

SUPPLY CHAIN MANAGEMENT

The sustainability of our business partners contributes to the sustainability of our business. Hence, we value the trust and strong business relationships built with our business partners, and we are committed to maintaining mutually beneficial partnerships with our local business partners. Local sourcing not only supports and promotes the well-being of the business communities in the country but also improves cost efficiency and competitiveness and reduces the carbon footprint in the business ecosystem.

Out of the total expenses in FYE2023, less than 1% were for costs incurred or paid to foreign countries.

GOVERNANCE

At Ekovest, we are committed to operating our business in compliance with the relevant environmental, social and governance regulations and standards, conducting our business with integrity, safeguarding the interest of all stakeholders and providing timely information and updates to the public by the laws.

We continue to uphold best practices in corporate integrity, transparency and accountability and have procedures and policies governing our compliance with applicable legislation and guidelines. We continue to proactively monitor, identify and address our stakeholders' ESG concerns and potential risks and impacts on our businesses. In order to enable the Board to discharge its responsibilities in meeting its sustainability goals and objectives, the Board assumes the following sustainability responsibilities collectively:

- To set, approve, monitor and communicate the implementation of sustainability policies, strategies, priorities, targets and roadmap to stakeholders;
- To consider sustainability and ensure that the strategic plan of the company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- To keep abreast with and understand the sustainability issues relevant to the Group's business, including climate-related risks and opportunities; and
- To review the performance of the board and senior management in addressing the Group's material sustainability risks and opportunities.

EVENT
2022 National and Malaysia Days Celebrations

Activities

- Installation of Jalur Gemilang in conjunction with the 65th National Month and the 59th Malaysia Day Celebration around SPE-Duke 3 Highway.

- In conjunction with Malaysia Day on 16 September 2022, TAR University College has organised the Duke Tarcian Run at the SPE-Duke 3 Highway (Setiawangsa - Taman Melati) to raise funds to help their students. SPE - Duke 3 has collaborated to be the 'title sponsor' by providing a site/run place for this program participated by 5,000 people.

EVENT
Flood Prevention and Cleaning Activities at DUKE and SPE Highways

Activities

- ***16 August 2022:***
  SPE - Duke 3 cleaned the drains at Jalan Genting Kelang near Taman Bunga Raya to prevent flooding.

- ***18 August 2022:***
  Following the flood in the area of SMK Aminuddin Baki, the LDF3/DUKE3 team helped clean up bushes in the drain, rubbish and dry leaves and replaced an old drain pipeline.

- LDF3/ DUKE3 also replaced a larger drain pipe and built two new "sumps" to help prevent flooding in the school area.

COMMUNITY AND SOCIETY

THANKSGIVING CEREMONIES

Activities

- A thanksgiving ceremony and handover of Desa Tun Hussein Onn landscape to Kem Mentah (on 23 November 2022) and Military Police Training Center-PULAPOT (on 19 December 2022) were held to express our appreciation for their assistance during the construction of the DUKE 3 highway.

CHRISTMAS DONATION

Activities

- ***21 December 2022***
  SPE-DUKE 3 donated to the Church of The Good Shepherd, Setapak, in conjunction with the Christmas celebration. This donation was distributed to the needy individuals.

EDUCATION AID

Activities

- ***10 February 2023***
  RM10,000 contribution for the Setiawangsa Parliament Education Aid 2022.

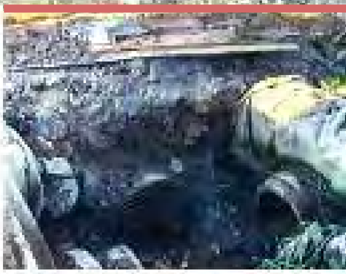
- ***16 June 2023***
  RM2,000 contribution for Early School Assistance Program for Children of PPR Jelatek Residents.

SUSTAINABILITY STATEMENT

19 September 2022
The contractor SPE - Duke 3 helped clean the Jalan Genting Kelang's drains near Taman Buga Raya to avoid flooding.

15 December 2022
SPE-Duke 3 Contractors performed maintenance to ensure that the drains around Jalan Genting Kelang are rubbish-free to avoid flooding.

14 February 2023
DUKE3/SPE workers are cleaning the drains in the Jalan Genting Kelang area to ensure water flows smoothly on the road surface.



6 March 2023
Duke 3-SPE workers cleaned up the garbage trapped in the "crossing drainage" and installed a net to ensure the drain water can flow smoothly, especially during heavy rain at Jalan Kampung Pandan.

19 May 2023
SPE-Duke 3 workers cleaned the drains on Jalan Genting Klang to prevent the gutters from clogging and causing flooding during the rainy season.

We endeavour to create a positive impact on the community by organising corporate social responsibility ("CSR") activities in the areas in which we operate. With our enthusiastic employees' help and voluntary participation, we organised the following CSR activities to promote community spirit, health and safety in society.

RAMADHAN CELEBRATIONS

Activities

10 April 2023
Ekovest Berhad Group's Break Fast Program and Nur Ramadhan Donation to Mosques & Suraus around the Setiawangsa - Pantai Expressway (SPE) line. The donation was presented to the Member of Parliament for Wangsa Maju, YB Zahir Bin Hassan, witnessed by the Managing Director of Ekovest Berhad, Tan Sri Datuk Seri Lim Keng Cheng and the Executive Director of Ekovest Berhad, Mr. Lim Chen Thai.

Activities

The mosques and suraus that benefited from this program are:

- Muadz Bin Jabal Mosque, Setiawangsa
- Usamah Bin Zaid Mosque, Wangsa Maju
- Khalid Bin Al Walid Mosque, Jalan Padang Tembak
- Ar-Rahah Mosque, Jalan Pantai Baru
- Ar-Rahman Mosque, Kampung Kerinchi
- Surau Tiara Setiawangsa, Taman Setiawangsa
- Surau Al Husainiah, Pusat Latihan Kor Polis Tentera Diraja (PULAPOT), Kem Genting Klang, KL
- Surau Al Aziziah, Taman Keramat, KL
- Surau At-Taqwa, PPR Jelatek, KL
- Surau Al Falah, Taman U-Thant, KL
- Surau Abbas AL Habsee, PPR Laksamana, KL

Activities

18 April 2023
SPE and DUKE collaborated with Adabi Food Industries Sdn. Bhd. to distribute porridge during Ramadhan at the DUKE & SPE Highway. About 50 volunteers from DUKE, SPE & Adabi were involved in preparing and distributing this porridge. More than 2,000 containers of porridge were distributed at Plaza Tol Batu (DUKE), Plaza Tol Segambut (DUKE) and Plaza Tol Wangsa Maju (SPE).

HOTEL GRAND OPENING

HEALTH CARNIVAL 2023

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 2023.

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 two qualified and competent Company Secretaries. The Company Secretaries are members of the Malaysian Institute of Chartered Secretaries and Administrators. The Company Secretaries advise 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 Secretaries 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. During the financial year, the Board did not receive any complaints of violation from these whistleblowing reporting channels.

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 6 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	6/6
Tan Sri Datuk Seri Lim Keng Cheng	5/6
Dato' Lim Hoe	6/6
Lim Chen Thai	6/6
Kang Hui Ling (Resigned on 1 June 2023)	6/6
Lim Ts-Fei	6/6
Chow Yoon Sam (Resigned on 3 April 2023)	5/5
Dr. Wong Kai Fatt (Resigned on 12 May 2023)	5/5
Lee Wai Kuen	6/6
Jasmine Cheong Chi-May (Appointed on 3 April 2023)	1/1
Dato' Majid Manjit Bin Abdullah (Appointed on 12 May 2023)	1/1
Chin Wai Kit (Appointed on 1 June 2023)	-

The Directors are updated by the Company Secretaries, 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	Amendments to 2022 New Bursa Listing Requirements	19.04.2023
	Roles and Responsibilities of Directors, Board & Board Committees under Listing Requirements and Malaysian Code of Corporate Governance	26.08.2023
Tan Sri Datuk Seri Lim Keng Cheng	Amendments to 2022 New Bursa Listing Requirements	19.04.2023
Dato' Lim Hoe	Amendments to 2022 New Bursa Listing Requirements	19.04.2023
Lim Chen Thai	Amendments to 2022 New Bursa Listing Requirements	19.04.2023
Chin Wai Kit	Amendments to 2022 New Bursa Listing Requirements	19.04.2023
Lim Ts-Fei	Amendments to 2022 New Bursa Listing Requirements	19.04.2023
Jasmine Cheong Chi-May	Amendments to 2022 New Bursa Listing Requirements	19.04.2023
Dato' Majid Manjit Bin Abdullah	Amendments to 2022 New Bursa Listing Requirements	19.04.2023
Lee Wai Kuen	Amendments to 2022 New Bursa Listing Requirements	19.04.2023

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 27 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 Group's core sustainability values, initiatives and performance are communicated to all stakeholders through the Sustainability Statements in the Annual Report. The sustainability targets will be evaluated before they are set for the initiatives.

The current key sustainability considerations of the Group are the employees' well-being, health and safety, employment practices, diversity, sustainable construction methods and approaches, compliance, governance and community. (Refer to further details Sustainability Statement in the Annual Report).

Going forward, the Group will set the sustainability target and timeline, and the Board and management's actions and responsibilities for achieving these targets. Upon completing this, the sustainability performance evaluation criteria will be defined for the Board and senior management appraisal.

(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
Jasmine Cheong Chi-May (Appointed on 3 April 2023)	Independent Non-Executive Director	Chairlady
Chow Yoon Sam (Resigned on 3 April 2023)	Independent Non-Executive Director	Chairman
Kang Hui Ling (Resigned on 1 June 2023)	Senior Independent Non-Executive Director	Member
Lim Ts-Fei	Independent Non-Executive Director	Member
Dr. Wong Kai Fatt (Resigned on 12 May 2023)	Independent Non-Executive Director	Member
Lee Wai Kuen	Independent Non-Executive Director	Member
Dato' Majid Manjit Bin Abdullah (Appointed on 12 May 2023)	Independent Non-Executive Director	Member
Chin Wai Kit (Appointed on 1 June 2023)	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 2023 are as follows:

INDEPENDENT NON-EXECUTIVE DIRECTORS	REMUNERATION RECEIVED FROM THE GROUP AND THE COMPANY (RM)
Kang Hui Ling (Resigned on 1 June 2023)	57,500*
Lim Ts-Fei	30,000
Dr. Wong Kai Fatt (Resigned on 12 May 2023)	25,000
Chow Yoon Sam (Resigned on 3 April 2023)	50,000*
Lee Wai Kuen	30,000
Jasmine Cheong Chi-May (Appointed on 3 April 2023)	7,500
Dato' Majid Manjit Bin Abdullah (Appointed on 12 May 2023)	35,000*
Chin Wai Kit (Appointed on 1 June 2023)	2,500
Total	237,500

* The director fees of Ms. Kang Hui Ling, Mr. Chow Yoon Sam and Dato' Majid Manjit Bin Abdullah included fees received by them individually from PLS Plantations Berhad. No other Independent Directors received remuneration from other subsidiaries and associated companies of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

(IV) REMUNERATION (CONT'D)

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	60,000	30,000	30,000	30,000	150,000
Allowances	84,000	84,000	-	66,000	234,000
Salaries	840,000	288,000	336,000	310,000	1,774,000
Benefits-in-Kind	53,100	22,700	22,700	20,500	119,000
Defined Contribution Plan	33,600	13,400	12,000	37,200	96,200
Total	1,070,700	438,100	400,700	463,700	2,373,200

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.

The remuneration (including salary, bonus, benefits-in-kind and other emoluments) of the top 5 senior management for the financial year 2023 are as follows:

SENIOR MANAGEMENT	RANGE OF REMUNERATION			
	RM250,001 – RM300,000	RM300,001 – RM350,000	RM400,001 – RM450,000	RM451,001 – RM500,000
Jennifer Kuek (Head of Assets Management - Ekovest Capital Sdn Bhd)	-	-	-	√
Tham Beng Choy (Chief Executive Officer - Ekovest Construction Sdn Bhd)	-	-	√	-
Loh Pak Chun (General Manager - Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd)	√	-	-	-
Kharul Anuar Abdul Basit (General Manager - Ekovest Project Management Sdn Bhd)	-	√	-	-
Hizmi Ghazali (General Manager - The Loaf Asia Sdn Bhd)	√	-	-	-

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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. Mr. Chin Wai Kit was appointed as the Chair of ARMC on 1 June 2023 following the departure of Ms. Kang Hui Ling, who has served the Board for more than four terms as an Independent Director.

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 also 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 in accordance with the terms of all relevant professional and regulatory requirements.

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.

(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 Group recorded a further improvement in revenue after the upliftment of pandemic restrictions in 2021. To take advantage of this recovery further, in addition to strengthening the order books for the construction and sales in other business segments, the Group works closely with the Government to identify new infrastructure projects and to expedite the approval for launching new property development projects.

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. 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;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

(I) COMMUNICATION WITH STAKEHOLDERS (CONT'D)

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: (Cont'd)

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 9 December 2022 via an online meeting platform at https://www.digitizevote.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 38 questions, and the Board responded to these questions point-by-point. For the benefit of those shareholders who could 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 23 October 2023.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (**"Board"**) of Ekovest Berhad is pleased to present its Statement on Risk Management and Internal Control for the financial year ended 30 June 2023. The disclosure in this Statement is presented pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements (**"MMLR"**) of Bursa Malaysia Securities Berhad (**"Bursa Securities"**) and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD'S RESPONSIBILITIES

The Board acknowledges its overall risk management responsibilities, understands the principal risks of the six business segments, i.e. construction, property development, toll operation, plantation, food and beverages and property investment that the Group involves, and accepts that all business ventures require balancing risk, the cost for control, and return to shareholders.

The Board established the Audit and Risk Management Committee (**"ARMC"**) to assist it in overseeing the systems of risk management and internal control in 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. Seeking management clarification 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. Obtaining Management's assurance that the Group's risk management and internal control systems are adequate and effective in all material aspects.

RISK MANAGEMENT

The Group's risk management continues to be driven by the Executive Directors and assisted by the Heads of Departments. The Executive Directors and Heads of Departments are responsible for identifying, evaluating, monitoring and managing significant risks appropriately and timely and assuring the Board that the Group's risk management and internal control systems are adequate and effective.

The Group recorded a further improvement in revenue after the upliftment of pandemic restrictions in 2021. To take advantage of this recovery further, in addition to strengthening the order books for the construction and sales in other business segments, the Group works closely with the Government to identify new infrastructure projects and to expedite the approval for launching new property development projects.

The Group was at net current liabilities position as of the financial year end. To mitigate its liquidity risk, subsequent to the financial year end, the Group has strengthened its cash flow through private placement, disposal of investment, unlocking the existing and securing new credit facilities.

The Board recognises the cyclical nature and risk exposure of the main principal activities of the Group, and surprise events like the pandemic can impact the Group's business resilience. Therefore, the long-term group risk management strategy is expanding and diversifying into other businesses to reduce dependency and reliance on its existing core business segments.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROLS

In addition to the risk management processes, the Group continues to maintain the following internal control systems and "check and balance" mechanisms:

- Delegation and separation of responsibilities between the Board and Management, 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, and finance;
- 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;
- Regular management meetings to discuss operational issues and monitor and review the effectiveness of actions taken to ensure that the business performance objectives are met;
- 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; and
- The establishment and implementation of the anti-corruption framework, the corporate code of conduct and ethics, and the whistleblowing policy.

During the financial year, a refresher briefing was provided to 156 employees across the Group, addressing the application of the Group's anti-bribery and corruption policy, prevention of conflict of interest transactions and whistleblowing reporting.

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 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 the Group's risk management and internal control systems are operating adequately and effectively in all material aspects to the best of their knowledge.

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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

BOARD ASSURANCE AND LIMITATION (CONT'D)

The Board wishes to reiterate that risk management and internal control systems 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 their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board and Management in reviewing the adequacy and effectiveness of the systems of risk management and internal control of the Group.

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

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

COMPOSITION AND MEETINGS

The Audit and Risk Management Committee ("ARMC") comprises 5 Independent Non-Executive Directors. Three new members were appointed during the financial year, replacing the existing long-serving members. The new Chairman of ARMC is Mr. Chin Wai Kit, a member of the Malaysian Institute of Accountants.

During the financial year under review, six (6) meetings were held, and the record of attendance of the members is as follows:-

Name of Member	Attendance at Meetings
Ms Kang Hui Ling, Chairlady (Senior Independent and Non-Executive, MIA member) *(Resigned on 1 June 2023)*	6/6
Mr Chin Wai Kit, Chairman Director (Independent and Non-Executive, MIA member) *(Appointed on 1 June 2023)*	-
Ms Lim Ts-Fei Director (Independent and Non-Executive)	6/6
Dr Wong Kai Fatt Director (Independent and Non-Executive) *(Resigned on 12 May 2023)*	5/5
Mr Chow Yoon Sam Director (Independent and Non-Executive) *(Resigned on 3 April 2023)*	5/5
Mr Lee Wai Kuen Director (Independent and Non-Executive)	6/6
Ms Jasmine Cheong Chi-May Director (Independent and Non-Executive) *(Appointed on 3 April 2023)*	1/1
Dato' Majid Manjit Bin Abdullah Director (Independent and Non-Executive) *(Appointed on 12 May 2023)*	1/1

The Company Secretaries are the Secretaries 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 Nomination Committee reviewed the self and peer evaluation conducted by the ARMC and reported that the ARMC and its members had discharged their functions in accordance with its Terms of Reference.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

SUMMARY OF ACTIVITIES

The review carried out by the ARMC in discharging their oversight duties on financial reports, risk management, internal control, related party transactions and auditors' performance and independence during the financial period are summarised as follows:

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

b) Reviewed the related party transactions and potential conflict of interest ("COI") situation that may arise within the Group, assessed the adequacy of the COI policy and control procedures and reported its findings to the Board;

c) Reviewed and discussed with the External Auditors the 2022 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;

d) Reviewed the External Auditors' audit planning memorandum for the financial year 2023, 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

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

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION (CONT'D)

The Internal Auditors have carried out their work with reference to the principles of the International Professional Practice Framework of the Institute of Internal Auditors. These principles cover 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.

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 Six (6) ARMC meetings. The summary of work conducted and reported by the Internal Auditors in the current financial year is as follows:

i. Participated in the deliberation of the Corporate Governance Report, Corporate Governance Overview Statement, Audit and Risk Management Committee's Report, Statement on Risk Management and Internal Control and Sustainability Statement before recommending 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. Facilitated heads of departments in assessing the corruption risk; and

v. Evaluated the adequacy and effectiveness of management control procedures in the Sales Administration Function of EkoCheras Residential Towers.

The fee incurred during the current financial year for the internal audit function of the Group is RM80,000 (FY2022: RM80,00).

NOMINATION COMMITTEE STATEMENT

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

Chairlady	:	Ms Lim Ts-Fei	
Member	:	Mr Lee Wai Kuen	
		Ms Jasmine Cheong Chi-May	*(Appointed on 3 April 2023)*
		Dato' Majid Manjit Bin Abdullah	*(Appointed on 12 May 2023)*
		Mr Chin Wai Kit	*(Appointed on 1 June 2023)*
		Ms Kang Hui Ling	*(Resigned on 1 June 2023)*
		Dr Wong Kai Fatt	*(Resigned on 12 May 2023)*
		Mr Chow Yoon Sam	*(Resigned on 3 April 2023)*

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/.discover-ekovest/term-of-reference-nomination-committee/***

NOMINATION COMMITTEE STATEMENT

During the financial year, NC conducted its meeting on 19 October 2022. 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.

Ms. Kang Hui Ling has served the Board as an Independent Director for more than twelve (12) years while Ms. Lim Ts-Fei, Dr. Wong Kai Fatt, Mr. Chow Yoon Sam and Mr. Steven Lee have all served in the same capacity for a tenure of more than 9 years.

The Nomination Committee, having considered the independence of the mentioned directors who are also the Committee members, with each member abstaining from deliberation of their appointments, resolved and recommended to the Board to put forth their appointment to be approved by shareholders through a two-tier voting process in the last Annual General Meeting. Besides fulling the independence criteria set out in the Listing Requirements, the NC feels that

- their expertise in finance, corporate, legal and engineering matters is a significant contribution to the effectiveness of the Board and the Committees;
- they have exercised their due care during their tenure individually as an Independent Non-Executive Director of the Company and they have carried out their professional duties in the interest of the Company and the shareholders; and
- their long service enabled them to contribute more effectively to the Committees they served and the Board.

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.

NOMINATION COMMITTEE STATEMENT

ii) Effectiveness and Composition of the Board and Performance of Directors (Cont'd)

The evaluation also revealed that the present Board members and the Board Committees comprise individuals 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 to maintain the current compositions of the Board and Board Committee.

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

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.

v) Appointment of New Directors and Application of Fit and Proper Policy

During the financial year, Ms. Jasmine Cheong Chi-May, Dato' Majid Manjit Bin Abdullah and Mr. Chin Wai Kit were appointed as Independent Non-Executive Directors of the Company based on the recommendation of the existing Board members.

Before recommending their appointment to the Board, the Nomination Committee reviewed their resume or profile containing information such as background, qualifications, working experiences, education and received the Fit and Proper Declaration executed by them confirming that they satisfied the requisite criteria for the appointment.

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 2023, 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 23 October 2023.

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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 2023.

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	(111,115)	35,866
Non-controlling interests	1,791	-
Net (loss)/profit for the financial year	(109,324)	35,866

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 2023

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*	
Lim Ts-Fei	
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)*	
Jasmine Cheong Chi-May	(Appointed on 3 April 2023)
Dato' Majid Manjit Bin Abdullah*	(Appointed on 12 May 2023)
Chin Wai Kit	(Appointed on 1 June 2023)
Chow Yoon Sam*	(Resigned on 3 April 2023)
Dr Wong Kai Fatt	(Resigned on 12 May 2023)
Kang Hui Ling*	(Resigned on 1 June 2023)

* 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
Lee Hun Kheng
Chan Yee Hong
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
Hussaini Bin Senusi
Mely Rusli
Leong Wai Yeun
Ng Toon Loon
Dato' Chow Chin Kiat
Wesley Tan Seah Ging
Alex Tan Kuan Hong

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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)

Quek Choon Mong	
Kuek Choon Heng	
Dato' Chin Yoke Choon	
Chang Hoi Lone	
Dato' Chin Yoke Kan	
Li Guilan	
Yang Liancheng	
Lin JieYuan	
Datuk Tan Teow Choon	(Appointed on 1 June 2023)
Haji Mohd Fauzee Bin Tahir *(Alternate Director to Haji Zulkifly Bin Haji Mohd Tahir)*	(Appointed on 8 June 2023)
Haji Zulkifly Bin Haji Mohd Tahir	(Appointed on 8 June 2023)
Sia Sin Ying	(Appointed on 1 June 2023)
Lim Foo Seng	(Appointed on 30 August 2023)
Ernest Lee Chi Yeung	(Appointed on 14 September 2022)
Chan Hon Loong	(Appointed on 24 August 2022 and resigned on 30 June 2023)
Dato' Haji Amran Bin A Rahman	(Resigned on 8 June 2023)
Cho Joy Leong @ Cho Yok Lon	(Resigned on 1 June 2023)
Haji Mohd Fauzee Bin Tahir *(Alternate Director to Dato' Haji Amran Bin A Rahman)*	(Resigned on 8 June 2023)
Pok Won Kit	(Resigned on 15 May 2023)

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 1-7-2022	Bought & Conversion	Sold & Conversion	At 30-6-2023
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	830,000	-	109,056,500
Dato' Lim Hoe				
- direct interest	14,232,375	-	-	14,232,375
Lim Chen Thai				
- direct interest	3,600,000	-	-	3,600,000
Dato' Majid Manjit Bin Abdullah (appointed on 12 May 2023)				
- direct interest	150,000	-	-	150,000
Wong Khai Shiang (Alternate Director to Dato' Lim Hoe)				
- direct interest	750,000	-	-	750,000

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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 ordinary shares			
	At 1-7-2022	Bought & Conversion	Sold & Conversion	At 30-6-2023
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
Warrant in PLS				
Tan Sri Dato' Lim Kang Hoo				
- indirect interest	48,434,800	-	(10,000,000)	38,434,800
Dato' Lim Hoe				
- direct interest	836,500	-	-	836,500

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 or past director of the Company has received or become entitled to receive any benefit, other than remuneration as presented below, 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.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

DIRECTORS' BENEFITS (CONT'D)

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	388	270
Other emoluments		
(salaries, allowances, bonuses and benefit-in-kind)	2,127	1,785
Contribution to defined contribution plan	96	91
	2,611	2,146

INDEMNITY

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

OTHER INFORMATION

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

(a) to ascertain that appropriate action 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 had 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 the amount of 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 of the Group and of the Company 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 of the Group and of the Company which has arisen since the end of the financial year.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

OTHER INFORMATION (CONT'D)

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

In the opinion of the directors:

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

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

SIGNIFICANT EVENTS

Details of significant events during the financial year are disclosed in note 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 Company 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 year.

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 year amounted to RM934,000 and RM165,000 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

23 October 2023

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 2023 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 69 to 188.

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 2023, 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

As at 30 June 2023, the Group's expressway concession assets amounted to RM7.7 billion, which represents approximately 67% of the Group's total assets. As disclosed in note 3.6 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.

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)

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.

The Group's accounting policies and disclosures on expressway concession assets are disclosed in notes 3.6 and 9 respectively, to the financial statements.

Our response:

Our audit procedures included, among others, the following:

(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 and challenged 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 investment properties as at 30 June 2023 amounted to RM858 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.

The Group's accounting policies and disclosures on investment properties are disclosed in notes 3.8 and 6 respectively, to the financial statements.

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

Key Audit Matters (Cont'd)

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

Our response:

Our audit procedures included, among others, the following:

(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

(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

For the financial year ended 30 June 2023, revenue generated from construction contracts amounted to RM546 million representing approximately 49% of the Group's total revenue. The Company's revenue from construction contracts amounted RM120 million for the same period, representing approximately 99% of the Company's total revenue.

Revenue from construction contracts is recognised over time, 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 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.

The Group's accounting policies on revenue recognition and disclosure on revenue from construction contracts are disclosed in notes 3.22 and 40 respectively, to the financial statements.

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)

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

Our response:

Our audit procedures included, among others, the following:

(i) We obtained understanding of the revenue recognition process and tested the operating effectiveness of the Group's internal controls relating to 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 those 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.

(d) Basis of Accounting Assessment

The financial statements of the Group and of the Company for the financial year ended 30 June 2023 have been prepared on a going concern basis. As at 30 June 2023, the Group and the Company reported net current liabilities position as disclosed in notes 3.1 and 55(c) to the financial statements.

This is considered a key audit matter because the evaluation of the basis of accounting involved management's judgement and estimation uncertainty. The management's judgement relates to their assessment of the appropriateness of the basis of accounting with reference to the underlying assumptions and plans and the actions taken by the Group and by the Company.

Our response:

Our audit procedures included, among others, the following:

(i) We obtained an understanding of the management's actions taken after the end of the financial year, and cash flows forecast and plans for the next twelve months;

(ii) We assessed and challenged the management's key assumptions that form the basis of their forecast and plans to evaluate whether they are reasonably made in the circumstances; and we had considered the track records of the relevant businesses, market conditions, and compliance with covenants of borrowings; and

(iii) We evaluated the reasonableness of the management's assessment that the Group and the Company are able to meet their financial obligations as and when they fall due at least in the next twelve months from the date of this report and the appropriateness of their basis of accounting applied in the financial statements.

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 throughout the audit. We also:

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

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

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

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
23 October 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 RM'000	2022 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	247,584	235,479
Investment properties	6	858,423	855,080
Right-of-use assets	7	263,057	265,222
Land held for property development	8	529,057	528,947
Concession assets	9	7,701,568	7,336,821
Bearer plants	10	339,297	347,749
Biological assets	11	3,046	2,681
Intangible assets	12	1,622	18,508
Investment in associates	14	15,843	3,649
Investment in a joint venture	15	-	-
Other investments	16	1,310	-
Performance deposits	17	48,995	50,000
Other receivables	18	20,093	18,773
Deferred tax assets	20	27,569	24,251
Total non-current assets		10,057,464	9,687,160
Current assets			
Inventories	21	95,986	203,674
Biological assets	11	1,935	3,139
Contract assets	22	114,709	61,433
Contract costs	23	2,907	2,650
Property development costs	24	119,401	117,897
Trade and other receivables	18	304,947	206,464
Current tax assets		13,457	19,898
Investment funds	25	277,300	676,427
Short term deposits	26	312,849	170,057
Cash and bank balances	27	85,165	78,470
Total current assets		1,328,656	1,540,109
TOTAL ASSETS		11,386,120	11,227,269

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Note	2023 RM'000	2022 RM'000
EQUITY AND LIABILITIES			
Equity			
Share capital	28	1,138,871	1,138,871
Reserves	29	1,166,381	1,269,340
Equity attributable to owners of the Company		2,305,252	2,408,211
Non-controlling interests		491,218	453,806
Total equity		2,796,470	2,862,017
Non-current liabilities			
Lease liabilities	30	11,991	10,155
Bank borrowings	31	442,819	383,089
Medium term notes	32	5,467,678	5,447,049
Reimbursable interest assistance	33	342,636	322,827
Deferred income	34	254,567	265,623
Provision for heavy repairs	35	13,639	13,589
Deferred tax liabilities	36	593,571	508,970
Total non-current liabilities		7,126,901	6,951,302
Current liabilities			
Contract liabilities	37	140,082	-
Trade and other payables	38	742,247	709,801
Lease liabilities	30	5,298	6,973
Bank borrowings	39	415,533	572,600
Medium term notes	32	152,500	120,000
Current tax liabilities		7,089	4,576
Total current liabilities		1,462,749	1,413,950
Total liabilities		8,589,650	8,365,252
TOTAL EQUITY AND LIABILITIES		11,386,120	11,227,269

The accompanying notes form an integral part of the financial statements

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 RM'000	2022 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,941	2,562
Investment properties	6	21,116	22,316
Right-of-use assets	7	401	802
Investments in subsidiaries	13	3,072,491	2,505,424
Investment in a joint venture	15	-	-
Other investments	16	324,037	305,514
Other receivables	18	694	922
Amounts owing by subsidiaries	19	-	341,678
Total non-current assets		3,420,680	3,179,218
Current assets			
Contract assets	22	28,748	135,705
Trade and other receivables	18	395	11,667
Amounts owing by subsidiaries	19	28,186	28,484
Current tax assets		2,159	1,257
Short term deposits	26	3,982	562
Cash and bank balances	27	6,671	9,455
Total current assets		70,141	187,130
TOTAL ASSETS		3,490,821	3,366,348

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Note	2023 RM'000	2022 RM'000
EQUITY AND LIABILITIES			
Equity			
Share capital	28	1,138,871	1,138,871
Reserves		521,122	485,256
Total equity		1,659,993	1,624,127
Non-current liabilities			
Lease liabilities	30	-	243
Bank borrowings	31	136,550	101,746
Medium term note	32	255,965	146,799
Deferred tax liabilities	36	470	1,036
Total non-current liabilities		392,985	249,824
Current liabilities			
Trade and other payables	38	8,766	4,439
Amounts owing to subsidiaries	19	1,070,376	1,070,076
Lease liabilities	30	243	274
Medium term note	32	12,500	-
Bank borrowings	39	345,958	417,608
Total current liabilities		1,437,843	1,492,397
Total liabilities		1,830,828	1,742,221
TOTAL EQUITY AND LIABILITIES		3,490,821	3,366,348

The accompanying notes form an integral part of the financial statements

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Revenue	40	1,116,909	808,500	120,434	209,766
Cost of sales	41	(744,443)	(525,243)	(114,306)	(152,436)
Gross profit		372,466	283,257	6,128	57,330
Other income and gains	42	31,365	38,536	22,102	20,740
Selling and marketing expenses		(8,463)	(3,182)	-	-
Administrative and general expenses		(114,782)	(117,872)	(8,338)	(10,589)
Loss allowance (net of reversal) on trade and other receivables		(7,458)	(4,317)	-	-
Other expenses		(36,296)	(16,477)	(32,235)	(53,702)
Share of results of associates		(117)	(28)	-	-
Negative goodwill	57	-	59	-	-
Finance costs	43	(246,570)	(220,489)	(43,490)	(28,104)
Net gain from derecognition of financial assets measured at amortised cost		-	-	91,742	28,645
(Loss)/Profit before tax	44	(9,855)	(40,513)	35,909	14,320
Tax expense	45	(99,469)	(82,933)	(43)	(6,580)
Net (loss)/profit for the year		(109,324)	(123,446)	35,866	7,740
Other comprehensive (loss)/income, net of tax		(69)	7	-	-
Total comprehensive (loss)/income for the year		(109,393)	(123,439)	35,866	7,740
Net (loss)/profit for the year attributable to:-					
Owners of the Company		(111,115)	(125,179)	35,866	7,740
Non-controlling interests		1,791	1,733	-	-
		(109,324)	(123,446)	35,866	7,740
Total comprehensive (loss)/income for the year attributable to:-					
Owners of the Company		(111,184)	(125,172)	35,866	7,740
Non-controlling interests		1,791	1,733	-	-
		(109,393)	(123,439)	35,866	7,740
Loss per share attributable to the owners of the Company					
- Basic and diluted	46	(4.12) sen	(4.64) sen		

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

	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	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
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	-	-	-	-	-	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
Total comprehensive (loss)/income for the year	-	-	(69)	(111,115)	(111,184)	1,791	(109,393)
Gain on disposal of subsidiary's warrant	-	-	-	3,000	3,000	-	3,000
Accretion arising from issuance of shares by subsidiaries to non-controlling interests (note 57.2)	-	-	-	5,225	5,225	33,890	39,115
Issuance of redeemable preference shares by a subsidiary to non-controlling interests (note 57.3)	-	-	-	-	-	1,869	1,869
Dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	(138)	(138)
At 30 June 2023	1,138,871	82,453	(61)	1,083,989	2,305,252	491,218	2,796,470

The accompanying notes form an integral part of the financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Share capital RM'000	Retained earnings RM'000	Total RM'000
At 1 July 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
Total comprehensive income for the year	-	35,866	35,866
At 30 June 2023	1,138,871	521,122	1,659,993

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/Profit before tax	(9,855)	(40,513)	35,909	14,320
Adjustments for:				
Amortisation of:				
- concession assets	31,733	27,822	-	-
- intangible assets	86	-	-	-
- bearer plants	12,289	12,309	-	-
Bad debts written off	2,045	3,090	6	292
Bearer plants written off	-	2,963	-	-
Biological assets written off	-	237	-	-
Contract assets written off	135	-	-	-
Depreciation of property, plant and equipment and right-of-use assets	23,125	21,099	1,041	1,111
Dividend income	-	-	-	(50,000)
Fair value (gain)/loss on:				
- investment funds	(11,582)	(2,930)	-	-
- other investments	(35)	-	326	3,875
- biological assets	1,204	4,324	-	-
- investment properties	(2,609)	(2,970)	-	-
Finance costs	246,570	220,489	43,490	28,104
Negative goodwill	-	(59)	-	-
Intangible assets written off	5	212	-	-
Reversal of GST payable	-	(3,131)	-	-
Gain from termination of lease contracts	(71)	-	-	-
Impairment loss on:				
- investments in subsidiaries	-	-	27,811	45,769
- intangible assets	16,800	-	-	-
- concession assets	9,147	7,494	-	-
- other investments	-	6,765	-	-
- right-of-use assets	200	1,741	-	-
- property, plant and equipment	644	626	-	-
- bearer plants	1,820	-	-	-
Interest income	(6,755)	(7,050)	(22,030)	(20,727)
Net gain from derecognition of financial assets measured at amortised cost	-	-	(91,742)	(28,645)
Lease rebate and modification	-	(1,413)	-	-
Loss allowance on (net of reversal):				
- trade receivables	3,908	3,413	-	-
- other receivables	3,550	904	-	-
Allowance on slow-moving inventories	3,300	-	-	-
Net loss/(gain) on disposal of				
- investment properties	80	-	100	-
- property, plant and equipment	(402)	(591)	(35)	44
- right-of-use assets	(85)	-	-	-
Property, plant and equipment written off	54	26	-	-
Provision for heavy repairs	44	2,046	-	-
Share of results of associates	117	28	-	-
Unrealised (gain)/loss on foreign exchange	(271)	2,892	-	-

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D)				
Operating profit/(loss) before working capital changes	325,191	259,823	(5,124)	(5,857)
Changes in property development costs	(841)	(488)	-	-
Changes in receivables	(100,275)	(17,614)	80	(11,134)
Changes in payables	104,250	(132,742)	(14,322)	(118,821)
Changes in contract assets/liabilities	86,672	12,154	106,957	251,048
Changes in contract costs	(257)	(148)	-	-
Changes in inventories	104,387	19,982	-	-
Cash generated from operations	519,127	140,967	87,591	115,236
Interest paid	(3,028)	(2,499)	(1,625)	(1,271)
Tax paid	(9,232)	(40,593)	(1,511)	(3,129)
Net cash generated from operating activities	506,867	97,875	84,455	110,836
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment and right-of-use assets (note 50)	(26,300)	(7,894)	(22)	(156)
Additions to land held for property development	(110)	(911)	-	-
Acquisition of intangible assets	-	(485)	-	-
Subscription of additional shares in subsidiaries	-	-	(125,000)	(248,300)
Acquisition of subsidiaries, net of cash and cash equivalent acquired (note 57.1)	-	103	-	-
Purchase of investment properties (note 50)	(747)	(599)	-	-
Net redemptions of investment funds	410,709	315,391	-	-
Additions to concession assets	(300,903)	(187,948)	-	-
Additions to bearer plants (note 50)	(5,162)	(3,020)	-	-
Additions to biological assets (note 50)	(343)	(234)	-	-
Proceeds from disposal of				
- investment properties	1,194	-	1,100	-
- other investment	3,000	-	3,000	-
- property, plant and equipment	554	900	38	45
- right-of-use assets	86	-	-	-
(Placement)/withdrawal of short term deposits	(142,792)	62,588	(3,420)	51,139
Placement in Designated Bank Accounts	(17,896)	(2,331)	(1,168)	(3,694)
Advances to subsidiaries	-	-	(13,999)	(12,812)
Advances to associates	(13,548)	(464)	-	-
(Advances to)/Repayment from related parties	-	(10,170)	257	230
Repayment from/(Advances to) a joint venture	-	6,417	(1)	6,417
Interest received	8,869	16,146	181	271
Net cash (used in)/generated from investing activities	(83,389)	187,489	(139,034)	(206,860)

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Drawdown of bank borrowings	77,816	114,471	-	110,000
Issuance of redeemable preference shares by a subsidiary to non-controlling interests	1,869	-	-	-
Repayment of bank borrowings	(173,707)	(204,865)	(38,764)	(128,292)
Issuance of medium term notes	129,166	146,799	129,166	146,799
Payment of lease liabilities	(8,046)	(6,648)	(274)	(309)
Payment of lease interest	(877)	(823)	(18)	(34)
Dividend paid to non-controlling interest	(48)	(20)	-	-
Proceeds from issuance of shares by subsidiaries to non-controlling interests	39,115	-	-	-
Advances from/(Repayment to) subsidiaries	-	-	5,218	(11,298)
Advances from/(Repayment to) related parties	11,822	(1,914)	47	32
Repayment of medium term notes	(127,500)	(80,000)	(7,500)	-
Repayment of profit element on IMTNs	(334,878)	(327,696)	(12,602)	(3,821)
Interest paid	(42,073)	(43,669)	(26,080)	(22,395)
Net cash (used in)/generated from financing activities	(427,341)	(404,365)	49,193	90,682
NET CHANGES IN CASH AND CASH EQUIVALENTS	(3,863)	(119,001)	(5,386)	(5,342)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	24,496	143,585	(13,566)	(8,224)
EFFECT OF EXCHANGE RATE CHANGES	(415)	(88)	-	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	20,218	24,496	(18,952)	(13,566)
Represented by:				
Cash and bank balances	85,165	78,470	6,671	9,455
Bank overdrafts (note 39)	(40,138)	(47,061)	(20,761)	(19,327)
Restricted deposits (note 27)	(24,809)	(6,913)	(4,862)	(3,694)
	20,218	24,496	(18,952)	(13,566)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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 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 2022.

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 MFRS and amendments to MFRSs that have been issued by the MASB but are not yet effective.

		Effective Date
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	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules	1 January 2023
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024

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 MFRS and amendments to MFRSs that have been issued by the MASB but are not yet effective. (Cont'd)

		Effective Date
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by the MASB

The adoption of the above MFRS and amendments to MFRSs 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. SIGNFICANT ACCOUNTING POLICIES

3.1 Basis of accounting

The financial statements of the Group and the Company have been prepared on the historical cost basis, except for other measurement bases applied, including fair value, as stated in the accounting policies below.

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, regardless of whether that price is directly observable or estimated using a valuation technique.

For purpose of financial reporting, 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:

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).

The financial statements of the Group and of the Company have been prepared on a going concern basis. This basis presumes that the business operations of the Group and of the Company will be sustainable in the foreseeable future and consequently, the realisation of assets and the settlement of liability will occur in the ordinary course of business. Further details are set out in note 55(c) to the financial statements.

3. SIGNFICANT ACCOUNTING POLICIES (CONT'D)

3.2 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.

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. SIGNFICANT ACCOUNTING POLICIES (CONT'D)

3.3 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.

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.

3.4 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.

3. SIGNFICANT ACCOUNTING POLICIES (CONT'D)

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

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.

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.

3.5 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.

3.6 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

3. SIGNFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Concession assets (Cont'd)

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.

3.7 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%

3. SIGNFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Property, plant and equipment (Cont'd)

(ii) Depreciation (Cont'd)

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.

3.8 Investment properties

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

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

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

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

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.

3.9 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.

3.10 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

3. SIGNFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Bearer plants (Cont'd)

Recognition and measurement (Cont'd)

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 3.19.

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.

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
Durian trees	80 years	7 years	73 years or over the remaining mature period
Rubber trees	15 years	7 years	8 years
Pineapple trees	2 years	10 months	13 months

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

3.11 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 3.19. The amortisation expense is recognised in profit or loss.

3. SIGNFICANT ACCOUNTING POLICIES (CONT'D)

3.12 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.

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.

3. SIGNFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Leases (Cont'd)

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.

3.13 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 life, is not amortised but tested for impairment, annually or more frequently when indicators of impairment are identified. The useful life 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.

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. SIGNFICANT ACCOUNTING POLICIES (CONT'D)

3.14 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.

3.15 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.

3.16 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).

3.17 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.

3. SIGNFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Contract costs (Cont'd)

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.

3.18 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.

3.19 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.

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

Property, plant and equipment, concession assets, bearer plants, forest plantation project, franchise rights, right-of-use assets and investments in subsidiaries, associates 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. SIGNFICANT ACCOUNTING POLICIES (CONT'D)

3.20 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.

3.21 Financial instruments

Financial assets (with the exception of trade receivables that do not contain a significant financing component) 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. A trade receivable without a significant financing component is initially measured at its transaction price.

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

Financial assets

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

Subsequent measurement

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

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

3. SIGNFICANT ACCOUNTING POLICIES (CONT'D)

3.21 Financial instruments (Cont'd)

Financial assets at FVTPL

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

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

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

Impairment of financial assets

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

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

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

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.

The Group considers a financial asset to be in default when contractual payments are more than 90 days past due, unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. The Group also considers a financial asset is in default when there is a breach of financial covenants by the debtor; or when there is indication that the debtor is unlikely to settle its indebtedness to the Group in full, without considering any collaterals held by the Group.

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.

3. SIGNFICANT ACCOUNTING POLICIES (CONT'D)

3.21 Financial instruments (Cont'd)

Derecognition of financial assets (Cont'd)

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.

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.

3. SIGNFICANT ACCOUNTING POLICIES (CONT'D)

3.21 Financial instruments (Cont'd)

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.

3.22 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.

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.

3. SIGNFICANT ACCOUNTING POLICIES (CONT'D)

3.22 Revenue and other income recognition (Cont'd)

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.

Room revenue

Hotel revenue from room rental is recognised over time during the period of stay for the hotel guests.

Food and beverage revenue

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

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.

3.23 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. SIGNFICANT ACCOUNTING POLICIES (CONT'D)

3.24 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset shall be capitalised as part of the cost of that asset.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Unsold work-in-progress (inventories) which is ready for its intended sale in its current condition, contract assets and financial assets are not a qualifying asset.

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. Capitalisation of borrowing costs ceases when the asset is ready for its intended use or sale; or during extended periods when active development of the asset is suspended.

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

3.25 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.

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. SIGNFICANT ACCOUNTING POLICIES (CONT'D)

3.26 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.

3.27 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.

3.28 Contingencies

(i) Contingent liabilities

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

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

(ii) Contingent assets

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

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

3.29 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.

3. SIGNFICANT ACCOUNTING POLICIES (CONT'D)

3.29 Government grant (Cont'd)

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.

3.30 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.

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. SIGNFICANT ACCOUNTING POLICIES (CONT'D)

3.31 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).

3.32 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.

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 3.22.

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.

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

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.

Amortisation and impairment of concession assets

The carrying amount of concession assets is amortised over the concession period by applying the formula in note 3.6. 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 will 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.

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

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.

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.

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

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 exercises considerable judgement in these estimations, using historical credit loss experience as well as reasonable and supportable information that may include forecasts of future economic conditions when estimating the ECL.

Provision for heavy repairs

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

Income taxes

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

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

Lease liability

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

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 2023 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 2022	52,659	126,031	34,696	13,817	8,489	9,501	95,878	341,071
Additions	14,449	4,656	348	2,053	493	964	2,672	25,635
Disposals	-	(938)	(1,229)	(31)	(87)	-	-	(2,285)
Write-offs	-	(433)	-	(32)	(47)	(2,461)	(47)	(3,020)
Reclassification	61,197	334	-	(488)	26,996	8,322	(96,361)	-
At 30 June 2023	128,305	129,650	33,815	15,319	35,844	16,326	2,142	361,401
Accumulated depreciation								
At 1 July 2022	2,133	55,665	24,052	11,108	4,810	3,228	-	100,996
Reclassified from right-of-use assets (note 7)	-	-	26	-	-	-	-	26
Charge for the year	858	5,691	2,538	808	1,502	1,072	-	12,469
Capitalised to bearer plants (note 10)	-	131	1	3	28	-	-	163
Capitalised to biological assets	-	2	-	1	19	-	-	22
Disposals	-	(867)	(1,183)	(18)	(65)	-	-	(2,133)
Write-offs	-	(384)	-	(21)	(9)	(951)	-	(1,365)
At 30 June 2023	2,991	60,238	25,434	11,881	6,285	3,349	-	110,178

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

Group 2023	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 2022	-	1,355	143	142	377	2,579	-	4,596
Impairment loss for the year	-	76	-	76	129	363	-	644
Write-offs	-	(46)	-	(7)	(38)	(1,510)	-	(1,601)
At 30 June 2023	-	1,385	143	211	468	1,432	-	3,639
Net carrying amount								
At 30 June 2023	125,314	68,027	8,238	3,227	29,091	11,545	2,142	247,584

NOTES TO THE
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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

Company

2023 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 2022	6,129	7,957	2,985	3,919	20,990
Additions	-	-	22	-	22
Disposals	(66)	(230)	(4)	-	(300)
Write-offs	(371)	-	-	-	(371)
At 30 June 2023	5,692	7,727	3,003	3,919	20,341
Accumulated depreciation					
At 1 July 2022	6,107	6,530	2,947	2,844	18,428
Charge for the year	22	323	26	269	640
Disposals	(66)	(230)	(1)	-	(297)
Write-offs	(371)	-	-	-	(371)
At 30 June 2023	5,692	6,623	2,972	3,113	18,400
Net carrying amount					
At 30 June 2023	-	1,104	31	806	1,941

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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

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

Group	Cost 2023 RM'000	Accumulated depreciation 2023 RM'000	Net carrying amount 2023 RM'000	Net carrying amount 2022 RM'000
Freehold				
- land	46,666	-	46,666	35,523
- buildings	81,639	(2,991)	78,648	15,003
	128,305	(2,991)	125,314	50,526

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

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Property, plant and equipment charged to the lenders for bank term loans and IMTN as disclosed in notes 31 and 32(a)	16,041	15,457	-	-

(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 and changes in market demand. 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 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:

	2023	2022
Discount rate (pre-tax)	15.50%	13.40%
Terminal growth rate	3.30%	3.30%

In the financial year ended 30 June 2023, the management assessed recoverable amount to be higher than the underlying net carrying amounts, and accordingly no impairment loss recognised.

In previous financial years, impairment losses of RM626,000 and RM441,000 have been recognised on plant and equipment and right-of-use assets.

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 materiality from its carrying amount as at 30 June 2023.

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

(d) Impairment testing on plant and machinery used for plantation business

Great Fruit Station Sdn Bhd operates in business of fruit stalls and was continuously loss making in the past financial years and is in a significant accumulated loss position as at 30 June 2023.

The management has performed the impairment assessment and has recognised an impairment loss of RM644,000 (2022: Nil) on plant and equipment for the financial year ended 30 June 2023.

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 trading business;
- Estimated a stable selling price annually for each type of durian species based on historical past year data and current market selling price;
- Estimated gross profit margin at 13% (2022: Nil);
- Production volume ranged from approximately 21,000 kg to 24,000 kg; and
- A pre-tax discount rate of 12% (2022: Nil).

6. INVESTMENT PROPERTIES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 July	855,080	851,511	22,316	22,316
Additions	2,854	599	-	-
Disposal	(2,120)	-	(1,200)	-
Changes in fair value	2,609	2,970	-	-
At 30 June	858,423	855,080	21,116	22,316
Investment properties comprise:				
- Freehold land and commercial buildings/apartments	838,785	836,480	21,116	22,316
- Leasehold land and buildings/apartments	19,638	18,600	-	-
	858,423	855,080	21,116	22,316

Freehold land and commercial buildings/apartments of the Group with carrying value of RM787,039,000 (2022: RM623,211,000) are charged to licensed banks for banking facilities and IMTN granted to the Group as disclosed in notes 31, 32(c) and 39 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.

6. INVESTMENT PROPERTIES

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	**Level 1**	**Level 2**	**Level 3**	**Total**
2023	**RM'000**	**RM'000**	**RM'000**	**RM'000**
- Freehold land and commercial buildings/apartments	-	422,510	416,275	838,785
- Leasehold land and buildings/apartments	-	19,638	-	19,638
	-	442,148	416,275	858,423
2022				
- 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

Company				
2023				
- Freehold land and commercial buildings/apartments	-	21,116	-	21,116
2022				
- 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% (2022: 5.50% to 6.00%)	The higher the discount rate, the lower the fair value
	Voids allowance at 8.00% (2022: 8.00%)	The higher the voids allowance, the lower the fair value

6. INVESTMENT PROPERTIES (CONT'D)

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

	Group	
	2023 RM'000	2022 RM'000
At 1 July	415,275	414,275
Additions	175	599
Changes in fair value	825	401
At 30 June	416,275	415,275

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7. RIGHT-OF-USE ASSETS

The Group/Company as a lessee:

Group 2023 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 2022	30,741	222,344	5,674	9	4,946	18,000	8,306	1,855	291,875
Reclassification	-	-	-	26	-	-	718	-	744
Additions	-	271	4,563	-	3,099	1,590	57	-	9,580
Termination of lease contracts	-	(442)	-	-	-	(1,215)	-	-	(1,657)
Disposal	-	-	(260)	-	-	-	-	-	(260)
Expiry of lease	-	-	-	(35)	(25)	(10,113)	(1,020)	(1,855)	(13,048)
At 30 June 2023	30,741	222,173	9,977	-	8,020	8,262	8,061	-	287,234
Accumulated depreciation									
At 1 July 2022	1,252	4,448	1,274	7	1,247	8,769	2,851	310	20,158
Reclassification	-	-	-	26	-	-	718	-	744
Reclassified to property, plant and equipment (note 5)	-	-	(26)	-	-	-	-	-	(26)
Charge for the year	751	2,686	1,558	2	1,226	1,640	1,248	1,545	10,656
Capitalised to bearer plants (note 10)	-	-	44	-	233	-	-	-	277
Termination of lease contracts	-	(221)	-	-	-	(799)	-	-	(1,020)
Expiry of lease	-	-	-	(35)	(25)	(5,621)	(1,020)	(1,855)	(8,556)
Disposal	-	-	(259)	-	-	-	-	-	(259)
At 30 June 2023	2,003	6,913	2,591	-	2,681	3,989	3,797	-	21,974

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

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

Group 2023	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 2022	-	-	-	-	-	5,195	1,300	-	6,495
Impairment loss for the year	-	-	-	-	-	-	200	-	200
Expiry of lease	-	-	-	-	-	(4,492)	-	-	(4,492)
At 30 June 2023	-	-	-	-	-	703	1,500	-	2,203
Net carrying amount									
At 30 June 2023	28,738	215,260	7,386	-	5,339	3,570	2,764	-	263,057

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

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

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	-	-	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	-	-	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

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

Company

2023	Buildings
Cost	**RM'000**
At 1 July 2022/ 30 June 2023	2,004
Accumulated depreciation	
At 1 July 2022	1,202
Depreciation for the year	401
At 30 June 2023	1,603
Net carrying amount	
At 30 June 2023	401

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

(a) Leasehold land

The leasehold lands of the Group with a net carrying amount of RM215,260,000 (2022: RM217,896,000) have been pledged as security to secure term loans of the Group as disclosed in notes 31 and 39. 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 years, the Group has paid a total lease payment of RM8,220,000 pursuant to the payment schedule of the CFLAs as full consideration.

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

The amortisation for the contract farming rights is based on the remaining lease period of the CFLAs 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. In the previous financial years, GFTSB has paid a total lease payment of RM425,000 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 six (6) CFLAs with a lessor, for the lease agriculture lands for a lease period of ranging from 3 to 6 years. In the previous financial years, GFASB has paid a total lease payment of RM1,537,000 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 ranged from 3 to 6 years. 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)

(c) Contract farming rights (Cont'd)

Great Fruit Agriculture Sdn Bhd (Cont'd)

As at 30 June 2023, the Group has reversed the cost and accumulated depreciation for three (3) CFLAs that's have been lapsed and expired.

(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.

In the previous financial year, 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.

As at 30 June 2023, the Group has reversed the cost and accumulated depreciation for contract logging right that have lapsed and expired.

Impairment review

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

(i) Contract farming business

Perfect Sunworld Sdn Bhd

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 RM200,000 (2022: RM1,300,000) for the financial year ended 30 June 2023.

In the impairment assessment, the management determined the recoverable amount of the assets based on discounted future cash flows 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 stable selling price annually for each type of durian species based on historical past year data and current market selling price;

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

Impairment review (Cont'd)

(i) Contract farming business (Cont'd)

Perfect Sunworld Sdn Bhd (Cont'd)

- 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% (2022: 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 increased by 1%, respectively) would not cause the recoverable amount to differ materially as at 30 June 2023.

(ii) Food and beverages business

Included in right-of-use assets as at 30 June 2023 is an amount of Nil (2022: RM0.44 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 (2022: 1 to 9 years).

	Group	
	2023 RM'000	2022 RM'000
Carrying amount of investment properties (subject to operating leases as lessor)	416,000	415,000

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

	Group	
	2023 RM'000	2022 RM'000
In the first year	15,966	14,648
In the second year	11,983	16,878
In the third year	1,935	4,992
In the fourth year	43	133
In the fifth year	7	13
After fifth year	1	7
	29,935	36,671

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

8. LAND HELD FOR PROPERTY DEVELOPMENT

Group Cost 2023	Freehold/ Leasehold land RM'000	Development costs RM'000	Total RM'000
At 1 July 2022	449,746	79,201	528,947
Additions	-	110	110
At 30 June 2023	449,746	79,311	529,057
Cost **2022**			
At 1 July 2021	449,706	78,330	528,036
Additions	40	871	911
At 30 June 2022	449,746	79,201	528,947

Land held for property development of the Group with carrying amount of RM390,599,000 (2022: RM245,088,000) has been charged to the lenders for banking facilities and IMTN granted to the Group as disclosed in notes 31, 32(c) and 39 to the financial statements.

9. CONCESSION ASSETS

	← Completed	→	Under development	
Group **2023** **Cost**	Expressways RM'000	Park and ride building RM'000	Expressway RM'000	Total RM'000
At 1 July 2022	4,018,649	72,636	3,441,898	7,533,183
Additions	-	-	210,531	210,531
Net borrowing costs capitalised	-	-	195,096	195,096
At 30 June 2023	4,018,649	72,636	3,847,525	7,938,810
Accumulated amortisation				
At 1 July 2022	160,165	3,125	-	163,290
Charge for the year	30,960	773	-	31,733
At 30 June 2023	191,125	3,898	-	195,023
Accumulated impairment losses				
At 1 July 2022	-	33,072	-	33,072
Impairment loss	-	9,147	-	9,147
At 30 June 2023	-	42,219	-	42,219
Net carrying amount				
At 30 June 2023	3,827,524	26,519	3,847,525	7,701,568

9. CONCESSION ASSETS (CONT'D)

Group 2022	Completed		Under development	
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
Impairment loss	-	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

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 the 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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 the 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 financial year, as a result of 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 attributable to 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 RM9,147,000 (2022: RM7,494,000) 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:

	2023	2022
Pre-tax discount rate	8.0%	5.7%
Revenue growth rate	5.0%	5.0%
Terminal growth rate	1.4%	1.4%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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:

	Change in assumption, holding other inputs constant	Additional impairment loss RM
2023		
Pre-tax discount rate	Increased by 1 percentage point	3.6 million
Commencement of operation	Delayed by 1 year	1.7 million
Revenue growth rate	Decreased by 1 percentage point	0.3 million
2022		
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

10. BEARER PLANTS

Group 2023 Cost	Oil palm RM'000	Rubber trees RM'000	Durian trees RM'000	Pineapple trees RM'000	Total RM'000
At 1 July 2022	261,819	19,819	86,834	-	368,472
Additions	1,581	1,248	2,803	25	5,657
At 30 June 2023	263,400	21,067	89,637	25	374,129
Accumulated amortisation					
At 1 July 2022	20,297	-	186	-	20,483
Charge for the year	12,177	-	112	-	12,289
At 30 June 2023	32,474	-	298	-	32,772
Accumulated impairment losses					
At 1 July 2022	-	240	-	-	240
Charge for the year	-	1,820	-	-	1,820
At 30 June 2023	-	2,060	-	-	2,060
Net carrying amount					
At 30 June 2023	230,926	19,007	89,339	25	339,297

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

10. BEARER PLANTS (CONT'D)

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

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

Group	Note	2023 RM'000	2022 RM'000
Depreciation of right-of-use assets	7	277	170
Depreciation of property, plant and equipment	5	163	139
Expenses related to short-term leases		23	100
Interest capitalised	43	55	64
Staff costs		1,801	1,542
		2,319	2,015

10. BEARER PLANTS (CONT'D)

(b) Impairment review

The Group performs impairment review on the carrying amount of bearer plants at each reporting date to assess whether there are any indications of impairment. When indication of impairment exist, 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 prepared based on discounted 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 900 (2022: 200 to 1,200) metrics tonnes per year; and
- A pre-tax discount rate of 9% (2022: 9%) per annum.

Correspondingly, an impairment loss of RM1,820,000 (2022: Nil), representing the write-down of the carrying amount of the identified rubber site to the recoverable amount was recognised in the financial year ended 30 June 2023.

The sensitivity of the impairment assessment to a reasonably possible change in each of the key inputs (i.e. selling price decreased by 5% and girth measurement decreased by 5%, respectively) would not cause the recoverable amount to differ materially as at 30 June 2023.

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 to improve the yields as the plantation acquired at the time was in less-than-optimal conditions, 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 discounted future cash flows 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;

10. BEARER PLANTS (CONT'D)

(b) Impairment review (Cont'd)

Durian trees (Cont'd)

In determining the fair value less cost to sell calculation, the key assumptions used are as follows: (Cont'd)

- 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 6.1% (2022: 7.5%) per annum.

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 2023 and 30 June 2022.

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 RM5,489,000 (2022: RM5,601,000) have been pledged as security to secure term loan of the Group as disclosed in notes 31 and 39.

(d) In the previous 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 RM2,964,000 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	
	2023 RM'000	2022 RM'000
Non-current:		
At fair value		
- Acacia	1,220	1,140
- Karas	370	370
At cost		
- Eucalyptus	1,097	919
- Meranti	359	252
	3,046	2,681
Current:		
At fair value		
- Durians	159	165
- Fresh fruit bunches ("FFB")	1,776	2,974
	1,935	3,139
	4,981	5,820

Movement of biological assets can be analysed as follows:

	Group	
	2023 RM'000	2022 RM'000
At 1 July	5,820	10,123
Additions	365	258
Written off	-	(237)
Fair value changes	(1,204)	(4,324)
	4,981	5,820

The biological assets of the Group comprise of:

(i) Acacia and Karas

Acacia and Karas represent the plants prior to harvest. In the current financial year, the fair value for Acacia and Karas were estimated by management using income method in arriving at the fair value. In the previous financial year, the fair value for Acacia and Karas were estimated by management through use of a registered valuer ("the Valuer") using the comparison and income methods in arriving at the fair value. The fair value of Acacia and Karas at the reporting date is measured at level 3 hierarchy. 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.

11. BIOLOGICAL ASSETS (CONT'D)

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

(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.

The fair value of durians at reporting date is measured at level 3 hierarchy.

(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.

The fair value of FFB at reporting date is measured at level 3 hierarchy.

12. INTANGIBLE ASSETS

Group 2023	Goodwill RM'000	Trademark-indefinite useful life RM'000	Trademark-definite useful life RM'000	Total RM'000
Cost				
At 1 July 2022/ 30 June 2023	18,023	6,180	485	24,688
Accumulated amortisation				
At 1 July 2022	-	-	-	-
Charge for the year	-	-	86	86
At 30 June 2023	-	-	86	86
Accumulated impairment losses				
At 1 July 2022	-	6,180	-	6,180
Charge for the year	16,800	-	-	16,800
At 30 June 2023	16,800	6,180	-	22,980
Net carrying amount				
At 30 June 2023	1,223	-	399	1,622

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

12. INTANGIBLE ASSETS (CONT'D)

Group 2022 Cost	Goodwill RM'000	Trademark-indefinite useful life RM'000	Trademark-definite useful life RM'000	Franchise rights RM'000	Total RM'000
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

Goodwill

Goodwill acquired through business combination are allocated to the Group's plantation and fruits and timber trading cash generating units, i.e. Aramijaya, Dulai Fruits Enterprise Sdn Bhd ("Dulai"), Great Fruit Sdn Bhd ("GFSB"), Aurum Horizon Sdn Bhd ("AHSB") and Era Kuasajaya Sdn Bhd (2022: Aramijaya, Dulai, GFSB and AHSB), respectively.

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

Group	2023 RM'000	2022 RM'000
Aramijaya	1,223	1,223
Dulai	-	16,699
GFSB	-	101
	1,223	18,023

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

12. INTANGIBLE ASSETS (CONT'D)

Goodwill (Cont'd)

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 117,000 to 160,000 (2022: 116,000 to 164,000) metric tonnes per year; and
- A pre-tax discount rate of 6.0% (2022: 5.8%) per annum.

Based on the impairment assessment, the recoverable amount of Aramijaya's CGU was estimated to be higher than the carrying amount of the asset, and accordingly no impairment loss was recognised in the financial year ended 30 June 2023 and 30 June 2022.

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;
- The gross profit margin was projected at 9.0% (2022: 10.6%);
- The expected credit loss projected at 4.0% (2022: Nil); and
- A pre-tax discount rate of 11.2% (2022: 13.0%) per annum.

Based on the impairment assessment, the Group recognised an impairment loss of RM16,699,000 (2022: Nil) to write-down the carrying amount of the goodwill derived from the previous year acquisition in Dulai for the financial year ended 30 June 2023.

In the previous financial year, the recoverable amount was estimated to be higher than the carrying amount of the CGU asset, and accordingly no impairment loss was recognised in the financial year ended 30 June 2022.

GFSB

The directors are of the view the disclosure of the key assumption used in determination of the recoverable amount of GFSB is immaterial to be presented.

During the financial year, total goodwill written off amounted to RM101,000 was recognised based on impairment test performed.

Trademark with definite useful life

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

12. INTANGIBLE ASSETS (CONT'D)

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 years, an impairment loss of RM6,180,000 has been recognised.

Franchise rights

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

The Group has written off the franchise rights in the previous financial year.

13. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 RM'000	2022 RM'000
Quoted shares, at cost	279,995	279,995
Unquoted shares, at cost	369,654	368,754
Unquoted redeemable preference shares, at cost	2,048,346	1,923,346
	2,697,995	2,572,095
Less: Accumulated impairment losses	(105,641)	(77,830)
	2,592,354	2,494,265
Capital contributions	480,137	11,159
	3,072,491	2,505,424

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The fair value of the quoted shares as at 30 June 2023 is RM236,567,000 (2022: RM271,613,000), 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 2023 %	Effective interest 2022 %	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
Arah Kasturi Sdn Bhd ("AKSB")	100	100	Investment holding	Malaysia

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

	Effective interest 2023 %	Effective interest 2022 %	Principal activities	Principal place of business and place of incorporation
Direct subsidiaries of the Company (Cont'd)				
Ekovest Land Sdn Bhd ("ELSB")	100	100	Property development	Malaysia
Milan Resources Sdn Bhd ("MRSB")	100	100	Investment holding	Malaysia
PLS Plantations Berhad ("PLS")*	66	73	Investment holding, civil engineering and construction works	Malaysia
Ekovest Technology Sdn Bhd	100	100	Inactive	Malaysia
Ekovest Auto Sdn Bhd (f.k.a Medan Jutajaya Sdn Bhd)	100	100	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, construct, operate, manage and maintain 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

	Effective interest 2023 %	Effective interest 2022 %	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	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")*	46	51	Management and operation of a forest plantation, logging, sawmilling, chipping, other downstream manufacturing and related activities and oil palm plantation and undertaking of construction works	Malaysia
Brighthill Synergy Sdn Bhd ("BSSB")*	66	73	Investment holding, estate owners and trading of commercial goods	Malaysia
Ikhlasi Bina Sdn Bhd*	66	73	Civil engineering and construction works	Malaysia
Jasa Indahmas Sdn Bhd*	66	73	Estate owners, management, maintenance and harvesting of a durian plantation and in other durian-related businesses	Malaysia
Signal Express Sdn Bhd ("SESB")*	66	73	Retail business including trading of foods and beverages	Malaysia
Parklane Advisors Sdn Bhd*	66	73	Design and develop durian investment scheme	Malaysia
Era Kuasajaya Sdn Bhd ("EKSB")*	66	-	Estate planters and cultivators of all kinds of agriculture products, civil engineering and construction works	Malaysia
Super Greenwood Sdn Bhd*	66	-	Forest plantation development and logging-related activities	Malaysia
Subsidiaries of BSSB:				
Dulai Fruits Enterprise Sdn Bhd ("Dulai")*	46	51	Trading of fresh and processed fruits	Malaysia
Perfect Sunworld Sdn Bhd ("PSSB")*	66	73	Contract farming on management, operation, maintenance and harvesting of a durian plantation	Malaysia

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

	Effective interest 2023 %	Effective interest 2022 %	Principal activities	Principal place of business and place of incorporation
Indirect subsidiaries of the Company (Cont'd)				
Subsidiaries of BSSB: (Cont'd)				
Bintang Saksama Sdn Bhd ("Bintang")*	46	51	Retail business including trading of fresh and processed fruits and wholesale of a variety goods	Malaysia
Great Fruit Sdn Bhd ("GFSB")*	34	37	Investment holding in durian-related businesses	Malaysia
PLS Agrofresh Sdn Bhd ("PLS Agrofresh")*	40	73	Management, operation, maintenance and harvesting of a banana plantation including packaging, trading, export, wholesaling of bananas	Malaysia
PLS Aqina Sdn Bhd ("PLS Aqina")*	40	44	Management, operation, maintenance and harvesting of a pineapple plantation including packaging, trading, export, wholesaling of pineapples	Malaysia
PLS BE Sdn Bhd ("PLS BE")*	40	44	Manufacturing, production, trading, marketing and export of biomass wood pellets including all kinds of wood products	Malaysia
Aurum Horizon Sdn Bhd ("AHSB")*	34	37	Trading on products for wood-based manufacturing industries	Malaysia
Triway Wealth Sdn Bhd ("TWSB")*	66	73	General trading and investment holding	Malaysia
Subsidiary of Dulai:				
ARTM Services Sdn Bhd*	46	51	Trading of fresh and processed fruits	Malaysia
Subsidiaries of GFSB:				
Great Fruit Agriculture Sdn Bhd*	19	20	Durian collection, processing and packaging center	Malaysia
Great Fruit Ventures Sdn Bhd*	19	20	Durian collection, processing and packaging center	Malaysia
Great Fruit Station Sdn Bhd*	19	20	Fruit stalls	Malaysia
Great Fruit Trading Sdn Bhd*	19	20	Durian collection, processing and packaging center	Malaysia

* Subsidiaries not audited by Mazars PLT.

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Subsidiaries that have material non-controlling interests

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

Name of subsidiaries	Proportion of ownership interest held by non-controlling interests		Profit/(Loss) allocated to non-controlling interests **	
	2023 %	2022 %	2023 RM'000	2022 RM'000
Kesturi	40	40	30,156	1,352
PLS	34	27	(12,925)	13,206

Name of subsidiaries	Carrying amount of non-controlling interests	
	2023 RM'000	2022 RM'000
Kesturi	351,711	321,555
PLS	139,410	152,335

** 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:

	2023 RM'000	2022 RM'000
Kesturi		
Current assets	177,066	137,020
Non-current assets	2,375,968	2,400,857
Current liabilities	(149,339)	(129,517)
Non-current liabilities	(2,229,195)	(2,309,252)
Revenue	280,544	189,795
Expenses	(205,152)	(186,416)
Profit for the year	75,392	3,379
Other comprehensive income	-	-
Total comprehensive income for the year	75,392	3,379
Net cash flows from operating activities	257,667	166,346
Net cash flows from investing activities	(35,913)	19,779
Net cash flows from financing activities	(221,249)	(185,476)
Net changes in cash and cash equivalents	505	649

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

	2023 RM'000	2022 RM'000
PLS		
Current assets	106,559	113,719
Non-current assets	413,804	408,163
Current liabilities	(59,946)	(56,047)
Non-current liabilities	(129,171)	(136,983)
Revenue	118,280	184,053
Expenses	(156,781)	(149,091)
(Loss)/Profit for the year	(38,501)	34,962
Other comprehensive income	-	-
Total comprehensive (loss)/income for the year	(38,501)	34,962
Net cash flows from operating activities	(9,206)	41,097
Net cash flows from investing activities	(40,408)	(6,293)
Net cash flows from financing activities	23,737	(31,014)
Net changes in cash and cash equivalents	(25,877)	3,790

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

During the financial year, EPR incurred a loss of RM10 million (2022: RM8 million) and also as a result of deferment of commencement of park and ride operation, the Company 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 RM14 million (2022: RM16 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 11.1% (2022: 10.9%).

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

	2023	2022
Pre-tax discount rate	11.1%	10.9%
Revenue growth rate	5.0%	5.0%
Terminal growth rate	1.4%	1.4%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Impairment Loss on Investment in EPR (Cont'd)

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
2023		
Pre-tax discount rate	Increased by 1 percentage point	3.6 million
Commencement of operation	Delayed by 1 year	1.7 million
Revenue growth rate	Decreased by 1 percentage point	0.3 million
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

Impairment Loss on Investment in DDSB

During the financial year, the Company has further impaired the investment in DDSB by RM4.9 million (2022: RM30 million) due to losses incurred by DDSB and its net liability position as of 30 June 2023. The directors do not expect the investment in DDSB is recoverable in the foreseeable future.

Impairment Loss on Investment in Saujarena Bina Sdn Bhd

During the financial year, the Company has impaired the investment in Saujarena Bina Sdn Bhd by RM3.2 million (2022: RM0.4 million) due to losses incurred by Saujarena Bina Sdn Bhd as of 30 June 2023. The directors do not expect the investment in Saujarena Bina Sdn Bhd is recoverable in the foreseeable future.

Impairment Loss on Investment in The Loaf Asia Sdn Bhd

During the financial year, the Company has impaired the investment in The Loaf Asia Sdn Bhd by RM6 million (2022: Nil) due to its net current liabilities position as of 30 June 2023. The directors do not expect the investment in The Loaf Asia Sdn Bhd is recoverable in the foreseeable future.

14. INVESTMENTS IN ASSOCIATES

	Group	
	2023 RM'000	2022 RM'000
Unquoted shares, at cost	3,581	3,581
Capital contribution	12,000	-
Effect of foreign currency translation	407	96
Group's share of post-acquisition reserves	(145)	(28)
	15,843	3,649

14. INVESTMENTS IN ASSOCIATES (CONT'D)

Details of the associates are as follows:

	Percentage of equity		Principal activities	Principal place of business and place of incorporation
	2023 %	2022 %		
MCC Land (TMK) Pte Ltd ("MCC")	29	29	Real estate developer	Singapore
PLS LESB Sdn Bhd ("PLS LESB")	49	-	Investment holding	Malaysia

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.

On 2 March 2023, PLS acquired 98 ordinary shares representing a 49% equity interests in PLS LESB for a cash consideration of RM98.

The capital contribution to PLS LESB amounted to RM12 million (2022: Nil) is unsecured, interest free and expected to be converted as additional equity interest in PLS LESB subsequent to the financial year end.

15. INVESTMENT IN A JOINT VENTURE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unquoted shares, at cost	#	#	#	#
Share of post-acquisition reserves	-	-	-	-
	-	-	-	-

Represents RM1.

Details of the joint venture is as follows:

	Effective equity interest		Principal activities	Principal place of business and place of incorporation
	2023 %	2022 %		
Ekovest IWH Sdn Bhd	50	50	Inactive	Malaysia

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

16. OTHER INVESTMENTS

Group		2023 RM'000	2022 RM'000
Investment in unquoted redeemable preference share, at amortised cost	(a)	6,765	6,765
Less: Accumulated impairment losses		(6,765)	(6,765)
		-	-
Investment in long-term investment-linked insurance scheme, at FVTPL	(b)	1,310	-
		1,310	-
Company			
Investment in Junior Bond, at amortised cost	(c)	314,044	292,195
Investment in warrants, at FVTPL	(d)	9,993	13,319
		324,037	305,514

(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 long-term investment linked insurance scheme

The amount represents a long-term investment-linked insurance scheme that relates to a life insurance policy insured for a director of the Group.

The long-term fund is subject to an insignificant risk of change in value. The distribution income from this fund is tax exempted and is being treated as fair value gain recognised in the line "other income and gains" within statements of comprehensive income.

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.

16. OTHER INVESTMENTS (CONT'D)

(c) 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.

(d) Investment in warrants

It represents quoted warrants in PLS acquired by the Company ("PLS Warrant").

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 2023 is RM9,993,000 (2022: RM13,319,000), based on the quoted market price at the reporting date included within level 1 of the fair value hierarchy.

On 20 January 2023, the Company disposed 10,000,000 warrants amounted to RM3 million.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

17. PERFORMANCE DEPOSITS (CONT'D)

On 24 May 2022, a subsidiary of the Group, Aramijaya had declared a first and final single tier dividend of RM0.67 per ordinary share for the financial year ended 30 June 2022. The dividend amount entitled to YPJH amounting to RM1 million was paid on 4 July 2022 and it had been set off against the carrying amount of performance deposits pursuant to the Privatisation Agreement.

Movement of performance deposits can be analysed as follows:

	Group	
	2023 RM'000	2022 RM'000
At 1 July	50,000	50,000
Dividend paid	(1,005)	-
At 30 June	48,995	50,000

18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current				
Amount owing by a related party	694	922	694	922
Amount owing by an associate	19,399	17,851	-	-
Total non-current	20,093	18,773	694	922
Current				
Receivables from contracts with customers				
- third parties	114,244	63,843	-	-
- fund held by stakeholders	17,810	17,548	-	-
- related parties	41,482	1,188	16	21
- associate	54	-	-	-
Gross trade receivables	173,590	82,579	16	21
Less: Loss allowance	(7,159)	(3,413)	-	-
Trade receivables	166,431	79,166	16	21
Other receivables				
- third parties	106,207	75,862	56	64
- a joint venture	3	2	3	2
- associate	8	-	-	-
- related parties	16,581	17,211	80	109
	122,799	93,075	139	175
Less: Loss allowance	(7,741)	(4,191)	-	-
	115,058	88,884	139	175

18. TRADE AND OTHER RECEIVABLES (CONT'D)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current (Cont'd)				
Goods and Services Tax ("GST") recoverable	-	1,248	-	-
Prepayments	6,897	4,515	68	189
Deposits	16,561	32,651	172	11,282
Total current	304,947	206,464	395	11,667
Total	325,040	225,237	1,089	12,589

Non-current

The amounts owing by a related party and an associate included under non-current assets represent unsecured advances which are interest-free and not expected to be received within the next 12 months. The balances are expected to be settled in cash.

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 (2022: 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 (2022: 12 and 24 months).

Amounts owing by a joint venture and associate represent unsecured advances which are interest-free, receivable on demand and expected to be settled in cash.

Amounts owing by related parties represent amounts owing by companies in which certain directors have financial interests, which are unsecured, interest-free, receivable on demand and expected to be settled in cash.

Included in other receivables - third parties amount are receivables for disposal of investment properties totalling RM846,000 (2022: Nil).

The currency profile of trade and other receivables are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
RM	297,864	199,609	1,089	12,589
United States Dollar ("USD")	823	823	-	-
Singapore Dollar ("SGD")	19,399	17,851	-	-
Chinese Yuan ("CNY")	6,954	6,954	-	-
	325,040	225,237	1,089	12,589

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

	2023 RM'000	2022 RM'000
Company		
Trade accounts	82	23
Unsecured interest-free advances	28,104	28,461
	28,186	28,484

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

The unsecured interest-free advances which are receivable on demand and expected to be settled in cash.

Amounts owing to subsidiaries included under current liabilities

	2023 RM'000	2022 RM'000
Company		
Trade accounts	1,037,729	1,064,747
Unsecured interest-free advances	32,647	5,329
	1,070,376	1,070,076

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

The amounts owing to subsidiaries included under current liabilities represent unsecured interest-free advances which are repayable on demand and expected to be settled in cash.

The changes in amounts owing to subsidiaries (unsecured interest-free advances) are as follows:

	Company	
	2023 RM'000	2022 RM'000
At 1 July	5,329	36,627
Cash flows:		
Net off with amount due from subsidiaries	22,100	-
Advances received	5,218	-
Repayment	-	(11,298)
Non-cash:		
Dividend income	-	(20,000)
At 30 June	32,647	5,329

20. DEFERRED TAX ASSETS

	Group 2023 RM'000	Group 2022 RM'000
At 1 July	24,251	21,125
Recognised in profit or loss	3,318	3,126
At 30 June	27,569	24,251
The deferred tax assets comprise:		
Deductible temporary differences		
- unabsorbed tax losses	5,285	4,734
- unabsorbed capital allowance	19,099	16,311
- future deductible development costs	2,568	2,528
- others	617	678
	27,569	24,251

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:

	2023 RM'000	2022 RM'000
Group		
Unabsorbed tax losses	787,755	564,849
Unabsorbed capital allowance	20,880	3,766
Other deductible temporary differences	1,223	15,523
	809,858	584,138

Pursuant to the applicable tax legislation, the unrecognised tax losses will expire as follows:

	2023 RM'000	2022 RM'000
Group		
Financial year:		
Expiring in 2028	15,655	15,655
Expiring in 2029	85,606	85,606
Expiring in 2030	119,188	119,188
Expiring in 2031	159,017	158,956
Expiring in 2032	186,710	185,444
Expiring in 2033	221,579	-
	787,755	564,849

Under the Malaysian Finance Act 2021 which was gazetted on 31 December 2022, the existing time limit for the Group to carry forward its accumulated unabsorbed 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).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

21. INVENTORIES

	Group 2023 RM'000	Group 2022 RM'000
Completed properties	70,243	179,882
Food and beverages	630	469
Sawn timbers	-	28
Consumables	1,826	4,420
Finished goods - durian related	23,287	18,875
	95,986	203,674

The amount of inventories recognised as an expense in the cost of sales of the Group is RM161,039,000 (2022: RM80,993,000).

22. CONTRACT ASSETS

		Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Contract assets					
- Property development contracts	(a)	196	331	-	-
- Construction contracts	(b)	114,513	61,102	28,748	135,705
		114,709	61,433	28,748	135,705

(a) Property development contracts

Group	2023 RM'000	2022 RM'000
At 1 July	331	331
Written off	(135)	-
At 30 June	196	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.

22. CONTRACT ASSETS (CONT'D)

(b) Construction contracts

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 July	61,102	73,256	135,705	386,753
Revenue recognised during the year	334,953	24,177	120,088	159,605
Progress billings issued during the year	(281,542)	(36,331)	(227,045)	(410,653)
At 30 June	114,513	61,102	28,748	135,705

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	
	2023 RM'000	2022 RM'000
Pre-contract cost		
At 1 July	2,650	2,502
Addition	257	148
At 30 June	2,907	2,650

24. PROPERTY DEVELOPMENT COSTS

	Group	
	2023 RM'000	2022 RM'000
Freehold land, at cost	58,703	58,703
Development costs	59,194	58,706
At 1 July	117,897	117,409
Costs incurred during the year		
- Development costs	1,504	488
At 30 June	119,401	117,897

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 profit or loss 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 39 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	
	2023 RM'000	2022 RM'000
At 1 July	676,427	988,888
Additions	461,174	474,226
Redemptions	(871,883)	(789,617)
Change in fair value	11,582	2,930
At 30 June	277,300	676,427

26. SHORT TERM DEPOSITS

The short-term deposits are placed with licensed banks and earn interests between 1.45% and 3.50% (2022: 1.18% and 2.40%) per annum. The short-term deposits have maturity periods of less than one year.

Included in short term deposits of the Group and the Company is an amount of RM10,802,000 and RM3,902,000 (2022: RM4,582,000 and Nil) respectively, which have been charged to banks as security for banking facilities granted to the Group and the Company as disclosed in notes 32(a), 32(c) and 39(b) to the financial statements.

Included in short term deposits of the Group is an amount of RM166,031,000 (2022: RM163,301,000) 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 (2022: RM245,000) 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 RM24,764,000 and RM4,862,000 (2022: RM6,838,000 and RM3,694,000), respectively, maintained in Designated Bank Accounts for which utilisation is restricted for the payments of principal and interest or future profits in respect of the bank term loans and medium-term notes of the Group and of the Company.

Included in cash and bank balances of the Group is an amount of RM45,000 (2022: RM75,000) 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.

In previous financial year, included in cash and bank balances of the Group is a short-term deposits of RM30,175,000 which earn interest rates ranged from 1.25% to 1.5% per annum and mature at period of not more than 7 days.

28. SHARE CAPITAL

	Group and Company			
	2023		2022	
	Number of shares	Amount RM'000	Number of shares	Amount RM'000
Issued and fully paid:				
Ordinary share				
At 1 July/30 June	2,695,828,002	1,138,871	2,695,828,002	1,138,871

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		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current	11,991	10,155	-	243
Current	5,298	6,973	243	274
	17,289	17,128	243	517

The lease payments are discounted at rates between 2.15% and 7.75% (2022: 2.00% and 7.75%) per annum.

30. LEASE LIABILITIES (CONT'D)

The changes in leases liabilities are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 July	17,128	19,566	517	826
Cash flows:				
Payment of lease liabilities	(8,046)	(6,648)	(274)	(309)
Payment of lease interest	(877)	(823)	(18)	(34)
Non-cash:				
Addition of right-of-use assets (note 50)	8,915	4,050	-	-
Acquisition of subsidiaries	-	1,573	-	-
Termination of lease contracts	(708)	(1,413)	-	-
Interest expense	877	823	18	34
At 30 June	17,289	17,128	243	517

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 RM13,357,000 and RM320,000 (2022: RM10,962,000 and RM361,000) respectively.

31. BANK BORROWINGS

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Bank term loans bearing interest rates at 2.20% below base lending rate [effective rates between 3.77% and 4.52% (2022: 3.27% and 3.52%) p.a.]	10,845	11,194	-	-
Bank term loans bearing interest rates at 1.75% above cost of fund [effective rates between 4.30% and 5.80% (2022: 4.14% and 4.32%) p.a.]	202,171	230,072	101,747	130,027
Bank term loans bearing interest rates at 0.50% above base lending rate [effective rates between 3.71% and 7.47% (2022: 5.97% and 6.22%) p.a.]	63,121	66,922	-	-
Bank term loans bearing interest rates at 0.75% above base lending rate [effective rate between 6.72% and 7.47% (2022: 6.22% and 6.47%) p.a.]	8,079	9,024	-	-
Bank term loan bearing interest rate at 2.25% above cost of fund [effective rate at Nil (2022: 6.45%) p.a.]	-	12,000	-	-
Bank term loans bearing interest rates at 0.30% above base lending rate [effective rate between 5.80% and 7.05% (2022: 5.80% and 6.05%) p.a.]	40,304	48,478	-	-
Bank term loans bearing interest rates at 1.00% above base lending rate [effective rate at 7.75% (2022: 6.50%) p.a.]	14,260	14,273	-	-
Bank term loans bearing fixed interest rates at 3.00% (2022: 3.00%) p.a.	14,645	14,310	-	-
Bank term loans bearing interest rates at 3.75% above 90-days LIBOR [effective rate between 6.62% and 9.52% (2022: 3.87% and 4.26%) p.a.]	35,303	46,884	-	-
Revolving credits bearing interest rates between 1.60% and 1.75% above cost of fund [effective rates between 4.90% and 5.80% (2022: Nil) p.a.]	120,000	-	70,000	-
	508,728	453,157	171,747	130,027
Repayments due within 12 months (included in current liabilities, note 39)	(65,909)	(70,068)	(35,197)	(28,281)
Repayments due after 12 months	442,819	383,089	136,550	101,746

The bank term loans and revolving credits are secured by a first party legal charge over certain freehold land and buildings under properly, plant and equipment, investment properties, right-of-use assets, land held for property development, bearer plants and property development costs of the Group as disclosed in notes 5, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

32. MEDIUM TERM NOTES

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Secured					
Islamic medium term notes					
- Kesturi	(a)	1,743,402	1,813,902	-	-
- LDF3	(b)	3,608,311	3,606,348	-	-
- the Company	(c)	268,465	146,799	268,465	146,799
		5,620,178	5,567,049	268,465	146,799
Repayments due within 12 months		(152,500)	(120,000)	(12,500)	-
Repayments due after 12 months		5,467,678	5,447,049	255,965	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 4.85% (2022: 4.82%) 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% (2022: 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 5.64% (2022: 4.78%) per annum.

The second tranche of IMTNs was issued with maturities commencing from 2024 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 5.69% (2022: Nil) per annum.

32. MEDIUM TERM NOTES (CONT'D)

The changes in medium term notes and profit element payable on IMTNs are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 July	5,651,326	5,532,270	146,799	-
Cash flows:				
Drawdown	129,166	146,799	129,166	146,799
Repayments	(127,500)	(80,000)	(7,500)	-
Interest paid	(334,878)	(327,696)	(12,602)	(3,821)
Non-cash:				
Finance cost	385,936	379,953	15,283	3,821
At 30 June	5,704,050	5,651,326	271,146	146,799

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 (2022: 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% (2022: 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	2023 RM'000	2022 RM'000
At 1 July	322,827	304,162
Non-cash:		
Finance cost	19,809	18,665
At 30 June	342,636	322,827

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

34. DEFERRED INCOME

Group	2023 RM'000	2022 RM'000
Government grant		
Cost		
At 1 July/30 June	299,251	299,251
Accumulated amortisation		
At 1 July	(33,628)	(23,717)
Charge for the year	(11,056)	(9,911)
At 30 June	(44,684)	(33,628)
Net carrying amount	254,567	265,623

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	2023 RM'000	2022 RM'000
At 1 July	13,589	10,912
Provision during the year	44	2,046
Unwinding of discount	6	631
At 30 June	13,639	13,589

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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 July	508,970	442,026	1,036	1,112
Recognised in profit or loss	84,601	66,898	(566)	(76)
Acquisition of subsidiaries	-	46	-	-
At 30 June	593,571	508,970	470	1,036
The deferred tax liabilities comprise:				
Taxable temporary differences				
- relating to revaluation of properties	25,606	25,611	854	854
- between net carrying amount and tax written down value of concession assets and property, plant and equipment	306,769	210,813	32	45

36. DEFERRED TAX LIABILITIES (CONT'D)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
The deferred tax liabilities comprise: (Cont'd)				
Taxable temporary differences (Cont'd)				
- between carrying amount and tax written down value of lease liabilities	26,798	29,096	53	137
- relating to fair value adjustments on assets and liabilities of subsidiaries acquired	202,185	210,602	-	-
- between carrying amount and tax written down value of bearer plants	32,213	32,848	-	-
- unabsorbed tax loss	-	-	(469)	-
	593,571	508,970	470	1,036

37. CONTRACT LIABILITIES

Movements in contract liabilities:

	Group	
	2023 RM'000	2022 RM'000
At 1 July	-	-
Consideration received during the year	140,082	-
At 30 June	140,082	-

Revenue relating to construction contracts is recognised over time, while the customers pay according to contractual milestones.

A contract liability is recognised upon collection of contract consideration in advance.

38. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade payables				
- third parties	474,630	463,807	-	-
- related parties	112,151	98,634	-	-
	586,781	562,441	-	-
Other payables				
- third parties	24,441	30,884	1,476	1,206
- related parties	13,515	1,693	79	32
	37,956	32,577	1,555	1,238

38. TRADE AND OTHER PAYABLES (CONT'D)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deposits	10,176	10,599	-	-
Dividend payable	-	1,005	-	-
Accruals	23,462	18,902	4,530	3,201
Profit elements payable on IMTNs (note 32)	83,872	84,277	2,681	-
	742,247	709,801	8,766	4,439

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 (2022: 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 is an amount are payable for liquidated and ascertained damages totalling RM173,000 (2022: RM451,000).

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, repayable on demand and expected to be settled in cash.

The change in non-trade amounts owing to related parties are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 July	1,693	3,607	32	-
Cash flow:				
Advances from/(Repayment to)	11,822	(1,914)	47	32
At 30 June	13,515	1,693	79	32

39. BANK BORROWINGS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Secured bank overdrafts bearing interest rates between 0.50% and 1.75% above base lending rate [effective rates between 6.97% and 8.40% (2022: 5.97% and 7.64%) p.a.]	37,663	44,569	18,286	16,835
Unsecured bank overdraft bearing interest rate at 1.50% above base lending rate [effective rate at 8.22% (2022: 7.22%) p.a.]	2,475	2,492	2,475	2,492
	40,138	47,061	20,761	19,327
Secured revolving credits bearing interest rates between 1.25% and 1.60% above cost of fund [effective rates between 3.98% and 5.80% (2022: 3.34% and 5.63%) p.a.]	295,000	452,328	290,000	370,000
Secured trade working capital financing bearing interest rates at 1.5% above cost of fund [effective rates at 3.48% (2022: 3.55%) p.a.]	14,486	3,143	-	-
	349,624	502,532	310,761	389,327
Bank term and revolving credits (note 31)	65,909	70,068	35,197	28,281
	415,533	572,600	345,958	417,608

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.

39. BANK BORROWINGS (CONT'D)

The changes in bank borrowings (excluding bank overdrafts) are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 July	908,628	994,634	500,027	517,736
Cash flows:				
Drawdown of bank borrowings	77,816	114,471	-	110,000
Repayment of bank borrowings	(173,707)	(204,865)	(38,764)	(128,292)
Interest paid	(42,073)	(39,822)	(26,080)	(22,395)
Non-cash:				
Interest expense	45,187	41,159	26,564	22,978
Unrealised loss on foreign exchange	2,363	3,051	-	-
At 30 June	818,214	908,628	461,747	500,027

The currency profile of bank borrowings are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
RM	823,049	908,805	482,508	519,354
USD	35,303	46,884	-	-
	858,352	955,689	482,508	519,354

40. REVENUE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from contracts with customers				
(i) Recognised over time				
- construction contracts	545,502	380,779	120,088	159,605
- hotel room and amenities	728	-	-	-
	546,230	380,779	120,088	159,605
(ii) Recognised at point in time				
- sale of completed properties	139,090	35,604	-	-
- food and beverages	12,655	9,499	-	-
- plantation products and produces	99,996	167,206	-	-
- renewable energy income	253	236	-	-
- expressway tolls		287,728	191,720	-
-				
	1,085,952	785,044	120,088	159,605
Hire of machineries and motor vehicles	920	104	102	97
Rental income from investment properties	30,037	23,352	244	64
Dividend income from subsidiaries	-	-	-	50,000
	1,116,909	808,500	120,434	209,766

40. REVENUE (CONT'D)

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are, as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue recognised over time				
- within one year	1,060,335	578,248	50,994	171,082
- one year to five years	316,129	60,602	-	-
	1,376,464	638,850	50,994	171,082

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.

41. COST OF SALES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Construction contract costs	466,582	326,397	114,064	152,186
Cost of completed properties sold	111,579	25,981	-	-
Toll operations costs	39,416	37,200	-	-
Renewable energy costs	211	228	-	-
Hotel operation and food and beverages	5,446	3,548	-	-
Plantation products and produces	95,231	109,199	-	-
Hire of machineries and motor vehicles costs	33	33	33	33
Investment properties costs	25,945	22,657	209	217
	744,443	525,243	114,306	152,436

42. OTHER INCOME AND GAINS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Amortisation of deferred income	11,056	9,911	-	-
Compensation of shortfall from profit guarantee (note a)	391	8,084	-	-
Net gain on disposals of:				
- property, plant and equipment	402	591	35	-
- right-of-use assets	85	-	-	-
Net fair value gain on:				
- investment funds	11,582	2,930	-	-
- investment properties	2,609	2,970	-	-
- other investments	35	-	-	-
Interest income from:				
- investment funds	3,970	11,499	-	-
- other investments	-	394	-	-
- short term deposits	4,899	4,647	181	271
- Junior Bond	-	-	21,849	20,287
- others	-	-	-	169

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

42. OTHER INCOME AND GAINS (CONT'D)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Gain from termination of lease contracts	71	-	-	-
Lease rebate and modification	-	1,413	-	-
Reversal of GST payable	-	3,131	-	-
Others	9,164	12,367	37	13
Unrealised foreign exchange gain	271	-	-	-
	44,535	57,937	22,102	20,740
Less:				
Amounts capitalised in:				
- concession assets	(13,170)	(19,401)	-	-
	31,365	38,536	22,102	20,740

(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.

In the previous 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 has been fulfilled by the Vendor by end of 31 March 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

43. FINANCE COSTS

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Finance costs on:				
- bank borrowings	45,187	41,159	26,564	22,978
- bank overdraft	3,028	2,500	1,625	1,271
- medium term notes	385,936	379,953	15,283	3,821
- lease liabilities	877	823	18	34
- RIA	19,809	18,665	-	-
- others	54	787	-	-
	454,891	443,887	43,490	28,104
Less:				
Amounts capitalised in:				
- bearer plants	(55)	(64)	-	-
- concession assets	(208,266)	(223,334)	-	-
	246,570	220,489	43,490	28,104

44. (LOSS)/PROFIT BEFORE TAX

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
(Loss)/Profit before tax is stated after charging/(crediting):				
Auditors' remuneration				
- statutory audit				
- Mazars PLT	519	458	160	150
- Firms other than Mazars PLT	287	267	-	-
- Underprovision in prior year	6	34	-	30
- other assurance and related services				
- Mazars PLT	66	34	5	5
- Firms other than Mazars PLT	56	25	-	-
Amortisation of				
- concession assets	31,733	27,822	-	-
- intangible assets	86	-	-	-
- bearer plants	12,289	12,309	-	-
Bad debts written off	2,045	3,090	6	292
Bearer plants written off	-	2,963	-	-
Biological assets written off	-	237	-	-
Contract assets written off	135	-	-	-
Depreciation				
- property, plant and equipment	12,469	12,972	640	710
- right-of-use assets	10,656	8,127	401	401
Direct operating expenses of investment properties				
- revenue generating	10,749	7,495	57	18
- non-revenue generating	5,902	4,483	152	197
Fair value loss on				
- biological assets	1,204	4,324	-	-
- other investments	-	-	326	3,875
Allowance on slow-moving inventories	3,300	-	-	-
Intangible assets written off	5	212	-	-

44. (LOSS)/PROFIT BEFORE TAX (CONT'D)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Loss on disposal of				
- investment properties	80	-	100	-
- property, plant and equipment	-	-	-	44
Impairment loss on				
- investment in subsidiaries	-	-	27,811	45,769
- intangible assets	16,800	-	-	-
- concession assets	9,147	7,494	-	-
- right-of-use assets	200	1,741	-	-
- property, plant and equipment	644	626	-	-
- bearer plants	1,820	-	-	-
- other investments	-	6,765	-	-
Expenses relating to short-term leases	4,434	3,491	28	18
Property, plant and equipment written off	54	26	-	-
Provision for heavy repairs	44	2,046	-	-
Loss on foreign exchange				
- realised	3,041	237	-	-
- unrealised	-	2,892	-	-

45. TAX EXPENSE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current tax				
- current year	18,358	15,453	-	3,061
- prior years	(172)	3,708	609	3,595
	18,186	19,161	609	6,656
Deferred tax				
- current year	59,271	24,451	(522)	(64)
- prior years	22,012	39,321	(44)	(12)
	81,283	63,772	(566)	(76)
	99,469	82,933	43	6,580

45. TAX EXPENSE (CONT'D)

The reconciliations between the tax expense and the accounting (loss)/profit excluding share of results of associates and joint venture are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Accounting (loss)/profit	(9,738)	(40,485)	35,909	14,320
Tax at the applicable tax rate of 24% (2022: 24%)	(2,337)	(9,716)	8,618	3,437
Tax effects of:				
- non-deductible expenses	38,877	32,182	18,193	18,445
- non-taxable income	(7,457)	(3,175)	(27,333)	(18,885)
Difference between corporate tax rate and RPGT rate applied in the computation of deferred tax on fair value gain on investment properties	28	1,119	-	-
Tax incentive	(5,655)	(4,016)	-	-
Deferred tax assets not recognised	54,173	23,510	-	-
Under estimated in prior years	21,840	43,029	565	3,583
Tax expense for the year	99,469	82,933	43	6,580

46. LOSS PER SHARE

	Group	
	2023	2022
Net loss attributable to the owners of the Company (RM'000)	(111,115)	(125,179)
Weighted average number of ordinary shares ('000)	2,695,828	2,695,828
Loss per share attributable to the owners of the Company - basic and diluted	(4.12) sen	(4.64) sen

47. EMPLOYEES BENEFITS EXPENSE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Salaries, wages, allowances and bonuses	73,773	57,487	4,781	4,494
Defined contribution plan - EPF contributions	5,611	4,401	328	393
Social security costs	792	638	26	25
Other benefits expenses	923	899	69	173
	81,099	63,425	5,204	5,085

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, 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 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.

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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Purchases of building/construction materials	7,684	6,562	-	-
Rental expenses of machineries and motor vehicles	805	1,145	6	-
Rental expenses of premises	712	759	422	422
Purchase of property, plant and equipment	38	739	-	125
Sales of property, plant and equipment	12	75	-	-
Construction services received	26,335	31,518	-	-
Contract works for plantation related activities	20,356	8,108	-	-
Rental income of machineries and motor vehicles	-	1,142	-	-
Rental income of premises	185	241	33	56
Project management fee income	65	55	-	-
Sales of durian product	548	533	-	-
Purchases of durian product	403	509	85	19
Upkeep of machinery	1,989	1,315	-	-

Outstanding balances in respect of the above transactions are disclosed in notes 18 and 38 to the financial statements.

48. RELATED PARTY DISCLOSURES (CONT'D)

(b) Transactions with subsidiaries:

	Company 2023 RM'000	Company 2022 RM'000
Progress billings for construction works billed to subsidiaries	227,045	410,653
Sub-contractor claims charged by subsidiaries	95,852	157,421
Rental income of machineries	102	97
Dividend income from subsidiaries	-	50,000
Bad debts written off	-	227
Purchases of durian product	85	19

Outstanding balances in respect of the above transactions are disclosed in note 38 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. 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 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Directors of the Company				
Short-term benefits				
- directors' fees	388	355	270	270
- other remunerations (salaries, allowances, bonuses and benefits-in-kind)	2,127	2,422	1,785	1,203
	2,515	2,777	2,055	1,473
Post-employment benefits				
- defined contribution plan	96	129	91	83
	2,611	2,906	2,146	1,556
Other key management personnel				
Short-term benefits				
- director's fees	1,065	745	-	-
- other remunerations (salaries, allowances, bonuses, and benefit-in-kind)	4,473	3,790	-	-
Post-employment benefits				
- defined contribution plan	398	344	-	-
	5,936	4,879	-	-
Total	8,547	7,785	2,146	1,556

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

50. NOTE TO STATEMENTS OF CASH FLOWS

Purchase of property, plant and equipment and right-of-use assets

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Aggregate cost of property, plant and equipment acquired (note 5)	25,635	7,419	22	156
Aggregate cost of right-of-use assets acquired (note 7)	9,580	4,525	-	-
Financed via lease liabilities (note 30)	(8,915)	(4,050)	-	-
Cash paid during the financial year	26,300	7,894	22	156

Purchase of investment properties

	Group	
	2023 RM'000	2022 RM'000
Aggregate cost of investment properties acquired (note 6)	2,854	599
Less:		
Deposit paid in previous years	(2,107)	-
Cash paid during the financial year	747	599

Additions to bearer plants

	Group	
	2023 RM'000	2022 RM'000
Aggregate cost of bearer plants acquired (note 10)	5,657	3,393
Less:		
Amortisation of right-of-use assets (note 7)	(277)	(170)
Depreciation of property, plant and equipment (note 5)	(163)	(139)
Interest capitalised (note 43)	(55)	(64)
Cash paid during the financial year	5,162	3,020

Additions to biological assets

	Group	
	2023 RM'000	2022 RM'000
Aggregate cost of biological assets acquired (note 11)	365	258
Less:		
Depreciation of property, plant and equipment (note 5)	(22)	(24)
Cash paid during the financial year	343	234

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

51. CAPITAL COMMITMENT

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Capital expenditure in respect of:				
- purchase of land and investment properties, approved and contracted for	-	8,581	-	-
- purchase of property, plant and equipment and motor vehicles, approved and contracted for	8,062	1,907	-	-
- concession assets, approved and contracted for	24,289	138,521	-	-
- bearer plants development	5,161	-	-	-
- biological assets development	343	-	-	-

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.

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.

52. CONTINGENT LIABILITIES (CONT'D)

The Josu proceedings (Cont'd)

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.

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.

52. CONTINGENT LIABILITIES (CONT'D)

The Josu proceedings (Cont'd)

The Federal Court, having heard both parties on 26 June 2023 held that Application No. 08(f)-702-12/2021(W) and Application No. 08(f)-703-12/2021(W) failed to satisfy the thresholds of Section 96(a) of the Courts of Judicature Act 1964 and proceeded to dismiss the aforesaid applications with costs in favour of the Defendant.

The Group has consulted its solicitors on the next course of action in respect of the pending arbitration proceeding.

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.

The Group has a customer which contributed approximately RM314,000,000 or 28% (2022: Nil) of the Group's revenues for the current financial year.

(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, hotel operation and renewable energy activity)

Transactions between segments are eliminated on consolidation.

NOTES TO THE
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

53. SEGMENT ANALYSIS (CONT'D)

2023	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	526,988	139,090	287,728	118,280	12,655	30,037	2,131	-	1,116,909
Inter-segment sales	121,003	-	-	-	16	1,004	-	(122,023)	-
	647,991	139,090	287,728	118,280	12,671	31,041	2,131	(122,023)	1,116,909
Results									
Segment results	45,877	8,727	260,751	(32,224)	(2,928)	(10,994)	(16,359)	(16,018)	236,832
Share of results of associates									(117)
Finance costs									(246,570)
Loss before tax									(9,855)
Tax expense									(99,469)
Loss for the year									(109,324)

53. SEGMENT ANALYSIS (CONT'D)

2023	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	5,357,627	388,697	8,163,837	520,252	9,791	928,684	581,705	(4,621,342)	11,329,251
Unallocated assets:									
- Deferred tax assets									27,569
- Current tax assets									13,457
Investment in associates	-	-	-	-	-	-	15,843	-	15,843
Consolidated total assets									11,386,120
Segment liabilities	3,176,173	147,391	6,577,587	125,193	8,471	81,890	88,181	(2,215,896)	7,988,990
Unallocated liabilities:									
- Deferred tax liabilities									593,571
- Current tax liabilities									7,089
Consolidated total liabilities									8,589,650
Capital expenditures	2,753	556	1,134	29,788	2,442	4,936	2,597	-	44,206
Depreciation and amortisation	9,422	496	32,131	21,836	1,309	1,134	905	-	67,233
Fair value gain on investment properties	1,784	-	-	-	-	825	-	-	2,609
Impairment loss on intangible assets	-	-	-	16,800	-	-	-	-	16,800

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
Fair value gain on investment properties	-	-	-	-	-	2,970	-	-	2,970

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, investment properties, right-of-use-assets, land held for property development, bearer plants, biological assets and intangible assets.

53. SEGMENT ANALYSIS (CONT'D)

(b) Geographical segment

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Group 2023 RM'000	Group 2022 RM'000
External revenue		
Malaysia	1,096,243	767,899
Republic of China	20,666	40,601
	1,116,909	808,500

The activities of the Group are carried out in Malaysia and accordingly segmental reporting for non-current assets by geographical location is not presented.

The revenue from external customers attributed to an individual foreign country is not material, hence, the revenue attributed to them is not presented.

54. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

30.6.2023 Group	FVTPL RM'000	At amortised cost RM'000	Total RM'000
Financial assets			
Other investments	1,310	-	1,310
Trade and other receivables	-	318,143	318,143
Investment funds	277,300	-	277,300
Short term deposits	-	312,849	312,849
Cash and bank balances	-	85,165	85,165
Total financial assets	278,610	716,157	994,767

30.6.2023 Group	At amortised cost RM'000
Financial liabilities	
Trade and other payables	742,247
Lease liabilities	17,289
Medium term notes	5,620,178
Reimbursable interest assistance	342,636
Bank borrowings	858,352
Total financial liabilities	7,580,702

54. FINANCIAL INSTRUMENTS (CONT'D)

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

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

30.6.2023 Company	FVTPL RM'000	At amortised cost RM'000	Total RM'000
Financial assets			
Other investments	9,993	314,044	324,037
Trade and other receivables	-	1,021	1,021
Amounts owing by subsidiaries	-	28,186	28,186
Short term deposits	-	3,982	3,982
Cash and bank balances	-	6,671	6,671
Total financial assets	9,993	353,904	363,897

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

54. FINANCIAL INSTRUMENTS (CONT'D)

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

30.6.2022 Company	At amortised cost 2023 RM'000	 2022 RM'000
Financial liabilities		
Trade and other payables	8,766	4,439
Amounts owing to subsidiaries	1,070,376	1,070,076
Lease liabilities	243	517
Bank borrowings	482,508	519,354
Medium term notes	268,465	146,799
Total financial liabilities	1,830,358	1,741,185

(b) Fair values

Financial assets and financial liabilities that are not measured at fair value

The fair value of medium-term notes of the Group and of the Company at the end of the financial year is approximately RM5,996 million and RM273 million (2022: RM5,943 million and RM150 million) 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.

The fair value of medium-term notes is estimated by discounting expected future cash flows at current market rate available for similar instrument, which is included within level 3 of the fair value hierarchy.

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 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.

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:

(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 of the Group and the Company as at 30 June 2023. If interest rates increase or decrease by 100 basis points with all other variable held constant, the Group's and the Company's profit after tax would decrease or increase by RM6,523,000 and RM3,667,000 (2022: RM7,154,000 and RM3,947,000), 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 financial year.

(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.

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

(b) Credit risk (Cont'd)

Trade receivables (Cont'd)

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	**Gross carrying amount RM'000**	**Loss allowances RM'000**	**Net balance RM'000**
30.06.2023			
Not past due	103,062	-	103,062
1 to 30 days	21,329	-	21,329
31 to 60 days	8,884	-	8,884
61 to 120 days	29,517	-	29,517
More than 120 days	10,798	(7,159)	3,639
Total	173,590	(7,159)	166,431
30.06.2022			
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

Company 30.06.2023	**Gross carrying amount RM'000**	**Loss allowances RM'000**	**Net balance RM'000**
Not past due	82	-	82
1 to 30 days	-	-	-
31 to 60 days	-	-	-
61 to 120 days	-	-	-
More than 120 days	16	-	16
Total	98	-	98

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

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 expected credit loss, 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 financial year are as follows:

Group	**2023 RM'000**	**2022 RM'000**
At 1 July	3,413	-
Additions	4,261	3,413
Reversal	(353)	-
Written off	(162)	-
At 30 June	7,159	3,413

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.

Concentration risk

As at 30 June 2023, the Group has a significant concentration of credit risk in the form of outstanding balances due from 1 (2022 : Nil) debtor representing 39% (2022 : Nil) of Group's total gross trade receivables.

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.

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

(b) Credit risk (Cont'd)

Contract assets (Cont'd)

Concentration risk

As at 30 June 2023, the Group has a significant concentration of credit risk in contract assets arising from 2 (2022: 1) customers representing 99% (2022: 91%) of Group's total contract assets.

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 RM347,460,000 (2022: RM379,810,000) 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.

Other receivables

The Group and the Company minimises credit risk by dealing exclusively with creditworthy counterparties. Management assessed the credit risk in respect of other receivables with reference to the financial capability and probability of default.

The movements in the allowance for doubtful debts of other receivables during the financial year are as follows:

Group	2023 RM'000	2022 RM'000
At 1 July	4,191	3,287
Additions	3,550	904
At 30 June	7,741	4,191

Deposits, cash and bank balances

The Group and the Company always deposit or invest their funds with licensed financial institutions.

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

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting its financial obligations when they fall due.

To manage and mitigate the liquidity risk, the Group's management seeks to ensure all business units within the Group maintain optimum levels of liquidity at all times, sufficient for their operating, investing and financing activities. Therefore, the management monitors the Group's operations actively 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 assets into cash to meet all demands for payment as and when they fall due.

The management monitors the current ratio and gearing ratio of the Group and of the Company continuously. The management monitors and forecasts cash commitments; and monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operating and investing activities. Each business unit is required to submit cash flow forecast to the management periodically. Each business unit must seek to ensure that projected cash inflows from operating and non-operating activities (including undrawn credit facilities) adequately cover funding requirements of operating and non-operating cash outflows. At a minimum, all projected short-term borrowings should be covered by the projected cash inflows. The management closely monitors the debt maturities to ensure that the Group and the Company are able to meet their financial obligations as they fall due.

The Group and the Company strive to maintain available credit facilities at a reasonable level against their overall debt position. As of the end of the current reporting period, the Group has unutilised credit facility up to RM80 million (2022: RM30 million). Based on the management's current assessment, there has been no breach of covenants and the unutilised credit facility will be available as and when necessary in the foreseeable future.

Other than the management actively manages the cash flows of the Group and of the Company, the management constantly looks for alternative sources of funds to meet its financial obligation and to finance its business operations. Other than cash generated from operating activities, the management 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 2023	Carrying value RM'000	On demand or 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	742,247	625,641	116,606	-	742,247
Medium term notes	5,620,178	483,249	2,414,615	6,231,817	9,129,681
RIA	342,636	-	20,010	719,440	739,450
Bank borrowings	858,352	435,700	377,852	90,193	903,745
	7,563,413	1,544,590	2,929,083	7,041,450	11,515,123
Lease liabilities	17,289	6,099	12,791	1,242	20,132
	7,580,702	1,550,689	2,941,874	7,042,692	11,535,255

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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

(c) Liquidity risk (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)

Group 2022	Carrying value RM'000	On demand or 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	612,635	96,161	-	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	1,668,905	2,597,410	7,645,531	11,911,846
Lease liabilities	17,128	7,703	10,466	1,300	19,469
	7,571,489	1,676,608	2,607,876	7,646,831	11,931,315

Company 2023	Carrying value RM'000	On demand or 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	8,766	8,766	-	-	8,766
Amounts owing to subsidiaries	1,070,376	1,070,376	-	-	1,070,376
Bank borrowings	482,508	364,191	151,427	-	515,618
Medium term notes	268,465	29,397	227,618	77,331	334,346
	1,830,115	1,472,730	379,045	77,331	1,929,106
Lease liabilities	243	248	-	-	248
	1,830,358	1,472,978	379,045	77,331	1,929,354

Company 2022	Carrying value RM'000	On demand or 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	4,439	4,439	-	-	4,439
Amounts owing to subsidiaries	1,070,076	1,070,076	-	-	1,070,076
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

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

(c) Liquidity risk (Cont'd)

As at 30 June 2023, the Group and the Company reported net current liabilities of RM134 million and RM1,368 million respectively. Nevertheless, the directors of the Company believe that the Group and the Company are able to meet all their financial obligations as and when they fall due in the foreseeable future. In reaching the above conclusion, the directors have carried out a thorough assessment of the financial position, forecast and plan of the Group and of the Company up to the date of approval of these financial statements.

Based on the assessment, the net current liabilities position is mainly attributable to expressway concession, construction and property segments of the Group, while the plantation segment is financially self-sustainable. In the assessment of the Group's and of the Company's liquidity and financial position, the directors evaluated and considered the following events, plan and forecast of the Group and of the Company up to the date of approval of these financial statements:

1. In August 2023, the Company raised net cash proceeds of RM19 million from the disposal of 21,000,000 ordinary shares in PLS as disclosed in note 58(i) to the financial statements.

2. In September 2023, the Company raised net cash proceeds of RM114 million through the issuance of 269,582,800 new ordinary shares in the Company as disclosed in note 58(ii) to the financial statements.

3. Net cash inflows expected from the Group's expressway concession, construction and property segments for twelve months after the date of approval of these financial statements.

4. Subsequent to 30 June 2023, a new credit facility up to RM148 million has been obtained from a financial institution for the purpose of a proposed mixed development project of the Group.

5. Based on the track record and covenant assessment of the existing credit facilities, the directors foresee the revolving credits of the Group and of the Company amounted to RM255 million and RM250 million respective as at 30 June 2023 will be rolled forward by the lender at the request of the Group and of the Company for a period not less than twelve months after the date of approval of these financial statements.

6. Unutilised credit facility up to RM80 million available to be Group.

7. In order to further strengthen the financial position of the Group and to stay focused on its core businesses, the management is exploring opportunities to dispose of non-core assets of the Group.

Based on assessment above, the directors of the Company are of the view that the liquidity position of the Group and of the Company is manageable and they do not foresee any significant liquidity risk or material uncertainty exist that may cast significant doubt about the Group's and the Company's ability to meet their financial obligations for at least twelve months after the date of approval of these financial statements.

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 reporting 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
2023				
Financial guarantee contracts	54,791	230,795	61,874	347,460
2022				
Financial guarantee contracts	139,100	173,668	67,042	379,810

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	2023 RM'000	2022 RM'000
USD	(1,461)	(2,591)
CNY	264	264
SGD	737	893

The sensitivity analysis is unrepresentative of the inherent foreign currency risk as the year-end exposure does not reflect the exposure during the financial 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	
	2023 RM'000	2022 RM'000
Share capital	1,138,871	1,138,871
Reserves	1,166,381	1,269,340
Total equity	2,305,252	2,408,211
Medium term notes	5,620,178	5,567,049
Bank borrowings	858,352	955,689
Lease liabilities	17,289	17,128
Reimbursable interest assistance	342,636	322,827
Total debts	6,838,455	6,862,693
Debt-to-equity ratio (times)	2.97	2.85

57. SIGNIFICANT EVENTS

57.1 Acquisition of shares in subsidiary companies

On 25 August 2022, the Company subscribed for an additional 1,250 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 RM125,000,000.

In the previous financial year, the Group acquired the following subsidiaries:

(i) On 1 September 2021, BSSB, an indirect subsidiary of the Company, 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.

57. SIGNIFICANT EVENTS (CONT'D)

57.1 Acquisition of shares in subsidiary companies (Cont'd)

(ii) On 30 May 2022, PLS, a direct subsidiary of the Company, 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 interests		(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.

(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.

57. SIGNIFICANT EVENTS (CONT'D)

57.1 Acquisition of shares in subsidiary companies (Cont'd)

(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.

57.2 Changes in stake in subsidiaries

In the current financial year, the changes in stake in subsidiaries are as below:

(i) On 13 February 2023, PLS, a direct subsidiary of the Company, has completed two tranches of private placement comprising 25,000,000 placement shares at RM0.95 per share and 14,965,600 placement shares at RM1.00 per share respectively. Subsequently, the effective equity interest of the Company in PLS has been revised downward from 73% to 66%.

(ii) On 19 March 2023, the issued and paid-up capital of PLS Agrofresh was increased from RM1 to RM1,000,000 by way of allotment of 999,999 new ordinary shares for the purpose of increasing working capital of PLS Agrofresh. BSSB, an indirect subsidiary of the Company, subscribed for additional 599,999 new ordinary shares at total cash consideration of RM599,999. Consequent to the subscription, the effective interest of the Group in PLS Agrofresh has been revised downward from 73% to 40%.

The financial effect arising from the changes in stake in the subsidiaries ownership are as follows:

Group	2023 RM'000
Net consideration received from non-controlling interests	39,115
Decrease in share of net assets	(33,890)
Excess recorded in retained earnings	5,255

In the previous 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 a 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.

57.3 Issuance of redeemable preference shares ("RPSs") by an indirect subsidiary

During the financial year, BSSB, an indirect subsidiary of the Company, issued a total of 1,869,000 RPSs at an issue price of RM1 per RPS, which have been subscribed by a third party and a director of the Group amounted to RM1,303,000 and RM566,000 respectively.

57.4 RTS Link Project

On 5 July 2022, ECSB, a wholly-owned subsidiary of the Company, 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.

57. SIGNIFICANT EVENTS (CONT'D)

57.4 RTS Link Project (Cont'd)

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 RM1.477 billion for the RTS Link rail works.

57.5 Proposed co-investment between PLS LESB, an associate of the Company, Millennium Agriculture Technology Sdn. Bhd. ("MAT") and MYFARM, Inc., Japan ("MYFARM")

PLS LESB had on 13 January 2023 entered into a heads of agreement ("HOA") with MAT and MYFARM in relation to the proposed investment by MAT of up to 49% equity interest in a wholly-owned subsidiary of PLS LESB in various tranches.

Pursuant to the HOA, MAT and MYFARM have committed to co-invest with PLS LESB for up to RM210 million over 5 tranches to undertake a large-scale 1,000 hectares of intercropping and durian cultivation project in Pahang, Malaysia ("the Project").

Further to the aforesaid, MAT and MYFARM had on 30 August 2023 entered into a Supplemental Joint Venture Cum Shareholders' Agreement to complete the first tranche of the investment valued at RM12 million ("First Tranche Investment"). Following the completion of the First Tranche Investment, MAT is granted a 6-month exclusivity period, up until 29 February 2024 to complete the remaining investment of approximately RM198 million in accordance with the terms of the agreement. Any further extension on the above shall subject to PLS LESB's sole discretion.

58. SUBSEQUENT EVENTS

(i) Disposal of PLS shares

The Company has raised a gross proceeds of up to RM20 million from the disposal of 21,000,000 ordinary shares in PLS at RM0.95 per ordinary share on 10 August 2023 and 28 August 2023. PLS remains as a subsidiary of the Company upon the share disposal.

(ii) Private placement

On 12 September 2023, the issued and paid-up shares of the Company was increased from 2,695,828,002 to 2,965,410,802 by way of issuance of 269,582,800 new ordinary shares at an issue price of RM0.435 per ordinary share for total net cash consideration of RM114 million, pursuant to private placement.

(iii) Proposed streamline, merge and reorganisation

On 27 September 2023, the Board of Directors of the Company (the "Board") received a letter dated 27 September 2023 from Tan Sri Dato' Lim Kang Hoo, being the major shareholder of the Company, requesting the Company to consider participating in a reorganisation, rationalisation and merger proposal ("Proposal"), involving Ekovest Berhad, Knusford Berhad, Iskandar Waterfront Holdings Sdn Bhd and Iskandar Waterfront City Berhad.

His Proposal is intended to streamline, reorganise, rationalise and merge the businesses and assets currently owned and controlled by himself and persons acting in concert, through the various public listed and non-listed companies, as well as to consolidate his direct shareholdings in the various companies.

The Board will deliberate on the Proposal and decide on the next course of action.

59. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the board of directors on 23 October 2023.

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 69 to 188 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 2023 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
23 October 2023

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 69 to 188 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 23 October 2023

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 2023, 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 Saraworks Sdn Bhd ("previously known as Samling Resources Sdn Bhd) (**"SSB"**) by serving a Notice of Arbitration on SSB. Thereafter, ECSB had on 2 July 2019 filed a Statement of Case to claim against SSB based on the following:

(a) wrongful termination of the joint venture and shareholders' agreement dated 6 January 2017 entered into between ECSB and SSB (**"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 SSB to ECSB, in order to induce ECSB into performing tasks, duties and responsibilities of SSB 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 SSB 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, SSB 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 SSB's attempt to initiate this fresh arbitration tantamount to duplicity and is an abuse of process.

The parties reached a global settlement. On 12 May 2023, the parties, via a letter dated 12 May 2023 from the solicitors for ECSB to the Arbitrator in ECSB's arbitral proceedings, jointly sought the termination of the ECSB's arbitral proceedings. SSB also via its solicitors' letter dated 12 May 2023 to Asian International Arbitration Centre (**"AIAC"**) sought to terminate the SSB's arbitral proceedings. On 19 May 2023, AIAC issued a letter and informed that the matter is closed. On 12 June 2023, the Arbitrator issued a termination order to terminate the arbitral proceedings.

MATERIAL LITIGATION

OF EKOVEST BERHAD AND ITS SUBSIDIARIES

Save as disclosed below as at 30 June 2023, 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 SSB 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 SSB, 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.

SSB 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 SSB shall only proceed after the resolution of SSB'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 SSB shall only proceed after the resolution of SSB'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 SSB and the Company could proceed.

MATERIAL LITIGATION

OF EKOVEST BERHAD AND ITS SUBSIDIARIES

Save as disclosed below as at 30 June 2023, 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 SSB with a Writ of Summons and Statement of Claim dated 31 January 2020 ("Claim") alleging that our Company and/or ECSB: (Cont'd)

On 24 December 2021, SSB 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 (**"SSB'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 SSB'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 SSB's Motion at the Federal Court is fixed on 8 November 2022. Thereafter, the Hearing of both the Company's Motion and SSB's Motion fixed on 8 November 2022 is vacated due to the rescheduling of cases at the Federal Court. The Court Registrar fixed a Case Management on 7 February 2023 to update the Court Registrar on the filing of the written submissions (which have been filed on 20 October 2022) and the Hearing of both the Company's Motion and SSB's Motion at the Federal Court was fixed on 22 February 2023.

On 22 February 2023, during the Hearing, the Company through its solicitors made a request for an adjournment of the Hearing as the parties are in the midst of settlement. The Honourable Federal Court Judge, after hearing the oral submissions and explanation, allowed the Company's request for an adjournment of the Hearing and directed the parties' solicitors to appear before the Court Registrar on the same day to fix a new Hearing date. The Hearing of both the Company's Motion and SSB's Motion at the Federal Court was fixed on 17 May 2023.

In respect of SSB's Motion and Company's Motion at the Federal Court, on 12 May 2023, SSB and our Company through their respective solicitors filed the Notice of Withdrawal to withdraw their respective Motions at the Federal Court. Subsequent to the filing of both the Notices of Withdrawal for SSB's Motion and Company's Motion, the Federal Court via a letter dated 15 May 2023 informed that the Hearing for both the Motions fixed on 17 May 2023 was vacated.

In respect of SSB's Claim against the Company at the Kuala Lumpur High Court, SSB through its solicitors filed a Notice of Discontinuance to discontinue the action against the Company.

(iii) On 7 October 2019, ECSB was served by the solicitors of SSB with a Statement of Claim of the Defendant against the Third Party (**"Third Party Proceeding"**).

SSB 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 SSB (**"Primary Proceeding"**), then SSB 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 SSB 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 SSB to be sued by the GKCSB in the Primary Proceeding;
(e) consequently, and in the event that SSB is held liable to GKCSB, an order that ECSB is liable to SSB for an indemnity and/or a contribution in respect of the GKCSB's claim;
(f) costs incurred by SSB in defending the GKCSB's action;
(g) cost of this Third Party Proceeding; and
(h) interests.

MATERIAL LITIGATION

OF EKOVEST BERHAD AND ITS SUBSIDIARIES

Save as disclosed below as at 30 June 2023, 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 SSB with a Statement of Claim of the Defendant against the Third Party (**"Third Party Proceeding"**). (Cont'd)

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, SSB 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 SSB's favour, the claim of GKCSB against SSB 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.

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, SSB filed a Notice of Appeal in respect of the O. 14A Application. SSB 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, SSB 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 Court further fixed a further mention on 30 September 2022 to monitor the case.

On 30 September 2022, as the instant matter has been stayed pending disposal of the appeals filed by the Defendant and the hearing date of the appeals has yet to be confirmed by the Court of Appeal, the Court fixed a mention via e-review on 29 November 2022 to update the court on the status of the appeals.

On 29 November 2022, the Plaintiff had informed the Court that the hearing date of the appeals filed by the Defendant has been fixed on 23 June 2023. In the circumstances, the Court further fixed a mention by way of e-review on 26 June 2023 for parties to update the status of the matter.

On 12 May 2023, the Plaintiff has filed a Notice of Discontinuance dated 12 May 2023 wherein the Plaintiff wholly discontinues the instant action with no liberty to file afresh and with no order as to costs and the Defendant wholly discontinues its counterclaim against the Plaintiff with no liberty to file afresh and with no order as to costs and the Defendant also wholly discontinues its Third Party Notice against the Third Party (ECSB) with no liberty to file afresh and with no order as to costs.

In the circumstances, the instant suit is discontinued by parties.

ADDITIONAL COMPLIANCE INFORMATION

MATERIAL CONTRACTS

There was no material contact entered into by the Group involving the interest of Directors and major shareholders, either still subsisting at the end of the financial year ended 30 June 2023 or entered into since the end of the previous financial year.

PRIVATE PLACEMENT

The Company had on 30 August 2023 proposed to undertake a Private Placement of up to 10% of the total number of issued shares of Ekovest (**"Proposed Private Placement"**).

The objective of the Proposed Private Placement is to introduce strategic and/or institutional investors to improve Ekovest's current shareholding mix while raising the required funds for the Company and its subsidiaries' (**"Ekovest Group"** or **"Group"**) business expansion.

The issue price for the private placement has been fixed on 30 August 2023 at RM0.435 per Placement Share. It comprised up to 269,582,800 Placement Shares, calculated based on 10% of the total number of issued shares of Ekovest as at 30 August 2023. The issue price of RM0.435 per placement share represents a discount of approximately 9.09% to the five (5)-day volume weighted average market price of Ekovest Shares up to and including 29 August 2023.

On 5 September 2023, the Company had submitted an application to Bursa Securities in respect of the listing and quotation of up to 269,582,800 placement shares to be issued pursuant to the private placement of up to 10% of the total number of issued shares of Ekovest, on the Main Market of Bursa Securities which was subsequently approved on 7 September 2023.

On 12 September 2023, private placement comprising 269,582,800 placement shares has been completed following the listing and quotation of 269,582,800 placement shares on the Main Market of Bursa Securities. The proceeds raised from this private placement have been fully received and to be utilized according to the approved utilisation purposes.

Purpose	RM	Estimated timeframe for use of proceeds *
Construction project	86,000,000	Within 18 months
General working capital	28,468,518	Within 12 months
Estimated expenses in relation to the Proposed Private Placement	2,800,000	Within 3 months

Notes:
* From the date of listing of each tranche of the Placement Shares.

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 2023 are RM5,500 and RM66,000 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, 15 December 2023.

ANALYSIS OF SHAREHOLDINGS
AS AT 29 SEPTEMBER 2023

Date of Annual Report : 27 October 2023
Statement Date : 29 September 2023

I SUBSTANTIAL SHAREHOLDERS

No.	Name	Direct Shareholdings	%	Indirect Shareholdings	%
1.	Tan Sri Dato' Lim Kang Hoo	532,526,093	17.96	298,000,032 [1]	10.05
2.	Ekovest Holdings Sdn. Bhd.	298,000,032	10.05	-	-
	TOTAL	830,526,125	28.01		

II DIRECTORS' SHAREHOLDINGS

No.	Name	Direct Shareholdings	%	Indirect Shareholdings	%
1.	Tan Sri Dato' Lim Kang Hoo	532,526,093	17.96	298,000,032 [1]	10.05
2.	Tan Sri Datuk Seri Lim Keng Cheng	-	-	95,056,500 [2]	3.21
3.	Dato' Lim Hoe	14,232,375	0.48	-	-
4.	Lim Chen Thai	3,600,000	0.12	-	-
5.	Lim Ts-Fei	-	-	-	-
6.	Lee Wai Kuen	-	-	-	-
7.	Jasmine Cheong Chi-May	-	-	-	-
8.	Dato' Majid Manjit Bin Abdullah	-	-	-	-
9.	Chin Wai Kit	-	-	-	-
10.	Wong Khai Shiang	750,000	0.03	-	-
11.	Lim Ding Shyong	-	-	-	-
	TOTAL	551,108,468	18.59		

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 : 2,965,410,802
Class of Security : Ordinary Share
No. of Shareholders : 26,156
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	185	0.71	6,755	0.00
100 to 1,000	2,071	7.92	1,328,895	0.05
1,001 to 10,000	11,800	45.11	72,452,682	2.44
10,001 to 100,000	10,174	38.90	358,268,743	12.08
100,001 to less than 5% of issued shares	1,925	7.36	2,378,353,727	80.20
5% and above of issued shares	1	0.00	155,000,000	5.23
TOTAL	26,156	100.00	2,965,410,802	100.00

ANALYSIS OF SHAREHOLDINGS

AS AT 29 SEPTEMBER 2023

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	Shareholdings	%
1.	RHB NOMINEES (TEMPATAN) SDN. BHD. *OSK CAPITAL SDN. BHD. FOR TAN SRI DATO' LIM KANG HOO*	155,000,000	5.23
2.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. *PLEDGED SECURITIES ACCOUNT FOR EKOVEST HOLDINGS SDN. BHD.*	128,100,000	4.32
3.	KHOO CHANG CHIANG	104,109,550	3.51
4.	CITIGROUP NOMINEES (ASING) SDN. BHD. *EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 22)*	85,880,000	2.90
5.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. *PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR EKOVEST HOLDINGS SDN. BHD. (SMART)*	80,400,000	2.71
6.	RHB NOMINEES (TEMPATAN) SDN. BHD. *PLEDGED SECURITIES ACCOUNT FOR TAN SRI DATO' LIM KANG HOO*	76,145,172	2.57
7.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. *CIMB FOR TAN SRI DATO' LIM KANG HOO (PB)*	76,117,000	2.57
8.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. *PLEDGED SECURITIES ACCOUNT FOR TAN SRI DATO' LIM KANG HOO*	72,000,000	2.43
9.	LIM SEONG HAI HOLDINGS SDN. BHD.	68,367,800	2.31
10.	AFFIN HWANG INVESTMENT BANK BERHAD *IVT (STRUCTURED WTS)*	61,363,700	2.07
11.	RHB NOMINEES (TEMPATAN) SDN. BHD. *OSK CAPITAL SDN. BHD. FOR EKOVEST HOLDINGS SDN. BHD.*	58,000,000	1.96
12.	RHB NOMINEES (TEMPATAN) SDN. BHD. *PLEDGED SECURITIES ACCOUNT FOR TAN SRI DATO' LIM KANG HOO*	51,148,700	1.72
13.	CITIGROUP NOMINEES (ASING) SDN. BHD. *EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)*	50,000,000	1.69
14.	TAN SRI DATO' LIM KANG HOO	38,469,221	1.30
15.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. *PLEDGED SECURITIES ACCOUNT FOR TAN SRI DATO' LIM KANG HOO*	33,446,000	1.13
16.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. *PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR TAN SRI DATO' LIM KANG HOO (BX1206)*	30,200,000	1.02
17.	RHB NOMINEES (TEMPATAN) SDN. BHD. *PLEDGED SECURITIES ACCOUNT FOR EKOVEST HOLDINGS SDN. BHD.*	27,850,010	0.94
18.	LIM SEONG HAI HOLDINGS SDN. BHD.	26,688,700	0.90
19.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. *AMBANK (M) BERHAD*	21,000,000	0.71

ANALYSIS OF SHAREHOLDINGS

AS AT 29 SEPTEMBER 2023

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	Shareholdings	%
20.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD *DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG DIVIDEND FUND*	20,000,000	0.67
21.	UOB KAY HIAN NOMINEES (ASING) SDN. BHD. *EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)*	19,812,625	0.67
22.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD *DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG VALUE FUND*	19,750,000	0.67
23.	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. *CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OPPORTUNITIES FUND (50156 TR01)*	19,501,700	0.66
24.	CITIGROUP NOMINEES (ASING) SDN. BHD. *EXEMPT AN FOR BANK OF SINGAPORE LIMITED (FOREIGN)*	18,732,550	0.63
25.	HSBC NOMINEES (TEMPATAN) SDN. BHD. *HSBC (M) TRUSTEE BHD FOR PERTUBUHAN KESELAMATAN SOSIAL (UOB AMM 6939 - 406)*	18,125,800	0.61
26.	KENANGA INVESTMENT BANK BERHAD *IVT (EDSP-NAGA 8-DO)*	15,437,800	0.52
27.	YEOH YEW CHOO	15,427,200	0.52
28.	DATO' LIM HOE	14,232,375	0.48
29.	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. *CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND*	13,569,400	0.46
30.	HSBC NOMINEES (TEMPATAN) SDN. BHD. *HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)*	12,555,900	0.42

PARTICULARS OF MATERIAL PROPERTIES

AS AT 30 JUNE 2023

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	5 years	Freehold	Shopping mall	55,996^	416,000	416,000
Part of Geran 78870, Lot 480726, Mukim Kuala Lumpur. (DOA: 04-02-2000)	DUKE Hotels Sdn Bhd	N/A	Freehold	Hotel	11,462^	105,424	104,275
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 2023

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	7,210	5,502
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
Hakmilik 52835 Lot 20009 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	3,620#	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 2023

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
Hakmilik 79822 Lot 20014 Section 85, Bandar Kuala Lumpur. (DA: 05-05-2016)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	1,620#	7,822	7,822
Hakmilik 79795 Lot 20013 Section 85, Bandar Kuala Lumpur. (DA: 22-02-2017)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	1,662#	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 2023

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)							
Geran 79874 Lot 20016 Seksyen 85, Bandar Kuala Lumpur. (DA: 07-09-2018)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	2,925#	27,769	27,769
Geran 79873 Lot 20007 Seksyen 85A, Bandar Kuala Lumpur. (DA: 07-09-2018)	Ekovest Properties Sdn Bhd	N/A	Freehold	Vacant land	9,438#	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 2023

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 14254, Lot 14256 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 2023

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

PARTICULARS OF MATERIAL PROPERTIES

AS AT 30 JUNE 2023

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 2023

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	22 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	13 years	Freehold	4 units of 3 storey shop office and 3 unit of 4 storey shop office	2,636^	11,361	11,361

PARTICULARS OF **MATERIAL** PROPERTIES

AS AT 30 JUNE 2023

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	8 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	6 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	6 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-EIGHTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Eighth Annual General Meeting of the Company will be conducted on a virtual basis through live streaming and online remote voting using the Remote Participation and Voting Facilities via the online meeting platform at https://www.dvote.my from the broadcast venue at Ekovest Sales Gallery, 3rd Floor, No. 122, Jalan Desa Gombak 1, Jalan Gombak, 53000 Kuala Lumpur on Friday, 15 December 2023 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 2023 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) Tan Sri Dato' Lim Kang Hoo **Resolution 1**
   (ii) Mr. Lim Chen Thai **Resolution 2**

3. To re-elect the following Directors who retire in accordance with Clause 78 of the Constitution of the Company:-

   (i) Ms. Jasmine Cheong Chi-May **Resolution 3**
   (ii) Dato' Majid Manjit Bin Abdullah **Resolution 4**
   (iii) Mr. Chin Wai Kit **Resolution 5**

4. To approve the payment of Directors' Fees of RM270,000.00 for the financial year ended 30 June 2023. **Resolution 6**

5. To approve the payment of Directors' Benefits up to an amount of RM200,000.00 with effect from the Thirty-Eighth Annual General Meeting until the next Annual General Meeting of the Company. **Resolution 7**

6. To re-appoint Mazars PLT as Auditors for the financial year ending 30 June 2024 and to authorise the Directors to fix their remuneration. **Resolution 8**

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

   (I) PROPOSED AUTHORITY FOR DIRECTORS TO ALLOT SHARES AND WAIVER OF PRE-EMPTIVE RIGHTS FOR THE ISSUANCE OF THE NEW SHARES

   "THAT subject to the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/regulatory authorities, the Directors of the Company be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to allot shares in 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 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 shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being **AND THAT** the Directors of the Company be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued **AND THAT** such approval shall continue to be in force until:-

NOTICE OF THE THIRTY-EIGHTH ANNUAL GENERAL MEETING

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company held after the approval was given;

(ii) the expiration of the period within which the next AGM of the Company is required to be held after the approval was given; or

(iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

THAT pursuant to Section 85(1) of the Act which must be read together with Clause 12(3)(a) of the Constitution of the Company, by approving this resolution, the shareholders do hereby waive the statutory pre-emptive rights of this offered shares in proportion of their holdings at such price and at such terms to be offered arising from any issuance of the new shares above by the Company.

AND THAT the Directors be and are hereby authorised to issue any new shares (including rights or options over subscription of such shares) and with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, for such consideration and to any person as the Directors may determine." **Resolution 9**

(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 27 October 2023 with the related parties listed in section 2.3 of the Circular which are necessary for the day-to-day operations, in the ordinary course of business, made on at arm's length basis and on normal commercial terms which are not more favourable than those normally available to the public and are not to the detriment of the minority shareholders;

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

(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 10**

NOTICE OF THE **THIRTY-EIGHTH** ANNUAL GENERAL MEETING

(III) CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR

"THAT 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 11**

(IV) CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR

"THAT 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 12**

By Order of the Board

Lim Thiam Wah
(MAICSA No. 7000553)
SSM PC No. 201908003868

Tee Lee Leng
(MAICSA No. 7044742)
SSM PC No. 202008001301

Chartered Secretaries
Kuala Lumpur

27 October 2023

NOTICE OF THE THIRTY-EIGHTH ANNUAL GENERAL MEETING

Notes:

1. The Thirty-Eighth (38th) Annual General Meeting ("AGM") of the Company will be conducted on virtual basis through live streaming and online remote voting using the Remote Participation and Voting Facilities via online meeting platform at https://www.dvote.my. Please refer to the Administrative Guide for the detailed steps on remote participation and vote remotely.

2. For the purpose of determining who shall be entitled to participate and vote at the 38th AGM, the Company shall request Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at 30 November 2023. 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 who 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 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.

NOTICE OF THE THIRTY-EIGHTH ANNUAL GENERAL MEETING

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, 13 December 2023 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 are laid in accordance with Section 340(1)(a) of the Companies Act 2016 ("CA 2016") and are meant for discussion only as the Audited Financial Statements do not require shareholders' approval under the provision of Section 251(1) of the CA 2016. As such, this Agenda item is not to be put forward for voting.

Resolutions 1 to 5

Clause 76 (3) of the Constitution of the Company ("Constitution") expressly states that at the Annual General Meeting ("AGM") 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. Clause 78 of the Constitution provides that any Directors so appointed shall hold office only until the next AGM and shall then be eligible for re-election.

Pursuant to Clause 76 (3) of the Constitution, Tan Sri Dato' Lim Kang Hoo and Mr. Lim Chen Thai are standing for re-election at this AGM.

Ms. Jasmine Cheong Chi-May, Dato' Majid Manjit Bin Abdullah and Mr. Chin Wai Kit are standing for re-election pursuant to Clause 78 of the Constitution at this AGM as they were appointed after the last AGM.

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 Tan Sri Dato' Lim Kang Hoo, Mr. Lim Chen Thai, Ms. Jasmine Cheong Chi-May, Dato' Majid Manjit Bin Abdullah and Mr. Chin Wai Kit and recommended for their re-election. The Board endorsed the Nomination Committee's recommendation that Tan Sri Dato' Lim Kang Hoo, Mr. Lim Chen Thai, Ms. Jasmine Cheong Chi-May, Dato' Majid Manjit Bin Abdullah and Mr. Chin Wai Kit be re-elected as Directors of the Company.

Resolutions 6 and 7

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 6 seeks approval for the payment of Directors' Fees of RM270,000.00 for the financial year ended 30 June 2023.

NOTICE OF THE THIRTY-EIGHTH ANNUAL GENERAL MEETING

Explanatory Notes:- (Cont'd)

Resolutions 6 and 7 (Cont'd)

Resolution 7 seeks approval for the payment of Directors' Benefits up to an amount of RM200,000.00 with effect from the Thirty-Eighth 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.

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 2024 on the payment of the exceeded amount.

Resolution 8

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 9

The proposed resolution if passed, will empower the Directors of the Company to issue and allot 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 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being. The general mandate will provide flexibility to the Company for any possible fund raising activities.

As of the date of this notice, the Company had on 11 September 2023 issued 269,582,800 ordinary shares at an issue price of RM0.435 each in the Company pursuant to the mandate granted to the Directors at the AGM held on 9 December 2022. For details of the status of utilization of the proceeds, please refer to Additional Compliance Information of the Annual Report.

Section 85(1) of the Companies Act 2016 ("the Act") states that subject to the Constitution of the Company, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders.

Clause 12(3)(a) of the Constitution of the Company states that subject to the Act, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and any direction to the contrary that may be given by the Company in General Meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled.

NOTICE OF THE THIRTY-EIGHTH ANNUAL GENERAL MEETING

Explanatory Notes:- (Cont'd)

Explanatory Notes to Special Business (Cont'd)

Resolution 10

The Proposed Resolution 10, 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 at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company. Details of the Proposed Mandate are set out in the Circular to Shareholders dated 27 October 2023.

Resolutions 11 and 12

The Proposed Resolutions 11 and 12, if passed, will enable Ms. Lim Ts-Fei 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.

The Nomination Committee has assessed the independence of Ms. Lim Ts-Fei 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 corporate and legal matters had significantly contributed to the effectiveness of the Board and the Committees;

(b) They have exercised their due care during their tenure as Independent Non-Executive Directors of the Company and they have carried out their professional 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-Eighth Annual General Meeting.

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

ADMINISTRATIVE GUIDE FOR THIRTY-EIGHTH ANNUAL GENERAL MEETING

Date	:	Friday, 15 December 2023
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.dvote.my**
Mode of Communication	:	Typed text in Online Meeting Platform during the Thirty-Eighth Annual General Meeting

MODE OF MEETING

The Thirty-Eighth Annual General Meeting of Ekovest Berhad ("AGM") will be conducted on a virtual basis through live streaming and online remote voting using the Remote Participation and Voting ("RPV") Facilities via the online meeting platform at **https://www.dvote.my** from the Broadcast Venue (collectively referred hereinafter as "Virtual 38th 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 2021 Practice 13.3, conducting a Virtual 38th 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 38th AGM. Alternatively, you may also appoint the Chairperson of the Meeting as your proxy to attend and vote on your behalf at the Virtual 38th 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 38th 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 30 November 2023 shall be eligible to participate in the Virtual 38th 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 THIRTY-EIGHTH 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 who 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, 13 December 2023 at 10.30 a.m.

VOTING PROCEDURE

The voting at the Virtual 38th 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.dvote.my***

ADMINISTRATIVE GUIDE FOR THIRTY-EIGHTH ANNUAL GENERAL MEETING

VOTING PROCEDURE (CONT'D)

During the Virtual 38th 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 38th 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 38th AGM using RPV Facilities provided by Dvote via its **Dvote Online** website at ***https://www.dvote.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 38th 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.dvote.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 THIRTY-EIGHTH 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 38th 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 5 December 2023 until the commencement of the polling during the Virtual 38th AGM. • Login to **https://www.dvote.my** with your user ID (i.e. email address) and password. • Select event: **"Ekovest Berhad - 38th Annual General Meeting"** and click **"Register"**. • You will receive an email notifying on your registration for the remote participation and verification. • Once your registration has been verified against the Record of Depositors as at 30 November 2023, 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 THE 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	• Upon the announcement by the Chairperson on the closure of the Virtual 38th AGM, the live participation 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.

ADMINISTRATIVE GUIDE FOR THIRTY-EIGHTH ANNUAL GENERAL MEETING

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 38th 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.dvote.my

NO DOOR GIFTS OR FOOD VOUCHERS

There will be no distribution of food vouchers or door gifts during the Virtual 38th AGM as the meeting is conducted on a virtual basis.

NO RECORDING OR PHOTOGRAPHY

Strictly no recording or photography of the Virtual 38th 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 Wong
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-Eighth Annual General Meeting ("AGM")** as *my/our proxy/proxies to vote for *me/us and on *my/our behalf, at the AGM of the Company, to be conducted on a virtual basis through live streaming and online remote voting using the Remote Participation and Voting Facilities via the online meeting platform at https://www.dvote.my from the broadcast venue at **Ekovest Sales Gallery, 3rd Floor, No. 122, Jalan Desa Gombak 1, Jalan Gombak, 53000 Kuala Lumpur** on **Friday, 15 December 2023** at **10.30 a.m.** and at any adjournment thereof.

No	Resolutions		For	Against
1.	Re-election of: (i) Tan Sri Dato' Lim Kang Hoo	(Resolution 1)		
	(ii) Mr. Lim Chen Thai	(Resolution 2)		
2.	Re-election of: (i) Ms. Jasmine Cheong Chi-May	(Resolution 3)		
	(ii) Dato' Majid Manjit Bin Abdullah	(Resolution 4)		
	(iii) Mr. Chin Wai Kit	(Resolution 5)		
3.	Approval of Directors' Fees	(Resolution 6)		
4.	Approval of Directors' Benefits	(Resolution 7)		
5.	Re-appointment of Auditors	(Resolution 8)		
6.	(I) Proposed Authority for Directors to Allot Shares and Waiver of Pre-Emptive Rights for the Issuance of the New Shares	(Resolution 9)		
	(II) Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	(Resolution 10)		
	(III) Continuing in Office of Ms. Lim Ts-Fei as Independent Non-Executive Director	(Resolution 11)		
	(IV) Continuing in Office of Mr. Lee Wai Kuen as Independent Non-Executive Director	(Resolution 12)		

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-Eighth (38th) Annual General Meeting ("AGM") of the Company will be conducted on virtual basis through live streaming and online remote voting using the Remote Participation and Voting Facilities via the online meeting platform at https://www.dvote.my. Please refer to the Administrative Guide for the detailed steps on remote participation and vote remotely.

2. For the purpose of determining who shall be entitled to participate and vote at the 38th AGM, the Company shall request Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at 30 November 2023. 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 who 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 SECRETARIES

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 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.

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, 13 December 2023 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 Berhad
Co. Reg. No. [illegible]

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

WWW.EKOVEST.COM.MY