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# corporate information

- for the year ended 30th June 2001

## **BOARD OF DIRECTORS**

Y. Bhg. Dato' Lim Kang Hoo  
Khoo Nang Seng @ Khoo Nam Seng  
Cho Joy Leong @ Cho Yok Lon  
Y. Bhg. Dato' Haji Abdullah Bakri Bin A. Wahab  
Mohd Salleh Bin Othman

(Executive Vice Chairman)  
(Executive Director)  
(Executive Director)  
(Independent and Non Executive Director)  
(Independent and Non Executive Director)

## **SECRETARY**

Lim Thiam Wah, ACIS

## **REGISTERED OFFICE**

33-35, 2nd Floor, Wisma Ekovest  
Jalan Desa Gombak 6  
Taman Sri Setapak  
Off Jalan Gombak  
53000 Kuala Lumpur  
Tel : 03-40215948  
Fax : 03-40214027

## **PRINCIPAL PLACE OF BUSINESS**

33-35, 3rd Floor, Wisma Ekovest  
Jalan Desa Gombak 6  
Taman Sri Setapak  
Off Jalan Gombak  
53000 Kuala Lumpur  
Tel : 03-40215948  
Fax : 03-40215943

## **REGISTRARS**

No. 28-2 Jalan Tun Sambanthan 3  
Brickfields  
50470 Kuala Lumpur  
Tel : 03-22746133  
Fax : 03-22741016

## **DOMICILE**

Malaysia

## **LEGAL FORM AND PLACE**

### **OF INCORPORATION**

A public listed company incorporated  
in Malaysia under Companies Act 1965  
and limited by shares

## **AUDITORS**

Moore Rowland  
Public Accountants  
Wisma Selangor Dredging  
7th Floor, South Block  
142A Jalan Ampang  
50450 Kuala Lumpur  
Tel : 03-21615222  
Fax : 03-21613909

## **PRINCIPAL BANKERS**

Arab-Malaysian Merchant Bank Berhad  
Malayan Banking Berhad  
United Overseas Bank (Malaysia) Berhad  
HSBC Bank Malaysia Berhad  
RHB Bank Berhad  
Hong Leong Bank Berhad

## **LISTING STATUS**

Listed on KLSE Main Board

# notice of the sixteenth annual general meeting

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**NOTICE IS HEREBY GIVEN THAT** the Sixteenth Annual General Meeting of the Company will be held at Grand Seasons Hotel, 72 Jalan Pahang, 53000 Kuala Lumpur on Thursday, 20th December 2001 at 11.00 a.m. for the purpose of transacting the following businesses:

## **AGENDA**

1. To receive and consider the Audited Financial Statements for the financial year ended 30 JUNE 2001 together with the Report of the Directors and the Auditors thereon. (Ordinary Resolution 1)
2. To re-elect the following Directors who retire in accordance with Article 80 of the Company's Articles of Association:-
  - a) Dato' Lim Kang Hoo (Ordinary Resolution 2)
  - b) Mr. Cho Joy Leong @ Cho Yok Lon (Ordinary Resolution 3)
3. To approve the payment of Directors' Fees for the financial year ended 30 JUNE 2001. (Ordinary Resolution 4)
4. To declare a First and Final Dividend of 5 sen per ordinary share less income tax in respect of the financial year ended 30 JUNE 2001. (Ordinary Resolution 5)
5. To re-appoint Moores Rowland as Auditors and to authorise the Directors to fix their remuneration. (Ordinary Resolution 6)
6. As Special Business, to consider and if thought fit, to pass the following resolutions with or without modifications :-
  - I. ORDINARY RESOLUTION - AUTHORITY PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965**

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

(Ordinary Resolution 7)

**II. ORDINARY RESOLUTION - PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

"That pursuant to paragraph 10.09 of the Listing Requirements of the KLSE, approval be and is hereby given for the Company and / or its subsidiaries to enter into and to give effect to the categories of recurrent related party transactions with those related parties as specified in the Circular to shareholders dated 28th November 2001, provided that such transactions are of a revenue or trading nature which are necessary for the Group's day to day operations and in the ordinary course of business made on an arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

And that such approval shall continue to be in force until the conclusion of the next Annual General Meeting of the Company, and all such transactions entered into by the Group prior to the date of this resolution be and are hereby approved and ratified."

(Ordinary Resolution 8)

**III. SPECIAL RESOLUTION - PROPOSED ADOPTION TO THE ARTICLES OF ASSOCIATION**

"That the adoption of a new set of Articles of Association of the Company as set out in Appendix I of the Circular to the Shareholders dated 28th November 2001, copies of which have been circulated to the Shareholders, be and are hereby approved.

And that the Directors of the Company be and are hereby authorised to do such acts and things that are necessary to give effect to the proposal with full power to assent to any conditions, modifications, variations and / or amendments as may be required by the relevant authorities as the Directors may deem fit and expedient."

(Special Resolution)

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

**NOTICE IS ALSO HEREBY GIVEN THAT** subject to the approval of the shareholders at the Sixteenth Annual General Meeting, the First and Final Dividend of 5 sen per ordinary share less income tax will be paid on 28 February 2002 to members whose names appear in the Record of Depositors on 18 January 2002.

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

- i. Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 16 January 2002.
- ii. Shares transferred to the Depositor's Securities Account before 12.30 p.m. on 18 January 2002 in respect of ordinary transfers.
- iii. Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of Kuala Lumpur Stock Exchange.

Shareholders are reminded that pursuant to the Securities Industry (Central Depositories) (Amendment) (No. 2) Act, 1998 which came into force on 1 November 1998, all shares not deposited with Malaysian Central Depository Sdn Bhd by 12.30 p.m. on 1 December 1998 and not exempted from Mandatory Deposit, have been transferred to the Minister of Finance (MOF). Accordingly, the dividend for such undeposited shares will be paid to MOF.

By Order of the Board

**Lim Thiam Wah**, ACIS  
Secretary  
Kuala Lumpur  
28th November 2001

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him provided that the provision of Section 149 (1)(c) of the Companies Act, 1965 is complied with.
2. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
3. A proxy may but need not be a member of the Company and the provision of Section 149 (1)(b) of the Companies Act, 1965 shall not apply.
4. In the case of a corporate member, the instrument appointing a proxy shall be under its common seal or under the hand of an officer or its attorney duly authorised.
5. The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting.
6. Explanatory notes on Special Business:-
  - i. The proposed Ordinary Resolution 7, if passed, will empower the Directors of the Company to issue and allot shares in the Company up to an aggregate amount not exceeding 10% of the issued share capital of the Company for the time being for such purposes as they consider would be in the interest of the Company. This authority unless revoked or varied at a general meeting, will expire at the next Annual General Meeting.
  - ii. The proposed Ordinary Resolution 8, if passed, will authorise the Group to enter into recurrent related party transactions as specified in the Circular to shareholders dated 28th November 2001, provided that such transactions are of a revenue or trading nature which are necessary for the Group's day to day operations and are in the ordinary course of business made on arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.
  - iii. The proposed Special Resolution, if passed, will authorise the Company to adopt the new set of Articles of Association as specified in the Circular to shareholders dated 28th November 2001, in order to be in compliance with the Revamped Listings Requirements of the KLSE and the Rules of the Central Depository.

# statement accompanying notice of annual general meeting

- for the year ended 30th June 2001

Particulars of directors who are standing for re-election at the Sixteenth Annual General Meeting.

Details	Dato' Lim Kang Hoo	Mr. Cho Joy Leong @ Cho Yok Lon
Directorships	Executive Vice Chairman	Executive Director
Age	46	58
Nationality and Race	Malaysian Chinese	Malaysian Chinese
Qualification	Details as contained on page no. 16	Details as contained on page no. 16
Working experience and Occupations	Details as contained on page no. 16	Details as contained on page no. 16
Other directorships of public listed companies	Knusford Berhad	Nil
Attendance at board meetings	Details as contained on page no. 17 and below	Details as contained on page no. 17 and below
Securities holdings in the Company	300,000 ordinary shares	60,000 ordinary shares
Family relationship with any director and/or major shareholders of the company	Nil	Nil
Conflict of interest	Details as contained on page no. 17	Details as contained on page no. 17
Convictions of offences	Details as contained on page no. 17	Details as contained on page no. 17

Venue, Date and Time of Board Meeting

Details	Venue	Date	Time
Dato' Lim Kang Hoo	Lot 20740, Batu 4 <sup>1/2</sup> , Jalan Skudai, 80200 Johor Bahru, Johor.	26.08.2000	10.50 a.m. - 12.00 p.m.
	33-35, 3 <sup>rd</sup> Floor, Wisma Ekovest, Jalan Desa Gombak 6, Taman Sri Setapak, Off Jalan Gombak, 53300 Kuala Lumpur.	28.11.2000	10.40 a.m. - 11.00 a.m.
		24.05.2001	3.10 p.m. - 4.15 p.m.
Mr. Cho Joy Leong @ Cho Yok Lon	Lot 20740, Batu 4 <sup>1/2</sup> , Jalan Skudai, 80200 Johor Bahru, Johor.	26.08.2000	10.50 a.m. - 12.00 p.m.
	33-35, 3 <sup>rd</sup> Floor, Wisma Ekovest, Jalan Desa Gombak 6, Taman Sri Setapak, Off Jalan Gombak, 53300 Kuala Lumpur.	03.10.2000	10.45 a.m. - 11.15 a.m.
		28.11.2000	10.40 a.m. - 11.00 a.m.
		23.02.2001	10.30 a.m. - 10.55 a.m.
		24.05.2001	3.10 p.m. - 4.15 p.m.

# executive vice chairman's statement

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On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statement's of Ekovest Berhad Group and Company for the financial year ended 30th June 2001.

Despite the many signs of economic activities in the construction industry, the year in review on the whole was a challenging one due to intense competition for a reduced pool of Government and private projects. During the year, the Company was kept busy with projects carried over from the previous year. Besides tendering and negotiating for Government projects, the Company has taken additional pro-active stance to venture into private projects as project manager and contractor by creating smart partnership with developers and would be securing more private projects when the property market recovers.

## Financial Results

For the financial year ended 30th June, 2001 the Group has recorded a profit before tax of RM10,324,040.00 from a turnover of RM312,201,027.00 compared to the RM28,170,429.00 profit before tax generated from a turnover of RM303,827,269.00 achieved in the previous financial year.

## Dividend

The Board of Directors has recommended subject to the approval of the shareholders being obtained, a first and final dividend of 5% less 28% income tax per ordinary share of RM1.00 each payable on the 28 February 2002 in respect of the financial year ended 30th June 2001.

## Industry Overview and Prospects

In recognition of the construction industry as the engine of growth for the Malaysia economy, the Government has announced various measures to stimulate growth in the construction sector and property market. New growth would be supported by the continued implementation of privatised and public infrastructure projects as well as the revival of several deferred infrastructure projects.

Nonetheless, the Company recognises the immense competition to be faced and is developing and taking appropriate strategic action to exploit to the fullest its strengths and competencies to develop its competitive advantage and shall intensify its efforts to increase its order book by securing new contracts from the public and private sectors.

## Corporate Governance

The responsibility to establish strong ethics of good corporate governance that are transparent and disclosure based as set out in the recent revamp in the Kuala Lumpur Stock Exchange (KLSE) Listing Requirements rest with the Board of Directors. The principles of corporate governance along with the recommended best practices to be applied in the running of a listed company which aims to foster independence of the directors, promote transparent business procedures to further improve investor relations and enhance accountability and integrity has been considered by the Board.

In support of the efforts taken by the KLSE, the Board has taken or is taking appropriate necessary steps by forming the Audit Committee and Internal Audit Department to comply with the new revamped listing requirements to maintain the highest standard of corporate responsibility and accountability and to provide greater disclosure and transparency in the business of the Company.

We are still a long way to our ultimate goals, but I believe that with co-operation and commitment from all members of the Group, we shall be able to scale to higher ground.

## **Appreciation**

On behalf of our Board, I wish to express our appreciation and thanks to Encik Aminuddin Bin Omar Azaddin for his contribution during his tenure as Managing Director.

I would also like to take this opportunity to thank all our clients, shareholders, bankers, business associates, various government and local authorities for their continuing support and confidence in the Group.

Finally, my personal gratitude also goes to the management and employees for their continued dedication and commitment to the Group.

**Dato' Lim Kang Hoo**

Executive Vice Chairman

28th November 2001

# penyata

## naib pengerusi eksekutif

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Saya bagi pihak Lembaga Pengarah dengan sukacitanya mengemukakan Laporan Tahunan dan Akaun-Akaun Audit Kumpulan Ekovest dan Syarikat Ekovest Berhad bagi Tahun Kewangan berakhir 30hb. Jun 2001.

Walaupun terdapat banyak tanda aktiviti ekonomi di dalam industri pembinaan, tahun yang berkenaan pada keseluruhannya adalah mencabar disebabkan oleh persaingan hebat untuk memperolehi projek-projek kerajaan dan swasta yang telah berkurangan. Sepanjang tahun ini Ekovest Berhad bergiat dengan aktiviti-aktiviti dan projek-projek dari tahun lepas. Disamping mengambil bahagian dalam tender tawaran kerja dan mengadakan rundingan untuk mendapatkan projek-projek kerajaan, Ekovest Berhad telah mengambil tindakan tambahan proaktif dengan melibatkan diri dalam projek-projek swasta sebagai Pengurus Projek dan kontraktor melalui usahasama dengan pemaju-pemaju hartanah untuk memperolehi lebih banyak lagi projek swasta apabila pasaran hartanah beransur pulih.

### Keputusan Kewangan

Bagi tahun kewangan berakhir 30hb. Jun, 2001, Kumpulan Ekovest telah mencatatkan keuntungan sebelum cukai sebanyak RM10,324,040.00 dari hasil perolehan berjumlah RM312,201,027.00 berbanding dengan tahun sebelumnya yang telah mencatatkan keuntungan sebelum cukai sebanyak RM28,170,429.00 dari hasil perolehan RM303,827,269.00.

### Dividen

Bersabit dengan tahun kewangan berakhir 30hb. Jun, 2001 dan tertakluk kepada kelulusan yang akan diperolehi dari pemegang-pemegang saham, Lembaga Pengarah telah mencadangkan pembayaran dividen yang pertama dan terakhir sebanyak 5 % tolak cukai pendapatan sebanyak 28% bagi setiap saham biasa bernilai RM1.00 seunit yang akan dibayar pada 28 Februari 2002, selepas kebenaran diperolehi didalam Mesyuarat Agung Tahunan.

### Tinjauan Industri dan Prospek

Sebagai mengakui industri pembinaan sebagai enjin pertumbuhan ekonomi negara, kerajaan telah mengumumkan beberapa langkah positif untuk mempergiatkan lagi pertumbuhan sektor pembinaan dan pasaran hartanah. Pertumbuhan baru dalam sektor ini akan dikukuhkan dengan sumbangan dari pelaksanaan projek-projek infrastruktur yang diswastakan, projek-projek awam dan juga melalui pemulihan beberapa projek infrastruktur yang telah ditangguhkan.

Walau bagaimanapun, Ekovest Berhad mengakui bahawa persaingan yang dihadapi adalah amat besar sekali dan kini sedang mengambil tindakan strategik yang sesuai bagi mengeksploitasikan sepenuhnya kebolehan dan kecekapan Ekovest Berhad bagi tujuan mempertingkatkan kedudukan daya saingan dan akan menguatkan lagi usahanya untuk mendapatkan kontrak-kontrak baru dari sektor awam dan swasta.

### Urustadbir Korporat

Tingkh laku yang kukuh dan baik dalam urustadbir korporat yang telus dan 'disclosure based' seperti yang ditetapkan baru-baru ini semasa susunan semula Syarat-Syarat Penyenaraian Bursa Saham Kuala Lumpur (BSKL) adalah tanggungjawab Lembaga Pengarah. Prinsip-prinsip urustadbir korporat bersama amalan-amalan terbaik yang digunakan dalam pengendalian sebuah syarikat awam adalah bertujuan untuk mewujudkan kualiti berdikari dari pengarah-pengarah, mempertingkatkan peraturan perniagaan yang telus, meningkatkan perhubungan baik dengan pelabur-pelabur, mempertingkatkan integriti dan memupuk sikap yang lebih bertanggungjawab dalam semua urusan perniagaan yang dipertimbangkan oleh Lembaga Pengarah.

Bagi menyokong usaha-usaha yang diambil oleh BSKL, Lembaga Pengarah, akan mengambil langkah-langkah sesuai yang diperlukan dengan pembentukan Jawatankuasa Audit dan Jabatan Audit Dalam bagi mematuhi syarat-syarat penyenaian baru BSKL untuk memelihara dan menjamin aspek-aspek Kewajipan dan Tanggungjawab Korporat yang bernas bertaraf tinggi dan meningkatkan ketelusan dalam urusan perniagaan syarikat.

Sasaran matlamat kami masih belum dicapai pada masa kini dan saya percaya dengan kerjasama dan komitmen dari semua ahli dalam Kumpulan Ekovest, kami akan pasti berada di tahap pencapaian yang lebih tinggi di masa hadapan.

### **Penghargaan**

Bagi pihak Lembaga Pengarah, saya ingin melahirkan penghargaan dan mengucapkan ribuan terima kasih kepada Encik Aminuddin Bin Omar Azaddin atas sumbangan beliau semasa beliau menjawat jawatan sebagai Pengarah Urusan.

Saya juga ingin mengambil kesempatan ini untuk mengucapkan ribuan terima kasih kepada semua pelanggan-pelanggan, pemegang-pemegang saham, pihak bank, rakan perniagaan, pihak kerajaan dan pihak kerajaan tempatan atas sokongan dan kepercayaan berterusan yang diberi kepada Kumpulan kami.

Akhir kata, saya secara peribadi ingin mengucapkan ribuan terima kasih kepada pihak pengurusan dan semua kakitangan atas dedikasi dan komitmen berterusan yang diberi kepada Kumpulan Ekovest.

### **Dato' Lim Kang Hoo**

Naib Pengerusi Eksekutif  
28hb November 2001

# audit committee

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The Audit Committee was established by the Board of Directors on 29 July 1994. The Audit Committee comprises of the following directors:-

## **Chairman**

Y. Bhg. Dato' Haji Abdullah Bakri Bin A. Wahab (Non-Executive and Independent Director)

## **Members**

En. Mohd Salleh Bin Othman (Non-Executive and Independent Director)

Mr. Cho Joy Leong @ Cho Yok Lon (Executive Director - appointed on 28 September 2001)

## **TERMS OF REFERENCE**

### **Composition**

The Committee shall be appointed by the Directors from among their members and shall comprise of not fewer than 3 members of whom the non-executive members shall form the majority.

### **Quorum**

The quorum for the meeting shall be two members.

### **Rights of the Audit Committee**

The rights of the Audit Committee are as follows:-

- a) have authority to investigate any matter within its terms of reference;
- b) have the resources which are required to perform its duties;
- c) have full and unrestricted access to any information pertaining to the company;
- d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
- e) be able to obtain independent professional or other advice; and
- f) be able to convene meetings with the external auditors, excluding the attendance of the executive members of the committee, whenever deemed necessary.

### **Audit Committees' Meetings**

A total of 3 Audit Committees' Meetings were held during the financial year ended 30 June 2001.

### **Attendance at the Audit Committees' Meetings**

	No. of Audit Committees' Meetings
1. Dato' Haji Abdullah Bakri Bin A. Wahab	3
2. En. Mohd Salleh Bin Othman	2
3. En. Aminuddin Bin Omar Azaddin (Resigned on 29 June 2001)	3

### **Scope and Functions**

The scope and functions of the Audit Committee shall be:

1. Review the following and report the same to the board of directors of the company:-
  - a) with the external auditors, the audit plan;
  - b) with the external auditors, their evaluation of the system of internal controls;
  - c) with the external auditors, their audit report on the financial statements;
  - d) the assistance given by the employees of the company to the external auditor;
  - e) the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;
  - f) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit functions;
  - g) the quarterly results and year end financial statements, prior to the approval by the board of directors, focusing particularly on:-
    - i) changes in or implementation of major accounting policy changes;
    - ii) significant and unusual events; and
    - iii) compliance with accounting standards and other legal requirements;
  - h) any related party transactions and conflict of interest situation that may arise within the company or group including any transaction, procedure or course of conduct that raises questions of management integrity;
  - i) any letter of resignation from the external auditors of the company; and
  - j) whether there is reason (supported by grounds) to believe that the company's external auditor is not suitable for re-appointment; and
2. Recommend the nomination of a person or persons as external auditors.

### **Summary Of The Activities Of The Audit Committee**

During the financial year ended 30 June 2001, the activities of the Ekovest Berhad Audit Committee covered, among others, the following:-

1. Reviewed the draft-audited accounts of the Group for the financial year ended 30 June 2000.
2. Reviewed the unaudited quarterly report on the consolidated results of the Group for the financial period ended 31 December 2000 and 31 March 2001.
3. Reviewed the external auditors' reports in relation to their audit findings and the accounting issues arising from the audit.
4. Reviewed the provisions for receivables including the writing off bad debts of the Group.
5. Noted from the external auditors, the updates of new developments on accounting standards issued by the Malaysian Accounting Standards Board.
6. Noted from the Secretary, the new provisions of the Listing Requirements of the Kuala Lumpur Stock Exchange and Malaysian Code on Corporate Governance in particular the guidelines to be complied by the audit committee within the timeframe stipulated therein.

### **Internal Audit Function**

The Board acknowledges the importance of an internal audit function in maintaining a sound system of internal controls within the Group to safeguard shareholders' investment and the Group's assets. This has led the Group to outsource its internal audit function subsequent to the financial year end to an external consultant. The Board has since reviewed and approved the internal audit charter which sets out the nature, responsibility, authority and scope of work to be carried out.

The internal audit function undertakes to provide independent, objective assurance and consulting activities designed to add value to the Group's operations.

In addressing the same, the internal audit function is presently working on a risk-based audit plan which shall be tabled for the endorsement of the Board for next year's audits.

# directors' profile

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- for the year ended 30th June 2001

**YBHG. DATO' LIM KANG HOO**, aged 46, is the co-founder and the Executive Vice-Chairman of Ekovest Berhad and has been on the Board of Directors of Ekovest Berhad since 30 March 1988. Y. Bhg. Dato' Lim is a businessman with over 20 years of experience in the construction industry. He started his involvement in the construction at the age of 17, assisting in the family's construction business. Soon after, he teamed up with Mr. Khoo Nang Seng @ Khoo Nam Seng to form a civil engineering and construction partnership which grew to become what Ekovest Berhad is today. At present, he is also a director of several other private limited companies. His vast experience in the construction industry had been instrumental to the growth and development of the Ekovest Berhad Group.

**KHOO NANG SENG @ KHOO NAM SENG**, aged 61, is the co-founder of Ekovest Berhad and has been an Executive Director of Ekovest Berhad since its incorporation date on 2 January 1985. He was trained in Technical College, Kuala Lumpur in the field of engineering. Upon graduation, he joined and served the Jabatan Kerja Raya for six (6) years. In 1970, he ventured into the construction business on his own. Subsequently, in 1972, he teamed up with YBhg. Dato' Lim Kang Hoo to form a partnership which resulted in the Ekovest Berhad of today. At present, he is also a director of several other private limited companies. Together with YBhg. Dato' Lim Kang Hoo, he has contributed significantly to the growth of the Ekovest Berhad Group.

**CHO JOY LEONG @ CHO YOK LON**, aged 58, was appointed as the Executive Director of Ekovest Berhad on 2 May 1998. He graduated with a Bachelor of Engineering (Hons.) degree from the University Malaya in 1968. He is a Registered Professional Engineer in Malaysia and a member of the Institution of Engineers, Malaysia as well as a member of the Institution of Civil Engineers, United Kingdom. Upon graduation, he joined FELDA as an engineer and served them until April 1998. During his stay with FELDA, he held various positions, including that of Senior Regional Engineer, Chief Engineer and Director of the Engineering Department. Prior to his appointment as Executive Director of Ekovest Berhad, he was the General Manager (Technical) of Felda Engineering Services Sdn Bhd and the General Manager of Felda Construction Sdn Bhd, a construction company within the Felda Group of companies.

**YBHG. DATO' HAJI ABDULLAH BAKRI BIN A. WAHAB**, aged 65, was appointed as Director of Ekovest Berhad on 3 June 1993. He holds a diploma in Architecture from the Birmingham School of Architecture, United Kingdom. He is an associate member of The Malaysian Institute of Architects as well as The Royal Institute of British Architects. He has served on The Board of Architects, Malaysia and is the Treasurer of Pertubuhan Arkitek Malaysia. Upon his graduation in 1962, he joined Jabatan Kerja Raya as an Architect before being promoted to a State Architect for Perak State the following year. From 1972 to 1976, he became successively the Project Manager, Campus Planning Team and Director of Development for the development of Universiti Kebangsaan Malaysia. In 1976, he joined Akitek Kesatuan Sendirian, now known as Abdullah Bakri Berakan Sendirian, as the Chairman, a position which he still holds at present. He also sits on the board of directors of several private limited companies and on the committees of various voluntary bodies.

**MOHD SALLEH BIN OTHMAN**, aged 49, was appointed to the Board of Ekovest Berhad on 21 November 1996. He graduated with a B.Sc. (Hons.) degree in Housing, Building and Planning from Universiti Sains Malaysia. After graduation, he joined Petroliam Nasional Berhad (Petronas) where he served in various departments and divisions for a span of approximately 15 years. Some of the senior position he has served includes Management Executive of its Property Department from 1978 to 1981, Head of Building Section of its Special Projects Department from 1982 to 1984, Deputy Manager of its Property Department from 1985 to 1987, Manager of its Property Development Department from 1988 to 1989 and finally being promoted to Senior Manager of the same department in 1990. During his employment in Petronas, he acquired skills and invaluable experience in property development, property management, property maintenance and also project management. He left Petronas in 1993 to join Kuala Lumpur City Centre as the Deputy General Manager of its Real Estate Division. He was later promoted to project Director of the Project Management Division in 1995. He resigned from Kuala Lumpur City Centre in 1995. Thereafter, he joined Ekovest Berhad and resigned from Ekovest Berhad, a year later. Currently he is the Managing Director of Iktiman Jaya Sdn Bhd, a company wholly owned by the State Government of Johor.

# directors' profile (cont'd)

- for the year ended 30th June 2001

## Conflict of interests

Related party transactions are disclosed in Notes 24 of the Financial Statements.

## Conviction of offences

None of the Directors have been convicted of any offences (excluding traffic offences) within the last 10 years.

## Board Meetings

A total of 5 Board Meetings were held during the financial year ended 30th June 2001.

## Attendance at the Board of Directors' Meetings

	Board Meetings
1. Dato' Lim Kang Hoo	3
2. En. Aminuddin Bin Omar Azzaddin (Resigned on 29th June 2001)	4
3. Mr. Khoo Nang Seng @ Khoo Nam Seng	5
4. Mr. Cho Joy Leong @ Cho Yok Lon	5
5. Dato' Haji Abdullah Bakri Bin A Wahab	3
6. En. Mohd Salleh Bin Othman	4

## Family Relationship

None of the Directors have any family relationship with other Directors.

## Directors' Remuneration

### a. Aggregate Remuneration

	Executive Director (RM)	Non-Executive Director (RM)	Total (RM)	%
(a) Fees	-	20,000.00	20,000.00	1.99
(b) Salaries	756,000.00	-	756,000.00	75.24
(c) Bonuses	53,000.00	-	53,000.00	5.27
(d) EPF	95,640.00	-	95,640.00	9.52
(e) Commission	-	-	-	-
(f) Estimated value of benefits-in-kind	80,200.00	-	80,200.00	7.98
(g) Compensation for loss of office	-	-	-	-
<b>TOTAL</b>	<b>984,840.00</b>	<b>20,000.00</b>	<b>1,004,840.00</b>	<b>100.00</b>

### b. Category Remuneration

Band (RM) Category	Executive Director	Non-Executive Director	Total
1 - 50,000	-	2	2
50,001 - 200,000	-	-	-
200,001 - 250,000	3	-	3
250,001 - 300,000	1	-	1
300,001 - 450,000	-	-	-
<b>TOTAL</b>	<b>4</b>	<b>2</b>	<b>6</b>

# directors' responsibilities statement

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- for the year ended 30th June 2001

## **Directors Responsibility Statement pursuant to Paragraph 15.27 (a) of Chapter 15 of the Listing Requirements of Kuala Lumpur Stock Exchange.**

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

The Directors are satisfied that in preparing the financial statements of the Group for the financial year ended 30 June 2001, the Group has used the appropriate accounting policies and applied them consistently and prudently. The Directors also consider that all relevant approved accounting standards have been followed in the preparation of these financial statements.

# financial highlights

	Group 1997	Group 1998	Group 1999	Group 2000	Group 2001
<b>Turnover</b>	<b>340,356,950</b>	<b>354,733,471</b>	<b>295,809,539</b>	<b>303,827,269</b>	<b>312,201,027</b>
Profit Before Tax	14,880,977	15,012,344	20,407,792	28,170,429	10,324,040
Taxation	(3,097,622)	(4,629,030)	(5,965,200)	(8,260,945)	(3,240,772)
Profit After Tax	11,783,355	10,383,314	14,442,592	19,909,484	7,083,268
Minority Interests	(1,921,211)	(1,807,382)	(2,518,247)	(345,168)	(121,123)
Profit Attributable To Shareholders	9,862,144	8,575,932	11,924,345	19,564,316	6,962,145
Share Capital	17,700,000	17,700,000	17,700,000	54,243,000	59,685,000
Reserves	34,946,804	43,395,296	54,682,441	72,933,684	82,719,398
Shareholders Funds	52,646,804	61,095,296	72,382,441	127,176,684	142,404,398
Represented By:					
Fixed Assets	24,682,557	24,225,356	36,687,799	28,597,058	36,851,766
Associated Companies	959,113	992,096	4,176,113	4,227,166	4,455,439
Other Investments	-	-	-	-	278,908
Current Assets	273,923,952	205,543,338	193,671,386	238,108,420	217,731,885
Current Liabilities	(224,953,987)	(158,270,881)	(148,707,465)	(131,132,154)	(103,860,556)
Deferred Liabilities	(15,015,471)	(2,637,871)	(2,170,403)	(1,781,309)	(2,242,424)
Minority Interest	(6,949,360)	(8,756,742)	(11,274,989)	(10,842,497)	(10,810,620)
	52,646,804	61,095,296	72,382,441	127,176,684	142,404,398
Net Tangible Assets Per Share (RM)	2.70	3.17	3.81	2.25	2.31
Gross Earnings Per Share (RM)-Restated	0.36	0.37	0.50	0.59	0.19
Net Earnings Per Share (RM)-Restated	0.24	0.21	0.29	0.41	0.12

# directors'

## report

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- for the year ended 30th June 2001

The directors have pleasure in submitting their report and the audited financial statements of the Company and of the Group for the year ended 30 June 2001.

### PRINCIPAL ACTIVITIES

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

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

### RESULTS

	Group RM	Company RM
Profit after taxation	7,083,268	1,718,248
Minority interests	(121,123)	-
Net profit for the year	6,962,145	1,718,248
Unappropriated profit brought forward	62,106,670	45,957,189
Profit available for appropriation	69,068,815	47,675,437
Dividend	(2,148,660)	(2,148,660)
Unappropriated profit carried forward	66,920,155	45,526,777

## **DIVIDENDS**

Dividends paid or declared by the Company since the end of the previous financial year were as follows:

In respect of the year ended 30 June 2000 as disclosed in the directors' report of that year -

First and final dividend of 5% less 28% tax amounting to RM1,952,748 paid on 18 December 2000.

The directors now recommend a first and final dividend of 5% less 28% tax amounting to RM2,148,660 for the current financial year.

## **RESERVES AND PROVISIONS**

There were no material transfers to or from reserves or provisions during the financial year.

## **ISSUE OF SHARES AND DEBENTURES**

During the financial year, the Company issued:

- (a) 5,425,000 new ordinary shares of RM1 each at an issue price of RM1.94 per share under a private placement. The purpose of the private placement is to raise financing for the working capital requirements of the Company; and
- (b) 17,000 new ordinary shares of RM1 each at an issue price of RM2.68 per share from the exercise of options under the Employees' Share Option Scheme ("ESOS").

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

No debentures were issued by the Company during the financial year under review.

## EMPLOYEES' SHARE OPTION SCHEME

In the previous financial year, the Company has granted options to eligible full-time employees including four full-time directors of the Company to subscribe for 5,310,000 ordinary shares of RM1 each under ESOS approved by the shareholders and the relevant authorities. The options may be exercised between 5 January 2000 and 4 January 2005 at RM2.68 per share.

The options granted do not confer any rights to participate in any share issue of any other companies of the Group.

Movements in share options to take up unissued new ordinary shares of RM1 each are as follows:

	<b>Number of Unissued Shares</b>
At 1 July 2000	4,167,000
Exercised during the financial year	(17,000)
Forfeiture due to resignation	(642,000)
	<hr/>
At 30 June 2001	3,508,000
	<hr/>

## DIRECTORS

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

Y. Bhg. Dato' Lim Kang Hoo	(Executive Vice Chairman)
Mr Khoo Nang Seng @ Khoo Nam Seng	(Executive Director)
Mr Cho Joy Leong @ Cho Yok Lon	(Executive Director)
Y. Bhg. Dato' Haji Abdullah Bakri bin A. Wahab	
En Mohd Salleh bin Othman	
En Aminuddin bin Omar Azaddin	(Managing Director; resigned on 29-6-2001)

In accordance with the Company's Articles of Association, Y. Bhg. Dato' Lim Kang Hoo and Mr Cho Joy Leong @ Cho Yok Lon retire from the board at the annual general meeting and, being eligible, offer themselves for re-election.

## directors' report (cont'd)

- for the year ended 30th June 2001

### DIRECTORS' INTERESTS IN SHARES

Directors' interests in shares and share options in the Company were as follows:

	Number of Ordinary shares of RM1 each			
	At 1-7-2000	Bought	Sold	At 30-6-2001
The Company				
Y. Bhg. Dato' Lim Kang Hoo				
- direct interest	300,000	-	-	300,000
- deemed interest	21,270,000	-	-	21,270,000
Mr Khoo Nang Seng @ Khoo Nam Seng				
- direct interest	351,000	-	-	351,000
- deemed interest	21,270,000	-	-	21,270,000
Mr Cho Joy Leong @ Cho Yok Lon				
- direct interest	60,000	-	-	60,000
- deemed interest	-	-	-	-

	Number of Options over Ordinary shares			
	At 1-7-2000	Granted	Exercised	At 30-6-2001
The Company				
Y. Bhg. Dato' Lim Kang Hoo	200,000	-	-	200,000
Mr Khoo Nang Seng @ Khoo Nam Seng	200,000	-	-	200,000
Mr Cho Joy Leong @ Cho Yok Lon	170,000	-	-	170,000

None of the other directors held any shares or had any interests in shares in the Company and its related corporations during the financial year.

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than as disclosed in Notes 18 and 24 to the financial statements) 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.

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

**OTHER STATUTORY INFORMATION**

- (a) Before the income statements and balance sheets of the Company and of the Group were made out, the directors took reasonable steps;
- (i) to ascertain the action taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts but that adequate allowance had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the Company and of the Group had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances:
- (i) which would render it necessary to write off any debt or the amount of allowance for doubtful debts in the financial statements of the Company and of the Group inadequate to any substantial extent, or
  - (ii) which would render the values attributed to the current assets in the financial statements of the Company and of the Group misleading, or
  - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company and of the Group misleading or inappropriate.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Company or its subsidiary companies which has arisen since the end of the financial year which secures the liabilities of any other person, or
  - (ii) any contingent liability of the Company or its subsidiary companies which has arisen since the end of the financial year.
- (d) No contingent or other liability of the Company and of the Group 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 Company and of the Group to meet their obligations as and when they fall due.
- (e) At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Company and of the Group which would render any amount stated in the respective financial statements misleading.

*directors' report (cont'd)*

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- for the year ended 30th June 2001

(f) In the opinion of the directors:

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

**AUDITORS**

The auditors, Moores Rowland, Public Accountants, have expressed their willingness to continue in office.

On behalf of the Directors

DATO' LIM KANG HOO  
Executive Vice Chairman

CHO JOY LEONG @ CHO YOK LON  
Executive Director

Dated : 26th October 2001

# report of the auditors to the members

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- for the year ended 30th June 2001

We have audited the financial statements set out on pages 27 to 60. The preparation of the financial statements is the responsibility of the Company's directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards issued by the Malaysian Institute of Accountants. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the directors as well as an evaluation of the overall presentation of the financial statements. We believe our audit has provided us with a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been properly drawn up:
  - (i) so as to give a true and fair view of the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Company and of the Group;
  - (ii) in accordance with the provisions of the Act so as to give a true and fair view of the state of affairs of the Company and of the Group at 30 June 2001 and of their results and cash flows for the year ended on that date; and
  - (iii) in accordance with applicable approved accounting standards; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries of which we acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' reports of Felda Ekovest Sdn Bhd, Felda Ekovest Development Sdn Bhd and Felda Ekovest Plantations Sdn Bhd, being the three subsidiaries of which we have not acted as auditors.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under Section 174 (3) of the Act.

MOORES ROWLAND  
No. AF: 0539  
Chartered Accountants

GAN MORN GHUAT  
No. 1499/5/03 (J)  
Partner

Dated : 26th October 2001

# balance sheets

- for the year ended 30th June 2001

	Notes	Group		Company	
		2001 RM	2000 RM	2001 RM	2000 RM
PROPERTY, PLANT AND EQUIPMENT	2	31,822,860	23,568,152	16,288,989	21,493,632
DEVELOPMENT RIGHTS	3	5,028,906	5,028,906	-	-
SUBSIDIARY COMPANIES	4	-	-	10,883,309	10,883,309
ASSOCIATED COMPANIES	5	4,455,439	4,227,166	984,052	984,052
OTHER INVESTMENTS	6	278,908	-	-	-
<b>CURRENT ASSETS</b>					
Gross amount due from customers	7	32,085,665	35,222,985	2,367,427	3,483,210
Trade debtors		84,435,970	80,194,901	41,350,398	41,956,197
Other debtors, deposits and prepayments	8	9,938,594	29,971,396	5,556,085	11,819,895
Amount owing by subsidiary companies	9	-	-	32,936,080	8,211,280
Amount owing by associated companies	5	40,840,054	57,699,799	40,840,054	57,699,799
Tax recoverable		361,611	-	-	-
Fixed deposits with licensed banks		23,397,457	33,148,042	13,925,516	26,822,721
Cash and bank balances		26,672,534	1,871,297	26,389,634	1,424,308
		217,731,885	238,108,420	163,365,194	151,417,410
<b>Less:</b>					
<b>CURRENT LIABILITIES</b>					
Gross amount due to customers	7	4,200,534	-	-	-
Trade creditors		75,935,442	93,666,329	49,218,483	38,193,412
Other creditors and accruals		6,038,819	2,805,891	2,159,786	1,707,175
Amount owing to subsidiary companies	9	-	-	10,472,788	14,351,578
Amount owing to associated companies	5	3,459,062	3,459,062	3,459,062	3,459,062
Hire purchase liabilities	10	502,454	354,466	422,995	210,162
Bank borrowings	11	9,074,013	20,796,178	-	5,188,657
Taxation		2,501,572	8,097,480	1,019,988	7,091,518
Proposed dividend		2,148,660	1,952,748	2,148,660	1,952,748
		103,860,556	131,132,154	68,901,762	72,154,312
<b>NET CURRENT ASSETS</b>		113,871,329	106,976,266	94,463,432	79,263,098
		155,457,442	139,800,490	122,619,782	112,624,091

balance sheets (cont'd)

- for the year ended 30th June 2001

	Notes	Group		Company	
		2001 RM	2000 RM	2001 RM	2000 RM
Financed by:					
SHARE CAPITAL	12	59,685,000	54,243,000	59,685,000	54,243,000
RESERVES	13	82,719,398	72,933,684	61,326,020	56,784,203
		<hr/>			
SHAREHOLDERS' EQUITY		142,404,398	127,176,684	121,011,020	111,027,203
MINORITY INTERESTS		10,810,620	10,842,497	-	-
		<hr/>			
LONG TERM AND DEFERRED LIABILITIES					
Hire purchase liabilities	10	567,424	185,009	558,762	96,888
Bank term loans	14	500,000	-	-	-
Deferred taxation	15	1,175,000	1,596,300	1,050,000	1,500,000
		<hr/>			
		2,242,424	1,781,309	1,608,762	1,596,888
		<hr/>			
		155,457,442	139,800,490	122,619,782	112,624,091
		<hr/>			

Notes to and forming part of the financial statements are set out on pages 34 to 60

Auditors' Report - Page 26

# income statements

- for the year ended 30th June 2001

	Notes	Group		Company	
		2001 RM	2000 RM	2001 RM	2000 RM
Gross revenue	16	312,201,027	303,827,269	124,282,352	198,149,885
Cost of sales	17	(290,618,394)	(269,025,871)	(113,311,470)	(169,194,972)
Gross profit		21,582,633	34,801,398	10,970,882	28,954,913
Other operating income		2,493,789	4,506,749	2,376,015	4,718,814
Administrative expenses		(7,105,754)	(6,179,803)	(5,511,645)	(5,940,759)
Other operating expenses		(5,144,977)	(3,989,304)	(4,909,913)	(3,484,560)
Profit from operations	18	11,825,691	29,139,040	2,925,339	24,248,408
Finance costs	19	(1,749,760)	(970,664)	(523,575)	(817,247)
Share of results of associated companies		248,109	2,053	-	-
Profit before taxation		10,324,040	28,170,429	2,401,764	23,431,161
Taxation					
- Company and its subsidiaries	20	(3,220,936)	(8,260,945)	(683,516)	(6,906,447)
- Share of taxation of associated companies		(19,836)	-	-	-
Profit after taxation		7,083,268	19,909,484	1,718,248	16,524,714
Minority interests		(121,123)	(345,168)	-	-
Net profit for the year		6,962,145	19,564,316	1,718,248	16,524,714
Earnings per share	21				
- basic		12.4 sen	41.3 sen		
- fully diluted		12.4 sen	39.3 sen		
Dividend per share		3.6 sen	3.6 sen		

Notes to and forming part of the financial statements are set out on pages 34 to 60

Auditors' Report - Page 26

# consolidated statement of changes in equity

- for the year ended 30th June 2001

	Share capital RM	Share premium RM	Asset revaluation reserve RM	Unappropriated profit RM	Total RM
At 1 July 1999	17,700,000	-	1,337,339	53,345,102	72,382,441
Issue of share capital					
- bonus issue	8,850,000	-	-	(8,850,000)	-
- rights issue	26,550,000	8,496,000	-	-	35,046,000
- ESOS	1,143,000	1,920,240	-	-	3,063,240
Capital issue expenses	-	(926,565)	-	-	(926,565)
Net profit for the year	-	-	-	19,564,316	19,564,316
Proposed first and final dividend of 5% less 28% tax	-	-	-	(1,952,748)	(1,952,748)
At 30 June 2000	54,243,000	9,489,675	1,337,339	62,106,670	127,176,684
Issue of share capital					
- Private placement	5,425,000	5,099,500	-	-	10,524,500
- ESOS	17,000	28,560	-	-	45,560
Capital issue expenses	-	(155,831)	-	-	(155,831)
Net profit for the year	-	-	-	6,962,145	6,962,145
Proposed first and final dividend of 5% less 28% tax	-	-	-	(2,148,660)	(2,148,660)
At 30 June 2001	59,685,000	14,461,904	1,337,339	66,920,155	142,404,398

Notes to and forming part of the financial statements are set out on pages 34 to 60

Auditors' Report - Page 26

# statement of changes in equity

- for the year ended 30th June 2001

	Share capital RM	Share premium RM	Asset revaluation reserve RM	Unappropriated profit RM	Total RM
At 1 July 1999	17,700,000	-	1,337,339	40,235,223	59,272,562
Issue of share capital					
- bonus issue	8,850,000	-	-	(8,850,000)	-
- rights issue	26,550,000	8,496,000	-	-	35,046,000
- ESOS	1,143,000	1,920,240	-	-	3,063,240
Capital issue expenses	-	(926,565)	-	-	(926,565)
Net profit for the year	-	-	-	16,524,714	16,524,714
Proposed first and final dividend of 5% less 28% tax	-	-	-	(1,952,748)	(1,952,748)
At 30 June 2000	54,243,000	9,489,675	1,337,339	45,957,189	111,027,203
Issue of share capital					
- Private placement	5,425,000	5,099,500	-	-	10,524,500
- ESOS	17,000	28,560	-	-	45,560
Capital issue expenses	-	(155,831)	-	-	(155,831)
Net profit for the year	-	-	-	1,718,248	1,718,248
Proposed first and final dividend of 5% less 28% tax	-	-	-	(2,148,660)	(2,148,660)
At 30 June 2001	59,685,000	14,461,904	1,337,339	45,526,777	121,011,020

Notes to and forming part of the financial statements are set out on pages 34 to 60

Auditors' Report - Pages 26

# cash flow statements

- for the year ended 30th June 2001

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before taxation	10,324,040	28,170,429	2,401,764	23,431,161
Adjustments for :				
Depreciation	6,657,176	6,749,630	5,599,275	5,552,499
Property, plant and equipment written off	46,440	92,475	-	57,747
Gain on disposal of property, plant and equipment	(959,541)	(3,117,466)	(880,166)	(3,119,588)
Preliminary and pre-operating expenses written off	-	2,000	-	-
Profit retained in associated companies	(248,109)	(2,053)	-	-
Dividend income	-	-	(153,000)	(153,000)
Interest income	(846,051)	(790,847)	(817,282)	(935,049)
Interest expenses	1,721,683	1,372,760	523,575	817,247
Hire purchase term charges	140,434	428,388	112,357	319,836
Operating profit before working capital changes	16,836,072	32,905,316	6,786,523	25,970,853
Changes in debtors	35,788,798	(11,481,892)	23,386,719	30,575,453
Changes in creditors	(10,297,425)	(18,187,624)	8,257,829	(47,134,579)
Cash generated from operations	42,327,445	3,235,800	38,431,071	9,411,727
Interest received	846,051	790,847	817,282	935,049
Interest paid	(1,721,683)	(1,372,760)	(523,575)	(817,247)
Taxation paid	(9,599,755)	(5,260,046)	(7,205,046)	(4,327,256)
Net cash from operating activities	31,852,058	(2,606,159)	31,519,732	5,202,273
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	(14,878,871)	(1,494,704)	(238,390)	(1,341,557)
Purchase of development rights	-	(70,689)	-	-
Purchase of additional shares in subsidiary companies	-	(667,500)	-	(6,108,669)
Purchase of a new subsidiary company, net of cash (Note 22)	-	-	-	-
Purchase of investment in an associated company	-	(49,000)	-	(49,000)
Purchase of other investments	(278,908)	-	-	-
Proceeds from disposal of property, plant and equipment	1,953,088	6,149,495	1,796,924	6,052,195
(Advances to)/Repayments from subsidiary companies	-	-	(23,266,382)	2,922,112
Dividend received	-	-	153,000	153,000
Net cash used in investing activities	(13,204,691)	3,867,602	(21,554,848)	1,628,081

*cash flow statements (cont'd)*

- for the year ended 30th June 2001

	<b>Group</b>		<b>Company</b>	
	<b>2001 RM</b>	<b>2000 RM</b>	<b>2001 RM</b>	<b>2000 RM</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Issue of shares	10,570,060	38,109,240	10,570,060	38,109,240
Capital issue expenses paid	(155,831)	(926,565)	(155,831)	(926,565)
Repayment to subsidiary companies	-	-	(658,937)	(1,643,876)
Advances from an associated company	-	3,094,000	-	3,094,000
Bank term loan raised	-	2,000,000	-	-
Repayment of bank term loans	(1,121,518)	(11,530,162)	(131,005)	(11,530,162)
Payment of hire purchase instalments	(542,597)	(2,272,644)	(398,293)	(1,728,324)
Hire purchase term charges paid	(140,434)	(428,388)	(112,357)	(319,836)
Dividends paid	(2,105,748)	(747,360)	(1,952,748)	(637,200)
<b>Net cash from financing activities</b>	<b>6,503,932</b>	<b>27,298,121</b>	<b>7,160,889</b>	<b>24,417,277</b>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>25,151,299</b>	<b>28,559,564</b>	<b>17,125,773</b>	<b>31,247,631</b>
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>	<b>21,354,166</b>	<b>(7,205,398)</b>	<b>23,189,377</b>	<b>(8,058,254)</b>
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	<b>46,505,465</b>	<b>21,354,166</b>	<b>40,315,150</b>	<b>23,189,377</b>
<b>Represented by:</b>				
<b>FIXED DEPOSITS</b>	<b>23,397,457</b>	<b>33,148,042</b>	<b>13,925,516</b>	<b>26,822,721</b>
<b>CASH AND BANK BALANCES</b>	<b>26,672,534</b>	<b>1,871,297</b>	<b>26,389,634</b>	<b>1,424,308</b>
<b>BANK OVERDRAFTS</b>	<b>(3,564,526)</b>	<b>(13,665,173)</b>	<b>-</b>	<b>(5,057,652)</b>
	<b>46,505,465</b>	<b>21,354,166</b>	<b>40,315,150</b>	<b>23,189,377</b>

During the financial year, the Company and the Group acquired property, plant and equipment amounting to RM1,311,390 (2000 : RM1,559,557) and RM15,951,871 (2000 : RM1,712,704) respectively, of which RM1,073,000 for the Company and of the Group (2000 : RM218,000) was financed under hire purchase. The balance of RM238,390 (2000 : RM1,341,557) and RM14,878,871 (2000 : RM1,494,704) respectively for the Company and the Group was paid by cash.

Notes to and forming part of the financial statements are set out on pages 34 to 60

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# notes to and forming part of the financial statements

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- for the year ended 30th June 2001

## 1. SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of accounting

The financial statements are prepared under the historical cost convention modified to include the valuation of certain property, plant and equipment, unless otherwise indicated in the accounting policies set out below, and comply with applicable accounting standards issued or adopted by the Malaysian Accounting Standards Board ("MASB").

### (b) Subsidiary companies

A subsidiary company is a company in which the Company, directly or indirectly, controls more than half of the voting power or issued share capital or controls the composition of the board of directors.

The Company's interests in subsidiary companies are stated at cost, and are written down when the directors consider that there is an impairment loss that is other than temporary on the value of such investments. The impairment loss is charged to the income statement.

### (c) Basis of consolidation

The consolidated financial statements include the audited financial statements of the Company and all its subsidiary companies made up to the end of the financial year. All inter-company transactions are eliminated on consolidation and the consolidated financial statements reflect external transactions only. The financial statements of the subsidiary companies are consolidated on the acquisition method of accounting and the results of the subsidiary companies acquired or disposed of are included in the consolidated financial statements from the date of acquisition or up to the date of disposal.

At the date of acquisition, the fair values of the subsidiary companies' net assets are determined and these values are reflected in the consolidated financial statements.

### (d) Goodwill on consolidation

The difference, if any, between the acquisition cost and the fair values of attributable net assets acquired is reflected in the financial statements as either goodwill or reserve on consolidation.

### (e) Associated companies

Associated companies are defined as those companies in which the Group holds a long term equity interest of between 20% and 50%, has representation on the board of directors and is in a position to exercise significant influence in their management, but not control, over the financial and operating policies.

Investments in associated companies are stated at cost and are written down when the directors consider that there is an impairment loss that is other than temporary on the value of such investments. The impairment loss is charged to the income statement.

## notes to and forming part of the financial statements (cont'd)

- for the year ended 30th June 2001

The Group's share of the results of the associated companies are accounted for in the consolidated income statement using the equity method of accounting in place of dividends received. On the consolidated balance sheet, the Group's share of post-acquisition results and reserves of the associated companies are added to the cost of investments.

The post-acquisition results and reserves of the associated companies accounted for are based on the latest audited or management financial statements of the companies concerned made up to the end of the financial year.

### (f) Property, plant and equipment

#### (i) Measurement basis

Property, plant and equipment are stated at cost less accumulated depreciation except for certain freehold and leasehold properties which are stated at valuation less accumulated depreciation.

It is not the Group's policy to carry out regular valuations of its property, plant and equipment. The revaluation carried out in 1993 was a one off exercise and, accordingly, the directors have applied the transitional provisions in International Accounting Standards No. 16 (Revised): Property, plant and equipment as adopted by the MASB which allows the freehold and leasehold properties to be stated at their 1993 valuations less accumulated depreciation. Accordingly, these valuations have not been updated.

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an item of property, plant and equipment exceeds its recoverable amount. The impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it will be charged to equity. Any subsequent increase in recoverable amount is reduced by the amount that would have been recognised as depreciation had the write-down or write-off not occurred.

Property, plant and equipment under hire purchase are capitalised in the financial statements and the corresponding obligations are treated as liabilities.

#### (ii) Depreciation

Freehold land is not amortised while leasehold land is amortised over the remaining lease period of 43 and 81 years.

Depreciation is calculated to write off the cost or amount of valuation of other property, plant and equipment on the straight line basis over their expected useful lives at the following annual rates:

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

(g) Development rights

Development rights are stated at cost of acquisition. Subsequent expenditure incurred is added to the development rights when it is probable that future economic benefits, in addition to the benefits derived from the existing assets, will flow to the Group.

Development rights are transferred to development-in-progress when significant development work has been undertaken and is expected to be completed within the normal operating cycle.

The carrying amounts of development rights are reviewed at each balance sheet date to determine whether there is any impairment loss. If such an indication exists, the asset is written down to its recoverable amount. The impairment loss is charged to the income statement.

(h) Other investments

Other investments are stated at cost and held for long term. The investments are written down when the directors consider that there is an impairment loss that is other than temporary on the value of such investments. The impairment loss is charged to the income statement.

(i) Gross amount due from/to customers

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

(j) Debtors

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

(k) Income recognition

Income is recognised when it is probable that the economic benefits will flow to the Group and when the income can be measured reliably, on the following bases:

(i) Construction contracts

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

## *notes to and forming part of the financial statements (cont'd)*

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- for the year ended 30th June 2001

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

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

### (ii) Hiring and rental income

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

### (iii) Sales of quarry stones

Sales of quarry stones are recognised when significant risks and rewards of ownership have been transferred to the customers.

### (iv) Dividend income

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

### (v) Interest income

Interest income is recognised on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable.

### (l) Finance costs

Finance costs comprise interest paid and payable on borrowings. All interest and other costs incurred in connection with borrowings are expensed as incurred as part of finance costs. The interest component of hire purchase payments is charged to the income statement over the hire purchase periods so as to give a constant periodic rate of interest on the remaining hire purchase liabilities.

### (m) Taxation

The tax expense in the income statement represents taxation at current tax rate based on profit earned during the year. Deferred taxation is provided on the liability method for taxation deferred in respect of all material timing differences except where it is thought reasonably probable that the tax effects of such deferrals will continue in the foreseeable future. Deferred tax benefits are only recognised where there is a reasonable expectation of realisation in the near future.

### (n) Cash equivalents

Cash equivalents are 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.

notes to and forming part of the financial statements (cont'd)

- for the year ended 30th June 2001

**2. PROPERTY, PLANT AND EQUIPMENT**

Group	Freehold land & buildings RM	Long term leasehold land RM	Short term leasehold land & building RM	Equipment plant & machinery RM	Motor vehicles RM	Furniture fittings & office equipment RM	Total RM
2001							
Cost/Valuation At 1 July							
Cost	1,223,904	-	-	25,545,512	13,475,154	5,298,520	45,543,090
Valuation	6,382,000	-	305,000	-	-	-	6,687,000
	7,605,904	-	305,000	25,545,512	13,475,154	5,298,520	52,230,090
Additions	-	14,627,769	-	1,600	1,268,437	54,065	15,951,871
Disposals	(139,343)	-	-	(1,082,439)	(960,833)	(66,904)	(2,249,519)
Write-off	-	-	-	(4,285)	(47,164)	(74,652)	(126,101)
Reclassification	-	-	-	(8,000)	-	8,000	-
At 30 June							
Cost	1,084,561	14,627,769	-	24,452,388	13,735,594	5,219,029	59,119,341
Valuation	6,382,000	-	305,000	-	-	-	6,687,000
	7,466,561	14,627,769	305,000	24,452,388	13,735,594	5,219,029	65,806,341
Accumulated depreciation							
At 1 July	966,836	-	47,429	14,165,374	10,060,836	3,421,463	28,661,938
Charge for the year	137,978	180,590	6,100	3,871,346	1,783,352	677,810	6,657,176
Disposals	-	-	-	(596,019)	(636,807)	(23,146)	(1,255,972)
Write-off	-	-	-	(1,643)	(46,963)	(31,055)	(79,661)
Reclassification	-	-	-	(1,600)	-	1,600	-
At 30 June	1,104,814	180,590	53,529	17,437,458	11,160,418	4,046,672	33,983,481
Net book value at 30 June							
Cost	1,026,324	14,447,179	-	7,014,930	2,575,176	1,172,357	26,235,966
Valuation	5,335,423	-	251,471	-	-	-	5,586,894
	6,361,747	14,447,179	251,471	7,014,930	2,575,176	1,172,357	31,822,860
2000							
Net book value at 30 June							
Cost	1,187,358	-	-	11,380,138	3,414,318	1,877,057	17,858,871
Valuation	5,451,710	-	257,571	-	-	-	5,709,281
	6,639,068	-	257,571	11,380,138	3,414,318	1,877,057	23,568,152
Depreciation charge for the year	137,977	-	5,929	4,289,861	1,829,213	486,650	6,749,630

notes to and forming part of the financial statements (cont'd)

- for the year ended 30th June 2001

Company	Freehold land & buildings RM	Short term leasehold land & building RM	Equipment plant & machinery RM	Motor vehicles RM	Furniture fittings & office equipment RM	Total RM
2001						
Cost/Valuation At 1 July						
Cost	1,223,904	-	21,699,599	10,800,322	4,172,236	37,896,061
Valuation	6,382,000	305,000	-	-	-	6,687,000
	7,605,904	305,000	21,699,599	10,800,322	4,172,236	44,583,061
Additions	-	-	-	1,268,438	42,952	1,311,390
Disposals	(139,343)	-	(948,859)	(909,275)	(7,935)	(2,005,412)
At 30 June						
Cost	1,084,561	-	20,750,740	11,159,485	4,207,253	37,202,039
Valuation	6,382,000	305,000	-	-	-	6,687,000
	7,466,561	305,000	20,750,740	11,159,485	4,207,253	43,889,039
Accumulated depreciation						
At 1 July	966,836	47,429	11,350,855	7,856,185	2,868,124	23,089,429
Charge for the year	137,978	6,100	3,422,974	1,454,084	578,139	5,599,275
Disposals	-	-	(497,854)	(587,049)	(3,751)	(1,088,654)
At 30 June	1,104,814	53,529	14,275,975	8,723,220	3,442,512	27,600,050
Net book value at 30 June						
Cost	1,026,324	-	6,474,765	2,436,265	764,741	10,702,095
Valuation	5,335,423	251,471	-	-	-	5,586,894
	6,361,747	251,471	6,474,765	2,436,265	764,741	16,288,989
2000						
Net book value at 30 June						
Cost	1,187,358	-	10,348,744	2,944,137	1,304,112	15,784,351
Valuation	5,451,710	257,571	-	-	-	5,709,281
	6,639,068	257,571	10,348,744	2,944,137	1,304,112	21,493,632
Depreciation charge for the year	137,977	5,929	3,614,796	1,425,334	368,463	5,552,499

*notes to and forming part of the financial statements (cont'd)*

- for the year ended 30th June 2001

The directors valued certain freehold and leasehold properties of the Company based on valuation carried out by independent firms of professional valuers on the open market value basis in 1992 which was approved and revised by the Securities Commission using the comparison method of valuation in 1993.

The net book value of the revalued freehold and leasehold properties of the Company that would have been included in the financial statements had the properties been carried at cost less accumulated depreciation is as follows:

	<b>2001 RM</b>	<b>2000 RM</b>
Freehold land and buildings	3,135,108	3,203,042
Long term leasehold land and building	225,489	231,051
	<u>3,360,597</u>	<u>3,434,093</u>

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

	<b>Group</b>		<b>Company</b>	
	<b>2001 RM</b>	<b>2000 RM</b>	<b>2001 RM</b>	<b>2000 RM</b>
Equipment, plant & machinery	6,284,816	4,821,897	4,255,312	3,656,087
Motor vehicles	6,939,640	4,662,237	5,824,886	3,981,558
Furniture, fittings and office equipment	2,220,464	1,357,916	2,096,736	1,267,191
	<u>15,444,920</u>	<u>10,842,050</u>	<u>12,176,934</u>	<u>8,904,836</u>

notes to and forming part of the financial statements (cont'd)

- for the year ended 30th June 2001

Included in the net book value of property, plant and equipment of the Company and of the Group are the following:

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
(i) Property, plant and equipment acquired under hire purchase				
Equipment, plant & machinery	-	688,015	-	267,295
Motor vehicles	1,198,140	992,874	1,176,750	851,807
	<u>1,198,140</u>	<u>1,680,889</u>	<u>1,176,750</u>	<u>1,119,102</u>
(ii) Property, plant and equipment registered in the names of third parties who are holding in trust for the Company and the Group				
Equipment, plant & machinery	3,435,898	5,388,547	3,435,898	5,388,547
Motor vehicles	221,171	357,410	221,171	357,410
	<u>3,657,069</u>	<u>5,745,957</u>	<u>3,657,069</u>	<u>5,745,957</u>

The title deeds of certain freehold land and buildings of the Company with net book value of RM1,026,323 (2000 : RM1,048,014) have yet to be issued in the name of the Company by the relevant authorities.

A long term leasehold land of the Group with a net book value of RM14,447,179 (2000 : Nil) is charged to a licensed bank for banking facilities granted to a subsidiary of the Company.

### 3. DEVELOPMENT RIGHTS

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Development rights, at cost	4,900,000	4,900,000	-	-
Pre-development expenditure	128,906	128,906	-	-
	<u>5,028,906</u>	<u>5,028,906</u>	<u>-</u>	<u>-</u>

**4. SUBSIDIARY COMPANIES**

	<b>2001 RM</b>	<b>2000 RM</b>
Unquoted shares, at cost	10,934,308	10,934,308
Less:		
Impairment loss	50,999	50,999
	10,883,309	10,883,309

The subsidiary companies which are all incorporated in Malaysia are:

Name of companies	Gross equity interest		Principal activities
	2001	2000	
<b>Subsidiaries of the Company</b>			
Binawani Sdn Bhd	100%	100%	Civil engineering and building works
Ekovest Project Management Sdn Bhd	100%	100%	Investment holding and civil engineering and building works
Ekovest Oil & Gas Sdn Bhd	51%	51%	Inactive
Felda Ekovest Sdn Bhd	50%	50%	Civil engineering and building works
Ekovest Construction Sdn Bhd	100%	100%	Civil engineering and building works
Prompt Capital Sdn Bhd	100%	100%	Dormant
<b>Subsidiary companies of Felda Ekovest Sdn Bhd</b>			
Felda Ekovest Development Sdn Bhd	100%	100%	Dormant
Felda Ekovest Plantations Sdn Bhd	100%	100%	Dormant

*notes to and forming part of the financial statements (cont'd)*

- for the year ended 30th June 2001

**5. ASSOCIATED COMPANIES**

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Unquoted shares, at cost	984,052	984,052	984,052	984,052
Group's share of post-acquisition results	3,471,387	3,243,114	-	-
	4,455,439	4,227,166	984,052	984,052
Represented by:				
Share of net assets of associated companies	4,455,439	4,227,166	-	-

The associated companies which are all incorporated in Malaysia are as follows:

Name of associated companies	Gross equity interest		Principal activities
	2001	2000	
Peremba Ekovest Sdn Bhd	49%	49%	Management and development of construction projects
Entrecanales-Ekovest Sdn Bhd	30%	30%	Civil engineering and building works
Syabas Hakikat Sdn Bhd	40%	40%	Management and development of construction projects
Ekovest-KMZ-Dragages Sdn Bhd	35%	35%	Project management designs, construction works and other property related services
EKD Construction Sdn Bhd	35%	35%	Project management designs, civil engineering and building works
Gabungan Timbangan Sdn Bhd	30%	30%	Dormant
Limbongan - Ekovest Management Sdn Bhd	49%	49%	Project Management

The amount owing by/to the associated companies is unsecured, interest free and has no fixed terms of repayment. The amount owing by associated companies represents trade debts while the amount owing to associated companies represents unsecured advances.

notes to and forming part of the financial statements (cont'd)

- for the year ended 30th June 2001

**6. OTHER INVESTMENTS**

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Loan stocks quoted in Malaysia				
-at cost	278,908	-	-	-
- at market value	348,635	-	-	-

**7. GROSS AMOUNT DUE FROM /(TO) CUSTOMERS**

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Cost of contracts	1,054,613,026	845,582,252	774,175,243	668,973,356
Attributable profit less foreseeable losses recognised to-date	87,940,696	67,703,980	56,818,141	46,561,835
	1,142,553,722	913,286,232	830,993,384	715,535,191
Less:				
Progress billings	1,114,668,591	878,063,247	828,625,957	712,051,981
	27,885,131	35,222,985	2,367,427	3,483,210
Less:				
Gross amount due from customers	32,085,665	35,222,985	2,367,427	3,483,210
Gross amount due to customers	(4,200,534)	-	-	-
Retention sum receivable from customers	21,101,941	31,501,934	12,305,436	24,216,043

notes to and forming part of the financial statements (cont'd)

- for the year ended 30th June 2001

**8. OTHER DEBTORS, DEPOSITS AND PREPAYMENTS**

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Gross receivables, deposits and prepayments	10,264,807	30,297,609	5,556,085	11,819,895
Less:				
Allowance for doubtful debts	326,213	326,213	-	-
	<u>9,938,594</u>	<u>29,971,396</u>	<u>5,556,085</u>	<u>11,819,895</u>

Included in sundry deposits of the Group for the current financial year is an amount of RM3,500,000 which represents part payment for 4 parcels of vacant land acquired pursuant to conditional sale and purchase agreements entered into by a subsidiary company on 19 March 2001. The acquisitions at a total cash consideration of RM16,034,536 are subject to the approvals by the relevant authorities which are still pending.

Included in sundry deposits of the Group in the previous financial year was an amount of RM10,940,000, representing a part payment for the acquisition of a parcel of vacant land by a subsidiary company which was completed during the current financial year. Consequently, the sundry deposit was capitalised as part of the cost of long term leasehold land in property, plant and equipment of the Group referred to in Note 2.

*notes to and forming part of the financial statements (cont'd)*

- for the year ended 30th June 2001

**9. AMOUNT OWING BY/TO SUBSIDIARY COMPANIES**

The amount owing by/to the subsidiary companies is unsecured, interest free and has no fixed terms of repayment except for an amount owing by a subsidiary company of RM2,000,000 (2000 : RM1,000,000) which bears interests at 1.5% (2000 : 1.5%) above base lending rate per annum.

The amount owing by/to the subsidiary companies represents the following:

	<b>Company</b>	
	<b>2001</b>	<b>2000</b>
	<b>RM</b>	<b>RM</b>
Amount owing by subsidiary companies		
Trade receivables	3,091,810	1,633,392
Advances	30,260,239	6,993,857
	<hr/>	<hr/>
	33,352,049	8,627,249
Less:		
Allowance for doubtful debts	415,969	415,969
	<hr/>	<hr/>
	32,936,080	8,211,280
<hr/>		
Amount owing to subsidiary companies		
Trade payables	10,379,472	13,599,325
Advances	93,316	752,253
	<hr/>	<hr/>
	10,472,788	14,351,578
	<hr/>	<hr/>

notes to and forming part of the financial statements (cont'd)

- for the year ended 30th June 2001

**10. HIRE PURCHASE LIABILITIES**

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Outstanding hire purchase instalments due:				
- not later than one year	585,032	423,443	499,644	251,063
- later than one year and not later than five years	604,681	209,372	595,751	115,055
	1,189,713	632,815	1,095,395	366,118
Less:				
Unexpired term charges	119,835	93,340	113,638	59,068
Outstanding principal amount due	1,069,878	539,475	981,757	307,050
Less:				
Outstanding principal amount due later than one year and not later than five years	567,424	185,009	558,762	96,888
Outstanding principal amount due not later than one year (included in current liabilities)	502,454	354,466	422,995	210,162

**11. BANK BORROWINGS**

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Revolving credit facilities, unsecured	5,000,000	5,000,000	-	-
Bank overdrafts				
- secured	281,860	4,545,517	-	-
- unsecured	3,282,666	9,119,656	-	5,057,652
Bank term loans (Note 14)	509,487	2,131,005	-	131,005
	9,074,013	20,796,178	-	5,188,657

notes to and forming part of the financial statements (cont'd)

- for the year ended 30th June 2001

The revolving credit facilities and bank overdrafts bear interests at 1.5% to 2.5% (2000 : 1.5% to 2.5%) per annum above the cost of funds and base lending rates of the banks.

The bank overdraft of a subsidiary company is secured by a first party legal charge over a parcel of vacant long term leasehold land of the said subsidiary company.

The bank overdrafts amounting to RM793,204 (2000 : RM4,804,526) of certain subsidiary companies are guaranteed by the Company.

## 12. SHARE CAPITAL

	2001 RM	2000 RM
Authorised		
Shares of RM1 each		
At 1 July	200,000,000	20,000,000
Increased during the year	-	180,000,000
At 30 June	200,000,000	200,000,000
Issued and fully paid		
Ordinary shares of RM1 each		
At 1 July	54,243,000	17,700,000
Issue of shares under private placement at RM1.94 per share	5,425,000	-
Bonus issue of 1 : 2	-	8,850,000
Rights issue of 3 : 2 at RM1.32 per share	-	26,550,000
Issue of shares under ESOS at RM2.68 per share	17,000	1,143,000
At 30 June	59,685,000	54,243,000

At 30 June 2001, there were 3,508,000 (2000 : 4,167,000) unissued shares under options granted pursuant to the Employees' Share Option Scheme ("ESOS").

notes to and forming part of the financial statements (cont'd)

- for the year ended 30th June 2001

**13. RESERVES**

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Non-distributable				
Share premium				
At 1 July	9,489,675	-	9,489,675	-
Additions during the year				
- from rights issue	-	8,496,000	-	8,496,000
- from exercise of options under ESOS	28,560	1,920,240	28,560	1,920,240
- from private placement	5,099,500	-	5,099,500	-
	14,617,735	10,416,240	14,617,735	10,416,240
Less:				
Capital issue expenses	155,831	926,565	155,831	926,565
At 30 June	14,461,904	9,489,675	14,461,904	9,489,675
Asset revaluation reserve	1,337,339	1,337,339	1,337,339	1,337,339
	15,799,243	10,827,014	15,799,243	10,827,014
Distributable				
Unappropriated profit	66,920,155	62,106,670	45,526,777	45,957,189
	82,719,398	72,933,684	61,326,020	56,784,203

notes to and forming part of the financial statements (cont'd)

- for the year ended 30th June 2001

**14. BANK TERM LOANS**

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Secured				
Bank term loan bearing interest at 2% (2000 : 2%) per annum above base lending rate, repayable by 4 semi-annual instalments commencing December 2000	1,009,487	2,000,000	-	-
Unsecured				
Bank term loan bearing interest at 1.5% (2000 : 1.5%) per annum above base lending rate, repayable by 120 monthly instalments commencing December 1990	-	131,005	-	131,005
	1,009,487	2,131,005	-	131,005
Less:				
Repayments due within 12 months (included in current liabilities, Note 11)	509,487	2,131,005	-	131,005
Repayments due after 12 months	500,000	-	-	-

The bank term loan of a subsidiary company is secured by a first party legal charge over a long term leasehold land of the said subsidiary company and is also guaranteed by the Company.

During the financial year, the bank has agreed to reschedule the repayment of the secured term loan of the subsidiary company from 4 equal quarterly instalments to 4 semi-annual instalments of RM500,000 each commencing December 2000.

**15. DEFERRED TAXATION**

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
At 1 July	1,596,300	1,596,300	1,500,000	1,500,000
Transfer to income statement	(421,300)	-	(450,000)	-
At 30 June	1,175,000	1,596,300	1,050,000	1,500,000

The deferred taxation represents timing differences between depreciation and corresponding capital allowances.

Deferred taxation has been provided for all timing differences. Deferred taxation is not provided on the surplus arising from the revaluation of freehold and leasehold properties of the Company as it is not the intention of the directors to dispose these properties.

notes to and forming part of the financial statements (cont'd)

- for the year ended 30th June 2001

**16. GROSS REVENUE**

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Contract revenue	301,781,056	286,022,508	119,629,367	193,392,983
Sales of quarry stones	5,159,000	12,564,284	-	-
Hire of machineries and motor vehicles	5,260,971	5,240,477	4,499,985	4,603,902
Dividend income	-	-	153,000	153,000
	312,201,027	303,827,269	124,282,352	198,149,885

**17. COST OF SALES**

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Contract costs	280,510,733	251,519,248	108,877,804	164,868,826
Cost of goods sold	5,193,468	12,449,687	-	-
Direct operating costs relating to hire of machineries and motor vehicles	4,914,193	5,056,936	4,433,666	4,326,146
	290,618,394	269,025,871	113,311,470	169,194,972

**18. PROFIT FROM OPERATIONS**

Profit from operations is stated after charging:

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Auditors' remuneration				
- current year	86,200	74,000	42,000	42,000
- underprovision in prior year	11,900	4,000	8,000	4,000
Depreciation	6,657,176	6,749,630	5,599,275	5,552,499
Directors' remuneration				
- fees	59,000	59,000	20,000	20,000
- other emoluments	904,640	826,884	904,640	826,884
- benefits-in-kind	80,200	80,200	80,200	80,200
Hire of machineries and motor vehicles	362,214	3,054,462	106,975	30,838
Preliminary and pre-operating expenses written off	-	2,000	-	-
Property, plant and equipment written off	46,440	92,475	-	57,747
Rental of premises	680,290	692,600	647,340	610,800

notes to and forming part of the financial statements (cont'd)

- for the year ended 30th June 2001

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
and crediting:				
Gross dividend from a subsidiary company	-	-	153,000	153,000
Gain on disposal of property, plant and equipment	959,541	3,117,466	880,166	3,119,588
Interest income	846,051	790,847	817,282	935,049
Hire of machineries and motor vehicles	5,260,971	5,240,477	4,499,985	4,603,902
Rental income	184,000	209,000	304,000	329,000

**19. FINANCE COSTS**

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Finance costs incurred during the financial year comprise:				
- hire purchase term charges	140,434	428,388	112,357	319,836
- interest expenses	1,721,683	1,372,760	523,575	817,247
	1,862,117	1,801,148	635,932	1,137,083
Less:				
Finance costs classified in contract costs under cost of sales				
- hire purchases term charges	112,357	319,836	112,357	319,836
- interest expenses	-	510,648	-	-
	1,749,760	970,664	523,575	817,247

**20. TAXATION**

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Malaysian taxation based on results for the year				
- current	3,619,095	8,554,118	1,110,375	7,200,000
- deferred	(421,300)	-	(450,000)	-
	3,197,795	8,554,118	660,375	7,200,000
Under/(Over)provision in prior years	23,141	(293,173)	23,141	(293,553)
	3,220,936	8,260,945	683,516	6,906,447

*notes to and forming part of the financial statements (cont'd)*

- for the year ended 30th June 2001

The effective tax rate of the Group is high compared to the statutory rate because certain expenses have been disallowed in arriving at the chargeable income.

The effective tax rate of the Company in the previous financial year was high compared to statutory rate because certain expenses had been disallowed in arriving at the chargeable income.

Based on the estimated tax credits and tax exempt income available and the prevailing tax rate applicable to dividends, the entire unappropriated profit of the Company at year end is available for distribution by way of dividends without incurring additional tax liability.

## 21. EARNINGS PER SHARE

(i) Basic earnings per share

The basic earnings per share have been calculated based on the consolidated net profit for the year of RM6,962,145 (2000 : RM19,564,316) and on 56,066,666 (2000 : 47,413,417) weighted average number of ordinary shares in issue during the year as follows:

	2001	2000
Number of ordinary shares at 1 July	54,243,000	17,700,000
Effect of bonus issue	-	8,850,000
Effect of bonus element in rights issue	-	7,257,000
Effect of shares issued from rights issue, ESOS and private placement in:		
- January 2000	-	13,275,000
- March 2000	-	190,000
- April 2000	-	137,750
- May 2000	-	3,667
- July 2000	12,000	-
- November 2000	3,333	-
- February 2001	1,808,333	-
Weighted average number of ordinary shares	56,066,666	47,413,417

notes to and forming part of the financial statements (cont'd)

- for the year ended 30th June 2001

(ii) Diluted earnings per share

The diluted earnings per share is calculated based on the consolidated net profit for the year of RM6,962,145 (2000 : RM19,564,316) and on the weighted average number of ordinary shares that would be issued upon full exercise of the remaining 3,508,000 (2000 : 4,167,000) options under ESOS at RM2.68 per share and adjusted for the shares that would have been issued at fair value calculated as follows:

	2001	2000
Weighted average number of ordinary shares as in (i)	56,066,666	47,413,417
Number of unissued shares under ESOS		
- based on exercise price	3,508,000	4,167,000
- based on average fair value	(4,922,220)	(1,764,227)
Weighted average number of ordinary shares that would have been in issue after exercise of ESOS at fair value	54,652,446	49,816,190

The weighted average number of ordinary shares that would have been in issue after exercise of ESOS at fair value for the current financial year is anti-dilutive and is excluded in the computation of diluted earnings per share. Accordingly, the diluted earnings per share is the same as the basic earnings per share.

## 22. ANALYSIS OF ACQUISITION OF A SUBSIDIARY COMPANY

The effects of acquisition of a subsidiary company in the previous financial year on the consolidated cash flow statement and consolidated net profit of the previous year were as follows:

(a) Effect on consolidated cash flow statement

	2000 RM
Net assets acquired:	
Preliminary expenses	2,000
Cash in hand	2
Sundry creditor	(2,000)
Total purchase consideration	2
Less:	
Cash acquired	2
Net cash flows on acquisition	-

*notes to and forming part of the financial statements (cont'd)*

- for the year ended 30th June 2001

(b) Effect on consolidated net profit for the year

The subsidiary company acquired in the previous financial year was inactive. Therefore, there was no material effect on the financial results of the Group for the financial year ended 30 June 2000.

**23. EMPLOYEES INFORMATION**

	Group		Company	
	2001	2000	2001	2000
Staff costs	RM5,373,652	RM8,402,499	RM3,635,369	RM5,559,808
Average number of employees during the financial year	89	206	56	100

**24. SIGNIFICANT RELATED PARTY TRANSACTIONS**

The Group has a controlling related party relationship with its subsidiary companies.

The Group also has related party relationship with its associated companies, companies in which certain directors of the Company have financial interests and a corporate shareholder of a subsidiary company as follows:

(a) Associated companies:

- Entrecanales-Ekoveest Sdn Bhd
- EKD Construction Sdn Bhd
- Syabas Hakikat Sdn Bhd

(b) Companies in which certain directors of the Company, Y. Bhg Dato' Lim Kang Hoo and Mr Khoo Nang Seng @ Khoo Nam Seng, have financial interests:

- Wengcon Engineering Sdn Bhd
- Wengcon Equipment Sdn Bhd
- Wengcon Holdings Sdn Bhd
- Wengcon Machinery Sdn Bhd
- Wengcon Marketing Sdn Bhd

(c) a corporate shareholder of a subsidiary company:

- Felda Engineering Services Sdn Bhd

notes to and forming part of the financial statements (cont'd)

- for the year ended 30th June 2001

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Progressive billings charged to:				
- Ekovest Project Management Sdn Bhd	-	-	932,000	2,265,500
- Entrecanales-Ekovest Sdn Bhd	-	(240,871)	-	(240,871)
- EKD Construction Sdn Bhd	430,450	2,019,921	430,450	2,019,921
- Syabas Hakikat Sdn Bhd	82,091,738	123,013,168	82,091,738	123,013,168
- Felda Engineering Services Sdn Bhd	22,520,896	12,564,284	22,520,896	-
Hire of machineries and motor vehicles charged to:				
- Wengcon Equipment Sdn Bhd	127,212	357,492	53,403	-
- Wengcon Holdings Sdn Bhd	3,972,665	3,381,497	3,949,093	3,346,155
Rental of premises charged to:				
- Felda Ekovest Sdn Bhd	-	-	120,000	120,000
- Wengcon Holdings Sdn Bhd	60,000	66,000	60,000	66,000
Interest charged to :				
- Felda Ekovest Sdn Bhd	-	-	187,932	180,362

notes to and forming part of the financial statements (cont'd)

- for the year ended 30th June 2001

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Repair of machinery charged to:				
- Wengcon Engineering Sdn Bhd	329,227	-	329,227	-
- Wengcon Holdings Sdn Bhd	504,423	-	504,423	-
Sale of property, plant and equipment to:				
- Wengcon Holdings Sdn Bhd	109,250	2,569,464	109,250	2,569,464
- Wengcon Machinery Sdn Bhd	58,000	126,810	58,000	126,810
Sales of quarry stones to :				
- Felda Engineering Services Sdn Bhd	5,159,000	12,564,284	-	-
Hiring and repair costs charged by:				
- Wengcon Holdings Sdn Bhd	398,252	2,073,219	-	-
- Wengcon Equipment Sdn Bhd	70,765	-	70,765	-
- Wengcon Machinery Sdn Bhd	50,397	274,118	-	-
Sub-contract fees charged by :				
- Felda Ekovest Sdn Bhd	-	-	32,730,613	48,513,590
Purchase of property, plant and equipment from:				
- Wengcon Equipment Sdn Bhd	-	150,000	-	150,000
- Wengcon Holdings Sdn Bhd	-	80,000	-	80,000

notes to and forming part of the financial statements (cont'd)

- for the year ended 30th June 2001

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Purchases of building / construction materials from:				
- Wengcon Equipment Sdn Bhd	5,193,469	12,449,687	-	-
- Wengcon Marketing Sdn Bhd	1,070,936	2,116,995	-	-
Transportation charged by:				
- Wengcon Equipment Sdn Bhd	406,660	569,700	406,660	569,700
- Wengcon Engineering Sdn Bhd	229,420	-	229,420	-
Purchase of investment in a subsidiary company from :				
- Ekovest Project Management Sdn Bhd	-	-	-	441,169

The directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business.

notes to and forming part of the financial statements (cont'd)

- for the year ended 30th June 2001

Non-trade balances with subsidiary companies, associated companies and companies in which certain directors of the Company have financial interests are as follows:

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
<b>Subsidiary companies</b>				
Outstanding advances owing by:				
- Binawani Sdn Bhd	-	-	10,673,058	500,000
- Ekovest Oil & Gas Sdn Bhd	-	-	421,052	418,310
- Felda Ekovest Sdn Bhd	-	-	2,000,000	1,000,000
- Prompt Capital Sdn Bhd	-	-	17,166,129	4,749,129
<b>Associated companies</b>				
Outstanding advances owing to:				
- Entrecanales-Ekovest Sdn Bhd	3,094,000	3,094,000	3,094,000	3,094,000
- Syabas Hakikat Sdn Bhd	365,062	365,062	365,062	365,062
<b>Companies in which certain directors have financial interests</b>				
Proceeds from disposal of property, plant and equipment receivable from :				
Wengcon Holdings Sdn Bhd	109,250	1,290,105	109,250	1,290,105

**25. CAPITAL COMMITMENT**

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Approved capital expenditure contracted but not provided for in the financial statements	12,530,000	3,060,000	-	-

## 26. CONTINGENT LIABILITIES

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Unsecured guarantees in respect of banking and trade facilities utilised by				
- subsidiary companies	-	-	2,684,000	6,877,000
- a third party	2,780,000	2,337,000	2,780,000	2,337,000
	<u>2,780,000</u>	<u>2,337,000</u>	<u>5,464,000</u>	<u>9,214,000</u>

## 27. SEGMENT ANALYSIS

No segment analysis is prepared as the Group is engaged in construction operations in Malaysia.

## 28. SUBSEQUENT EVENT

Subsequent to year end, the Company acquired the entire issued and paid-up share capital of Bimstar Sdn Bhd, representing 2 ordinary shares of RM1 each at par for cash. This company has not commenced operation since the date of incorporation.

# statement by directors

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In the opinion of the directors, the financial statements set out on pages 27 to 60 are drawn up:

- (a) so as to give a true and fair view of the state of affairs of the Company and of the Group at 30 June 2001 and of their results and cash flows for the year then ended; and
- (b) in accordance with applicable approved accounting standards.

On behalf of the Directors

DATO' LIM KANG HOO  
Executive Vice Chairman

CHO JOY LEONG @ CHO YOK LON  
Executive Director

Dated : 26th October 2001

# statutory declaration

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I, Cho Joy Leong @ Cho Yok Lon, being the director 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 27 to 60 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 at )  
Kuala Lumpur in the Federal Territory )  
this )  
)  
)

CHO JOY LEONG @ CHO YOK LON

Before me:

Commissioner for Oaths

Dated : 26th October 2001

# material contracts and others information of Ekovest Berhad and its subsidiaries

- for the year ended 30th June 2001

## \* MATERIAL CONTRACTS

INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST STILL SUBSISTING AT THE END OF THE FINANCIAL YEAR ENDED 30 JUNE 2001 (PURSUANT TO PARAGRAPH 20, PART A, APPENDIX 9C OF THE LISTING REQUIREMENTS)

Details / Nature	Date	Parties	Amount / Cash
UNIVERSITY MALAYSIA SABAH-BUILDING PACKAGE Design, Construct & Complete, Testing and Commissioning of Phase 1B University Malaysia Sabah, Kota Kinabalu.	21.03.2000	<u>Main Contractor</u> Syabas Hakikat Sdn. Bhd.  <u>Sub Contractor</u> Ekovest Berhad	RM122,000,000.00
Construction of a Three Storey Multi Purpose Hall with Two Basement Car Park on Lot Pt. 17909, Jalan Maktab, Setapak, Kuala Lumpur.	01.09.1999	<u>Main Contractor</u> Federal Land Development Authority (FELDA)  <u>Sub Contractor</u> Ekovest Berhad	RM49,838,000.00

## Relationship between the Directors or Major Shareholders and the Contracting Parties

### 1. Syabas Hakikat Sdn. Bhd.

Dato' Lim Kang Hoo and Mr. Cho Joy Leong @ Cho Yok Lon are both directors in Syabas Hakikat Sdn. Bhd.

### 2. Federal Land Development Authority (FELDA)

FELDA is the holding company of Felda Engineering Services Sdn. Bhd. which is a corporate shareholder of Felda Ekovest Sdn. Bhd. a subsidiary of Ekovest Berhad.

## \* MATERIAL LITIGATION

Save as disclosed below, the Company nor its subsidiary is engaged in any material litigation, either as a plaintiff or defendant, and the Directors are not aware of any proceedings, pending or threatened against the Company and its subsidiary or any fact likely to give rise to any proceedings which might materially or adversely affect the position or business of the Company and its subsidiary :

- A dispute has arisen between the Company and Shapadu Construction Sdn Bhd ("Shapadu") in respect of a sub-contract under the New North South Bypass Highway Project. The Company is the Plaintiff and Shapadu is the Defendant. On 1st August 2000, the Company issued a Notice to Arbitrate. At present there is no counter claim initiated by Shapadu. Given that the Company is the Plaintiff and that no counter claim has been initiated, any estimate of liability if premature at this point in time. The solicitors are of the opinion the chances of success are reasonable. The Directors concur and are of the opinion that in any event there is unlikely to be any material adverse impact on the Company. The current status is that Shapadu has challenged the notice to arbitrate. The Company is therefore seeking a Declaration that the Company be entitled to proceed with the arbitration.

\* **SHARE BUY-BACKS**

There was no share buy-back by the Company.

\* **AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPT (GDR) PROGRAMME**

The Company did not sponsor any ADR or GDR programme.

\* **SANCTIONS AND/OR PENALTIES IMPOSED**

There are no fines or sanctions imposed on the Company and its subsidiaries, directors or management.

\* **NON AUDIT FEES**

The non audit fees paid to the external auditors for the financial year amounted to RM17,041.00

\* **PROFIT ESTIMATE, FORECAST OR PROJECTION**

The Company did not issue any profit estimate, forecast or projection for the financial year.

\* **PROFIT GUARANTEE**

The Company did not give any profit guarantee.

\* **OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES**

Except as disclosed in the directors' report under the Employees' Share Option Scheme, there was no other options, warrants or convertible securities issued by the Company.

# status of utilisation of rights issue and private placements proceeds

- for the year ended 30th June 2001

1. STATUS OF UTILISATION OF PROCEEDS FROM THE RIGHTS ISSUE OF 26,550,000 NEW ORDINARY SHARES OF RM1.00 EACH ("SHARES") IN EKOVEST ON THE BASIS OF THREE (3) NEW SHARES FOR EVERY TWO (2) EXISTING SHARES HELD ("RIGHT ISSUE")

The status of the utilisations of proceeds from the Rights issue ("Proceeds") are as follows :-

	Approved Utilisation by SC RM'000	Amount Utilised from 6.1.2000 to 21.8.2000 RM'000	Amount Utilised from 22.8.2000 to 14.4.2001 RM'000	Total Utilised RM'000
Working capital for Felda Multi Purpose hall	10,000	4,851	5,149	10,000
Working capital for the Construction of Kajang Perdana Housing development project	3,500	3,500	-	3,500
Repayment of bank borrowings	12,000	12,000	-	12,000
General working capital	8,296	8,618 <sup>^</sup>	-	8,618
Expenses in relation to the Bonus Issue, Rights Issue, ESOS and Transfer	1,250	928 <sup>^</sup>	-	928
<b>TOTAL</b>	<b>35,046</b>	<b>29,897</b>	<b>5,149</b>	<b>35,046</b>

<sup>^</sup> The amount of RM322,000 earmarked for expenses relating to the exercise has been reallocated for general working capital purposes.

2. STATUS OF UTILISATION OF PROCEEDS FROM PRIVATE PLACEMENTS

	Approved Utilisation by SC RM'000	Amount Utilised from 30.6.2001 RM'000	Total Utilised RM'000
General Working Capital	10,524	10,524	10,524

# analysis of shareholdings

- for the year ended 30th June 2001

Annual Report Date : 28th November 2001  
Statement Date : 31st October 2001  
Authorised Share Capital : RM200,000,000.00  
Issue and Fully Paid Up : RM 59,685,000.00

Class of Shares : Ordinary shares of RM1.00 each  
Voting Rights : One vote per ordinary share

## 1. ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	Shareholders	%	Shareholdings	%
Less than 1000	23	1.12	7,925	0.01
1,000 - 10,000	1,772	86.19	4,804,400	8.05
10,001 - 100,000	199	9.68	5,954,500	9.98
100,001 to less than 5% of issued shares	61	2.97	27,648,175	46.32
5% and above of issued shares	1	0.04	21,270,000	35.64
TOTAL	2,056	100.00	59,685,000	100.00

## 2. THIRTY (30) LARGEST SHAREHOLDERS

Name	Shareholdings	%
1. Ekovest Holdings Sdn Bhd	21,270,000	35.64
2. Alliancegroup Nominees (Tempatan) Sdn Bhd - Pheim Asset Management Sdn Bhd for Employees Provident Fund	1,457,000	2.44
3. Universal Trustee (Malaysia) Berhad - BHLB Pacific High Growth Fund	1,045,000	1.75
4. Universal Trustee (Malaysia) Berhad - BHLB Pacific Emerging Companies Growth Fund	1,015,000	1.70
5. Hamid Bin Abd Rahman	1,000,000	1.67
6. Tan Lai Leng	967,000	1.62
7. Mayban Securities Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Pang Piu Fong (Rem 106-Margin)	903,000	1.51
8. Lim Seong Hai Holdings Sdn Bhd	849,000	1.42
9. Tan Ming Choo	803,175	1.35
10. Zainal Bin Md Desa	800,000	1.34
11. Julie Sariyati Binti Abu Zarim	795,000	1.33
12. Lim Hoe	791,000	1.32
13. Cha Mei Ping	728,000	1.21
14. Mayban Securities Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Naharudin Bin Nizam (Rem 106)	624,000	1.04
15. Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chia Kee Siong	600,000	1.00
16. Kok Chaw Huah	563,000	0.94
17. Ngai Sok Fong	543,000	0.90
18. Tan Wai Teng	540,000	0.90
19. Ng Cheng Boey	515,000	0.86
20. Citicorp Nominees (Tempatan) Sdn Bhd - Prudential Assurance Malaysia Berhad (Par Fund)	515,000	0.86
21. Arab-Malaysian Nominees (Tempatan) Sdn Bhd - Arab-Malaysian Trustee Berhad for BHLB Pacific Dana Al-Ihsan	513,000	0.85
22. Beh Eng Siew	512,000	0.85
23. Amanah Raya Berhad - BHLB Pacific Double Growth Fund	500,000	0.83
24. Wong Khai Leng	491,000	0.82
25. Foo Suet Kum	458,000	0.76
26. Amanah Raya Nominees (Tempatan) Sdn Bhd - Amanah Saham Selangor	425,000	0.71
27. Perbadanan Nasional Berhad	418,000	0.70
28. Mayban Securities Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Wong Siew Chin (Rem 106)	412,000	0.69
29. Yap Song Yung	407,000	0.68
30. Wong Kai Fatt	400,000	0.67
	40,859,175	68.36

## analysis of shareholdings (cont'd)

- for the year ended 30th June 2001

### 3. SUBSTANTIAL SHAREHOLDERS

Name	Direct Shareholdings	%	Indirect Shareholdings*	%
1. Ekovest Holdings Sdn Bhd	21,270,000	35.64	-	-
2. Dato' Lim Kang Hoo	300,000	0.50	21,270,000	35.64
3. Khoo Nang Seng @ Khoo Nam Seng	351,000	0.59	21,270,000	35.64
4. Aminuddin Bin Omar Azaddin	175,000	0.29	21,270,000	35.64
5. Aznam Bin Mansor	-	-	21,270,000	35.64
TOTAL	22,096,000	37.02		

### 4. DIRECTORS' SHAREHOLDINGS

Name	Direct Shareholdings	%	Indirect Shareholdings*	%
1. Dato' Lim Kang Hoo	300,000	0.50	21,270,000	35.64
2. Khoo Nang Seng @ Khoo Nam Seng	351,000	0.59	21,270,000	35.64
3. Cho Joy Leong @ Cho Yok Lon	60,000	0.10	-	-
4. Dato' Haji Abdullah Bakri Bin A Wahab	-	-	-	-
5. Mohd Salleh Bin Othman	-	-	-	-
TOTAL	711,000	1.19		

\* Deemed interest by virtue of their shareholdings in Ekovest Holdings Sdn Bhd.

# particulars of properties

- for the year ended 30th June 2001

## Properties held by Ekovest Berhad

LOCATION	AGE	TENURE	LAND DESCRIPTION	LAND AREA (sq.meters)	COST/ REVALUATION (RM)	NET BOOK VALUE (RM)
Lot 22520 in Taman Sri Setapak, Kuala Lumpur (DOA: 25-08-1990) (Revalued on 13-04-1992)	15 years	Freehold	4 1/2 storey office building known as Wisma Ekovest for own use	686	6,000,000	4,953,423
Lot 14238, 14239, 14250-14254 in Taman Sri Setapak, Kuala Lumpur. (DOA: 25-08-1990) (Revalued on 15-05-1992)	N/A	Freehold	Vacant land used as car park	1120	382,000	382,000
MDLD 1448 Lot 8 in Lahad Datu (DOA: 30-10-1990) (Revalued on 02-06-1992)	15 years	Leasehold 60 years Unexpired 33 years	3-storey light industrial shop house use as branch office.	168	305,000	251,472
Parcel No.8 with accessory parcel No.109 of building erected on part of land held under geran No. 10554 for Lot 438 Section 85, town of Kuala Lumpur. (DOA: 22-11-1996)	10 years	Freehold	No.284-06-01 Heritage Condominiums, 3 1/2 Mile Jalan Pahang, 53000 Kuala Lumpur use as staff dwelling.	115	247,581	222,823
Part of lands held under Grant 157 Lot 3828, Grant 29293 Lot 23043, CT 1216 Lot 3764 and H.S.(D) 162781 Lot 6610 (DOA: 06-12-1996)	3 years	Freehold	4 storey shop office in Mukim of Senai - Kulai , Johor	875	836,980	803,501
Lands held under * H.S.(D)40726 P.T.NO 1569 Cheras, Mukim Kuala Lumpur. (DOA: 04-02-2000)	N/A	Leasehold 99 years Unexpired 81 years	Vacant Land	21,245	14,627,770	14,447,180

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

It is not the Group's policy to carry out regular valuations of its property. The valuation carried out on some of the property above was a one off exercise and, accordingly, the directors have applied the transitional provisions in International Accounting Standards No. 16 (Revised): Property, plant and equipment as adopted by the MASB which allows the freehold and leasehold properties to be stated at their valuation less accumulated depreciation. Accordingly, these valuations have not been updated.

\* Registered under Prompt Capital Sdn Bhd, wholly owned subsidiary of Ekovest Berhad.

**EKOVEST BERHAD** (132493-D)  
(Incorporated in Malaysia)

form of  
proxy

I/We \_\_\_\_\_  
of \_\_\_\_\_ being a member of the  
abovenamed Company hereby appoint \_\_\_\_\_ of  
\_\_\_\_\_ or failing  
whom, \_\_\_\_\_  
of \_\_\_\_\_  
or the Chairman of the meeting as my / our proxy to vote for me / us and on my / our behalf at the Sixteenth Annual  
General Meeting of the Company to be held at Grand Seasons Hotel, 72 Jalan Pahang, 53000 Kuala Lumpur on  
Thursday, 20th December 2001 at 11.00 a.m. and, at any adjournment thereof.

My/Our proxy is to vote either on a show of hands or on a poll as indicated below with an "X".

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	Adoption of Audited Financial Statements. (Resolution 1)		
2.	Re-election of Directors: a) Dato' Lim Kang Hoo (Resolution 2) b) Mr. Cho Joy Leong @ Cho Yok Lon (Resolution 3)		
3.	Approval of Directors' Fees (Resolution 4)		
4.	Declaration of First and Final Dividend (Resolution 5)		
5.	Re-appointment of Auditors (Resolution 6)		
6.	I. Authorisation pursuant to Section 132D (Resolution 7)		
	II. Proposed Shareholders' Mandate for Recurrent Related Party Transactions (Resolution 8)		
	<b>SPECIAL RESOLUTION</b>		
	III. Proposed Adoption of a new set of Articles of Association		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2001.

Number of shares held

\_\_\_\_\_  
Signature (s) of Shareholder (s)

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him provided that the provision of Section 149 (1)(c) of the Companies Act, 1965 is complied with.
2. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
3. A proxy may but need not be a member of the Company and the provision of Section 149 (1)(b) of the Companies Act, 1965 shall not apply.
4. In the case of a corporate member, the instrument appointing a proxy shall be under its common seal or under the hand of an officer or its attorney duly authorised.
5. The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting.



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AFFIX  
STAMP

**THE COMPANY SECRETARY  
EKOVEST BERHAD**

33-35, 2ND FLOOR, WISMA EKOVEST,  
JALAN DESA GOMBAK 6,  
TAMAN SRI SETAPAK,  
OFF JALAN GOMBAK,  
53000 KUALA LUMPUR.

*1<sup>st</sup> fold here*

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