

EKOVEST BERHAD (“COMPANY”)

RECEIPT OF A PROPOSAL LETTER FROM TAN SRI DATO’ LIM KANG HOO IN RELATION TO A PROPOSED CORPORATE EXERCISE INVOLVING THE COMPANY, ISKANDAR WATERFRONT HOLDINGS SDN. BHD. (“IWH”) AND ISKANDAR WATERFRONT CITY BERHAD (“IWC”)

The Company has on 27 October 2017 received a proposal letter from Tan Sri Dato’ Lim Kang Hoo (“**TSDLKH**”), the major shareholder of the Company, (“**Proposal Letter**”) in relation to a reorganisation exercise involving *inter alia* the acquisition by the Company of all the ordinary shares in IWC (“**IWC Shares**”) held by the existing shareholders of IWC, excluding IWC Shares held by IWH (who is proposed by TSDLKH not to accept the offer by the Company for the acquisition of its shares in IWC) (“**Offer Shares**”), representing approximately 62% of the issued and paid-up share capital of IWC as at the date of this announcement (“**Proposed Acquisition**”).

The Proposed Acquisition will involve the Company undertaking a conditional voluntary take-over offer to acquire all the Offer Shares for a cash consideration of RM1.50 per Offer Share or for new ordinary shares to be issued by the Company (“**Ekovest Share**”), on the basis of one new Ekovest Share at RM1.50 per share for every one Offer Share, in accordance with the Malaysian Code on Take-Overs and Mergers 2016 (“**Code**”). TSDLKH informed that, subject to the approval of the board of directors and shareholders of IWH, he will propose to IWH, who is currently holding approximately 38% of the issued and paid-up share capital of IWC as at the date of this announcement, not to accept the offer made by the Company under the Proposed Acquisition.

The Proposed Acquisition will be conditional upon *inter alia* the following being fulfilled/obtained:

- (a) the approval of the board of directors of the Company and shareholders of the Company;
- (b) the approval of the board of directors and shareholders of IWH in relation to its undertaking not to accept the offer made by the Company under the Proposed Acquisition;
- (c) the Securities Commission Malaysia (“**SC**”) consenting to the issuance of the offer document in relation to the Proposed Acquisition to be issued pursuant to the provisions of the Code; and
- (d) the approval of any other relevant regulatory authority or parties, if required.

The existing and targeted corporate structure following the completion of *inter alia* the Proposed Acquisition is set out in Appendix herein.

All relevant parties will use their best endeavours and efforts to negotiate in good faith documentation and arrangements in relation to the Proposed Acquisition on or before 30 November 2017, or such other extended date as may be mutually agreed between the parties in writing.

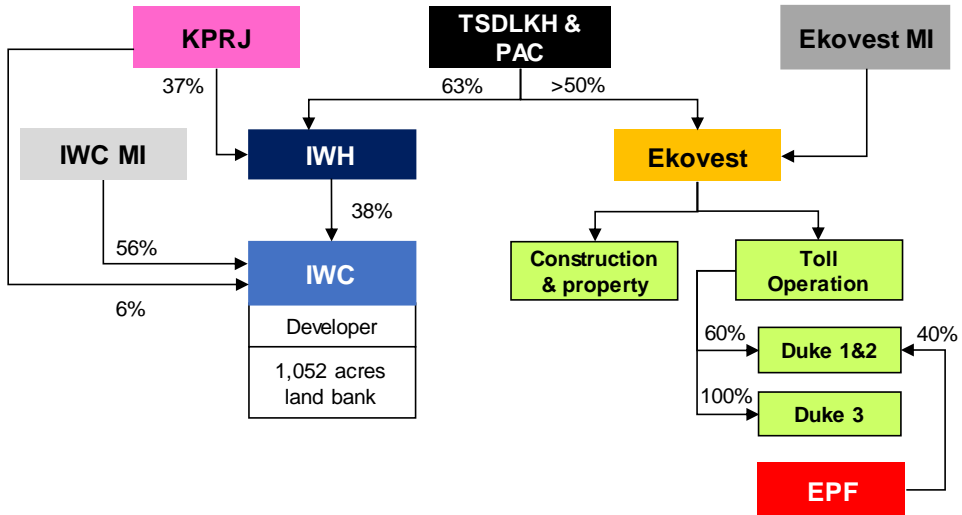
The board of directors of the Company will deliberate on the Proposal Letter and decide on the next course of action. Accordingly, a further announcement will be made in due course.

Astramina Advisory Sdn. Bhd. has been appointed to act as the Financial Advisor for the Proposed Acquisition.

This announcement is dated 31 October 2017.

APPENDIX

Existing



Target Structure

