

EKOVEST BERHAD (“EKOVEST” OR THE “COMPANY”)

DISPOSAL OF A PARCEL OF LAND BY TANAHMAS KAPITAL SDN BHD TO CITY VERSION SDN BHD

1.0 INTRODUCTION

The Board of Directors of Ekovest (“**Board**”), wishes to announce that our wholly-owned subsidiary, Tanahmas Kapital Sdn Bhd (“**TKSB**” or “**Vendor**”), had on 3 March 2026 entered into sale & purchase agreement (“**SPA**”) with City Version Sdn Bhd (“**CVSB**” or “**Purchaser**”), a wholly-owned indirect subsidiary of Gadang Holdings Berhad for the disposal of a parcel of freehold land held under HS(D) 565071, PTB 24422 Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor (the “**Said Land**”), for a total cash consideration of RM75,483,068.70 (Ringgit Malaysia Seventy Five Million Four Hundred Eighty Three Thousand Sixty Eight and Sen Seventy) only (exclude Sales and Services Tax (“**SST**”)) (“**Total Consideration**”) (“**Proposed Disposal**”) which was derived based on negotiations between the parties on a “willing-buyer willing-seller” basis after taking into consideration among others, the prevailing value of the surrounding and adjacent areas.

2.0 INFORMATION ON TKSB AND CVSB

2.1 Information on TKSB

TKSB is a wholly-owned subsidiary of Ekovest Berhad and was incorporated in Malaysia on 12 July 2016 under the Companies Act, 1965. The total issued capital of TKSB is RM46,000,002.00 comprising of 2 ordinary shares and 46,000,000 preference shares. The Directors of TKSB are Wong Khai Shiang, Lim Chen Thai and Zulkhanine bin Shamsudin.

TKSB is principally involved in property development.

2.2 Information on CVSB

CVSB is a wholly-owned subsidiary of Gadang Land Sdn Bhd which in turn is a wholly-owned subsidiary of Gadang Holdings Berhad. CVSB was incorporated in Malaysia on 2 March 2006 under the Companies Act, 1965. The total issued capital of CVSB is RM250,002.00 comprising of 250,002 ordinary shares. The Directors of CVSB are Tan Sri Dato’ Kok Onn, Yu Kang Huai and Kok Pei Shing.

CVSB is principally involved in property development.

3.0 INFORMATION ON THE LAND

Description	:	Freehold land, HS(D) 565071, PTB 24422 Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor
Land area	:	45242.623 square metres (11.179 acres)
Registered Owner	:	Tanahmas Kapital Sdn Bhd
Category of Land Use	:	Building
Existing Usage	:	Vacant land
Tenure	:	Freehold

3.0 INFORMATION ON THE LAND (Cont'd)

Express Condition	:	This land is to be used only for commercial purposes
Encumbrances	:	Charged to MTrustee Berhad vide Presentation No. 92073/2022 on 31 October 2022
Net book value as at 30 June 2025	:	RM67,746,686
Market Value	:	No valuation was carried out on the Lands as the percentage ratio for the Proposed Disposal is below the 5% threshold pursuant to paragraph 10.04 (1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
Original cost of investment / Date of investment	:	RM65,000,000 / 28 November 2018

4.0 BASIS OF AND JUSTIFICATION FOR THE TOTAL CONSIDERATION

The Total Consideration was arrived based on negotiations between the parties on a “willing-buyer willing-seller” basis after taking into consideration among others, the prevailing value of the surrounding and adjacent areas.

5.0 LIABILITIES AND GUARANTEES IN RELATION TO THE DISPOSAL

There are no liabilities, including contingent liabilities and guarantees in relation to the Properties, to be assumed by the Group pursuant to the Proposed Disposal.

6.0 RATIONALE FOR THE DISPOSAL

The proposed divestment of the land in Johor Bahru is aligned with the Group’s strategic objective to streamline its current operations and focus on its core competencies in construction and infrastructure.

This transaction is expected to have a positive financial impact on the Group by strengthening revenue generation and improving cash flow position.

7.0 UTILISATION OF THE PROCEEDS

The proceeds arising will be allocated towards reduction of debts and for working capital purposes.

8.0 SALIENT TERMS OF THE SPA

(a) Conditions Precedent

The SPA is conditional and subject to the following:

8.0 SALIENT TERMS OF THE SPA (Cont'd)

- (i) The Purchaser submitting an application to the **Economic Planning Unit**, Prime Minister's Department for determination whether the EPU Approval is required ("the EPU Determination") and if required, the Purchaser shall submit the application within fourteen (14) days from the date of the stamped SPA is received from the Purchaser; and
- (ii) (a) The Vendor shall at its own cost and expense apply and obtain the **amended Development Order** ("Amended DO") from the relevant authorities to allow for a mixed development comprising the following:
 - Phase 1:
 - 1) 75 units of shop offices
 - Phase 2:
 - 1) Two (2) Towers of 30 levels Serviced Apartment
 - 2) Seven (7) levels of Carpark, Podium and Ground Floor;
- (b) An allowable plot ratio of 1:4 for the Serviced Apartments, and in the event that the 1% Gross Development Value ("GDV") capital contribution charge imposed by the relevant authorities for the development of the Serviced Apartments on the Said Land shall be borne equally by the Vendor and the Purchaser;
- (c) The approval for the development shop offices component with individual land titles (as opposed to stratified titles); and
- (d) Amended DO shall not contain any requirement to construct affordable housing and /or commercial units (Rumah Mampu Milik Johor) on the Said Land or otherwise.

(Hereinafter collectively called "**Conditions Precedent**").

The Conditions Precedent of the SPA is required to be fulfilled within six (6) months from the SPA date, with an automatic extension of six (6) months or such other further period as may be mutually agreed in writing between the Parties (the "Approval Period").

- (b) This Agreement shall become unconditional on the date ("**Unconditional Date**") on which the last of the Conditions Precedent has been duly fulfilled in accordance with the provisions under item **8.0 (a)** above or waived (as the case may be) by the Purchaser and for the purposes hereof:
 - i) The date the EPU Approval (if required) is deemed obtained shall be the date the Purchaser or the Purchaser's Solicitors receives the original unconditional letter from the EPU (or if conditional, upon such terms as are acceptable by the Purchaser) stating that they have no objection/approve the acquisition of the said Land by the Purchaser; and

8.0 SALIENT TERMS OF THE SPA (Cont'd)

- ii) The date the Amended DO Approval is deemed obtained shall be the date the Purchaser or the Purchaser's Solicitors receives notification from the Vendor or the Vendor's Solicitors or from the Relevant Authorities of the Amended DO Approval together with the certified true copy of the Amended Development Order thereof and with the layout plan being duly approved and endorsed by the Relevant Authorities (including the endorsement by Majlis Bandaraya Johor Bahru of the Amended Development Order).
- (c) The SPA shall be deemed completed upon payment of the Balance Purchase Price within three (3) months from the Unconditional Date ("**Completion Period**"), failing which the Completion Period be extended for one (1) month from the expiry date of the Completion Period ("**Extended Completion Period**").
- (d) Manner of payment of Total Consideration
 - (i) A sum of RM1,509,661.37, representing 2% of the Total Consideration, has been paid by the Purchaser;
 - (ii) A sum of RM6,038,645.50, representing 8% of the Total Consideration, shall be paid by the Purchaser upon execution of the SPA;
 - (iii) The remaining 90% of the Total Consideration shall be paid by the Purchaser within the Completion Period as follows:
 - 1) 80% to be paid within ten (10) business days from the presentation of the transfer for registration in favour of the Purchaser, and in any event within the Completion Period; and
 - 2) Balance 10% to be paid within fourteen (14) days from the issuance and extraction of the individual master title for the serviced apartments and the individual titles for the shop offices, and in any event within the Completion Period.

9.0 RISKS OF THE PROPOSED DISPOSAL

In any event that any of the condition precedent remains unfulfilled, the Proposed Disposal will be considered incomplete, thus preventing the realisation of all the potential benefits associated with it.

The Company seeks to address this risk by proactively collaborating with relevant parties to obtain the necessary approvals and documents, including consent from the authority and the financier. The Company will not rule out the possibility of engaging professional services, if necessary.

Despite the above, TKS B is committed to undertaking all necessary measures to ensure timely satisfaction of the Conditions Precedent, aiming for the completion of the Proposed Disposal within a reasonable timeframe.

10.0 EFFECTS OF THE DISPOSAL

The Proposed Disposal will not have any effect on the share capital or substantial shareholders' shareholdings and are not expected to have any material effect on the earnings per share, net assets per share and gearing of the Ekovest group for the financial year ending ("FYE") 30 June 2026.

The expected gain from the Proposed Disposal is approximately RM5.90 million.

11.0 PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Disposal as per Paragraph 10.02(g) Chapter 10 of Bursa Malaysia Securities Berhad Main Market Listing Requirements is 3.50% being the aggregate value of the Total Consideration compared to the net assets of the Ekovest Group based on the latest consolidated audited financial statements for the FYE 30 June 2025.

12.0 APPROVAL REQUIRED

The Proposed Disposal does not require the approval of shareholders and subject to unconditional upon the approvals as set out in Section 8 of the Condition Precedents being satisfied and/or waived. The Proposed Disposal is not conditional or inter-conditional upon any other corporate exercises being or proposed to be undertaken by the Company.

13.0 INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

None of our major shareholders and/or directors and/or persons connected to them have any interests, direct or indirect, in the Proposed Disposal.

14.0 STATEMENT BY THE BOARD OF DIRECTORS

The Board having considered all aspects of the Proposed Disposal, including the basis, rationale and effects of the Proposed Disposal, is of the opinion that the Proposed Disposal is best interest of the Company, fair and reasonable, and carried out on normal commercial terms and is not detrimental to the interest of the minority shareholders.

15.0 ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Disposal is expected to be completed in the 4th quarter of 2026.

16.0 DOCUMENTS FOR INSPECTION

A copy of the SPA is available for inspection at our registered office at Ground Floor, Wisma Ekovest, No 118 Jalan Gombak, 53000 Kuala Lumpur, from 8.30 a.m. to 5.30 p.m. from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 3 March 2026.