

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

SALES OF HOTEL SUITES AND OFFICE SUITES IN OUR EKOCHERAS DEVELOPMENT BY EKOVEST CAPITAL SDN BHD (FORMERLY KNOWN AS PROMPT CAPITAL SDN BHD), OUR WHOLLY-OWNED SUBSIDIARY, TO RELATED PARTIES

1.0 INTRODUCTION

The Board of Directors of Ekovest (“**Board**”), wishes to announce that our wholly-owned subsidiary, Ekovest Capital Sdn Bhd (formerly known as Prompt Capital Sdn Bhd) (“**EkoCap**”), had on 31 March 2015 entered into sale & purchase agreements (“**SPA**”) with the Related Parties (as defined in Section 2 below) for the sales of hotel suites and office suites in our EkoCheras development (“**Sales**”).

EkoCap is the developer for a mixed development project located in Cheras, Kuala Lumpur known as EkoCheras. EkoCheras is a development on 11.9 acres of land consisting of service apartments, office tower, hotel tower and shopping mall.

2.0 DETAILS OF THE SALES

The Sales comprise of 3 hotel suites and 12 office suites in the EkoCheras development for a total cash consideration of RM17,318,800 (“**Sale Consideration**”). Details of the Sales are as follows:

No	Purchaser	Interested Directors and/or Major Shareholders	Description of Property	Gross Built-up Area (sq feet)	Selling Price (RM)
1.	Lim Hoe	<ul style="list-style-type: none">Tan Sri Dato’ Lim Kang HooEkovest Holdings Sdn BhdLim Hoe	Hotel Suite, EkoCheras (Unit No: N-08-06)	250	261,600
2.	Wong Khai Shiang	<ul style="list-style-type: none">Lim Hoe	Hotel Suite, EkoCheras (Unit No: N-08-08)	250	251,600
3.	Wong Kai Fatt	<ul style="list-style-type: none">Wong Kai Fatt	Hotel Suite, EkoCheras (Unit No: N-16-18)	250	259,600
4.	Lim Seong Hai Holdings Sdn Bhd	<ul style="list-style-type: none">Datuk Lim Keng Cheng	Office Suite, EkoCheras (Unit No: A-03-01)	2,706	2,029,800
			Office Suite, EkoCheras (Unit No: A-03-02)	1,326	994,600
			Office Suite, EkoCheras (Unit No: A-03-03)	1,326	994,600
			Office Suite, EkoCheras (Unit No: A-03-3A)	1,326	994,600
			Office Suite, EkoCheras (Unit No: A-03-05)	2,303	1,727,200
			Office Suite, EkoCheras (Unit No: A-09-01)	2,706	2,035,800
			Office Suite, EkoCheras (Unit No: A-09-02)	1,326	1,000,600
			Office Suite, EkoCheras (Unit No: A-09-03)	1,326	1,000,600
			Office Suite, EkoCheras (Unit No: A-09-3A)	1,326	1,000,600
			Office Suite, EkoCheras (Unit No: A-09-05)	2,303	1,733,200

No	Purchaser	Interested Directors and/or Major Shareholders	Description of Property	Gross Built-up Area (sq feet)	Selling Price (RM)
5.	Sabriland Sdn Bhd	<ul style="list-style-type: none"> • Tan Sri Dato' Lim Kang Hoo • Ekovest Holdings Sdn Bhd • Lim Hoe 	Office Suite, EkoCheras (Unit No: A-08-01)	2,706	2,034,800
			Office Suite, EkoCheras (Unit No: A-08-02)	1,326	999,600
Total Sale Consideration					17,318,800

(The purchasers above are collectively referred to as “**Related Parties**”)

The nature and extent of interest of the interested directors and/or major shareholders and/or persons connected to them in relation to the Sales are disclosed in Section 10 below.

3.0 SALIENT TERMS OF SALE & PURCHASE AGREEMENT (“SPA”)

EkoCap utilises a standard form of SPA for all sales of hotel suites and office suites to its purchasers. The salient terms of the SPA include, inter alia, the following:-

- (i) The purchase price shall of the property, excluding the applicable Goods and Services Tax (“GST”) which will be implemented with effect from 1st April 2015 at the rate of six (6) per centum, or such other rate/charges imposed by the relevant authorities as the case may be, shall be payable by way of instalments at the times and in the manner provided under the SPA.
- (ii) Any request or notice for payment of any of the instalments under the SPA shall be supported by a completion certificate duly signed by the vendor’s architect and shall constitute conclusive evidence that such relevant stage of construction therein has been completed.
- (iii) If any of the instalments shall remain unpaid by the purchaser at the expiration of fourteen (14) days period, interest on such unpaid instalment shall commence immediately thereafter and be payable by the purchaser and such interest shall be calculated from day to day at the rate of ten per centum (10%) per annum.
- (iv) The vendor undertakes that subject to the vendor’s receipt of the full purchase price, the property shall be free from encumbrances immediately prior to the handing over of vacant possession of the property to the purchaser.
- (v) If the purchaser :-
 - (a) fails to pay any instalment payable in accordance with the SPA or any part thereof and any late interest payable under the SPA;
 - (b) fails to pay any sum or sums payable under the SPA within the time stipulated for the payment;
 - (c) commits any breach of or fails to perform or observe any material terms or conditions or covenants of the SPA; or
 - (d) before payment in full of the purchase price of the property and all monies due under this SPA, commits an act of bankruptcy or enters into any composition or arrangement with the purchaser’s creditors or, being a company, enters into liquidation, whether compulsorily or voluntarily or have a petition presented or an order made or resolution passed for the winding-up of the purchaser or commits an act of insolvency or has a receiver appointed;

the vendor may, take such legal action as deem fit in the circumstances including but not limited to exercise the right of specific performance, or to terminate the sale of the property and/or forthwith terminate the SPA Agreement.

- (vi) The vendor shall, at its own cost and expense and as expeditiously as possible, apply for the subdivision of the land so as to obtain the issue of a separate strata title to the property under the Strata Titles Act
- (vii) Vacant possession of the property shall be delivered to the purchaser within thirty six (36) calendar months from the date of the SPA.
- (viii) Any defect, shrinkage or other fault in the property which shall become apparent within a period of twelve (12) calendar months from the date of delivery or deemed delivery of vacant possession of the property, as the case may be, and which are due to defective workmanship or materials or the property not having been constructed in accordance with the building plan and description as specified in the SPA, shall be repaired and made good by the vendor at its own cost and expense

4.0 BASIS FOR THE SALE CONSIDERATION

The Sale Consideration is based on the approved developer selling price to the general public and includes discounts, where applicable, which the general public and non-related party purchaser is also entitled to.

5.0 RATIONALE FOR THE SALES

As a property developer, the sale of hotel suites and office suites in the EkoCheras development is in the ordinary course of business of EkoCap. Further, it is also carried out at arm's length and based on commercial terms not more favourable than those available to the general public and non-related party purchaser.

The Sales also reflects the Related Parties confidence in our own property development project and the Sales is expected to contribute to the future revenue and cash flow of the Ekovest group.

6.0 EFFECTS OF THE SALES

The Sales 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 Group for the financial year ending ("FYE") 30 June 2015.

However, the Sales is expected to contribute positively to the future earnings of the Group as and when the profits from the EkoCheras development are recognised. Proceeds from the Sales are expected to be utilised to defray the development cost incurred for the EkoCheras development and also for working capital purposes.

7.0 PERCENTAGE RATIO

The highest percentage ratio applicable to the Sales as per Paragraph 10.02(g) Chapter 10 of Bursa Malaysia Securities Berhad Main Market Listing Requirements is 1.58% being the aggregate value of the Sale Consideration compared to the net assets of the Ekovest Group based on the Company's latest consolidated audited financial statements for the FYE 30 June 2014.

Ekovest had on 8 April 2014 and announced the sale of 14 apartment units in EkoCheras to related parties for a total cash consideration of RM8,551,875 ("**Initial Announcement**") and the highest ratio applicable is 1.10% being the aggregate value of the sale consideration as per the Initial Announcement compared to the net assets of the Ekovest Group based on the Company's latest consolidated audited financial statements for the FYE 30 June 2013.

Ekovest had on 29 August 2014 and announced the sale of 4 apartment units in EkoCheras to related parties for a total cash consideration of RM2,300,715 ("**2nd Announcement**") and the highest ratio applicable is 0.30% being the aggregate value of the sale consideration as per the 2nd Announcement compared to the net assets of the Ekovest Group based on the Company's latest consolidated audited financial statements for the FYE 30 June 2013.

Paragraph 10.12 of the MMLR states that separate transactions may be aggregated as if they were one transaction if the terms of such transactions were agreed upon within a period of 12 months if:-

- (i) the transactions are entered into with the same party or with parties connected with one another; or
- (ii) the transactions involving the acquisition or disposal of various parcels of lands contiguous to each other.

In this regard, the highest ratio applicable is 2.98%, after aggregation of the consideration of the Initial Announcement, the 2nd Announcement and the Sales.

8.0 APPROVALS REQUIRED

The Sales does not require the approval of shareholders and/or other relevant authorities. The Sales are not conditional or inter-conditional upon any other corporate exercises being or proposed to be undertaken by the Company.

9.0 TRANSACTIONS WITH THE RELATED PARTIES FOR THE PRECEDING 12 MONTHS

Saved as disclosed in our circular to shareholders dated 8 December 2014 in relation to the renewal of shareholders' mandate for recurrent related party transaction of a revenue or trading in nature, the Initial Announcement and the 2nd Announcement, there are no other transactions with the Related Parties for the preceding 12 months from date of this announcement.

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

Save as disclosed below, none of our major shareholders and/or directors and/or persons connected to them have any interests, direct or indirect, in the Sales.

10.1 Interests of major shareholders and/or persons connected to them

Ekovest Holdings Sdn Bhd ("**EHSB**") and Tan Sri Dato' Lim Kang Hoo are our major shareholders. Tan Sri Dato' Lim Kang Hoo is also a major shareholder of EHSB. EHSB and Tan Sri Dato' Lim Kang Hoo are deemed interested as Tan Sri Dato' Lim Kang Hoo is a sibling of Lim Hoe.

10.2 Interests of Directors and/or persons connected to them

Tan Sri Dato' Lim Kang Hoo is our Director and our major shareholder and is deemed interested as he is the sibling of Lim Hoe.

Datuk Lim Keng Cheng is our Director and is also a director and major shareholder of Lim Seong Hai Holdings Sdn Bhd.

Lim Hoe is our Director and is also a director and major shareholder of Sabriland Sdn Bhd.

Wong Khai Shiang is our Director (alternate to Lim Hoe) and a director of EkoCap. He is also the son of Lim Hoe.

Dr. Wong Kai Fatt is our Director.

Tan Sri Dato' Lim Kang Hoo, Datuk Lim Keng Cheng, Lim Hoe and Dr. Wong Kai Fatt (or their respective alternates) have abstained and will continue to abstain from deliberating and voting on the Sales at our relevant Board meetings.

11.0 STATEMENT BY AUDIT COMMITTEE

The Audit Committee, save and except for Dr. Wong Kai Fatt who has abstained from all deliberations on the Sales, having considered all aspects of the Sales is of the opinion that the Sales is:-

- (i) in the best interest of the Company;
- (ii) fair, reasonable and on normal commercial terms; and
- (iii) not detrimental to the interest of the non-interested shareholders.

Audit Committee, save and except for Dr. Wong Kai Fatt who has abstained from all deliberations on the Sales, is also of the opinion that the discounts, where applicable, is at arm's length and based on commercial terms not more favourable than those available to the general public and not detrimental to the interest of the non-interested shareholders.

In forming its view and opinion, the Audit Committee has considered, amongst others, the basis, rationale and financial effects of the Sales as disclosed in Section 4, 5 and 6 above. No independent advice was sought by the Audit Committee as the percentage ratio applicable to the Sales is less than 5%.

12.0 STATEMENT BY THE BOARD OF DIRECTORS

The Board, save and except for Tan Sri Dato' Lim Kang Hoo, Datuk Lim Keng Cheng, Lim Hoe and Dr. Wong Kai Fatt (or their respective alternates) who are deemed interested in the Sales, having considered all aspects of the Sales including but not limited to the basis, rationale and the financial effects of the Sales, is of the opinion that the Sales is in the best interests of our Company and is not detrimental to the interest of the non-interested shareholders.

13.0 ESTIMATED TIMEFRAME FOR COMPLETION

The Sales is expected to be completed upon delivery of vacant possession of the apartment units to the Related Parties. As per the terms of the SPA, vacant possession shall be delivered to the purchaser within thirty six (36) months from the date of the SPA.

14.0 DOCUMENTS FOR INSPECTION

The SPA will be made 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 1 April 2015.