



# EKOVEST BERHAD

Co. Reg. No: 198501000052 (132493-D)  
(Incorporated in Malaysia)

**MINUTES OF THE THIRTY-SIXTH ANNUAL GENERAL MEETING** OF THE COMPANY CONDUCTED ON A FULLY VIRTUAL BASIS AND ENTIRELY VIA REMOTE CONTROL PARTICIPATION AND VOTING VIA ONLINE MEETING PLATFORM AT <https://dvote.my> ON MONDAY, 13 DECEMBER 2021 AT 10.30 A.M.

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## Chairman of the meeting

Mr. Lee Wai Kuen (Independent Director)

## Directors Present

Tan Sri Dato' Lim Kang Hoo (Group Executive Chairman)  
Tan Sri Datuk Seri Lim Keng Cheng (Managing Director)  
Dato' Lim Hoe (Executive Director)  
Mr. Lim Chen Thai (Executive Director)  
Ms. Kang Hui Ling (Audit & Risk Management Committee Chairman)  
Ms. Lim Ts-Fei (Nomination Committee Chairman)  
Mr. Chow Yoon Sam (Remuneration Committee Chairman)  
Dr. Wong Kai Fatt (Independent Director)

## Management Present

Ms. Lim Soo San (Chief Financial Officer)  
Mr. Lim Thiam Wah (Company Secretary)

## Members, Corporate Representative and Proxies Present

As per the attendance list

## Invitation

Mr. Francis Xavier Joseph (Mazars PLT, External Auditors)

## **CALLING OF MEETING**

Mr. Lee Wai Kuen started the meeting by welcoming the shareholders, corporate representative and proxies who have logged in and wish them a very good morning. He reported that the Board Chairman, Tan Sri Dato' Lim Kang Hoo has requested him to chair this meeting.

The Chairman cited that as a precautionary measure amid the COVID-19 pandemic, the Board had decided to convene the Meeting fully on a virtual basis and entirely via remote control participation and voting via online meeting platform.

The Chairman introduced all the members of the Board, the Chief Financial Officer, Company Secretary and the External Auditors who were virtually present.

He added that whilst the Company endeavors to ensure smooth live streaming, the quality of the broadcast is highly dependent upon their device, internet bandwidth and stability.

### **QUORUM AND PROXIES RECEIVED**

The Chairman reported that the requisite quorum was present and called the meeting to order.

The Secretary reported that 954,932,130 shares representing 35.42% of the total shareholding of the Company in proxies have been received.

### **NOTICE OF THE MEETING**

The Secretary reported that the Notice of the Meeting has been duly and properly dispatched to the shareholders on 29 October 2021.

### **PRELIMINARY**

The Chairman informed the members that pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the proposed resolutions shall be put to vote by poll.

He added that the Company has appointed Dvote Services Sdn Bhd. as the Poll Administrator to conduct the poll by way of electronic voting and Coopers Professional Scrutineers Sdn. Bhd. as Independent Scrutineers to verify the poll results.

The Chairman also informed the members that the online voting on the resolutions can be done any time during the meeting and will remain open until the voting session is closed. He then invited a representative from Dvote Services Sdn. Bhd. to explain the voting procedures and how the members may raise questions via the platform.

### **QUESTIONS RAISED BY THE MINORITY SHAREHOLDERS WATCHDOG GROUP (“MSWG”)**

The Chairman reported that the Company has received some questions posed by MSWG. He called upon Ms. Kang Hui Ling to read out the questions together with the answers to the questions raised. The Questions and Answers marked as “**Appendix A** were attached herein”.

He encouraged the members to participate in the meeting by submitting their questions by typing in the “Post Question’ box”. The Board and the management team will endeavor to answer all the questions posed during the Question and Answers Session.

He then read through all the Proposed Ordinary Resolutions set out in the Notice of the 36th AGM.

### **PROPOSED RESOLUTIONS**

#### **1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (“AFS 2021”) TOGETHER WITH THE REPORTS OF THE DIRECTORS AND THE AUDITORS THEREON**

The Chairman tabled the AFS 2021 together with the Reports of the Directors and the Auditors thereon for discussion and explained that they were meant for discussion only and does not require approval. Hence, the item will not be put to vote.

#### **2. RE-ELECTION OF DIRECTORS**

The Chairman reported that Resolutions 1 to 3 were on the re-election of Dato’ Lim Hoe, Ms. Kang Hui Ling and Dr. Wong Kai Fatt as Directors respectively. They are retiring in accordance with Clause 76(3) of the Constitution of the Company and being eligible, offered themselves for re-election.

### 3. PAYMENT OF DIRECTORS' FEES

The Chairman reported that Resolution 4 was to approve the payment of Directors' Fees of RM270,000.00 for the financial year ended 30 June 2021.

### 4. PAYMENT OF DIRECTORS' BENEFITS

The Chairman reported that Resolution 5 was to approve the payment of Directors' Benefits up to an amount of Ringgit Malaysia: Two Hundred Thousand only (RM200,000/-) from the conclusion of the Thirty-Sixth Annual General Meeting until the next Annual General Meeting of the Company.

### 5. RE-APPOINTMENT OF AUDITORS

The Chairman reported that Resolution 6 was on the re-appointment of Messrs. Mazars PLT as Auditors of the Company for the financial year ending 30 June 2022 and to authorise the Directors to fix their remuneration.

On Special Business:-

### 6. CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS

The Chairman reported that Resolution 7 was to re-appointment of Ms. Kang Hui Ling as Independent Non-Executive Director of the Company.

The proposed resolution reads as follows:-

**“THAT** subject to the passing of Resolution 2, approval be and is hereby given for Ms. Kang Hui Ling who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 12 years, to continue to act as an Independent Non-Executive Director of the Company.”

The Chairman explained that the Proposed Resolution will be carried out by way of a two-tier voting process:-

- Tier 1: Only the Large Shareholder(s) of the company votes; and
- Tier 2: Shareholders other than Large Shareholders votes.

The Company has identified Tan Sri Dato' Lim Kang Hoo and Ekovest Holdings Sdn. Bhd. as large shareholders pursuant to Practice 4.2 of the Malaysia Code on Corporate Governance.

## 7. PROPOSED AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE SHARES

The Chairman reported that Resolution 8 was to seek the shareholders' approval on the Proposed Authority for Directors to allot and issue shares.

The proposed resolution reads as follows:-

**“THAT** pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors be and are hereby given full authority to allot and issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued share capital of the Company for the time being **AND THAT** the Directors be and are hereby given full authority to obtain approval for the listing of and quotation for the additional shares so issued on the Bursa Securities **AND THAT** such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or at the expiry of the period within which the next Annual General Meeting is required to be held in accordance with the provisions of the Companies Act 2016, whichever is the earlier.”

**8. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPT")**

The Chairman reported that Resolution 9 was to seek the shareholders' approval on the mandate for RRPT.

The Chairman informed the meeting that Tan Sri Dato' Lim Kang Hoo, Tan Sri Datuk Seri Lim Keng Cheng, Dato' Lim Hoe, Mr. Lim Chen Thai, Mr. Lim Ding Shyong, Ekovest Holdings Sdn. Bhd. and persons connected with them shall abstain from voting on this resolution.

The proposed resolution reads as follows:-

**"THAT** authority be and is hereby given pursuant to paragraph 10.09 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as stated in section 2.4 of the Circular to Shareholders dated 29 October 2021 with the related parties listed in section 2.3 of the Circular which are necessary for the day-to-day operations, in the ordinary course of business, made on at arm's length basis and on normal commercial terms which are not more favourable than those normally available to the public and are not to the detriment of the minority shareholders;

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

- a) the conclusion of the next Annual General Meeting of the Company at which time the authority will lapse unless the authority is renewed by a resolution passed at that Annual General Meeting;
- b) the expiration of the period within which the next AGM is to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or

- c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.”

## **9. ANY OTHER BUSINESS**

The Chairman reported that there was no other business to be transacted of which due notice had been given in accordance with the Companies Act 2016.

## **QUESTIONS AND ANSWER SESSION**

The Chairman allocated an additional 10 minutes for the shareholders, corporate representative and proxies to post their questions after which he called upon Ms. Kang Hui Ling to read out all the questions posted by them.

Tan Sri Datuk Seri Lim Keng Cheng, Ms. Kang Hui Ling and Ms. Lim Soo San provided them the answers which were listed and marked as “**Appendix B**” is attached herein.

## **VOTING SESSION**

The Chairman reported that he has been appointed to act as proxies for a number of shareholders and he shall vote in accordance with the instructions given. He also allocated an additional 5 minutes for the shareholders, corporate representative and proxies to cast their votes if they have not already done so.

At the end of the allocated 5 minutes, the Chairman declared the voting session closed and adjourned the meeting for 15 minutes to allow the Poll Administrator and Scrutineer to carry out their duty.

## **DECLARATION OF THE RESULTS**

At 12.05 p.m. the Chairman welcomed back the shareholders, corporate representative and proxies for the declaration of poll results. He invited the Scrutineer, Mr. Chuah Poo Sian of Messrs. Coopers Professional Scrutineers Sdn. Bhd. to read out the poll results which were shown on the screen. The results marked as “**Appendix C** is attached herein”.

Based on the results, the Chairman declared that all the resolutions tabled were duly carried.

## **CLOSING**

The Chairman conveyed his appreciation to all who have logged in and participated in the meeting. There being no other business, the Chairman declared the meeting closed at 12.15 p.m.

Ms. Lim Ts-Fei proposed a vote of thanks to the Chair and Mr. Chow Yoon Sam seconded the Proposal.

**SIGNED AS A CORRECT RECORD,**

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Chairman



**EKOVEST BERHAD**

- 36TH ANNUAL GENERAL MEETING (AGM) OF EKOVEST BERHAD (“EKOVEST OR THE GROUP OR THE COMPANY”)
- MINORITY SHAREHOLDERS WATCH GROUP (MSWG) QUERIES

No	MSWG Question	Reply										
1.	<p>In FY2021, Ekovest recorded losses in its four segments as follows:</p> <table border="1" data-bbox="275 352 1095 459"> <thead> <tr> <th></th> <th>Property Development RM'000</th> <th>Food &amp; beverages RM'000</th> <th>Property Investment RM'000</th> <th>Others RM'000</th> </tr> </thead> <tbody> <tr> <td>Results</td> <td>(9,266)</td> <td>(21,045)</td> <td>(24,392)</td> <td>(2,906)</td> </tr> </tbody> </table> <p>(Page 160 of the Annual Report 2021)</p> <p>How does the Board plan to address the financial performance of the above four segments, moving forward?</p>		Property Development RM'000	Food & beverages RM'000	Property Investment RM'000	Others RM'000	Results	(9,266)	(21,045)	(24,392)	(2,906)	<p>The ongoing COVID-19 pandemic and the various movement control restrictions that was in place in FYE2021 has severely impacted the day-to-day operations of these divisions with lower footfall traffic at the malls, reduced sales of properties, and changing in the spending habits during the pandemic.</p> <p>Nonetheless, with the implementation of the National Recovery Plan (NRP) Phase 4 and the opening up of all economic sectors leading to the adjustment to post pandemic lifestyle, the Board expects better performance by the F&amp;B division. In addition, with the increase in footfall traffic at our EkoCheras mall (under the Property Investment division), we expect lesser assistance to be provided to tenants moving forward. As for the Property Development segment, we are monitoring the current market conditions and engaging with consultants with a view of launching new projects once the property market improves. We are also now able to continue with our physical sales and marketing activities for our completed units which is expected to be the most effective sales method. We are aiming to increase sales and profitability for the respective division by engaging with market experts.</p>
	Property Development RM'000	Food & beverages RM'000	Property Investment RM'000	Others RM'000								
Results	(9,266)	(21,045)	(24,392)	(2,906)								
2.	<p>Other expenses increased significantly from RM7,306,000 in FY2020 to RM25,830,000 in FY2021 (Page 71 of the Annual Report 2021).</p> <p>What are the reasons for the significant increase in other expenses?</p>	<p>The main reasons are due to the impairment losses that have been recognized on the plant and equipment, right-of-use assets and the trade mark in the F&amp;B division because of the losses incurred and the incorporation of PLS Plantations Berhad (PLS)'s financial results in the current FYE2021.</p>										

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No	MSWG Question	Reply
3.	<p><u>Construction Operations</u></p> <p>(a) What is the progress of DUKE Phase 3 project? Is the project on schedule?</p> <p>(b) What is Ekovest’s current construction orderbook? How long will the current order book last?</p> <p>(c) What is the targeted order book replenishment for the next two financial years?</p> <p>(d) The Group is still pursuing the DUKE Phase 2A as well as the KL River City project to secure more infrastructure projects (Page 14 of the Annual Report 2021). What is the progress of the abovementioned effort?</p>	<p>The project progress is at 89.4% as at 31 October 2021. The COVID-19 pandemic and the various movement control restrictions that was in place had also affected the progress of the work. However, Section 4 of the DUKE 3 is expected to be opened to public in late December 2021.</p> <p>Our current outstanding construction order book stands around RM1 billion which should last us until end of financial year 2022.</p> <p>We expect the order book to be replenished with the finalisation of the DUKE2A project as well as some construction projects in which we are tendering.</p> <p>The final negotiations for DUKE2A is currently on-going with the Government. As for the KL River City project, we are still in discussions with the Government to finalise the technical and commercial aspects of the project.</p>
4.	<p><u>Toll Operations</u></p> <p>(a) What is the latest traffic volume? What is the expected traffic volume in FY2022?</p> <p>(b) What is the outlook for toll operations and its contribution to the Group’s cash flows and operating result in FY2022 compared to the previous financial year?</p>	<p>The average daily traffic for DUKE Phase 1 &amp; 2 in November 2021 was at approximately 190,000 vehicles per day (vpd). This is an increase from 167,000 vpd recorded in October 2021 (economic activities were only fully allowed to be operational from 15 October 2021) and from 127,000 vpd in September 2021. The increase is a positive step towards traffic recovery post pandemic.</p> <p>It is expected that toll operations will contribute 12% to 15% of the Group’s revenue and operating results for FY2022.</p>

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No	MSWG Question	Reply
5.	<p><u>Plantation</u></p> <p>The completion of the PLS Plantations Berhad (PLS) Mandatory General Offer will provide an opportunity for the Group to be one of the leading players in the agriculture sector.</p> <p>The Group has set its sight on the durian business as this is an industry waiting to be harnessed. It is in the midst of a transformation from a small stakeholder business to a commercialized industry (Page 11 of the Annual Report 2021).</p> <p>(a) With the inclusion of PLS into the Group, what is the expected PLS’s earnings contribution to the Group’s annual earnings in the future?</p> <p>(b) What is the progress of the abovementioned initiative? What is the targeted timeframe for the durian business to reach a commercialized industry stage.</p>	<p>We expect PLS to contribute around 25% to 30% to the Group’s annual revenue and earnings in the foreseeable future.</p> <p>The management of PLS have set certain targets to reach in the medium and long term. As the durian plantation business requires long gestation periods, immediate efforts are being taken to ensure that PLS is able to secure supply of fresh durian fruits in both local and export markets. In the short to medium term, the oil palm plantation will provide a stable income from the FFB production.</p>
<b>Corporate Governance Matters</b>		
1.	<p>The Company in its Corporate Governance Report (Page 16) states that it has applied Step Up 4.3 of the Malaysian Code on Corporate Governance.</p> <p>However, under item 6.2.2 of the Board Charter of Ekovest, it states that “When the Board intends to retain its Independent Director beyond nine years, it would justify and seek shareholders’ approval in the AGM. However, if the Board</p>	<p>There is an error on Practice 4.3 - Step Up, which should be “Not Adopted” instead of “Applied”. We have rectified the above on 10 December 2021 and with this there is no contradiction to item 6.2.2 of the Board Charter of Ekovest.</p>

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No	MSWG Question	Reply
	<p>continues to retain its Independent Director after the twelfth year, the Board would seek shareholders’ approval through a two-tier voting process in the AGM”.</p> <p>This is contrary to Step Up 4.3 which does not provide for any extension of tenure beyond the 9-year tenure of Independent Directors.</p> <p>Please take note.</p>	
2.	<p>The internal audit function of Ekovest is outsourced to IA Essential Sdn Bhd, an internal audit firm (Page 41&amp;43 of the Corporate Governance Report 2021).</p> <p>What is the staff strength (the number, etc.) of the engagement team that audited the Company?</p>	<p>IA Essential Sdn Bhd has 3 to 4 audit staff members dedicated for the audit function of Ekovest depending on the size of the review areas.</p>



## APPENDIX B

**QUESTIONS RECEIVED FROM THE SHAREHOLDERS OF THE COMPANY**

No.	Question	Response
<b>Ms. Kuan Mun En, a shareholder, enquired on the following:-</b>		
1.	Why no door gift? Please reward your loyal shareholders for participating and supporting the resolutions in today's AGM?	As of now the Company is conducting the AGM on a fully virtual basis, once we are able to conduct physically we will take into consideration our valuable shareholders' request.
2.	What is the Prospect of Ekovest Group going forward?	Construction have always been the forte of our Group and we expect this to be the same in the years to come. Looking forward, we are still pursuing to secure more infrastructure projects, especially those which we had received approval-in-principle from the Government. We shall continue to look for opportunities and work towards securing more construction order books.
3.	To deliberate on the PLS Acquisition and its contribution to the overall performance of the company.	<p>With the completion of the Mandatory General Offer ("<b>MGO</b>") in PLS Plantations Berhad ("<b>PLS</b>"), Ekovest's shareholding in PLS has increased to 73.08% of the total issued shares of PLS.</p> <p>This is part of our strategy to transform Ekovest into a larger listed conglomerate with a portfolio of diversified businesses. Our presence in PLS has enabled us to venture into the management and operation of oil palm and forest plantations as well as in durian plantation, production, distribution and related businesses. This is in line with the long-term strategy of expanding and diversifying into other businesses to reduce dependency and reliance on our existing businesses in construction, property development and toll operations.</p>
4.	What is the progress of Duke Phase 3 and when is the completion of Duke 3?	The project progress is at 89.4% as at 31 October 2021. We are targeting to complete by 4th quarter of FYE 2022.

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No.	Question	Response
5.	Why is there no dividend declared for this financial year ended 2021?	In view of the current negative impact affecting the operation due to the Covid-19 pandemic, the board has decided to adopt a prudent approach on the cashflow and conserve the cash for operational purpose. The Board will review the dividend payment once all the groups' operation stabilised and go back to normal.
6.	Reason for the increase in Admin & General Expenses from RM122.8 million to RM150.5 million?	The main reason is the consolidation of PLS financial results in the current financial year 2021 and impairment of losses that have been recognised on the Investment Properties.
7.	Why is the Group Profit Before Tax increase from RM90.7 million to RM120.4 million but the net profit has reduced from RM28.7 million to RM19.4 million?	The main reason is the higher deferred tax expense due to the reversal of deferred tax assets recognised in prior years from unabsorbed business losses pursuant to Section 44 (5F) of the Income Tax Act, where in a 7-year limitation on carried forward losses is imposed.
8.	What is current status of the property development in EkoCheras?	<p>EkoCheras is part of a mixed development of 3 residence towers consisting of 1,516 units, an office tower consisting of 105 units, a hotel tower and a Shopping Mall.</p> <p>For the 3 residence towers, the overall take-up rate is approximately 75%. We are applying for Bumi Release on the unsold Bumi units with the aim to increase the sales of the properties.</p> <p>The Group is undergoing renovations on the hotel and expects it to be open by 2022.</p> <p>For the Shopping Mall, the Group has signed new contracts which is expected to see a take-up and occupied rate of over 95% by the month of May 2022.</p>



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No.	Question	Response
9.	Any new property developments project?	<p>The Board will continue to review the financial impact and monitor any opportunity to launch new Property Development project for the current financial year.</p> <p>The group is planning to launch Eko-Titiwangsa as one of its upcoming projects. As of today, the Company has obtained conditional approval for the said development and is currently in the process of finalizing with the consultants. The company is aiming for a 2022 launch date for the development.</p>
10.	Why the investment funds and cash and bank balances depleted, was it used to repay bank borrowings?	<p>These are mainly due to the utilisation of funds for the construction and financing requirements of our Duke 3 and also for the completion of PLS MGO.</p>
11.	What is the future for highways and when is the listing of the highway concession?	<p>Our infrastructure concession and toll operation division (i.e. the operation and management of the DUKE toll concession) was not spared from the Malaysian Movement Control Order (“<b>MCO</b>”) and traffic volumes since March 2020 has been volatile and co-relates to the type of the MCO being enforced by the Government. Since mid-October 2021, traffic volumes have steadily recovered as the country have moved along the NRP phases. Nonetheless, we are expecting an overall decline in traffic volume compared to previous financial year.</p> <p>We remain optimistic on the long-term prospect and value of the DUKE highway as the seamless connectivity makes it an important road link and network for Greater Kuala Lumpur. The long concession period which we have for this urban highway also provide flexibility for potential future monetisation and value enhancements. The Board will evaluate the economic situation and will prepare the company for listing in the near future.</p>



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**QUESTIONS RECEIVED FROM THE SHAREHOLDERS OF THE COMPANY**

No.	Question	Response
12.	On the construction activities, what is the existing order book and what is the total value currently under bidding and the value of the Group plans to bid in the near term?	<p>Our current outstanding construction order book stands approximately <del>less than</del> 1 billion which should last us until end of financial year 2022.</p> <p>The management of EkoVest has been working tirelessly to prepare proposals and tender documents to be submitted to government as well as to private sectors. However, we are not able to disclose details of the proposals as it may jeopardise our position to secure these projects. Nonetheless, we will make the necessary announcements, in line with Bursa Malaysia Securities Berhad Main Market Listing Requirements, as and when the projects have been secured.</p>
13.	Since Bandar Malaysia is cancelled. How it will affect company's future earnings? Did the Company loss any money due to cancellation of Bandar Malaysia ("BM").	<p>There is no material impact to our Company's earnings due to the cancellation of BM. The Company is still pursuing the Duke Phase 2A as well as the KL River City project to secure more infrastructure projects. The Company is also exploring other avenues and opportunities to replenish our construction orderbook.</p>
<b>Mr. Choong Beng Hin, a shareholder, enquired on the following:-</b>		
14.	Are we in full compliance with ESG, particularly with reference to the issues relating to foreign workers engaged in our construction and plantation businesses?	<p>As the operations of the Group covers various industries, we have endeavoured to meet all ESG requirements that has been set. However, the adoption of all ESG requirements has been categorised and prioritised based on its importance and impact. Our efforts have been highlighted in the Sustainability Report.</p>
15.	The progress on the property development undertaken by our associate company MCC Land (TMK) in Singapore.	<p>The project is still in its planning and approval stages with launching and physical construction due to commence in year 2022.</p>





## APPENDIX B

**QUESTIONS RECEIVED FROM THE SHAREHOLDERS OF THE COMPANY**

No.	Question	Response
16.	Based on the Shareholders' Agreement entered between our subsidiary Nuzen and EPF in 2017, are we ready to fulfill our obligation and to free up the RM 161 million deposited in a Designated Account?	The decline in traffic volume during the pandemic and movement control order period since March 2020 has slightly derailed the process to fulfil our obligations under the Shareholders Agreement. Currently, we are focusing our efforts to monitor and ensure the traffic level recovers to pre-pandemic levels and also to ensure that the financial obligations to sukuk holders are met. We still have approximately 2 years to fulfil this obligations.
17.	Is there any business development with our strategic collaboration with China Railway Dongfang Group Ltd?	We have explored various projects which would be suitable for both parties to jointly collaborate in, but to date, there has not been any formal business arrangement or development in respect of the collaboration with China Railway Dongfang Group Ltd.
18.	<b><u>Statements of Comprehensive Income (Page 71)</u></b>  The item on Negative Goodwill of RM 72.9 million has boosted the company profit after tax of RM 19.5 million, without which the company would have in a loss situation. Please explain: a) How did it arise and what is it all about in layman terms? b) Why must it recognize in this financial year ended 30 June 2021 when the valuation was completed after the	a) The negative goodwill (or bargain purchase) mainly arise from the excess of fair value of the PLS Group's net assets acquired over the fair value of the purchase consideration that Ekovest Berhad paid on the acquisition of PLS Group.  The fair value of the purchase consideration is based on the actual market price and/or offer price. In this acquisition, the fair value of PLS Group's oil palm and durian plantations had contributed significant fair value gain.  b) According to Para 34 of MFRS 3 Business Combinations, negative goodwill shall be recognised on the date of acquisition (ie 30 October 2020). The purchase price allocation exercise was finalised on 15 September 2021, which is prior to the report date of audited financial statements for 30 June 2021



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**QUESTIONS RECEIVED FROM THE SHAREHOLDERS OF THE COMPANY**

No.	Question	Response
	financial year end in September 2021 as per Note 57, page 173?	(i.e. 21 October 2021). Hence, necessary adjustment shall be made in the audited financial statements for 30 June 2021, based on available information as of report date.
19.	<p><b><u>Statements of Cash Flows (Page 76)</u></b></p> <p>Advances to an Associate – RM 20.5 million</p> <p>a) What is the rationale in giving advances of that size to an associated company where we do not have the management control?</p> <p>b) If the recipient of the advances is MCC Land (TMK)(MCC) and is for the financial assistance in the form of deed of undertaking for MCC to secure banking facilities, there would then be a breach in financial governance as such funding is only gotten approval from the shareholders after the financial year ended 30 June 2021 in September, 2021.</p>	<p>These advances form part of the shareholders contribution for the MCC Land (TMK) project which is made in accordance with the shareholding proportion of each shareholders.</p> <p>The advances made were not part of the financial assistance in the form of deed of undertaking for MCC Land (TMK) to secure banking facilities.</p>



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No.	Question	Response
20.	<p><b><u>Concession Assets – Note 9 (Page 113)</u></b></p> <p>Park &amp; Ride Building – Impairment Loss of RM 25.5 million</p> <p>The building was completed in the financial year ended in 30 June 2020 with the cost of RM 72.6 million. 1 year or less into the financial year ended 30 June 2021, the above loss is made and it is about 35% off from the original cost. Is the pricing transfer between each business units transacted at a reasonable rate? Please explain if other factors are involved.</p>	<p>The Group used discounted cashflows model in determining the fair value of the Park &amp; Ride Building, which is more relevant and appropriate approach. Part of the reason for the recognition of impairment loss recognised is mainly due to the inability of the Building to secure tenants to earn rental income during this pandemic period. The impairment loss on this Building has considered the effects of deferral on commencement of operations as a result of Covid-19 pandemic and estimated lower market rental rate given to potential tenants.</p> <p>Nonetheless, the Building has been used as Covid-19 vaccination centre as part of our corporate social responsibility efforts.</p> <p>For clarity, the impairment loss is not related to any issue on transfer pricing.</p>
21.	<p><b><u>Tax Expenses – Note 44 (Page 154)</u></b></p> <p>Reversal of Deferred Tax Assets previously Recognized – RM 62.2 million. This should not have happened. Apart from distorting net profit for the year compared to previous year, the company could also have had made a wrong decision in paying dividend in the past year where such an amount inflated the profit of that year.</p>	<p>During the financial year, the Group has received the letter from the authority, rejecting the Company's appeal on the the extension of 7 year time limit on carryforward the unabsorbed tax losses from construction of DUKE highway. As a result, reversal of recognised unabsorbed tax losses is recognised during this financial year.</p>



## APPENDIX B

**QUESTIONS RECEIVED FROM THE SHAREHOLDERS OF THE COMPANY**

No.	Question	Response
	<p>I would like to suggest that in dealing with tax accounting matters in future, the company shall clear and confirm such matters with its tax auditors or the tax consultants before disclosing in the accounts.</p>	
22.	<p><b><u>Dividend – Note 46 (Page 154)</u></b></p> <p>It is disheartened to note that no dividend is recommended for the year ended 30 June 2021. The decision of the Board is unprecedented that for the first time in the company history for at least 15 years, shareholders are not rewarded, despite our company continue to report profit and have healthy cash flows.</p> <p>In fact if non-recurring and exceptional items which are non-cash items amounting to RM 41.3 million (see below) are excluded from the reported profit of RM 19.4 million, the revised profit would be RM 60.7 million (RM 19.4 million + RM 41.3 million).</p>	<p>In view of the current negative impact affecting the operation due to the Covid-19 pandemic, the board has decided to adopt a prudent approach on the cashflow and conserve the cash for operational purposes. The Board take cognizance of all the shareholders' loyalty to the Company and will definitely review the dividend payment once all the groups' operation stabilised and go back to normal.</p>



## APPENDIX B

**QUESTIONS RECEIVED FROM THE SHAREHOLDERS OF THE COMPANY**

No.	Question	Response
	<p>This would be more appropriate for guidance to recommend for a dividend.</p> <p>(i) Fair value loss on investment properties - RM 26.5 million (+)</p> <p>(ii) Impairment loss on concession assets – RM 25.5 million (+)</p> <p>(iii) Reversal of deferred tax assets – RM 62.2 million (+)</p> <p>(iv) Gain on negative goodwill – RM 72.9 million (-)</p> <p><u>Total (net) – RM 41.3 million</u></p> <p>I hope the Board will take cognizance on the above and the loyalty of the shareholders moving forward.</p>	
23.	<p><b><u>Segment Analysis – Note 53 (Pages 160-163)</u></b></p> <p>Food &amp; Beverages (Operation of Restaurants)</p> <p>This business continues to make losses for at least 2 consecutive years, the latest year ended June 2021 loss being RM 21.0 million. The report also reveals that it has</p>	<p>The ongoing COVID-19 pandemic and the various movement control restrictions that was in place in FYE2021 has severely impacted the day-to-day operations of these divisions with lower footfall traffic at the malls, reduced sales of properties, and changing in the spending habits during the pandemic.</p> <p>Nonetheless, with the implementation of the National Recovery Plan (NRP) Phase 4 and the opening up of all economic sectors leading to the adjustment to post pandemic lifestyle, the Board expects better</p>



## APPENDIX B

**QUESTIONS RECEIVED FROM THE SHAREHOLDERS OF THE COMPANY**

<b>No.</b>	<b>Question</b>	<b>Response</b>
	<p>a negative working capital that needs funding assistance from other business units within the company.</p> <p>Apart from the challenges faced with the pandemic, kindly share with us our company plans to turnaround the business with our current resources.</p>	<p>performance by the F&amp;B division. In addition, with the increase in footfall traffic at our EkoCheras mall (under the Property Investment division), we expect lesser assistance to be provided to tenants moving forward. We are also now able to continue with our physical sales and marketing activities for the property development segment which is expected to be the most effective sales method. We are currently engaging with market experts with the aim to increase sales and profitability for the respective division.</p>
24.	<p><b><u>Agenda 4 – Resolution 5</u></b></p> <p>The Benefits of RM 200,000 mentioned here covers only the Allowances and Benefits-in-Kind are excluded. Please correct me if I am wrong.</p> <p>As disclosed in the Corporate Governance Overview Statement in page 41, the Allowances amount is RM 198,000, while Benefits-in-Kind is RM 134,450.</p> <p>Could you elaborate what have been included in the Benefits-in-Kind and why these do not require for the shareholders' approval?</p>	<p>The benefit in kinds of RM134,450 is within the approval of RM200,000, the allowance is in fact the directors' fees at the subsidiary level.</p>



## APPENDIX B

**QUESTIONS RECEIVED FROM THE SHAREHOLDERS OF THE COMPANY**

No.	Question	Response
<b>Mr. Kuan Lay Ming, a shareholder, enquired on the following:-</b>		
25.	There are sources mentioned that the HSR will be resume, anything that the Company can share with us.	The Company is unable to comment on the HSR Project. We are always willing to take on new projects if the opportunity presents itself.
<b>Mr. Lau Chuan Hooi, a shareholder, enquired on the following:-</b>		
26.	How much is cost saving of the virtual meeting as compare to physical one.	The Board intend to conduct the 36th AGM exclusively online in an effort to curb the spread of the COVID-19.
<b>Mr. Lim Jit Thin, a shareholder, enquired on the following:-</b>		
27.	I would like to request a printed copy of the annual report.	The Company will arrange a copy of the annual report to shareholder
28.	The Presentation screen is too small to view	We noted your request and will improve in future General Meeting.



## APPENDIX B

**QUESTIONS RECEIVED FROM THE SHAREHOLDERS OF THE COMPANY**

No.	Question	Response
<b>Mr. Loo Yeo Ming, a shareholder, enquired on the following:-</b>		
29.	Propose to give increased dividend and frequency to shareholders.	We take note on this matter.
30.	<p>Noted on the voting for increased of Directors fees and benefits, what will the shareholders expect from you for the next financial year e.g. doubles net profits, double dividends, door gift etc.</p> <p>If the Board unable to achieve this, will the board takes, a pay cut or VSS as Shareholders expect a positive return from the Company. What is the monetary values that Board do, that make shareholders have confidence in you?</p>	The executive directors are taking a significant wage reduction and all staff are multitasking as a consequence of this COVID-19.
31.	Any succession planning for Directors who have reach retirement as shareholders want Directors who can contribute positively to the net profits, compete fairly etc. So shareholders have confidence in you to steer the company to greater heights.	The company has implemented a succession plan. Taking the example of Lim Chen Thai, who was named Executive Director at 27 years of age.





## APPENDIX B

**QUESTIONS RECEIVED FROM THE SHAREHOLDERS OF THE COMPANY**

No.	Question	Response
<b>Mr. Lee Mun Hoe, a shareholder, enquired on the following:-</b>		
32.	When the physical AGM will resume? I found out that disadvantage outweigh the benefits of attending virtual meeting AGM due to no mutual interaction and lack of transparency.	We will continue to follow the Standard Operation Procedure in accordance with the Government's directive to curb the spread of COVID-19.
33	What kind of ways that company intends to increase share price of the Company? Company can look on how successful of the small such as Genetec, Dnex, Kesm and Vitrox.	There is no set price for a share as the price is determined by the market.
<b>Mr. Hiu Chee Keong, a shareholder, enquired on the following:-</b>		
34.	Did the Company get any help from Government covid 19 stimulus package?	The company has received a wage subsidy of around RM1.4 million from the government.



## APPENDIX B

**QUESTIONS RECEIVED FROM THE SHAREHOLDERS OF THE COMPANY**

No.	Question	Response
<b>Mr. Leong Wai Hong, a shareholder, enquired on the following:-</b>		
35.	Please add a presentation on company performance and outlook in the beginning of the meeting.	We noted your request and will improve in future General Meeting.
<b>Mr. Lee Eng Shan, a shareholder, enquired on the following:-</b>		
36.	Is there any conflict of interest for Lim Seong Hai Capital Berhad to also be in the development/ construction business competing against Ekovest? When is management going to spin-off the toll concession business?	<p>Tan Sri Datuk Seri Lim Keng Cheng is the managing director of Ekovest Berhad and serves as the non-executive chairman of Lim Seong Hai Capital Berhad. Lim Seong Hai Capital Berhad's businesses operate independently.</p> <p>As for the spin-off toll business, we are aggressively involved and have made several proposals, hoping that the government will accept them.</p>

# EKOVEST BERHAD

The 36th Annual General Meeting conducted fully on a virtual basis through Online Meeting Platform at <https://dvote.my> on Monday, 13 December 2021 at 10:30 a.m.

## Poll Result

Date :13/12/2021

RESOLUTION	FOR		AGAINST		Total Votes Present And Voted	%
	No. of Votes	%	No. of Votes	%		
OR-Resolution 1	955,103,091 148	99.991838	77,960 17	0.008162	955,181,051	100.000000
OR-Resolution 2	954,932,039 139	99.973930	249,012 26	0.026070	955,181,051	100.000000
OR-Resolution 3	955,100,139 141	99.991529	80,912 24	0.008471	955,181,051	100.000000
OR-Resolution 4	955,021,527 125	99.984320	149,774 38	0.015680	955,171,301	100.000000
OR-Resolution 5	954,834,841 113	99.964461	339,460 50	0.035539	955,174,301	100.000000
OR-Resolution 6	955,122,891 151	99.993953	57,760 13	0.006047	955,180,651	100.000000
OR-Resolution 7	T1	830,526,125 13	100.000000	0 0	830,526,125	100.000000
	T2	124,380,411 121	99.780100	274,115 30	124,654,526	100.000000
OR-Resolution 8	954,980,166 133	99.979534	195,485 30	0.020466	955,175,651	100.000000
OR-Resolution 9	96,716,086 117	99.908202	88,865 25	0.091798	96,804,951	100.000000

