



EkoVest Berhad
Registration No: 198501000052 (132493-D)
(Incorporated in Malaysia)

**Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
Bursa Malaysia Securities Berhad**

Notes to the Interim Financial Report (1st Quarter - 30 September 2019)

A1 Basis of Preparation

The condensed interim financial statements are unaudited and have been prepared in compliance with the Malaysian Financial Reporting Standards ('MFRS') 134: Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad. The condensed interim financial statements should be read in conjunction with the Group's annual reports and financial statements for the year ended 30 June 2019.

1.1 Changes in Accounting Policies

The significant accounting policies, methods of computation and basis of consolidation adopted are consistent with those of the most recent audited financial statements for the year ended 30 June 2019, except for the adoption of the following MFRSs, Amendments to MFRSs and Issues Committee Interpretation ("IC Interpretation") that are effective for the Group from 1 July 2019:

MFRS 16	Leases
IC Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
Amendments to MFRS 3, MFRS 11, MFRS 112 and MFRS 123	Annual Improvements to MFRS Standards 2015-2017 Cycle

The adoption of the above MFRSs, Amendments to MFRSs and IC Interpretation does not have significant impact on the financial position and financial performance of the Group nor any of the Group's significant accounting policies, other than MFRS 16 as disclosed below:

MFRS 16 Leases

MFRS 16 replaces MFRS 117 Leases, IC Interpretation 4, Determining whether an Arrangement contains a Lease, IC Interpretation 115, Operating Leases – Incentives and IC Interpretation 127, Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

The standard includes two recognition exemptions for lessees-leases of 'low-value' assets and short-term leases (i.e. leases with a lease term of 12 months or less). At the commencement of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset to profit or loss.



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1.1 Changes in Accounting Policies (cont'd)

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (i.e. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in MFRS 117. Therefore, MFRS 16 did not have an impact for leases where the Group is the lessor.

On 1 July 2019, the Group adopted the modified retrospective approach and not restate prior year/period comparatives information which remain as previously reported under MFRS 117 and related interpretations.

The Group made use of the transition practical expedient in the standard to not recognise lease arrangements for which the lease term ends within 12 months of the date of initial application. The Group has elected, on a lease-by-lease basis, to recognise the right-of-use assets at the amount equal to the lease liabilities, hence, there were no impact to the retained earnings brought forward as at 1 July 2019.

The effects of adopting MFRS 16 to the Group as at 1 July 2019 were as follows:

**Group
Statements of Financial Position**

	30 June 2019	Changes	1 July 2019
	RM'000	RM'000	RM'000
Non-current assets			
Right-of-use assets	-	11,431	11,431
	=====	=====	=====
Non-current liabilities			
Lease liabilities	-	8,816	8,816
	=====	=====	=====
Current liabilities			
Lease liabilities	-	2,615	2,615
	=====	=====	=====



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A2 Audit Report

The preceding annual financial statements of the group were not qualified.

A3 Seasonal or Cyclical Factors

Although seasonal or cyclical changes have minimal impact on the operations of the Group, the business is nevertheless susceptible to the vagaries of the construction and property development industries.

A4 Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the period under review.

A5 Changes in the Estimates of Amount Reported Previously With Material Effect in Current Interim Period

Not applicable.

A6 Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review.

A7 Dividend

The Directors have proposed, subject to shareholders approval in the forth coming annual general meeting to be convened on 27 November 2019, a first and final single tier dividend of 1 sen per ordinary share amounting to RM26,548,280 for the financial year ended 30 June 2019. If approved, the said dividend will be paid on 12 December 2019 to members whose name appear in the Record of Depositors on 29 November 2019.

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A8 Segmental Information

Segmental information is presented in respect of the Group's business segment. Transactions between segments were entered into in the normal course of business and were established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

	INDIVIDUAL PERIOD			CUMULATIVE PERIOD		
	Current Year Quarter (Unaudited)	Preceding Year Corresponding Quarter (Unaudited)		Current Financial Year (Unaudited)	Preceding Financial Year (Unaudited)	
	30/09/2019 RM'000	30/09/2018 RM'000	Changes %	30/09/2019 RM'000	30/09/2018 RM'000	Changes %
<u>Revenue</u>						
Construction operations	286,552	164,031	74.69	286,552	164,031	74.69
Property development	3,162	97,254	(96.75)	3,162	97,254	(96.75)
Toll operations	46,248	43,337	6.72	46,248	43,337	6.72
Investment holding and others	10,833	263	40.19	10,833	263	40.19
Total	346,795	304,885	13.75	346,795	304,885	13.75
<u>Gross profit</u>						
Construction operations	35,558	48,583	(26.81)	35,558	48,583	(26.81)
Property development	696	31,280	(97.77)	696	31,280	(97.77)
Toll operations	35,613	33,901	5.05	35,613	33,901	5.05
Investment holding and others	3,696	70	5,180.00	3,696	70	5,180.00
Total	75,563	113,834	(33.62)	75,563	113,834	(33.62)

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A8 Segmental Information (Cont'd)

	INDIVIDUAL PERIOD			CUMULATIVE PERIOD		
	Current Year Quarter (Unaudited)	Preceding Year Corresponding Quarter (Unaudited)		Current Financial Year (Unaudited)	Preceding Financial Year (Unaudited)	
	30/09/2019 RM'000	30/09/2018 RM'000	Changes %	30/09/2019 RM'000	30/09/2018 RM'000	Changes %
Other income	85,165	2,491	3,318.91	85,165	2,491	3,318.91
Administrative and general expenses	(44,504)	(15,644)	(184.48)	(44,504)	(15,644)	(184.48)
Share of result of associate	(1,192)	-	NM	(1,192)	-	NM
<u>Profit before interest and tax</u>	115,032	100,681	14.25	115,032	100,681	14.25
Interest income	10,239	5,501	86.13	10,239	5,501	86.13
Interest expense	(38,515)	(46,802)	17.71	(38,515)	(46,802)	17.71
<u>Profit before tax</u>	86,756	59,380	46.10	86,756	59,380	46.10

NM – not meaningful

A9 Revaluation of Property, Plant and Equipment

There were no amendments in the valuation amount of revalued assets brought forward to the current quarter ended compared to most recent annual financial statements.

A10 Material Subsequent Event

On 25 October 2019, the Board of Directors of Ekovest announced that the Company provided an irrevocable undertaking to PLS Plantations Berhad (“PLS”), a 30.44% owned associated company to subscribe in full all of its rights entitlement under the Proposed Rights Issue by PLS (“Undertaking”). This is in relation to the proposed renounceable rights issue by PLS of up to 1,052,100,000 new redeemable preference shares (“RPS”) in PLS at an issue price of RM1.00 per RPS on the basis of two(2) RPS for every 1 ordinary shares held in PLS on an entitlement date to be determined and announced by the Board of Directors of PLS at a later date.



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Pursuant to the Undertaking, EkoVest will subscribe for its rights entitlement of not less than 213,514,600 RPS with an aggregate sum of not less than RM213,514,600.

Other than disclosed above and in Note B11(c), there is no other material event subsequent to the end of the current quarter.

A11 Changes in Composition of the Group

There were no changes in the composition of the Group during the quarter under review.

A12 Contingent Liabilities

There were no changes in contingent liabilities subsequent to the quarter and period ended 30 September 2019.

A13 Capital Commitments

Capital commitments of the Group as at 30 September 2019 are as follows -

	RM '000
Approved and contracted for capital expenditure in respect of :	
- concession assets	1,326,702

A14 Significant Related Party Transactions

The Group has significant related party transactions with companies in which certain directors of the Company have interests, as follows:

	3 months ended 30 September 2019 RM'000
With company in which certain Directors of the Company, have interests:	
Besteel Engtech Sdn Bhd	5,623
Knusford Construction Sdn Bhd	24,339
Knusford Marketing Sdn Bhd	5,942

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B1 Financial Review

Financial review for current quarter

	Individual Period (4 th Quarter)		Changes	
	Current Year Quarter (Unaudited)	Preceding Year Corresponding Quarter (Unaudited)	RM'000	%
	30/09/2019 RM'000	30/09/2018 RM'000		
Revenue	346,795	304,885	41,910	13.75
Gross profit	75,563	113,834	(38,271)	(33.62)
Profit before interest and tax	115,032	100,681	14,351	14.25
Profit before tax	86,756	59,380	27,376	46.10
Profit after tax	60,622	40,914	19,708	48.17
Profit attributable to owners of the Company	63,318	43,867	19,451	44.34

Current quarter (“1Q 2020”) against preceding year corresponding quarter (“1Q 2019”)

For the 1Q 2020, the Group registered revenue of RM346.795 million and profit before tax of RM86.756 million as compared to revenue of RM304.885 million and profit before tax of RM59.380 million reported in the 1Q 2019. The increase in the Group’s profit before tax for this current quarter was mainly due to the receipt of a facilitation fund for the infrastructures at Jalan Cheras including elevated ramps and U-turn at Cheras roundabout, main drain, flood mitigation, road widening & soil nailing works from the government.

The performance of the respective operating business segments for the 1Q 2020 under review as compared to the 1Q 2019 is analysed as follow:

Construction operations

The construction sector reported a higher revenue of RM286.552 million for the 1Q 2020 as compared to RM164.031 million in 1Q 2019. The increase in revenue in the 1Q 2020 was mainly due to the higher construction work done recognized for Duke Phase 3. The construction works on River Of Life projects also contributed to the increase in the revenue for this current quarter. However, the gross profit for the 1Q 2020 is lower than 1Q 2019 due to additional costs incurred in finalising certain prior year construction projects.



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B1 Financial Review (cont'd)

Financial review for current quarter

Property development

The property development segment reported lower revenue of RM3.162 million and a gross profit of RM0.696 million as compared to a revenue of RM97.254 million and a gross profit of RM31.280 million in the preceding year corresponding quarter. Lower revenue and gross profit were due to the completion and hand over of the 3 blocks of service apartments in EkoCheras.

Toll operations

The toll operations sector registered a higher revenue of RM46.248 million in 1Q 2020 as compared to RM43.337 million in 1Q 2019. There is an increase of approximately 6.72% in the toll revenue due to the increase in traffic volume. As a result of the increased revenue, the sector reported a higher gross profit of RM35.613 million in 1Q 2020 as against RM33.901 million in 1Q 2019.

Investment holding and others

Revenue for the current quarter increased from RM0.263 million to RM10.833 million arising from the recognition of rental income of RM7.675 million from the EkoCheras Shopping Mall and revenue of RM3.114 million from the food and beverage related activities. The gross profit from EkoCheras Shopping Mall and the food and beverage activities stood at RM1.894 million and RM1.908 million respectively. However, both sectors reported an operating loss of RM0.541 million and RM2.241 million respectively during the quarter under review.

**Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
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B1 Financial Review (cont'd)

Financial review for financial year to date

	Cumulative Period		Changes	
	Current Year To- Date (Unaudited)	Preceding Year Corresponding Period (Unaudited)		
	30/09/2019 RM'000	30/09/2018 RM'000	RM'000	%
Revenue	346,795	304,885	41,910	13.75
Gross profit	75,563	113,834	(38,271)	(33.62)
Profit before interest and tax	115,032	100,681	14,351	14.25
Profit before tax	86,756	59,380	27,376	46.10
Profit after tax	60,622	40,914	19,708	48.17
Profit attributable to owners of the Company	63,318	43,867	19,451	44.34

Current year to date (“YTD 2020”) against preceding year corresponding period (“YTD 2019”)

For the YTD 2020, the Group registered a revenue of RM346.795 million and profit before tax of RM86.756 million as compared to the revenue of RM304.885 million and profit before tax of RM59.390 million reported in YTD 2019. Please refer to the above for the analysis of the performance of the respective operating business segments.

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B2 Comparison with preceding quarter results

Financial review for current quarter compare with immediate preceding quarter

	Current Quarter (Unaudited)	Immediate Preceding Quarter (Audited)	Changes	
	30/09/2019	30/06/2019	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	346,795	338,499	8,296	2.45
Gross profit	75,563	110,583	(35,020)	(31.67)
Profit before interest and tax	115,032	102,098	12,934	12.67
Profit before tax	86,756	57,599	29,157	50.62
Profit after tax	60,622	16,669	43,953	263.68
Profit attributable to owners of the Company	63,318	23,298	40,020	171.77

The Group recorded a revenue of RM346.795 million and profit before tax of RM86.756 million in the current quarter as compared to revenue of RM338.499 million and profit before tax of RM57.599 million in the immediate preceding quarter.

Group revenue has increased as compared to immediate preceding quarter mainly due to higher construction workdone recognized. Despite an increase in revenue for the current quarter, the gross profit was lower, due to losses recorded for the shopping mall and food & beverage activities. However, the Group's profit before tax for this current quarter is higher as compared to immediate preceding quarter mainly due to the receipt of a facilitation fund for the infrastructures at Jalan Cheras including elevated ramps and U-turn at Cheras roundabout, main drain, flood mitigation, road widening & soil nailing works from the government.

B3 Prospects

The Board expects the ongoing construction of SPE, River of Life beautification packages, the toll revenue and the sales of completed properties units will continue to contribute positively to the Group's turnover and profitability in the current financial year. The Company is working closely with the Government on various infrastructure projects which has been proposed to the Government. In addition, the Company is also working together with the local partners in Sabah and Sarawak to tender and secure construction contracts directly from the Government. The Board is hopeful that the Company is able to secure some of these projects.

Barring any unforeseen circumstances, the Board is confident that the Group's performance would remain satisfactory for the current financial year.



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B4 Forecast/Profit Guarantee

There is no profit guarantee or financial forecast for the current quarter and for the year.

B5 Taxation

	Current quarter ended 30 September 2019	3 months ended 30 September 2019
	RM '000	RM '000
Malaysian taxation		
- current	25,471	25,471
- deferred	663	663
	<hr/>	<hr/>
	26,134	26,134
	<hr/>	<hr/>

The effective tax rate for the quarter is higher than the statutory tax rate mainly due to the losses incurred by certain subsidiaries and certain expenses not being deductible for tax purposes.

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B6 Group Borrowings

Current Liabilities	CURRENT 1st QUARTER ENDED 30 SEPTEMBER 2019 RM '000	PRECEDING YEAR CORRESPONDING PERIOD 30 SEPTEMBER 2018 RM '000
Bank overdraft		
-secured	10,841	34,460
-unsecured	1,082	990
Bank Term Loans-secured	14,773	19,828
Medium term notes	22,489	16,215
Revolving credit-secured	620,850	443,388
	<u>670,035</u>	<u>514,881</u>

Non-current Liabilities	CURRENT 1st QUARTER ENDED 30 SEPTEMBER 2019 RM '000	PRECEDING YEAR CORRESPONDING PERIOD 30 SEPTEMBER 2018 RM '000
Bank Term Loans-secured	321,049	450,004
Medium term notes	-	18,758
Islamic medium term notes	5,405,937	5,392,835
	<u>5,726,986</u>	<u>5,861,597</u>

The increase in the Group's borrowing as compared to the preceding year corresponding period is mainly for the purpose of construction projects financing.

**Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
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B7 Material Litigation

Save as disclosed below as at 30 September 2019, neither the Company nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and the Board are not aware and do not have any knowledge of any proceedings, pending or threatened against the Group or any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Company and its subsidiaries :

A dispute arose between our Company (“**Plaintiff**”) and Shapadu Construction Sdn Bhd (“**Shapadu**”) or (“**Defendant**”) in respect of five (5) packages of sub-contract work under the New North Klang Straits Bypass Highway Project (“**Project**”). The holding company of the Defendant i.e. Lebuhraya Shapadu Sdn Bhd (“**Lebuhraya Shapadu**”), is the employer of the Project.

Our claims against the Defendant are, *inter alia*, the following:

- (i) the sum of RM29,558,720.93 on quantum meruit for loss and damage under the sub-contract; and/or alternatively; and
- (ii) the sum of RM7,459,356.15 being the uncertified value of work done and the sum of RM8,217,960.68 being retention monies in respect of work executed and the value of goods and material delivered under the sub-contract.

The Defendant's counter claims against our Company are, *inter alia*, the following:

- (i) the sum of RM33,010,000.00 allegedly being the liquidated ascertained damages (“**LAD**”) due to the Defendant;
- (ii) the sum of RM30,700,000.00 being the LAD due to Lebuhraya Shapadu;
- (iii) the sum of RM2,008,868.93 as an indemnity for failure to carry-out and maintain the work;
- (iv) the sum of RM22,189,859.75 as an indemnity for the cost of completion;
- (v) the sum of RM8,298,455.65 as indemnity for damages suffered by Lebuhraya Shapadu in completing the work; and
- (iv) the sum of RM2,006,101.39 as an indemnity for the loss and expense suffered by Lebuhraya Shapadu.

On 1 August 2000, we issued a notice to arbitrate and the hearing of the arbitration commenced on 14 August 2006. Both the Plaintiff and Defendant have closed their cases and the hearing for the arbitration was adjourned to a date to be fixed. The arbitration proceeding is kept in abeyance pending settlement of the dispute.. As at the LPD, the parties have yet to finalise a settlement proposal.

Our Directors are of the opinion that the financial impact on our Group is minimal since we had sub-contracted all the relevant work to a third party on a “back-to-back” basis, and the third party sub-contractor has agreed to indemnify us against any losses or damages that we may suffer in the event Shapadu’s counter claim is allowed by the court.

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B7 Material Litigation (cont'd)

Further, we had sought legal advice in respect of the counter claim made by Shapadu and our solicitors are of the opinion that we have a reasonable prospect of defending the claim particularly when the employer has not taken action against the Defendant since most of the claims are on indemnity basis. On that premises, this dispute with Shapadu is not envisaged to have any material adverse impact on the financial position of our Group.

B8 Dividend

The Directors have proposed, subject to shareholders approval in the forth coming annual general meeting to be convened on 27 November 2019, a first and final single tier dividend of 1 sen per ordinary share amounting to RM26,548,280 for the financial year ended 30 June 2019. If approved, the said dividend will be paid on 12 December 2019 to members whose name appear in the Record of Depositors on 29 November 2019.

B9 Earnings Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30 September 2019 (Unaudited)	Preceding year corresponding quarter 30 September 2018 (Unaudited)	Current year to-date 30 September 2019 (Unaudited)	Preceding year Corresponding Period 30 September 2018 (Unaudited)
(a) Basis earnings per share				
Net profit attributable to owners of the Company (RM'000)	63,318	43,867	63,318	43,867
Weighted average number of ordinary share issue (‘000)	2,654,828	2,139,238	2,654,828	2,139,238
Basic earnings per ordinary share (sen)	<u>2.39</u>	<u>2.05</u>	<u>2.39</u>	<u>2.05</u>
(b) Diluted earnings per ordinary share (sen)	<u>2.39</u>	<u>2.05</u>	<u>2.39</u>	<u>2.05</u>

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B10 Notes to the Statement of Profit or Loss and Other Comprehensive Income

	Current quarter ended 30 September 2019 RM '000	3 months ended 30 September 2019 RM '000
Profit before tax is stated after charging / (crediting) :		
Interest income	(10,239)	(10,239)
Other income including investment income	(85,165)	(85,165)
Interest expense	38,515	38,515
Depreciation and amortization	10,998	10,998

B11 Corporate Exercises
B11 (a)

The Board of Directors of Ekovest Berhad ("**Board**"), had on 21 September 2016, announced our wholly-owned subsidiary, Nuzen Corporation Sdn Bhd ("**Nuzen**") had entered into a binding term sheet with Employees Provident Fund Board ("**EPF**") to dispose a 40% equity interest held in Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd ("**Kesturi**") to EPF.

On 8 November 2016, on behalf of the Board of Directors of Ekovest ("**Board**"), CIMB Investment Bank Berhad ("**CIMB**"), Astramina Advisory Sdn Bhd ("**Astramina**") and AmInvestment Bank Berhad ("**AmInvestment**") announced that Nuzen had entered into a conditional share sale agreement ("**SSA**") with EPF for the disposal of:

- (i) 3,440,400 ordinary shares of RM1.00 each in Kesturi, a wholly-owned subsidiary of Nuzen; and
- (ii) 18,000,000 redeemable preference shares of RM1.00 each in Kesturi,

which represents 40% of the issued and paid-up share capital of Kesturi, for a total cash consideration of RM1,130.0 million, subject to the terms and conditions contained in the SSA ("**Disposal**").



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B11 Corporate Exercises (cont'd)

In addition, the Company proposes to undertake the following:

- (i) proposed share split involving the subdivision of every two (2) existing ordinary shares of RM0.50 each into five (5) ordinary shares of RM0.20 each in EkoVest held on an entitlement date to be determined and announced later ("**Share Split**"); and
- (ii) proposed amendments to the Company's Memorandum and Articles of Association to facilitate the implementation of the Share Split ("**Amendments**").

On 18 November 2016, it was announced that the applications relating to the Share Split have been submitted to Bursa Malaysia Securities Berhad ("**Bursa Securities**") and on 22 December 2016 announced that Bursa Securities resolved to approve the Share Split and listing of and quotation for up to 183,310,470 additional warrants arising from the adjustments to be made pursuant to the Share Split and up to 183,310,470 subdivided shares to be issued arising from the exercise of additional warrants, on the Main Market of Bursa Securities.

On 19 January 2017, the shareholders of the Company have approved the resolutions in respect of the Disposal, Share Split and Amendments.

The Disposal has been completed on 13 February 2017 and in accordance with the terms of the Share Sale Agreement, Nuzen and EPF have entered into the Shareholders' Agreement on 13 February 2017.

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B11 Corporate Exercises (cont'd)

The status of utilisation of proceeds raised from the Proposed Disposal which was completed on 13 February 2017 are as follows:

Purpose	Gross Proceeds (RM '000)	Actual Utilisation (RM '000)	Balance (RM '000)	Deviation (RM '000)	Intended Timeframe for Utilisation
Repayment of borrowings	400,000	400,000	Nil	Nil	Within 6 months
Distribution to shareholders of Ekovest (Note 1)	Between 213,862 and 244,414	213,920	Nil	Nil	Within 6 months
Exit Payment	149,000	Nil	149,000	Nil	(Note 2)
General corporate and working capital	Between 325,168 and 355,720	355,662	Nil	Nil	Within 24 months
Estimated expenses for the Proposal	11,418	11,418	Nil	Nil	Within 6 months
	<u>1,130,000</u>	<u>981,000</u>	<u>149,000</u>		

Remarks :

The total cash consideration for this Proposed Disposal is RM1,130.0 million, which is payable in the following manner :

- On the completion date, EPF shall pay to Nuzen the completion sum of RM921.0 million; and
- Within 7 Business Days following the receipt by Nuzen of a copy of the CPC for Duke Phase-2, EPF shall pay to Nuzen the CPC payment of RM209.0 million, of which the Exit Payment of RM149.0 million is to be deposited into the Designated Accounts and Nuzen shall retain the Exit Payment and all Accrued Income.

Note (1) : The Proposed Distribution represents a cash dividend of RM0.25 per share. The Proposed Dividend has been paid on 8 March 2017 amounting to RM213.92 million. The actual amount paid to the shareholders of the Company is based on the Company's shares outstanding as the entitlement date.

Note (2) : Nuzen is entitled to the full legal and beneficial rights and title to the Exit Payment amounting to RM149.0 million and the Accrued Income but is obligated to retain the Exit Payment and the Accrued Income in the Designated Account. As at to-date, Nuzen has received the CPC Payment which includes the Exit Payment. Amount received to-date is RM1,130.0 million only.

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B11 Corporate Exercises (cont'd)

B11 (b)

On 25 April 2019, the Company had submitted an application to Bursa Securities in respect of the listing and quotation of up to 256,446,959 placement shares to be issued pursuant to the private placement of up to 10% of the total number of issued shares of EkoVest, on the Main Market of Bursa Securities which was subsequently approved on 29 April 2019.

The issue price for the first tranche of the private placement has been fixed on 6 May 2019 (“Price-Fixing Date”) at RM0.83 per Placement Share (“First Tranche”). The First Tranche comprised up to 214,812,359 Placement Shares, calculated based on 10% of the total number of issued shares of EkoVest as at 3 May 2019. The issue price of RM0.83 per placement share represents a discount of approximately 7.12% to the five (5)-day volume weighted average market price of EkoVest Shares up to and including 3 May 2019.

On 16 May 2019, the first tranche of the private placement comprising 214,800,000 placement shares has been completed following the listing and quotation of 214,800,000 placement shares on the Main Market of Bursa Securities. The remaining placement shares not issued under the First Tranche will be issued in subsequent tranches within six (6) months from 29 April 2019, being the date of Bursa Securities’ approval letter for the listing and quotation of the placement shares on the Main Market of Bursa Securities. Subsequently, Bursa Securities had vide its letter dated 23 October 2019, granted an extension of time until 29 April 2020 for the Company to complete the implementation of the Private Placement.

The status of utilisation of proceeds raised from the Proposed Placement which was completed on 16 May 2019 are as follows:

Purpose	Gross Proceeds (RM ‘000)	Actual Utilisation (RM ‘000)	Balance (RM ‘000)	Deviation (RM ‘000)	Intended Timeframe for Utilisation
Repayment of bank borrowings	100,000	100,000	Nil	Nil	Within 6 months
Property development projects	64,000	Nil	64,000	Nil	Within 18 months
General working capital	14,044	14,044	Nil	Nil	Within 6 months
Estimated expenses in relation to the Proposed Placement	240	240	Nil	Nil	Within 6 months
	178,284	73,884	104,400		

**Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
Bursa Malaysia Securities Berhad**

B11 Corporate Exercises (cont'd)

B11 (c)

On behalf of the Board of Directors of Ekovest (“Board”), RHB Investment Bank Berhad (“RHB Investment Bank”) and Astramina Advisory Sdn Bhd (“Astramina”) announced that Timur Terang Sdn Bhd (“TTSB”), a wholly-owned subsidiary of Ekovest, had on 21 November 2019, entered into the following agreements:

- (i) a conditional sale and purchase agreement with Iskandar Waterfront Holdings Sdn Bhd (“IWH”) and Ekovest to acquire 17 parcels of freehold development land held under Title Nos. HSD 459 to HSD 475, Lot Nos. 3742 to 3758, all in the Mukim of Pulai, District of Johor Bahru, State of Johor, measuring approximately 30.49 hectares or 75.34 acres in aggregate from IWH for a total purchase consideration of approximately RM869.69 million which will be satisfied in the following manner:
 - (a) approximately RM849.89 million through the issuance of 849,887,600 ICPS at an issue price of RM1.00 per ICPS; and
 - (b) approximately RM19.80 million in cash (“Proposed Acquisition 1”); and
- (ii) a conditional sale and purchase agreement with IWH to acquire three (3) parcels of freehold development land held under Title Nos. GRN 90574, GRN 90575 and GM 1424, Lot Nos. 728, 729 and 4354 respectively, all in the Mukim of Pulai, District of Johor Bahru, State of Johor, measuring approximately 6.32 hectares or 15.61 acres in aggregate from IWH for a total purchase consideration of approximately RM180.20 million (“Purchase Consideration 2”) which will be fully satisfied in cash (“Proposed Acquisition 2”).

In order to facilitate the issuance of the ICPS pursuant to the Proposed Acquisition 1, the Company also proposes to amend and/or include certain clauses in the existing Constitution of the Company (“Proposed Amendments”).

The above Proposals are subject to and conditional upon approvals being obtained from the following:

- (i) shareholders of Ekovest at an EGM to be convened;
- (ii) Bursa Securities for the listing and quotation of the Conversion shares on the Main Market Bursa Securities; and
- (iii) Any other relevant authorities and/or parties, if required.

The Proposed Acquisition 1 and Proposed Acquisition 2 are conditional upon each other. The Proposed Amendments are conditional upon the Proposed Acquisitions.

The Proposals are not conditional upon any other corporate proposal undertaken or to be undertaken by the Company.

Other than the above, there is no corporate proposals announced but not completed as at the date of this quarterly report.