EKOVEST BERHAD ("EKOVEST" OR "COMPANY")

(I) PROPOSED TRANSFER OF 100% OF THE ORDINARY SHARES OF RM1.00 EACH IN WIRA KRISTAL SDN BHD ("WIRA KRISTAL") IN EXCHANGE FOR NEW ORDINARY SHARES OF RM1.00 EACH IN EKOVEST ("PROPOSED SHARE EXCHANGE"); AND

(II) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL ("PROPOSED IASC") OF THE COMPANY

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

---

1. INTRODUCTION

On behalf of the Board of Directors of Ekovest ("**Board**"), we wish to announce that Ekovest had, on 30 January 2012, entered into a share exchange agreement with Dato' Lim Kang Hoo ("**Dato' Lim**") and Dato' Haris Onn bin Tun Hussein ("**Dato' Haris**") (collectively, "**WK Shareholders**") for the Proposed Share Exchange ("**Share Exchange Agreement**").

2. DETAILS OF THE PROPOSALS

2.1 Proposed Share Exchange

(i) Overview

Pursuant to the Share Exchange Agreement, the WK Shareholders will transfer 1,000,000 ordinary shares of RM1.00 each in Wira Kristal ("**WK Shares**"), representing 100% of the issued and paid-up ordinary share capital in Wira Kristal, to Ekovest, in exchange for 126,723,735 new ordinary shares of RM1.00 each in Ekovest ("**Ekovest Shares**") at an issue price of RM2.57 per share ("**Issue Price**"), subject to the adjustments as set out in Section 2.1(ix) below ("**Consideration Shares**"). Wira Kristal is held by the WK Shareholders, Dato' Lim (40%) and Dato' Haris (60%), respectively. The Consideration Shares will be issued to the WK Shareholders based on their respective shareholdings in Wira Kristal.

The WK Shareholders agree to assign, convey and transfer to Ekovest, the WK Shares free from all claims, charges, liens and encumbrances together with all rights attached thereto.

(ii) Information on Wira Kristal Group

Wira Kristal, which the WK Shares are held entirely by the WK Shareholders, is the 70% equity shareholder in Nuzen Corporation Sdn Bhd ("**Nuzen**"). In turn, Nuzen holds 100% equity interest in Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd ("**Kesturi**"). Wira Kristal together with Nuzen and Kesturi are collectively referred to as the "**Wira Kristal Group**".

Both Wira Kristal and Nuzen are investment holding companies, with Kesturi being the active operating subsidiary within the Wira Kristal Group. Kesturi is the concession holder of the Duta-Ulu Kelang Expressway ("**DUKE**") which has been fully operational since 30 April 2009. The DUKE is an 18-kilometer tolled expressway, which provides connectivity to the east-west route of the northern part of Kuala Lumpur. The DUKE's toll concession commenced on 11 August 2005 ("**Effective Date**") and ends on the 34th anniversary of the Effective Date, being in August 2039 ("**Concession Period**").

Further details on the Wira Kristal Group are set out in Appendix I of this announcement.

(iii) Basis of arriving at the Consideration

The purchase consideration was arrived at on an arm's length basis after taking into consideration, amongst others, Kesturi's cash flow generating capabilities, future earnings potential as well as the nature, risk and prospects of the DUKE.

(iv) Liabilities to be assumed

The Company will not be assuming any liabilities (including contingent liabilities and guarantees) pursuant to the Proposed Share Exchange, except for those incurred in the ordinary course of business of the Wira Kristal Group.

(v) Estimated additional financial commitment

As the DUKE has been fully operational since April 2009, the Company does not expect to incur any additional financial commitments to put the existing operations of the Wira Kristal Group on-stream. However, this does not take into account possible financial commitments, if any, should the Company decide to participate in any expansion of the DUKE after completion of the Proposed Share Exchange.

(vi) Basis of arriving at the Issue Price of the Consideration Shares

The Issue Price for the Consideration Shares of RM2.57 per Ekovest Share was agreed upon based on the five (5)-day volume weighted average price of Ekovest Shares up to 27 January 2012 of RM2.5686 (rounded up to the nearest sen), being the last trading day prior to the date of execution of the Share Exchange Agreement.

(vii) Ranking of the Consideration Shares

The Consideration Shares to be issued pursuant to the Proposed Share Exchange shall, upon allotment and issue, rank equally in all respects with the existing Ekovest Shares save that they shall not be entitled to any rights, allotments, entitlements, dividends and/or distributions, the entitlement date of which is prior to the date of allotment of such Consideration Shares.

(viii) Listing status of the Consideration Shares

The Consideration Shares will be listed on the Main Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**") subject to obtaining the necessary approvals.

(ix) Other salient terms of the Share Exchange Agreement

Other salient terms of the Share Exchange Agreement include:

(a) The Consideration shall be satisfied wholly by the issuance and allotment of the Consideration Shares on completion, being thirty (30) days from the date which all conditions precedent are fulfilled or waived.

(b) Ekovest shall be entitled to reduce the Consideration by adjusting downward the number of Consideration Shares ("**Adjusted Consideration**") in the event the actual aggregated net assets of the Wira Kristal Group as at 31 December 2011 ("**Actual NA**") is lower than the target aggregated net assets of the Wira Kristal Group of RM186,023,608 ("**Target NA**").

For the purpose of this clause, the Actual NA of the Wira Kristal Group means, the aggregate of the following:-

(aa) 70% of the net assets (excluding the Kesturi RPS A, as defined in Section 4.1 herein, and any interest accrued thereon) of Kesturi as at 31 December 2011;

(bb) 70% of the net assets (excluding investment in Kesturi) of Nuzen as at 31 December 2011; and

(cc) 100% of the net assets (excluding investment in Nuzen, the WK RPS, as defined in Section 4.1 herein, and any interest accrued thereon) of Wira Kristal as at 31 December 2011.

Further, the Adjusted Consideration shall be adjusted based on the result of the review of the audited financial statements of Kesturi, Nuzen and Wira Kristal as at 31 December 2011 by an independent accounting firm as stated in the Share Exchange Agreement and in accordance with the adjustment formula below:-

$$\text{Adjusted Consideration} = \frac{\text{Consideration} - (\text{Target NA} - \text{Actual NA})}{\text{RM}2.57}$$

For avoidance of doubt, there will be no upward adjustment to the Consideration and Consideration Shares and the Adjusted Consideration will be rounded down to the nearest one (1) Ekovest Share and the final consideration shall be such number of Adjusted Consideration multiplied by RM2.57.

(c) The Share Exchange Agreement shall be conditional upon the following being obtained, procured, fulfilled and/or waived within six (6) months (or other extended period) from the date of the Share Exchange Agreement:

(aa) the approval of the shareholders of Ekovest at a general meeting for the Proposals;

(bb) the approval of the Government of Malaysia ("**Government**") for the change in the ultimate shareholders of Kesturi, the concession holder of DUKE;

(cc) the approval of Bursa Securities for the listing of and quotation for the Consideration Shares;

(dd) the audited financial statements of Wira Kristal, Nuzen and Kesturi for the financial year ended 31 December 2011 being made available before the expiry of fourteen (14) days from the fulfilment of the condition in Section 2.1(ix)(c)(aa) above or such earlier date;

(ee) the satisfactory financial, legal and business due diligence in relation to the Wira Kristal Group; and

(ff) such other waivers, consents or approvals as may be required (or deemed necessary by the WK Shareholders and Ekovest) from any third party or governmental, regulatory body or competent authority having jurisdiction over any part of the Proposed Share Exchange;

(d) The completion of the Proposed Share Exchange is subject to the following conditions:

(aa) no event of default has occurred or would occur as a result of the completion;

(bb) the conditions precedent have been procured, obtained and/or fulfilled or waived by the parties;

(cc) there has been no material adverse change in the operation and financial condition of the Wira Kristal Group since the date of the Share Exchange Agreement;

(dd) each of the representations and warranties set out in the Share Exchange Agreement remains accurate at the date of completion as if given on that date by reference to the facts and circumstances then existing;

(ee) the WK Shareholders have not breached any undertakings, representations, warranties and covenants;

(ff) no Governmental entity shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, injunction or other order, whether temporary, preliminary or permanent, which is in effect and which has or would have the effect of making the transactions contemplated therein illegal or restraining or prohibiting consummation of such transactions; and

(gg) the concession agreement shall not be withdrawn or terminated for whatsoever reason;

(e) The WK Shareholders further covenant and undertake that they shall cause or procure Wira Kristal to deliver, within ten (10) market days from the completion date, the closing accounts of Wira Kristal, Nuzen and Kesturi at the completion date.

2.2 Proposed IASC

The present authorised share capital of the Company is RM200,000,000 comprising 200,000,000 Ekovest Shares of which 178,793,715 Ekovest Shares have been issued and fully paid-up as at 27 January 2012. To facilitate the issuance of the Consideration Shares pursuant to the Proposed Share Exchange, the Company proposes to increase its authorised share capital to RM1,000,000,000 comprising 1,000,000,000 Ekovest Shares. The Memorandum and Articles of Association of the Company are proposed to be amended accordingly.

2.3 Conditionality

The Proposed Share Exchange and the Proposed IASC are inter-conditional upon each other. The Proposals are not conditional upon any other corporate exercise or scheme of the Company.

3. RATIONALE FOR THE PROPOSALS

3.1 Proposed Share Exchange

The Ekovest group of companies ("**Ekovest Group**") is primarily involved in the construction sector, which is cyclical in nature. The Proposed Share Exchange will strengthen the revenue profile of Ekovest Group with an additional stable revenue stream earned via Kesturi through the operations of the DUKE.

Moving forward, the performance of the DUKE is expected to improve with the expected increase in traffic volumes over the duration of the Concession Period and hence is expected to provide recurring earnings to the Ekovest Group in future years.

3.2 Proposed IASC

The Proposed IASC is undertaken to enable Ekovest to increase its authorised share capital to accommodate the issuance of the Consideration Shares pursuant to the Proposed Share Exchange.

4. INFORMATION ON THE DUKE

4.1 Background

Ekovest was the main turnkey contractor for the design and construction of the DUKE and had also provided part of the funding for the said construction in the form of its investment in redeemable preference shares of RM1.00 each in Wira Kristal amounting to RM28,000,000 ("**WK RPS**"), redeemable preference shares Series A of RM1.00 each in Kesturi amounting to RM136,500,000 ("**Kesturi RPS A**") and subscription of RM35,000,000 in nominal value of redeemable secured junior bonds issued by Kesturi ("**Junior Bonds**").

Construction of the DUKE commenced in October 2005 and was completed in stages. It was opened for access to the public in phases commencing January 2009. In April 2009, the DUKE was fully operational and tollable.

The DUKE, an 18-kilometer long expressway, is a toll road which provides connectivity to the east-west route of the northern part of Kuala Lumpur. It effectively connects the North Klang Valley Expressway ("**NKVE**") on the west side of Kuala Lumpur to the Kuala Lumpur-Karak Highway in the north and the Middle Ring Road 2 in the east.

The DUKE is made up of three essential links - the Duta Link which runs from the NKVE's Projek Lebuhraya Utara-Selatan's ("**PLUS**") Duta Toll plaza and Sri Hartamas towards the east, connecting to main roads such as Jalan Kuching and Jalan Sentul. The Ulu Kelang Link continues eastwards from the Duta Link and crosses radial roads such as Jalan Semarak, Jalan Setiawangsa and Jalan Pahang. The Karak Link provides access to high density areas including Gombak and Batu Caves and is an important gateway to Genting Highlands, Karak and the east coast of Malaysia.

The expressway features an advanced traffic information and management system, and is equipped with modern facilities such as variable messaging signs, central control and monitoring as well as electronic tolling.

In addition, Ekovest had been informed that Kesturi is in the process of negotiating with the Government on the possible extension of the DUKE.

Currently the DUKE is revenue generating and cash flow positive. The toll revenue from the DUKE based on the audited financial statements of Kesturi as at 31 December 2010 amounted to RM62.8 million, and for the unaudited twelve (12) month period ended 31 December 2011 amounted to RM73.3 million, an increase of 16.7% over the previous year.

4.2 Concession Agreement

The Government had, vide its letter of exclusivity dated 10 May 2001, agreed to privatise the design, construction, operation and management of the DUKE ("**DUKE Project**") and award the DUKE Project to Kesturi.

On 12 August 2004, Kesturi entered into the concession agreement with the Government for the DUKE Project. The following are, amongst others, the principal salient terms of the concession agreement:

(i) the concession shall be for a period of 34 years commencing from the Effective Date and ending on the 34^{th} anniversary of the Effective Date;

(ii) the Concession Period may be extended, subject to agreement between Kesturi and the Government on the terms and conditions of such extension, no later than twelve (12) months prior to the expiry of the Concession Period;

(iii) Pursuant to the concession agreement, Kesturi shall be entitled to collect and retain tolls from motorists during the Concession Period. At the end of the Concession Period, Kesturi will hand over all rights and responsibilities in respect of the DUKE to the Government;

(iv) Kesturi shall undertake the DUKE Project on a Built, Operate and Transfer ("**BOT**") basis. The summary of responsibilities of the BOT arrangement of the DUKE Project is as follows:

    (a) to provide financing and to undertake the design, upgrading of existing roads and construction of new sections of the DUKE;

    (b) to operate (collect and retain tolls), manage and maintain the completed DUKE until expiry the Concession Period; and

    (c) to hand over the DUKE to the Government upon expiry of the Concession Period.

(Source: Circular to shareholders of Ekovest dated 6 October 2010)

5. PROSPECTS

The DUKE will remain an attractive alternative and in some cases, a primary access for the upcoming developments in Northern Klang Valley and will be a major east-west link in the northern corridor linking major conurbations such as:

- Sungai Buloh / Bandar Sri Damansara;
- Kepong / Bandar Sri Manjalara;
- Selayang / Jinjang;
- Petaling Jaya;
- Kota Damansara / Taman Tun Dr. Ismail / Bukit Lanjan;
- Sri Hartamas / Mont Kiara;
- Kuala Lumpur;
- Gombak / Sentul;
- Ampang / Ulu Kelang;
- Wangsa Maju / Melawati; and
- Melawati / Ukay Perdana.

In addition to providing a major link between the conurbations above, the DUKE with its toll free and dual-three lane upgrade of the Karak Link has now provided a major linkage to the Ulu Yam area where existing and future developments near the Universiti Islam Antarabangsa Malaysia are being planned.

Further, the DUKE will play an important role as an expressway link between the North South Expressway and the East Coast Expressway. This will help alleviate the traffic congestion on the Middle Ring Road 2 and other state and federal roads and thus, through traffic now has a dedicated expressway standard bypass from the east to the west and vice versa.

The future prospects of the DUKE will depend on future traffic volume which will generally be driven by the following factors:

(i) Malaysian economy and vehicle growth

Since the economic downturn in 1998, the growth in Malaysia's gross domestic product ("**GDP**") has been positive up until the subsequent economic downturn in 2008/2009 where the GDP shrank by -1.7% in 2009 but rebounded strongly at a rate of 7.2% in 2010. As a reference, the GDP growth for Selangor and Kuala Lumpur for 2010 was 10.8% and 9.2%, respectively. The national GDP growth for the six (6) most recent years as well as estimates for 2011 and 2012 is shown below:

Year	GDP Growth (%)
2005	5.3%
2006	5.8%
2007	6.2%
2008	4.6%
2009	-1.7%
2010	7.2%
2011(est)	4.6%
2012(est)	5.0%

- *Department of Statistics (2011), Estimates from Malaysian Institute of Economic Research, Executive Summary of the Malaysian Economic Outlook, October, 2011*

(Source: Traffic Report by Perunding Trafik Klasik Sdn Bhd)

The anticipated positive GDP growth of Malaysia in 2011 and 2012 is expected to contribute to a further increase in vehicle growth. The table below tabulates the growth in registered vehicles in Malaysia from 2005 to the 2010.

Year	National	Selangor	Kuala Lumpur
2005	7.1%	6.3%	9.0%
2006	7.2%	5.5%	7.7%
2007	6.5%	5.5%	7.4%
2008	6.9%	5.6%	7.8%
2009	5.7%	4.2%	6.7%
2010	6.2%	5.1%	7.2%

- *Jabatan Pengangkutan Jalan Malaysia (2011)*

(Source: Traffic Report by Perunding Trafik Klasik Sdn Bhd)

The national registration of vehicles since 2005 has been growing positively between 5.7% and 7.2%. Selangor and Kuala Lumpur have also registered favourable growth in vehicles registered over the years and this trend is expected to continue.

(ii) Population growth

Based on data from the Department of Statistics, Malaysia, the population of Malaysia has grown from 22.2 million in 2000 to 27.6 million in 2010. This corresponds to an average annual growth rate of 2.2% between 2000 and 2010.

During the same period, the population of Selangor and Kuala Lumpur grew at a rate of 3.2% and 2.2% per annum, respectively, to a combined population of 7.03 million in 2010. As a result, the proportion of the population of Selangor and Kuala Lumpur to the total Malaysian population increased from 23.6% to 25.5% in 2010.

Based on the projections stated in the Draft KL City Plan 2020 and the "Selangor Draft Structure Plan", Kuala Lumpur and Selangor are expected to achieve a combined population of 9.56 million in 2020 which represents an annual growth of 3.1% per annum from 2010 till 2020.

(Source: Traffic Report by Perunding Trafik Klasik Sdn Bhd)

(iii) Malaysian economy and vehicle growth

In 2000, Selangor and Kuala Lumpur's combined share of the total employment of the nation was 25.3% and 25.4% in 2010. However, for the same period, higher employment growth of 2.4% per annum was recorded in Selangor as compared to 0.5% in Kuala Lumpur.

Based on the projections stated in the Draft KL City Plan 2020, the employment growth in Kuala Lumpur is expected to grow at a rate of 2.6% per annum between 2010 and 2011. In addition, based on the "Selangor Draft Structure Plan", Selangor is projected to have an employment growth of 2.7% per annum between 2010 and 2020.

The table below depicts the amount of employed persons in Malaysia as a whole and specifically in Selangor and Kuala Lumpur:

	2000	2010	Growth per annum
Malaysia	9,269.2	11,129.4	1.8%
Kuala Lumpur	662.8	698.1	0.5%
Selangor	1,681.5	2,130.7	2.5%

- *Department of Statistics (2011)*

(Source: Traffic Report by Perunding Trafik Klasik Sdn Bhd)

(iv) Committed developments surrounding the DUKE

Planned future major developments along the highway corridor will also benefit from accessibility provided by the DUKE which in some cases will be beneficial for the success of these developments.

The DUKE in return will provide such developments with a more efficient road access to the Klang Valley region via the NKVE (western and southern catchments), Shah Alam Ulu Kelang Expressway (eastern and southern catchments), and Karak Link (northern catchments).

(Source: Traffic Report by Perunding Trafik Klasik Sdn Bhd)

6. RISK FACTORS

The Proposed Share Exchange is subject to certain risk factors which include, but are not limited to, the following:

(i) Future performance

The Consideration for the Proposed Share Exchange was arrived at after taking into account the basis described in Section 2.1(iii) above. The basis was derived from certain assumptions which include amongst others, Kesturi's performance over the course of the remaining Concession Period, which are forward looking in nature and may not materialise. Such expectations of future performance are inherently subject to uncertainties and possible contingencies and as such, there can be no certainty that such assumptions will materialise as projected.

(ii) Financial gearing risks

The Proposed Share Exchange will result in Wira Kristal being a wholly-owned subsidiary of Ekovest. Accordingly, the borrowings of the Wira Kristal Group will be consolidated by Ekovest post completion of the Proposed Share Exchange and this will result in an increase in the gearing levels of the Ekovest Group. The gearing of Ekovest before and after the Proposed Share Exchange, calculated based on the audited consolidated financial statements of Ekovest for the financial year ended 30 June 2011 and the audited consolidated financial statements of Wira Kristal for the financial year ended 31 December 2010, is approximately 0.17 times and 0.89 times, respectively. The increase in the gearing level of the Ekovest Group may potentially affect the Ekovest Group's ability to procure additional financing in the near future. The above does not take into account possible financial commitments, if any, should the Company decide to participate in any expansion of the DUKE after completion of the Proposed Share Exchange. Further information on the proforma effects of the Proposed Share Exchange is set out in Section 7.2 below.

(iii) Estimated traffic volumes and projections

Traffic volume, a primary determinant of the Wira Kristal Group's revenue, is largely affected by many factors which are beyond its control. Such factors may include (but are not limited to) the level of economic activity, affordability of automobiles, price of petrol and the availability of alternative routes or modes of transport. There can be no assurance that any adverse trends affecting any of these factors over the course of the remaining Concession Period will not have a material adverse effect on traffic volumes and profitability of the DUKE.

(iv) Toll rates

The concession agreement, which in essence governs the operations of the toll concessionaire, provides for agreed toll rates throughout the Concession Period and further provides that the Government may vary those rates throughout the Concession Period. Notwithstanding the above, in the event the Government varies the toll rates such that the toll rates fall below the agreed toll rates as stipulated in the concession agreement, the Government is obliged to compensate Kesturi for the difference in the manner agreed in the concession agreement.

(v) Expiration or termination of concession

The Government may terminate the toll concession of a toll concessionaire if, amongst others, an event of default has been declared. Pursuant to the concession agreement, events of default shall occur if at any time during the concession period:

(a) Kesturi assigns the whole or any part of the concession agreement save and except in relation to the assignment as allowed thereunder;

(b) an order is made or a resolution is passed for the winding up of Kesturi, except for the purpose of reconstruction or amalgamation not involving the realisation of assets in which the interest of creditors are protected;

(c) Kesturi goes into liquidation or a receiver is appointed over its assets or Kesturi makes an assignment for the benefit of or enters into an arrangement or composition with its creditors or stops payment or is unable to pay its debts; or

(d) execution is levied against a substantial portion of Kesturi's assets, unless it has instituted proceedings in good faith to set aside such execution.

In the event the concession is terminated, Kesturi's principal business and source of revenue would cease.

(Source: Circular to shareholders of Ekovest dated 6 October 2010)

(vi) Unforeseen events

Generally, the use of the DUKE may be interrupted or affected by, amongst others, accidents, natural disasters, war, civil commotion, defective design and construction, labour, disputes and other unforeseen events. Interruptions in the use of the DUKE arising from such events may reduce Wira Kristal Group's revenue and increase costs arising from repairs to expressways.

(vii) Operating and maintenance costs

Generally, costs and capital expenditure requirements relating to the operation and maintenance of expressways may increase due to factors which are beyond the toll concessionaires' control, which include but may not be limited to:

(a) the standards of maintenance of road safety to the expressways imposed by relevant regulatory authorities becoming more stringent;

(b) higher axle loading, traffic volume or environmental stress leading to more extensive or frequent repairs or maintenance costs; or

(c) increases in the costs of materials, labour and supplies.

There can be no assurance that any increase in such costs will not have a material adverse effect on Kesturi's and the Wira Kristal Group's financial results.

(viii) Completion risk

In the event the Proposed Share Exchange is not completed by the completion date, or the conditions precedent have not been waived or fulfilled or if there is a breach in the representations or warranties of the WK Shareholders and/or the Company as stated in the Share Exchange Agreement, the Share Exchange Agreement may be terminated. Notwithstanding the above, Ekovest and the WK Shareholders will endeavour to take all reasonable steps to ensure the satisfaction and/or fulfillment of the conditions precedent stipulated in the Share Exchange Agreement.

7. EFFECTS OF THE PROPOSALS

The Proposed IASC will not have any effect on the issued and paid-up share capital, and substantial shareholders' shareholdings in Ekovest. The Proposed IASC will not have any material effect on the consolidated earnings per share, consolidated net assets ("**NA**") and consolidated gearing of the Ekovest Group. For illustrative purposes, the proforma effects of the Proposed Share Exchange are set out below:

7.1 Share capital

The proforma effects of the Proposed Share Exchange on the issued and paid-up share capital of Ekovest are as follows:

	No. of Ekovest Shares
Total number of Ekovest Shares as at 27 January 2012	178,793,715
New Ekovest Shares to be issued pursuant to the Proposed Share Exchange	126,723,735
Proforma enlarged number of Ekovest Shares	305,517,450
Par value (RM)	1.00
Proforma enlarged issued and paid-up share capital (RM)	305,517,540

7.2 Net assets attributable to the shareholders of Ekovest ("NA")

The proforma effects of the Proposed Share Exchange on the consolidated NA and NA per Ekovest Share are as follows:

	Audited as at 30 June 2011 RM 000	**After the Proposed Share Exchange*(1)* RM 000**
Share capital	178,794	305,518*(2)*
Share premium	46,978	245,935
Retained earnings	118,657	186,528 *(3)*
Reserves	346	346
Shareholders' funds / NA*(4)*	344,775	738,327
No. of Ekovest Shares in issue (000)	178,794	305,518*(2)*
NA per Ekovest Share (RM)	1.93	2.42
Gearing of Ekovest Group*(5)* (times)	0.17	0.89

Notes:

(1) The illustrative proforma effects are based on the audited financial statements of the Wira Kristal Group for the financial year ended 31 December 2010.

(2) After incorporating the effects of 126,723,735 Consideration Shares assumed in issue at an issue price of RM2.57 per share;

(3) The proforma retained earnings after the Proposed Share Exchange takes into consideration amongst others, the recognition of the estimated negative goodwill upon consolidation of the Wira Kristal Group into the Ekovest Group, the estimated write-back of the impairment loss previously overprovided by Ekovest Group in respect of its existing holdings of Kesturi RPS A and WK RPS, the elimination of estimated pre-acquisition losses in Wira Kristal, and the estimated expenses of approximately RM2,500,000 for the Proposals;

(4) Excludes non-controlling interests; and

(5) *The gearing ratio is calculated by dividing the total short and long term borrowings with total shareholders' funds.*

7.3 Earnings

The Proposed Share Exchange is expected to be completed by the second half of 2012. The effects of the Proposed Share Exchange on the future consolidated earnings and earnings per share ("**EPS**") of Ekovest would depend on, amongst others, the future performance of the DUKE, as well as Ekovest Group.

For illustrative purposes, assuming that the Proposed Share Exchange was completed on 1 July 2010, being the beginning of the financial year ended 30 June 2011, the proforma effects to the profit after tax after minority interest ("**PATAMI**") and EPS of Ekovest Group are as follows:

	Audited as at 30 June 2011 RM 000	**After the Proposed Share Exchange RM 000**
Consolidated PATAMI	24,350	24,350
Wira Kristal's audited consolidated loss after tax after minority interests for the year ended 31 December 2010	-	(27,315)
Proforma PATAMI	24,350	(2,965)
Weighted average number of issued and paid-up Ekovest Shares in issue (000)	167,803	294,527[(1)]
EPS (sen)	14.51	(0.01)

Note:

(1) *After incorporating the 126,723,735 Consideration Shares assumed in issue as at 30 June 2011.*

It should be noted that the illustrative proforma effects to the PATAMI and EPS above were calculated based on the aggregation of the audited results of Ekovest Group for the year ended 30 June 2011 and the audited results of Wira Kristal Group for the year ended 31 December 2010.

Further, the consolidated earnings for the financial year ending 30 June 2012 for Ekovest Group after the completion of the Proposed Share Exchange may differ from the above because of accounting adjustments to be undertaken upon completion of the Proposed Share Exchange in accordance with Malaysian generally accepted accounting principles and standards (in the event the Proposed Share Exchange is completed within the said financial year).

Barring any unforeseen circumstances, after taking into consideration the rationale and prospects of the Wira Kristal Group in Sections 3 and 5 above, as well as the potential accounting adjustments arising from consolidation that are mainly non-cash in nature, the Wira Kristal Group is expected to contribute positively to the earnings of the Ekovest Group from the financial year ending 30 June 2017 onwards. However, it should be noted that the DUKE is currently revenue generating and cash flow positive, and has 28 years of concession left according to the concession agreement.

7.4 Substantial Shareholders' Shareholdings

The proforma effect of the Proposed Share Exchange on the substantial shareholders' shareholdings in Ekovest is as follows:

	As at 27 January 2012				After the Proposed Share Exchange			
	Direct		Indirect		Direct		Indirect	
	No of Ekovest Shares held	%	No of Ekovest Shares held	%	No of Ekovest Shares held	%	No of Ekovest Shares held	%
Ekovest Holdings Sdn Bhd ("**EHSB**")	37,250,000	20.83	-	-	37,250,000	12.19	-	-
Khoo Nang Seng @ Khoo Nam Seng	17,706,000	9.90	-	-	17,706,000	5.80	-	-
Lim Seong Hai Holdings Sdn Bhd	9,836,300	5.50	3,761,300*(1)*	2.10	9,836,300	3.22	3,761,300 *(1)*	1.23
Dato' Lim	4,757,000	2.66	37,250,000*(2)*	20.83	55,446,494	18.15	37,250,000*(2)*	12.19
Dato' Haris	-	-	-	-	76,034,241	24.88	-	-
Lim Keng Cheng	-	-	13,597,600 *(3)*	7.61	-	-	13,597,600*(3)*	4.45
Lim Keng Guan	-	-	13,597,600 *(3)*	7.61	-	-	13,597,600*(3)*	4.45
Lim Keng Hun	-	-	13,597,600*(3)*	7.61	-	-	13,597,600*(3)*	4.45
Lim Pak Lian	-	-	13,597,600 *(3)*	7.61	-	-	13,597,600*(3)*	4.45

Notes:

(1) *Deemed interested by virtue of its direct interest in Fablelite Sdn Bhd pursuant to Section 6A of the Companies Act, 1965 ("**Act**").*

(2) *Deemed interested by virtue of his direct interest in EHSB pursuant to Section 6A of the Act.*

(3) *Deemed interested by virtue of his/her direct interest in Lim Seong Hai Holdings Sdn Bhd pursuant to Section 6A of the Act.*

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

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

8.1 Interests of Directors and/or persons connected to them

Dato' Lim is interested in the Proposals by virtue of him being a director and major shareholder of Ekovest, EHSB and Wira Kristal. Wira Kristal has 70% equity interest in Nuzen, and Nuzen, in turn holds 100% equity interest in Kesturi. Dato' Lim is also a director of Nuzen and Kesturi.

Khoo Nang Seng @ Khoo Nam Seng is a director and substantial shareholder of Ekovest and Dato' Lim's business partner. Khoo Nang Seng @ Khoo Nam Seng does not have any equity interest in the Wira Kristal Group.

Lim Hoe is a director of Ekovest and is Dato' Lim's sibling. Lim Hoe does not have any equity interest in the Wira Kristal Group.

Lim Keng Cheng who is a nephew to Dato' Lim is the Managing Director and an indirect substantial shareholder of Ekovest. Lim Keng Cheng is also a director of Nuzen and Kesturi, but does not have any equity interest in the Wira Kristal Group.

Dato' Lim will abstain and will continue to abstain from deliberating and voting on the Proposals at the relevant Board meetings of Ekovest. By virtue of their relationship with Dato' Lim, Khoo Nang Seng @ Khoo Nam Seng, Lim Hoe and Lim Keng Cheng will also abstain and will continue to abstain from deliberating and voting on the Proposals at the relevant Board meetings of Ekovest. Dato' Lim, Khoo Nang Seng @ Khoo Nam Seng, Lim Hoe and Lim Keng Cheng will abstain and have undertaken to ensure that persons connected to them will abstain from voting in respect of their respective direct and/or indirect shareholdings in Ekovest, if any, on the resolutions pertaining to the Proposals at an extraordinary general meeting ("**EGM**") to be convened for the Proposals.

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

EHSB is a major shareholder of Ekovest.

Dato' Lim is a major shareholder of EHSB, Ekovest, and Wira Kristal.

Accordingly, EHSB and Dato' Lim are deemed interested in the Proposals. They will abstain and have undertaken to ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in Ekovest, if any, on the resolutions pertaining to the Proposals at an EGM to be convened for the Proposals.

EHSB's and Dato' Lim's direct and indirect shareholding in Ekovest as at 27 January 2012 are set out in Section 7.4 above.

Dato' Lim's direct and indirect shareholding in Wira Kristal as at 27 January 2012 is as follows:

	Direct		Indirect	
	No. of WK Shares held	**%**	**No. of WK Shares held**	**%**
Dato' Lim	400,000	40.00	-	-

9. ADVISERS

Ekovest has appointed:

(i) CIMB Investment Bank Bhd as the Principal Adviser for the Proposals; and

(ii) FHMH Corporate Advisory Sdn Bhd ("**FHCA**") as the Independent Adviser ("**Independent Adviser**") to advise the non-interested directors and non-interested shareholders of Ekovest for the Proposals pursuant to Paragraph 10.08 of the Main Market Listing Requirements of Bursa Securities ("**Listing Requirements**").

10. DIRECTORS' RECOMMENDATION

The directors of Ekovest (except for Dato' Lim, Khoo Nang Seng @ Khoo Nam Seng, Lim Hoe and Lim Keng Cheng, being the interested directors who have abstained from all deliberations on the Proposals), having considered all aspects of the Proposals, are of the opinion that the Proposals are in the best interests of Ekovest.

Further, the Audit Committee of Ekovest, having considered FHCA's evaluation and opinion and all other aspects of the Proposed Share Exchange and the Proposed IASC, is of the opinion that the Proposals are:

(i) in the best interests of Ekovest;

(ii) fair, reasonable and on normal commercial terms; and

(iii) not detrimental to the interests of the minority shareholders.

11. APPROVALS REQUIRED

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

(i) the shareholders of Ekovest at an EGM to be convened;

(ii) the Government for the change in the ultimate shareholders of Kesturi, the concession holder of the DUKE;

(iii) Bursa Securities, for the listing of and quotation for the Consideration Shares on the Main Market of Bursa Securities;

(iv) such other waivers, consents or approvals, where applicable.

Barring any unforeseen circumstances, the applications to be made by Ekovest in relation to the Proposals, if any, will be made to the relevant authorities within two (2) months from the date of this announcement.

12. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposals are expected to be completed by the second half of 2012.

13. PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Share Exchange pursuant to paragraph 10.02(g) of the Listing Requirements is 197.42%, based on the latest audited consolidated financial statements of Ekovest for the financial year ended 30 June 2011 and the latest audited consolidated financial statements of Wira Kristal for the financial year ended 31 December 2010.

14. DOCUMENTS FOR INSPECTION

The Share Exchange Agreement will be made available for inspection during normal business hours at Ekovest's registered office at 33-35, Ground Floor, Wisma Ekovest, Jalan Desa Gombak 6, Taman Sri Setapak, 53000 Kuala Lumpur, from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 30 January 2012.