



**EkoVest Berhad**  
(Company No. 132493-D)  
(Incorporated in Malaysia under the Companies Act, 1965)

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

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### **Notes to the Interim Financial Report (3<sup>rd</sup> Quarter - 31 March 2018)**

#### **A1 Basis of Preparation**

The condensed interim financial statements are unaudited and have been prepared in compliance with the Financial Reporting Standard ('FRS') 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 2017.

#### **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 2017.

#### **1.2 Malaysian Financial Reporting Standards ("MFRS")**

On 19 November 2011, the MASB issued a new approved accounting framework, i.e. Malaysian Financial Reporting Standards ("MFRS"). The MFRS is to be applied by all entities other than private entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 Agriculture and / or IC Interpretation 15 Agreements for Construction of Real Estate, including the entities' parent, significant investor and venture (referred to as 'Transitioning Entities' collectively). Transitioning Entities are allowed to defer adoption of the MFRS, and continue to use the existing FRS framework until the MFRS framework is mandated by the MASB. The Group falls within the definition of Transitioning Entities and has opted to defer adoption of MFRS.

According to an announcement made by the MASB on 28 October 2015, all Transitioning Entities shall adopt the MFRS framework and prepare their first MFRS financial statements for annual periods beginning on or after 1 January 2018.

The Group will adopt the MFRS framework and will prepare its first set of MFRS financial statements for the financial year ending 30 June 2019. In presenting its first sets of MFRS financial statements, the Group will quantify the financial effects arising from the differences between MFRS and the currently applied FRS. The majority of the adjustments required on transition are expected to be made, retrospectively, against opening retained earnings of the Group. Accordingly, the financial performance and financial position of the Group as presented in these condensed interim financial statements could be different if prepared in accordance with MFRS.



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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 shareholders have on 23 November 2017 approved the payment of a first and final single tier dividend of 2 sen per ordinary share amounting to RM42,784,060 for the financial year ended 30 June 2017. The said dividend was paid on 26 January 2018 to members whose name appear in the Record of Depositors on 29 December 2017.

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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	Preceding Year Corresponding Quarter		Current Financial Year	Preceding Financial Year	
	31/03/2018 RM'000	31/03/2017 RM'000	Changes %	31/03/2018 RM'000	31/03/2017 RM'000	Changes %
<b>Revenue</b>						
Construction operations	107,318	229,998	(53.34)	446,550	598,837	(25.43)
Property development	72,830	32,647	123.08	194,255	74,669	160.15
Toll operations	40,183	28,900	39.04	107,652	96,067	12.06
Investment holding	185	209	(11.48)	575	683	(15.81)
	<b>220,516</b>	<b>291,754</b>	<b>(24.42)</b>	<b>749,032</b>	<b>770,256</b>	<b>(2.76)</b>



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**A8 Segmental Information (Cont'd)**

	INDIVIDUAL PERIOD			CUMULATIVE PERIOD		
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Financial Year	Preceding Financial Year	
	31/03/2018 RM'000	31/03/2017 RM'000	Changes %	31/03/2018 RM'000	31/03/2017 RM'000	Changes %
<b>Gross profit</b>						
Construction operations	25,090	60,777	(58.72)	122,574	191,264	(35.91)
Property development	26,360	11,422	130.78	76,868	26,140	194.06
Toll operations	31,052	17,476	77.68	81,921	71,783	14.12
Investment holding	64	345	(81.45)	280	554	(49.46)
	82,566	90,020	(8.28)	281,643	289,741	(2.79)
Other income	1,459	1,018	43.32	5,111	3,418	49.53
Administrative expenses	(25,017)	(17,459)	43.29	(51,026)	(46,069)	10.76
<b>Profit before interest and Tax</b>	59,008	73,579	(19.80)	235,728	247,090	(4.60)
Interest income	7,222	1,831	294.43	14,577	2,879	406.32
Interest expense	(44,681)	(31,533)	41.70	(98,833)	(96,462)	2.46
Share Option Expenses	-	(22,622)	(100.00)	-	(22,622)	(100.00)
<b>Profit before Tax</b>	21,549	21,255	1.38	151,472	130,885	15.73



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**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**

There have been no material event subsequent to the quarter and period ended 31 March 2018 other than disclosed in Note B13(b).

**A11 Changes in Composition of the Group**

There were no changes in the composition of the Company or the Group for the quarter under review.

**A12 Contingent Liabilities**

There have been no contingent liabilities subsequent to the quarter and period ended 31 Mar 2018.

**A13 Capital Commitments**

Capital commitments of the Group as 31 Mar 2018 are as follows -

	<b>RM '000</b>
Capital expenditure in respect of :	
- purchase of properties, approved and contracted for	39,883
- concession assets, approved and contracted for	<u>2,402,390</u>



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**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:

**As at  
31 March 2018  
RM '000**

**With company in which certain  
Directors of the Company, have interests:**

Astana Setia Sdn Bhd	1,278
Knusford Marketing Sdn Bhd	19,145
Lim Seong Hai Lighting Sdn Bhd	7,318
WCM Power Sdn Bhd	3,775

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**Notes to the Interim Financial Report (3<sup>rd</sup> Quarter - 31 March 2018)**

**B1 Financial review for current quarter**

	Individual Period (3 <sup>rd</sup> Quarter)		Changes	
	Current Year Quarter	Preceding Year Corresponding Quarter	Amount	%
	31/03/2018 RM'000	31/03/2017 RM'000	RM'000	
Revenue	220,516	291,754	(71,238)	(24.42)
Gross Profit	82,566	90,020	(7,454)	(8.28)
Profit Before Interest and Tax	59,008	73,579	(14,571)	(19.80)
Profit Before Tax	21,549	21,255	294	1.38
Profit After Tax	15,666	11,382	4,284	37.64
Profit Attributable to Ordinary Equity Holders of Parent	18,603	11,058	7,545	68.23

**Current quarter (“3Q 2018”) against preceding year corresponding quarter (“3Q 2017”)**

For the 3Q 2018, the Group registered revenue of RM220.516 million and profit before tax of RM21.549 million as compared to revenue of RM291.754 million and profit before tax of RM21.255 million reported in the 3Q 2017.

The performance of the respective operating business segments for the 3Q 2018 under review as compared to the 3Q 2017 is analysed as follow:

**Construction operations**

The construction sector reported a lower revenue of RM107.318 million for the 3Q 2018 as compared to RM229.998 million in 3Q 2017. The decrease in revenue and gross profit in the 3Q 2018 were mainly due to the completion of Duke Phase 2 and the River Of Life Precinct 7 beautification work at Masjid Jamek which resulted a lower progress construction workdone recognized in the current quarter.



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**B1 Financial review for current quarter (continued)**

**Property development**

The property development segment reported a higher revenue of RM72.83 million as compared to RM32.647 million in the preceding year corresponding quarter. Higher sales recognition for property development following increase in progress work done has contributed to a higher revenue for the segment. Correspondingly, this sector recorded higher gross profit of RM26.360 million for the 3Q 2018 as compared to RM11.422 million in 3Q 2017.

**Toll operations**

The toll operations sector registered a higher revenue of RM40.183 million in 3Q 2018 as compared to RM28.9 million in 3Q 2017. There is an increase of 39.04% in the toll revenue due to the increase in traffic volume and the additional contribution from the opening of the Duke Phase 2 on 23 October 2017.

**Investment holding**

Revenue for the current quarter decreased from RM0.209 million to RM0.185 million due to reduction in rental income as more office space is required for internal usage. Correspondingly, this has reduced the sector's gross profit and profit before tax for the quarter.



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**B1 Financial Review (continued)**

**Financial review for financial year to date**

	Cumulative Period		Changes	
	Current Year To- Date	Preceding Year Corresponding Period	Amount	%
	31/03/2018 RM'000	31/03/2017 RM'000	RM'000	
Revenue	749,032	770,256	(21,224)	(2.75)
Gross Profit	281,643	289,741	(8,098)	(2.79)
Profit Before Interest and Tax	235,728	247,090	(11,362)	(4.60)
Profit Before Tax	151,472	130,885	20,587	15.73
Profit After Tax	112,274	92,508	19,766	21.37
Profit Attributable to Ordinary Equity Holders of Parent	113,435	92,185	21,250	23.05

**Current year to date (“YTD 2018”) against preceding year corresponding period (“YTD 2017”)**

For the YTD 2018, the Group registered a revenue of RM749.032 million and profit before tax of RM151.472 million as compared to the revenue of RM770.256 million and profit before tax of RM130.885 million reported in YTD 2017.

Despite an increase in the revenue for the YTD 2017, the profit before tax for the YTD 2017 was lower mainly due to the one-off expense amounting to RM22.62 million on the recognition of the fair value adjustment pursuant to the granting of the Employees’ Share Option Scheme in the preceding year.

Other than the above, the performance of the respective operating business segments for the YTD 2018 as compared to the YTD 2017 is analysed as follow:



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### **B1 Financial Review (continued)**

#### **Construction operations**

The construction sector reported a lower revenue of RM446.55 million for the YTD 2018 as compared to RM598.837 million in YTD 2017. The decrease in the revenue for the YTD 2018 was attributed to lower construction workdone following the completion of Duke Phase 2 project in the 2<sup>nd</sup> quarter of YTD 2018. Furthermore, in the YTD 2017, a higher revenue was recognized from the initial commencement of preliminary and enabling work for SPE which also has a better profit margin as compared to the other construction workdone recognized in the YTD 2018. As a result of the decreased revenue, the sector reported a gross profit of RM122.574 million in YTD 2017 as against RM191.264 million in YTD 2018.

#### **Property development**

The property development segment reported a higher revenue of RM194.255 million as compared to RM74.669 million in the preceding year. Higher sales recognition for EkoCheras Project following additional progress work done has contributed to a higher revenue for the segment. Correspondingly, this sector recorded higher gross profit of RM76.868 million for the YTD 2018 as compared to RM26.140 million in YTD 2017.

#### **Toll operations**

The toll operations sector registered a higher revenue of RM107.652 million in YTD 2018 as compared to RM96.067 million in YTD 2017. The revenue for YTD 2017 includes a one-off toll compensation amounting to RM7.986 million. Had the compensation amount been excluded, the 3Q 2018 toll revenue would have increased by RM19.571 million, which is an increase of 22.22%. Besides the increase in traffic volume, the opening of the Duke Phase 2 on 23 October 2017 has also contributed to the increase in the revenue recognized in YTD 2018.

#### **Investment holding**

Revenue for the YTD 2018 decreased from RM0.683 million to RM0.575 million due to reduction from rental income as some of the tenancies were not renewed. Correspondingly, this has reduced the gross profit from RM0.554 million to RM0.280 million for the current YTD.

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## B2 Comparison with preceding quarter results

### Financial review for current quarter compare with immediate preceding quarter

	Current Quarter	Immediate Preceding Quarter	Changes	
	31/03/2018	31/12/2017	Amount	%
	RM'000	RM'000	RM'000	
Revenue	220,516	297,876	(77,360)	(25.97)
Gross Profit	82,566	110,333	(27,767)	(25.17)
Profit Before Interest and Tax	59,008	100,403	(41,395)	(41.23)
Profit before Tax	21,549	74,039	(52,490)	(70.90)
Profit After Tax	15,666	55,460	(39,794)	(71.75)
Profit Attributable to Equity Holders of the Company	18,603	54,925	(36,322)	(66.13)

The Group recorded a revenue of RM220.516 million for the current quarter as compared to the preceding quarter of RM297.876 million. The decrease in the revenue as compared to preceding quarter was mainly due to the completion of the construction of Duke Phase 2 and “Blue River Project” in the vicinity of the River of Life Precinct 7 at Masjid Jamek, Kuala Lumpur in the preceding quarter.

The lower profit before tax for the current quarter is mainly due to lower revenue recognized and the higher interest expense following the commencement of tolling for Duke Phase 2 in the 2<sup>nd</sup> Quarter of the current financial year. The high administrative expenses has also contributed to a lower profit before tax as all expenses related to the corporate exercise of the voluntary general offer (please refer to Note B13(b)) has been expense off in this current quarter.

## B3 Prospects

The Board expects the ongoing construction of SPE, River of Life and related projects, the opening of the DUKE Phase-2's toll revenue and the recognition of unbilled sales from property development activities to contribute positively to the Group's turnover and profitability in the current financial year.

Barring any unforeseen circumstances, the Board is confident that the Group's performance would remain satisfactory for the financial year ending 30 June 2018.

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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**

	<b>CURRENT QUARTER ENDED 31 MAR 2018 RM '000</b>	<b>GROUP 9 MONTHS ENDED 31 MAR 2018 RM '000</b>
Malaysian taxation		
- current	13,478	47,586
- deferred	(1,434)	(2,227)
Over estimated in prior years		
- current	(6,161)	(6,161)
	5,883	39,198
	5,883	39,198

The effective tax rate for the quarter and period ended 31 March 2018 is higher than the statutory tax rate mainly due to the losses incurred by certain subsidiaries and disallowable expenses.

**B6 Profit on Sale of Investment and/or Properties**

There were no sale of investment or properties during the quarter and period ended 31 March 2018.

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**B7 Group Borrowings**

<b>AMOUNT REPAYABLE WITHIN ONE YEAR</b>	<b>CURRENT 3<sup>rd</sup> QUARTER ENDED 31 MAR 2018 RM '000</b>	<b>PRECEDING YEAR ENDED 30 JUNE 2017 RM '000</b>
Bank overdraft		
-secured	42,049	42,348
-unsecured	155	1,479
Bank Term Loans-secured	70,729	86,380
Medium term notes	18,371	18,371
Revolving credit-secured	290,169	272,900
	<u>421,473</u>	<u>421,478</u>

<b>AMOUNT REPAYABLE AFTER ONE YEAR</b>	<b>CURRENT 3<sup>rd</sup> QUARTER ENDED 31 MAR 2018 RM '000</b>	<b>PRECEDING YEAR ENDED 30 JUNE 2017 RM '000</b>
Bank Term Loans-secured	553,740	598,909
Medium term notes	16,070	16,558
Islamic medium term notes	5,372,790	5,344,352
	<u>5,942,600</u>	<u>5,959,819</u>

The reduction in the Group's term loans is due to the repayment from the Disposal's proceeds (please refer to Note B13 (a)).

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**B8 Material Litigation**

Save as disclosed below as at 31 March 2018, 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.



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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.

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.

**B9 Dividend**

No interim dividend has been declared for the quarter ended 31 March 2018.

**B10 Earnings Per Share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31 March 2018 RM ‘000	Preceding year corresponding quarter 31 March 2017 RM ‘000	Current year to-date 31 March 2018 RM ‘000	Preceding year corresponding period 31 March 2017 RM ‘000
(a) Basic earnings per share				
Net profit attributable to ordinary shareholders	18,603	11,058	113,435	92,185
Weighted average number of ordinary share issue ('000)	2,139,203	2,139,203	2,139,203	2,139,203
Basic earnings per ordinary share (sen)	0.87	0.52	5.30	4.31
(b) Diluted earnings per ordinary Share (sen)	0.87	0.52	5.30	4.31



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**B11 Notes to the Statement of Profit or Loss and Other Comprehensive Income**

	<b>Current quarter ended 31 March 2018 RM '000</b>	<b>9 months ended 31 March 2018 RM '000</b>
Profit before tax is stated after charging / (crediting) :		
Interest income	(7,222)	(14,577)
Other income including investment income	(1,459)	(5,111)
Interest expense	44,681	98,833
Depreciation and amortization	7,616	18,478

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**B12 Realised and Unrealised Retained Earnings**

The retained earnings as at 31 March 2018 are analysed as follows:

	<b>As at 31 Mar 2018 RM '000</b>	<b>As at 30 June 2017 RM '000</b>
Realised	1,163,896	1,093,245
Unrealised	(72,275)	(72,275)
Total retained earnings	<u>1,091,621</u>	<u>1,020,970</u>





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### B13 Corporate Exercises

#### B13 (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 AmlInvestment Bank Berhad ("**AmlInvestment**") 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**").

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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**B13 Corporate Exercises (continued)**

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	295,662	60,000 (Note 3)	Nil	Within 24 months
Estimated expenses for the Proposal	11,418	11,418	Nil	Nil	Within 6 months
	<u>1,130,000</u>	<u>921,000</u>	<u>209,000</u>		

**Remarks :**

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

- (a) On the completion date, EPF shall pay to Nuzen the completion sum of RM921.0 million; and
- (b) 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.*



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**B13 Corporate Exercises (continued)**

*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 todate, Nuzen has received the CPC Payment which includes the Exit Payment. Amount received todate is RM1,130.0 million only.*

*Note (3) : The gross proceeds for the general corporate and working capital includes part of the CPC payment of RM60.0 million which Nuzen has received.*

**B13 (b)**

On 31 October 2017, the Board announced that the Company has received a proposal letter from Tan Sri Dato' Lim Kang Hoo ("**TSDLKH**"), the major shareholder of the Company in relation to a reorganisation exercise involving *inter alia* the acquisition by the Company of all the ordinary shares in Iskandar Waterfront City Berhad ("**IWC Shares**") held by the existing shareholders of Iskandar Waterfront City Berhad ("**IWC**"), excluding IWC Shares held by Iskandar Waterfront Holdings Sdn Bhd (who is proposed by TSDLKH not to accept the offer by the Company for the acquisition of its shares in IWC), representing approximately 62% of the issued and paid-up share capital of IWC as at the date of this announcement ("**Proposed Acquisition**").

On behalf of the Board, Mercury Securities Sdn Bhd ("**Mercury Securities**") (*being the Principal Adviser*) and Astramina Advisory Sdn Bhd ("**Astramina**") (*being the Financial Adviser*) have announced that the Board had received a letter of undertaking dated 27 November 2017 from IWH, wherein IWH undertakes that, *inter alia*, it shall not accept the offer to be made by EkoVest under the Proposed Acquisition.

On 18 December 2017, Mercury Securities and Astramina announced that the Board (*save for the Interested Directors*) has, after having considered all aspects of the Proposed Offer, decided to present the Proposed Offer to the non-interested shareholders of EkoVest for consideration at an Extraordinary General Meeting ("**EGM**") of the Company to be convened.



**EkoVest Berhad**  
(Company No. 132493-D)  
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**Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of  
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**B13 Corporate Exercises (continued)**

In accordance with Paragraph 9.10(1) of the Rules on Take-overs, Mergers and Compulsory Acquisitions ("**Rules**"), Mercury Securities and Astramina served a notice of conditional voluntary general offer ("**Notice**") on the board of directors of IWCity informing them of the Company's intention to undertake a conditional voluntary general offer to acquire all the Offer Shares in IWCity comprising the following:-

- (i) 837,388,857 ordinary shares in IWCity ("**IWCity Shares**"), representing the entire issued share capital of IWCity as at 11 December 2017; and
- (ii) any new IWCity Shares that may be issued prior to the closing date of the Proposed Offer arising from the exercise of outstanding employee share options in IWCity ("**IWCity ESOS Options**"),

(collectively referred to as the "**Offer Shares**")

for a consideration of RM1.50 per Offer Share ("**Offer Price**"), which shall be satisfied by way of:-

- (i) a cash consideration of RM1.50 for every 1 Offer Share surrendered ("**Cash Option**");  
or
- (ii) a share exchange based on an exchange ratio of 1 new ordinary share in EkoVest ("**EkoVest Share**") to be issued at an issue price of RM1.50 each ("**Issue Price**") ("**Consideration Share**") for every 1 Offer Share surrendered ("**Share Exchange Option**").

On 22 December 2017, Mercury Securities and Astramina announced that the relevant applications in respect of the Proposed Offer have been submitted to the regulatory authorities. In addition, on 8 January 2018, the Securities Commission Malaysia ("**SC**") had granted an approval for an extension of time to despatch the Offer Document i.e. to be despatched within 2 market days from:-

- (i) Bursa Securities' clearance of the Circular; or
- (ii) the SC's notification of no further comments to the Offer Document,

whichever is later, but in any event no later than 84 days from the date of the Notice, being 12 March 2018.

On 12 March 2018, Mercury Securities and Astramina announced that EkoVest has despatched the Offer Document which sets out the details, terms and conditions of the Offer, together with the Form of Acceptance and Transfer for the Offer Shares to the Board of Directors of IWCity and the holders of the Offer Shares. A notice was sent out to inform that EkoVest's EGM was to be held on 29 March 2018.



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

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On behalf of the Board, Mercury Securities and Astramina announced that the shareholders of Ekovest have not approved the resolution pertaining to the Proposed Offer at the EGM held on 29 March 2018.

In view of the above, the Proposed Offer has lapsed and all acceptances received pursuant to the Proposed Offer will be returned to the respective shareholders of IWCity.

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

#### **B14 Other Matters**

On 17 January 2017, Ekovest announced that its subsidiary, Lebuhraya DUKE Fasa 2A Sdn Bhd ("**LDF2A**"), had received a letter from the Government on the principle approval of the proposed privatisation of the Kampung Baru Link, Istana Link and Kapar Link Expressway ("**Proposed Project**").

The estimated total project cost of RM6.32 billion (excluding Goods & Services Tax) for the Proposed Project is expected to be financed via a combination of internally generated funds, borrowings and/or other fund raising exercise.

The Proposed Project is subject to further terms and conditions to be negotiated between the Government and LDF2A and the principle approval by the Government shall not in any way be considered as binding upon the Government until the execution of the relevant agreement between the Government and LDF2A.

Ekovest will make the appropriate announcement to Bursa Securities as and when there is a material development in relation to the Proposed Project.