

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

### DISPOSAL OF FOUR (4) PARCELS OF LAND BY EKOVEST PROPERTIES SDN BHD AND TEMASEK MEGAMAS SDN BHD TO AIRMAN SDN BHD

---

#### 1.0 INTRODUCTION

The Board of Directors of Ekovest (“**Board**”) wishes to announce that our wholly-owned subsidiary, Ekovest Properties Sdn Bhd (“**EPSB**”) and Temasek Megamas Sdn Bhd (“**TMSB**”), collectively referred to as the “**Vendors**”, had on 29 July 2024 entered into sale and purchase agreements (“**SPA**”) with Airman Sdn Bhd (“**Airman**” or “**Purchaser**”) for the disposal of four (4) parcels of land as detailed out below:-

- (i) All the parcel of freehold land held under GRN 61324 Lot 337, Seksyen 85, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan KL measuring 653.799 square meters (“**Land 1**”);
- (ii) All the parcel of freehold land held under GRN 37602, Lot 339, Seksyen 85, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan KL measuring 671.503 square meters (“**Land 2**”);
- (iii) All the parcel of freehold land held under GRN 37603, Lot 340, Seksyen 85, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan KL measuring 663.916 square meters (“**Land 3**”); and
- (iv) All the parcel of freehold land held under GRN 42726, Lot 496, Seksyen 85, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan KL measuring 297 square meters (“**Land 4**”);

*(collectively referred to as the “**Lands**”)*

for a total consideration of RM9,818,240.33 only (exclude Sales and Services Tax (“**SST**”)) (“**Total Consideration**”) (“**Proposed Disposal**”) which was derived based on negotiations between the parties on a “willing-buyer willing-seller” basis after taking into consideration among others, the prevailing market value of the Lands, zoning regulations and anticipated future development potential in the vicinity taking into consideration the requirements and Draft Kuala Lumpur Local Plan 2040 by Dewan Bandaraya Kuala Lumpur (“**DBKL**”) and the setback requirements for “Riverside Corridor Zone” developments.

Airman is a wholly-owned subsidiary of Lim Seong Hai Resources Sdn Bhd which in turn is a wholly-owned subsidiary of Lim Seong Hai Holdings Sdn Bhd (“**LSHHSB**”). Tan Sri Datuk Seri Lim Keng Cheng (“**Tan Sri KC**”), our Non-Independent and Non-Executive Director, is also a director of Airman and the major shareholder and director of LSHHSB. As such, the Proposed Disposal is deemed a related party transaction.

## **2.0 INFORMATION ON EPSB, TMSB, AIRMAN AND LSHHSB**

### **2.1 Information on EPSB**

EPSB is a wholly-owned subsidiary of Ekovest Berhad and was incorporated in Malaysia on 29 June 2002 under the Companies Act, 1965. The total issued capital of EPSB is RM87,100,000.00 comprising of 12,000,000 ordinary shares and 75,100,000 preference shares.

EPSB is principally involved in property development.

### **2.2 Information on TMSB**

TMSB is a wholly-owned subsidiary of Ekovest Berhad and was incorporated in Malaysia on 21 January 2010 under the Companies Act, 1965. The total issued capital of TMSB is RM9,880,009.00 comprising of 24,909 ordinary shares and 9,855,100 preference shares.

The principal activity of TMSB is property holding.

### **2.3 Information on Airman**

Airman is a wholly-owned subsidiary of Lim Seong Hai Resources Sdn Bhd which in turn is a wholly-owned subsidiary of LSHHSB. Airman was incorporated in Malaysia on 10 October 2001 under the Companies Act, 1965. The total issued capital of Airman is RM250,000.00 comprising of 250,000 ordinary shares. The directors of Airman are Tan Sri KC, Datuk Lim Keng Guan, Lim Pak Lian and Lim Keng Hun.

Airman's principal activities are activities of holding companies.

### **2.4 Information on LSHHSB**

LSHHSB was incorporated in Malaysia on 7 November 1997 under the Companies Act, 1965. The total issued capital of LSHHSB is RM2,000,000.00 comprising of 2,000,000 ordinary shares. The directors and shareholders of LSHHSB are as follow:

<b>No</b>	<b>Name</b>	<b>Designation</b>	<b>Shareholding</b>	
			<b>No of shares</b>	<b>%</b>
1.	Tan Sri KC	Director	500,000	25.0
2.	Datuk Lim Keng Guan	Director	500,000	25.0
3.	Lim Pak Lian	Director	500,000	25.0
4.	Lim Keng Hun	Director	500,000	25.0

LSHHSB's principal activities are investment holding, property development and money lending service.

## **3.0 INFORMATION ON THE LANDS**

The Lands is situated in Section 85, Town of Kuala Lumpur and is sited on the left (western) side of Jalan Pahang, travelling from Kuala Lumpur city center and Bulatan Pahang towards Gombak and Setapak localities. Kuala Lumpur city center and

Bulatan Pahang are located about 5 kilometres and 1.5 kilometres due south of the Lands. Further information on the Lands is set out below.

### 3.1 Further Information on Land 1

Description	:	Freehold land held under GRN 61324 Lot 337, Seksyen 85, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan KL
Land area	:	653.799 square meters
Registered Owner	:	Ekovest Properties Sdn Bhd
Category of Land Use	:	Not stated
Existing Usage	:	Vacant land
Tenure	:	Freehold
Express Condition	:	Subject to the conditions and agreements expressed or implied in Grant for land No 12490 and to such restrictions in interest expressed therein and shown by memorial hereon, and to such registered interests as are shown by memorial hereon.
Encumbrances	:	Nil
Restriction In-Interest	:	Nil
Net book value as at 30 June 2023	:	RM941,811.68
Original cost of investment / Date of investment	:	RM914,874.00 / 23 February 2011

### 3.2 Further Information on Land 2

Description	:	Freehold land held under GRN 37602, Lot 339, Seksyen 85, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan KL
Land area	:	671.503 square meters
Registered Owner	:	Ekovest Properties Sdn Bhd
Category of Land Use	:	Not stated
Existing Usage	:	Vacant land accommodates with a double storey detached house (the house is currently empty and is not tenanted)
Tenure	:	Freehold
Express Condition	:	Subject to the conditions and agreements expressed or implied in Grant for land No 12490 and to such restrictions in interest expressed therein and shown by memorial hereon, and to such registered interests as are shown by memorial hereon.
Encumbrances	:	Nil
Restriction In-Interest	:	Nil
Net book value as at 30 June 2023	:	RM1,429,581.50

Original cost of investment / Date of investment	:	RM1,500,000.00 / 28 December 2010
--	---	-----------------------------------

### 3.3 Further Information on Land 3

Description	:	Freehold land held under GRN 37603, Lot 340, Seksyen 85, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan KL
Land area	:	663.916 square meters
Registered Owner	:	Ekovest Properties Sdn Bhd
Category of Land Use	:	Not stated
Existing Usage	:	Vacant land
Tenure	:	Freehold
Express Condition	:	Subject to the conditions and agreements expressed or implied in Grant for land No 12490 and to such restrictions in interest expressed therein and shown by memorial hereon, and to such registered interests as are shown by memorial hereon.
Encumbrances	:	Nil
Restriction In-Interest	:	Nil
Net book value as at 30 June 2023	:	RM1,472,015.52
Original cost of investment / Date of investment	:	RM1,428,768.00 / 30 June 2011

### 3.4 Further Information on Land 4

Description	:	Freehold land held under GRN 42726, Lot 496, Seksyen 85, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan KL
Land area	:	297 square meters
Registered Owner	:	Temasek Megamas Sdn Bhd
Category of Land Use	:	Building
Existing Usage	:	Vacant land accommodates with a double storey semi-detached house (the house is currently empty and was previously used as staff accommodation)
Tenure	:	Freehold
Express Condition	:	This land is to be used only for residential building purposes
Encumbrances	:	Nil
Restriction In-Interest	:	Nil
Net book value as at 30 June 2023	:	RM1,350,000.00
Original cost of investment / Date of investment	:	RM1,180,000.00 / 30 December 2011

We had intended to integrate the Lands into the mixed development project to be known as EkoQuay. Further information on the proposed mixed development project is as follows:-

Details of potential development	:	Mixed development project consisting of two (2) unit of two-storey shoplot, two (2) unit seven-storey shop and thirty-two storey serviced apartments consisting of 259 residential units based on a plot ratio of 4.0
Project name	:	EkoQuay
Total expected gross development cost	:	RM293.82 million
Expected commencement and completion date	:	The project was intended to commence in 2018 and completion within 48 months after commencement
Expected profits to be derived	:	RM103.34 million
Stage or percentage of completion	:	The project was at the stage of planning and submission of amended development order to DBKL to change the components of the mixed development project
Sources of funds to finance the development cost	:	The development cost was expected to be financed via a combination of internal funds and bank financing
Approvals for the development and date approvals obtained	:	The development order for the project has been approved by DBKL on 24 February 2016. However, the development order had lapsed and expired on 23 February 2021

No valuation was carried out on the Lands as the percentage ratio applicable for the Proposed Disposal is below the 5.0% threshold pursuant to paragraph 10.04 (1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

#### **4.0 BASIS OF AND JUSTIFICATION FOR THE TOTAL CONSIDERATION**

The Total Consideration was arrived based on negotiations between the parties on a “willing-buyer willing-seller” basis after taking into consideration among others, the prevailing market value of the Lands, zoning regulations and anticipated future development potential in the vicinity taking into consideration the requirements and Draft Kuala Lumpur Local Plan 2040 by DBKL and the setback requirements for “Riverside Corridor Zone” developments.

#### **5.0 LIABILITIES AND GUARANTEES IN RELATION TO THE DISPOSAL**

There are no liabilities, including contingent liabilities and guarantees in relation to the Properties, to be assumed by the Group pursuant to the Proposed Disposal.

## 6.0 RATIONALE FOR THE DISPOSAL

The divestment of Lands is consistent with EPSB and TMSB's principal business activity as a property investment and development company, enabling the immediate realisation of the land value. This transaction is anticipated to have a beneficial financial effect to the Group, reflecting positively on the overall revenue and cash flow.

## 7.0 UTILISATION OF THE PROCEEDS

The proceeds arising will be allocated for general working capital purposes.

## 8.0 SALIENT TERMS OF THE SPA

### **SPA FOR LAND 1 AND LAND 2 (“FIRST SPA”)**

Land 1 and Land 2 (collectively referred to as “**Properties**”) are covered in the First SPA. Unless the context otherwise requires, capitalised terms used but not defined herein shall bear the same meanings ascribed thereto in the First SPA.

The salient terms of the First SPA include, inter alia, the following: -

<b>Terms</b>	<b>First SPA</b>
Conditions precedent	Nil
Basis of Sale	The Properties are sold free from all charges, liens and/or encumbrances whatsoever and with vacant possession on an “as is where is” basis subject to all conditions of title whether express or implied in the Titles to the Properties.
Purchase Price	RM6,432,840.81
Manner of payment of Total Consideration	<p><b><u>Partial Of ToPurchase Price</u></b></p> <p>A sum of RM787,443.98 has been paid by the Purchaser to the Vendor as deposit.</p> <p><b><u>Balance Purchase Price</u></b></p> <p>The Purchaser shall pay the Balance Purchase Price amounting to RM5,645,396.83 to the Vendor within ninety (90) days from the date of the First SPA (“<b>Completion Period</b>”).</p> <p><b><u>Extended Completion Period</u></b></p> <p>In the event the Purchaser fails to pay the Balance Purchase Price within the Completion Period, the Vendor shall grant to the Purchaser an automatic extension of time of thirty (30) days from the expiry of the Completion Period to pay the Balance Purchase Price of any part thereof remains unpaid.</p>

Vendor's obligations	In view that the said Properties are free from all encumbrances, the Vendor shall:  (a) ensure all outgoings in respect of the Properties have been duly paid;  (b) deliver vacant possession of the Properties to the Purchaser on "as is where is" basis, free from encumbrances whatsoever and free from squatter and occupants within five (5) working days following the Completion Date provided that the keys to the Properties (if any) have been delivered to the Purchaser and all monies payable to the Vendor under this Agreement have been settled in full by the Purchaser.
Purchaser's obligation	To comply with the payment obligations of the Total Consideration as stated above.

### **SPA FOR LAND 3 ("SECOND SPA")**

Land 3 (referred to as "Property") is covered in the Second SPA. Unless the context otherwise requires, capitalised terms used but not defined herein shall bear the same meanings ascribed thereto in the Second SPA.

The salient terms of the Second SPA include, inter alia, the following: -

<b>Terms</b>	<b>Second SPA</b>
Conditions precedent	Nil
Basis of Sale	The Property is sold free from all charges, liens and/or encumbrances whatsoever and with vacant possession on an "as is where is" basis subject to all conditions of title whether express or implied in the Title to the Property.
Purchase Price	RM1,943,800.52
Manner of payment of Purchase Price	<p><b><u>Partial Purchase Price</u></b></p> <p>A Sum of RM194,380.05 has been paid by the Purchaser to the Vendor as deposit.</p> <p><b><u>Purchase Price</u></b></p> <p>The Purchaser shall pay the Balance Purchase Price amounting to RM1,749,420.47 to the Purchaser's Solicitors as stakeholders within ninety (90) days from the date of the Second SPA ("Completion Period").</p> <p><b><u>Extended Completion Period</u></b></p> <p>In the event the Purchaser fails to pay the Balance Purchase Price within the Completion Period, the Vendor shall grant to the</p>

	Purchaser an automatic extension of time of thirty (30) days from the expiry of the Completion Period to pay the full Purchase Price of any part thereof remains unpaid.
Vendor's obligations	In view that the said Property is free from all encumbrances, the Vendor shall: <ul style="list-style-type: none"> <li>(a) ensure all outgoings in respect of the Property have been duly paid;</li> <li>(b) deliver vacant possession of the Property to the Purchaser on "as is where is" basis, free from encumbrances whatsoever and free from any squatter and occupants, on the Completion Date.</li> </ul>
Purchaser's obligation	To comply with the payment obligations of the Total Consideration as stated above.

### **SPA FOR LAND 4 ("THIRD SPA")**

Land 4 (referred to as "Property") is covered in the Third SPA. Unless the context otherwise requires, capitalised terms used but not defined herein shall bear the same meanings ascribed thereto in the Third SPA.

The salient terms of the Third SPA include, inter alia, the following: -

<b>Terms</b>	<b>Third SPA</b>
Conditions precedent	Nil
Basis of Sale	The Property is sold free from all charges, liens and/or encumbrances whatsoever and with vacant possession on an "as is where is" basis subject to all conditions of title whether express or implied in the Title to the Property.
Purchase Price	RM1,441,599.00
Manner of payment of Purchase Price	<p><b><u>RPGT Retention Sum</u></b></p> <p>The Purchaser shall pay a sum of RM43,247.97, being three percent (3%) of the Purchase Price to the Purchaser's Solicitors as stakeholders upon the execution of this Third SPA.</p> <p><b><u>Balance Purchase Price</u></b></p> <p>The Purchaser shall pay the Balance Purchase Price amounting to RM1,398,351.03 to the Vendor within ninety (90) days from the date of the Third SPA ("Completion Period").</p> <p><b><u>Extended Completion Period</u></b></p> <p>In the event the Purchaser fails to pay the Balance Purchase Price within the Completion Period, the Vendor shall grant to the Purchaser an automatic extension of time of thirty (30) days from</p>



	the expiry of the Completion Period to pay the Balance Purchase Price of any part thereof remains unpaid.
Vendor's obligations	In view that the said Property is free from all encumbrances, the Vendor shall: <ul style="list-style-type: none"> <li>(c) ensure all outgoings in respect of the Property have been duly paid;</li> <li>(d) deliver vacant possession of the Property to the Purchaser on "as is where is" basis, free from encumbrances whatsoever and free from squatter and occupants within five (5) working days following the Completion Date provided that the keys to the Property (if any) have been delivered to the Purchaser and all monies payable to the Vendor under this Agreement have been settled in full by the Purchaser.</li> </ul>
Purchaser's obligation	To comply with the payment obligations of the Total Consideration as stated above.

## 9.0 RISKS OF THE PROPOSED DISPOSAL

In the event that any of the condition precedent remains unfulfilled, the Proposed Disposal can be considered incomplete, thus preventing the realisation of all the potential benefits associated with it.

The Company seeks to address this risk by proactively collaborating with relevant parties to obtain the necessary approvals and documents, including consent from the authority and the financier (where required). The company will not rule out the possibility of engaging professional services, if necessary.

Despite the above, the Company is committed to undertaking all necessary measures to ensure timely satisfaction of the Conditions Precedent, aiming for the completion of the Proposed Disposal within a reasonable timeframe.

## 10.0 EFFECTS OF THE DISPOSAL

The Proposed Disposal will not have any effect on the share capital or substantial shareholders' shareholdings and are not expected to have any material effect on the earnings per share, net assets per share and gearing of the Ekovest group for the financial year ending ("**FYE**") 30 June 2025.

The expected gain from the Proposed Disposal is approximately RM3.51 million.

## **11.0 PERCENTAGE RATIO**

The highest percentage ratio applicable to the Proposed Disposal as per Paragraph 10.02(g) Chapter 10 of Bursa Malaysia Securities Berhad Main Market Listing Requirements is 0.43% being the value of the Total Consideration compared to the net assets of the Ekovest Group based on the latest consolidated audited financial statements for the FYE 30 June 2023.

The highest aggregated percentage ratio applicable to the Proposed Disposal and the disposal as announced on 22 February 2024 as per Paragraph 10.02(g) and 10.12 Chapter 10 of Bursa Malaysia Securities Berhad Main Market Listing Requirements is 3.32% being the aggregated value of the Total Consideration for both transactions compared to the net assets of the Ekovest Group based on the latest consolidated audited financial statements for the FYE 30 June 2023.

## **12.0 APPROVALS REQUIRED**

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

## **13.0 INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM**

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

Tan Sri KC is our Non-Independent and Non-Executive Director. He is a director of Airman and also the major shareholder and director of LSHHSB.

Tan Sri KC has abstained and will continue to abstain from deliberating and voting on the Proposed Disposal at our relevant Board meetings.

## **14.0 TRANSACTIONS WITH LSHHSB FOR THE PRECEDING 12 MONTHS**

Save as disclosed below, there were no other transactions with LSHHSB and Airman for the preceding 12 months from date of this announcement.

On 22 February 2024, EPSB had entered into sale & purchase agreements with Airman for the disposal of thirteen (13) parcels of land. For further details, please refer to our Bursa Announcement dated 22 February 2024.

## **15.0 STATEMENT BY AUDIT AND RISK MANAGEMENT COMMITTEE**

The Audit and Risk Management Committee, having considered all aspects of the Proposed Disposal, including the basis, rationale and effects of the Proposed Disposal, is of the opinion that the Proposed Disposal is:-

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

No independent advise was sought by the audit committee as the percentage ratio applicable for the Proposed Disposal is below 5.0%.

## **16.0 STATEMENT BY THE BOARD OF DIRECTORS**

The Board, save and except for Tan Sri Datuk Seri Lim Keng Cheng who is deemed interested in the Proposed Disposal, having considered all aspects of the Proposed Disposal, including the basis, rationale and effects of the Proposed Disposal, is of the opinion that the Proposed Disposal is best interest of the Company, fair and reasonable, and carried out on normal commercial terms and is not detrimental to the interest of the minority shareholders.

No independent advise was sought by the Board as the percentage ratio applicable for the Proposed Disposal is below 5.0%.

## **17.0 ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances, the Proposed Disposal is expected to be completed in the 3<sup>rd</sup> quarter of 2024.

## **18.0 DOCUMENTS FOR INSPECTION**

The SPA will be made available for inspection at our registered office at Ground Floor, Wisma Ekovest, No 118 Jalan Gombak, 53000 Kuala Lumpur, from 8.30 a.m. to 5.30 p.m. from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 29 July 2024.