

EKOVEST BERHAD

Registration No: 198501000052 (132493-D)

**Condensed Consolidated Statement of Comprehensive Income
For The Financial Period Ended 30 June 2023**

	Individual Period		Cumulative Period	
	Current Year Quarter (Unaudited) 30 June 2023 RM'000	Preceding Year Corresponding Quarter 30 June 2022 RM'000	Current Year To-date (Unaudited) 30 June 2023 RM'000	Preceding Year Corresponding Period 30 June 2022 RM'000
Continuing operations				
Revenue	279,894	230,107	1,117,470	808,500
Fair value gain / (loss) in biological assets	201	-	(1,204)	-
Cost of sales	(216,163)	(153,555)	(743,344)	(525,243)
Gross profit	63,932	76,552	372,922	283,257
Other income	12,145	13,279	28,674	32,561
Depreciation and amortisation	(5,245)	(8,677)	(13,797)	(17,968)
Administrative and general expenses	(72,446)	(49,901)	(157,483)	(123,880)
Results from operating activities	(1,614)	31,253	230,316	173,970
Interest income	1,209	1,566	6,881	5,975
Interest expense	(64,901)	(75,807)	(246,589)	(220,489)
Negative goodwill	-	59	-	59
Share of result of associate	(117)	(28)	(117)	(28)
Loss before tax	(65,423)	(42,957)	(9,509)	(40,513)
Current year tax expense	(3,142)	(11,762)	(18,183)	(19,161)
Deferred tax expense	(48,247)	(60,468)	* (81,370)	(63,772)
Loss for the period / year	(116,812)	(115,187)	(109,062)	(123,446)
Other comprehensive (loss) / income, net of tax	(48)	5	(69)	7
Total comprehensive loss for the period / year	(116,860)	(115,182)	(109,131)	(123,439)
(Loss) / profit for the period / year attributable to :-				
- Owners of the Company	(95,401)	(124,010)	(110,853)	(125,179)
- Non-controlling interests	(21,411)	8,823	1,791	1,733
Loss for the period / year	(116,812)	(115,187)	(109,062)	(123,446)
Total comprehensive (loss) / income for the period/year attributable to :-				
- Owners of the Company	(95,449)	(124,005)	(110,922)	(125,172)
- Non-controlling interests	(21,411)	8,823	1,791	1,733
Total comprehensive loss for the period/year	(116,860)	(115,182)	(109,131)	(123,439)
Loss per share attributable to owners of the Company				
- Basic (sen)	(3.54)	(4.60)	(4.11)	(4.64)
- Diluted (sen)	(3.54)	(4.60)	(4.11)	(4.64)

Remarks :

*The deferred tax expense is mainly arises from the toll operations' segment where the unrecognition of deferred tax asset for the unabsorbed business losses pursuant to Section 44(5F) of the Income tax Act, where in a 10-year limitation on carried forward losses is imposed, and the temporary difference in the amortisation rate utilised between the accounting and tax bases.

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Reports And Financial Statements for the year ended 30 June 2022)

EKOVEST BERHAD

Registration No: 198501000052 (132493-D)

Condensed Consolidated Statement of Financial Position

As at 30 June 2023

	As At 30 June 2023 (Unaudited) RM'000	As At 30 June 2022 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	247,861	235,479
Investment properties	858,423	855,080
Right-of-use assets	262,759	265,222
Land held for property development	529,057	528,947
Concession assets	7,701,568	7,336,821
Bearer plants	339,297	347,749
Biological assets	3,047	2,681
Intangible assets	1,622	18,508
Investment in an associate	15,843	3,649
Other investment	1,310	-
Performance deposits	48,995	50,000
Other receivables	20,093	18,773
Deferred tax assets	27,484	24,251
	10,057,359	9,687,160
Current assets		
Inventories	95,986	203,674
Biological assets	1,935	3,139
Contract assets	-	61,433
Contract costs	2,907	2,650
Property development costs	119,401	117,897
Trade and other receivables	305,722	206,464
Current tax assets	15,464	19,898
Investment funds	277,300	676,427
Short term deposits	160,539	170,057
Cash and bank balances	237,498	78,470
	1,216,752	1,540,109
TOTAL ASSETS	11,274,111	11,227,269
EQUITY AND LIABILITIES		
Equity		
Share capital	1,138,871	1,138,871
Reserves	1,166,641	1,269,340
Equity attributable to owners of the Company	2,305,512	2,408,211
Non-controlling interests	489,917	453,806
Total equity	2,795,429	2,862,017
Non-current liabilities		
Lease liabilities	11,973	10,155
Bank term loans	657,819	383,089
Medium term notes	5,467,678	5,447,049
Reimbursable interest assistance	342,636	322,827
Deferred income	254,567	265,623
Provision for heavy repairs	13,639	13,589
Deferred tax liabilities	593,574	508,970
	7,341,886	6,951,302
Current liabilities		
Contract liabilities	25,021	-
Trade and other payables	744,364	709,801
Lease liabilities	5,283	6,973
Bank borrowings	200,532	572,600
Medium term notes	152,500	120,000
Current tax liabilities	9,096	4,576
	1,136,796	1,413,950
Total liabilities	8,478,682	8,365,252
TOTAL EQUITY AND LIABILITIES	11,274,111	11,227,269
Net assets per share attributable to owners of the Company (RM)	0.86	0.89

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Reports And Financial Statements for the year ended 30 June 2022)

EKOVEST BERHAD

Registration No: 198501000052 (132493-D)

**Condensed Consolidated Statement of Changes in Equity
For The Financial Year Ended 30 June 2023**

	Attributable to Equity Holders of the parent				Non-controlling Interests	Total Equity	
	Non-distributable		Distributable				
	Share capital RM'000	Translation reserve RM'000	Asset revaluation reserve RM'000	Retained Earnings RM'000	Sub-total RM'000	RM'000	
At 1 July 2022	1,138,871	8	82,453	1,186,879	2,408,211	453,806	2,862,017
Total comprehensive (loss) / income for the year	-	(69)	-	(110,853)	(110,922)	1,791	(109,131)
Accretion arising from issuance of shares by a subsidiary to non-controlling interests	-	-	-	5,216	5,216	33,899	39,115
Effect of disposal of subsidiary's warrants	-	-	-	3,000	3,000	-	3,000
Dividend paid by a subsidiary to non-controlling interests	-	-	-	-	-	(138)	(138)
Increase in stake in a subsidiary	-	-	-	7	7	(7)	-
Issuance of redeemable preference shares by a subsidiary to non-controlling interests	-	-	-	-	-	566	566
At 30 June 2023 (Unaudited)	1,138,871	(61)	82,453	1,084,249	2,305,512	489,917	2,795,429
1 July 2021	1,138,871	1	82,453	1,312,058	2,533,383	452,316	2,985,699
Total comprehensive income/(loss) for the year	-	7	-	(125,179)	(125,172)	1,733	(123,439)
Acquisition of a subsidiary	-	-	-	-	-	782	782
Dividend paid by a subsidiary to non-controlling interests	-	-	-	-	-	(1,025)	(1,025)
At 30 June 2022 (Audited)	1,138,871	8	82,453	1,186,879	2,408,211	453,806	2,862,017

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Reports And Financial Statements for the year ended 30 June 2022)

EKOVEST BERHAD

Registration No: 198501000052 (132493-D)

**Condensed Consolidated Statement of Cash Flows
For The Financial Year Ended 30 June 2023**

	For The Financial Year Ended	
	30 June 2023 (Unaudited) RM'000	30 June 2022 (Audited) RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(9,509)	(40,513)
Adjustment for:		
Non-cash items	111,207	84,542
Non-operating items	1,413	2,355
Net interest expense	216,841	213,439
Operating profit before working capital changes	319,952	259,823
Changes in property development costs	(1,504)	(488)
Changes in inventories	107,688	19,982
Changes in receivables	(120,156)	(17,614)
Changes in payables	8,968	37,180
Changes in contract costs	(257)	(148)
Changes in contract assets / liabilities	86,454	12,154
Cash generated from operating activities	401,145	310,889
Interest received	7,678	16,146
Interest paid	(46,470)	(46,168)
Tax paid	(10,255)	(40,593)
Net cash generated from operating activities	352,098	240,274
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(23,844)	(7,894)
Purchase of investment properties	-	(599)
Net redemptions of investment funds	410,452	315,391
Acquisition of shares in subsidiary, net of cash	302	103
Acquisition of intangible assets	-	(485)
Addition to land held for property development	(109)	(911)
Addition to investment properties	353	-
Addition to concession assets	(210,531)	(357,902)
Additions of bearer plants and biological assets	(5,503)	(3,254)
Proceeds from disposal of property, plant and equipment	566	900
Proceeds from disposal of investment properties	74	-
Proceeds from disposal of other investment	3,000	-
(Placement) / withdrawal in designated bank account	(1,536)	(2,331)
(Placement) / withdrawal of short term deposits	(8,777)	62,588
Repayment from / (advances to) related parties	5,631	(12,084)
Repayment from / (advances to) joint venture company	(1)	6,417
Advances to associate company	(4)	(464)
Capital contribution injection	(11,883)	-
Net cash generated from / (used in) investing activities	158,190	(525)
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown of bank borrowings	51,623	114,471
Dividend paid to non-controlling interests	(48)	(20)
Repayment of bank borrowings	(159,904)	(204,865)
Repayment of profit element on IMTNs	(285,775)	(327,664)
Repayment of medium term notes	(127,500)	(80,000)
Proceed from the issuance of medium term notes	129,166	146,799
Proceeds from private placement	38,716	-
Proceeds from issuance of redeemable preference shares by a subsidiary to non-controlling interests	566	-
Payment of rental lease liabilities	(6,264)	(6,648)
Payment of rental lease term charges	(308)	(823)
Payment of hire purchase liabilities	(2,282)	-
Payment of hire purchase term charges	(343)	-
Net cash used in financing activities	(362,353)	(358,750)
Net changes in cash and cash equivalents	147,935	(119,001)
Cash and cash equivalents at the beginning of the financial period	24,496	143,585
Effect of exchange rate changes	-	(88)
Cash and cash equivalents at end of financial period	172,431	24,496
Represented by:		
Cash and bank balances	237,498	78,470
Bank overdrafts	(40,138)	(47,061)
Designated bank accounts	(24,929)	(6,913)
	172,431	24,496

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Reports And Financial Statements for the year ended 30 June 2022)



EkoVest Berhad

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

Notes to the Interim Financial Report (4th Quarter - 30 June 2023)

A1 Basis of Preparation

The condensed interim financial statements are unaudited and have been prepared in compliance with the Malaysian Financial Reporting Standards ('MFRS') 134: Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad. The condensed interim financial statements should be read in conjunction with the Group's annual reports and financial statements for the year ended 30 June 2022.

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 2022, except for the adoption of the following Amendments to MFRSs that are effective for the Group from 1 July 2022:

Amendments to MFRS 1, MFRS 9, MFRS 16 and MFRS 141	Annual improvement to MFRS Standards 2018 - 2020
Amendment to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contract – Cost of Fulfilling a Contract

The adoption of the above Amendments to MFRSs does not have significant impact on the financial position and financial performance of the Group nor any of the Group's significant accounting policies.

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.



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**Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
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A4 Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter ended 30 June 2023.

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 Paid

There were no dividend declared or paid for the current quarter ended 30 June 2023.

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

A8 Segmental Information

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

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter (Unaudited)	Preceding Year Corresponding Quarter	Current Financial Year (Unaudited)	Preceding Financial Year
	30/06/2023 RM'000	30/06/2022 RM'000	30/06/2023 RM'000	30/06/2022 RM'000
<u>Revenue</u>				
Construction operations	185,990	79,332	528,723	363,932
Property development	9,978	11,915	139,090	35,604
Toll operations	52,663	85,226	287,728	191,720
Plantation	21,817	44,835	118,272	184,053
Food and beverages	2,873	2,839	12,813	9,499
Property Investment & Others	6,573	5,960	30,844	23,692
Total	279,894	230,107	1,117,470	808,500
<u>Segment Results</u>				
Construction operations	19,892	11,295	89,991	85,889
Property development	(2,700)	1,639	12,083	4,450
Toll operations	50,042	75,827	258,787	156,256
Plantation	(4,316)	5,295	16,519	65,114
Food and beverages	(1,027)	222	(1,784)	(473)
Property Investment & Others	4,349	5,701	9,902	6,850
Elimination	751	(30,606)	(13,134)	(33,921)
Total	66,991	69,373	372,364	284,165

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

A8 Segmental Information (Cont'd)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter (Unaudited)	Preceding Year Corresponding Quarter	Current Financial Year (Unaudited)	Preceding Financial Year
	30/06/2023 RM'000	30/06/2022 RM'000	30/06/2023 RM'000	30/06/2022 RM'000
Administrative expenses	(67,396)	(36,554)	(135,167)	(104,220)
Finance cost	(64,901)	(75,807)	(246,589)	(220,489)
Negative goodwill	-	59	-	59
Share of result of associate	(117)	(28)	(117)	(28)
Loss before tax	(65,423)	(42,957)	(9,509)	(40,513)
Tax expense	(51,389)	(72,230)	(99,553)	(82,933)
Loss for the period	(116,812)	(115,187)	(109,062)	(123,446)

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 were no material events subsequent to the end of the current quarter.

A11 Changes in Composition of the Group

Save as disclosed below, there were no significant changes in the composition of the Group during the quarter under review.

On 25 January 2023, a subsidiary of the Group, PLS Plantations Berhad undertake a private placement of up to 10% of the total number of issued shares, the proposed placement was completed in different tranches and listed on Main Market of Bursa Securities on 25 January 2023 and 2 February 2023. As a result, the Company's equity interest in PLS has reduced from 73.08% to 66.43%.



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**Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
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A12 Contingent Liabilities

There were no changes in contingent liabilities subsequent to the quarter and period ended 30 June 2023.

A13 Capital Commitments

Capital commitments of the Group as at 30 June 2023 are as follows –

	RM'000
Approved and contracted for capital expenditure in respect of:	
- Concession assets	79,742
- Motor Vehicles	886
	<u>80,628</u>

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:

	12 months ended 30 June 2023 RM'000
With company in which certain Directors of the Company, have interests:	
Charged by:	
Besteel Engtech Sdn Bhd	1,057
Knusford Berhad and its subsidiaries and associate companies	<u>33,061</u>
Charged to:	
Knusford Berhad and its subsidiaries and associate companies	1,278
Iskandar Waterfront Holdings Sdn Bhd and its subsidiaries and jointly controlled associate companies	<u>3,356</u>

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

Notes to the Interim Financial Report (4th Quarter - 30 June 2023)

B1 Financial Review

(i) Financial review for current quarter

	Individual Period (4rd Quarter)		Changes	
	Current Year Quarter (Unaudited)	Preceding Year Corresponding Quarter	RM'000	%
	30/06/2023 RM'000	30/06/2022 RM'000		
Revenue	279,894	230,107	49,787	21.64
Segment Results	66,991	69,373	(2,382)	(3.43)
Loss before tax	(65,423)	(42,957)	(22,466)	(52.30)
Loss after tax	(116,812)	(115,187)	(1,625)	(1.41)
Loss attributable to owners of the Company	(95,401)	(124,010)	28,609	23.07

Current quarter (“4Q 2023”) against preceding year corresponding quarter (“4Q 2022”)

For the 4Q 2023, the Group reported a revenue of RM279.894 million and loss before tax of RM65.423 million as compared to the revenue of RM230.107 million and loss before tax of RM42.957 million reported in the 4Q 2022.

The performance of the respective operating business segments for the 4Q 2023 under review as compared to the 4Q 2022 is analysed as follow:

Construction operations

The construction segment reported a higher revenue of RM185.990 million for the 4Q 2023 as compared to RM79.332 million in 4Q 2022. The higher revenue as compared to 4Q 2022 is mainly attributable to the commencement of the new Rapid Transit System Link (“RTS Link”) project. Although the revenue for this reporting quarter significantly increased, the segment result has only increased from RM11.295 million in 4Q 2022 to RM19.892 million in 4Q 2023. This is mainly due to the new RTS Link project has higher operating costs as compare to our current construction projects.



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

Property development

The property development segment reported a revenue of RM9.978 million for this current quarter as compared to RM11.915 million in the preceding year corresponding quarter. Similarly, the segment's result has declined from a profit of RM1.639 million in 4Q 2022 to a loss of RM2.700 million in 4Q 2023. This is primarily attributed to lower sales concluded during the current quarter and the under provisioning of sales and marketing expenses incurred in the previous quarters. Nevertheless, the property development segment has performed well in the current financial year compared to the previous year.

Toll operations

The toll operations segment registered a lower revenue of RM52.663 million in 4Q 2023 as compared to RM85.226 million in 4Q 2022. The higher revenue in the preceding year corresponding quarter was mainly due to the toll compensation received amounting to RM36.227 million for the freezing of toll rates in the 4Q 2022, as for the financial year 2023, the compensation received were recorded in Q2 2023 and Q3 2023 respectively. As a result of the decreased in revenue, this segment reported a lower profit of RM50.042 million in 4Q 2023 as against RM75.827 million in 4Q 2022.

Plantation

For the current quarter 4Q 2023, the plantation segment registered a lower revenue of RM21.817 million and a segment result of a loss of RM4.316 million as compared with revenue of RM44.835 million and segment result of a profit of RM5.295 million in the preceding year corresponding quarter. The decrease in revenue and earnings were mainly attributed to the lower sales contribution from the oil palm plantation, weaker commodity price for crude palm oil, decline in yield of oil palm estates and escalating in operational cost. The durian plantation and contract farming experienced a lucklustre production season with decline in crop quality. Sales of downstream durian products was also comparatively lower due to slower offtake rate by export customers.

Food and Beverages

Our F&B division has maintained its stability by comparing the 4Q 2023 to the 4Q 2022. However, the segment reported a loss of RM1.027 million in 4Q 2023, compared to a profit of RM 0.222 million in 4Q 2022 due to the higher operating and staff costs incurred for the recent opening of the new restaurant, DUKE's Kitchen in INNSiDE by Meliá Hotel in EkoCheras.

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

B1 Financial Review (cont'd)

Property Investment and others

The rental revenue for the current quarter has increased from RM5.960 million in 4Q 2022 to RM6.573 million in 4Q 2023 mainly due to the lower rental rebates given to the tenants in EkoCheras Shopping Mall. Furthermore, our newly opened INNSiDE by Meliá Hotel in EkoCheras has also contributed to this segment revenue. Nonetheless, this segment results reported a lower profit of RM4.349 million in Q4 2023 compared to a profit of RM5.701 in Q4 2022, mainly due to increase operational costs incurred from the new opening hotel in this quarter.

(ii) Financial review for financial year to date

	Cumulative Period		Changes	
	Current Year To-Date (Unaudited)	Preceding Year Corresponding Period	RM'000	%
	30/06/2023 RM'000	30/06/2022 RM'000		
Revenue	1,117,470	808,500	308,970	38.22
Segment Results	372,364	284,165	88,199	31.04
Loss before tax	(9,509)	(40,513)	31,004	76.53
Loss after tax	(109,062)	(123,446)	14,384	11.65
Loss attributable to owners of the Company	(110,853)	(125,179)	14,326	11.44

Current year to date (“YTD 2023”) against preceding year corresponding period (“YTD 2022”)

For the YTD 2023, the Group registered a revenue of RM1,117.470 million and loss before tax of RM9.509 million as compared to the revenue of RM808.500 million and loss before tax of RM40.513 million reported in YTD 2022. The performance of the respective operating business segments for the YTD 2023 under review as compared to the YTD 2022 is analysed as follows:

Construction operations

The construction segment reported a higher revenue of RM528.723 million for the YTD 2023 as compared to RM363.932 million in YTD 2022. The increase in revenue for the YTD 2023 is mainly attributable to the commencement of the RTS Link project. Despite the higher revenue in this reporting period, the segment's result has remained consistent at RM89.991 million in profit for YTD 2023, compared to RM85.889 million in YTD 2022. This is mainly due to the higher operating costs of the RTS Link project in comparison to our other construction projects.

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

B1 Financial Review (cont'd)

Property development

The property development segment for the YTD 2023 reported a higher revenue of RM139.090 million as compared to preceding year corresponding period of RM35.604 million. The revenue from the sales of the completed units in EkoCheras has gradually increased after the government lifted the MCO restrictions. The sales had also further improved after obtaining approval for the Bumi Release for EkoCheras property units in September 2022. Correspondingly, this segment reported improved result with RM12.083 million profit in YTD 2023 compared with RM4.450 million profit in YTD 2022.

Toll operations

The toll operations segment registered a higher revenue of RM287.728 million in YTD 2023 as compared to RM191.720 million in YTD 2022, this represents an increase of approximately 50.08% in revenue for YTD 2023 compared to YTD 2022 due to the increase in the overall traffic volume, additional contribution from our newly opened Wangsa Maju section of the SPE highway and receiving toll compensation for the year 2020 and 2021. As a result of the increase in revenue, this sector reported a higher profit of RM258.787 million in YTD 2023 as against RM156.256 million in YTD 2022.

Plantation

The plantation segment registered a lower revenue of RM118.272 million and a segment results of RM16.519 million in YTD 2023 as compared with the revenue of RM184.053 million and a segment results of RM65.114 million in YTD 2022.

Comparatively, revenue and earnings of the oil palm segment were lower following a weaker commodity price of crude palm oil, poorer yield of oil palm estates and inflationary pressure on operating cost. Meanwhile, volume and quality of durian plantation and contract farming activities were adversely affected by inclement weather condition. Sales of downstream durian products was also comparatively lower due to slower offtake rate by export customers.

Food and Beverages

The F&B division has registered a higher revenue of RM12.813 million for YTD 2023 as against the preceding corresponding year of RM9.499 million.

The upliftment of MCO restrictions, coupled with the improved performance of our restaurant, Saemaeul Korean BBQ, has had a positive impact on our F&B division. During the MCO period in the prior year, our F&B outlets were limited to operating take away services, which affected our total revenue in the preceding year. However, the segment reported a higher loss of RM1.784 million in YTD 2023, compared to a loss of RM 0.473 million in YTD 2022 due to the higher operating and staff costs incurred for the recent opening of the new restaurant, DUKE's Kitchen in INNSiDE by Meliá Hotel in EkoCheras.

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

B1 Financial Review (cont'd)

Property Investment and others

The property investment segment reported an increase in revenue for YTD 2023, rising from RM23.692 million in YTD 2022 to RM30.844 million. This increase is primarily attributed to lower rental rebates granted to tenants at EkoCheras Shopping Mall compared to the preceding year. Furthermore, our newly opened INNSiDE by Meliá Hotel in EkoCheras has also contributed to this segment revenue. Accordingly, this segment results reported a better profit of RM9.902 million in Q4 2023 compared to a profit of RM6.850 in Q4 2022.

B2 Comparison with preceding quarter results

Financial review for current quarter compare with immediate preceding quarter

	Current Year Quarter (Unaudited)	Immediate Preceding Quarter	Changes	
	30/06/2023	31/03/2023	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	279,894	220,179	59,715	27.12
Segment results	66,991	122,567	(55,576)	(45.34)
(Loss)/profit before tax	(65,423)	31,614	(97,037)	NM
Loss after tax	(116,812)	(10,828)	(105,984)	NM
Loss attributable to owners of the Company	(95,401)	(15,857)	(79,544)	NM

NM - Not meaningful

The Group recorded a revenue of RM279.894 million and loss before tax of RM65.423 million in the current quarter as compared to revenue of RM220.179 million and profit before tax of RM31.614 million in the immediate preceding quarter.

For the current reporting quarter, the Group reported a higher revenue mainly due to higher contribution from the construction as compared to the immediate preceding quarter. The higher revenue was mainly contributed from the construction work done from the SPE Highway project, as well as the steadily advancing construction progress of the RTS link project. In addition, the newly opened INNSiDE by Meliá hotel in EkoCheras has also contributed to the revenue in this current quarter. The net loss after tax has increased from RM10.828 million to RM116.812 million mainly due to the increased in the recognition of deferred tax liabilities for the toll operations' segment as compared to immediate preceding quarter.



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B3 Prospects

The Board remains optimistic in delivering positive financial results and is confident each of the Group's segments would contribute positively to the Group's performance for the new financial year ending 30 June 2024.

Upon the upliftment of the MCO since October 2021, the Group had experienced steady increase in toll revenue for Duke Phase-1 and Phase-2 and the upcoming full opening of the SPE will further increase the revenue for our toll operations segment.

The Board will continue to explore the right opportunities which will contribute to both the property development and construction segment simultaneously. In the near term, the Group is finalising the financial requirement and the authorities' submission for the launch of the upcoming new property development for the Group. As for the construction segment, the Board expects that the rationalisation of the current on-going construction scope under the RTS Link project will contribute positively to the Group's future construction revenue and earnings.

In addition, the Group is continuously working closely with Government on various infrastructure projects. The Board is hoping that the Group is able to secure some of these projects.

Our subsidiary, PLS Plantations Berhad ("PLS"), is in a transition phase from its core business in traditional oil palm plantation to the broader agrofood industry. PLS's transformation journey from the cyclical oil palm plantation to a more diversified range of upstream and downstream activities will require a longer gestation period. In particular, the gestation period for the durian trees is about 4 to 5 years and thus, the bulk of our durian revenues is only from trading activities. In the near term, while PLS's oil palm business is expected to see improved productivity and yield with the recent availability of labour, the selling price of FFB may remain less buoyant than the previous financial year. PLS has entered into various cash crops joint ventures for the purpose of intercropping with cash crops, durian and other plantations. PLS has also set its approach to the Chinese market to recalibrate to form collaborations with renowned players in China's wholesale and retail sectors instead of the earlier direct selling strategy. PLS is currently engaged in discussions with multiple stakeholders to enhance its access to the Chinese market. The aim of this collaboration is to align interests and foster sustainable growth for PLS, allowing PLS to maintain its core expertise in planting, sourcing and downstream processing.

This is in line with the long-term group strategy to expand and diversified into other businesses to reduce dependency and reliance on our existing businesses in construction, property development and toll operations.

B4 Forecast/Profit Guarantee

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

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Bursa Malaysia Securities Berhad**
B5 Taxation

	Current quarter ended 30 June 2023	12 months ended 30 June 2023
	RM'000	RM'000
Malaysian taxation		
- current tax	(3,142)	(18,183)
- deferred tax	(48,247)	(81,370)
	<u>(51,389)</u>	<u>(99,553)</u>

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

The Group is required to account for the impacts of deferred tax in accordance with Malaysian Financial Reporting Standard 112: Income Taxes. Deferred tax expenses pertain to the recognition of deferred tax liabilities arising from temporary differences between the financial reporting and tax bases of specific assets and liabilities. Temporary differences emerge when the carrying amount of an asset or liability and the timing of recognising these items for financial reporting varies from its tax basis.

The deferred tax expense presented primarily arises from the toll operation segments due to the following factors:

- (i) During the construction period of the concession assets, the finance cost was capitalised into concession assets and to be amortised over the remaining concession period. However, these finance cost was fully claimed as tax deductible expenses upon the interest paid during the construction period. This creates the temporary difference between accounting base and tax base, which arises the deferred tax expense.
- (ii) Unrecognition of deferred tax asset for accumulated unabsorbed business losses pursuant to Section 44(5F) of the Income tax Act 1967, as it is not probable that the existing toll operation business would generate sufficient taxable profit within next 10-year against which the deferred tax asset can be utilised.
- (iii) The annual rate of industrial building allowance ("IBA") allowed to be claimed under the Malaysian tax authority is higher than the amortisation rate used in the accounting basis. This creates the temporary difference between accounting base and tax base, which arises the deferred tax expense.

**Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
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B6 Group Borrowings

Current Liabilities	30 JUNE 2023 (Unaudited) RM'000	30 JUNE 2022 (Audited) RM'000
Bank overdraft		
- secured	37,663	44,569
- unsecured	2,475	2,492
Bank term loans - secured	65,794	70,068
Medium term notes	152,500	120,000
Multi Trade financing	14,600	3,143
Revolving credit - secured	80,000	452,328
	353,032	692,600
Non-current Liabilities	30 JUNE 2023 (Unaudited) RM'000	30 JUNE 2022 (Audited) RM'000
Bank term loans - secured	322,819	383,089
Islamic medium term notes	5,467,678	5,447,049
Revolving credit - secured	335,000	-
	6,125,497	5,830,138

There is a decrease in the Group's borrowings as compared to the preceding year. The decrease in the Group's borrowings is mainly due to repayment of borrowings during the year.



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

Save as disclosed below as at 30 June 2023, 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 :

- (i) On 3 July 2018, EkoVest Construction Sdn Bhd ("**ECSB**"), a wholly-owned subsidiary of our Company, had initiated an arbitration proceeding against Samling Resources Sdn Bhd ("**SRSB**") by serving a Notice of Arbitration on SRSB. Thereafter, ECSB had on 2 July 2019 filed a Statement of Case to claim against SRSB based on the following:
 - (a) wrongful termination of the joint venture and shareholders' agreement dated 6 January 2017 entered into between ECSB and SRSB ("**JV Agreement**") to jointly undertake the development and upgrading of the Pan Borneo Highway in the state of Sarawak, Malaysia for work package contract WPC-02 (Semantan to Sg. Moyan Bridge + KSR Interchanges) ("**Highway Project**");
 - (b) misrepresentation by SRSB to ECSB, in order to induce ECSB into performing tasks, duties and responsibilities of SRSB prior to the submission of the tender; the procurement of the Highway Project from Lebuhraya Borneo Utara Sdn Bhd ("**LBUSB**"), the project delivery partner for the Highway Project; and managing the Highway Project and all its ensuing duties and tasks;
 - (c) failure to expeditiously and diligently make the necessary applications for the approvals from LBUSB for the sub-contract of the Highway Project to Samling – EkoVest JV Sdn Bhd, a special purpose vehicle incorporated by ECSB and SRSB to undertake the development and upgrading of the Highway Project ("**JV Company**"); and
 - (d) in the alternative, failure to take any step to compel LBUSB to consent to the sub-contract of the Highway Project to the JV Company, which should not have been unreasonably withheld, in which ECSB claims for general damages, interest and costs to be determined by the arbitrator ("**Arbitration Proceedings**").

The hearing in relation to the Arbitration Proceeding which was fixed from 29 September 2020 to 2 October 2020 were vacated following the order of the Court as detailed in item (ii) below.

On 12 January 2022, SRSB had initiated an arbitration proceeding against ECSB by serving a new Notice of Arbitration on ECSB, claiming against ECSB for, amongst others, the following:

- (a) negligent misrepresentation and/or misstatements;
- (b) breach of duty of care, fiduciary duties, duties under common law and equity;

**Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
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B7 Material Litigation (cont'd)

- (c) breach of the JV Agreement; and
- (d) breach of a collateral agreement between the parties.

ECSB had challenged the validity of the aforesaid notice on grounds that SRSB's attempt to initiate this fresh arbitration tantamount to duplicity and is an abuse of process. ECSB is now pending a response from SRSB.

The parties reached a global settlement on 11 May 2023. On 12 May 2023, the parties, via a letter dated 12 May 2023 from the solicitors for ECSB to the Arbitrator in ECSB's arbitral proceedings, jointly sought the termination of the ECSB's arbitral proceedings. SRSB also via its solicitors' letter dated 12 May 2023 to AIAC sought to terminate the SRSB's arbitral proceedings.

- (ii) On 3 February 2020, our Company and ECSB were served by the solicitors of SRSB with a Writ of Summons and Statement of Claim dated 31 January 2020 ("**Claim**") alleging that our Company and/or ECSB:
 - (aa) were negligent in their representation and/or assurances with regards to the technical advice and support and profit margin for the Highway Project;
 - (bb) failed, neglected and/or omitted to discharge their responsibilities with due care and diligence in the implementation and execution of the Highway Project;
 - (cc) acted in breach of their fiduciary duties owed to SRSB, including inter alia, the duties under common law and equity; and/or
 - (dd) breached and misrepresented in respect of the sub-contractors that were selected, recommended and appointed to carry out the sub-contract works of the Highway Project.

SRSB as plaintiff is claiming against our Company and ECSB as defendants jointly and severally for:

- general damages;
- interest at the rate of 5% per annum pursuant to Section 11 of the Civil Law Act 1956 or at such rate and from such date as the court deems fit and proper until the date of judgement;
- interest at the rate of 5% per annum from the date of judgement until the date of full and final settlement;
- costs; and

**Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
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B7 Material Litigation (cont'd)

- such further and/or other relief as the court deems fit and proper.

ECSB and our Company had on 13 February 2020 and 14 February 2020 respectively filed our/its application for a stay of proceedings of the Claim pending the Arbitration Proceeding (“**Stay Applications**”). During the case management held on 21 April 2020, the Deputy Registrar further directed parties to file their respective affidavits and submissions, and had fixed the hearing of the Stay Applications on 6 July 2020. The hearing of the Stay Applications was then adjourned to 13 July 2020. Further to the filing of the written submissions and reply submissions by the parties’ solicitors, the parties’ solicitors also submitted orally and addressed the High Court Judge’s questions during the hearing fixed on 13 July 2020. Thereafter, the High Court Judge fixed the Clarification/Decision for the Stay Applications on 30 July 2020. On 30 July 2020, the High Court Judge dismissed the Company’s application for a stay of proceedings; and the High Court Judge allowed ECSB’s application for a stay of proceedings pending arbitration but imposed a condition that the arbitration between ECSB and SRSB shall only proceed after the resolution of SRSB’s Claim against the Company at Kuala Lumpur High Court.

On 25 August 2020, the Company has filed its notice of appeal to appeal against the decision of the High Court that dismissed the Company’s Stay Application (“**Company’s Appeal**”), and ECSB had also filed its notice of appeal to appeal partly against the condition imposed by the High Court when allowing ECSB’s Stay Application. The Company and ECSB were advised that the Company’s Stay Application and also the ECSB’s Stay Application should be allowed given that the matters to be decided in the aforementioned proceedings are one of the same and that any contradiction in the decisions arising therefrom would unfairly prejudice one party’s claim against each other.

Notwithstanding the aforesaid, the Court of Appeal had on 25 November 2021 (after reading the parties’ respective written submissions together with all relevant documents) (a) allowed ECSB’s appeal and set aside the condition imposed by the High Court Judge that the arbitration between ECSB and SRSB shall only proceed after the resolution of SRSB’s Claim against the Company at the Kuala Lumpur High Court (“**Set Aside Decision**”); and (b) dismissed the Company’s Appeal as the Court of Appeal was of the view that the High Court proceedings between SRSB and the Company could proceed.

On 24 December 2021, SRSB had filed a Notice of Motion to the Federal Court to seek leave from the Federal Court to appeal against the Court of Appeal’s Set Aside Decision (“**SRSB’s Motion**”). The Company had also on 27 December 2021 filed a Notice of Motion to seek leave from the Federal Court to appeal against the decision of the Court of Appeal in dismissing the Company’s Appeal as earlier mentioned (“**Company’s Motion**”). The case management for both the Company’s Motion and SRSB’s Motion was fixed on 12 September 2022 pending the Grounds of Judgment from the Court of Appeal. A Case Management was fixed on 25 October 2022 to update the Court Registrar on the filing of the written submission. The Hearing of both the Company’s Motion and SRSB’s Motion at the Federal Court was fixed on 8 November 2022. Thereafter, the Hearing of both the Company’s Motion and SRSB’s Motion fixed on 8 November 2022 is vacated due to the

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B7 Material Litigation (cont'd)

rescheduling of cases at the Federal Court. The Court Registrar fixed a Case Management on 7 February 2023 to update the Court Registrar on the filing of the written submissions (which have been filed on 20 October 2022) and the Hearing of both the Company's Motion and SRSB's Motion at the Federal Court was fixed on 22 February 2023.

On 22 February 2023, during the Hearing, the Company through its solicitors made a request for an adjournment of the Hearing as the parties are in the midst of settlement. The Honourable Federal Court Judge, after hearing the oral submissions and explanation, allowed the Company's request for an adjournment of the Hearing and directed the parties' solicitors to appear before the Court Registrar on the same day to fix a new Hearing date. The Hearing of both the Company's Motion and SRSB's Motion at the Federal Court was fixed on 17 May 2023.

On the above matter as a whole, our solicitors are of the opinion that, notwithstanding that the maximum exposure to liabilities and amount of damages, interest and costs pursuant to the Claim cannot be ascertained at this juncture, ECSB has a fair chance of success in the Arbitration Proceeding and the Company has a fair chance of success in the defence to the Claim brought by SRSB as SRSB has failed to expeditiously and diligently make the necessary applications for the approvals from LBUSB for the sub-contract of the Highway Project to the JV Company, and failed to take any step to compel LBUSB to consent to the sub-contract of the Highway Project to the JV Company which should not have been unreasonably withheld. Our solicitors are also of the opinion that the Company has a fair chance of success in the defence to the Claim brought by SRSB as the Company has no involvement after the execution of the JV agreement.

In respect of SRSB's Motion and Company's Motion at the Federal Court, on 12 May 2023, SRSB and EB through their respective solicitors filed the Notice of Withdrawal to withdraw their respective Motions at the Federal Court. Subsequent to the filing of both the Notices of Withdrawal for SRSB's Motion and Company's Motion, the Federal Court via a letter dated 15 May 2023 informed that the Hearing for both the Motions fixed on 17 May 2023 was vacated.

In respect of SRSB's Claim against the Company at the Kuala Lumpur High Court, SRSB through its solicitors filed a Notice of Discontinuance to discontinue the action against the Company.

- (iii) On 7 October 2019, ECSB was served by the solicitors of SRSB with a Statement of Claim of the Defendant against the Third Party ("**Third Party Proceeding**").

SRSB is claiming that in the event it is held liable to Greenland Knusford Construction Sdn Bhd ("**GKCSB**") pursuant to the legal proceeding commenced by GKCSB to claim for loss and damage amounting to RM22,537,460.63 arising from alleged fraudulent, negligent representations, misstatements and/or alleged wrongful termination of GKCSB's employment by SRSB ("**Primary Proceeding**"), then SRSB is entitled to claim in this Third

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B7 Material Litigation (cont'd)

Party Proceeding against ECSB, for declaratory relief and consequential order for the following:

- (a) a declaration that the alleged misrepresentations and/or misstatements pleaded by the GKCSB in the Statement of Claim was by ECSB and/or contributed by ECSB;
- (b) a declaration that ECSB owes a duty of care to GKCSB and is in breach of that duty of care;
- (c) a declaration that ECSB owes SRSB a fiduciary duty and/or a duty to take care, and ECSB is in breach of that duty;
- (d) a declaration that ECSB has caused SRSB to be sued by GKCSB in the Primary Proceeding;
- (e) consequently, and in the event that SRSB is held liable to GKCSB, an order that ECSB is liable to SRSB for an indemnity and/or a contribution in respect of GKCSB's claim;
- (f) costs incurred by SRSB in defending GKCSB's action;
- (g) cost of this Third Party Proceeding; and
- (h) interests.

The pleadings in respect of the Third Party Proceeding closed on 9 December 2019 and the matter was fixed for further case management on 16 July 2020.

On 19 December 2019, SRSB filed an application under Order 14A and/or Order 33 rule 2 and/or rule 5 of the Rules of Court 2012 ("**O. 14A Application**") for determination of six questions of law and for several consequential orders, including (a) that in the event the questions are determined in SRSB's favour, the claim of GKCSB against SRSB be struck out and/or dismissed, and (b) until the determination of the said questions, all proceedings in this matter be stayed. The case management for this O.14A Application was also fixed on 16 July 2020.

On 16 July 2020, the High Court directed for the O.14A Application to be heard first before the amendment application filed by GKCSB, and that parties are to comply with the directions for submissions.

Upon having heard the parties on their submissions, the High Court had on 3 September 2021 dismissed the O. 14A Application with cost to GKCSB. On 27 September 2021, SRSB filed a Notice of Appeal in respect of the O. 14A Application. SRSB had also filed a Notice of Application together with the Affidavit in Support for a stay of proceedings application

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B7 Material Litigation (cont'd)

(“**Stay Application**”) on 22 October 2021 and 25 October 2021 respectively. In addition, SRSB had on 20 December 2021 filed a Notice of Application for the recusal of the present judge from hearing and deciding on the action, and that the action be heard and decided by a different high court judge (“**Recusal Application**”). The High Court ordered that in the interest of justice, the Recusal Application shall be heard first. Accordingly, the hearing of this Recusal Application is fixed on 22 March 2022.

Upon hearing parties on 22 March 2022, the Court dismissed the Recusal Application (Encl. 137) with no order as to costs. The Defendant further filed a Stay Application (Encl. 163) in respect of the Recusal Application (Encl. 137). On 25 April 2022, the Court fixed a ruling date on 11 May 2022 to rule whether to hear the Stay Application for Order 14 (Encl. 126) or Stay Application for Recusal (Encl. 163) first both filed by the Defendant. The Court vacated the ruling date on 11 May 2022 and further fixed the same on 17 June 2022. On 17 June 2022, the Court ordered that the Stay Application for Recusal (Encl. 163) should be heard first.

Upon hearing parties on 21 July 2022 and noted the appeals for both the O. 14A Application and Recusal Application on 28 September 2022, the Court allowed the Stay Application for Recusal (Encl. 163) with no order as to costs for the interest of justice. The Court further fixed a further mention on 30 September 2022 to monitor the case.

On 30 September 2022, as the instant matter has been stayed pending disposal of the appeals filed by the Defendant and the hearing date of the appeals has yet to be confirmed by the Court of Appeal, the Court fixed a mention via e-review on 29 November 2022 to update the court on the status of the appeals.

On 29 November 2022, the Plaintiff had informed the Court that the hearing date of the appeals filed by the Defendant has been fixed on 23 June 2023. In the circumstances, the Court further fixed a mention by way of e-review on 26 June 2023 for parties to update the status of the matter.

On 12 May 2023, the Plaintiff has filed a Notice of Discontinuance dated 12 May 2023 wherein the Plaintiff wholly discontinues the instant action with no liberty to file afresh and with no order as to costs and the Defendant wholly discontinues its counterclaim against the Plaintiff with no liberty to file afresh and with no order as to costs and the Defendant also wholly discontinues its Third Party Notice against the Third Party (ECSB) with no liberty to file afresh and with no order as to costs.

In the circumstances, the instant suit is discontinued by parties.

We had sought the necessary legal advice on the above matter and our solicitors are of the opinion that SRSB has a good case in defending GKCSB’s claim in the Primary Proceeding on the basis that the allegation made by GKCSB is time barred pursuant to the limitation



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B7 Material Litigation (cont'd)

period of two (2) years for tort under Item 19 of the Schedule of Sarawak Limitation Ordinance. As such, ECSB has good prospects to avoid liability to indemnify SRSB against the amount of loss and damage claimed by GKCSB.

Our Directors are of the opinion that the Third Party Proceeding is not expected to have material operational and financial impact on our Group.

B8 Dividend Declared

No interim dividend has been declared for the current quarter and year ended 30 June 2023.

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**Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
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B9 Earnings Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year Quarter	Preceding year corresponding Quarter	Current year to-date	Preceding year Corresponding Period
	30 June 2023 (Unaudited)	30 June 2022 (Audited)	30 June 2023 (Unaudited)	30 June 2022 (Audited)
(a) Basis losses per share				
Net loss attributable to owners of the Company (RM'000)	(95,401)	(124,010)	(110,853)	(125,179)
Weighted average number of ordinary share issue (‘000)	2,695,828	2,695,828	2,695,828	2,695,828
Basic losses per ordinary share (sen)	<u>(3.54)</u>	<u>(4.60)</u>	<u>(4.11)</u>	<u>(4.64)</u>
(b) Diluted losses per ordinary share (sen)	<u>(3.54)</u>	<u>(4.60)</u>	<u>(4.11)</u>	<u>(4.64)</u>

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

	Current quarter ended 30 June 2023	12 months ended 30 June 2023
	RM'000	RM'000
Profit before tax is stated after charging /(crediting):		
Interest income	(1,209)	(6,881)
Other income including investment income	(12,145)	(28,674)
Interest expenses	64,901	246,589
Depreciation and amortisation	<u>12,615</u>	<u>66,360</u>



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B11 Corporate Exercises

Save as disclosed below, there is no corporate proposals announced but not completed as at the date of this quarterly report.

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

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

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

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

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.

**Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
Bursa Malaysia Securities Berhad**
B11 Corporate Exercises (cont'd)

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.

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 (<i>Note 1</i>)	Between 213,862 and 244,414	213,920	Nil	Nil	Within 6 months
Exit Payment	149,000	Nil	149,000	Nil	(<i>Note 2</i>)
General corporate and working capital	Between 325,168 and 355,720	355,662	Nil	Nil	Within 24 months
Estimated expenses for the Proposal	11,418	11,418	Nil	Nil	Within 6 months
	<u>1,130,000</u>	<u>981,000</u>	<u>149,000</u>		

Remarks :

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

- (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.

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



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B12 Other Information

Memorandum Of Understanding (“MOU”) Between EkoVest, Shenzhen MaoXiong Co Ltd (“Mx”) And Anxi County People’S Government (“Anxi County Office”)

On 25 July 2023, the Group has signed a Memorandum of Understanding (“MOU”) with Shenzhen MaoXiong Co., Ltd. (MX) and Anxi County Office concerning cross border socio economic collaboration which include but not limited to conceptualization, planning, prioritizing, financing and implementation of property development, infrastructure development and fresh produce, agriculture and aquaculture distribution and processing development in both China and Malaysia (“Proposed Cross Border Socio Economic Collaboration”).

The purpose of the MOU is to achieve the common mission of EkoVest, MX, and Anxi County Office (collectively, the “Parties”) to jointly collaborate in relation to the Proposed Cross Border Socio Economic Collaboration. Parties are exploring the prospects of entering into a Joint Venture Company.

The Parties agree to explore in good faith the possibility to assess the potential for cooperation in the Proposed Cross Border Socio Economic Collaboration, including but not limited to the followings initiatives:

- (a) Conceptualization and initial planning;
- (b) Research and planning;
- (c) Mutual transfer or exchange of skills, knowledges and expertise;
- (d) Selection and prioritization of infrastructure and other projects;
- (e) Exploration and arrangement of financing options in respect of the capital and operational expenditures necessary for the development of the subject matter of the MOU whether in phases or on one-off basis; and
- (f) Implementation of the development of the subject matter of the MOU.

The Parties agree and responsible to:

- (i) carry out the MOU in the manner to be mutually agreed by the Parties;
- (ii) establish a regular consultation mechanism to implement the MOU effectively; and
- (iii) establish technical working groups to study and consult on specific issues as and when required.

The MOU is effective immediately from the date of execution of the MOU and shall remain in effect until one (1) year or any extended period to be mutually agreed between the Parties. The execution of the MOU for the Proposed Cross Border Socio Economic Collaboration is expected to benefit EkoVest group of companies’ strategic plans to recognize socio-economic benefit to both countries on the creation of a strategic development corridor between Parties.

As of the date of announcement, the project has yet to witness any significant advancements.