

EKOVEST BERHAD (“EKOVEST”)

- (I) PROPOSED TRANSFER OF 100% OF THE ORDINARY SHARES OF RM1.00 EACH IN WIRA KRISTAL SDN BHD (“WIRA KRISTAL”) IN EXCHANGE FOR NEW ORDINARY SHARES OF RM1.00 EACH IN EKOVEST (“PROPOSED SHARE EXCHANGE”);
- (II) PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF EKOVEST (“PROPOSED IASC”); AND
- (II) PROPOSED EXEMPTION SOUGHT BY TAN SRI LIM KANG HOO (“TAN SRI LIM”) AND THE PERSONS ACTING IN CONCERT (“PAC”) WITH TAN SRI LIM UNDER PARAGRAPH 16.1 OF PRACTICE NOTE 9 OF THE MALAYSIAN CODE ON TAKE-OVERS AND MERGERS, 2010 FROM THE OBLIGATION TO EXTEND A TAKE-OVER OFFER FOR ALL THE REMAINING ORDINARY SHARES OF RM1.00 EACH IN EKOVEST NOT ALREADY OWNED BY TAN SRI LIM AND THE PAC WITH TAN SRI LIM UPON COMPLETION OF THE PROPOSED SHARE EXCHANGE (“PROPOSED EXEMPTION”)

(COLLECTIVELY REFERRED TO AS THE “PROPOSALS”)

1. INTRODUCTION

(Unless otherwise stated, all abbreviations used herein shall have the same meanings as those mentioned in the announcement dated 30 January 2012 in relation to the Proposed Share Exchange and Proposed IASC.)

We refer to the announcements dated 30 January 2012, 18 July 2012, 6 November 2012 and 7 December 2012 in relation to the Proposed Share Exchange and Proposed IASC.

On behalf of the Board of Ekovest, CIMB wishes to announce that Ekovest had on 25 January 2013 entered into a restated share exchange agreement with the WK Shareholders to restate the terms of the Share Exchange Agreement dated 30 January 2012 (“**Original Share Exchange Agreement**”).

In addition, CIMB wishes to announce that the Company was notified on even date by Tan Sri Lim and his PAC, namely Dato’ Haris, Ekovest Holdings Sdn Bhd (“**EHSB**”), Lim Hoe, Lee Hun Kheng, Lim Seong Hai Holdings Sdn Bhd (“**LSHH**”), Fablelite Sdn Bhd and Khoo Nang Seng @ Khoo Nam Seng on their intention to seek the Proposed Exemption.

2. DETAILS OF THE RESTATED SHARE EXCHANGE AGREEMENT AND PROPOSED EXEMPTION

2.1 Salient Terms of the Restated Share Exchange Agreement (“Restated Share Exchange Agreement”)

The salient terms of the Restated Share Exchange Agreement include:

- (i) The consideration for the Proposed Share Exchange of RM325,680,000 (“**Consideration**”) shall be satisfied wholly by the issuance and allotment of 126,723,735 new ordinary shares of RM1.00 each in Ekovest (“**Ekovest Share(s)**”) (“**Consideration Shares**”) at an issue price of RM2.57 per Ekovest Share on completion, being thirty (30) days from the date which all conditions precedent are fulfilled or waived.

- (ii) The Restated Share Exchange Agreement shall be conditional upon the following being obtained, procured, fulfilled and/or waived within six (6) months (or other extended period) from the date of the Restated Share Exchange Agreement:
 - (a) the approval of the shareholders of Ekovest at a general meeting for the Proposals;
 - (b) the approval of Bursa Securities for the listing of and quotation for the Consideration Shares;
 - (c) the satisfactory financial, legal and business due diligence on the Wira Kristal Group;
 - (d) the approval of the Securities Commission (“**SC**”) for the Proposed Exemption; and
 - (e) such other waivers, consents or approvals as may be required (or deemed necessary by the WK Shareholders and Ekovest) from any third party or governmental, regulatory body or competent authority having jurisdiction over any part the Proposed Share Exchange; and
- (iii) The completion of the Proposed Share Exchange is subject to the following conditions:
 - (i) no event of default has occurred or would occur as a result of the completion;
 - (ii) the conditions precedent have been procured, obtained and/or fulfilled or waived by the parties;
 - (iii) the approval from the Government of Malaysia for the change in the ultimate shareholders of Kesturi has not been withdrawn or revoked for any reason whatsoever;
 - (iv) there has been no material adverse change in the operations and financial condition of the Wira Kristal Group since the date of the Original Share Exchange Agreement;
 - (v) each of the representations and warranties set out in the Original Share Exchange Agreement remain accurate at the date of completion as if given on that date by reference to the facts and circumstances then existing;
 - (vi) the WK Shareholders have not breached any undertakings, representations, warranties and covenants;
 - (vii) no governmental entity shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, injunction or other order, whether temporary, preliminary or permanent, which is in effect and which has or would have the effect of making the transactions contemplated therein illegal or restraining or prohibiting consummation of such transactions; and
 - (viii) the Concession Agreement shall not be withdrawn or terminated for whatsoever reason;

- (iv) The WK Shareholders agree, covenant and undertake to ensure that Ekovest shall preside and have overriding rights over all decisions pertaining to the financing of the proposed extension of the DUKE (“**DUKE Phase-2**”) to be secured by Kesturi and WK Shareholders covenant and undertake that they shall cause and/or procure Wira Kristal, Nuzen and Kesturi to obtain prior approval from Ekovest on all matters in respect of the DUKE Phase-2; and
- (v) That Ekovest and the WK Shareholders have mutually agreed that the Consideration as stipulated in the original Share Exchange Agreement shall remain notwithstanding the provision for adjustment stated in the Original Share Exchange Agreement.

2.2 Details of the Proposed Exemption

As at 31 December 2012, Tan Sri Lim, a major shareholder of Ekovest, and his PAC (“**PAC Group**”) collectively hold approximately 42.12% of the issued and paid-up share capital of Ekovest. Upon completion of the Proposed Share Exchange, the PAC Group will collectively hold approximately 66.13% of the issued and paid-up share capital of Ekovest. This represents an increase of the PAC Group’s shareholding in Ekovest of more than two percent (2%) within a period of six (6) months and, accordingly, the PAC Group will collectively trigger a mandatory general offer obligation under the Code.

As it is not the intention of the PAC Group to undertake a take-over offer, the PAC Group will be seeking an exemption under Paragraph 16.1 of Practice Note 9 of the Code from the obligation to extend a take-over offer for all the remaining Ekovest Shares not already owned by them upon completion of the Proposed Share Exchange.

The PAC Group will make an application to the SC for the Proposed Exemption and the Company will seek the approval from its shareholders for the Proposed Exemption at an EGM to be convened which will be conducted by way of a poll, in which the PAC Group will abstain from voting in respect of their direct and/or indirect shareholdings in Ekovest on the resolution pertaining to the Proposed Exemption.

The PAC with Tan Sri Lim are EHSB (of which Tan Sri Lim is the major shareholder of EHSB of which EHSB is also the major shareholder of the Company), LSHH, Fablelite Sdn Bhd (a subsidiary of LSHH), Khoo Nang Seng @ Khoo Nam Seng, Lim Hoe, Lee Hun Kheng and Dato’ Haris.

3. RATIONALE FOR THE PROPOSED EXEMPTION

The Proposed Exemption is sought as it is not the intention of the PAC Group to undertake a take-over offer for all the remaining Ekovest Shares not already owned by them as a result of the Proposed Share Exchange.

4. EFFECTS OF THE PROPOSED EXEMPTION

The Proposed Exemption will not have any effects on the issued and paid-up share capital, substantial shareholders’ shareholding, earnings per share, net assets per share, gearing and dividend of Ekovest.

5. APPROVALS REQUIRED

The Proposed Exemption is subject to approvals being obtained from the SC and the shareholders of Ekovest at an EGM to be convened.

6. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS

Tan Sri Lim, Khoo Nang Seng @ Khoo Nam Seng, Lim Hoe and Lim Keng Cheng are directors of Ekovest. They have abstained and will continue to abstain from deliberating and voting on the Proposed Exemption at the relevant Board meetings of Ekovest.

In addition, Tan Sri Lim and his PAC (including EHSB, a major shareholder of Ekovest) will abstain and have undertaken to ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in Ekovest on the resolution pertaining to the Proposed Exemption.

Save as disclosed above, none of the major shareholders and/or directors of Ekovest have any interests, direct or indirect, in the Proposed Exemption.

7. INTER-CONDITIONALITY OF THE PROPOSED EXEMPTION

The Proposed Exemption is inter-conditional with the Proposed Share Exchange and the Proposed IASC.

8. INDEPENDENT ADVISER

An independent adviser will be appointed for the Proposed Exemption in due course.

9. DIRECTORS' STATEMENT

The Directors of Ekovest (save for Tan Sri Lim, Khoo Nang Seng @ Khoo Nam Seng, Lim Hoe and Lim Keng Cheng who have abstained from all deliberation on the Proposed Exemption), having considered all aspects of the Proposed Exemption, are of the opinion that the Proposed Exemption is in the best interests of Ekovest.

10. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposals are expected to be completed within the first half of 2013.

11. APPLICATION TO RELEVANT AUTHORITIES

Barring any unforeseen circumstances, the necessary applications in relation to the Proposed Exemption will be made to the SC within three (3) months from the date of this announcement.

This announcement is dated 25 January 2013.