



EKOVEST BERHAD

(Company No. 132493-D)

FACILITATION FUND AGREEMENT BETWEEN EKOVEST PROPERTIES SDN BHD, THE GOVERNMENT OF MALAYSIA (AS REPRESENTED BY PUBLIC PRIVATE PARTNERSHIP UNIT, PRIME MINISTER'S DEPARTMENT) AND BANK PEMBANGUNAN MALAYSIA BERHAD ("BPMB")

1.0 INTRODUCTION

The Board of Directors of EkoVest Berhad ("**EkoVest**" or "**Company**") is pleased to announce that EkoVest Properties Sdn Bhd ("**EPSB**"), a wholly-owned subsidiary of the Company, had on 9 June 2014 entered into a facilitation fund agreement with the Government of Malaysia (as represented by Public Private Partnership Unit, Prime Minister's Department) ("**the Government**") and Bank Pembangunan Malaysia Berhad ("**BPMB**") in relation to a grant provided to EPSB's commercial development known as "The Gateway @ KL Bund" ("**FFA**").

2.0 INFORMATION ON "THE GATEWAY @ KL BUND"

"The Gateway @ KL Bund" is a private initiative commercial development on 14.5 acres of land located within Precinct 1 under the River of Life ("**RoL**") project. The RoL is an Entry Point Project identified in the Greater Kuala Lumpur/Klang Valley National Key Economic Area ("**NKEA**") under the Economic Transformation Programme ("**ETP**").

"The Gateway @ KL Bund" will complement the RoL project under the river development programme along its blue corridor and is expected to transform the existing Setapak and Gombak area into a strategic commercial and tourist destination. It is envisaged that the development will feature a vibrant retail and commercial space surrounded by a central water feature and canal. The development will also encompass the rehabilitation of the existing Sungai Busuk and will be connected by riverfront promenade, cycling path and leisure boat rides to Sungai Gombak.

"The Gateway @ KL Bund" will also be seamlessly integrated with the on-going DUKE extension under the Tun Razak Link which will allow direct access from the highway to the development as well as provide connectivity to Kuala Lumpur city centre and its outskirts.

3.0 DETAILS OF THE FFA

Pursuant to the FFA, the Government agreed to provide a grant to EPSB for the amount not exceeding RM117,000,000 or an amount equivalent to five per centum (5%) of the actual construction costs of the project, whichever is lower, ("**Grant**") to facilitate the development of the project comprising of the planning, designing, financing, development, construction, completion, testing and commissioning of a commercial development known as "The Gateway @ KL Bund" consisting of:-

- (i) 300 units of PR1MA affordable homes;
- (ii) 320 units of Riverfront Service Apartment;
- (iii) Theme Hotel/Office;
- (iv) Executive SOHO Suites;
- (v) Themed Lifestyle Shopping Mall; and
- (vi) Riverfront Residence;

together with the necessary facilities and infrastructures on the project land including water canals and central lake plaza, underpass and ramps, general infrastructure works, water



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reticulation, sewerage reticulation and pumping station, flood mitigation and main drain, road widening, infrastructure for information communication technology, PMU/PPU/SSU and upgrading adjacent neighbourhood and village/*kampung* area ("**Project**").

4.0 ROLE OF BPMB IN THE FFA

BPMB has been appointed by the Government to manage, monitor and administer the Grant and to disburse the Grant to EPSB for or on behalf of the Government.

5.0 SALIENT TERMS OF THE FFA

3.1 Conditions Precedent

The FFA is subject to EPSB fulfilling the following conditions precedent:-

- (i) evidence that it has received the approval for the alienation of four (4) pieces of land measuring approximately 19,736 square metres all situated in Mukim Setapak, District of Kuala Lumpur, in Wilayah Persekutuan Kuala Lumpur;
- (ii) evidence that it has the capacity to finance the Project;
- (iii) it has the issued and paid up capital of RM 11,700,000.00;
- (iv) neither EPSB nor any of its directors has committed any corrupt practices, unlawful or illegal activities for the purpose of securing the Government's approval for the Grant;
- (v) all information and documents given by EPSB to the Government are true and correct; and
- (vi) none of the directors of EPSB has been an undischarged bankrupt and has not committed any offences under the Companies Act, 1965.

(Collectively referred to as "**Conditions Precedent**")

3.2 CP Period

EPSB shall have six (6) months from the date of execution of the FFA to fulfil the Conditions Precedent ("**CP Period**"). The Government may extend the CP Period provided that such extension shall not exceed three (3) months after the expiry of the CP Period.

3.3 Availability of the Grant

The Government shall make available the Grant from the date of fulfillment of all Conditions Precedent and ending on 31 March 2022.

3.3 Disbursement of the Grant

The Government, through BPMB, will disburse to EPSB the Grant upon completion of the whole Project.



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3.4 Purpose and use of the Grant

The Grant shall be used solely for the purpose of funding such costs and expenses relating to or in connection with the Project.

6.0 RATIONALE FOR THE FFA

The facilitation fund is provided by the Government as an initiative to encourage the implementation of private sector projects. The facilitation fund is also expected to bridge the viability gap in private sector investment in the implementation of high value projects that is expected to have huge spillover effects and projects that have high strategic impact to the economic development.

7.0 FINANCIAL EFFECTS OF THE FFA

As the Grant will only be disbursed upon completion of the Project, the Company does not expect any immediate effects to the earnings and/or net assets of Ekovest and its subsidiaries ("**Group**") for financial year ending 30 June 2014. Nonetheless, the overall infrastructure development cost of the Project is expected to be reduced upon disbursement of the Grant to EPMB and this is expected to contribute positively towards the earnings and net assets of the Group.

8.0 DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST

None of the Directors and/or major shareholders of Ekovest and/or persons connected with the Directors and/or major shareholders of Ekovest have any interest, either direct or indirect, in the FFA.

9.0 BOARD OF DIRECTORS' STATEMENT

The Board, having considered the details of the FFA and after taking into consideration the rationale and financial effects of the FFA, is of the opinion that the FFA is in the best interests of the Group.

10.0 DOCUMENT FOR INSPECTION

The FFA will be made available for inspection during normal business hours at Ekovest's registered office at Ground Floor, Wisma Ekovest, 118 Jalan Gombak, 53000 Kuala Lumpur, from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 10 June 2014.