

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

Bursa Malaysia Securities Berhad ("Bursa Securities") has not perused this Circular as it is prescribed as an exempt document pursuant to Paragraph 2.1 of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



Ekovest Berhad

Co. Reg. No. 198501000052 (132493-D)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The Notice of the Annual General Meeting and the Proxy Form are enclosed in the Annual Report 2023. The Annual General Meeting (AGM) is to be conducted on virtual basis through live streaming and online remote voting using the Remote Participation and Voting Facilities via Online Meeting Platform at <https://www.dvote.my>.

If you are unable to participate in the AGM and wish to appoint proxy(ies) instead, the appointment of proxy(ies) may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof at which the person named in the appointment proposes to vote or in case of poll not less than 24 hours before the time appointed for taking the poll:-

(i) In hard copy form

In the case of an appointment made in hard copy form, the Proxy Form must be deposited at the Registered Office of the Company situated at Ground Floor, Wisma Ekovest, No. 118, Jalan Gombak, 53000 Kuala Lumpur.

(ii) By electronic form via facsimile

In the case of an appointment made by facsimile transmission, the Proxy Form must be received via facsimile at 03-4021 5943.

(iii) By electronic form via email

In the case of an appointment made by email transmission, the Proxy Form must be received via email at proxy@ekovest.com.my.

Last date and time for lodging the Proxy Form	:	Wednesday, 13 December 2023 at 10.30 a.m.
Date and time of the AGM	:	Friday, 15 December 2023 at 10.30 a.m.
Online meeting platform of the AGM	:	https://www.dvote.my

This Circular is dated 27 October 2023

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

Act	:	Companies Act 2016, as amended from time to time and any re-enactment thereof
AGM	:	Annual General Meeting
Board	:	Board of Directors of Ekovest
Bursa Securities	:	Bursa Malaysia Securities Berhad
Director(s)	:	A director shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director of Ekovest, its subsidiary or holding company or a chief executive of Ekovest, its subsidiary or holding company
Ekovest or Company	:	Ekovest Berhad
Ekovest Group or Group	:	Collectively, Ekovest and its subsidiaries
FYE	:	Financial year ended/ending
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities including any amendment(s) that may be made from time to time and any Practice Notes (“PN”) issued in relation thereto.
LPD	:	29 September 2023, being the latest practicable date prior to the date of this Circular
Major Shareholder	:	Includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the Company as defined under paragraph 1.01 of the Listing Requirements or any other company which is its subsidiary or holding company. Definition under Paragraph 1.01:- Means a person who has an interest or interests in one or more voting shares in a corporation or aggregate of those shares, is:- (a) 10% or more of the total number of voting shares in the Company; or (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company. For the purpose of this definition, “interest in shares” has the meaning given in section 8 of the Act
Person Connected	:	In relation to any person defined under Chapter 1 of the Listing Requirements
Proposed Mandate	:	Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions for the Company and its subsidiaries in its normal course of business and on terms not more favourable than those generally available to the public, to enter into the transaction set out in paragraph 2.4 of this Circular with persons who are considered to be “related parties” as defined in Chapter 10 of the Listing Requirements
Related Party(ies)	:	Director, major shareholder and/or person connected with such director or major shareholder. For the purpose of this definition, “director” and “major shareholder” have the meanings given in paragraph 10.02 of the Listing Requirements

Except where the context otherwise requires, the following definitions shall apply throughout this Circular: (Cont'd)

Related Party Transaction	:	A transaction entered into by the Company and/or its subsidiaries which involves the interest, direct or indirect, of a related party
Recurrent Related Party Transaction or RRPT	:	A related party transaction which is recurrent, of a revenue or trading nature and which is necessary for day-to-day operations of the Company and its subsidiaries
Recurrent Related Party Transaction Mandate	:	Shareholders' mandate for the Company and its subsidiaries to enter into Recurrent Related Party Transactions
RM and sen	:	Ringgit Malaysia and sen respectively, being the lawful currency of Malaysia

All references to **"our Company"** in this Circular are to Ekovest. References to **"our Group"** or **"Ekovest Group"** are to our Company and our subsidiaries. References to **"we"**, **"us"** and **"our"** are to our Company and where the context otherwise requires, shall include our subsidiaries.

All references to **"you"** in this Circular are to our shareholders.

For practical reasons, information disclosed in this Circular has been mainly based on information available as at the LPD, unless otherwise stated.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or reenacted.

Certain amounts and percentage figures included in this Circular have been subjected to rounding adjustments. Any discrepancies between the figures shown in this Circular and figures announced by our Company, such as quarterly results and annual reports, may be due to such rounding adjustments.

Any reference to a time of day in this Circular is a reference to Malaysia time, unless otherwise stated.

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Ekovest Berhad

Co. Reg. No. 198501000052 (132493-D)
(Incorporated in Malaysia)

Registered Office:

Ground Floor
Wisma Ekovest
No. 118, Jalan Gombak
53000 Kuala Lumpur

27 October 2023

Our Board of Directors:

Tan Sri Dato' Lim Kang Hoo	(Group Executive Chairman)
Tan Sri Datuk Seri Lim Keng Cheng	(Managing Director)
Dato' Lim Hoe	(Executive Director)
Lim Chen Thai	(Executive Director)
Chin Wai Kit	(Independent and Non-Executive Director)
Lim Ts-Fei	(Independent and Non-Executive Director)
Jasmine Cheong Chi-May	(Independent and Non-Executive Director)
Dato' Majid Manjit Bin Abdullah	(Independent and Non-Executive Director)
Lee Wai Kuen	(Independent and Non-Executive Director)
Lim Ding Shyong	(Alternate Director to Tan Sri Datuk Seri Lim Keng Cheng)
Wong Khai Shiang	(Alternate Director to Dato' Lim Hoe)

To: Our Shareholders

Dear Sir/Madam

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

On 9 December 2022, we obtained your approval for a general mandate for the Company and its subsidiaries to enter into Recurrent Related Party Transaction in the ordinary course of business of a revenue or trading nature which are necessary for day-to-day operations of the Group based on commercial terms which are not more favourable to the Related Parties than those generally available to the public.

The said existing mandate for Recurrent Related Party Transaction shall lapse at the conclusion of the forthcoming AGM unless its renewal is obtained from the shareholders at the AGM.

The Company had on 23 October 2023 made an announcement to Bursa Securities pertaining to the Proposed Mandate.

The Board proposes to seek the approval of shareholders for a Proposed Mandate for the Group in its normal course of business and on terms not more favourable than those generally available to the public, to enter into transactions as set out in paragraph 2.4 below with persons who are considered to be "related parties" as defined in Chapter 10 of the Listing Requirements.

The purpose of this circular is to provide you with the relevant information in relation to the proposed mandate and to seek your approval for the resolution pertaining to the proposed mandate to be tabled at our forthcoming AGM.

THE NOTICE OF THE AGM IS SET OUT IN THE 2023 ANNUAL REPORT. YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED MANDATE TO BE TABLED AT OUR FORTHCOMING AGM TO BE CONDUCTED ON VIRTUAL BASIS.

2. DETAILS OF THE PROPOSED MANDATE

2.1 Provisions under the Listing Requirements

Pursuant to Part E Paragraph 10.09, of the Listing Requirements, a listed company with an issued and paid-up capital of RM60 million and above must immediately announce a Recurrent Related Party Transaction as follows:

- (i) the consideration, value of the assets, capital outlay or costs of the Recurrent Transactions is RM1 million or more; or
- (ii) the percentage ratio of such Recurrent Transaction is 1% or more,

whichever is the higher.

Paragraph 2.4 of Practice Note 12 states that where a listed issuer has obtained a shareholders' mandate in respect of any Recurrent Related Party Transaction, the above disclosure obligation will not apply to the Recurrent Related Party Transactions which are comprised in the mandate.

Accordingly, the Company proposes to seek its shareholders' approval for the Proposed Mandate to enable the Company to enter into transactions with the Related Parties which are of a revenue or trading nature and necessary for its day-to-day operations on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders.

If approved at the forthcoming AGM, the Proposed Mandate will take effect from the passing of the Ordinary Resolutions relating thereto and will continue to be in force until:-

- (i) The conclusion of the next AGM of the Company following the general meeting at which the authorisation is obtained, at which time it shall lapse, unless by Ordinary Resolutions passed at the meeting, the authority is renewed either unconditionally or subject to conditions; or
- (ii) The expiration of the period within which the next AGM of the Company after this date is required to be held pursuant to section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to section 340(4) of the Act); or
- (iii) Revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is the earlier.

2.2 Principal Business

The Company is primarily engaged in investment holding, civil engineering and building works.

The principal activities of the Company's subsidiaries and the effective ownership interest of the Company are as follows:

No.	Name of Company	Principal Activities	Effective Equity Interest (%)
1	Ekovest Construction Sdn Bhd	Civil engineering and building works	100%
2	Ekovest Project Management Sdn Bhd	Project management for construction works	100%
3	Ekoriver Construction Sdn Bhd	Civil engineering and building works	100%
4	KL Bund Sdn Bhd	Project coordinator and manager for 'River of Life' project	100%
5	Ekovest Capital Sdn Bhd	Property development and property investment	100%
6	Ekovest Land Sdn Bhd	Property development	100%
7	Nuzen Corporation Sdn Bhd ⁽⁴⁾	Investment holding	100%

2. DETAILS OF THE PROPOSED MANDATE (CONT'D)

2.2 Principal Business (Cont'd)

The principal activities of the Company's subsidiaries and the effective ownership interest of the Company are as follows: (Cont'd)

No.	Name of Company	Principal Activities	Effective Equity Interest (%)
8	DUKE Development Sdn Bhd ⁽⁵⁾	Inactive	100%
9	Ekovest Park & Ride Sdn Bhd ⁽⁵⁾	Construct, operate, manage and maintain the park and ride building	100%
10	Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd ⁽⁵⁾	Design, construction, operation, management and maintenance of the Duta-Ulu Kelang Expressway	60%
11	Lebuhraya DUKE Fasa 2A Sdn Bhd ⁽⁵⁾	Inactive	70%
12	Lebuhraya DUKE Fasa 3 Sdn Bhd ⁽⁵⁾	Design, construct, operate, manage and maintain the Setiawangsa - Pantai Expressway	100%
13	Wira Kristal Sdn Bhd	Investment holding	100%
14	DUKE Dinings Sdn Bhd	Investment holding	100%
15	Sunshine Reality Sdn Bhd ⁽⁶⁾	Restaurant operator	60%
16	The Loaf Asia Sdn Bhd ⁽⁶⁾	Restaurant operator	70%
17	DUKE Fusion Kitchen Sdn Bhd ⁽⁶⁾	Restaurant operator	100%
18	Arah Kasturi Sdn Bhd	Investment holding	100%
19	DUKE Hotels Sdn Bhd ⁽³⁾	Hotel operator	100%
20	Ekovest Technology Sdn Bhd	Inactive	100%
21	Ekovest Bay Sdn Bhd	Inactive	100%
22	Ekovest Energy Sdn Bhd	Property investment and renewable energy activity	100%
23	Ekovest Oil & Gas Sdn Bhd	Inactive	51%
24	Ekovest Properties Sdn Bhd	Property development	100%
25	Ekovest World Sdn Bhd	Property investment	100%
26	Heritage Reno Sdn Bhd ⁽³⁾	Property investment	100%
27	KL Rivercity Sdn Bhd	Inactive	100%
28	Milan Energy Sdn Bhd ⁽¹⁾	Property investment	100%
29	Milan Prestasi Sdn Bhd ⁽²⁾	Property investment	100%
30	Milan Resources Sdn Bhd	Investment holding	100%
31	Saujarena Bina Sdn Bhd	Property investment	100%

2. DETAILS OF THE PROPOSED MANDATE (CONT'D)

2.2 Principal Business (Cont'd)

The principal activities of the Company's subsidiaries and the effective ownership interest of the Company are as follows: (Cont'd)

No.	Name of Company	Principal Activities	Effective Equity Interest (%)
32	Sunview Capital Sdn Bhd ⁽³⁾	Property investment	100%
33	Temasek Megamas Sdn Bhd ⁽³⁾	Property investment	100%
34	Timur Terang Sdn Bhd	Property investment	100%
35	Tanahmas Kapital Sdn Bhd	Property Development	100%
36	Ekovest Auto Sdn Bhd (f.k.a. Medan Jutajaya Sdn Bhd)	Property Development	100%
37	Ekovest Development (S) Pte Ltd	Investment holding and property development	100%
38	PLS Plantations Berhad	Investment holding, civil engineering and construction works	62%
39	Aramijaya Agri & Agro Sdn Bhd ⁽⁷⁾	Management and operation of a forest plantation, logging, sawmilling, chipping, other downstream manufacturing and related activities and oil palm plantation and undertaking of construction works	43%
40	Ikhlas Bina Sdn Bhd ⁽⁷⁾	Civil engineering and construction works	62%
41	Bright Hill Synergy Sdn Bhd ⁽⁷⁾	Investment holding, estate owners and trading of commercial goods	62%
42	Jasa Indahmas Sdn Bhd ⁽⁷⁾	Estate owners, management, maintenance and harvesting of a durian plantation and in other durian-related businesses	62%
43	Parklane Advisors Sdn Bhd ⁽⁷⁾	Design and develop durian investment scheme	62%
44	Era Kuasajaya Sdn Bhd ⁽⁷⁾	Estate planters and cultivators of all kind of agriculture products, civil engineering and construction works	62%
45	Super Greenwood Sdn Bhd ⁽⁷⁾	Forest plantation development and logging-related activities	62%
46	Dulai Fruits Enterprise Sdn Bhd ⁽⁸⁾	Trading of fresh and processed fruits	43%
47	Perfect Sunworld Sdn Bhd ⁽⁸⁾	Contract farming on management, operation, maintenance, and harvesting of a durian plantation	62%
48	ARTM Services Sdn Bhd ⁽⁹⁾	Trading of fresh and processed fruits	43%
49	Bintang Saksama Sdn Bhd ⁽⁸⁾	Retail business including trading of fresh and processed fruits and wholesale of a variety goods	43%
50	Aurum Horizon Sdn Bhd ⁽⁸⁾	Trading on products for wood-based manufacturing industries	31%
51	PLS BE Sdn Bhd ⁽⁸⁾	Manufacturing, production, trading, marketing and export of biomass wood pellets including all kinds of wood products	37%
52	PLS Aqina Sdn Bhd ⁽⁸⁾	Management, operation, maintenance and harvesting of a pineapple plantation including packaging, trading, export, wholesaling of pineapples	37%

2. DETAILS OF THE PROPOSED MANDATE (CONT'D)

2.2 Principal Business (Cont'd)

The principal activities of the Company's subsidiaries and the effective ownership interest of the Company are as follows: (Cont'd)

No.	Name of Company	Principal Activities	Effective Equity Interest (%)
53	PLS Agrofresh Sdn Bhd ⁽⁸⁾	Management, operation, maintenance and harvesting of a banana plantation including packaging, trading, export, wholesaling of bananas	37%
54	Triway Wealth Sdn Bhd ⁽⁸⁾	General trading and investment holding	62%
55	Signal Express Sdn Bhd ⁽⁷⁾	Retail business including trading of foods and beverages	62%
56	Great Fruit Sdn Bhd ⁽⁸⁾	Investment holding in durian-related business	31%
57	Great Fruit Agriculture Sdn Bhd ⁽¹⁰⁾	Durian collection, processing and packaging center	17%
58	Great Fruit Ventures Sdn Bhd ⁽¹⁰⁾	Durian collection, processing and packaging center	17%
59	Great Fruit Station Sdn Bhd ⁽¹⁰⁾	Fruit stalls	17%
60	Great Fruit Trading Sdn Bhd ⁽¹⁰⁾	Durian collection, processing and packaging center	17%
61	Trillion Green Resources Sdn Bhd ⁽⁸⁾	Trading, export, marketing and whole saling of durians and related downstream products	62%

Notes:

- (1) Held through Milan Resources Sdn Bhd
- (2) Held through Ekovest Land Sdn Bhd
- (3) Held through Ekovest Capital Sdn Bhd
- (4) Held through Wira Kristal Sdn Bhd
- (5) Held through Nuzen Corporation Sdn Bhd
- (6) Held through Duke Dinings Sdn Bhd
- (7) Held through PLS Plantations Berhad
- (8) Held through Brighthill Synergy Sdn Bhd
- (9) Held through Dulai Fruits Enterprise Sdn Bhd
- (10) Held through Great Fruit Sdn Bhd

2. DETAILS OF THE PROPOSED MANDATE (CONT'D)

2.3 Classes of Related Parties

The Board is seeking approval from shareholders for the Proposed Mandate which will allow the Company and its subsidiaries, in its normal course of business, to enter into the categories of Recurring Related Party Transaction referred to in paragraph 2.4 below, with the classes of Related Parties set out below, provided that such transactions, if any, are made at arm's length, on the Company and its subsidiaries normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public.

The Proposed Mandate will apply to the following classes of Related Parties:

No	Mandated Related Party	Place of Incorporation	Principal Activity
i.	Knusford Berhad and its subsidiaries, jointly controlled and associate companies	Malaysia	Investment holding, property investment, reconditioning, sales and rental of heavy machinery, provision of transportation services and trading of building materials, construction and property development.
ii.	WCM Machinery Sdn Bhd	Malaysia	Reconditioning, sales and rental of light and medium machinery
iii.	Lim Seong Hai Lighting Sdn Bhd	Malaysia	Dealing in cabling, lighting and street-lighting works
iv.	Iskandar Waterfront Holdings Sdn Bhd and its subsidiaries, jointly controlled and associate companies	Malaysia	Property development, investment holding and civil engineering and construction works
v.	WCM Power Sdn Bhd	Malaysia	Civil engineering, mechanical and electrical works
vi.	Besteel Engtech Sdn Bhd	Malaysia	Mechanical engineering works, construction, project management, maintenance services and general trading
vii.	PLS Plantations Berhad and its subsidiaries, jointly controlled and associate companies	Malaysia	Investment holding, civil engineering, construction works, manufacturing and trading in timber related products, estate owners and trading of commercial goods, trader of fresh and processed fruits

Please refer to paragraph 2.5 below for the nature and extent of interest.

2. DETAILS OF THE PROPOSED MANDATE (CONT'D)

2.4 Nature of RRPT, Existing Mandate on RRPT and Estimated Annual Value

The RRPT to be covered by the Proposed Mandate are as follows and such transactions are necessary for the day to day operations and are in the ordinary course of the business of the Company and its subsidiaries. Set out in the table below are:

- (i) The estimated value provided for each rental transaction reflects the total amount transacted from the date of the forthcoming AGM to the date of the next AGM; and
- (ii) The actual value transacted for each RRPT entered into by the Group with the Related Parties from 9 December 2022 and is based on the aggregate amount up to 30 September 2023, being the last practicable date prior to the printing of the Circular, together with its estimated value as disclosed in the circular to the shareholders dated 27 October 2023.

No.	Types of transactions	Related Party	Interested Directors and Major Shareholders	Estimated value during the validity period of the RRPT Mandate from 15 December 2023 to the next AGM (RM'000)		Actual Value Transacted from 9 December 2022 to LPD (RM'000)		Estimated value as disclosed in the Circular to shareholders dated 28 October 2022 (RM'000)	
				Charged by	Charged to	Charged by	Charged to	Charged by	Charged to
i.	Provision of transport & supplies of building materials and spare parts	Knusford Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Ekovest Holdings Sdn Bhd Dato' Lim Hoe Lim Chen Thai Wong Khai Shiang	200,000	-	4,732	-	200,000	-
ii.	Rental of machinery & equipment & repair & services	Knusford Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Ekovest Holdings Sdn Bhd Dato' Lim Hoe Lim Chen Thai Wong Khai Shiang	30,000	-	38	-	30,000	-
iii.	Purchase of machinery & equipment	Knusford Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Ekovest Holdings Sdn Bhd Dato' Lim Hoe Lim Chen Thai Wong Khai Shiang	20,000	-	212	-	20,000	-

2. DETAILS OF THE PROPOSED MANDATE (CONT'D)

2.4 Nature of RRPT, Existing Mandate on RRPT and Estimated Annual Value (Cont'd)

(ii) The actual value transacted for each RRPT entered into by the Group with the Related Parties from 9 December 2022 and is based on the aggregate amount up to 30 September 2023, being the last practicable date prior to the printing of the Circular, together with its estimated value as disclosed in the circular to the shareholders dated 27 October 2023. (Cont'd)

No.	Types of transactions	Related Party	Interested Directors and Major Shareholders	Estimated value during the validity period of the RRPT Mandate from 15 December 2023 to the next AGM (RM'000)		Actual Value Transacted from 9 December 2022 to LPD (RM'000)		Estimated value as disclosed in the Circular to shareholders dated 28 October 2022 (RM'000)	
				Charged by	Charged to	Charged by	Charged to	Charged by	Charged to
iv.	Contract work for civil & building and other construction related works	Knusford Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Ekovest Holdings Sdn Bhd Dato' Lim Hoe Lim Chen Thai Wong Khai Shiang	500,000	-	23,350	-	500,000	-
v.	Contract work for hard & soft landscaping works	Knusford Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Ekovest Holdings Sdn Bhd Dato' Lim Hoe Lim Chen Thai Wong Khai Shiang	50,000	-	352	-	50,000	-
vi.	Contact work	Iskandar Waterfront Holdings Sdn Bhd and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Ekovest Holdings Sdn Bhd Dato' Lim Hoe Lim Chen Thai Wong Khai Shiang	500,000	-	-	-	500,000	-

2. DETAILS OF THE PROPOSED MANDATE (CONT'D)

2.4 Nature of RRPT, Existing Mandate on RRPT and Estimated Annual Value (Cont'd)

(ii) The actual value transacted for each RRPT entered into by the Group with the Related Parties from 9 December 2022 and is based on the aggregate amount up to 30 September 2023, being the last practicable date prior to the printing of the Circular, together with its estimated value as disclosed in the circular to the shareholders dated 27 October 2023. (Cont'd)

No.	Types of transactions	Related Party	Interested Directors and Major Shareholders	Estimated value during the validity period of the RRPT Mandate from 15 December 2023 to the next AGM (RM'000)		Actual Value Transacted from 9 December 2022 to LPD (RM'000)		Estimated value as disclosed in the Circular to shareholders dated 28 October 2022 (RM'000)	
				Charged by	Charged to	Charged by	Charged to	Charged by	Charged to
vii.	Rental of light machinery & spare parts & repairs	WCM Machinery Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Ekovest Holdings Sdn Bhd Dato' Lim Hoe Lim Chen Thai Wong Khai Shiang	2,000	-	-	-	2,000	-
viii.	Purchase of cabling, lighting and street-lighting equipments and services	Lim Seong Hai Lighting Sdn Bhd	Tan Sri Dato' Seri Lim Keng Cheng Lim Ding Shyong	20,000	-	2	-	20,000	-
ix.	Provision of supplies of timber related products	PLS Plantations Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Ekovest Holdings Sdn Bhd Dato' Lim Hoe Lim Chen Thai Wong Khai Shiang	5,000	-	-	-	5,000	-
x.	Provision of civil engineering and mechanical & electrical services	WCM Power Sdn Bhd	Tan Sri Dato' Lim Kang Hoo Ekovest Holdings Sdn Bhd Dato' Lim Hoe Lim Chen Thai Wong Khai Shiang	5,000	-	-	-	5,000	-

2. DETAILS OF THE PROPOSED MANDATE (CONT'D)

2.4 Nature of RRPT, Existing Mandate on RRPT and Estimated Annual Value (Cont'd)

(ii) The actual value transacted for each RRPT entered into by the Group with the Related Parties from 9 December 2022 and is based on the aggregate amount up to 30 September 2023, being the last practicable date prior to the printing of the Circular, together with its estimated value as disclosed in the circular to the shareholders dated 27 October 2023. (Cont'd)

No.	Types of transactions	Related Party	Interested Directors and Major Shareholders	Estimated value during the validity period of the RRPT Mandate from 15 December 2022 to the next AGM (RM'000)		Actual Value Transacted from 9 December 2022 to LPD (RM'000)		Estimated value as disclosed in the Circular to shareholders dated 28 October 2022 (RM'000)	
				Charged by	Charged to	Charged by	Charged to	Charged by	Charged to
xi.	Provision of civil engineering and mechanical & electrical services	Besteel Engtech Sdn Bhd	Tan Sri Datuk Seri Lim Keng Cheng Lim Ding Shyong	5,000	-	221	-	5,000	-
xii.	Rental of machinery & equipment & repair & services	Knusford Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Ekovest Holdings Sdn Bhd Dato' Lim Hoe Lim Chen Thai Wong Khai Shiang	-	2,000	-	176	-	2,000
xiii.	Rental of machinery & equipment & repair & service	PLS Plantations Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Ekovest Holdings Sdn Bhd Dato' Lim Hoe Lim Chen Thai Wong Khai Shiang	-	5,000	-	2,438	-	5,000
xiv.	Rental of machinery & equipment & repair & service	Iskandar Waterfront Holdings Sdn Bhd and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Ekovest Holdings Sdn Bhd Dato' Lim Hoe Lim Chen Thai Wong Khai Shiang	-	8,000	-	1,938	-	8,000

2. DETAILS OF THE PROPOSED MANDATE (CONT'D)

2.4 Nature of RRPT, Existing Mandate on RRPT and Estimated Annual Value (Cont'd)

- (ii) The actual value transacted for each RRPT entered into by the Group with the Related Parties from 9 December 2022 and is based on the aggregate amount up to 30 September 2023, being the last practicable date prior to the printing of the Circular, together with its estimated value as disclosed in the circular to the shareholders dated 27 October 2023. (Cont'd)

No.	Types of transactions	Related Party	Interested Directors and Major Shareholders	Estimated value during the validity period of the RRPT Mandate from 15 December 2023 to the next AGM (RM'000)		Actual Value Transacted from 9 December 2022 to LPD (RM'000)		Estimated value as disclosed in the Circular to shareholders dated 28 October 2022 (RM'000)	
				Charged by	Charged to	Charged by	Charged to	Charged by	Charged to
xv.	Sale of machinery & equipments	Knusford Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Ekovest Holdings Sdn Bhd Dato' Lim Hoe Lim Chen Thai Wong Khai Shiang	-	50,000	-	18	-	50,000
xvi.	Contract work	PLS Plantations Berhad and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Ekovest Holdings Sdn Bhd Dato' Lim Hoe Lim Chen Thai Wong Khai Shiang	-	50,000	-	-	-	50,000
xvii.	Contract work	Iskandar Waterfront Holdings Sdn Bhd and its subsidiaries, jointly controlled and associate companies	Tan Sri Dato' Lim Kang Hoo Ekovest Holdings Sdn Bhd Dato' Lim Hoe Lim Chen Thai Wong Khai Shiang	-	500,000	-	-	-	500,000

NOTE 1: The estimated transaction values are based on the information available at the point of projection of the business to be conducted in the coming year after taking into consideration the prevailing market rates. Due to the nature of the transactions, the actual value of the transactions may vary from the estimated value disclosed above. The frequency of the transactions cannot be detailed out as the transactions are on-going and numerous.

2. DETAILS OF THE PROPOSED MANDATE (CONT'D)

2.5 Nature and Extent of Interest

The nature and extent of the interest of the Interested Directors and Major Shareholders as stated in the preceding table as at LPD are as follows:-

- (i) Tan Sri Dato' Lim Kang Hoo is a major shareholder of Knusford Berhad.
- (ii) Ekovest Holdings Sdn Bhd is the holding company of the Ekovest Berhad. Tan Sri Dato' Lim Kang Hoo is a director and major shareholder in Ekovest Holdings Sdn Bhd.
- (iii) PLS Plantations Berhad is listed in Main Market of Bursa Malaysia and is a subsidiary of Ekovest Berhad.
- (iv) Tan Sri Dato' Lim Kang Hoo is deemed interested in WCM Machinery Sdn Bhd and WCM Power Sdn Bhd by virtue of his brother, Dato' Lim Kang Swee who is a director and major shareholder in WCM Machinery Sdn Bhd and WCM Power Sdn Bhd.
- (v) Tan Sri Dato' Lim Kang Hoo is a director and major shareholder of Iskandar Waterfront Holdings Sdn Bhd.
- (vi) Lim Chen Thai is a son of Tan Sri Dato' Lim Kang Hoo and is a director in Knusford Berhad.
- (vii) Dato' Lim Hoe is a sister to Tan Sri Dato' Lim Kang Hoo and is also a director in Ekovest Holdings Sdn Bhd. Wong Khai Shiang is a son of Dato' Lim Hoe.
- (viii) Tan Sri Datuk Seri Lim Keng Cheng is deemed interested in Besteel Engtech Sdn Bhd by virtue of his sibling, Datuk Lim Keng Guan who is a director and major shareholder of Besteel Engtech Sdn Bhd.
- (ix) Tan Sri Datuk Seri Lim Keng Cheng is a director and major shareholder of Lim Seong Hai Lighting Sdn Bhd.
- (x) Lim Ding Shyong is a son of Tan Sri Datuk Seri Lim Keng Cheng.

2.6 Amount Due and Owing by the Related Parties pursuant to the RRPT

Set out below is the breakdown of the total amount due and owing by the Related Parties under the RRPT as at the end of financial year ended 30 June 2023:

Exceeded credit term for:	Outstanding amount from Related Parties as at 30 June 2023 Principal (RM'000)
A period of 1 year or less	1,395
A period of more than 1 to 3 years	807
A period of more than 3 to 5 years	-
A period of more than 5 years	-

The management has and will continuously meet and discuss with the Related Parties for early settlement of the outstanding amounts due which are trade in nature. The Board of Directors is of the opinion that the outstanding amounts due can be recovered as there have been collections from the Related Parties during the financial year. Therefore, late payment charges and interest were imposed by the Group on the above outstanding amounts.

3. RATIONALE FOR THE PROPOSED MANDATE

3.1 The Groups relationship with the Mandated Related Parties

The Company and its subsidiaries have a long-standing business relationship with the Mandated Related Parties. The Mandated Related Parties are both good customers of the Company and its subsidiaries as well as reliable suppliers of raw materials, goods and services required by the Company and its subsidiaries for its businesses. The raw materials and goods provided by the Mandated Related Parties are priced competitively and all transactions between the Company and its subsidiaries and the Mandated Related Parties are carried out on an arm's length basis and on terms not more favourable to the related parties than those generally available to the public. The raw materials, goods and services can also be obtained from the Mandated Related Parties even when short notice is given to them, in order to meet the tight deadlines of the Company's business and of its subsidiaries. Although the Company also sources similar raw materials and goods from third parties, the Company would like to seek Shareholders' approval for the Proposed Mandate as the close co-operation between the Company and the Mandated Related Parties has reaped mutual benefits and has been and is expected to continue to be of benefit to the business of the Company and its subsidiaries.

3.2 The benefit of the Proposed Mandate

The renewal of the Proposed Mandate on an annual basis would eliminate the need to convene separate general meetings from time to time to seek shareholders' approval as and when the potential RRPT with a Mandated Related Party arise. This would reduce the administrative time and expenses in convening such meetings without compromising the corporate objectives and/or adversely affecting the business opportunities available to the Group.

The Proposed Mandate is intended to facilitate transactions in the normal course of business of the Company and its subsidiaries which are transacted from time to time with the Mandated Related Parties, provided that they are carried out at arm's length and on the Company and its subsidiaries' normal commercial terms and are not prejudicial to Shareholders and on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.

4. REVIEW METHODS OR PROCEDURES FOR RRPT

There are procedures established by the Company and its subsidiaries to ensure that RRPT are undertaken on an arm's length basis, on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public, consistent with the Group's usual business practices and policies. The procedures are also established to ensure that RRPT are no more favourable to the Mandated Related Parties than those extended to unrelated third parties and are not to the detriment of the minority shareholders.

The Company will implement the following procedures to supplement existing internal procedures for general transactions to ensure that the RRPT are undertaken on an arm's length basis and on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public.

- (i) A list of Mandated Related Parties will be circulated to the Company's subsidiaries to notify them that all RRPT are required to be undertaken on an arm's length basis and on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public;
- (ii) All RRPT will be reviewed by a management committee comprising at least one (1) executive director and two (2) senior management employees;
- (iii) The annual internal audit plan shall incorporate a review of all RRPT entered into pursuant to the Proposed Mandate to ensure that the relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to;
- (iv) The Audit and Risk Management Committee shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor RRPT have been complied with and the review shall be done annually together with the review of annual results;
- (v) The Audit and Risk Management Committee have reviewed the procedures and shall continue to review the procedures as and when required, with the authority to subdelegate to individuals or committees within the Company as they deem appropriate; and

4. REVIEW METHODS OR PROCEDURES FOR RRPT (CONT'D)

- (vi) Quotations will be taken to gather information to compare the price quoted by third parties and related parties for the purpose of determining the competitive market price of similar products or services. It is our policy to purchase from related parties only when the prices are competitive. Other factors such as reliability of supply, delivery, services and quality of materials or goods will also be taken into consideration for evaluation purposes.
- (vii) Disclosures will be made in the annual report of the breakdown of the aggregate value of the RRPT during the financial year amongst others, based on the following information:-
 - (a) the type of the RRPT made; and
 - (b) the names of the Related Parties involved in each type of the RRPT made and their relationship with the listed issuer.

At least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered by the Related Parties are fair and reasonable and comparable to those offered by other unrelated third parties for the same or substantially similar type of products/services and/or quantities.

Where quotations or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by the Company based on those offered by other related parties for the same or substantially similar type of transaction on negotiated basis and reviewed by the management committee to ensure that the RRPT is not detrimental to the Group.

However, there is no specific approval threshold for each RRPT as it will be approved by the same management committee within the Group as long as the aggregate value of the RRPT is within the mandate approved by shareholders. The management committee comprises of at least one (1) executive director and two (2) senior management employees.

5. AUDIT AND RISK MANAGEMENT COMMITTEE'S STATEMENT

The Audit and Risk Management Committee will review the relevant RRPT and also review the established guidelines and procedures to ascertain that they have been complied with. Further, if during these periodic reviews by the Audit and Risk Management Committee, the Audit and Risk Management Committee is of the view that the guidelines and procedures as stated above are not sufficient to ensure that the RRPT will be done on the Company's and its subsidiaries normal commercial terms and on terms not more favourable to the related parties than those generally available to the public and will not be prejudicial to Shareholders, the Company will revert to the Shareholders for a fresh mandate based on new guidelines and procedures immediately, and in any case before the next transaction is entered into.

The Audit and Risk Management Committee has reviewed the terms of the Proposed Mandate, and is satisfied that the review procedures for RRPT, as well as the periodic reviews to be made by the Audit and Risk Management Committee in relation thereto, are sufficient to ensure that the RRPT will be made with the relevant classes of Related Party in accordance with the Company's and its subsidiaries normal commercial terms and on terms not more favourable to the related parties than those generally available to the public, and hence, not prejudicial to the Shareholders, nor disadvantageous to the Company and its subsidiary and are not to the detriment of the minority shareholders.

The Company has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner. The Audit and Risk Management Committee conducts the review of these procedures and processes on a quarterly basis.

6. INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

The following are the direct and/or indirect interest of the interested directors and/or major shareholders and/or person connected to them of the Company as at the LPD.

6.1 Interests of major shareholders

Tan Sri Dato' Lim Kang Hoo is a Group Executive Chairman and major shareholder of our Company and Ekovest Holdings Sdn Bhd. Tan Sri Dato' Lim Kang Hoo and Ekovest Holdings Sdn Bhd are deemed interested in the Proposed Mandate. They 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 the Company, if any, on the resolution pertaining to the Proposed Mandate at the forthcoming AGM.

Tan Sri Dato' Lim Kang Hoo and Ekovest Holdings Sdn Bhd's direct and indirect shareholding in our Company as at the LPD are set out below:

Name	Direct Shareholdings	%	Indirect Shareholdings	%
Tan Sri Dato' Lim Kang Hoo	532,526,093	17.96	298,000,032*	10.05
Ekovest Holdings Sdn Bhd	298,000,032	10.05	-	-

* Deemed interest by virtue of his direct interest in Ekovest Holdings Sdn Bhd pursuant to Section 8 of the Act.

6.2 Interests of Directors

As disclosed in Section 6.1 above, Tan Sri Dato' Lim Kang Hoo is the Group Executive Chairman of the Company and is interested in the Proposed Mandate.

Dato' Lim Hoe is an Executive Director of the Company and a sibling to Tan Sri Dato' Lim Kang Hoo. Tan Sri Datuk Seri Lim Keng Cheng is the Managing Director of the Company.

Lim Chen Thai is an executive director and the son of Tan Sri Dato' Lim Kang Hoo.

Tan Sri Dato' Lim Kang Hoo, Dato' Lim Hoe and Tan Sri Datuk Seri Lim Keng Cheng and their alternates ("Interested Directors") have also abstained and will continue to abstain from deliberating and voting on the Proposed Mandate at the relevant Board meetings. The Interested Directors will abstain and have undertaken to ensure that persons connected to them will also abstain from voting in respect of their respective direct and/or indirect shareholdings in the Company, if any, on the resolution pertaining to the Proposed Mandate at the upcoming AGM to be convened.

The Interested Directors' direct and indirect shareholding in our Company as at the LPD is set out below:

Name	Direct Shareholdings	%	Indirect Shareholdings	%
Tan Sri Dato' Lim Kang Hoo	532,526,093	17.96	298,000,032*	10.05
Dato' Lim Hoe	14,232,375	0.48	-	-
Tan Sri Datuk Seri Lim Keng Cheng	-	-	90,056,500**	3.21
Lim Chen Thai	3,600,000	0.12	-	-
Wong Khai Shiang	750,000	0.03	-	-

* Deemed interest by virtue of his direct interest in Ekovest Holdings Sdn Bhd pursuant to Section 8 of the Act.

** Deemed interest by virtue of his direct interest in Lim Seong Hai Holdings Sdn Bhd pursuant to Section 8 of the Act.

7. DIRECTORS' RECOMMENDATION

The Board of Directors, save for the Interested Directors who have abstained from all deliberation on the Proposed Mandate, having considered all aspects of the Proposed Mandate, is of the opinion that it is in the best interest of the Company and accordingly recommend that you vote in favour of the resolution pertaining to the Proposed Mandate to be tabled at the forthcoming AGM.

8. AGM

The AGM, the notice of which is enclosed in the 2023 Annual Report of the Company, will be conducted on virtual basis through live streaming and online remote voting using the Remote Participation and Voting Facilities via Online Meeting platform at <https://www.dvote.my> on Friday, 15 December 2023 at 10.30 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolution so as to give effect to the Proposed Mandate.

Kindly register to participate and vote at the virtual AGM by following the steps sets out in the Administrative Guide. If you are unable to participate and vote in person at the AGM, you are requested to complete, sign and return the enclosed Proxy Form in accordance with the instructions contained therein, to be deposited at the registered office of the Company at Ground Floor, Wisma Ekovest, 118, Jalan Gombak 53000 Kuala Lumpur or Fax at 03-4021 5943 or email to proxy@ekovest.com.my, at least 48 hours before the time set for the AGM or at any adjournment thereof, in case of a poll, not less than twenty-four hours before the time appointed for the taking of the poll. The lodging of the Proxy Form will not preclude you from attending, participating, speaking and voting in person at the AGM should you subsequently wish to do so.

9. FURTHER INFORMATION

You are advised to refer to Appendix I for further information.

Yours faithfully
For and on behalf of the Board of
EKOVEST BERHAD

CHIN WAI KIT
Independent and Non-Executive Director

FURTHER INFORMATION

1 RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board who, collectively and individually, accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable enquiries to the best of their knowledge and belief, there are no facts the omission of which would make any information in this Circular misleading.

2 MATERIAL CONTRACTS

Neither the Company nor its subsidiaries has entered into any material contracts, not being contracts entered into the ordinary course of business, within the two (2) years immediately preceding the date of this Circular.

3 MATERIAL LITIGATION

Save as disclosed below as at LPD, 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 Sarawoks Sdn Bhd (Previously known as Samling Resources Sdn Bhd) (“**SSB**”) by serving a Notice of Arbitration on SSB. Thereafter, ECSB had on 2 July 2019 filed a Statement of Case to claim against SSB based on the following:
 - (a) wrongful termination of the joint venture and shareholders’ agreement dated 6 January 2017 entered into between ECSB and SSB (“**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 SSB to ECSB, in order to induce ECSB into performing tasks, duties and responsibilities of SSB 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 SSB 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, SSB 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;
- (c) breach of the JV Agreement; and
- (d) breach of a collateral agreement between the parties.

FURTHER INFORMATION (CONT'D)

3 MATERIAL LITIGATION (CONT'D)

Save as disclosed below as at LPD, 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 : (Cont'd)

- (i) On 3 July 2018, Ekovest Construction Sdn Bhd ("**ECSB**"), a wholly-owned subsidiary of our Company, had initiated an arbitration proceeding against Sarawoks Sdn Bhd (Previously known as Samling Resources Sdn Bhd ("**SSB**") by serving a Notice of Arbitration on SSB. Thereafter, ECSB had on 2 July 2019 filed a Statement of Case to claim against SSB based on the following: (Cont'd)

ECSB had challenged the validity of the aforesaid notice on grounds that SSB's attempt to initiate this fresh arbitration tantamount to duplicity and is an abuse of process.

The parties reached a global settlement. 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. SSB also via its solicitors' letter dated 12 May 2023 to Asian International Arbitration Centre ("**AIAC**") sought to terminate the SSB's arbitral proceedings. On 19 May 2023, AIAC issued a letter and informed that the matter is closed. On 12 June 2023, the Arbitrator issued a termination order to terminate the arbitral proceedings.

- (ii) On 3 February 2020, our Company and ECSB were served by the solicitors of SSB 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 SSB, 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.

SSB 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
- 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 to be 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 but imposed a condition that the arbitration between ECSB and SSB shall only proceed after the resolution of SSB's claim against the Company at Kuala Lumpur High Court.

FURTHER INFORMATION (CONT'D)

3 MATERIAL LITIGATION (CONT'D)

- (ii) On 3 February 2020, our Company and ECSB were served by the solicitors of SSB with a Writ of Summons and Statement of Claim dated 31 January 2020 ("Claim") alleging that our Company and/or ECSB: (Cont'd)

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 have been 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 SSB shall only proceed after the resolution of SSB'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 SSB and the Company could proceed.

On 24 December 2021, SSB 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 ("SSB'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 SSB's Motion is fixed on 12 September 2022 pending the Grounds of Judgment from the Court of Appeal. A final Case Management is 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 SSB's Motion at the Federal Court is fixed on 8 November 2022. Thereafter, the Hearing of both the Company's Motion and SSB's Motion fixed on 8 November 2022 is vacated due to the 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 SSB'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 SSB's Motion at the Federal Court was fixed on 17 May 2023.

In respect of SSB's Motion and Company's Motion at the Federal Court, on 12 May 2023, SSB and our Company 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 SSB'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 SSB's Claim against the Company at the Kuala Lumpur High Court, SSB 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 SSB with a Statement of Claim of the Defendant against the Third Party ("**Third Party Proceeding**").

SSB 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 SSB ("**Primary Proceeding**"), then SSB is entitled to claim in this Third 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 the GKCSB and is in breach of that duty of care;

FURTHER INFORMATION (CONT'D)

3 MATERIAL LITIGATION (CONT'D)

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

SSB 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 SSB ("**Primary Proceeding**"), then SSB is entitled to claim in this Third Party Proceeding against ECSB, for declaratory relief and consequential order for the following: (Cont'd)

- (c) a declaration that ECSB owes SSB 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 SSB to be sued by the GKCSB in the Primary Proceeding;
- (e) consequently, and in the event that SSB is held liable to the GKCSB, an order that ECSB is liable to SSB for an indemnity and/or a contribution in respect of the GKCSB's claim;
- (f) costs incurred by SSB in defending the 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, SSB 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 SSB's favour, the claim of GKCSB against SSB 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, SSB filed a Notice of Appeal in respect of the O. 14A Application. SSB had also filed a Notice of Application together with the Affidavit in Support for a stay of proceedings application ("**Stay Application**") on 22 October 2021 and 25 October 2021 respectively. In addition, SSB 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.

FURTHER INFORMATION (CONT'D)**3 MATERIAL LITIGATION (CONT'D)**

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

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.

4 DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection during normal business hours at our Registered Office at Ground Floor, Wisma Ekovest, 118 Jalan Gombak, 53000 Kuala Lumpur, from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the AGM:

- (i) our Constitution;
- (ii) our Group's audited consolidated financial statements for the FYE 30 June 2022 and 2023;
- (iii) the material contracts referred to in Section 2 above; and
- (iv) the relevant cause papers in respect of the material contracts referred to in section 3 above.