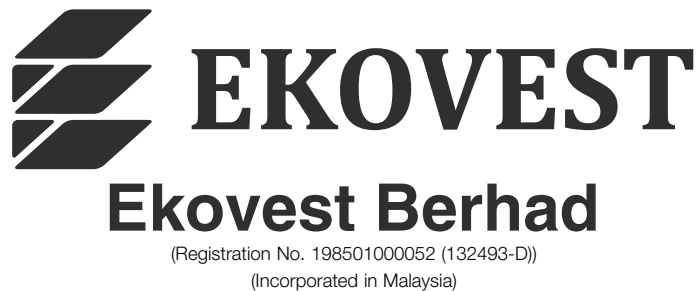


**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**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 released this Circular and 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.



## **CIRCULAR TO SHAREHOLDERS**

### **IN RELATION TO**

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

The Notice of Annual General Meeting ("**AGM**") and the Proxy Form for the AGM is enclosed in the 2019 Annual Report. Our AGM will be held as follows:

Date and time of the AGM	:	Wednesday, 27 November 2019 at 10.30 a.m.
Venue of the AGM	:	DoubleTree by Hilton Kuala Lumpur, The Intermark, 348, Jalan Tun Razak, 50400 Kuala Lumpur.
Last date and time for lodging the Proxy Form	:	Monday, 25 November 2019 at 10.30 a.m.

**This Circular is dated 30 October 2019**

## DEFINITIONS

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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 (635998-W)
Director(s)	:	In accordance with Paragraph 10.02(c) of the Listing Requirements, 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 (Registration No. 198501000052 (132493-D))
Ekovest Group or Group	:	Collectively, Ekovest and its subsidiaries
FYE	:	Financial year ended/ending
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	30 September 2019, 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 and the nominal amount of that share, or the aggregate of the nominal amounts 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 Companies Act 2016
Person connected	:	In relation to any person defined under Chapter 1 of the Main Market Listing Requirements (MMLR)
Proposed Mandate	:	Proposed Renewal of Shareholders' Mandate and additional 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
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

## **DEFINITIONS (CONT'D)**

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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 re-enacted.

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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Registered Office:

**Ground Floor**  
**Wisma Ekovest**  
118, Jalan Gombak  
53000 Kuala Lumpur

30 October 2019

**Our Board of Directors:**

Tan Sri Dato' Lim Kang Hoo	(Executive Chairman)
Tan Sri Datuk Seri Lim Keng Cheng	(Managing Director)
Dato' Lim Hoe	(Executive Director)
Lim Chen Heng	(Executive Director)
Kang Hui Ling	(Senior Independent and Non-Executive Director)
Lim Ts-Fei	(Independent and Non-Executive Director)
Chow Yoon Sam	(Independent and Non-Executive Director)
Dr. Wong Kai Fatt	(Independent and Non-Executive Director)
Lee Wai Kuen	(Independent and Non-Executive Director)
Lim Chen Thai	(Alternate Director to Tan Sri Dato' Lim Kang Hoo)
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 27 November 2018, we obtained your approval for a general mandate for the Company and its subsidiaries to enter into Recurring 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 Recurring 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 15 October 2019 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 2019 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 CONVENED.**

## 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 Recurring Related Party Transaction as follows:

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

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 which are incorporated in Malaysia 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	Ekovest Capital Sdn Bhd	Property development	100%
4	Ekovest Land Sdn Bhd	Property development	100%
5	Ekovest Properties Sdn Bhd	Property development	100%
6	KL Bund Sdn Bhd	Project coordinator and manager for "River of Life" project	100%
7	Ekoriver Construction Sdn Bhd	Civil engineering and building works	100%

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

### 2.2 Principal Business (Cont'd)

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

No.	Name of Company	Principal Activities	Effective Equity Interest (%)
8	Temasek Megamas Sdn Bhd <sup>(4)</sup>	Property investment	100%
9	Heritage Reno Sdn Bhd <sup>(4)</sup>	Property investment	100%
10	Sunview Capital Sdn Bhd <sup>(4)</sup>	Property investment	100%
11	Duke Hotels Sdn Bhd <sup>(4)</sup>	Hotel operator	100%
12	Saujarena Bina Sdn Bhd	Property investment	100%
13	Ekovest Oil & Gas Sdn Bhd	Inactive	51%
14	Timur Terang Sdn Bhd	Property investment	100%
15	Ekovest Energy Sdn Bhd	Investment holding and renewable energy activity	100%
16	Milan Resources Sdn Bhd	Investment holding	100%
17	Ekovest-Faber Sdn Bhd	Inactive	60%
18	Milan Energy Sdn Bhd <sup>(1)</sup>	Inactive	100%
19	Ekovest Asset Management Sdn Bhd	Inactive	100%
20	Milan Prestasi Sdn Bhd <sup>(2)</sup>	Property investment	100%
21	Ekovest World Sdn Bhd	Inactive	100%
22	Ekovest Brunfield Holdings Sdn Bhd	Investment holding	50%
23	Ekofield Danga Cove Sdn Bhd <sup>(3)</sup>	Inactive	50%
24	Ekofield Projects Sdn Bhd <sup>(3)</sup>	Inactive	50%
25	Ekofield Property Sdn Bhd <sup>(3)</sup>	Inactive	50%
26	Tanahmas Kapital Sdn Bhd	Inactive	100%
27	KL Rivercity Sdn Bhd	Inactive	100%
28	Wira Kristal Sdn Bhd	Investment Holding	100%
29	Nuzen Corporation Sdn Bhd <sup>(5)</sup>	Investment Holding	100%
30	Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd <sup>(6)</sup>	Design, construction, operation, management and maintenance of Duta-Ulu Kelang Expressway	60%
31	Lebuhraya DUKE Fasa 3 Sdn Bhd <sup>(6)</sup>	Design, construction, operation, management and maintenance of Setiawangsa - Pantai Expressway	100%
32	Ekovest Park & Ride Sdn Bhd <sup>(6)</sup>	Inactive	100%

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

### 2.2 Principal Business (Cont'd)

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

No.	Name of Company	Principal Activities	Effective Equity Interest (%)
33	DUKE Development Sdn Bhd <sup>(6)</sup>	Inactive	100%
34	Lebuhraya DUKE Fasa 2A Sdn Bhd <sup>(6)</sup>	Inactive	70%
35	Duke Dinings Sdn Bhd	Investment Holding	100%
36	The Loaf Asia Sdn Bhd <sup>(7)</sup>	Restaurant operator	70%
37	Xindauji (M) Sdn Bhd <sup>(7)</sup>	Restaurant operator	100%

#### Notes:

- (1) Held through Milan Resources Sdn Bhd  
(2) Held through Ekovest Land Sdn Bhd  
(3) Held through Ekovest Brunsfield Holdings Sdn Bhd  
(4) Held through Ekovest Capital Sdn Bhd  
(5) Held through Wira Kristal Sdn Bhd  
(6) Held through Nuzen Corporation Sdn Bhd  
(7) Held through Duke Dinings Sdn Bhd

### 2.3 Classes of Related Parties

The Board are 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	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.	Milan Suria Sdn Bhd	Malaysia	Interior design, furnishing and supply of furniture and fittings
v.	Iskandar Waterfront Holdings Sdn Bhd and its subsidiaries, jointly controlled and associate companies	Malaysia	Property development, investment holding and civil engineering and construction works.



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

### 2.3 Classes of Related Parties (Cont'd)

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

No	Mandated Related Party	Place of Incorporation	Principal Activity
vi.	Teras Hijaujaya Sdn Bhd	Malaysia	Property development
vii.	Astana Setia Sdn Bhd	Malaysia	Civil engineering, mechanical and electrical works
viii.	Kran World Sdn Bhd	Malaysia	Sales, rental and repair of machinery
x.	WCM Power Sdn Bhd	Malaysia	Civil engineering, mechanical and electrical works
xi.	Besteel Engtech Sdn Bhd	Malaysia	Mechanical engineering works, construction, project management, maintenance services and general trading
xii.	PLS Plantations Berhad and its subsidiaries**	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

Remarks : \*\* New Related Party

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

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## 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 27 November 2018 and is based on the aggregate amount up to 30 September 2019, 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 30 October 2019.

No.	Types of transactions	Related Party	Interested Directors and Major Shareholders	Estimated value during the validity period of the RRPT Mandate from 27 November 2019 to the next AGM (RM'000)		Actual Value Transacted from 27 November 2018 to LPD (RM'000)		Estimated value as disclosed in the Circular to shareholders dated 30 October 2018 (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 and associate companies	Tan Sri Dato' Lim Kang Hoo Ekovest Holdings Sdn Bhd Dato' Lim Hoe Lim Chen Heng Wong Khai Shiang Lim Chen Thai	100,000	-	11,824	-	100,000	-
ii.	Rental of machinery & equipment & repair & services	Knusford Berhad and its subsidiaries and associate companies	Tan Sri Dato' Lim Kang Hoo Ekovest Holdings Sdn Bhd Dato' Lim Hoe Lim Chen Heng Wong Khai Shiang Lim Chen Thai	30,000	-	204	-	30,000	-
iii.	Purchase of machinery & equipment	Knusford Berhad and its subsidiaries and associate companies	Tan Sri Dato' Lim Kang Hoo Ekovest Holdings Sdn Bhd Dato' Lim Hoe Lim Chen Heng Wong Khai Shiang Lim Chen Thai	20,000	-	-	-	30,000	-

## 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 27 November 2018 and is based on the aggregate amount up to 30 September 2019, 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 30 October 2019. (Cont'd)

No.	Types of transactions	Related Party	Interested Directors and Major Shareholders	Estimated value during the validity period of the RRPT Mandate from 27 November 2019 to the next AGM (RM'000)		Actual Value Transacted from 27 November 2018 to LPD (RM'000)		Estimated value as disclosed in the Circular to shareholders dated 30 October 2018 (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 and associate companies	Tan Sri Dato' Lim Kang Hoo Ekovest Holdings Sdn Bhd Dato' Lim Hoe Lim Chen Heng Wong Khai Shiang Lim Chen Thai	650,000	-	104,347	-	780,000	-
v.	Contract work for hard & soft landscaping works	Knusford Berhad and its subsidiaries and associate companies	Tan Sri Dato' Lim Kang Hoo Ekovest Holdings Sdn Bhd Dato' Lim Hoe Lim Chen Heng Wong Khai Shiang Lim Chen Thai	50,000	-	220	-	20,000	-
vi.	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 Heng Wong Khai Shiang Lim Chen Thai	3,000	-	28	-	3,000	-
vii.	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	30,000	-	-	-	50,000	-

## 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 27 November 2018 and is based on the aggregate amount up to 30 September 2019, 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 30 October 2019. (Cont'd)

No.	Types of transactions	Related Party	Interested Directors and Major Shareholders	Estimated value during the validity period of the RRPT Mandate from 27 November 2019 to the next AGM (RM'000)		Actual Value Transacted from 27 November 2018 to LPD (RM'000)		Estimated value as disclosed in the Circular to shareholders dated 30 October 2018 (RM'000)	
				Charged by	Charged to	Charged by	Charged to	Charged by	Charged to
viii.	Provision of wood products	PLS Plantations Berhad and its subsidiaries**	Tan Sri Dato' Lim Kang Hoo Ekovest Holdings Sdn Bhd Tan Sri Datuk Seri Lim Keng Cheng Dato' Lim Hoe Lim Chen Heng Wong Khai Shiang Lim Ding Shyong Lim Chen Thai	2,000	-	-	-	2,000	-
ix.	Purchase of furnitures, fittings, fixtures, interior design and related items and services	Milan Suria Sdn Bhd	Tan Sri Datuk Seri Lim Keng Cheng Lim Ding Shyong	3,000	-	-	-	5,000	-
x.	Purchase of machinery and equipment	Kran World Sdn Bhd	Tan Sri Datuk Seri Lim Keng Cheng Lim Ding Shyong	2,000	-	-	-	5,000	-
xi.	Rental of machinery and equipment	Kran World Sdn Bhd	Tan Sri Datuk Seri Lim Keng Cheng Lim Ding Shyong	5,000	-	396	-	10,000	-
xii.	Provision of civil engineering and mechanical & electrical services	Astana Setia Sdn Bhd	Tan Sri Datuk Seri Lim Keng Cheng Lim Ding Shyong	100,000	-	-	-	300,000	-

## 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 27 November 2018 and is based on the aggregate amount up to 30 September 2019, 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 30 October 2019. (Cont'd)

No.	Types of transactions	Related Party	Interested Directors and Major Shareholders	Estimated value during the validity period of the RRPT Mandate from 27 November 2019 to the next AGM (RM'000)		Actual Value Transacted from 27 November 2018 to LPD (RM'000)		Estimated value as disclosed in the Circular to shareholders dated 30 October 2018 (RM'000)	
				Charged by	Charged to	Charged by	Charged to	Charged by	Charged to
xiii.	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 Herrg Wong Khai Shiang Lim Chen Thai	5,000	-	-	-	10,000	-
xiv.	Provision of civil engineering and mechanical & electrical services	Besteel Engtech Sdn Bhd	Tan Sri Dato' Seri Lim Keng Cheng Lim Ding Shyong	100,000	-	-	-	300,000	-
xv.	Rental of machinery & equipment & repair & service	Knusford Berhad and its subsidiaries and associate companies	Tan Sri Dato' Lim Kang Hoo Ekovest Holdings Sdn Bhd Dato' Lim Hoe Lim Chen Herrg Wong Khai Shiang Lim Chen Thai	-	2,000	-	-	-	2,000
xvi.	Rental of machinery & equipment & repair & service	PLS Plantations Berhad and its subsidiaries**	Tan Sri Dato' Lim Kang Hoo Ekovest Holdings Sdn Bhd Tan Sri Dato' Seri Lim Keng Cheng Dato' Lim Hoe Lim Chen Herrg Wong Khai Shiang Lim Ding Shyong Lim Chen Thai	-	5,000	-	55	-	2,000

## 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 27 November 2018 and is based on the aggregate amount up to 30 September 2019, 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 30 October 2019. (Cont'd)

No.	Types of transactions	Related Party	Interested Directors and Major Shareholders	Estimated value during the validity period of the RRPT Mandate from 27 November 2019 to the next AGM (RM'000)		Actual Value Transacted from 27 November 2018 to LPD (RM'000)		Estimated value as disclosed in the Circular to shareholders dated 30 October 2018 (RM'000)	
				Charged by	Charged to	Charged by	Charged to	Charged by	Charged to
xvii.	Rental of machinery & equipment & repair & service	Iskandar Waterfront Holdings Sdn Bhd and its subsidiaries, jointly controlled associate companies	Tan Sri Dato' Lim Kang Hoo Ekovest Holdings Sdn Bhd Tan Sri Datuk Seri Lim Keng Cheng Dato' Lim Hoe Lim Chen Heng Wong Khai Shiang Lim Ding Shyong Lim Chen Thai	-	5,000	-	-	-	-
xviii.	Sale of machinery & equipments	Knusford Berhad and its subsidiaries and associate companies	Tan Sri Dato' Lim Kang Hoo Ekovest Holdings Sdn Bhd Dato' Lim Hoe Lim Chen Heng Wong Khai Shiang Lim Chen Thai	-	50,000	-	-	-	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 27 November 2018 and is based on the aggregate amount up to 30 September 2019, 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 30 October 2019. (Cont'd)

No.	Types of transactions	Related Party	Interested Directors and Major Shareholders	Estimated value during the validity period of the RRPT Mandate from 27 November 2019 to the next AGM (RM'000)		Actual Value Transacted from 27 November 2018 to LPD (RM'000)		Estimated value as disclosed in the Circular to shareholders dated 30 October 2018 (RM'000)	
				Charged by	Charged to	Charged by	Charged to	Charged by	Charged to
xix.	Contract work	PLS Plantations Berhad and its subsidiaries**	Tan Sri Dato' Lim Kang Hoo Ekovest Holdings Sdn Bhd Tan Sri Datuk Seri Lim Keng Cheng Dato' Lim Hoe Lim Chen Heng Wong Khai Shiang Lim Ding Shyong Lim Chen Thai	-	200,000	-	-	-	-
xx.	Contract work	Iskandar Waterfront Holdings Sdn Bhd and its subsidiaries, jointly controlled associate companies	Tan Sri Dato' Lim Kang Hoo Ekovest Holdings Sdn Bhd Tan Sri Datuk Seri Lim Keng Cheng Dato' Lim Hoe Lim Chen Heng Wong Khai Shiang Lim Ding Shyong Lim Chen Thai	-	500,000	-	-	-	300,000

**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.

Remark : \*\* New Related Party Transaction

## 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. Lim Chen Heng and Lim Chen Thai who are sons of Tan Sri Dato' Lim Kang Hoo are directors in Knusford Berhad
- (ii) Tan Sri Dato' Lim Kang Hoo is a director and major shareholder in Ekovest Holdings Sdn Bhd. Dato' Lim Hoe is a director of Ekovest Holdings Sdn Bhd. Wong Khai Shiang is the alternate director and son of Dato' Lim Hoe. Ekovest Holdings Sdn Bhd is the holding company of Ekovest Berhad.
- (iii) Tan Sri Dato' Lim Kang Hoo, is the Executive Chairman and major shareholder of PLS Plantations Berhad.
- (iv) Ekovest Holdings Sdn Bhd, Dato' Lim Hoe, Lim Chen Heng, Lim Chen Thai and Wong Khai Shiang are deemed interested in transactions where Tan Sri Dato' Lim Kang Hoo is interested.
- (v) Tan Sri Dato' Lim Kang Hoo is deemed interested in WCM Machinery Sdn Bhd and WCM Power Sdn Bhd by virtue his brother, Dato' Lim Kang Swee who is a director and major shareholder in WCM Machinery Sdn Bhd and WCM Power Sdn Bhd.
- (vi) Tan Sri Datuk Seri Lim Keng Cheng is a director and major shareholder of Lim Seong Hai Holdings Sdn Bhd. Lim Seong Hai Holdings Sdn Bhd is the holding company of Milan Suria Sdn Bhd, Astana Setia Sdn Bhd and Kran World Sdn Bhd.
- (vii) Lim Ding Shyong is the alternate director and son of Tan Sri Datuk Seri Lim Keng Cheng. He is deemed interested in transactions where Tan Sri Datuk Seri Lim Keng Cheng is interested.
- (viii) Tan Sri Datuk Seri Lim Keng Cheng is a director in Aramijaya Sdn Bhd.
- (ix) Tan Sri Dato' Lim Kang Hoo is a director and major shareholder of Iskandar Waterfront Holdings Sdn Bhd.
- (x) 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 major shareholder of Besteel Engtech Sdn Bhd.

### 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 2019:

<b>Exceeded credit term for:</b>	<b>Outstanding amount from Related Parties as at 30 June 2019 Principal (RM,000)</b>
A period of 1 year or less	1,668
A period of more than 1 to 3 years	33,732
A period of more than 3 to 5 years	Nil
A period of more than 5 years	Nil

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, no 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
- (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.

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

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. (Cont'd)

(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, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

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

### 6.1 Interests of major shareholders and/or persons connected to them

Tan Sri Dato' Lim Kang Hoo is a major shareholder and Executive Chairman 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	493,377,393	18.58	298,000,032*	11.23
Ekovest Holdings Sdn Bhd	298,000,032	11.23	-	-

\* 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 and/or persons connected to them

As disclosed in Section 6.1 above, Tan Sri Dato' Lim Kang Hoo is the 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 Heng is an executive director and the son of Tan Sri Dato' Lim Kang Hoo.

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

Wong Khai Shiang is an alternate director and is the son of Dato' Lim Hoe.

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	493,377,393	18.58	298,000,032*	11.23
Dato' Lim Hoe	12,002,375	0.45	-	-
Tan Sri Datuk Seri Lim Keng Cheng	10,833,000	0.41	131,599,300**	4.96
Lim Chen Heng	-	-	-	-
Lim Chen Thai	-	-	-	-
Wong Khai Shiang	750,000	0.03	-	-
Lim Ding Shyong	-	-	-	-

\* 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 Annual Report 2019, will be held on 27 November 2019 at 10.30 a.m. at the DoubleTree by Hilton Kuala Lumpur, The Intermark, 348, Jalan Tun Razak, 50400 Kuala Lumpur for the purpose of considering and, if thought fit, passing the resolution so as to give effect to the Proposed Mandate.

If you are unable to attend and vote in person at the AGM, you are requested to complete and return the Proxy Form in accordance with the instructions therein as soon as possible so as to arrive at the Registered Office of the Company not less than forty-eight (48) hours before the time set for the AGM, in case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll. The lodging of the Proxy Form will not preclude you from attending 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**

**KANG HUI LING**  
Senior 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

Save as disclosed below, 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 :

A dispute arose between our Company (“**Plaintiff**”) and Shapadu Construction Sdn Bhd (“**Shapadu**”) or (“**Defendant**”) in respect of five (5) packages of sub-contract work under the New North Klang Straits Bypass Highway Project (“**Project**”). The holding company of the Defendant i.e. Lebuhraya Shapadu Sdn Bhd (“**Lebuhraya Shapadu**”), is the employer of the Project.

Our claims against the Defendant are, inter alia, the following:

- (i) the sum of RM29,558,720.93 on quantum meruit for loss and damage under the subcontract; and/or alternatively; and
- (ii) the sum of RM7,459,356.15 being the uncertified value of work done and the sum of RM8,217,960.68 being retention monies in respect of work executed and the value of goods and material delivered under the sub-contract.

The Defendant's counter claims against our Company are, inter alia, the following:

- (i) the sum of RM33,010,000.00 allegedly being the liquidated ascertained damages (“LAD”) due to the Defendant;
- (ii) the sum of RM30,700,000.00 being the LAD due to Lebuhraya Shapadu;
- (iii) the sum of RM2,008,868.93 as an indemnity for failure to carry-out and maintain the work;
- (iv) the sum of RM22,189,859.75 as an indemnity for the cost of completion;
- (v) the sum of RM8,298,455.65 as indemnity for damages suffered by Lebuhraya Shapadu in completing the work; and
- (vi) the sum of RM2,006,101.39 as an indemnity for the loss and expense suffered by Lebuhraya Shapadu.

On 1 August 2000, we issued a notice to arbitrate and the hearing of the arbitration commenced on 14 August 2006. Both the Plaintiff and Defendant have closed their cases and the hearing for the arbitration was adjourned to a date to be fixed. The arbitration proceeding is kept in abeyance pending settlement of the dispute. As at the LPD, the parties have yet to finalise a settlement proposal.

Our Directors are of the opinion that the financial impact on our Group is minimal since we had sub-contracted all the relevant work to a third party on a “back-to-back” basis, and the third party sub-contractor has agreed to indemnify us against any losses or damages that we may suffer in the event Shapadu’s counter claim is allowed by the court.

Further, we had sought legal advice in respect of the counter claim made by Shapadu and our solicitors are of the opinion that we have a reasonable prospect of defending the claim particularly when the employer has not taken action against the Defendant since most of the claims are on indemnity basis. On that premises, this dispute with Shapadu is not envisaged to have any material adverse impact on the financial position of our Group.

#### **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 Memorandum and Articles of Association;
- (ii) our Group's audited consolidated financial statements for the FYE 30 June 2018 and 2019;
- (iii) the relevant cause papers in respect of the material litigation referred to in Section 3 above.