

EKOVEST BERHAD ("EKOVEST" OR THE "COMPANY")

DESIGN, CONSTRUCTION, COMPLETION, OPERATION, MANAGEMENT AND MAINTENANCE OF THE SETIAWANGSA – PANTAI EXPRESSWAY (FORMERLY KNOWN AS DUKE PHASE-3)

Further to the announcement dated 15 January 2015, the Board of Directors of Ekovest Berhad is pleased to announce that its wholly-owned subsidiary, Lebuhraya DUKE Fasa 3 Sdn Bhd ("Company"), had on 11 January 2016 entered into a concession agreement with the Government of Malaysia ("Government") in relation to the design, construction, completion, operation, management and maintenance of the Setiawangsa – Pantai Expressway (formerly known as the DUKE Phase-3) ("SPE") ("Concession Agreement").

Salient Terms of the Concession Agreement

i. Grant of Concession

Subject to the terms and conditions of the Concession Agreement and the Federal Roads (Private Management) Act 1984 [Act 306], the Government hereby grants to the Company, the right and authority to:-

- (a) undertake the design and construction of the SPE (including the upgrading works and widening of the existing road comprised thereof);
- (b) supply and install tolling and other equipment (including telecommunication equipment) at the toll plaza and manage, operate and maintain the same on the SPE during the Concession Period (as defined below);
- (c) demand, collect and retain toll for its own benefit from all vehicles liable to pay toll using the SPE during the operating period;
- (d) subject to all prevailing relevant laws in respect thereof, exclusively design, construct, manage, operate and maintain the ancillary facilities during the Concession Period and to retain the income received or receivable and derived therefrom;
- (e) operate, manage and maintain at its own cost and expense (including, without limitation, utility charges incurred thereby) the SPE during the Concession Period;
- (f) design and construct (if applicable), manage, operate and maintain the administrative building; and
- (g) undertake all other activities incidental to the performance of the works referred to in the Concession Agreement.

ii. Concession Period

The Concession Period shall be for a period of fifty three (53) years and six (6) months commencing from the effective date, subject to terms and conditions in the Concession Agreement.

iii. Estimated Construction Costs

The estimated total construction costs for the Construction Works shall be Ringgit Three Billion Seven Hundred Thirty Eight Million Eleven Thousand Three Hundred and Forty Two (RM3,738,011,342.00).

Training for Young Professionals

As part of the Company's obligations under the Concession Agreement, the Company will provide training and career opportunities to suitable young graduates/professional. In this respect, our holding company, Ekovest Berhad, is in the midst of launching a Graduate Training Programme which will provide career opportunities and on the job training to young Malaysian graduates/professionals in various fields such as engineering, architecture, quantity surveying and finance. The key objective of the Graduate Training Programme is to provide a holistic learning experience to enhance the employability and career advancement of young graduates/professionals.

Full Electronic Tolling System

The SPE will be the first expressway in Malaysia to be designed to cater for full electronic tolling system and is envisaged to utilise the multi-lane free flow system upon its opening in 2020. The Ekovest group is one of the pioneers to have embraced the full electronic tolling system at our existing Duta Ulu-Kelang Expressway Phase 1 since September 2015. The transformation from cash based payments to cashless electronic tolling systems has assisted to relief congestions at toll plazas during peak hours and promotes efficiency in the day-to-day operations. To promote the use of electronic tolling, the Ekovest group have given out a total of 95,000 free Touch n' Go cards valued at approximately RM590,000.

Financial effects

The Concession Agreement is expected to contribute positively to Ekovest Berhad Group's earnings and the net tangible assets for future financial years. The Construction Cost is expected to be financed via a combination of internally generated funds, borrowings and/or other fund raising exercise.

Directors' and Substantial Shareholder's interest

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

Statement by the Board of Directors

The Board of Ekovest is of the opinion that the Concession Agreement is in the best interest of the Company.

This announcement is dated 11 January 2016.