

EKOVEST BERHAD

Registration No: 198501000052 (132493-D)

**Condensed Consolidated Statement of Comprehensive Income
For The Financial Period Ended 30 September 2023**

	Individual Period		Cumulative Period	
	Current Year Quarter (Unaudited) 30 September 2023 RM'000	Preceding Year Corresponding Quarter 30 September 2022 RM'000	Current Year To-date (Unaudited) 30 September 2023 RM'000	Preceding Year Corresponding Period 30 September 2022 RM'000
Continuing operations				
Revenue	271,898	322,898	271,898	322,898
Fair value gain / (loss) in biological assets	626	(726)	626	(726)
Cost of sales	(164,018)	(243,742)	(164,018)	(243,742)
Gross profit	108,506	78,430	108,506	78,430
Other income	4,414	5,442	4,414	5,442
Depreciation and amortisation	(4,179)	(2,707)	(4,179)	(2,707)
Administrative and general expenses	(30,326)	(21,343)	(30,326)	(21,343)
Results from operating activities	78,415	59,822	78,415	59,822
Interest income	1,918	1,670	1,918	1,670
Interest expense	(59,125)	(58,310)	(59,125)	(58,310)
Negative goodwill	-	-	-	-
Share of result of associate	1,800	-	1,800	-
Profit before tax	23,008	3,182	23,008	3,182
Current year tax expense	(11,343)	(5,008)	(11,343)	(5,008)
Deferred tax (expense) / income	(9,022)	3,001	* (9,022)	3,001
Profit for the period / year	2,643	1,175	2,643	1,175
Other comprehensive loss, net of tax	41	-	41	-
Total comprehensive profit for the period / year	2,684	1,175	2,684	1,175
Profit / (loss) for the period / year attributable to :-				
- Owners of the Company	3,083	182	3,083	182
- Non-controlling interests	(440)	993	(440)	993
Profit for the period / year	2,643	1,175	2,643	1,175
Total comprehensive income / (loss) for the period/year attributable to :-				
- Owners of the Company	3,124	182	3,124	182
- Non-controlling interests	(440)	993	(440)	993
Total comprehensive income for the period/year	2,684	1,175	2,684	1,175
Loss per share attributable to owners of the Company				
- Basic (sen)	0.10	0.01	0.10	0.01
- Diluted (sen)	0.10	0.01	0.10	0.01

Remarks :

*The deferred tax expense is mainly arises from the toll operations' segment where the unrecognition of deferred tax asset for the unabsorbed business losses pursuant to Section 44(5F) of the Income tax Act, where in a 10-year limitation on carried forward losses is imposed, and the temporary difference in the amortisation rate utilised between the accounting and tax bases.

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Reports And Financial Statements for the year ended 30 June 2023)

EKOVEST BERHAD

Registration No: 198501000052 (132493-D)

Condensed Consolidated Statement of Financial Position

As at 30 September 2023

	As At 30 September 2023 (Unaudited) RM'000	As At 30 June 2023 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	246,322	247,584
Investment properties	857,732	858,423
Right-of-use assets	261,445	263,057
Land held for property development	529,063	529,057
Concession assets	7,788,263	7,701,568
Bearer plants	337,846	339,297
Biological assets	3,138	3,046
Intangible assets	1,602	1,622
Investment in an associate	17,650	15,843
Other investment	1,310	1,310
Performance deposits	48,995	48,995
Other receivables	20,070	20,093
Deferred tax assets	27,569	27,569
	10,141,005	10,057,464
Current assets		
Inventories	91,371	95,986
Biological assets	2,455	1,935
Contract assets	86,785	114,709
Contract costs	2,907	2,907
Property development costs	121,133	119,401
Trade and other receivables	358,874	304,947
Current tax assets	15,332	13,457
Investment funds	225,350	277,300
Short term deposits	315,886	328,028
Cash and bank balances	89,917	69,986
	1,310,010	1,328,656
TOTAL ASSETS	11,451,015	11,386,120
EQUITY AND LIABILITIES		
Equity		
Share capital	1,256,139	1,138,871
Reserves	1,165,264	1,166,381
Equity attributable to owners of the Company	2,421,403	2,305,252
Non-controlling interests	514,967	491,218
Total equity	2,936,370	2,796,470
Non-current liabilities		
Lease liabilities	11,253	11,991
Bank term loans	453,538	442,819
Medium term notes	5,465,531	5,467,678
Reimbursable interest assistance	347,776	342,636
Deferred income	251,616	254,567
Provision for heavy repairs	13,651	13,639
Deferred tax liabilities	602,596	593,571
	7,145,961	7,126,901
Current liabilities		
Contract liabilities	129,504	140,082
Trade and other payables	643,586	742,247
Lease liabilities	6,279	5,298
Bank borrowings	404,580	415,533
Medium term notes	167,500	152,500
Current tax liabilities	17,235	7,089
	1,368,684	1,462,749
Total liabilities	8,514,645	8,589,650
TOTAL EQUITY AND LIABILITIES	11,451,015	11,386,120
Net assets per share attributable to owners of the Company (RM)	0.82	0.86

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Reports And Financial Statements for the year ended 30 June 2023)

EKOVEST BERHAD

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**Condensed Consolidated Statement of Changes in Equity
For The Financial Year Ended 30 September 2023**

	Attributable to Equity Holders of the parent				Non-controlling Interests	Total Equity	
	Non-distributable			Distributable			
	Share capital RM'000	Translation reserve RM'000	Asset revaluation reserve RM'000	Retained Earnings RM'000	Sub-total RM'000	RM'000	RM'000
At 1 July 2023	1,138,871	(61)	82,453	1,083,989	2,305,252	491,218	2,796,470
Total comprehensive income / (loss) for the year	-	41	-	3,083	3,124	(440)	2,684
Issuance of ordinary shares	117,268	-	-	-	117,268	-	117,268
Effect of disposal of subsidiary's shares	-	-	-	(4,241)	(4,241)	24,189	19,948
At 30 September 2023 (Unaudited)	1,256,139	(20)	82,453	1,082,831	2,421,403	514,967	2,936,370
At 1 July 2022	1,138,871	8	82,453	1,186,879	2,408,211	453,806	2,862,017
Total comprehensive income for the year	-	-	-	182	182	993	1,175
At 30 September 2022	1,138,871	8	82,453	1,187,061	2,408,393	454,799	2,863,192

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Reports And Financial Statements for the year ended 30 June 2023)

EKOVEST BERHAD

Registration No: 198501000052 (132493-D)

**Condensed Consolidated Statement of Cash Flows
For The Financial Year Ended 30 September 2023**

	For The Financial Year Ended	
	30 September 2023 (Unaudited) RM'000	30 September 2022 (Unaudited) RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	23,008	3,182
Adjustment for:		
Non-cash items	25,509	25,935
Non-operating items	(2,108)	943
Net interest expense	45,178	45,867
Operating profit before working capital changes	91,587	75,927
Changes in property development costs	(1,732)	(32)
Changes in inventories	4,615	55,445
Changes in receivables	(47,633)	(114,673)
Changes in payables	1,007	51,554
Changes in contract costs	-	(175)
Changes in contract assets / liabilities	17,346	(91,021)
Cash generated from operating activities	65,190	(22,975)
Interest received	3,279	795
Interest paid	(8,001)	(7,815)
Tax (paid) / refund	(3,132)	1,466
Net cash generated from operating activities	57,336	(28,529)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,738)	(7,006)
Purchase of investment properties	-	(7)
Net redemptions of investment funds	54,222	72,047
Addition to investment properties	(4)	-
Addition to concession assets	(44,824)	(24,661)
Additions of bearer plants and biological assets	(1,607)	(1,031)
Proceeds from disposal of property, plant and equipment	836	189
Proceeds from disposal of investment properties	-	1,100
Placement in designated bank account	(8,085)	(670)
Placement of short term deposits	(2,526)	(7,508)
Advances to related parties	(7,762)	-
Advances to associate company	(74)	-
Net cash generated from / (used in) investing activities	(11,562)	32,453
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown of bank borrowings	39,066	6,619
Repayment of bank borrowings	(41,436)	(31,361)
Repayment of profit element on IMTNs	(163,473)	(111,991)
Proceed from the issuance of medium term notes	-	128,474
Proceeds from private placement	117,269	-
Drawdown of hire purchase liabilities	222	2,238
Payment of rental lease liabilities	(489)	(1,660)
Payment of rental lease term charges	(33)	(77)
Payment of hire purchase liabilities	(1,129)	(1,722)
Payment of hire purchase term charges	(211)	(125)
Net cash used in financing activities	(50,214)	(9,605)
Net changes in cash and cash equivalents	(4,440)	(5,681)
Cash and cash equivalents at the beginning of the financial period	20,217	24,496
Cash and cash equivalents at end of financial period	15,777	18,815
Represented by:		
Cash and bank balances	89,917	69,986
Bank overdrafts	(41,590)	(44,161)
Designated bank accounts	(32,550)	(7,010)
	15,777	18,815

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Reports And Financial Statements for the year ended 30 June 2023)



Ekovest Berhad

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(Incorporated in Malaysia)

**Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
Bursa Malaysia Securities Berhad**

Notes to the Interim Financial Report (1st Quarter - 30 September 2023)

A1 Basis of Preparation

The condensed interim financial statements are unaudited and have been prepared in compliance with the Malaysian Financial Reporting Standards ('MFRS') 134: Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad. The condensed interim financial statements should be read in conjunction with the Group's annual reports and financial statements for the year ended 30 June 2023.

1.1 Changes in Accounting Policies

The significant accounting policies, methods of computation and basis of consolidation adopted are consistent with those of the most recent audited financial statements for the year ended 30 June 2023, except for the adoption of the following Amendments to MFRSs that are effective for the Group from 1 July 2023:

MFRS 17	Insurance Contracts	1 January 2023
Amendment to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules	1 January 2023

The adoption of the above Amendments to MFRSs does not have significant impact on the financial position and financial performance of the Group nor any of the Group's significant accounting policies.

A2 Audit Report

The preceding annual financial statements of the Group were not qualified.

A3 Seasonal or Cyclical Factors

Although seasonal or cyclical changes have minimal impact on the operations of the Group, the business is nevertheless susceptible to the vagaries of the construction and property development industries.



EkoVest Berhad

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**Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
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A4 Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter ended 30 September 2023.

A5 Changes in the Estimates of Amount Reported Previously With Material Effect in Current Interim Period

There were no significant changes of estimates reported previously in current interim period.

A6 Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review.

A7 Dividend Paid

There were no dividend declared or paid for the current quarter ended 30 September 2023.

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**Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
Bursa Malaysia Securities Berhad**

A8 Segmental Information

Segmental information is presented in respect of the Group's business segment. Transactions between segments were entered into in the normal course of business and were established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter (Unaudited)	Preceding Year Corresponding Quarter	Current Financial Year (Unaudited)	Preceding Financial Year
	30/09/2023 RM'000	30/09/2022 RM'000	30/09/2023 RM'000	30/09/2022 RM'000
<u>Revenue</u>				
Construction operations	165,259	156,932	165,259	156,932
Property development	5,889	66,384	5,889	66,384
Toll operations	56,490	50,982	56,490	50,982
Plantation	31,739	37,752	31,739	37,752
Food and beverages	2,644	3,398	2,644	3,398
Property Investment & Others	9,877	7,450	9,877	7,450
Total	271,898	322,898	271,898	322,898
<u>Segment Results</u>				
Construction operations	45,607	13,194	45,607	13,194
Property development	(154)	10,745	(154)	10,745
Toll operations	46,069	42,872	46,069	42,872
Plantation	6,443	11,248	6,443	11,248
Food and beverages	(1,354)	(249)	(1,354)	(249)
Property Investment & Others	2,233	1,380	2,233	1,380
Elimination	319	269	319	269
Total	99,163	79,459	99,163	79,459

**Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
Bursa Malaysia Securities Berhad**

A8 Segmental Information (Cont'd)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter (Unaudited)	Preceding Year Corresponding Quarter	Current Financial Year (Unaudited)	Preceding Financial Year
	30/09/2023 RM'000	30/09/2022 RM'000	30/09/2023 RM'000	30/09/2022 RM'000
Administrative expenses	(18,830)	(17,967)	(18,830)	(17,967)
Finance cost	(59,125)	(58,310)	(59,125)	(58,310)
Share of result of associate	1,800	-	1,800	-
Profit before tax	23,008	3,182	23,008	3,182
Tax expense	(20,365)	(2,007)	(20,365)	(2,007)
Profit for the period	2,643	1,175	2,643	1,175

A9 Revaluation of Property, Plant and Equipment

There were no amendments in the valuation amount of revalued assets brought forward to the current quarter ended compared to most recent annual financial statements.

A10 Material Subsequent Event

There were no material events subsequent to the end of the current quarter.

A11 Changes in Composition of the Group

Save as disclosed below, there were no significant changes in the composition of the Group during the quarter under review.

On 10 August 2023 and 28 August 2023, the Company has disposed a total of 21,000,000 ordinary shares in PLS Plantations Berhad ("PLS"). As a result, the Company's equity interest in this subsidiary, PLS has reduced from 66.43% to 61.66%.



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**Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
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A12 Contingent Liabilities

There were no changes in contingent liabilities subsequent to the quarter and period ended 30 September 2023.

A13 Capital Commitments

Capital commitments of the Group as at 30 September 2023 are as follows –

	RM'000
Approved and contracted for capital expenditure in respect of:	
- Concession assets	51,714
- Motor vehicles	1,007
- New planting of bearer plants and biological asset	2,609
- Purchase of investment property	2,358
	<u>57,688</u>

A14 Significant Related Party Transactions

The Group has significant related party transactions with companies in which certain directors of the Company have interests, as follows:

	3 months ended 30 September 2023 RM'000
With company in which certain Directors of the Company, have interests:	
Charged by:	
Knusford Berhad and its subsidiaries and associate companies	<u>10,376</u>
Charged to:	
Knusford Berhad and its subsidiaries and associate companies	<u>1,520</u>

**Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
Bursa Malaysia Securities Berhad**

Notes to the Interim Financial Report (1st Quarter - 30 September 2023)

B1 Financial Review

Financial review for current quarter and financial year to date

	Individual Period (1st Quarter)		Changes	
	Current Year Quarter (Unaudited)	Preceding Year Corresponding Quarter	RM'000	%
	30/09/2023 RM'000	30/09/2022 RM'000		
Revenue	271,898	322,898	(51,000)	(15.79)
Segment Results	99,163	79,459	19,704	24.80
Profit before tax	23,008	3,182	19,826	623.07
Profit after tax	2,643	1,175	1,468	124.94
Profit attributable to owners of the Company	3,083	182	2,901	NM

NM - Not meaningful

Current quarter (“1Q 2024”) against preceding year corresponding quarter (“1Q 2023”)

For the 1Q 2024, the Group reported a revenue of RM271.898 million and profit before tax of RM23.008 million as compared to the revenue of RM322.898 million and profit before tax of RM3.182 million reported in the 1Q 2023.

The performance of the respective operating business segments for the 1Q 2024 under review as compared to the 1Q 2023 is analysed as follow:

Construction operations

The construction segment reported a higher revenue of RM165.259 million for the 1Q 2024 as compared to RM156.932 million in 1Q 2023. The revenue maintains stable as compared to 1Q 2023 as our Rapid Transit System Link (“RTS Link”) projects are progressing steadily. The segment results has improved as compared to the preceding year corresponding quarter mainly due to our Setiawangsa-Pantai Expressway (“SPE”) project which is nearing completion, there are some savings on the construction cost upon the gradual finalisation of the sub-contractors’ final account and certifications.



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**Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
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B1 Financial Review (cont'd)

Property development

The property development segment reported a revenue of RM5.889 million for the current quarter as compared to RM66.384 million in the preceding year corresponding quarter. Similarly, the segment's result has declined from a profit of RM10.745 million in 1Q 2023 to a loss of RM0.154 million in 1Q 2024. This is primarily attributed to lower sales concluded from EkoCheras during the current quarter and some preliminary expenses incurred for our new upcoming property development, EkoTitiwangsa, which will be launched once we have finalised all the authorities submission.

Toll operations

The toll operations segment registered a higher revenue of RM56.490 million in 1Q 2024 as compared to RM50.982 million in 1Q 2023, indicating an increase of approximately 10.80% in revenue. The higher revenue in this current reporting quarter was due to the increase in traffic volume for Duke Phase-1 and Phase-2 and also from the higher contribution of toll collection from Wangsa Maju section of the SPE highway as compared with the 1Q 2023. As a result, this segment reported a higher profit of RM46.069 million in 1Q 2024 as against RM42.872 million in 1Q 2023.

Plantation

For the current quarter 1Q 2024, the plantation segment registered a lower revenue of RM31.739 million and a segment result of a profit of RM6.443 million as compared with revenue of RM37.752 million and segment result of a profit of RM11.248 million in the preceding year corresponding quarter. The decrease in revenue and earnings were mainly attributed to the lower sales contribution from the oil palm plantation, weaker commodity price for crude palm oil, decline in yield of oil palm estates and comparatively weaker margin for offtake of downstream durian products.

Food and Beverages

The F&B division has registered a lower revenue of RM2.644 million for 1Q 2024 as against the preceding year corresponding quarter of RM3.398 million. The decline in revenue was mainly attributed to the restructuring of the F&B outlets within the group, where certain outlets were closed to pave the way forward to a new approach in franchising and licencing. Other than this, the higher operating and staff costs incurred for the recent opening of the new restaurant, DUKE's Kitchen in INNSiDE by Meliá Hotel in EkoCheras has also led to a higher loss of RM1.354 million in 1Q 2024 as compared to a loss of RM0.249 million in 1Q 2023.

**Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
Bursa Malaysia Securities Berhad**

B1 Financial Review (cont'd)
Property Investment and others

The property investment segment's revenue for the current quarter in comparison to the corresponding quarter of the preceding year has improved from RM7.450 million in 1Q 2023 to RM9.877 million in 1Q 2024. The increase in the revenue is mainly due to the newly opened INNSiDE by Meliá Hotel in EkoCheras in March 2023 and lesser rebates was given to the tenants of EkoCheras Mall as compared to the preceding corresponding quarter.

B2 Comparison with preceding quarter results
Financial review for current quarter compare with immediate preceding quarter

	Current Year Quarter (Unaudited)	Immediate Preceding Quarter	Changes	
	30/09/2023	30/06/2023	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	271,898	279,534	(7,636)	(2.73)
Segment results	99,163	31,679	67,484	213.02
profit/(loss) before tax	23,008	(65,769)	88,777	134.98
Profit/(loss) after tax	2,643	(117,074)	119,717	102.26
Profit/(loss) attributable to owners of the Company	3,083	(95,663)	98,746	103.22

The Group recorded a revenue of RM271.898 million and profit before tax of RM23.008 million in the current quarter as compared to revenue of RM279.534 million and loss before tax of RM65.769 million in the immediate preceding quarter.

For the current reporting quarter, the Group reported a slight reduction in revenue as compared to the immediate preceding quarter mainly due to lower construction workdone and lower sales for the balance unsold units of EkoCheras. The net loss after tax in the immediate preceding quarter of RM117.074 million were mainly due to the increased in the recognition of deferred tax liabilities for the toll operations' segment and the recognition of the one-off impairments and write-offs (including impairment of inventories) and adjustments in trade receivables, inventories and bearer plants totalling RM26.7 million for the plantation segment as compared to this current reporting quarter.



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Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B3 Prospects

The Board remains optimistic in delivering positive financial results and is confident each of the Group's segments would contribute positively to the Group's performance for the new financial year ending 30 June 2024.

The Group had also experienced steady increase in toll revenue for Duke Phase-1 and Phase-2 upon the upliftment of the MCO since October 2021, and with the full opening of the SPE on 3 November 2023 will further improve the toll collection revenue under this operating segment, notwithstanding that financing costs for SPE will no longer be capitalised in the financial statements once the toll full opening.

The Board will continue to explore the right opportunities which will contribute to both the property development and construction segment simultaneously. In the near term, the Group is finalising the financial requirement and the authorities' submission for the launch of the upcoming new property development for the Group. As for the construction segment, the Board expects that the on-going rationalisation of the construction scope under the RTS Link project will contribute positively to the Group's future construction revenue and earnings. In addition, the Group is continuously working closely with Government on various infrastructure projects.

Our subsidiary, PLS Plantations Berhad ("PLS"), is in a transition phase from its core business in traditional oil palm plantation to the broader agrofood industry. PLS's transformation journey from the cyclical oil palm plantation to a more diversified range of upstream and downstream activities will require a longer gestation period. In particular, the gestation period for the durian trees is about 4 to 5 years and thus, the bulk of our durian revenues is only from trading activities. In the near term, PLS will continue its current rehabilitation and sanitation works with emphasis on recommended practices to improve the production yield of its oil palm estates, matured durian plantation and contract farm. In addition, PLS will continue to work closely with its current and prospective business associates to improve the retail offtake rate of downstream durian products by offshore wholesalers and end consumers. Concurrently, upstream investment in durian plantation will continue to be a mainstay of PLS to complement its existing downstream business.

This is in line with the long-term group strategy to expand and diversified into other businesses to reduce dependency and reliance on our existing businesses in construction, property development and toll operations.

B4 Forecast/Profit Guarantee

There is no profit guarantee or financial forecast for the current quarter.

**Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
 Bursa Malaysia Securities Berhad**
B5 Taxation

	Current quarter ended 30 September 2023	3 months ended 30 September 2023
	RM'000	RM'000
Malaysian taxation		
- current tax	(11,343)	(11,343)
- deferred tax	(9,022)	(9,022)
	(20,365)	(20,365)

The effective current tax rate is higher than statutory tax rate mainly due to the losses incurred by certain subsidiaries and certain expenses not being deductible for tax purposes.

The Group is required to account for the impacts of deferred tax in accordance with Malaysian Financial Reporting Standard 112: Income Taxes. Deferred tax expenses pertain to the recognition of deferred tax liabilities arising from temporary differences between the financial reporting and tax bases of specific assets and liabilities. Temporary differences emerge when the carrying amount of an asset or liability and the timing of recognising these items for financial reporting varies from its tax basis.

The deferred tax expense presented primarily arises from the toll operation segments due to the following factors:

- (i) During the construction period of the concession assets, the finance cost was capitalised into concession assets and to be amortised over the remaining concession period. However, these finance cost was fully claimed as tax deductible expenses upon the interest paid during the construction period. This creates the temporary difference between accounting base and tax base, which arises the deferred tax expense.
- (ii) Unrecognition of deferred tax asset for accumulated unabsorbed business losses pursuant to Section 44(5F) of the Income tax Act 1967, as it is not probable that the existing toll operation business would generate sufficient taxable profit within next 10-year against which the deferred tax asset can be utilised.
- (iii) The annual rate of industrial building allowance ("IBA") allowed to be claimed under the Malaysian tax authority is higher than the amortisation rate used in the accounting basis. This creates the temporary difference between accounting base and tax base, which arises the deferred tax expense.

**Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
Bursa Malaysia Securities Berhad**
B6 Group Borrowings

Current Liabilities	CURRENT 1ST QUARTER ENDED 30 SEPTEMBER 2023 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30 SEPTEMBER 2022 RM'000
Bank overdraft		
- secured	39,113	41,688
- unsecured	2,477	2,473
Bank term loans - secured	68,003	63,743
Medium term notes	167,500	127,500
Multi Trade financing	19,987	6,488
Revolving credit - secured	275,000	370,329
	572,080	612,221
Non-current Liabilities	CURRENT 1ST QUARTER ENDED 30 SEPTEMBER 2023 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30 SEPTEMBER 2022 RM'000
Bank term loans - secured	305,163	370,312
Islamic medium term notes	5,465,531	5,580,888
Revolving credit - secured	148,375	70,000
	5,919,069	6,021,200

There is a decrease in the Group's borrowings as compared to the preceding year is mainly due to repayment of borrowings during the year.



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B7 Material Litigation

Save as disclosed below as at 30 June 2023, 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 Samling Resources Sdn Bhd (“**SRSB**”) by serving a Notice of Arbitration on SRSB. Thereafter, ECSB had on 2 July 2019 filed a Statement of Case to claim against SRSB based on the following:
 - (a) wrongful termination of the joint venture and shareholders’ agreement dated 6 January 2017 entered into between ECSB and SRSB (“**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 SRSB to ECSB, in order to induce ECSB into performing tasks, duties and responsibilities of SRSB 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 SRSB 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, SRSB 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;

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B7 Material Litigation (cont'd)

- (c) breach of the JV Agreement; and
- (d) breach of a collateral agreement between the parties.

ECSB had challenged the validity of the aforesaid notice on grounds that SRSB's attempt to initiate this fresh arbitration tantamount to duplicity and is an abuse of process. ECSB is now pending a response from SRSB.

The parties reached a global settlement on 11 May 2023. 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. SRSB also via its solicitors' letter dated 12 May 2023 to AIAC sought to terminate the SRSB's arbitral proceedings.

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

SRSB 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

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B7 Material Litigation (cont'd)

- 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 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 pending arbitration but imposed a condition that the arbitration between ECSB and SRSB shall only proceed after the resolution of SRSB’s Claim against the Company at Kuala Lumpur High Court.

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 were 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 SRSB shall only proceed after the resolution of SRSB’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 SRSB and the Company could proceed.

On 24 December 2021, SRSB 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 (“**SRSB’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 SRSB’s Motion was fixed on 12 September 2022 pending the Grounds of Judgment from the Court of Appeal. A Case Management was 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 SRSB’s Motion at the Federal Court was fixed on 8 November 2022. Thereafter, the Hearing of both the Company’s Motion and SRSB’s Motion fixed on 8 November 2022 is vacated due to the



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B7 Material Litigation (cont'd)

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 SRSB'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 SRSB's Motion at the Federal Court was fixed on 17 May 2023.

On the above matter as a whole, our solicitors are of the opinion that, notwithstanding that the maximum exposure to liabilities and amount of damages, interest and costs pursuant to the Claim cannot be ascertained at this juncture, ECSB has a fair chance of success in the Arbitration Proceeding and the Company has a fair chance of success in the defence to the Claim brought by SRSB as SRSB has failed to expeditiously and diligently make the necessary applications for the approvals from LBUSB for the sub-contract of the Highway Project to the JV Company, and failed 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. Our solicitors are also of the opinion that the Company has a fair chance of success in the defence to the Claim brought by SRSB as the Company has no involvement after the execution of the JV agreement.

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

SRSB 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 SRSB ("**Primary Proceeding**"), then SRSB is entitled to claim in this Third

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B7 Material Litigation (cont'd)

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 GKCSB and is in breach of that duty of care;
- (c) a declaration that ECSB owes SRSB 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 SRSB to be sued by GKCSB in the Primary Proceeding;
- (e) consequently, and in the event that SRSB is held liable to GKCSB, an order that ECSB is liable to SRSB for an indemnity and/or a contribution in respect of GKCSB's claim;
- (f) costs incurred by SRSB in defending 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, SRSB 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 SRSB's favour, the claim of GKCSB against SRSB 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, SRSB filed a Notice of Appeal in respect of the O. 14A Application. SRSB had also filed a Notice of Application together with the Affidavit in Support for a stay of proceedings application

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B7 Material Litigation (cont'd)

(“**Stay Application**”) on 22 October 2021 and 25 October 2021 respectively. In addition, SRSB 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.

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.

We had sought the necessary legal advice on the above matter and our solicitors are of the opinion that SRSB has a good case in defending GKCSB’s claim in the Primary Proceeding on the basis that the allegation made by GKCSB is time barred pursuant to the limitation

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B7 Material Litigation (cont'd)

period of two (2) years for tort under Item 19 of the Schedule of Sarawak Limitation Ordinance. As such, ECSB has good prospects to avoid liability to indemnify SRSB against the amount of loss and damage claimed by GKCSB.

Our Directors are of the opinion that the Third Party Proceeding is not expected to have material operational and financial impact on our Group.

B8 Dividend Declared

No interim dividend has been declared for the current quarter and year ended 30 September 2023.

B9 Earnings Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year Quarter	Preceding year corresponding Quarter	Current year to-date	Preceding year Corresponding Period
	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
(a) Basis profit per share				
Net profit attributable to owners of the Company (RM'000)	3,083	182	3,083	182
Weighted average number of ordinary share issue (‘000)	2,965,411	2,695,828	2,965,411	2,695,828
Basic profit per ordinary share (sen)	0.10	0.01	0.10	0.01
(b) Diluted profit per ordinary share (sen)	0.10	0.01	0.10	0.01



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B10 Notes to the Statement of Profit or Loss and Other Comprehensive Income

	Current quarter ended 30 September 2023	3 months ended 30 September 2023
	RM'000	RM'000
Profit before tax is stated after charging /(crediting):		
Interest income	(1,918)	(1,918)
Other income including investment income	(4,415)	(4,415)
Interest expenses	59,125	59,125
Depreciation and amortisation	<u>17,521</u>	<u>17,521</u>

B11 Corporate Exercises

(A) Private Placement

The Company had on 30 August 2023 proposed to undertake a Private Placement of up to 10% of the total number of issued shares of Ekovest ("Proposed Private Placement").

The objective of the Proposed Private Placement is to introduce strategic and/or institutional investors to improve Ekovest's current shareholding mix while raising the required funds for the Company and its subsidiaries' ("Ekovest Group" or "Group") business expansion.

The issue price for the private placement has been fixed on 30 August 2023 at RM0.435 per Placement Share. It comprised up to 269,582,800 Placement Shares, calculated based on 10% of the total number of issued shares of Ekovest as at 30 August 2023. The issue price of RM0.435 per placement share represents a discount of approximately 9.09% to the five (5)-day volume weighted average market price of Ekovest Shares up to and including 29 August 2023.

On 5 September 2023, the Company had submitted an application to Bursa Securities in respect of the listing and quotation of up to 269,582,800 placement shares to be issued pursuant to the private placement of up to 10% of the total number of issued shares of Ekovest, on the Main Market of Bursa Securities which was subsequently approved on 7 September 2023.

On 12 September 2023, private placement comprising 269,582,800 placement shares has been completed following the listing and quotation of 269,582,800 placement shares on the Main Market of Bursa Securities.

**Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
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B11 Corporate Exercises (cont'd)

The status of utilisation of proceeds raised from the Proposed Private Placement as at 30 September 2023 are as follows:

Purpose	Gross Proceeds (RM'000)	Actual Utilisation (RM'000)	Balance (RM'000)	Deviation (RM'000)	Intended timeframe for utilisation
Construction project	86,000	67,561	18,439	Nil	Within 18 months
General working capital	28,469	11,752	16,717	Nil	Within 12 months
Estimated expenses in relation to the Proposed Private Placement	2,800	1,495	1,305	Nil	Within 3 months
	117,269	80,808	36,461		

(B) Reorganisation, Rationalisation And Merger Proposal

The Company had on 27 September 2023 received a letter dated 27 September 2023 from Tan Sri Dato' Lim Kang Hoo ("Letter") in his personal capacity as a major shareholder of Ekovest, Knusford Berhad ("Knusford"), Iskandar Waterfront Holdings Sdn Bhd and Iskandar Waterfront City Berhad. TSDLKH proposed to undertake a reorganisation, rationalisation and merger proposal involving these companies for the consideration of the respective Board of Directors. The request Letter stated various proposals involving, among others, The Company.

(i) Proposed Knusford-Ekovest Construction Sdn Bhd ("ECSB") Merger

The Board of Directors of Ekovest ("Board") wishes to announce that the Company had on 27 October 2023 entered into a binding heads of merger agreement ("Heads of Merger Agreement") with Knusford to exclusively explore and negotiate further on the Proposed Knusford-ECSB Merger via the proposed disposal by Ekovest of its entire equity interest in its subsidiary, ECSB to Knusford for an indicative disposal consideration of RM450 million ("Disposal Consideration"), which was arrived at on a willing-buyer, willing-seller basis, after taking into account the audited net assets of ECSB as at 30 June 2023.

The Disposal Consideration shall be satisfied by Knusford on an agreed completion date of the Proposed Knusford-ECSB Merger via the allotment and issuance of such number of new ordinary shares in Knusford to Ekovest at an indicative issue price of RM0.60 per Knusford Shares. A detailed announcement on the Proposed Knusford-ECSB Merger in accordance with Chapter 10

**Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
Bursa Malaysia Securities Berhad****B11 Corporate Exercises (cont'd)**

of the Main Market Listing Requirements of Bursa Securities will be made upon execution of the definitive agreement(s) within the agreed timeline stipulated in the Heads of Merger Agreement.

(ii) Proposed Transit-Oriented Development (“TOD”) Land Acquisition

The Board wishes to announce that the Company had also on 27 October 2023 entered into the following:

- (a) a binding term sheet with Mohamad Nor bin Hamid and Lee Hun Yeung (collectively, the “Vendors of DCMSB”) (“TOD 2 Land Term Sheet”) to acquire two (2) parcels of freehold commercial land held under H.S.(D) 218291, PTB 19264 and H.S.(D) 218292, PTB 19265 respectively, both located at Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor, measuring approximately 269,182 square feet (approximately 6.18 acres) in aggregate, together with a six (6)-storey shopping complex known as “Danga City Mall” and an expo building erected thereon on part of the said lands (collectively, the “TOD 2 Land”) from Danga City Mall Sdn Bhd (“DCMSB”), in which the Vendors of DCMSB hold the entire equity interest in TOD 2 Land for an indicative purchase consideration of RM210.00 million (“TOD 2 Land Purchase Consideration”) (“Proposed TOD 2 Land Acquisition”); and
- (b) a binding term sheet with Cheong Meow Yen and Desa Sinarmas Sdn Bhd (collectively, the “Vendors of KMSB”) (“TOD 3 Land Term Sheet”) to acquire two (2) parcels of leasehold commercial land held under H.S.(D) 580782, Lot 1874 and H.S.(D) 580783, Lot 12242 respectively, both located at Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor, measuring approximately 419,792 square feet (approximately 9.64 acres) in aggregate (collectively, the “TOD 3 Land”) from Khazanah Melati Sdn Bhd (“KMSB”), in which the Vendors of KMSB hold the entire equity interest therein, for an indicative purchase consideration of RM100.00 million (“TOD 3 Land Purchase Consideration”) (“Proposed TOD 3 Land Acquisition”).

The parties to the respective Term Sheets (collectively, the “Parties”) agree and acknowledge that the Proposed TOD Lands Acquisition, is subject to a due diligence review and assessment by the Company of the appropriate manner of undertaking the Proposed TOD Lands Acquisition and in this respect the Company shall have the right at its discretion and election to undertake Proposed TOD Lands Acquisition by way of the acquisition of the entire issued and paid-up share capital of DCMSB and KMSB instead of via the acquisition of the respective TOD Lands (“Right to Acquire Shares”). The indicative total purchase consideration will be fully satisfied by Ekovest on an agreed completion date, entirely via the issuance and allotment of such number of new ordinary shares in Ekovest (“Ekovest Shares”) to the respective Vendors (or their nominee(s), if any) DCMSB and KMSB (as the case may be) at an issue price of RM0.60 per Ekovest Share (“Issue Price”) (“Consideration Shares”).



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B11 Corporate Exercises (cont'd)

A detailed announcement on the Proposed TOD Lands Acquisition in accordance with Chapter 10 of the Main Market Listing Requirements of Bursa Securities will be made upon execution of the definitive agreements within the agreed timeline stipulated in the Term Sheets.

(iii) Proposed Acquisition of Credence Resources Sdn Bhd (“Credence”)

The Company had also on 27 October 2023 entered into a binding heads of agreement (“HOA”) with TSDLKH to exclusively explore and negotiate further on the proposed acquisition by EkoVest of up to 700,000 ordinary shares, representing up to 70% of the equity interest in Credence and 87,901,000 redeemable preference shares (“RPS”) in Credence (collectively, the “Sale Shares”) from TLDLKH for an indicative purchase consideration of approximately RM1.15 billion (“Purchase Consideration”), which was arrived at on a willing-buyer, willing-seller basis, after taking into account the audited net assets of Credence as at 31 December 2022 (“Proposed Credence Acquisition”).

The Purchase Consideration shall be satisfied by EkoVest on an agreed completion date of the Proposed Credence Acquisition via the allotment and issuance of such manner of new ordinary shares in EkoVest to TSDLKH at an indicative issue price of RM0.60 per EkoVest share. A detailed announcement on the Proposed Credence Acquisition in accordance with Chapter 10 of the Main Market Listing Requirements of Bursa Securities will be made upon execution of the definitive agreement(s) between the Company and TSDLKH within the agreed timeline stipulated in the HOA.

The above three (3) Proposals are not intended to be conditional or inter-conditional upon each other, and will be implemented separately and independently, if deemed fit by the Board of Directors.

Other than the above, there is no corporate proposals announced but not completed as at the date of this quarterly report.

B12 Other Information

Memorandum Of Understanding (“MOU”) Between EkoVest, Shenzhen MaoXiong Co Ltd (“Mx”) And Anxi County People’S Government (“Anxi County Office”)

On 25 July 2023, the Group has signed a Memorandum of Understanding (“MOU”) with Shenzhen MaoXiong Co., Ltd. (MX) and Anxi County Office concerning cross border socio economic collaboration which include but not limited to conceptualization, planning, prioritizing, financing and implementation of property development, infrastructure development and fresh produce, agriculture and aquaculture distribution and processing development in both China and Malaysia (“Proposed Cross Border Socio Economic Collaboration”).

The purpose of the MOU is to achieve the common mission of EkoVest, MX, and Anxi County Office (collectively, the “Parties”) to jointly collaborate in relation to the Proposed Cross Border



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B12 Other Information (Cont'd)

Socio Economic Collaboration. Parties are exploring the prospects of entering into a Joint Venture Company.

The Parties agree to explore in good faith the possibility to assess the potential for cooperation in the Proposed Cross Border Socio Economic Collaboration, including but not limited to the followings initiatives:

- (a) Conceptualization and initial planning;
- (b) Research and planning;
- (c) Mutual transfer or exchange of skills, knowledges and expertise;
- (d) Selection and prioritization of infrastructure and other projects;
- (e) Exploration and arrangement of financing options in respect of the capital and operational expenditures necessary for the development of the subject matter of the MOU whether in phases or on one-off basis; and
- (f) Implementation of the development of the subject matter of the MOU.

The Parties agree and responsible to:

- (i) carry out the MOU in the manner to be mutually agreed by the Parties;
- (ii) establish a regular consultation mechanism to implement the MOU effectively; and
- (iii) establish technical working groups to study and consult on specific issues as and when required.

The MOU is effective immediately from the date of execution of the MOU and shall remain in effect until one (1) year or any extended period to be mutually agreed between the Parties. The execution of the MOU for the Proposed Cross Border Socio Economic Collaboration is expected to benefit EkoVest group of companies' strategic plans to recognize socio-economic benefit to both countries on the creation of a strategic development corridor between Parties.

As of the date of announcement, the project has yet to witness any significant advancements.