

EKOVEST BERHAD

Registration No: 198501000052 (132493-D)

**Condensed Consolidated Statement of Comprehensive Income
For The Financial Period Ended 30 June 2024**

| | Individual Period | | Cumulative Period | |
|--|---|--|---|---|
| | Current Year Quarter (Unaudited) 30 June 2024 RM'000 | Preceding Year Corresponding Quarter 30 June 2023 RM'000 | Current Year To-date (Unaudited) 30 June 2024 RM'000 | Preceding Year Corresponding Period 30 June 2023 RM'000 |
| Continuing operations | | | | |
| Revenue | 270,450 | 279,333 | 1,145,809 | 1,116,909 |
| Fair value gain / (loss) in biological assets | 1,427 | 202 | 721 | (1,203) |
| Cost of sales | (202,001) | (216,059) | (746,414) | (743,240) |
| Gross profit | 69,876 | 63,476 | 400,116 | 372,466 |
| Other income | 9,488 | 3,630 | 26,600 | 25,959 |
| Depreciation and amortisation | (3,789) | (12,389) | (17,288) | (22,020) |
| Administrative and general expenses | (27,391) | (62,496) | (102,757) | (146,454) |
| Results from operating activities | 48,184 | (7,779) | 306,671 | 229,951 |
| Interest income | 1,018 | 1,209 | 6,254 | 6,881 |
| Interest expense | (113,271) | (59,082) | (380,831) | (246,570) |
| Share of result of associate | 9,849 | (117) | 17,514 | (117) |
| Loss before tax | (54,220) | (65,769) | (50,392) | (9,855) |
| Current year tax expense | (12,533) | (3,145) | (32,176) | (18,186) |
| Deferred tax expense | (6,182) | (48,160) | * (35,638) | (81,283) |
| Loss for the period / year | (72,935) | (117,074) | (118,206) | (109,324) |
| Other comprehensive income / (loss), net of tax | 12 | (48) | 278 | (69) |
| Total comprehensive loss for the period / year | (72,923) | (117,122) | (117,928) | (109,393) |
| (Loss) / profit for the period / year attributable to :- | | | | |
| - Owners of the Company | (64,866) | (95,663) | (122,953) | (111,115) |
| - Non-controlling interests | (8,069) | (21,411) | 4,747 | 1,791 |
| Loss for the period / year | (72,935) | (117,074) | (118,206) | (109,324) |
| Total comprehensive (loss) / income for the period/year attributable to :- | | | | |
| - Owners of the Company | (64,854) | (95,711) | (122,675) | (111,184) |
| - Non-controlling interests | (8,069) | (21,411) | 4,747 | 1,791 |
| Total comprehensive loss for the period/year | (72,923) | (117,122) | (117,928) | (109,393) |
| Loss per share attributable to owners of the Company | | | | |
| - Basic (sen) | (2.19) | (3.55) | (4.15) | (4.12) |
| - Diluted (sen) | (2.19) | (3.55) | (4.15) | (4.12) |

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 June 2024**

| | As At 30 June 2024 (Unaudited) RM'000 | As At 30 June 2023 (Audited) RM'000 |
|---|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 172,200 | 247,584 |
| Investment properties | 861,186 | 858,423 |
| Right-of-use assets | 255,424 | 263,057 |
| Land held for property development | 482,100 | 529,057 |
| Concession assets | 8,049,908 | 7,701,568 |
| Bearer plants | 333,133 | 339,297 |
| Biological assets | 3,411 | 3,046 |
| Intangible assets | 1,542 | 1,622 |
| Investment in associates | 33,526 | 15,843 |
| Other investments | 1,345 | 1,310 |
| Performance deposits | 48,995 | 48,995 |
| Other receivables | 20,777 | 20,093 |
| Deferred tax assets | 27,745 | 27,569 |
| | 10,291,292 | 10,057,464 |
| Current assets | | |
| Inventories | 55,729 | 95,986 |
| Biological assets | 2,656 | 1,935 |
| Contract assets | 113,421 | 114,709 |
| Contract costs | 2,907 | 2,907 |
| Property development costs | 132,391 | 119,401 |
| Trade and other receivables | 332,042 | 304,947 |
| Current tax assets | 11,929 | 13,457 |
| Investment funds | 200,820 | 277,300 |
| Short term deposits | 209,794 | 312,849 |
| Cash and bank balances | 71,801 | 85,165 |
| | 1,133,490 | 1,328,656 |
| Non-current assets classified as held for sale | 112,654 | - |
| | 1,246,144 | 1,328,656 |
| TOTAL ASSETS | 11,537,436 | 11,386,120 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 1,256,139 | 1,138,871 |
| Reserves | 1,039,418 | 1,166,381 |
| Equity attributable to owners of the Company | 2,295,557 | 2,305,252 |
| Non-controlling interests | 520,249 | 491,218 |
| Total equity | 2,815,806 | 2,796,470 |
| Non-current liabilities | | |
| Lease liabilities | 9,836 | 11,991 |
| Bank borrowings | 292,477 | 442,819 |
| Medium term notes | 5,321,591 | 5,467,678 |
| Reimbursable interest assistance | 362,162 | 342,636 |
| Deferred income | 242,295 | 254,567 |
| Provision for heavy repairs | 14,248 | 13,639 |
| Deferred tax liabilities | 629,389 | 593,571 |
| | 6,871,998 | 7,126,901 |
| Current liabilities | | |
| Contract liabilities | 97,977 | 140,082 |
| Trade and other payables | 993,011 | 742,247 |
| Lease liabilities | 3,974 | 5,298 |
| Reimbursable interest assistance | 1,500 | - |
| Bank borrowings | 528,993 | 415,533 |
| Medium term notes | 197,500 | 152,500 |
| Current tax liabilities | 26,677 | 7,089 |
| | 1,849,632 | 1,462,749 |
| Total liabilities | 8,721,630 | 8,589,650 |
| TOTAL EQUITY AND LIABILITIES | 11,537,436 | 11,386,120 |
| Net assets per share attributable to owners of the Company (RM) | 0.77 | 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

Registration No: 198501000052 (132493-D)

**Condensed Consolidated Statement of Changes in Equity
For The Financial Year Ended 30 June 2024**

| | 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 | - | 278 | - | (122,953) | (122,675) | 4,747 | (117,928) |
| Issuance of ordinary shares | 117,268 | - | - | - | 117,268 | - | 117,268 |
| Effect of disposal of subsidiary's shares | - | - | - | (4,288) | (4,288) | 24,457 | 20,169 |
| Dividend paid by a subsidiary to non-controlling interests | - | - | - | - | - | (173) | (173) |
| At 30 June 2024 (Unaudited) | 1,256,139 | 217 | 82,453 | 956,748 | 2,295,557 | 520,249 | 2,815,806 |
| 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 | - | (69) | - | (111,115) | (111,184) | 1,791 | (109,393) |
| Effect of disposal of warrants in a subsidiary | - | - | - | 3,000 | 3,000 | - | 3,000 |
| Accretion arising from issuance of shares by a subsidiary to non-controlling interests | - | - | - | 5,225 | 5,225 | 35,759 | 40,984 |
| Dividend paid by a subsidiary to non-controlling interests | - | - | - | - | - | (138) | (138) |
| At 30 June 2023 | 1,138,871 | (61) | 82,453 | 1,083,989 | 2,305,252 | 491,218 | 2,796,470 |

(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 June 2024**

| | For The Financial Year Ended | |
|---|---------------------------------------|-------------------------------------|
| | 30 June 2024 (Unaudited) RM'000 | 30 June 2023 (Audited) RM'000 |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Loss before tax | (50,392) | (9,855) |
| Adjustment for: | | |
| Non-cash items | 106,035 | 108,716 |
| Non-operating items | (17,834) | (13,485) |
| Net interest expense | 342,948 | 239,815 |
| Operating profit before working capital changes | 380,757 | 325,191 |
| Changes in property development costs | (12,990) | (841) |
| Changes in inventories | 40,258 | 104,387 |
| Changes in receivables | (25,646) | (100,275) |
| Changes in payables | 74,356 | 104,250 |
| Changes in contract costs | - | (257) |
| Changes in contract assets / liabilities | (40,817) | 86,672 |
| Cash generated from operating activities | 415,918 | 519,127 |
| Interest received | 7,349 | 8,869 |
| Interest paid | (50,052) | (45,101) |
| Tax paid | (11,059) | (9,232) |
| Net cash generated from operating activities | 362,156 | 473,663 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (9,574) | (26,300) |
| Net redemptions of investment funds | 82,609 | 410,709 |
| Acquisition of shares in associate, net of cash | (123) | - |
| Addition to land held for property development | (20) | (110) |
| Addition to investment properties | (3,800) | (747) |
| Addition to concession assets | (183,794) | (300,903) |
| Additions of bearer plants and biological assets | (6,051) | (5,505) |
| Proceeds from disposal of property, plant and equipment | 1,646 | 640 |
| Proceeds from disposal of non-current asset classified as held for sale | 18,400 | - |
| Proceeds from disposal of investment properties | 830 | 1,194 |
| Proceeds from disposal of investment in subsidiaries | 19,914 | - |
| Proceeds from disposal of other investment | - | 3,000 |
| Placement in designated bank account | (24,767) | (17,896) |
| Withdrawal / (placement) withdrawal of short term deposits | 120,819 | (142,792) |
| Repayment from related parties | 212 | - |
| Net cash generated from investing activities | 16,301 | (78,710) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Drawdown of bank borrowings | 74,573 | 77,816 |
| Dividend paid to non-controlling interests | (173) | (48) |
| Repayment of bank borrowings | (110,447) | (173,707) |
| Repayment of profit element on IMTNs | (331,148) | (334,878) |
| Repayment of medium term notes | (152,500) | (127,500) |
| Proceed from the issuance of medium term notes | - | 129,166 |
| Proceeds from issuance of shares | 117,269 | - |
| Proceeds from issuance of shares by a subsidiary to non-controlling interests | - | 40,984 |
| Advances from / (repayment to) related parties | 20,582 | (1,726) |
| Payment of lease liabilities | (12,589) | (8,046) |
| Payment of lease interest | (920) | (877) |
| Net cash used in financing activities | (395,353) | (398,816) |
| Net changes in cash and cash equivalents | (16,896) | (3,863) |
| Cash and cash equivalents at the beginning of the financial period | 20,218 | 24,496 |
| Effect of exchange rate changes | 4 | (415) |
| Cash and cash equivalents at end of financial period | 3,326 | 20,218 |
| Represented by: | | |
| Cash and bank balances | 71,801 | 85,165 |
| Bank overdrafts | (36,534) | (40,138) |
| Designated bank accounts | (31,941) | (24,809) |
| | 3,326 | 20,218 |

(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

Registration No: 198501000052 (132493-D)
(Incorporated in Malaysia)

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

Notes to the Interim Financial Report (4th Quarter - 30 June 2024)

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:

| | | |
|------------------------------------|---|-----------------------------|
| Amendments to MFRS 16 | Lease Liability in a Sale and Leaseback | 1 January 2024 |
| Amendments to MFRS 101 | Classification of Liabilities as Current or Non-current | 1 January 2024 |
| Amendments to MFRS 101 | Non-current Liabilities with Covenants | 1 January 2024 |
| Amendments to MFRS 107 and MFRS 7 | Supplier Finance Arrangements | 1 January 2024 |
| Amendments to MFRS 121 | Lack of Exchangeability | 1 January 2025 |
| Amendments to MFRS 10 and MFRS 128 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | To be announced by the MASB |

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.



EkoVest Berhad

Registration No: 198501000052 (132493-D)
(Incorporated in Malaysia)

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

A3 Seasonal or Cyclical Factors

The Group's plantation and farming operations are affected by seasonal crop production, weather conditions and fluctuating commodity prices. Although seasonal or cyclical changes have minimal impact on the other operations of the Group, the business is nevertheless susceptible to the vagaries of the construction and property development industries.

A4 Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter ended 30 June 2024.

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 June 2024.

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Ekovest Berhad

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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 |
| | 30/06/2024 RM'000 | 30/06/2023 RM'000 | 30/06/2024 RM'000 | 30/06/2023 RM'000 |
| <u>Revenue</u> | | | | |
| Construction operations | 150,276 | 184,255 | 638,873 | 526,988 |
| Property development | 10,371 | 9,978 | 30,132 | 139,090 |
| Toll operations | 69,774 | 52,663 | 310,839 | 287,728 |
| Plantation | 26,614 | 21,825 | 114,888 | 118,280 |
| Food and beverages | 578 | 2,715 | 7,578 | 12,655 |
| Property Investment & Others | 12,837 | 7,897 | 43,499 | 32,168 |
| Total | 270,450 | 279,333 | 1,145,809 | 1,116,909 |
| <u>Segment Results</u> | | | | |
| Construction operations | 54,299 | 21,015 | 150,917 | 91,114 |
| Property development | 1,013 | (2,701) | 4,134 | 12,082 |
| Toll operations | 60,441 | 55,482 | 265,849 | 270,027 |
| Plantation | (4,473) | (40,381) | 7,576 | (19,546) |
| Food and beverages | (391) | (1,027) | (5,266) | (1,784) |
| Property Investment & Others | 972 | 796 | 3,215 | 6,349 |
| Elimination | (46,204) | (13,267) | (49,286) | (27,152) |
| Total | 65,657 | 19,917 | 377,139 | 331,090 |

**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 |
| | 30/06/2024 RM'000 | 30/06/2023 RM'000 | 30/06/2024 RM'000 | 30/06/2023 RM'000 |
| Administrative expenses | (16,455) | (26,487) | (64,214) | (94,258) |
| Finance cost | (113,271) | (59,082) | (380,831) | (246,570) |
| Share of result of associate | 9,849 | (117) | 17,514 | (117) |
| Loss before tax | (54,220) | (65,769) | (50,392) | (9,855) |
| Tax expense | (18,715) | (51,305) | (67,814) | (99,469) |
| Loss for the period | (72,935) | (117,074) | (118,206) | (109,324) |

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

On 22 February 2024, a subsidiary of the Company, namely EkoVest Properties Sdn Bhd had entered into two separate sale & purchase agreements ("SPA") with Airman Sdn Bhd for the disposal of thirteen (13) parcels of land for a total consideration approximately RM66.804 million.

On 29 July 2024, subsidiaries of the Company, namely EkoVest Properties Sdn Bhd and Temasek Megamas Sdn Bhd had entered into three additional SPAs with Airman Sdn Bhd for the disposal of four (4) parcels of land for a total consideration approximately RM9.818 million.

As of the date of this report, certain conditions precedent of these five SPAs have not been fulfilled and therefore the sale of land has yet to be completed.

A11 Changes in Composition of the Group

There were no changes in the composition of the Group during the quarter under review.



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

A12 Contingent Liabilities

There were no changes in contingent liabilities subsequent to the quarter and period ended 30 June 2024.

A13 Capital Commitments

Capital commitments of the Group as at 30 June 2024 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 | 12,830 |
| | <u>65,551</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:

| | 12 months ended 30 June 2024 RM'000 |
|--|--|
| With company in which certain Directors of the Company, have interests: | |
| Charged by: | |
| Knusford Berhad and its subsidiaries and associate companies | <u>37,055</u> |
| Charged to: | |
| Knusford Berhad and its subsidiaries and associate companies | <u>4,147</u> |

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

Notes to the Interim Financial Report (4th Quarter – 30 June 2024)

B1 Financial Review

(i) Financial review for current quarter

| | Individual Period (4th Quarter) | | Changes | |
|---|--|--|---------|--------|
| | Current Year Quarter (Unaudited) | Preceding Year Corresponding Quarter | RM'000 | % |
| | 30/06/2024 RM'000 | 30/06/2023 RM'000 | | |
| Revenue | 270,450 | 279,333 | (8,883) | (3.18) |
| Segment Results | 65,657 | 19,917 | 45,740 | 229.65 |
| Loss before tax | (54,220) | (65,769) | 11,549 | 17.56 |
| Loss after tax | (72,935) | (117,074) | 44,139 | 37.70 |
| Loss attributable to owners of the Company | (64,866) | (95,663) | 30,797 | 32.19 |

Current quarter (“4Q 2024”) against preceding year corresponding quarter (“4Q 2023”)

For the 4Q 2024, the Group reported a revenue of RM270.450 million and loss before tax of RM54.220 million as compared to the revenue of RM279.333 million and loss before tax of RM65.769 million reported in the 4Q 2023.

The performance of the respective operating business segments for the 4Q 2024 under review as compared to the 4Q 2023 is analysed as follow:

Construction operations

The construction segment reported a lower revenue of RM150.276 million for the 4Q 2024 as compared to RM184.255 million in 4Q 2023. The revenue has declined compared to 4Q 2023 mainly attributable to the completion of the Setiawangsa-Pantai Expressway (“SPE”), which resulted in a lower revenue contributions for this segment. However, the segment result has improved from RM21.015 million in 4Q 2023 to RM54.299 million in 4Q 2024 primarily driven from the savings on the construction cost upon the finalisation of the sub-contractors’ final account and certifications on the SPE project.



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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 RM10.371 million and a segment result of RM1.013 million profit for the current quarter as compared with revenue of RM9.978 million and a segment loss of RM2.701 million in the preceding year corresponding quarter. Our property development segment has consistently demonstrated stable performance. The losses reported in 4Q 2023 were mainly due to the under provision of sales and marketing expenses incurred from the earlier quarters of the preceding year.

Toll operations

The toll operations segment registered a higher revenue of RM69.774 million in 4Q 2024 as compared to RM52.663 million in 4Q 2023, marking approximately 32.50% increase in revenue. The higher revenue in this current reporting quarter was due to the increase in toll collections from the opening of the new SPE Highway on 3 November 2023. As a result of the increased revenue, this segment reported a higher profit of RM60.441 million in 4Q 2024 as against RM55.482 million in 4Q 2023.

Plantation

For the current quarter 4Q 2024, the plantation segment registered a revenue of RM26.614 million and a segment loss of RM4.473 million as compared with revenue of RM21.825 million and a segment loss of RM40.381 million in the preceding year corresponding quarter. The increase in the segment's revenue were mainly attributed to higher Fresh Fruit Bunches ("FFB") average prices and higher production volumes together with sales contribution from forestry activities. The segment's losses for the current year quarter was much lower following the absence of a lower impairment losses on goodwill and trade receivables in comparison to the preceding year correspondence quarter.

Food and Beverages

The F&B division has registered a lower revenue of RM0.578 million for 4Q 2024 as against the RM2.715 million in 4Q 2023. The decline in revenue was mainly due to the scaling down of the F&B segment, where a total of 8 outlets were closed during the year to pave the way forward to a new approach in franchising and licencing. The reduction in operating costs and the termination of the lease liability have mitigated the losses, bringing down from RM1.027 million in Q4 2023 to RM0.391 million in Q4 2024.

**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 has improved from RM7.897 million in 4Q 2023 to RM12.837 million in 4Q 2024. The growth is mainly driven by the increase revenue from the hotel operations of INNSiDE by Meliá Hotel in EkoCheras and the reduction of rebates given to the tenants of EkoCheras Mall as compared to the preceding corresponding quarter.

(ii) Financial review for financial year to date

| | Cumulative Period | | Changes | |
|---|---|---|----------|----------|
| | Current Year To- Date (Unaudited) | Preceding Year Corresponding Period | RM'000 | % |
| | 30/06/2024 RM'000 | 30/06/2023 RM'000 | | |
| Revenue | 1,145,809 | 1,116,909 | 28,900 | 2.59 |
| Segment Results | 377,139 | 331,090 | 46,049 | 13.91 |
| Loss before tax | (50,392) | (9,855) | (40,537) | (411.33) |
| Loss after tax | (118,206) | (109,324) | (8,882) | (8.12) |
| Loss attributable to owners of the Company | (122,953) | (111,115) | (11,838) | (10.65) |

Current year to date ("YTD 2024") against preceding year corresponding period ("YTD 2023")

For the YTD 2024, the Group recorded a revenue of RM1,145.809 million and a loss before tax of RM50.392 million as compared to the revenue of RM1,116.909 million and a loss before tax of RM9.855 million reported in YTD 2023.

The higher loss before tax for YTD 2024 as compared to YTD 2023 is attributable to several factors. Firstly, the financing costs for SPE Highway can no longer be capitalized in the financial statements since the full opening of SPE in November 2023 where the Group expects the traffic number to ramp up. Consequently, the Group's financing costs reflected in the Income Statement have risen from RM246.570 million in YTD 2023 to RM380.831 million in the current year to date.

Secondly, the Group has yet to receive the disbursement of toll compensation for year 2023 toll rate hike deferral estimated at RM64.0 million for Duke 1 & 2. Furthermore, the Group has not been able to recognize the scheduled toll rate for Duke 1 & 2, which was due on 1 January 2024.



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B1 Financial Review (cont'd)

As for SPE highway, the Group is expecting some compensation from the government arising from the delays in project completion following changes in alignment and due to interfacing issues with other Government projects on site.

The above factors have significantly impacted the Group's financial results for the current year to date.

The performance of the respective operating business segments for the YTD 2024 under review as compared to the YTD 2023 is analysed as follows :

Construction operations

For YTD 2024, the construction sector reported a higher revenue of RM638.873 million, up from RM526.988 million in YTD 2023. This increase is attributed to the progress of our Rapid Transit System Link ("RTS Link") project. Additionally, with the completion of our SPE project, the realisation of savings on the construction cost upon the finalisation of the sub-contractors' final account and certifications have also improved the segment results from RM91.114 million in YTD 2023 to RM150.917 million in YTD 2024.

Property development

The property development segment for the YTD 2024 reported a lower revenue of RM30.132 million as compared to preceding year of RM139.090 million. Correspondingly, the segment's result has also declined from a profit of RM12.082 million in YTD 2023 to a profit of RM4.134 million in YTD 2024. The lower segment results is primarily attributed to lower sales concluded during the current reporting year due to limited units available as compared to the YTD 2023 wherein September 2022 the Company has just obtained the Bumi Release for EkoCheras units therefore more units are available for sales.

Toll operations

The toll operations sector registered a slightly higher revenue of RM310.839 million in YTD 2024 as compared to RM287.728 million in YTD 2023 and reported a lower profit of RM265.849 million in YTD 2024 as against RM270.027 million in YTD 2023. The revenue recorded in YTD 2023 includes the toll compensation for calendar year 2020 and year 2021 amounting to RM79.456 million, as compared to YTD 2024 which recorded the toll compensation for calendar year 2022 of RM57.553 million, the lower compensation amount recorded in YTD 2024 appeared to have relatively lower gross profits. By excluding the toll compensation, there is an increase approximately 21.61% in the toll collection receipts for YTD 2024 as compared to YTD 2023 due to the increase in toll collections from the opening of the new SPE Highway on 3 November 2023.



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B1 Financial Review (cont'd)

Plantation

The plantation sector registered a lower revenue of RM114.888 million and a segment results of RM7.576 million profit in YTD 2024 as compared with the revenue of RM118.280 million and a segment loss of RM19.546 million in YTD 2023. The decrease in revenue was mainly attributed to the decline in crude palm oil price. Meanwhile, other divisions' sales such as the durian manufacturing and trading division were also experienced lower sales volumes for their durian products. The losses incurred in YTD 2023 were mainly attributable to the recognition of the substantial impairments losses on goodwill and trade receivables.

Food and Beverages

The F&B division has registered a lower revenue of RM7.578 million for YTD 2024 as against the preceding corresponding year of RM12.655 million. The decrease in revenue primarily stemmed from the recent closure of numerous outlets by the Group throughout the year, including two in Langkawi and six located in various shopping malls. These closures are aligned with our new strategic vision to scale down the operation for our F&B segment.

Property Investment and others

The property investment segment's revenue has increased from RM32.168 million in YTD 2023 to RM43.499 million in YTD 2024. This is mainly driven by a higher tenancy rate at EkoCheras Shopping Mall as compared to the previous year. Additionally, our hotel's operation of INNSIDE by Melia Hotel in EkoCheras has also contributed to our segment revenue and gross profit.

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

B2 Comparison with preceding quarter results

Financial review for current quarter compare with immediate preceding quarter

| | Current Year Quarter (Unaudited) | Immediate Preceding Quarter | Changes | |
|---|--|-----------------------------------|----------|----------|
| | 30/06/2024 | 31/03/2024 | RM'000 | % |
| | RM'000 | RM'000 | RM'000 | % |
| Revenue | 270,450 | 306,462 | (36,012) | (11.75) |
| Segment results | 65,657 | 132,023 | (66,366) | (50.27) |
| (Loss) / profit before tax | (54,220) | 14,234 | (68,454) | (480.92) |
| (Loss) / profit after tax | (72,935) | 2,917 | (75,852) | NM |
| Loss attributable to owners of the Company | (64,866) | (11,109) | (53,757) | (483.90) |

NM - Not meaningful

The Group recorded a revenue of RM270.450 million and loss before tax of RM54.220 million in the current quarter as compared to revenue of RM306.462 million and profit before tax of RM14.234 million in the immediate preceding quarter. The lower revenue and segment results for this current year quarter is mainly due to our toll operation segment has received and recognized the RM57.553 million toll compensation for the calendar year 2022 in the immediate preceding quarter.

B3 Prospects

The Board remains optimistic about the future development of each of the Group's business segments and is confident that each segment will contribute positively to the Group's performance in the coming financial year ending 30 June 2025.

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. This 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.

The Board will continue to explore the right opportunities which will contribute to both the property development and construction segment simultaneously. The Group has finalised the financial requirement and the authorities' submission, and planned to launch the upcoming new property development, EkoTitiwangsa by November 2024. As for the construction segment, the Board expects that the on-going rationalisation of the construction scope under the RTS Link project as well as construction of EkoTitiwangsa to contribute positively to the Group's future construction



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B3 Prospects (cont'd)

revenue and earnings. In addition, the Group is continuously working closely with Government on various infrastructure projects.

Our subsidiary, PLS Plantations Berhad ("PLS") 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 are now mainly from trading activities. In the near term, PLS will continue its current rehabilitation and sanitation works with emphasis on recommended plantation 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 and margin 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 while waiting for PLS's durian farm to be matured and fruitful in 3 to 4 years.

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 and property development.

B4 Forecast/Profit Guarantee

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

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**Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
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B5 Taxation

| | Current quarter ended 30 June 2024 | 12 months ended 30 June 2024 |
|--------------------|---|---|
| | RM'000 | RM'000 |
| Malaysian taxation | | |
| - current tax | (12,533) | (32,176) |
| - deferred tax | (6,182) | (35,638) |
| | <u>(18,715)</u> | <u>(67,814)</u> |

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.

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**Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
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B6 Group Borrowings

| Current Liabilities | 30 JUNE 2024 (Unaudited) RM'000 | 30 JUNE 2023 (Audited) RM'000 |
|----------------------------|--|--|
| Bank overdraft | | |
| - secured | 34,055 | 37,663 |
| - unsecured | 2,479 | 2,475 |
| Bank term loans - secured | 105,023 | 65,796 |
| Medium term notes | 197,500 | 152,500 |
| Multi Trade financing | 14,010 | 14,599 |
| Revolving credit - secured | 373,426 | 295,000 |
| | 726,493 | 568,033 |

| Non-current Liabilities | 30 JUNE 2024 (Unaudited) RM'000 | 30 JUNE 2023 (Audited) RM'000 |
|--------------------------------|--|--|
| Bank term loans - secured | 247,477 | 322,819 |
| Islamic medium term notes | 5,321,591 | 5,467,678 |
| Revolving credit - secured | 45,000 | 120,000 |
| | 5,614,068 | 5,910,497 |

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.

**Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
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B7 Material Litigation

Save as disclosed below as at 30 June 2024, 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;

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

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

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

**Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
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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 June 2024.

B9 Earnings Per Share

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|-------------------------|--|-------------------------|---|
| | Current year Quarter | Preceding year corresponding Quarter | Current year to-date | Preceding year Corresponding Period |
| | 30 June 2024 | 30 June 2023 | 30 June 2024 | 30 June 2023 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| (a) Basis loss per share | | | | |
| Net loss attributable to owners of the Company (RM'000) | (64,866) | (95,663) | (122,953) | (111,115) |
| Weighted average number of ordinary share issue (‘000) | 2,965,411 | 2,695,828 | 2,965,411 | 2,695,828 |
| Basic loss per ordinary share (sen) | <u>(2.19)</u> | <u>(3.55)</u> | <u>(4.15)</u> | <u>(4.12)</u> |
| (b) Diluted loss per ordinary share (sen) | <u>(2.19)</u> | <u>(3.55)</u> | <u>(4.15)</u> | <u>(4.12)</u> |



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

| | Current quarter ended 30 June 2024 | 12 months ended 30 June 2024 |
|--|---|---|
| | RM'000 | RM'000 |
| (Loss)/Profit before tax is stated after charging /(crediting): | | |
| Interest income | (1,018) | (6,254) |
| Other income including investment income | (9,488) | (26,600) |
| Interest expenses | 113,271 | 380,831 |
| Depreciation and amortisation | <u>14,970</u> | <u>73,186</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 June 2024 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 | 86,000 | - | Nil | Within 18 months |
| General working capital | 28,469 | 28,469 | - | Nil | Within 12 months |
| Estimated expenses in relation to the Proposed Private Placement | 2,800 | 2,800 | - | Nil | Within 3 months |
| | 117,269 | 117,269 | - | | |

(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") announced 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



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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.

On 27 May 2024, the Company and Knusford have mutually agreed for an extension of 2 months commencing from 28 May 2024 to 27 July 2024, to grant more time to assess, evaluate and deliberate in detail and to discuss and negotiate on the terms of the Definitive Agreement.

On 26 July 2024, the Company and Knusford have mutually agreed for a further extension of 6 months commencing from 28 July 2024 to 27 January 2025, to grant more time to assess, evaluate and deliberate in detail and to discuss and negotiate on the terms of the Definitive 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”).



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B11 Corporate Exercises (cont'd)

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”).

On 26 April 2024, the Company has sought the mutual agreement of the parties for an extension of 3 months commencing from 28 April 2024 to 27 July 2024, to grant more time for the Company to assess, evaluate and deliberate the Proposed TOD Lands Acquisition in detail and to discuss and negotiate on the terms of the Definitive Agreements between the parties.

On 26 July 2024, the Company has sought the mutual agreement of the parties for a further extension of 3 months commencing from 28 July 2024 to 27 October 2024, to grant more time for the Company to assess, evaluate and deliberate the Proposed TOD Lands Acquisition in detail and to discuss and negotiate on the terms of the Definitive Agreements between the parties.

(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 TSDLKH 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.



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B11 Corporate Exercises (cont'd)

On 27 May 2024, the Company has sought the agreement with TSDLKH for an extension of 2 months commencing from 28 May 2024 to 27 July 2024, to grant more time for the Company to assess, evaluate and deliberate the Proposed Acquisition of Credence in detail and to discuss and negotiate on the terms of the Definitive Agreement.

On 26 July 2024, the Company has sought the agreement with TSDLKH for a further extension of 6 months commencing from 28 July 2024 to 27 January 2025, to grant more time for the Company to assess, evaluate and deliberate the Proposed Acquisition of Credence in detail and to discuss and negotiate on the terms of the Definitive Agreement.

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 Company 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 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;



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B12 Other Information (cont'd)

- (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.

Strategic Collaboration Agreement Between EkoVest Berhad And Universal Cosmos Co Ltd, A Subsidiary Of Zhejiang Communications Investment Group Co Ltd

The Company had on 27 December 2023 entered into a Strategic Collaboration Agreement with Universal Cosmos Co Ltd, a wholly-owned overseas subsidiary of Zhejiang Communications Investment Group Co Ltd, a state-owned enterprise established by Zhejiang Provincial Government in People's Republic of China, to establish a broad-based multi-angle collaboration and strategic cooperation arrangement in relation to amongst others, participation in infrastructure concession asset in Malaysia, large scale of infrastructure projects, food security and trade and retailing and transit-oriented development projects, all located in Malaysia.

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

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