



## **EKOVEST BERHAD**

(Company No. 132493-D)  
(Incorporated in Malaysia)

### **SUMMARY RECORD OF THE PROCEEDINGS OF THE EXTRAORDINARY GENERAL MEETING IN ACCORDANCE WITH PARAGRAPH 9.21(2) OF BURSA MALAYSIA MAIN MARKET LISTING REQUIREMENTS**

**VENUE:** GRAND SEASONS HOTEL, 72 JALAN PAHANG, 53000 KUALA LUMPUR

**DATE:** THURSDAY, 19 JANUARY 2017

**TIME:** 3.00 P.M.

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#### **1.0 WELCOMING SPEECH**

1.1 The Chairman welcomed the shareholders and introduced the Directors, the Group Financial Controller, the Company Secretary and the Advisers. She then called the meeting to order.

#### **2.0 QUORUM OF MEETING**

2.1 The Company Secretary confirmed that the required quorum to convene the Meeting in accordance with Article 63 of the Company's Articles of Association was present.

#### **3.0 PROXIES**

3.1 The Secretary reported that proxy forms representing 501,298,937 shares or 58.60% of the total shareholding of the Company have been received.

#### **4.0 NOTICE OF MEETING**

4.1 The Secretary reported that the notice of the meeting has been duly and properly dispatched to the shareholders on 28 December 2016. The meeting agreed that the Notice shall be taken as read.

#### **5.0 ADMINISTRATIVE ISSUE**

5.1 The Chairman informed the meeting that the voting on all the proposed resolutions tabled will be decided on a poll pursuant to Section 8.29A(1) of Bursa Malaysia Main Market Listing Requirements. She added that the Company has appointed Sctrars Management Sdn Bhd as the Poll Administrator and Messrs. IA Essential Sdn Bhd as Scrutineers to verify the poll results. The Chairman explained the meeting and voting procedures. She added that the polling process will be conducted upon the completion of the deliberation of all items to be transacted in this meeting.

#### **6.0 PRESENTATION**

6.1 She called upon Encik Ahmad Nasir and Ms. Wong Muh Rong [Ms. Wong] to provide the meeting with a presentation in relation to the Proposed Disposal and the

Proposed Share Split for their better understanding. She encouraged the floor to ask questions as our Managing Director, Datuk Seri Lim Keng Cheng [Datuk Seri] together with the Advisers are on hand to answer all their questions. Ms. Wong also briefed the meeting on the effect of the warrants as a result of the Proposed Share Split.

After the presentation, the Chairman thanked Encik Ahmad Nasir, Ms. Wong, Datuk Seri and the Advisers who have provided the shareholders a clear and precise information and answered all their questions.

## **7.0 QUESTIONS RAISED BY MINORITY SHAREHOLDERS WATCHDOG GROUP (“MSWG”) AND THE FLOOR**

7.1 The Chairman reported that the Company has received some queries posed by the Minority Shareholders Watchdog Group. She called upon Ms. Lim Ts-Fei to read out the queries together with the answers to the queries raised.

(Queries and Answers are attached marked as Appendix A).

Mr. Quah Ban Aik, a representative of MSWG attending the meeting conveyed his satisfaction with the answers provided.

7.2 The shareholders, Mr. Wan Heng Wah, Mr. Tan Yap Seng, Mr. Ng Kok Kiong [Mr. Ng] and Mr. Choong Beng Hin [Mr. Choong] raised various questions and comments during the meeting and were answered by Datuk Seri, Ms. Wong, Ms. Debbie Leong, and the Chairman. The salient questions and comments among others included:

- Who is the party offering the 40% equity in Kesturi more than EPF and what is the offer price?
- Why the Board favored EPF over the other offeror?
- In referring to the payment of RM209 million following the receipt by the Purchaser of a copy of the Certificate of practical completion [CPC], asked on the progress of the Duke2.
- How is the Exit IRR of 11.5% derived and is there an empirical evidence on the calculation?
- Whether the Company’s toll revenue be affected in the long run noting that so many highways and infrastructure projects are being constructed including the development of LRT, MRT, monorail and even bicycle lane
- What is the net gearing effect on the Group after the proposed disposal?

## **8.0 ORDINARY RESOLUTION 1 PROPOSED DISPOSAL OF 40% EQUITY INTEREST HELD IN KONSORTIUM LEBUHRAYA UTARA-TIMUR (KL) SDN BHD (“KESTURI”) TO EMPLOYEES PROVIDENT FUND BOARD FOR A TOTAL CASH CONSIDERATION OF RM1,130,000,000**

8.1 The Chairman reported that the first resolution is to seek the shareholders’ approval on Proposed Disposal of 40% equity interest held in Konsortium Lebuhraya Utara-

Timur (Kl) Sdn Bhd to Employees Provident Fund Board for a total cash consideration of RM1,130,000,000 and read out the proposed resolutions.

Mr. Ng proposed the motion and Ms. Soo Pei Yin seconded the proposal.

There being no question from the floor, the Chairman proceeded with the second item in the agenda.

**9.0 ORDINARY RESOLUTION 2**

**PROPOSED SHARE SPLIT INVOLVING THE SUBDIVISION OF EVERY 2 EXISTING ORDINARY SHARES OF RM0.50 EACH INTO 5 ORDINARY SHARES OF RM0.20 EACH IN EKOVEST BERHAD (“EKOVEST”) HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER, RESULTING IN AN ENLARGED ISSUED AND PAID-UP SHARE CAPITAL OF EKOVEST OF A MAXIMUM OF RM488,827,920 COMPRISING A MAXIMUM OF 2,444,139,600 SUBDIVIDED SHARES (ASSUMING FULL EXERCISE OF THE OUTSTANDING WARRANTS 2014/2019 OF EKOVEST PRIOR TO THE ENTITLEMENT DATE)**

- 9.1 The Chairman reported that the second proposed resolution is to seek the shareholders’ approval on Proposed Share Split involving the subdivision of every 2 existing ordinary shares of RM0.50 each into 5 ordinary shares of RM0.20 each in Ekovest Berhad held on an entitlement date to be determined and announced later, resulting in an enlarged issued and paid-up share capital of Ekovest Berhad of a maximum of RM488,827,920 comprising a maximum of 2,444,139,600 subdivided shares (assuming full exercise of the outstanding warrants 2014/2019 of Ekovest Berhad prior to the entitlement date) and read out the proposed resolution.

Mr. Choong proposed the motion and Mr. Wong Yew Seng seconded the proposal.

There being no question from the floor, the Chairman proceeded with the last item in the agenda.

**10.0 SPECIAL RESOLUTION 1**

**PROPOSED AMENDMENTS TO EKOVEST’S MEMORANDUM OF ASSOCIATION TO FACILITATE THE IMPLEMENTATION OF THE PROPOSED SHARE SPLIT**

- 10.1 The Chairman reported that the proposed resolution if passed, will facilitate the Company to proceed with the implementation of the Proposed Share Split and read out the proposed resolution.

Mr. Choong proposed the motion and Mr. Rajeswaran A/L Raram Palam seconded the proposal.

**11.0 VOTING**

- 11.1 The Chairman informed the members to cast their votes, fold the voting slips and drop them into the ballot boxes provided.

After 10 minutes, the Chairman reminded the members who have not cast their votes to do so and when no member responded, she declared the voting closed and authorized the Poll Administrator and Official Scrutineer to count and verify the votes and invited the members for some refreshment.

## 12.0 ANNOUNCEMENT OF POLL RESULTS

- 12.1 At 4.30 p.m. the Chairman informed the meeting that the results were available and invited Mr. Andrew Koh of Messrs. IA Essential Sdn Bhd, to announce the poll results which are summarized as follows;

Resolutions	FOR		AGAINST	
	No of Shares	%	No of Shares	%
<b>Ordinary Resolution 1</b> Proposed Disposal	501,571,077	100.00	0	0.00
<b>Ordinary Resolution 2</b> Proposed Share Split	501,609,077	100.00	0	0.00
<b>Special Resolution 1</b> Proposed Amendments	501,571,077	100.00	0	0.00

*\*based on the aggregate number of votes cast 'For' and 'Against'*

Based on the poll results announced, the Chairman declared the following resolutions tabled in the Extraordinary General meeting of the Company as carried;

### Ordinary Resolution 1

THAT the resolutions relating to the proposed disposal of 40% equity interest held in Konsortium Lebuh Raya Utara-Timur (KL) Sdn Bhd to Employees Provident Fund Board for a total cash consideration of RM1,130,000,000 be approved without modification.

### Ordinary Resolution 2

THAT the resolution relating to the proposed share split involving the subdivision of every 2 existing ordinary shares of RM0.50 each into 5 ordinary shares of RM0.20 each in Ekovest Berhad held on an entitlement date to be determined and announced later, resulting in an enlarged issued and paid-up share capital of Ekovest Berhad of a maximum of RM488,827,920 comprising of 2,444,139,600 subdivided shares (assuming full exercise of the outstanding warrants 2014/2019 of Ekovest Berhad prior to the entitlement date) be approved without modification.

### Special Resolution 1

THAT the resolution relating to the proposed amendments to Ekovest Berhad's Memorandum of Association to facilitate the implementation of the proposed share split be approved without modification.

### **13.0 CONCLUSION**

- 13.1 There being no other business, the Chairman declared the meeting closed at 5.40 p.m.

Mr. Lee Wai Kuen proposed a vote of thanks to the Chair and Mr. Chow Yoon Sam seconded the proposal.

The Chairman wishes those who are celebrating Chinese New Year, Gong Xi Fa Cai and to those who are not celebrating a Happy Holidays.



**EKOVEST BERHAD**

**QUERIES FROM MINORITY SHAREHOLDER  
WATCHDOG GROUP DATED 6 JANUARY 2017**

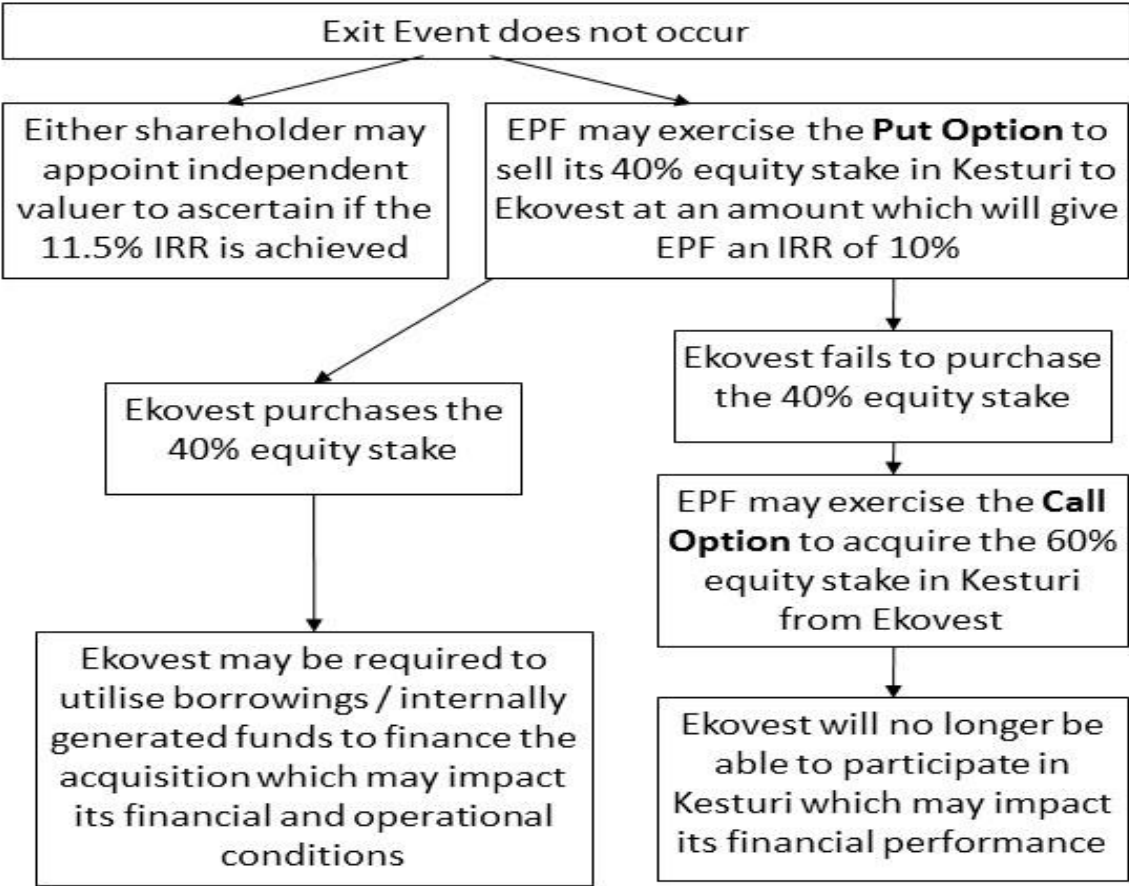
19 January 2017

No.	Query	Response																		
1	The Circular to the Shareholders (“the Circular”) reported in page 51, Statement of Financial Position and in page 87, Note 17 to the Financial Statements that Kesturi has an issued and paid-up share capital of RM50,003,601 comprising RM5,000,000 ordinary shares of RM1.00 each, 45,000,000 redeemable preference shares (“RPS”) of RM1.00 each and 3,601 Series B RPS of RM1.00 each.																			
(a)	As regards the Proposed Disposal of 40% equity interest held in Kesturi to EPF for RM1.13 billion cash, would there be a need for an increase in current Kesturi’s issued and paid-up share capital?	<ul style="list-style-type: none"> <li>■ The Proposed Disposal involves the disposal of the existing 3,440,400 ordinary shares and 18,000,000 preference shares held by Nuzen in Kesturi. Hence, there is no necessity to increase the current issued and paid-up share capital of Kesturi</li> <li>■ The increase in Kesturi’s paid-up share capital subsequent to 30 June 2016 was completed on 3 November 2016 (which is prior to the execution of the SSA with EPF in relation to the Proposed Disposal) where Kesturi is still wholly-owned by Nuzen</li> </ul> <table border="1" data-bbox="1035 946 1964 1257" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">FYE 30 June 2016</th> <th style="text-align: center;">As per Circular Page 4</th> </tr> <tr> <th></th> <th style="text-align: center;">RM</th> <th style="text-align: center;">RM</th> </tr> </thead> <tbody> <tr> <td>Ordinary Shares</td> <td style="text-align: center;">5,000,000</td> <td style="text-align: center;">8,601,000</td> </tr> <tr> <td>RPS</td> <td style="text-align: center;">45,000,000</td> <td style="text-align: center;">45,000,000</td> </tr> <tr> <td>Series B RPS</td> <td style="text-align: center;">3,601</td> <td style="text-align: center;">-</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: center;"><b>50,003,601</b></td> <td style="text-align: center;"><b>53,601,000</b></td> </tr> </tbody> </table>		FYE 30 June 2016	As per Circular Page 4		RM	RM	Ordinary Shares	5,000,000	8,601,000	RPS	45,000,000	45,000,000	Series B RPS	3,601	-	<b>Total</b>	<b>50,003,601</b>	<b>53,601,000</b>
	FYE 30 June 2016	As per Circular Page 4																		
	RM	RM																		
Ordinary Shares	5,000,000	8,601,000																		
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<b>Total</b>	<b>50,003,601</b>	<b>53,601,000</b>																		

No.	Query	Response
(b)	<p>In terms of the Disposal Consideration for RM1.13 billion paid by EPF and current Kesturi's issued and paid-up share capital, how would the Board assure and justify EPF's guaranteed return on investment ("ROI") / minimum IRR of 10.0% from the Completion Date until the Exit Event and thereafter, at exit IRR of 11.5% after the Exit Event?</p>	<ul style="list-style-type: none"> <li>▪ The minimum IRR and exit IRR were commercially negotiated and agreed with EPF, after taking into consideration the following: <ul style="list-style-type: none"> <li>▪ The prospects of DUKE, including the traffic volume; and</li> <li>▪ The commencement and the tolling of DUKE Phase-2 by first half of 2017</li> </ul> </li> <li>▪ Furthermore, Ekovest has a period of up to 7 years from the date of completion of the Disposal to achieve the minimum IRR and exit IRR</li> </ul>
(c)	<p>In the event, should there be an increase in current Kesturi's issued and paid-up share capital, how and what would happen if EPF has to pay up proportionately for its 40% equity interest in Kesturi? How would this impact and affect the dividend policy envisaged in Section 2.4.3, page 8 of the Circular?</p>	<ul style="list-style-type: none"> <li>▪ There is no increase in the current Kesturi's issued and paid-up share capital as per the reply in Query 1(a) above. Hence there will be no impact to the dividend policy of Kesturi</li> </ul>



No.	Query	Response
2	<p>As regards the basis and justification in arriving at the Disposal Consideration, would the Board explain and clarify from the perspective of a willing-buyer willing-seller basis, its key assumptions and which are comparable companies, the discount rate / WACC of approximately 8.0% and, in terms of size, market capitalisation of these companies up to RM5.0 billion and principal activity with revenue contribution from toll operations representing at least 70% of its total revenue?</p>	<ul style="list-style-type: none"> <li>■ The key assumptions used for the cash flows projections are, amongst others, forecasted traffic volume, toll rate, maintenance costs, financing costs and capital expenditures such as upgrading of toll equipment and heavy repairs and other operating costs</li> <li>■ The discount rate/WACC of 8.0% for Kesturi was arrived at after considering its capital structure together with its forecasted cash flow to firm up to end of the concession period. This is comparable to the discount rate which was derived from the average unlevered beta of the comparable highway concession companies in Asia Pacific, the risk free rate and the risk premium of the Malaysian equity market</li> <li>■ For purpose of determining the comparable companies, the criteria of having 70% of total revenue being contributed from toll operations indicates that the principal source of income are mainly derived from toll operations, whereas the RM5.0 billion criteria was to ascertain the comparability of the peers to the size and value of Kesturi</li> </ul>

No.	Query	Response
3	<p>In the interests of both minority shareholders and stakeholders, would the Board explain and illustrate clearly in simple terms about how the Put Option and Call Option stated in Section 2.4.8, pages 11-12, work in consideration of the risk factors identified in Section 6, pages 22-24 of the Circular, as covered under the Shareholders' Agreement?</p>	 <pre> graph TD     A[Exit Event does not occur] --&gt; B[Either shareholder may appoint independent valuer to ascertain if the 11.5% IRR is achieved]     A --&gt; C[EPF may exercise the Put Option to sell its 40% equity stake in Kesturi to Ekovest at an amount which will give EPF an IRR of 10%]     B --&gt; D[Ekovest purchases the 40% equity stake]     C --&gt; E[Ekovest fails to purchase the 40% equity stake]     D --&gt; F[Ekovest may be required to utilise borrowings / internally generated funds to finance the acquisition which may impact its financial and operational conditions]     E --&gt; G[EPF may exercise the Call Option to acquire the 60% equity stake in Kesturi from Ekovest]     G --&gt; H[Ekovest will no longer be able to participate in Kesturi which may impact its financial performance]     </pre>