



SUMMARY RECORD OF THE PROCEEDINGS OF THE THIRTY-THIRD ANNUAL GENERAL MEETING OF EKOVEST BERHAD 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: TUESDAY, 27 NOVEMBER 2018

TIME: 10.30 A.M.

1.0 WELCOMING SPEECH

- 1.1 Mr. Lee Wai Kuen was elected to chair the meeting.
- 1.2 The Chairman welcomed the shareholders and called the meeting to order.

2.0 QUORUM OF MEETING

- 2.1 The Secretary confirmed that the requisite quorum was present in accordance with Article 63 of the Company's Articles of Association.

3.0 PROXIES

- 3.1 The Secretary reported that 988,004,968 shares representing 46.18% of the total shareholding of the Company in proxies 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 30 October 2018.

5.0 ADMINISTRATIVE ISSUE

- 5.1 The Chairman reported that in compliance with paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements, all the proposed resolutions will be put to vote by poll, where every member who is present in person or by proxy shall have one vote for every share held. He added that the Company has appointed Messrs. Dvote Services Sdn Bhd as the Poll Administrator to conduct the polling process using the DigitizeVote polling devices and Messrs. Coopers Professional Scrutineers Sdn Bhd as the Scrutineer to verify the poll results.

The Chairman informed the members that the polling process for the resolutions will be conducted upon the completion of the deliberation of each proposed resolution at the Annual General Meeting ("AGM").

Ms. Kang Hui Ling explained the polling procedures to the members.

6.0 QUESTIONS RAISED BY MINORITY SHAREHOLDERS WATCHDOG GROUP (“MSWG”) AND OTHERS

- 6.1 The Chairman called upon Ms. Lim Ts-Fei to read out the questions posed by MSWG together with the answers from the management.
- 6.2 Several shareholders/proxy holders including, Mr. Sharn Lee, Mr. Choong Beng Hin, and Mr. Ng raised various questions and provide comments in the Meeting, which were duly answered by the Managing Director and Ms. Lim Soo San. Among the issues raised included the following:

Question	Response
Mr. Sharn Lee enquired on the status of the Company in relation to the joint-venture with Samling Resources Sdn Bhd (“SRSB”) on the Pan Borneo Highway.	The MD replied that since the Company’s announcement to Bursa on 5 June 2018, there is no further news from SRSB. For the benefit of the members, the MD informed that the announcement relates to SRSB informing Ekovest Construction Sdn Bhd that Lebuhraya Borneo Utara Sdn Bhd (“LBU”), the Project Delivery Partner for the Project, have not consented for the Project to be sub-contracted to the JV Company. As earlier stated, the Group is reserving our rights in relation to the above matter and is seeking advice and will take all necessary action as may be required.
Mr. Sharn Lee also enquired whether the Group has secured the Duke 2A expressway project and how is the relationship of the Group with the new Government?	The MD replied that the Group is pursuing with the new Government for the award of the Duke 2A project and the response is “quite positive”. He added that the Group’s relationship with the new Government is cordial. The Group is business orientated with the objective of serving the Government of the day.
Mr. Sharn Lee further enquired whether the Company will spin off its highway assets and with the Company’s share price so low, will the directors consider taking the Company private?	The MD reported that now is not a good time to list the highway assets. The Company may consider the option at a later stage. He also added that the Directors do not have the intention to take the Company private.

Mr. Choong Beng Hin questioned the rationale to have an Investment Fund of RM3.18 billion as well as Medium Term Notes of RM5.40 billion. The cost of borrowing is much higher as compared to the return on investment.	The MD replied that the Group adopts a very prudent policy to ensure that every project it undertakes will be completed without any financial risk. This policy also applies to Duke 3 or Setiawangsa Pantai (SPE) Expressway. The cost of financing have been factored in our financial cash flow and budget. He added that in time like this, if the financial arrangements are not place, it may be more difficult to obtain additional loans from banks, given the violability in the global interest rate.
Mr. Choong also enquired on the increase in Administrative and general expenses from RM71.37 to RM83.83 (after deducting the one-off ESOS expense of 22.62 million), despite a lower Revenue and Gross Profit.	Ms. Sue Lim replied that the increase in Administrative and general expenses were mainly due to the corporate exercise undertaken by the Company to acquire Iskandar Waterfront City Berhad and higher staff cost during the financial year ended 30 June 2018.
Mr. Ng informed the Board that there has been a lot of negative social media report on the soon to be launched EkoCheras Mall. He informed that the many complaints include the unplastered ceiling, un-painted walls, water leakage and rubbish in a room. He enquired whether the Company is taking any remedial actions.	The MD reported that the Mall is designed using the sustainability model taking into consideration the economic, environmental, and social factors. There is lesser risk and cleaner to have an exposed ceiling as anything can be hidden inside a plastered ceiling. The painting of the walls is not necessary. The MD added that with a net lettable area of approximately 600,000 sq ft over 4 levels, the management is constantly undertaking the upkeep and maintenance works, including water leakage and rubbish disposal.

(The questions posed by MSWG and answers provided are attached in Appendix A)

7.0 AUDITED FINANCIAL STATEMENTS

- 7.1 The Chairman laid the Audited Financial Statements for the financial year ended 30 June 2018 together with the Reports of the Directors and the Auditors thereon for discussion.

The Chairman explained that the Financial Statements are meant for discussion only and shareholders' approval are not required, hence, the Financial Statements will not be put to vote.

8.0 RESOLUTIONS AND POLL RESULTS

8.1 The resolutions tabled and the poll voting results are as follows;

RESOLUTION		FOR		AGAINST	
		No. of Votes	%	No. of Votes	%
Ordinary Resolution 1 Re-election of Tan Sri Dato' Lim Kang Hoo		979,010,718	99.9773	222,400	0.0227
Ordinary Resolution 2 Re-election of Ms. Kang Hui Ling		903,335,164	92.2510	75,878,904	7.7490
Ordinary Resolution 3 Re-appointment of Ms. Lim Ts-Fei		979,165,168	99.9851	146,000	0.0149
Ordinary Resolution 4 Re-appointment of Mr. Lim Chen Herng		976,696,068	99.9840	156,000	0.0160
Ordinary Resolution 5 Approval of Directors' Fees		977,333,018	99.8040	1,918,950	0.1960
Ordinary Resolution 6 Approval of Directors' Benefits		976,420,318	99.7004	2,934,150	0.2996
Ordinary Resolution 7 Declaration of First and Final Single Tier Dividend		978,118,368	99.9800	196,100	0.0200
Ordinary Resolution 8 Re-appointment of Auditors		972,534,618	99.7986	1,962,600	0.2014
Ordinary Resolution 9 Continuing in Office As Independent Non-Executive Director	Tier 1	692,455,243	100.000	0	0.0000
	Tier 2	209,440,321	73.0094	77,427,404	26.9906
Ordinary Resolution 10 Authority to issue shares pursuant to Section 76 of the Companies Act, 2016		978,678,968	99.9786	209,000	0.0214
Ordinary Resolution 11 Proposed renewal of Shareholders' Mandate and Additional Mandate for Recurrent Related Party Transactions of a Revenue or Trading nature		248,091,925	99.9089	226,300	0.0911

Based on the poll results announced, the Chairman declared all resolutions tabled at the 33rd AGM duly carried.

10.0 CONCLUSION

- 10.1 There being no other business, the Chairman declared the meeting closed at 11.45 a.m.

MINORITY SHAREHOLDERS WATCHDOG GROUP
Thirty-Third Annual General Meeting of Ekovest Berhad

MSWG Queries	Ekovest Berhad's Response
Strategy / Financial Matters	
1. Construction (Page 22 of the Annual Report 2018)	
<p>a) Total outstanding order book for the Group stood around RM3.0 billion. How much contract value does the Division intend to bid in the next few years? What sort of projects will the Group be looking at?</p>	<p>Our current outstanding construction order book which stands at RM3.0 billion should be able to last until 2020.</p> <p>The management of Ekovest has been working tirelessly to prepare proposals and tender documents to be submitted to government as well as to private sectors. However, we are not able to disclose details of the proposals as it may jeopardise our position to secure these projects. Nonetheless, we will make the necessary announcements, in line with Bursa Malaysia Securities Berhad Main Market Listing Requirements, as and when the projects have been secured.</p>
<p>b) Please brief shareholders on the on-going incentive agreement with the Government of Malaysia relating to the design of sewerage treatment plant project.</p>	<p>The Company has signed an incentive agreement providing an alternative design for the sewerage treatment plant project with cost savings to the Government. Upon completion and the achievement of the key performance indicators (i.e. time, cost, quality, client satisfaction & public appreciation) plus costs savings of more than 20% of the project, the Government shall pay an incentive to the Company, a sum not exceeding 75% of the Cost Savings of the Project.</p>
2. Property Development (Pages 21-22 of the Annual Report 2018)	
<p>a) Ekovest currently has a land bank of approximately 43 acres located primarily in northern Kuala Lumpur. Apart from land bank in Kuala Lumpur, the Group also owns 25 acres of land in Johor Bahru and 12 acres in Kuantan, Pahang.</p>	<p>Of the current land bank of approximately 43 acres in the Northern Kuala Lumpur, approximately 14 acres are in the midst of development under the EkoCheras and EkoTitiwangsa projects. The remaining land banks identified as EkoRiver Center, EkoQuay, EkoGateway and EkoAvenue property development projects have received the necessary development order from local authorities. In view of the current subdued property market condition, the projects will be reassessed and launched once the market condition improved.</p>

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<p>How long will the existing land bank last if it is not replenished? What are the plans for the 25 acres of land in Johor Bahru and 12 acres in Kuantan?</p>	<p>The remaining approximately 29 acres in Kuala Lumpur will take about 15 years to be fully developed.</p> <p>Currently, our Group is concentrating on the property development in the Klang Valley and has no immediate plan to develop the land banks in Johor Bahru and Kuantan.</p>
<p>b) What is the number of unsold units and to which projects or areas do they relate to? How does the Board intend to market and sell the unsold units?</p>	<p>The property development projects which contributes to the GDV includes the EkoCheras and EkoTitiwangsa, which have been launched.</p> <p>For EkoCheras project, we have unsold units as at October 2018 of 461 units out of a total 1,621 units for the 3 blocks of residential properties and 1 block of office tower. Most of the unsold units are bumi lots which have only being released for sale to the general public recently and certain units that re still pending release. The Company is currently actively engaging external sales agents together with our current sales and marketing team to expediate the sales.</p> <p>For EkoTitiwangsa project, we have launched 1 block of 270 units of service apartments. The Company managed to sell only approximately 30% of the launched units. The Company intends to re-strategise its marketing plan for this project focusing on the 5 marketing Ps' – product, pricing promotion, place and people with the hope of enhancing the sales of the unsold units.</p>

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MSWG Queries	Ekovest Berhad's Response
3. Toll Operations	
a) Please update on the progress of DUKE Phase 3's construction.	As at October 2018, DUKE 3's overall progress remains steady, standing at 42.04% against the planned progress of 42.35%, as reported by the independent consulting engineer.
b) How does the Company intend to sustain the business and operation, given that there has been some uncertainty in the Government's policy relating tolled expressways?	The Works Minister has announced the deferment of toll abolition considering the nation's tight fiscal position and the involvement of high cost. Until such time when the Government announces any changes in their policy on tolled expressway, we will focus on what we can control and ensure that our tolling operations and assets is well maintained and adhere to the KPI's which have been set by the Government in the Concession Agreement.
4. Proposed Renewal Of Shareholders' Mandate and Additional Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature; Amount Due and Owing By Related Parties pursuant to the RRPT (page 12 of the Circular). As at 30 June 2018, the outstanding amount from related parties which have exceeded credit term for a period more than 1 to 3 years is RM38.1 million. When will the Company collect the overdue amount?	The Company has received an amount of RM5.3 million from related parties subsequent to financial year end. We have also been in close discussion with the related parties and is hopeful of receiving substantial if not full payment by the end of 1 st quarter of calendar year 2019.