



SUMMARY RECORD OF THE PROCEEDINGS OF THE EXTRAORDINARY 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: THURSDAY, 29 MARCH 2018

TIME: 10.30 A.M.

1.0 WELCOMING SPEECH

1.1 Ms. Kang Hui Ling was elected to chair the meeting.

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 639,408,786 shares representing 29.89% 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 12 March 2018.

5.0 ADMINISTRATIVE ISSUE

5.1 The Chairman informed the members that in compliance with paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements, the proposed resolution 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.

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 validate the votes cast.

The polling process for the resolution will be conducted upon the completion of the deliberation of the proposed resolution at this EGM. Ms. Lim Ts-Fei 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. Ng Seng Kin, Mr. Choong Beng Hin, Mr. Chew Nam Hing, Mr. Lim Jit Hai, Mr. Sim Ming Jie raised various questions and provide comments in the Meeting, which were duly answered by the Chairman, the Managing Director, Ms. Wong Muh Rong and Mr. Dennis Lim. Among the issues raised included the following:

Question	Response
Mr. Ng Seng Kin asked on status of the second installment payment by Greenland Tebrau Sdn Bhd to IWCity on their disposal of 3 adjoining parcels of lands.	The MD replied that the answer should be provided by IWCity and not by Ekovest.
Mr. Choong Beng Hin asked on the status of KPRJ conditional share sale agreement as disclosed in the material contract in page 189 of the Circular.	The MD replied that the KPRJ SSA will become unconditional if shareholders’ approval is obtained in this meeting.
Mr. Choong Beng Hin asked on the impact to the Company in relation to the material litigation of Ekovest vs Shapadu Construction Sdn Bhd disclosed in page 188 of the Circular.	The MD replied that as stated in the Circular, the parties are to look into a proposal to fully and finally dispose of the arbitration pursuant to the Company’s application for an issue to be determined. There has been no further development since the disclosure. However, he asked Mr. Choong to write in and the Company will provide him updates as and when they are available.
Mr. Chew Nam Hing opined that the 4 rationale and benefits disclosed in page 20 and 21 of the Circular are not real. They are perceived benefits with conditions. On the other hand, the 7 risks factors listed are very real. He quoted the risks of “Non-completion of land disposal to Greenland Tebrau” where China is imposing capital control on outbound foreign investment and “High gearing	The MD replied that the Company is very transparent as all the benefits and risks are properly disclosed in order that the shareholders can make an informed decision. The Company have implementation control and measures in place once the Proposal is approved.

<p>and interest rate risk". This risk will result on more borrowing by Ekovest and will definitely impact the dividend to be declared to the shareholders.</p>	
<p>Mr. Chew Nam Hing asked what is the rationale for Ekovest to acquire IWCity shares and later swap for Iskandar Waterfront Holdings ("IWH") shares?</p>	<p>The MD replied that this is to enable Ekovest to participate in the Proposed Listing of IWH. However, the Board shall only deliberate on and/or evaluate the merits of the said proposals upon presented with sufficient information. It is to be noted that the Board will only make decision that benefit Ekovest and indirectly, the shareholders. He added that Ekovest has proven that it has been consistent in delivering profit since its incorporation.</p>
<p>Mr. Lim Jit Hai lamented that most advisors will provide a video presentation to enable the shareholders to have a better understanding of the corporate exercise which was lacking here.</p>	<p>Ms. Wong noted on the statement and will provide a presentation the next time.</p>
<p>Mr. Sim Ming Jie asked whether the transaction will trigger the mandatory general offer ("MGO").</p>	<p>Mr. Dennis Lim replied that the transaction will become a MGO when Ekovest and PAC collectively hold more than 50% of the voting shares in IWCity. Hence, if the resolution is passed today, KPRJ SSA will immediately become unconditional. Ekovest will then have 6.4% of the shareholding in IWCity and together IWH shareholding of 37.72% in IWCity, Ekovest will need a mere 5.88% take up offer to make it a MGO.</p>
<p>Mr. Choong Beng Hin directed his question solely to the independent directors ("ID") and asked why the independent directors recommended the shareholders to vote for the Proposed Offer when the level of uncertainty is so high and what are the steps taken to come to this conclusion.</p>	<p>The Chairman replied there are no certainty in business. When the proposal was put forward to the independent directors, the independent directors deliberated based on the advice from the various advisors. A due diligence exercise was carried out where she chaired as Chairman. After due deliberation with all the ID, we were convinced that the lands valuation are cheap and if the deal goes through, it will be a leap forward for Ekovest to expand its construction works and development capabilities in Johor Bahru As mentioned by the MD earlier, the Company have implementation control and measures in place to</p>

	mitigate the risks. Notwithstanding, the final decision is still in the hand of the shareholders.
Mr. Choong Beng Hin asked if the transaction with Greenland did not go through what is the impact to Ekovest when the shareholders approve the Proposed Offer today?	The MD replied that if the transaction of IWCity with Greenland did not go through, it will remain status quo. The 3 adjoining parcels of lands will remain with IWCity. However, If the deal does go through it would be a bonus.

The Chairman announced that Tan Sri Dato' Lim Kang Hoo and Ekovest Holdings Sdn Bhd and persons connected with them shall abstain from voting on this proposed resolution.

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

7.0 RESOLUTION AND POLL RESULT

7.1 The resolution tabled and the poll voting result is as follows;

Ordinary Resolution	For		Against	
	Number	%	Number	%
PROPOSED OFFER	195,750,297	30.8	439,821,290	69.2

Based on the poll result announced, the Chairman declared the tabled not carried.

8.0 CONCLUSION

8.1 There being no other business, the Chairman declared the meeting closed at 11.10 a.m.

**EKOVEST BERHAD EXTRAORDINARY GENERAL MEETING
MINORITY SHAREHOLDERS WATCHDOG GROUP (“MSWG”) QUERIES**

(For consistency, the abbreviations used herein shall have the same meaning as previously defined in our Circular to Shareholders dated 12 March 2018, unless otherwise defined)

No.	Queries from MSWG	Response from Ekovest
1)	As mentioned in the Circular on page 22, the gearing ratio of the Ekovest Group may increase from 2.78 times as at June 2017 to 3.06 times in the Maximum Acceptance Scenario and assuming that all the Accepting Holders elect for the Cash Option.	
	a) With such a higher level of gearing, how would the Ekovest Group ensure that it would be able to service future loan repayment obligation?	<p>Approximately 84% of the total borrowings of RM6.4 billion as at 30 June 2017 are raised for the construction of DUKE highways. The toll revenue generated in the future shall be utilised to service the loan repayment obligation.</p> <p>By taking into account the investment funds, short term deposits and cash and bank balances, the net borrowings is RM1.8 billion and the net gearing ratio is 0.8 times as at 30 June 2017. The net gearing ratio may increase to 1.21 times under the Maximum Acceptance Scenario and assuming all the Accepting Holders elect for the Cash Option, as mentioned in the Circular on page 30. On the other hand, if all the Accepting Holders elect for the Share Exchange Option, the net gearing ratio may decrease to 0.58 times.</p> <p>Moreover, we wish to highlight that the Maximum Acceptance Scenario assumes the full exercise of 104,361,000 outstanding IWCity ESOS Options at RM1.50 each. In view that the exercise price of the IWCity ESOS Options is identical to the cash consideration offered under the Proposed Offer, we view the likelihood of IWCity ESOS Options holders exercising these options to accept the Proposed Offer to be low. Excluding this RM156,541,500 (<i>being</i></p>

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No.	Queries from MSWG	Response from Ekovest
		104,361,000 x RM1.50 Offer Price), the total borrowings required pursuant to the Proposed Offer would be lower at approximately RM323.5 million.
	b) What is the optimal gearing ratio that Ekovest aspires to achieve in the long run?	<p>Ekovest does not have a fixed targeted gearing ratio, which itself is dependent on the opportunities available to the Group, type and nature of investments, related funding requirements as well as financial covenants imposed by financiers.</p> <p>The Company continuously monitor and review its debt portfolio in achieving an optimal capital structure. Post completion of the Proposed Offer, the Company foresees the outstanding borrowings to be reduced progressively according to the repayment profile of the borrowings.</p>
2)	In terms of percentage, what is the expected IWCity Group's contribution to the earnings of the enlarged Ekovest Group in future?	<p>The percentage contribution from IWCity Group to the earnings of the enlarged Ekovest Group cannot be determined at this junction as this is dependent on the outcome and level of acceptances received by Ekovest upon closing of the Proposed Offer as well as the timing and success of IWCity Group's plan to monetise its land bank.</p> <p>Nevertheless, the Proposed Offer is expected to contribute positively to the future earnings of the enlarged Ekovest Group backed by the Land Disposal to Greenland Tebrau and launching of new property development projects.</p>
3)	What is Ekovest's targeted return on investment from the acquisition of IWCity's entire equity interest?	There is no targeted return on investment from the acquisition of IWCity's entire equity interest as Ekovest currently does not have any

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		<p>immediate plan and/or intention to liquidate and divest the equity interest in IWCity post completion of the Proposed Offer.</p> <p>However, for illustration purpose, assuming Ekovest is able to realise its investment in IWCity by unlocking the potential of its land bank post completion of the Proposed Offer, Ekovest will enjoy a return on investment of 102% based on the Estimated Revised Net Asset Value of IWCity (as mentioned in Section 4.1 of the Circular).</p>