ECM LIBRA FINANCIAL GROUP BERHAD ("ECMLFG" OR "THE COMPANY")

- **PROPOSED ACQUISITIONS OF:**

  (I) 50% EQUITY INTEREST IN TP SEPANG SDN BHD ("TPSB"), TP HOTEL (FLINDERS) TRUST ("TP FLINDERS") (TOGETHER WITH 50% OF THE RIGHTS AND BENEFITS TO THE SHAREHOLDERS' ADVANCES OWING BY TP FLINDERS), TP INTERNATIONAL PTY LTD ("TP INTERNATIONAL") AND YUMMY KITCHEN SDN BHD ("YKSB") ("PROPOSED ACQUISITIONS FROM TPRE"); AND

  (II) TUNE HOTEL PENANG (AS DEFINED HEREIN), TUNE HOTEL KK (AS DEFINED HEREIN) AND TUNE HOTEL KLIA AEROPOLIS (AS DEFINED HEREIN) ("PROPOSED TUNE HOTELS ACQUISITIONS"),

  FOR AN AGGREGATED PURCHASE CONSIDERATION OF RM88,600,000;

- **PROPOSED SPECIAL DIVIDEND, SUBJECT TO THE COMPLETION OF THE PROPOSED DISPOSALS ("PROPOSED SPECIAL DIVIDEND"); AND**

- **PROPOSED DISPOSAL OF NON-CORE ASSETS, COMPRISING PART OF BANGUNAN ECM LIBRA, AND A SEMI-DETACHED RESIDENTIAL PROPERTY FOR AN AGGREGATED DISPOSAL CONSIDERATION OF RM28,000,000 ("PROPOSED DISPOSALS").**

EXECUTIVE SUMMARY

On behalf of the Board of Directors of the ECMLFG ("**Board**"), CIMB Investment Bank Berhad ("**CIMB**") wishes to announce that ECMLFG has today entered into several agreements in respect of the Proposed Acquisitions from TPRE and Proposed Tune Hotels Acquisitions (collectively referred to as the "**Proposed Acquisitions**"), as well as the Proposed Disposals.

The Proposed Acquisitions from TPRE involves the proposed acquisition by ECMLFG from TP Real Estate Holdings Pte Ltd ("**TPRE**") of 50% equity interest in:

(i) TPSB, a Malaysian incorporated company which holds a concession, which expires on 31 January 2034, to construct, manage and operate a 5-storey limited-service hotel comprising 434 rooms known as "**Tune Hotel KLIA2**", measuring in aggregate 130,674 square feet bearing postal address Lot PT 13, Jalan KLIA 2/2, 64000 KLIA, Selangor, under a concession agreement dated 5 April 2013 entered into between TPSB and Malaysia Airports (Properties) Sdn Bhd ("**MAP**"), the owner of the land ("**KLIA2 Concession Agreement**");

(ii) TP Flinders, an Australian incorporated trust which owns a property at Flinders Lane, Melbourne, Victoria ("**Flinders Lane Property**"). TP Flinders intends to develop the Flinders Lane Property into a hotel ("**Proposed Hotel Development**");

(iii) TP International, an Australian incorporated company which serves as the trustee of TP Flinders; and

(iv) YKSB, a Malaysian incorporated company which owns a restaurant, the Glasshouse Café at Tune Hotel KLIA2, as well as provides food-catering services for the AirAsia Lounge at the Kuala Lumpur International Airport 2 ("**KLIA2**"),

for a total purchase consideration of RM57,674,000 to be satisfied entirely via the allotment and issuance of 160,205,555 new ECMLFG ordinary shares ("**TPRE Consideration Shares**") at an issue price of RM0.36 per ECMLFG ordinary share ("**Share**").

The Proposed Tune Hotels Acquisitions involves the proposed acquisition by ECMLFG from Tune Hotels Sdn Bhd ("**THSB**") of Tune Hotel Penang, Tune Hotel KK and rights to operate and manage Tune Hotel KLIA Aeropolis (as defined in Section 1), for a total purchase consideration of RM30,926,000, of which:

(i) RM11,926,000 is to be satisfied via the allotment and issuance of 33,127,777 new Shares ("**Tune Hotel Penang Consideration Shares**") at an issue price of RM0.36 per Share; and

(ii) RM19,000,000 is to be satisfied in cash.

In connection with the Proposed Acquisitions, a collaboration agreement was also entered into on 4 May 2017 with Tune Hotels.Com (BVI) Limited ("**TH (Brandco)**"), the owner and franchisor of the Tune Hotels brand and franchise, to further enhance, promote and develop new franchisees of the Tune Hotels brand after the completion of the Proposed Acquisitions from TPRE ("**Collaboration Agreement**") ("**Proposed Collaboration**").

The Proposed Acquisitions and the Proposed Collaboration will allow ECMLFG and its subsidiaries ("**ECMLFG Group**" or "**Group**") to diversify its revenue and earnings stream into a new business area that has potential for growth while leveraging on Tune Hotels' existing and established hospitality franchise. Furthermore, the assets from the Proposed Acquisitions are strategically located and have promising prospects, in line with the positive outlook of the tourism and hospitality industry in both Malaysia and Australia.

The Board also intends to reward shareholders of ECMLFG by declaring the Proposed Special Dividend being a special cash dividend of an amount which will result in ECMLFG's net asset ("**NA**") being adjusted to approximately RM103.2 million or about RM0.36 per Share. For illustration purposes only, based on the consolidated audited NA of ECMLFG of RM144.3 million or RM0.50 per Share as at 31 December 2016 and after taking into consideration the expected gain of RM3.3 million from the Proposed Disposals, the illustrative special dividend amounts to about RM44.5 million or RM0.155 per Share.

Prior to the completion of the Proposed Acquisitions and the Proposed Special Dividend, ECMLFG shall dispose of its non-core assets comprising part of Bangunan ECM Libra and a Semi-D Property (as defined in Section 1) to Noblemen Holdings Sdn Bhd ("**Noblemen**") for a total cash consideration of RM28,000,000. The disposal proceeds shall form part of the Proposed Special Dividend.

The Proposed Acquisitions, Proposed Collaboration and Proposed Disposals are related party transactions.

This executive summary provides a brief summary of the Proposed Acquisitions, Proposed Collaboration, Proposed Special Dividend and Proposed Disposals, and should be read in conjunction with the full text of this Announcement.

1. INTRODUCTION

On behalf of the Board, CIMB wishes to announce that ECMLFG, had on 4 May 2017 entered into the following agreements:

(i) Share purchase agreement with TPRE for the acquisition of 50% equity interest in TPSB, TP Flinders (together with 50% of the rights and benefits to the shareholders' advances owing by TP Flinders), TP International and YKSB, for an aggregated purchase consideration of RM57,674,000, to be satisfied entirely via the allotment and issuance of 160,205,555 new Shares at an issue price of RM0.36 per Share ("**Issue Price**") ("**TPRE SPA**");

(ii) Sale and purchase agreements ("**SPAs**") with THSB for the acquisition of:

(a) an 11-storey limited-service hotel comprising 258 rooms known as "**Tune Hotel Penang**", erected on two pieces of land measuring in aggregate approximately 2,053.4 square meters (or approximately 22,103.1 square feet) held under Geran No. 63526 and 11256, Lot 426 and 348 Seksyen 15, Bandar George Town, Daerah Timor Laut, Negeri Pulau Pinang, together with existing tenancies for a purchase consideration of RM21,000,000, whereby:

- RM11,926,000 is to be satisfied via the allotment and issuance of 33,127,777 new Shares ("**Tune Hotel Penang Consideration Shares**") at the Issue Price; and

- RM9,074,000 is to be satisfied in cash,

("**Tune Hotel Penang SPA**");

(b) a 4-storey limited-service hotel comprising 165 rooms known as "**Tune Hotel KK**", measuring in aggregate 42,485 square feet bearing postal address Unit Nos. G-803, F-803, S-803 & T-803, Ground Floor to Third Floor, 1 Borneo, Off Jalan UMS, 88450 Kota Kinabalu, Sabah, together with existing tenancies for a purchase consideration of RM9,000,000, to be satisfied entirely in cash ("**Tune Hotel KK SPA**"); and

(c) the rights to operate and maintain a 5-storey limited-service hotel comprising 218 rooms known as "**Tune Hotel KLIA Aeropolis**", located at a portion of land measuring approximately 4,046.9 square meters identified as Lot PT No. 29, Jalan KLIA S4, 64000 Sepang Selangor, KLIA together with an existing tenancy for a purchase consideration of RM926,000, to be satisfied entirely in cash ("**Tune Hotel KLIA Aeropolis SPA**");

(iii) SPAs with Noblemen for the disposal of:

(a) a semi-detached residential property erected on a piece of land measuring approximately 577.0 square meters (or approximately 6,210.8 square feet) held under Geran No. 78441, Lot 13115, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur ("**Semi-D Property**") for a disposal consideration of RM4,000,000 ("**Proposed Semi-D Disposal**") ("**Semi-D Disposal SPA**"); and

(b) part of the Bangunan ECM Libra comprising the east wing measuring 21,907.0 square feet of gross floor area ("**East Wing**") and centre wing measuring 26,443.0 square feet of gross floor area ("**Centre Wing**"), erected on a piece of land measuring approximately 4,218.3 square meters (or approximately 45,405.5 square feet) held under Geran No. 26884, Lot 8931, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, together with existing tenancies for a disposal consideration of RM24,000,000 ("**Proposed Bangunan ECM Libra Disposal**") ("**Bangunan ECM Libra Disposal SPA**").

In connection with the Proposed Acquisitions from TPRE, a collaboration agreement was also entered into on 4 May 2017 with TH (Brandco), the owner and franchisor of the Tune Hotels brand and franchise, for ECMLFG to further enhance, promote and develop new franchisees of the Tune Hotels brand after the completion of the Proposed Acquisitions from TPRE.

In conjunction with the Proposed Acquisitions, the Company will be seeking the approval of ECMLFG's shareholders for the diversification of the existing principal activities of ECMLFG Group to include the business of hotel management and ownership ("**Proposed Diversification**"). Further details on the Proposed Diversification are set out in Section 8.

Pursuant to the proposed acquisition of the 50% equity interest in TPSB under the Proposed Acquisitions from TPRE, ECMLFG may be required to provide a corporate guarantee or assumption of financial obligation, in whatsoever manner required by the financier of TPSB in proportion to its equity interest in TPSB following the completion of the Proposed Acquisitions from TPRE, in respect of a loan obligation of RM42.5 million owing by TPSB (audited as at 30 September 2016) ("**Proposed Provision of Financial Assistance**"). TPRE, being the other 50% shareholder of TPSB following the completion of the Proposed Acquisitions from TPRE shall continue to provide a corporate guarantee to the financier of TPSB in respect of the aforementioned loan in proportion to its equity interest.

It is the intention of the Board to declare the Proposed Special Dividend (after the completion of the Proposed Disposals) of an amount which will result in ECMLFG's NA being adjusted to approximately RM103.2 million or about RM0.36 per Share[(1)]. For illustration purposes only, based on the consolidated audited NA of ECMLFG of RM144.3 million or RM0.50 per Share as at 31 December 2016 and after taking into consideration the expected gain of RM3.3 million from the Proposed Disposals, the illustrative special dividend amounts to about RM44.5 million or RM0.155 per Share.

Further details of the Proposed Special Dividend are set out in Section 6.

For the avoidance of doubt, the new Shares to be issued by ECMLFG in connection with the Proposed Acquisitions shall not be entitled to the Proposed Special Dividend as the Proposed Acquisitions will only be completed after the Proposed Special Dividend.

(Collectively, the Proposed Acquisitions, Proposed Collaboration, Proposed Special Dividend, Proposed Disposals, Proposed Diversification and Proposed Provision of Financial Assistance are referred to as the "**Proposals**")

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(1) Based on the existing share capital of ECMLFG as at 28 April 2017, being the latest practicable date prior to this Announcement ("**LPD**") comprising 286,592,491 Shares.

2. RATIONALE FOR AND BENEFITS OF THE PROPOSALS

2.1 Proposed Acquisitions, Proposed Diversification and Proposed Provision of Financial Assistance

Currently, the financial performance of ECMLFG Group is exposed to fluctuations in the financial markets. The Proposed Acquisitions will enable the ECMLFG Group to diversify its revenue and earnings stream into a new business area that has potential for growth, while leveraging on Tune Hotels' existing and established hospitality franchise. Furthermore, the assets from the Proposed Acquisitions are strategically located and have promising prospects, in line with the positive outlook of the tourism and hospitality industry in both Malaysia and Australia.

The Board believes that the Proposed Acquisitions and the Proposed Diversification will contribute positively to the ECMLFG Group's future earnings and reduce reliance on its current business.

Please refer to Section 5.3 for more information on the prospects of Tune Hotel KLIA2, Flinders Lane Property, YKSB, Tune Hotel Penang, Tune Hotel KK and Tune Hotel KLIA Aeropolis.

The Proposed Provision of Financial Assistance is integral and consequential to the proposed acquisition of the 50% equity interest in TPSB as it ensures that TPSB maintains the existing term loan facility to fund its operations of Tune Hotel KLIA2.

2.2 Proposed Collaboration

The Proposed Collaboration with TH (Brandco) provides an opportunity for ECMLFG Group to develop its experience in hospitality management and operations and at the same time leverage on an existing and established hospitality franchise.

This provides ECMLFG with a platform to grow and deepen its involvement in the hotel business with the benefit of an established franchise.

2.3 Proposed Special Dividend

The Proposed Special Dividend is consistent with the objectives of ECMLFG's capital management framework which includes returning cash in excess of ECMLFG Group's requirement to shareholders, after taking into consideration the Group's level of operations, cash, business prospects, investment plans as well as current and expected obligations.

2.4 Proposed Disposals

The Proposed Disposals are an opportunity for ECMLFG to realise its investments in the properties and to channel the proceeds for distribution to its shareholders through the Proposed Special Dividend.

3. DETAILS OF THE PROPOSED ACQUISITIONS

3.1 Proposed Acquisitions from TPRE

3.1.1 Introduction

The Proposed Acquisitions from TPRE comprises the acquisition of the following:

(i) 5,000,000 ordinary shares in TPSB, representing 50% of the equity interest in TPSB;

(ii) 500,000 units in TP Flinders representing 50% of the total units in issue in TP Flinders and 50% of the shareholder advances owing by TP Flinders to TPRE. The total shareholders' advances amount to approximately AUD21.3 million as at 30 September 2016 or an equivalent of RM67.4 million based on an agreed upon exchange rate of 1AUD to RM3.1633;

(iii) 50 ordinary shares of AUD0.01 in TP International, representing 50% of the total issued and paid-up share capital of TP International; and

(iv) 5 ordinary shares in YKSB, representing 50% of the equity interest in YKSB,

for an aggregated purchase consideration of RM57,674,000, to be satisfied via the allotment and issuance of the TPRE Consideration Shares at the Issue Price.

Pursuant to the proposed acquisition of the 50% equity interest in TPSB as set out in (i) above, ECMLFG may be required to provide a corporate guarantee or assumption of financial obligation, in whatsoever manner required by the financier of TPSB in proportion to its equity interest in TPSB following the completion of the Proposed Acquisitions from TPRE, in respect of a loan obligation of RM42.5 million owing by TPSB (audited as at 30 September 2016). TPRE, being the other 50% shareholder of TPSB following the completion of the Proposed Acquisitions from TPRE shall continue to provide a corporate guarantee to the financier of TPSB in respect of the aforementioned loan in proportion to its equity interest.

Pursuant to Paragraph 8.23(2) (c) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"), the issuance of a circular by a listed issuer to its shareholders and shareholders' approval are required where the provision of financial assistance is to an associated company or joint arrangement of the listed issuer, and the aggregate amount provided or to be provided at any time to each associated company or joint arrangement compared to the net tangible assets of the group is 5% or more.

TPRE is incorporated and domiciled in Singapore. TPRE is a joint venture set up by its two shareholders, Tune Hotels.Com Limited ("**THCL**"), a company incorporated in Labuan and Plato Capital Limited ("**Plato**"), a public company incorporated in Singapore and listed on the Catalist Market of the Singapore Exchange Limited, each owning 50% stake in TPRE.

Information on the companies is as follows:

	TPSB	TP Flinders	TP International	YKSB
Purchase consideration	RM24,009,000	RM33,664,999		RM1
Incorporation details	In Malaysia as a private limited company on 27 May 2011	In Australia as a fixed unit trust on 2 June 2016	In Australia as a proprietary limited company on 31 May 2016	In Malaysia as a private limited company on 4 February 2016
Principal activities	Construct, manage and operate Tune Hotel KLIA2	Property investments holding	Trustee for TP Flinders	Owns restaurant and food catering
Issued ordinary share capital as at the LPD	RM10,000,000 comprising 10,000,000 ordinary shares	AUD1, comprising 1 million units	AUD1 comprising 100 ordinary shares of AUD0.01	RM10 comprising 10 ordinary shares
Directors as at the LPD	• Christopher Mark Anthony Lankester • Gareth Lim Tze Xiang • Oh Teik Khim (Alternate director to Gareth Lim Tze Xiang) • Navinderjeet Singh A/L Naranjan Singh (Alternate director to Christopher Mark Anthony Lankester)	Not applicable as this is a trust	• Christopher Mark Anthony Lankester • Gareth Lim Tze Xiang • Wong Ah Mee • Navinderjeet Singh A/L Naranjan Singh (Alternate director) • Oh Teik Khim (Alternate director)	• Juwahir Bin Mustafa • Wendy Woo
Net profits / (losses) based on the latest audited financial statements as at 30 September 2016	RM5,387,088[(1)]	AUD2,028[(2)] (equivalent to RM6,218)[(3)]	(AUD9,124)[(4)] (equivalent to (RM27,977))[(3)]	(RM90,732)[(5)]

Notes:

(1) Please refer to Appendix IV for further key financial information on TPSB.

(2) The net profit comprises mainly of rental income of AUD123,660, interest income of AUD7,480 and other income of AUD10,068, offset by property expenses of AUD42,272, other operating expenses of AUD32,055 and fixed overheads of AUD62,225. As at 30 September 2016, the book value of the Flinders Lane Property is AUD19,599,145.

*(3) Translated at the average exchange rate of AUD1.00:RM3.0663 for the financial year ended ("**FYE**") 30 September 2016.*

(4) The net loss mainly comprises employee benefit expenses of AUD2,628 and administrative and other expenses of AUD6,496.

(5) YKSB commenced operations in April 2016 with income from restaurant operations of RM524,472 in 2016. However, with the cost of food and beverage of RM235,159, administrative expenses, employee benefit expenses and other expenses totaling RM379,145 mainly, YKSB incurred net losses of RM90,732 for the FYE 30 September 2016.

TPSB holds a concession, which expires on 31 January 2034, inter alia, to construct, manage and operate Tune Hotel KLIA2 pursuant to the terms and conditions under the KLIA2 Concession Agreement. ECMLFG understands that there are ongoing discussions by TPSB regarding the extension of the concession period in line with the government's extension of Malaysia Airport Holdings Berhad's land leases. Please refer to Appendix II for the salient terms of the KLIA2 Concession Agreement.

The Flinders Lane Property comprises a double storey building which was previously used as a data centre and is currently vacant. The Flinders Lane Property is located to the south western corner of the Melbourne central business district, with dual access provided via frontage to Flinders Lane along the northern boundary and Flinders Street on the southern boundary. Please refer to Appendix III for further information on Flinders Lane Property.

TP Flinders intends to undertake the Proposed Hotel Development. Given its prime location and close proximity to Flinders Street and Southern Cross station, Melbourne Exhibition Centre, Etihad Stadium, Eureka Tower and nearby to the Crown Casino precinct, Flinders Lane Property is expected to have good prospects for a hotel development. Please refer to Section 5.2 for further prospects of the tourism and hospitality industry in Australia.

YKSB, which commenced business in April 2016, owns the Glasshouse Café at Tune Hotel KLIA2. On 4 November 2016, YKSB has also entered into a food catering agreement to provide food catering services for the AirAsia Lounge located in KLIA2 for a tenure of 3 years.

As part of the completion deliverables under the TPRE SPA, TPRE shall deliver shareholders' agreements for TPSB, TP Flinders, TP International and YKSB duly executed by TPRE ("**SHAs**"). The SHAs are in an agreed form as appended to the TPRE SPA.

Please refer to Appendix I for the salient terms of the TPRE SPA and the SHAs.

3.1.2 Basis and justification of the purchase consideration

(i) TPSB

The purchase consideration was arrived at on a willing buyer-willing seller basis after taking into consideration the following:

(a) the net present value of the expected cash flow of TPSB, commencing from 2018 to 2034, being the expiry of the KLIA2 concession period and based on key assumptions which include forecasted room rates, occupancy rates and other operating costs of Tune Hotel KLIA2;

(b) audited profit after tax ("**PAT**") of TPSB for the FYE 30 September 2016 of RM5.4 million;

(c) audited earnings before interest, tax, depreciation and amortisation ("**EBITDA**") of TPSB for the FYE 30 September 2016 of RM16.0 million; and

(d) the rationale and prospects of the Proposed Acquisitions as set out in Sections 2.1 and 5.3.

The settlement of the purchase consideration via the TPRE Consideration Shares will allow the Group to conserve its cash reserves and strengthen its capital base.

(ii) TP Flinders and TP International

The purchase consideration was arrived at on a willing buyer-willing seller basis after taking into consideration the following:

(a) the advances of approximately AUD21.3 million or RM67.4 million owing by TP Flinders to TRPE as at 30 September 2016 based on the agreed upon exchange rate of AUD1.00:RM3.1633;

(b) the audited net assets of TP Flinders of AUD2,029 as at 30 September 2016;

(c) the audited net liabilities of TP International of AUD9,123 as at 30 September 2016;

(d) the market value of the Flinders Lane Property as appraised by Knight Frank Valuations – Victoria, Australia; and

(e) development potential and prospects of the Flinders Lane Property in view of its strategic location as described in Section 5.3.2.

The indicative valuation of the Flinders Lane Property was approximately AUD18.5 million or RM62.0 million as at 5 April 2017 (assuming the exchange rate of AUD1.00:RM3.3507[(2)]), based on the appraisal by Knight Frank Valuations, using the direct comparison method.

(2) Source: Bank Negara Malaysia as at 5 April 2017

(iii) YKSB

The purchase consideration was for a nominal amount of RM1 after taking into consideration the audited net liabilities of YKSB as at 30 September 2016 of RM90,722 as well as its future earnings potential.

3.1.3 Conditions precedent of the TPRE SPA

The Proposed Acquisitions from TPRE is conditional upon the following conditions precedent being fulfilled on or before the expiration of 6 months from the date of the TPRE SPA or such extended date as may be mutually agreed upon in writing:

(i) THCL obtaining the order from the High Court approving the plan of arrangement to be undertaken by THCL with its shareholders pursuant to Section 118 of the Labuan Companies Act, 1990, involving, inter alia, (i) the reduction in the share capital of THCL through the distribution in specie of the redeemable preference shares of TPRE held by THCL to the shareholders of THCL in proportion to their respective shareholdings in THCL; and (ii) the redemption of such redeemable preference shares by TPRE from the shareholders of THCL using the TPRE Consideration Shares ("**TPRE Plan of Arrangement**");

(ii) TPRE obtaining the approval of its shareholders at an extraordinary general meeting ("**EGM**") to be convened;

(iii) THCL obtaining the approval of its shareholders for the disposals under the terms and conditions of the TPRE SPA;

(iv) the Company obtaining the approval of its shareholders by way of resolution passed at an EGM to be convened;

(v) the Company obtaining the approval-in-principle of Bursa Securities for the listing of and quotation for the TPRE Consideration Shares on the Main Market of Bursa Securities;

(vi) the Company obtaining the approval from Bank Negara Malaysia for investment abroad for ECMLFG to purchase the units together with rights and benefits to shareholders' advances in respect of TP Flinders and the shares in respect of TP International;

(vii) the completion of a due diligence exercise based on such scope as ECMLFG may deem fit and ECMLFG being satisfied with the results thereof;

(viii) if required, TPRE obtaining the written consents from the existing financier of TPRE, TPSB, TP Flinders, TP International and YKSB; and

(ix) any other regulatory, governmental or other approvals and consents, if required.

3.1.4 Original cost of investments

The original cost of investments of TPRE in the respective companies are as follows:

	Original cost of investment	Date of initial investment
TPSB	RM19,709,818[1]	10 May 2013
TP Flinders	AUD21,282,740[1]	2 June 2016
TP International	AUD1	31 May 2016
YKSB	RM10	24 Aug 2016

Note:

(1) Comprises equity of RM10,000,000 and shareholder advances owing by TPSB to TPRE of RM9,709,818 as at June 2014.

(2) Comprises equity of AUD1 and shareholder advances owing by TP Flinders to TPRE of AUD21,282,739 on 2 June 2016.

3.1.5 Information on TPRE

TPRE was incorporated in Singapore on 15 July 2009 as a private limited company. TPRE is a joint venture set up by its two shareholders, THCL and Plato, owning equal stake in TPRE.

Lim Kian Onn is the controlling shareholder of Plato whilst the shareholders of THCL is set out in Section 3.4.

TPRE is principally involved in investment holding.

As at the LPD, the total issued share capital of TPRE is SGD31,030,100 comprising 100 ordinary shares and 31,030 redeemable preference shares.

As at the LPD, the details of the directors of TPRE and their shareholdings in TPRE are:

:

	Direct		Indirect	
Directors	No. of ordinary shares	%	No. of ordinary shares	%
Christopher Mark Anthony Lankester	-	-	-	-
Gareth Lim Tze Xiang	-	-	50[1]	50
Oh Teik Khim	-	-	-	-
Navinderjeet Singh Naranjan SIngh	-	-	-	-

Note:

(1) Deemed interested by virtue of him being the son of Lim Kian Onn, who is deemed interested in TPRE by virtue of his interest in Plato pursuant to Section 7(4) of the Singapore Companies Act (Chapter 50).

3.2 Proposed Tune Hotels Acquisitions

3.2.1 Introduction

The Proposed Tune Hotels Acquisitions involves the acquisition by ECMLFG of Tune Hotel Penang, Tune Hotel KK and rights to operate and manage Tune Hotel KLIA Aeropolis from THSB for an aggregated purchase consideration of RM30,926,000, comprising the following:

	Tune Hotel Penang	Tune Hotel KK	Tune Hotel KLIA Aeropolis
Purchase consideration	RM21,000,000	RM9,000,000	RM926,000
Mode of settlement	(i) RM9,074,000 in cash; and (ii) RM11,926,000 via the allotment and issuance of the Tune Hotel Penang Consideration Shares at the Issue Price	Entirely in cash	Entirely in cash

Please refer to Appendix **III** for further details of Tune Hotel Penang and Tune Hotel KK and Appendix **II** for the salient terms of the KLIA Aeropolis Concession Agreements (as defined in Section 3.2.8).

The manner of payment of the purchase consideration for the respective hotels is set out as below.

Tune Hotel Penang

(i) a cash deposit of RM2,100,000 (representing 10% of the consideration) to ECMLFG's solicitors upon execution of the Tune Hotel Penang SPA as follows:

(a) RM630,000 to be retained by ECMLFG's solicitors for payment of real property gains tax ("**RPGT**") payable by THSB on the disposal of the property; and

(b) RM1,470,000 which ECMLFG's solicitors are authorised to release to THSB within 5 business days from the date the last condition precedent of the Tune Hotel Penang SPA is fulfilled;

(ii) balance of RM18,900,000 on completion as follows:

(a) RM11,926,000, via the allotment and issuance of the Tune Hotel Penang Consideration Shares at the Issue Price to the shareholders of THCL (as directed by THCL, who in turn is nominated by THSB to receive the Tune Hotel Penang Consideration Shares); and

(b) RM6,974,000 in cash.

Tune Hotel KK

(i) deposit of RM900,000 (representing 10% of the consideration) to ECMLFG's solicitors upon execution of the Tune Hotel KK SPA as follows:

   (a) RM270,000 to be retained by ECMLFG's solicitors for payment of RPGT payable by THSB on the disposal of the property; and

   (b) RM630,000 which ECMLFG's solicitors are authorised to release to THSB within 5 business days from the date the last condition precedent of the Tune Hotels KK SPA is fulfilled;

(ii) balance of RM8,100,000 on completion.

Tune Hotel KLIA Aeropolis

(i) deposit of RM92,600 (representing 10% of the consideration) to ECMLFG's solicitors upon execution of the Tune Hotel KLIA Aeropolis SPA as follows:

   (a) RM27,780 to be retained by ECMLFG's solicitors for payment of RPGT payable by THSB; and

   (b) RM64,820 which ECMLFG's solicitors are authorised to release to THSB within 5 business days from the date the last condition precedent of the Tune Hotel KLIA Aeropolis SPA is fulfilled;

(ii) balance of RM833,400 on completion.

Please refer to Appendix I for the salient terms of the respective SPAs.

3.2.2 Basis of the purchase consideration

The purchase consideration was arrived at on a willing buyer-willing seller basis after taking into consideration the following:

(i) in respect of Tune Hotel Penang and Tune Hotel KK, their respective market values as appraised by Henry Butcher Malaysia (Penang) Sdn Bhd ("**Henry Butcher Penang**") and Henry Butcher Malaysia (Sabah) Sdn Bhd ("**Henry Butcher Sabah**"), which are independent firms registered with the Board of Valuers, Appraisers & Estate Agents Malaysia;

(ii) in respect of Tune Hotel KLIA Aeropolis, the net present value of the expected cash flow of the hotel, commencing from 2018 to 2034, being the expiry of the KLIA Aeropolis concession period and based on key assumptions which include forecasted room rates, occupancy rates, and other operating costs of Tune Hotel KLIA Aeropolis;

(iii) the growth and prospects of Tune Hotel Penang, Tune Hotel KK and Tune Hotel KLIA Aeropolis; and

(iv) the rationale and prospects of the Proposed Acquisitions as set out in Sections 2.1 and 5.3.

The indicative valuation of Tune Hotel Penang is approximately RM21.3 million, based on the valuation letter by Henry Butcher Penang dated 3 May 2017, adopting the discounted cash flow method and cross-checked with the comparison method of valuation.

The indicative valuation of Tune Hotel KK is approximately RM9.7 million, based on the valuation letter by Henry Butcher Sabah dated 3 May 2017, adopting the discounted cash flow method and the comparison method of valuation.

The settlement of the purchase consideration via the Tune Hotel Penang Consideration Shares will allow ECMLFG Group to conserve its cash reserves and strengthen its capital base.

3.2.3 Conditions precedent of the Tune Hotel Penang SPA

The Tune Hotel Penang SPA is conditional upon the following conditions precedent being fulfilled on or before the expiration of six (6) months from the date of the Tune Hotel Penang SPA or such extended date as may be mutually agreed by THSB and ECMLFG in writing:

(i) the Company obtaining the approval of its shareholders at an EGM to be convened;

(ii) the Company obtaining the approval-in-principle of Bursa Securities for the listing of and quotation for the Tune Hotel Penang Consideration Shares on the Main Market of Bursa Securities;

(iii) THSB having obtained (i) the consent from the existing chargee ("**Penang Existing Chargee**") in a form satisfactory to ECMLFG for the disposal and the release of Tune Hotel Penang from all securities created over Tune Hotel Penang by THSB in favour of the Penang Existing Chargee, and (ii) the following documents:

    (a) the original issue document of title in respect of the Tune Hotel Penang;

    (b) the duly executed, valid and registrable (but unstamped) instrument of discharge of the existing charge with the Penang Existing Chargee;

    (c) the registered duplicate of the existing charge with the Penang Existing Chargee; and

    (d) all other security documents and other documents required from the Penang Existing Chargee to discharge the existing charge or the registration and to release of all other securities created over Tune Hotel Penang;

(iv) the TPRE SPA being unconditional;

(v) THCL obtaining the order from the High Court approving the plan of arrangement to be undertaken by THCL pursuant to Section 118 of the Labuan Companies Act, 1990, in respect of the reduction in the share capital of THCL through the distribution of, inter alia, the Tune Hotels Penang Consideration Shares to the shareholders of THCL in proportion to their respective shareholdings in THCL ("**Tune Hotel Penang Plan of Arrangement**");

(vi) THSB having obtained the approval of the shareholders of its ultimate holding company, THCL;

(vii) the completion of a due diligence exercise based on such scope as ECMLFG may deem fit and ECMLFG being satisfied with the results thereof; and

(viii) any other regulatory, governmental or other approvals and consents, if required.

3.2.4 Conditions precedent of the Tune Hotel KK SPA

The Tune Hotel KK SPA is conditional upon the following conditions precedent being fulfilled on or before the expiration of six (6) months from the date of the Tune Hotel KK SPA or such extended date as may be mutually agreed by THSB and ECMLFG in writing:

(i) the Company having obtained all the necessary written confirmation including but not limited to confirmation on the particulars of the property and THSB's ownership of property from the liquidator of the developer and consent from the same liquidator to purchase the property;

(ii) the Company obtaining the approval of its shareholders at an EGM to be convened;

(iii) THSB having obtained (i) the consent from the existing assignee ("**KK Existing Assignee**") in a form satisfactory to ECMLFG for the disposal and the release of the property and the initial sale and purchase agreements dated 22 May 2007 signed by THSB and the developer ("**KK Principal SPA**") from all securities created over the property and the KK Principal SPA by THSB in favour of the KK Existing Assignee, and (ii) the following documents:

    (a) the existing assignment with the KK Existing Assignee;

    (b) the KK Principal SPA;

    (c) the duly stamped deed of receipt and reassignment for the reassignment of the existing assignment from the KK Existing Assignee; and

    (d) all other security documents and other documents required from the KK Existing Assignee to reassign the existing assignment and to release of all other securities created over the property and the KK Principal SPA;

(iv) the TPRE SPA being unconditional;

(v) THSB having obtained the approval of the shareholders of its ultimate holding company, THCL;

(vi) the completion of a due diligence exercise based on such scope as ECMLFG may deem fit and ECMLFG being satisfied with the results thereof; and

(vii) any other regulatory, governmental or other approvals and consents, if required.

3.2.5 Conditions precedent of the Tune Hotel KLIA Aeropolis SPA

The Tune Hotel KLIA Aeropolis SPA is conditional upon the following conditions precedent being fulfilled on or before the expiration of six (6) months from the date of the Tune Hotel KLIA Aeropolis SPA or such extended date as may be mutually agreed by THSB and ECMLFG in writing:

(i) the Company obtaining the approval of its shareholders at an EGM to be convened;

(ii) THSB having obtained (i) the consent from the existing assignee ("**KLIA Aeropolis Existing Assignee**") having an assignment over the Tune Hotel KLIA Aeropolis and the KLIA Aeropolis Concession Agreements (as defined in Section 3.2.8) in a form satisfactory to ECMLFG for the disposal and the release of Tune Hotel KLIA Aeropolis and the KLIA Aeropolis Concession Agreements from all securities created over Tune Hotel KLIA Aeropolis and the KLIA Aeropolis Concession Agreements by THSB in favour of the KLIA Aeropolis Existing Assignee, and (ii) the following documents:

(a) the KLIA Aeropolis Concession Agreements; and

(b) all other security documents and other documents required from the KLIA Aeropolis Existing Assignee to release of all other securities created over Tune Hotel KLIA Aeropolis and the KLIA Aeropolis Concession Agreements;

(iii) the TPRE SPA being unconditional;

(iv) THSB having obtained the approval of MAP for the assignment and novation of the KLIA Aeropolis Concession Agreements and the novation agreement duly executed by MAP;

(v) THSB having obtained the approval of the shareholders of its ultimate holding company, THCL;

(vi) the completion of a due diligence exercise based on such scope as ECMLFG may deem fit and ECMLFG being satisfied with the results thereof; and

(vii) any other regulatory, governmental or other approvals and consents, if required.

3.2.6 Original cost of investment

The original cost of investment of THSB is set out below:

	Original cost of investment RM 'mil	Investments made up to[1]
Tune Hotel Penang	30.9	1 April 2009
Tune Hotel KK	12.4	15 April 2008
Tune Hotel KLIA Aeropolis	20.4	20 March 2009

Note:

(1) Being the date of commencement of operations

3.2.7 Source of funding

The cash payment totaling RM19,000,000 will be financed via external borrowings.

3.2.8 Information on THSB

THSB was incorporated in Malaysia on 9 December 2005 as a private limited company. THSB is a wholly-owned subsidiary of Tune Hotels Real Estate Holdings Limited, a private limited company incorporated in British Virgin Island, which is in turn a wholly-owned subsidiary of THCL.

THSB is principally involved in the business of owning properties and operating hotels under the "Tune Hotels.Com" franchise.

THSB holds a concession to build, operate and transfer the Tune Hotel KLIA Aeropolis which expires on 11 February 2034, pursuant to the following agreements:

(i) a 30-year concession agreement entered into between THSB and Malaysia Airports (Sepang) Sdn Bhd ("**MASSB**") on 24 April 2008 for a concession period of 30 years commencing from 1 September 2007;

(ii) an assignment and novation agreement entered into between MASSB, MAP and THSB whereby all rights, title, benefits, interests and obligations of MASSB were transferred and assigned to MAP and MAP assumed the rights, title, benefits, interests and obligations of MASSB; and

(iii) a supplemental concession agreement entered into between THSB and MAP to amend the expiry date of the concession period to 11th February 2034,

(collectively referred to as "**KLIA Aeropolis Concession Agreements**").

As at the LPD, the issued ordinary share capital of THSB is RM25,000,000 comprising 25,000,000 ordinary shares.

As at the LPD, the details of the directors of THSB and their shareholdings in THSB are:

Directors	Direct: No. of ordinary shares '000	Direct: %	Indirect: No. of ordinary shares '000	Indirect: %
Tan Sri Dr Anthony Francis Fernandes	-	-	25,000[(1)]	100
Dato' Seri Kalimullah Bin Masheerul Hassan ("**Dato' Seri Kalimullah**")	-	-	-	-
Datuk Kamarudin Bin Meranun	-	-	25,000[(1)]	100
Lim Kian Onn	-	-	-	-
Christopher Mark Anthony Lankester	-	-	-	-
Lee Yu-Chern	-	-	-	-
Karena Fernandes	-	-	-	-

Note:

*(1) Deemed interested by virtue of their interest in Tune Group Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016 ("**Companies Act**").*

3.3 Basis of determining and justification of the Issue Price

The Issue Price of RM0.36 per Share was determined based on the targeted consolidated NA of ECMLFG of RM103.2 million after the Proposed Disposals and Proposed Special Dividend but before the Proposed Acquisitions. Additionally, in arriving at the targeted level of consolidated NA, the Board has taken cognisance of the ECMLFG Group's level of operations, cash, business prospects, investment plans as well as current and expected obligations.

The Issue Price represents a premium of approximately 55.7% to the theoretical ex-dividend price of RM0.2312 per Share, which was arrived at after taking into consideration the following:

(i) 5-day volume weighted average market price of Shares up to 3 May 2017 of RM0.3862, being the date immediately preceding the date of the TPRE SPA and Tune Hotel Penang SPA; and

(ii) Illustrative special cash dividend of RM0.155 per Share under the Proposed Special Dividend, based on the audited NA per Share of RM0.50 as at 31 December 2016 and after taking into consideration the expected gain of RM3.3 million from the Proposed Disposals.

3.4 Allottees of the Consideration Shares

The TPRE Plan of Arrangement and the Tune Hotel Penang Plan of Arrangement are to be undertaken by THCL as a single plan of arrangement pursuant to the Section 118 of the Labuan Companies Act, 1990 ("**Plan of Arrangement**").

Pursuant to the Plan of Arrangement, the shareholders of THCL shall receive the TPRE Consideration Shares and Tune Hotel Penang Consideration Shares (collectively "**Consideration Shares**") in the following manner:

Shareholders of THCL	Shareholdings in THCL (%)	TPRE Consideration Shares	Tune Hotel Penang Consideration Shares	Total Consideration Shares
Tune Group Sdn Bhd	56.9	91,152,963	18,848,878	110,001,841
Dato' Seri Kalimullah	13.5	21,660,682	4,479,059	26,139,741
Lim Kian Onn	13.6	21,750,024	4,497,534	26,247,558
Orix Corporation	9.1	14,592,531	3,017,486	17,610,017
Tune Strategic Investments Ltd	3.3	5,295,291	1,094,976	6,390,267
Tune Hotels Employee Holding Sdn Bhd	2.5	3,979,781	822,951	4,802,732
Tassapon Bijleveld	0.6	977,171	202,063	1,179,234
Sendjaja Widjaja	0.2	371,324	76,784	448,108
Christopher Mark Anthony Lankester	0.2	361,914	74,838	436,752
Ong Teck Khim	0.1	63,874	13,208	77,082
Total	**100.0**	**160,205,555**	**33,127,777**	**193,333,332**

Pursuant to Chapter 6.06 of the Main Market Listing Requirements, specific shareholders' approval will be sought for the issuance and allotment of the Consideration Shares to Lim Kian Onn and Dato' Seri Kalimullah, who are directors of ECMLFG.

3.5 Ranking of the Consideration Shares

The Consideration Shares shall, upon allotment and issue, rank equally in all respects with the existing Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions unless the allotment of the Consideration Shares were made on or prior to the entitlement date of such dividends, rights, allotments and/or other distributions.

For the avoidance of doubt, the Consideration Shares shall not be entitled to the Proposed Special Dividend as the Proposed Acquisitions will only be completed after the Proposed Special Dividend

3.6 Listing of and quotation for the Consideration Shares

The Consideration Shares will be listed and quoted on the Main Market of Bursa Securities.

3.7 Assumed liabilities

Other than the corporate guarantee under the Proposed Provision of Financial Assistance, there are no other liabilities, including any contingent liabilities and guarantees, to be assumed by ECMLFG.

3.8 Estimated additional financial commitments

Save for the following, the Board does not foresee any other additional financial commitment required to put the business of the companies acquired on-stream.

(i) renovation and refurbishment costs to be incurred in relation to Tune Hotel Penang, Tune Hotel KK and Tune Hotel KLIA Aeropolis of approximately RM6.0 million, which is expected to be funded internally; and

(ii) future development costs to be incurred for the Proposed Hotel Development. The development costs to be incurred by ECMLFG will depend on, among others, time span of the development projects, the type of development to be undertaken, financing cost as well as cost of raw materials, construction cost and other miscellaneous cost.

The scope of the renovation and refurbishment work on Tune Hotel Penang, Tune Hotel KK and Tune Hotel KLIA Aeropolis and the development plans in respect of the Proposed Hotel Development will only be determined and finalised after the completion of the Proposed Acquisitions.

4. DETAILS OF THE PROPOSED COLLABORATION

The Proposed Collaboration involves the following collaboration by TH (Brandco) and ECMLFG, wherein:

(i) TH (Brandco) would grant ECMLFG the right to use and for ECMLFG to grant franchise of the "Tune Hotels" brand as the worldwide master franchisor for new business after the effective date in exchange for all revenue derived from such new business successfully secured by ECMLFG;

(ii) ECMLFG would in turn, at the cost of TH (Brandco) provide and contribute its management expertise (including financial investment, strategic review, fund raising), and where necessary second necessary personnel and staff to TH (Brandco) at cost plus 10%; and

(iii) Save for the secondment costs stated above, unless otherwise agreed by TH (Brandco) and ECMLFG in writing, TH (Brandco) and ECMLFG shall bear their own costs and expenses in performing their obligations under the Collaboration Agreement.

Please refer to Appendix II for the salient terms of the Collaboration Agreement.

5. INDUSTRY OVERVIEW AND PROSPECTS

5.1 Outlook and future prospects of the tourism and hospitality industry in Malaysia

The tourism industry is one of the key drivers of economic growth in Malaysia. In 2016, various programs have been implemented towards energising the industry, including Malaysia Inbound Tourism Association Tourism Fair 2016 and Malaysian Association of Tour and Travel Agents Fair 2016.

Other initiatives that were introduced to spur the tourism sector include relaxing visa requirements, allowing extension of stay for tourists from selected countries as well as the implementation of the online visa (e-Visa) application system on 1 March 2016 at the cost of RM0.6 million. Currently, electronic visa is available for nationals of Bangladesh, China, Hong Kong, India, Indonesia, Myanmar, Nepal, Pakistan and Taiwan. In addition, various campaigns were undertaken to promote tourism and business opportunities in Malaysia. These campaigns include promoting through digital marketing channels such as trulyasiatv.com, My Tourism Channel, travel ports such as TripAdvisor and Lotour.com as well as mobile application Smart-I Travel Malaysia.

During the first half of 2016, the accommodation sector in Malaysia registered a growth of 3.6% mainly supported by tourism-related activities (January – June 2015: 3.6%). In 2016, the subsector was expected to grow 6.1% (2015: 6.4%) supported by strong domestic consumption and tourism-related activity. Tourist arrivals rebounded 3.7% to 13 million during the first six months of 2016 (January – June 2015: -9.4%; 12.6 million) with arrivals from China and Thailand improving significantly by 32.1%, respectively, followed by Brunei (15.2%) and Republic of Korea (11.2%). In 2016, tourist arrivals were estimated to reach 30.5 million (2015: 25.7 million).

(Source: Chapter 1 & 3: Economic Performance and Prospects, Economic Report 2016/2017, Ministry of Finance, Malaysia)

5.2 Outlook and future prospects of the tourism and hospitality industry in Australia

Buoyed by improving economic growth, lower interest rates, lower fuel prices and the lower AUD, domestic tourism is forecast to improve solidly in the next few years. Visitor nights are expected to increase 4.5% in 2015-16 and to average 3.1% over the ten years to 2024-25. Strong growth will occur in holiday travel, with many Australians choosing to holiday at home rather than travel abroad. Growth in domestic day trips is expected to be stronger again, with 9.7% growth in 2015-16 and another 4.5% in 2016-17. With the increasing trips come increasing expenditure, with a forecast 5.0% increase in domestic tourism expenditure to AUD78.4 billion in 2015-16 and a ten-year average growth rate of 2.9% per annum.

Total Tourism Expenditure

In real terms, total tourism spend is forecast to increase by 8.2% to AUD117.5 billion in 2015−16; 4.9% to AUD123.2 billion in 2016−17; and a further 4.4% to AUD128.6 billion in 2017–18. The 10-year average growth rate is forecast at 4.4%, with total visitor spend expected to reach AUD166.7 billion by 2024–25.

Total inbound expenditure is forecast to grow by 15.4% to AUD39.1 billion in 2015−16; 7.4% to AUD42 billion in 2016−17; and 7.1% to AUD44.9 billion in 2017–18. The 10-year long-run forecast is for the average growth rate for total inbound expenditure to be at 7.2% per annum, and for total inbound expenditure to reach AUD67.8 billion in real terms by 2024–25. The inbound share of total tourism spend is forecast to increase from 31% in 2014–15 to 41% in 2024–25.

Domestic tourism expenditure is forecast to increase by 5.0% to AUD78.4 billion in 2015−16; 3.7% to AUD81.3 billion in 2016–17; and 3.0% to AUD83.7 billion in 2017–18 in real terms. The 10-year long-run average growth rate for domestic expenditure is forecast at 2.9% per annum, which would lead to AUD98.9 billion in domestic tourism expenditure in real terms by 2024−25.

(Source: Tourism Research Australia Tourism Forecasts 2016)

5.3 Prospects of Tune Hotel KLIA2, Flinders Lane Property, YKSB, Tune Hotel Penang, Tune Hotel KK and Tune Hotel KLIA Aeropolis

The future outlook of the Proposed Acquisitions is encouraging due to the increasing reputation of Malaysia and Australia as tourist destinations. Additionally, the governments' recognition of tourism as an important major industry coupled with their respective concerted efforts to improve and encourage tourism augurs well for the hotel and tourism sector.

The hotels to be purchased, as well as the Flinders Lane Property are all located at strategic locations:

(i) Tune Hotel KLIA2 and Tune Hotel KL Aeropolis are located within the vicinity of KLIA2;

(ii) Tune Hotel Penang is located along Jalan Burma, a major road at the heart of George Town;

(iii) Tune Hotel KK is located within 1Borneo Hypermall, one of the largest mall in East Malaysia; and

(iv) Flinders Lane Property is in the southwest corner within the Melbourne central district and is supported by a good transportation network.

5.3.1 Tune Hotel KLIA2

KLIA2 opened on 2 May 2014 with the aim of becoming Malaysia's Next Generation Hub that allows seamless connectivity for both local and international low-cost plus full-service carriers. It was built to replace the Low Cost Carrier Terminal ("**LCCT**") with bigger and better facilities, and is planned to accommodate 45 million passengers a year.

Based on Malaysia Airports Holdings Berhad report dated 10 October 2016, the year-to-date passenger traffic for KLIA2 terminal recorded 20.1 million passengers, an increase of 5.3% over the same period in 2015. The airport is relatively new and is expected to grow in the future, which will also facilitate development of the tourism and hospitality industry in Malaysia.

In 2016, KLIA2 handled 27.1 million passengers, a 3% growth from the previous year.

(Sources: KLIA2 website, MAHB's Passenger Traffic Snapshot Report dated 10 October 2016, M'sia Airports posts 6% jump in passenger traffic", The Star, 10 January 2017)

Since starting in late 2014, Tune Hotel KLIA2 has shown strong financial performance registering RM5.4 million PAT in FYE 30 September 2016, as compared to the prior year of RM2.4 million, representing a growth rate of more than 100%.

The hotel has proven to be successful due to its strategic location at the KLIA2 terminal and good operational performance. This has enabled Tune Hotel KLIA2 to grow steadily together with KLIA2's increase in passenger traffic and flights.

(Source: Management of ECMLFG)

5.3.2 Flinders Lane Property

The Flinders Lane Property is well located with dual frontage to Flinders Street and Flinders Lane, in the south western corner of the Melbourne central business district and close proximity to major roads, retail and public transport facilities, that provides an attractive location for a hotel development. In particular, it is walking distance to key attractions such as Melbourne Exhibition Centre, Etihad Stadium, Eureka Tower and the Crown Casino. It is also within 1 km of both Flinders Street and Southern Cross stations which are major railway and public transport hubs.

(Source: Management of ECMLFG)

The outlook for hotel performance remains positive, driven by strong growth in tourism demand, according to Deloitte Access Economics' *Tourism and Hotel Market Outlook 2016*. Over the next three years, the accommodation industry can expect:

(i) Room nights sold to increase by 3.0% per annum, 1.4% higher than room supply, despite 64 new properties added to the stock before year end 2018;

(ii) Occupancy rates to increase to 71.3%;

(iii) Average room rates to increase 2.9% per annum to AUD175, driving revenue per available room (RevPAR) up to 4.3%; and

(iv) Total room revenue per night to increase to AUD31 million per night, nationally.

The majority of growth is to occur in capital cities, with a particular focus on Sydney and Melbourne.

(Source: Tourism Research Australia Tourism Forecasts 2016)

5.3.3 YKSB

YKSB was incorporated as part of measures to enhance guest/customer experience at Tune Hotels. A key component of this initiative is by providing quality food and beverage offerings in contemporary and comfortable locations.

(Source: Management of ECMLFG)

5.3.4 Tune Hotel Penang

After the completion of the acquisition, the financial performance for Tune Hotel Penang is expected to improve with a proposed re-positioning, involving a sensible refurbishment exercise, different products, pricing and sales and marketing strategies to build the base business. The ensuing hotel refurbishment exercise provides a major upgrade to the hotel lobby and façade, while upgrading the existing furniture and fittings of the standard rooms and introduction of some new room types.

Due to its strategic location, the property also has redevelopment potential.

(Source: Management of ECMLFG)

Penang has been one of the leading states in Malaysia in term of tourism as the industry has dominated 40% of the overall state's economy. Based on data collected by Tourism Malaysia, in 2015 alone, the state received 6.3 million domestic and international tourist arrivals[3].

Recent additions of several new tourist attractions such as the The Habitat on Penang Hill (a nature-based attraction) and Design Village Penang outlet mall (the first outlet mall in the northern region), among others further enhance Penang's profile as a top tourist destination in Malaysia.[2]

Given that Penang is a leading tourist destination in Malaysia and with the expected repositioning of Tune Hotel Penang, ECMLFG is of the view that occupancy rate at the hotel will improve and accordingly, its performance.

5.3.5 Tune Hotel KK

After the completion of the acquisition, the financial performance for Tune Hotel KK is expected to improve with a proposed refurbishment exercise involving among others, an upgrade to the standard rooms and introduction of new room types.

(Source: Management of ECMLFG)

Kota Kinabalu is the capital of the state of Sabah, Malaysia. In 2016, Sabah recorded its best year ever, achieving record tourist arrivals and tourism receipts.

Datuk Seri Masidi Manjun, state Tourism, Culture and Environment Minister said that Sabah received an all-time high of 3.43 million tourist arrivals and RM7.25 billion tourism receipts in 2016. In comparison to 2015, tourist arrivals saw an increase of 7.9%, while tourism receipts rose 9.7%.

Tan Sri Dr Wan Abdul Aziz Wan, chairman of MAHB, has said that Kota Kinabalu International Airport is the second busiest airport in the country after KLIA. This indicates that Kota Kinabalu is a major tourist destination and a popular gateway for travellers visiting Sabah and Borneo.

(Source: "Sabah hits record tourist number for 2016", The Malay Mail Online, 15 February 2017)

In addition to Sabah's booming tourism sector, Datuk Joniston Bankuai, chairman of Sabah Tourism Board has said that he considers budget hotels to be a key component of Sabah's tourism industry, as they play an important role in offering accommodation options to tourists and visitors to the state.

(Source: "Budget hotels help keep Sabah's tourism engine humming: Joniston", New Straits Times, 2 April 2017)

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[3] Source: Tourism Malaysia Website (www.tourism.gov.my)

5.3.6 Tune Hotel KLIA Aeropolis

During the FYE 30 September 2015, Tune Hotel KLIA Aeropolis did not operate due to the relocation of airport operations from LCCT terminal to KLIA2 terminal. Tune Hotel KLIA Aeropolis recommenced operations in August 2016 after some refurbishment to cater for renewed hotel room demand within the vicinity, including that of KLIA2.

Currently, Tune Hotel KLIA Aeropolis has a 6-month rolling arrangement with a major airline for a significant number of rooms to be rented as accommodation for cabin crew and guest operations staff that frequent training at a nearby airline training academy, while the balance rooms are available for the general public.

The acquisition of Tune Hotel KLIA Aeropolis is viewed as a complementary acquisition with KLIA2 (via TPSB) as it serves as an alternative to the Tune Hotel KLIA2. There is a dedicated shuttle van commuting between KLIA2 and LCCT at a regular schedule. Tune Hotel KLIA Aeropolis provides the benefit of being able to absorb guest overflows in the event of delayed or cancelled flights at KLIA2 as Tune Hotel KLIA2 generally experiences high occupancy.

In addition, the launching of the Digital Free Trade Zone ("**DFTZ**") initiative on 22 March 2017 includes an eFulfilment Hub which will be located at KLIA Aeropolis. The eFulfilment Hub, expected to be rolled out before the end of 2017, will serve as a strategic facility for customs clearance, warehousing and logistics. Tune Hotel KLIA Aeropolis, being in the vicinity of KLIA Aeropolis, is poised to benefit from the establishment of the eFulfilment Hub.

(Source: CIMB Research report dated 28 March 2017, Management of ECMLFG)

6. DETAILS OF THE PROPOSED SPECIAL DIVIDEND

Subject to the completion of the Proposed Disposals, it is the intention of the Board to declare a special cash dividend of an amount which will result in ECMLFG's consolidated NA being adjusted to approximately RM103.2 million or about RM0.36 per Share[(4)], of which RM28,000,000 will be funded from the proceeds arising from the Proposed Disposals and the balance from existing cash reserves.

For illustration purposes only, based on the consolidated audited NA of ECMLFG of RM144.3 million or RM0.50 per Share as at 31 December 2016 and after taking into consideration the expected gain of RM3.3 million from the Proposed Disposals, the illustrative special dividend amounts to about RM44.5 million or RM0.155 per Share.

The illustrative special dividend of RM0.155 above may be subject to change depending on the consolidated NA of ECMLFG preceding the completion of the Proposed Acquisitions. The eventual amount of special dividend to be declared is dependent on the latest announced consolidated NA of ECMLFG preceding the completion of the Proposed Acquisitions, after taking into account the Proposed Disposals and in which the NA of ECMLFG pursuant to the Proposed Special Dividend results in an adjusted NA of about RM103.2 million or RM0.36 per Share.

The purpose of the Proposed Special Dividend is to reward shareholders for their investment in the Company.

[(4)] Based on the existing share capital of ECMLFG comprising 286,592,491 Shares

7. DETAILS OF THE PROPOSED DISPOSALS

7.1 Proposed Semi-D Disposal

7.1.1 Introduction

The Proposed Semi-D Disposal involves the disposal of the Semi-D Property for a cash consideration of RM4,000,000, which is payable in the following manner:

(i) a deposit of RM400,000 (representing 10% of the consideration) to ECMLFG's solicitors as stakeholders upon execution of the Semi-D Disposal SPA in the following manner:

(a) RM120,000 to be retained by ECMLFG's solicitors for payment of RPGT payable by the Company on the disposal of the Semi-D Property, if any; and

(b) RM280,000 which ECMLFG's solicitors are authorised to release to ECMLFG within 5 business days from the date the last condition precedent of the Semi-D Disposal SPA is fulfilled ("**Semi-D Disposal Unconditional Date**");

(ii) balance of RM3,600,000 within 90 days from the Semi-D Disposal Unconditional Date.

Further details on the Semi-D Property are summarised in Appendix III.

7.1.2 Basis of the disposal consideration

The disposal consideration was arrived at on a willing buyer-willing seller basis after taking into consideration the market value of the property as appraised by Henry Butcher, as well as the location of the property.

The indicative valuation of the Semi-D Property was approximately RM4.0 million, based on the valuation letter by Henry Butcher Malaysia Sdn Bhd ("**Henry Butcher**") dated 3 May 2017, using the comparison approach. The valuation on the Semi-D Property was carried out under the comparison method only as the property is vacant.

7.1.3 Conditions precedent of the Semi-D Disposal SPA

The Proposed Semi-D Disposal is conditional upon the following conditions precedent being fulfilled on or before the expiration of 6 months from the date of the Semi-D Disposal SPA or such extended date as may be mutually agreed upon:

(i) the Company obtaining the approval of its shareholders at an EGM to be convened;

(ii) the TPRE SPA being unconditional; and

(iii) any other regulatory, governmental or other approvals and consents, if required.

7.1.4 Original cost of investment

The Semi-D Disposal Property was acquired by ECMLFG on 1 December 2015 at a total cost of approximately RM4.0 million.

7.2 Proposed Bangunan ECM Libra Disposal

7.2.1 Introduction

The Proposed Bangunan ECM Libra Disposal involves the disposal of part of the Bangunan ECM Libra, namely the East Wing and Centre Wing, together with existing tenancies, for a cash consideration of RM24,000,000, which is payable in the following manner:

(i) a deposit of RM2,400,000 (representing 10% of the consideration) to ECMLFG's solicitors as stakeholders upon execution of the Bangunan ECM Libra Disposal SPA in the following manner:

(a) RM720,000 to be retained by ECMLFG's solicitors for payment of RPGT payable by the Company on the disposal of the property, if any; and

(b) RM1,680,000 which the ECMLFG's solicitors are authorised to release to ECMLFG within 5 business days from the date the last condition precedent of the Bangunan ECM Libra Disposal SPA is fulfilled ("**Bangunan ECM Libra Disposal Unconditional Date**");

(ii) balance of RM21,600,000 within 90 days from the Bangunan ECM Libra Disposal Unconditional Date.

The whole of Bangunan ECM Libra is a 3½-storey building with 1 level of sub-basement and 3 levels of basement car parks ("**Car Park**"). The west wing of the building measuring 45,621 square feet of gross area ("**West Wing**") and the Car Park were sold to ECM Libra Foundation, a charitable organization incorporated in 2004 by among others, Dato' Seri Kalimullah and Lim Kian Onn, being directors of ECMLFG. The building is partly occupied by ECMLFG, partly tenanted and partly vacant.

The total rental revenue and loss after tax for Bangunan ECM Libra for the financial year ended 31 December 2016 is approximately RM1.2 million and RM0.5 million, respectively.

Further information on Bangunan ECM Libra is summarised in Appendix III.

7.2.2 Basis of the disposal consideration

The disposal consideration was arrived at on a willing buyer-willing seller basis after taking into consideration the market value of the property as appraised by Henry Butcher, as well as the location of the property.

The indicative valuation of Bangunan ECM Libra was approximately RM23.0 million, based on the valuation letter by Henry Butcher dated 3 May 2017, using the comparison method and the investment method.

7.2.3 Conditions precedent of the Bangunan ECM Libra Disposal SPA

The Proposed Bangunan ECM Libra Disposal is conditional upon the following conditions precedent being fulfilled on or before the expiration of 6 months from the date of the Bangunan ECM Libra Disposal SPA or such extended date as may be mutually agreed upon:

(i) the Company obtaining the approval of its shareholders at an EGM to be convened;

(ii) the Company obtaining the consent from ECM Libra Foundation (the owner of the West Wing and Car Park of Bangunan ECM Libra) for (a) the purchaser, Noblemen to register the title to the land under its name; and (b) to release the Company from its obligation to procure the subdivision of the building in accordance with the Strata Titles Act 1985 at its own cost and expenses and the issuance of separate strata titles for the units in Bangunan ECM Libra;

(iii) the TPRE SPA being unconditional; and

(iv) any other regulatory, governmental or other approvals and consents, if required.

7.2.4 Original cost of investment

Bangunan ECM Libra was acquired by ECMLFG through a subsidiary on 8 September 2004 costing approximately RM12.6 million after excluding the portion sold to ECM Libra Foundation. Up to 31 December 2016, subsequent renovations were added at an aggregate cost of RM12.5 million.

7.3 Information on Noblemen

Noblemen was incorporated in Malaysia on 22 March 2017 as a private limited company. As at the LPD, the issued share capital of Noblemen is RM100 comprising 100 ordinary shares.

Noblemen is principally involved in investment holding. As at the LPD, the directors of Noblemen are Lim Kian Onn and Dato’ Seri Kalimullah. Lim Kian Onn and Dato’ Seri Kalimullah have 40% and 60% effective interest in Noblemen respectively.

7.4 Liabilities to be assumed by the Noblemen

There are no liabilities, including any contingent liabilities and guarantees, to be assumed by the Noblemen pursuant to the Proposed Disposals.

8. DETAILS OF THE PROPOSED DIVERSIFICATION

The existing business activities of ECMLFG Group consist of general investments, unit trust funds and asset management, structured lending and financial services related services.

Upon completion of the Proposed Acquisitions, the Group's business will be diversified to include the hotel business. The Board anticipates that the Proposed Acquisitions may in the future contribute 25% or more of the net profits of the Group and/or result in a diversion of more than 25% of the net assets of the Group.

Paragraph 10.13(1) of the Listing Requirements states that a listed issuer must obtain its shareholders' approval in a general meeting for any transaction or business arrangement which might reasonably be expected to result in either:

(i) the diversion of 25% or more of the net assets of the listed issuer to an operation which differs widely from those operations previously carried out by the listed issuer; or

(ii) the contribution from such operation of 25% or more of the net profits of the listed issuer.

In this regard, ECMLFG's shareholders' approval will be sought for the Proposed Diversification pursuant to the Listing Requirements. Notwithstanding the Proposed Diversification, ECMLFG intends to continue operating its Group's existing core business and is continuously evaluating ways to improve its performance.

9. RISK FACTORS IN RELATION TO THE PROPOSALS

9.1 PROPOSED ACQUISITIONS

The Proposed Acquisitions would subject ECMLFG Group to risks inherent in the hotel business. The following are the key risk factors relating to the hotel business as well as the Proposed Acquisitions:

(i) Business risk

The hotel business is subject to certain risks inherent in the tourism industry such as:

(a) changes in the general economic and political climate;

(b) customer preferences;

(c) the overall environmental factors such as the outbreak of diseases and weather conditions in the region;

(d) the cyclical nature of the hotel market;

(e) changes in government priorities and legislation;

(f) changes in legal and environmental framework;

(g) increases in cost of labour; and

(h) changes in business and credit conditions.

In addition, a number of factors could materially and adversely affect the hotel business, including but not limited to the following:

(a) increased threats of terrorism or airline strikes, increases in supply costs or travel costs or other factors that may affect travel patterns and decrease in travellers/tourists;

(b) increased competition from other/new hotels in the market;

(c) increase in maintenance or capital improvements or operating costs which may not be offset by increased room rates; and/or

(d) adverse effects of a downturn in the hotel.

(ii) Expiration or termination of concession risk

Pursuant to the terms of the KLIA2 Concession Agreement, MAP has an exclusive discretion at any time, to terminate the KLIA2 Concession Agreement for reasons due to operational requirements, due to governmental directive, safety or security related issues by giving 90 days' prior written notice.

Pursuant to the terms of the KLIA Aeropolis Concession Agreements, MAP has an exclusive discretion at any time, to terminate the KLIA Aeropolis Concession Agreements without giving any reason whatsoever by giving 90 days' prior written notice.

In such an event, Tune Hotel KLIA2 and Tune Hotel KLIA Aeropolis's principal business and source of revenue will cease, and may be left without any assets.

(iii) Dependence on key management and staff

The growth and success of ECMLFG Group in the hotel business is highly dependent on the key management and staff. The loss of key personnel or a general shortage of experienced staff could impact the ability of ECMLFG Group to provide services, which may adversely impact the future performance of ECMLFG Group.

Nevertheless, after the completion of the Proposed Acquisitions, ECMLFG Group will be able to leverage on the expertise of TPRE and its shareholder, Plato. Plato has experience in investing, developing and monetising overseas hotel properties. Besides that, the Proposed Collaboration allows ECMLFG Group to build operational experience.

(iv) Foreign exchange and translation risks

Fluctuations in the exchange rate between the AUD and Malaysian Ringgit may affect the profitability of ECMLFG Group. However, the Group will match income with expenditure by using AUD as the functional currency to hedge the fluctuations in current exchange. In addition, the Group may use certain financial instruments for hedging purpose in the future.

(v) Investment risk

There is no assurance that the anticipated benefits of the Proposed Acquisitions will be realised or that ECMLFG Group will be able to generate sufficient returns from the investments to offset the costs of investments. There is also no assurance that the expected financial performance of the assets to be acquired will be achieved after the completion of the Proposed Acquisitions.

(vi) Completion risk

The completion of the Proposed Acquisitions is conditional upon the conditions precedent under the agreements being fulfilled or waived. There can be no assurances that the above will be met within the timeframe stipulated in the agreements.

The completion of the Proposed Tune Hotels Acquisitions may also be terminated due to events which are not attributable to the default of either THSB or the Company such as the acquisition or intended acquisition of Tune Hotel Penang or Tune Hotel KK, or any part thereof, under the Land Acquisition Act, 1960 or other legislation in Malaysia by the Government or the Memorandum of Transfer not being registered by the relevant land registry through no fault of either THSB or the Company.

The non-completion of the Proposed Acquisitions will result in the Company's failure to achieve the objectives and benefits of the Proposed Acquisitions, as disclosed in Sections 2.1 and 2.2, including undertaking the Proposed Hotel Development.

Nevertheless, the Company shall use its best endeavors to obtain the requisite approvals and will continue to take all reasonable and necessary steps to ensure the conditions precedent are fulfilled within the stipulated timeframe for the completion of the Proposed Acquisitions.

9.2 PROPOSED DISPOSALS

The completion of the Proposed Disposals is subject to the fulfilment of conditions precedent in the agreements in such time and manner failing which may result in the termination of the agreements. In this respect, the Board seeks to limit such risk and will take all reasonable steps to comply with the relevant conditions precedent so as to be able to complete the Proposed Disposals.

In the event that the Proposed Disposals fail to complete, the Proposed Special Dividend will not be undertaken as source of the cash dividend is partly from the proceeds of the Proposed Disposals.

10. POLICIES ON FOREIGN INVESTMENTS AND REPATRIATION OF PROFITS OF AUSTRALIA

Profits from investments in Australian companies and trusts can be repatriated without any tax restriction. The acquisitions of TP Flinders and TP International represent business investments and profits available for distribution can be repatriated, subject to withholding tax on dividends and trust distributions, if applicable. Repatriation of profits from Australian companies are also subject to the rules set out in Australia's principal corporate legislation, the Corporations Act 2001.

ECMLFG will obtain an expert opinion on the foreign investments and repatriation of profits of Australia in due course and the said opinions will be enclosed in the circular to shareholders in relation to the Proposals.

11. FINANCIAL EFFECT OF THE PROPOSALS

The Proposed Provision of Financial Assistance and Proposed Collaboration will have no effects on the share capital, substantial shareholders' shareholdings, NA per Share, gearing, or earnings and earnings per Share.

11.1 Share capital and substantial shareholders' shareholdings

The Proposed Disposals and the Proposed Special Dividend will not have any effect on the issued share capital and the substantial shareholders' shareholding of ECMLFG as the disposal considerations shall be satisfied entirely by cash.

The proforma effects of the Proposed Acquisitions (including the Proposed Diversification) on the share capital of the Company as at the LPD are as follows:

	No. of Shares	Issued share capital RM
Ordinary share capital as at the LPD	286,592,491	34,391,099
Transfer from capital redemption reserve to issued share capital[(1)]	-	3,554,762
To be issued pursuant to Proposed Acquisitions from TPRE	160,205,555	57,674,000
To be issued pursuant to Proposed Tune Hotels Acquisitions	33,127,777	11,926,000
Enlarged share capital	**479,925,823**	**107,545,861**

Note:

(1) Being the transfer of capital redemption reserve to contributed capital in accordance with the Companies Act which came into effect on 31 January 2017.

The proforma effects of the Proposed Acquisitions (including the Proposed Diversification) on the shareholdings of the substantial shareholders of the Company as at the LPD are set out below:

	As at the LPD				After Proposed Acquisitions from TPRE				After Proposed Tune Hotels Acquisitions			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Substantial shareholders	**No. of Shares ('000)**	**%[(1)]**	**No. of Shares ('000)**	**%[(1)]**	**No. of Shares ('000)**	**%[(2)]**	**No. of Shares ('000)**	**%[(2)]**	**No. of Shares ('000)**	**%[(3)]**	**No. of Shares ('000)**	**%[(3)]**
Lim Kian Onn[(4)]	-	-	130,387	45.5	21,750	4.9	130,387	29.2	26,248	5.5	130,387	27.2
Dato' Seri Kalimumullah	39,357	13.7	-	-	61,018	13.7	-	-	65,497	13.6	-	-
Truesource Pte Ltd	56,695	19.8	-	-	56,695	12.7	-	-	56,695	11.8	-	-
Plato[(5)]	-	-	56,695	19.8	-	-	56,695	12.7	-	-	56,695	11.8
Garynma MY Capital Limited	72,255	25.2	-	-	72,255	16.2	-	-	72,255	15.1	-	-
Garynma MY Holdings Limited[(6)]	-	-	72,255	25.2	-	-	72,255	16.2	-	-	72,255	15.1
Julius Baer Trust Company (Singapore) Limited[(7)]	-	-	72,255	25.2	-	-	72,255	16.2	-	-	72,255	15.1
Tune Group Sdn Bhd	-	-	-	-	91,153	20.4	-	-	110,002	22.9	-	-
Tan Sri Dr Anthony Francis Fernandes[(8)]	-	-	-	-	-	-	91,153	20.4	-	-	110,002	22.9
Datuk Kamarudin bin Meranun[(8)]	-	-	-	-	-	-	91,153	20.4	-	-	110,002	22.9

Notes:

(1) Based on the share capital of ECMLFG of 286,592,491 Shares as at the LPD.

(2) Based on the proforma share capital of ECMLFG of 446,798,046 Shares after Proposed Acquisitions from TPRE.

(3) Based on the proforma share capital of ECMLFG of 479,925,823 Shares after Proposed Tune Hotels Acquisitions.

(4) Deemed interested by virtue of his interest in Plato and his interest via Garynma Trust which holds all the shares in Garynma MY Holdings Limited pursuant to Section 8(4) of the Companies Act and his spouse's shareholding pursuant to Section 59(11)(c) of the Companies Act.

(5) Deemed interested by virtue of its interest in Truesource Pte Ltd pursuant to Section 8(4) of the Companies Act.

(6) Deemed interested by virtue of its interest in Garynma MY Capital Limited pursuant to Section 8(4) of the Companies Act.

(7) Deemed interested by virtue of Julius Baer Trust Company (Singapore) Limited being the trustee of Garynma Trust, which holds all the shares in Garynma MY Holdings Limited pursuant to Section 8(4) of the Companies Act.

(8) *Deemed interested by virtue of their interest in Tune Group Sdn Bhd pursuant to Section 8(4) of the Companies Act.*

11.2 NA, NA per Share and gearing

For illustrative purposes, the proforma effects of the Proposed Disposals, Proposed Special Dividend, and Proposed Acquisitions (including the Proposed Diversification) on the NA, NA per Share and gearing of ECMLFG, based on the latest audited consolidated statement of financial position of ECMLFG as at 31 December 2016 are set out below:

	Audited as at 31 December 2016	After the Proposed Bangunan ECM Libra Disposal	After the Proposed Semi-D Disposal	After the Proposed Special Dividend	After the Proposed Acquisitions from TPRE[(1)]	After the Proposed Tune Hotels Acquisitions[(1)]
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Share capital	34,391	37,946[(2)]	37,946	37,946	95,620	107,546
Capital redemption reserve	3,555	-[(2)]	-	-	-	-
Other reserves	2,198	2,198	2,198	2,197[(3)]	2,197	2,197
Retained earnings	104,165	107,502	107,491	63,031	61,326[(4)]	58,531[(5)]
Shareholders' funds / NA	144,309	147,646	147,635	103,174	159,143	168,274
No. of ordinary shares in issue ('000)	286,592	286,592	286,592	286,592	446,798	479,926
NA per share (RM)	0.50	0.52	0.52	0.36	0.36	0.35
Interest bearing borrowings (RM'000)	-	-	-	-	-	19,000[(6)]
Gearing (times)[(7)]	-	-	-	-	-	0.11

Notes:

(1) *The proforma effects of the Proposed Acquisitions have been presented assuming the Proposed Acquisitions have been completed as at 31 December 2016.*

(2) *Including the transfer of capital redemption reserve to contributed capital in accordance with the Companies Act which came into effect on 31 January 2017.*

(3) *Including the partial liquidation of ECMLFG Group's investments in securities available-for-sale ("**AFS**") for an estimated liquidation proceed of RM14.2 million and resulting in a realization of AFS revaluation profit of approximately RM1,000.*

(4) *After deducting the estimated stamp duty relating to the acquisition of TP Flinders of RM1.7 million.*

(5) *After deducting the estimated costs of the Proposed Acquisitions, Proposed Special Dividend and Proposed Disposals of RM2.8 million.*

(6) *For illustrative purposes, including bank borrowings of RM19.0 million to finance the Proposed Tune Hotels Acquisitions.*

(7) *Computed based on total borrowings divided by total equity of ECMLFG.*

11.3 Earnings and Earnings per Share ("EPS")

Save for the associated expenses of approximately RM4.5 million, the Proposed Acquisitions (including the Proposed Diversification) are not expected to materially affect the earnings and EPS of ECMLFG for the financial year ended 31 December 2017 as the Proposed Acquisitions are only expected to be completed in the fourth quarter of 2017. Nevertheless, the Proposed Acquisitions are expected to contribute positively to the future earnings of ECMLFG.

The Proposed Disposals are expected to result in an aggregated gain of approximately RM3.3 million.

11.4 Convertible Securities

As at the LPD, ECMLFG does not have any outstanding convertible securities.

12. APPROVALS REQUIRED AND CONDITIONALITY OF THE PROPOSALS

The Proposals are subject to the following approvals being obtained:

(i) the approval of ECMLFG's shareholders at an EGM to be convened;

(ii) in relation to the Proposed Acquisitions, Bursa Securities for the listing of and quotation for the Consideration Shares on the Main Market of Bursa Securities; and

(iii) any other relevant authorities or parties, if required.

Conditionality of the Proposals

The Proposed Provision of Financial Assistance is an integral part of and consequential from the Proposed Acquisitions from TPRE, particularly the proposed acquisition of 50% interest in TPSB.

The Proposed Acquisitions are conditional upon the Proposed Disposals and the Proposed Special Dividend. In the event that the Proposed Disposals are not completed, the Proposed Acquisitions will not be undertaken. The Proposed Acquisitions will only be completed after the completion of the Proposed Disposals and Proposed Special Dividend.

The Proposed Tune Hotels Acquisitions are conditional upon the Proposed Acquisitions from TPRE but not vice versa. In the event that the Proposed Acquisitions from TPRE is not completed, the Proposed Tune Hotels Acquisitions will not be undertaken.

The Proposed Collaboration is conditional upon the Proposed Acquisitions from TPRE.

The Proposed Special Dividend is conditional upon the Proposed Disposals. In the event that the Proposed Disposals are not completed, the Proposed Special Dividend will not be undertaken.

The Proposed Diversification is a consequence of the Proposed Acquisition. As such, the Proposed Diversification and the Proposed Acquisitions are inter-conditional.

The Proposed Semi-D Disposal and Proposed Bangunan ECM Libra Disposal are inter-conditional.

The Proposed Disposals are conditional upon the Proposed Acquisitions from TPRE being unconditional.

13. INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED

Save as disclosed below, none of the Directors and/or major shareholders of ECMLFG and/or persons connected with them has any interest, direct or indirect, in the Proposals (save for their respective entitlements as shareholders of ECMLFG pursuant to the Proposed Special Dividend, which are also available to all other entitled shareholders).

13.1 Proposed Acquisitions from TPRE, Proposed Provision of Financial Assistance and Proposed Collaboration

Lim Kian Onn and Dato' Seri Kalimullah are shareholders and directors of THCL, who will be receiving the TPRE Consideration Shares under the Proposed Acquisitions from TPRE pursuant to the TPRE Plan of Arrangement. In addition, Lim Kian Onn is the controlling shareholder of Plato, which has 50% interest in TPRE.

Accordingly, Lim Kian Onn and Dato' Seri Kalimullah are deemed interested in the Proposed Acquisitions from TPRE, including the Proposed Provision of Financial Assistance and the Proposed Collaboration.

Gareth Lim Tze Xiang is a director of TPRE, TPSB and TP International. He is also deemed interested in the Proposed Acquisitions from TPRE, including the Proposed Provision of Financial Assistance and the Proposed Collaboration by virtue of him being the son of Lim Kian Onn.

Chin Jon Wei is deemed interested in the Proposed Acquisitions from TPRE, including the Proposed Provision of Financial Assistance and the Proposed Collaboration by virtue of him being the alternate director of Gareth Lim Tze Xiang.

Truesource Pte Ltd, a major shareholder of ECMLFG, is deemed interested in the Proposed Acquisitions from TPRE, including the Proposed Provision of Financial Assistance and the Proposed Collaboration by virtue of it being a wholly-owned subsidiary of Plato, which is ultimately controlled by Lim Kian Onn.

Garynma MY Capital Limited, a major shareholder of ECMLFG, is deemed interested in the Proposed Acquisitions from TPRE, including the Proposed Provision of Financial Assistance and the Proposed Collaboration by virtue of Lim Kian Onn having a deemed interest in it.

13.2 Proposed Tune Hotels Acquisitions

Lim Kian Onn and Dato' Seri Kalimullah are shareholders and directors of THCL, who will be receiving the Tune Hotel Penang Consideration Shares under the Proposed Tune Hotels Acquisitions pursuant to the Tune Hotel Penang Plan of Arrangement.

Accordingly, Lim Kian Onn and Dato' Seri Kalimullah are deemed interested in the Proposed Tune Hotels Acquisitions.

Gareth Lim Tze Xiang is deemed interested in the Proposed Tune Hotels Acquisitions by virtue of him being the son of Lim Kian Onn.

Chin Jon Wei is deemed interested in the Proposed Tune Hotels Acquisitions by virtue of him being the alternate director of Gareth Lim Tze Xiang.

Truesource Pte Ltd, a major shareholder of ECMLFG, is deemed interested in the Proposed Tune Hotels Acquisitions by virtue of it being a wholly-owned subsidiary of Plato, which is ultimately controlled by Lim Kian Onn.

Garynma MY Capital Limited, a major shareholder of ECMLFG, is deemed interested in the Proposed Tune Hotels Acquisitions by virtue of Lim Kian Onn having a deemed interest in it.

13.3 Proposed Disposals

Lim Kian Onn is a director of Noblemen and he has 60% effective interest in Noblemen.

Dato' Seri Kalimullah is a director of Noblemen and he has 40% effective interest in Noblemen.

Accordingly, Lim Kian Onn and Dato' Seri Kalimullah are deemed interested in the Proposed Disposals.

Gareth Lim Tze Xiang is deemed interested in the Proposed Disposals by virtue of him being the son of Lim Kian Onn.

Chin Jon Wei is deemed interested in the Proposed Disposals by virtue of him being the alternate director of Gareth Lim Tze Xiang.

Truesource Pte Ltd, a major shareholder of ECMLFG, is deemed interested in the Proposed Disposals by virtue of it being a wholly-owned subsidiary of Plato, which is ultimately controlled by Lim Kian Onn.

Garynma MY Capital Limited, a major shareholder of ECMLFG, is deemed interested in the Proposed Disposals by virtue of Lim Kian Onn having a deemed interest in it.

Collectively, Lim Kian Onn, Dato' Seri Kalimullah, Gareth Lim Tze Xiang, Chin Jon Wei are referred to as the "**Interested Directors**", and the Interested Directors, Truesource Pte Ltd and Garynma MY Capital Limited are referred to as the "**Interested Parties**".

As the Proposed Diversification is a consequence of the Proposed Acquisitions, the Interested Parties are deemed interested in the Proposed Diversification.

The Interested Parties have abstained and will continue to abstain from deliberating and voting at the relevant Board meetings in relation to the Proposals, save for the Proposed Special Dividend.

The Interested Parties will abstain from voting in respect of their direct and/or indirect shareholdings on the relevant resolution pertaining to the Proposals, save for the Proposed Special Dividend, which is not subject to shareholder's approval.

Further, the Interested Parties will also ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings on the relevant resolution pertaining to the Proposals at the EGM to be convened.

14. DIRECTORS' STATEMENT

The Board (save for the Interested Directors), having considered all aspects of the Proposals, (including but not limited to the rationale and prospects discussed in Sections 2 and 5 above), is of the opinion that the Proposals are:

(i) in the best interest of ECMLFG;

(ii) fair, reasonable and on normal commercial terms; and

(iii) not detrimental to the interest of the minority shareholders.

15. AUDIT COMMITTEE'S STATEMENT

The Audit Committee of ECMLFG having considered, amongst others, the view of the principal adviser, the independent adviser and the legal counsel and all aspects of the Proposals, including the basis and justification for the consideration for the Proposals, the rationale for the Proposals, and the salient terms of the agreements, is of the opinion that the Proposals are:

(i) in the best interest of ECMLFG;

(ii) fair, reasonable and on normal commercial terms; and;

(iii) not detrimental to the interest of the minority shareholders.

16. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable for the Proposed Acquisitions from TPRE pursuant to paragraph 10.02(g) of the Listing Requirements is approximately 55.9%.

The highest percentage ratio applicable for the Proposed Tune Hotels Acquisitions pursuant to paragraph 10.02(g) of the Listing Requirements is approximately 27.9%.

The highest percentage ratio applicable for the Proposed Disposals pursuant to paragraph 10.02(g) of the Listing Requirements is approximately 25.3%.

However, by applying the rule of aggregation pursuant to paragraph 10.12(2) of the Listing Requirements as the Proposals involve transactions entered into with the same party or with parties connected with one another, the highest percentage ratio thereof pursuant to paragraph 10.12(2) of the Listing Requirements is approximately 105.4%.

17. ADVISER

CIMB has been appointed as the Principal Adviser to ECMLFG for the Proposals.

The Proposals are deemed to be related party transactions under Paragraph 10.08 of the Listing Requirements. Accordingly, Mercury Securities Sdn Bhd has been appointed as the independent adviser to advise the non-interested directors and non-interested shareholders of ECMLFG on the Proposals in accordance with the Listing Requirements.

18. TRANSACTIONS WITH RELATED PARTY FOR THE PRECEDING TWELVE (12) MONTHS

Save for the Proposals and the recurrent related party transactions which have been previously announced or which are not required to be disclosed pursuant to paragraph 10.09(1)(a) of the Listing Requirements, there were no transactions entered into between ECMLFG and the Interested Parties and/or persons connected with them for the preceding 12 months up to 4 May 2017.

19. SUBMISSION TO THE AUTHORITIES AND ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the application to the relevant authorities will be submitted within 2 months from the date of this Announcement.

Barring any unforeseen circumstances and subject to all approvals being obtained, the Proposals are expected to be completed in the 4th quarter of 2017.

20. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of ECMLFG at 2nd Floor, West Wing, Bangunan ECM Libra, 8 Jalan Damansara Endah, Damansara Heights, 50490 Kuala Lumpur, during normal business hours from Mondays to Fridays (except public holidays) for a period of 3 months from the date of this Announcement:

(i) TPRE SPA;

(ii) Tune Hotel Penang SPA;

(iii) Tune Hotel KK SPA;

(iv) Tune Hotel KLIA Aeropolis SPA;

(v) Collaboration Agreement;

(vi) Semi-D Disposal SPA;

(vii) Bangunan ECM Libra Disposal SPA; and

(viii) The indicative valuation letters by Knight Frank Valuations, Henry Butcher, Henry Butcher Penang and Henry Butcher Sabah referred to in Sections 3.1.2, 3.2.2, 7.1.2 and 7.2.2.

This Announcement is dated 4 May 2017.

SALIENT TERMS OF THE AGREEMENTS

TPRE SPA

(1) Interdependence

The TPRE SPA is interdependent with the Semi-D Disposal SPA and Bangunan ECM Libra Disposal SPA and if for any reason any of the Semi-D Disposal SPA or Bangunan ECM Libra Disposal SPA are not executed or if executed are rescinded or terminated prior to the completion of the TPRE SPA, the TPRE SPA will ipso facto by reason of such non-execution, rescission or termination be rescinded or terminated.

(2) Termination

On the occurrence of any of the following events:

(i) any one of the Parties ("**Defaulting Party**") breaches any of the material or fundamental term or condition of the TPRE SPA (including a breach of warranties) or if the Defaulting Party fails to perform or observe any material or fundamental undertaking, obligation or agreement expressed or implied in the TPRE SPA;

(ii) a receiver, receiver and manager, special administrator, trustee or similar official is appointed over any of the assets or undertaking of the Defaulting Party;

(iii) the Defaulting Party commits any act of bankruptcy or is declared a bankrupt or is or becomes unable to pay its debts when they are due or becomes unable to pay its debts; or

(iv) the Defaulting Party enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or any class of them,

then the other Party ("**Non-Defaulting Party**") may give notice in writing to the Defaulting Party specifying the default or breach and requiring the Defaulting Party to remedy the said default or breach within fourteen (14) days of the receipt of such notice.

If the Defaulting Party fails to remedy the relevant default or breach within the said 14 days, the Non-Defaulting Party shall be entitled to give notice to the Defaulting Party to terminate the TPRE SPA and/or take action to claim any right or remedy available to the Non-Defaulting Party at law or in equity (which includes the right to claim damages).

(3) SHAs

As part of the completion deliverables under the TPRE SPA, TPRE shall deliver the SHAs which contain the following salient terms:

(i) Restriction in dealings with shares

Any dealings with shares shall be made in accordance with the prior written consent of all of the other shareholders and in accordance with the provisions of Clauses 5.2 and 6 of the SHAs.

(ii) Right to transfer shares to related company

Either of the shareholder shall have the rights at its absolute discretion to transfer all or part of the shares held by it to its related company.

(iii) Pre-emption rights

Where a shareholder intends to sell, transfer, assign or otherwise dispose its shares shall give a notice in writing of its intention to offer all its shares in the company to the other shareholder at fair value as defined in the SHA.

(iv) The board of directors and corporate governance

(a) The board shall consist of four (4) directors of whom:

(i) two (2) directors shall be nominated and appointed by ECMLFG; and

(ii) two (2) directors shall be nominated and appointed by TPRE.

(b) The chairman of the board shall be a director appointed by ECMLFG. The chairman shall not have a second or casting vote.

(v) Management

(a) The company may appoint a management team comprising such technical and/or specialised personnel ("**Management Team**") as may be appointed by the board on majority vote.

(b) The subsequent Management Team shall be determined by the chief executive officer in consultation with the board.

(vi) Shareholders' meeting

The chairman of the meeting shall be appointed by ECMLFG. The chairman shall not have a second or casting vote.

(vii) Funding

The capital expenditure and working capital requirements of the company shall as far as practicable be funded from the funds of the company.

(viii) Matters requiring consent

The matters set out in below are matters in relation to the company requiring the unanimous approval from all shareholders, inter alia:

(a) the increase or change in the paid-up share capital of the company;

(b) application for a listing or quotation of the company on any stock exchange;

(c) change, alter, amend or modify the memorandum or articles, constituent documents or by-laws of the company; and

(d) any resolution for the dissolution or winding up of the company.

(ix) Duration

The SHAs shall come into force on the date of signing by the shareholders and shall continue in force until the earlier of:

(a) the winding up of the company; or

(b) the termination of the SHAs by mutual consent of the shareholders.

TUNE HOTEL PENANG SPA

(1) Interdependence

The Tune Hotel Penang SPA is dependent with the TPRE SPA but not vice versa and if for any reason the TPRE SPA is not executed or if executed is rescinded or terminated or not capable of completion prior to the completion of the Tune Hotel Penang SPA, the Tune Hotel Penang SPA will ipso facto by reason of such non-execution, rescission, termination or non-completion, be rescinded or terminated.

(2) ECMLFG's Default

In the event that:

(i) ECMLFG shall default, fail, neglect or refuse to allot the Tune Hotel Penang Consideration Shares and/or pay the cash portion of the balance consideration in accordance with the provisions of the Tune Hotel Penang SPA;

(ii) any undertaking, covenant, representation or warranty of ECMLFG in the Tune Hotel Penang SPA shall be found at any time to have been untrue or incorrect; or

(iii) ECMLFG shall fail, neglect or refuse to comply with any of the material undertakings and covenants on ECMLFG's part to be performed,

then THSB shall be entitled to terminate the Tune Hotel Penang SPA.

On termination, THSB shall be entitled to forfeit the deposit paid by ECMLFG as agreed liquidated damages.

(3) THSB's Default

In the event that:

(i) THSB shall default, fail, neglect or refuse to complete the sale in accordance with the provisions of the Tune Hotel Penang SPA;

(ii) any undertaking, covenant, representation or warranty of THSB in the Tune Hotel Penang SPA shall be found at any time to have been untrue or incorrect; or

(iii) THSB shall fail, neglect or refuse to comply with any of the material undertakings and covenants on THSB's part to be performed, then ECMLFG shall be entitled to the remedy of specific performance or terminate the Tune Hotel Penang SPA.

On termination, THSB shall refund all monies paid by ECMLFG, including the deposit together with an amount equivalent to the deposit as agreed liquidated damages.

(4) Non-Registration of the Said Transfer

In the event that:

(i) the transfer of the Tune Hotel Penang cannot be registered in favour of ECMLFG (save for due to the default of ECMLFG or THSB, as the case maybe) and such transfer cannot be rectified by either party, either ECMLFG or THSB shall be entitled to terminate the Tune Hotel Penang SPA. On termination, THSB shall refund all monies paid by ECMLFG, including the deposit; or

(ii) the transfer of the Tune Hotel Penang is rejected for registration for reason which are rectifiable (include circumstances which requires rectification from THSB), THSB shall upon notification from ECMLFG or the ECMLFG's solicitors, take steps to rectify the situation so that the registration of the transfer can be completed.

(5) Covenants and Obligations of THSB

The covenants and obligations of THSB are, inter alia, THSB shall procure the existing tenants at Tune Hotel Penang to sign novation agreements to novate the existing tenancy agreements in favour of ECMLFG.

(6) Covenants and Obligations of ECMLFG

ECMLFG shall accept the novation of the existing tenancy agreements in respect of the existing tenancies of the Tune Hotel Penang.

(7) Covenants and Obligations of both THSB and ECMLFG

THSB and ECMLFG shall, prior to the completion of the Tune Hotel Penang SPA, enter into a transition agreement for the transition of the Tune Hotel Penang's business as a going concern from THSB to ECMLFG in accordance with customary standard hotel sale terms.

<u>TUNE HOTEL KK SPA</u>

(1) Interdependence

The Tune Hotel KK SPA is dependent with the TPRE SPA but not vice versa and if for any reason the TPRE SPA is not executed or if executed is rescinded or terminated or not capable of completion prior to the completion of the Tune Hotel KK SPA, the Tune Hotel KK SPA will ipso facto by reason of such non-execution, rescission, termination or non-completion, be rescinded or terminated.

(2) ECMLFG's Default

In the event that:

(i) ECMLFG shall default, fail, neglect or refuse to pay the balance consideration in accordance with the provisions of the Tune Hotel KK SPA;

(ii) any undertaking, covenant, representation or warranty of ECMLFG in the Tune Hotel KK SPA shall be found at any time to have been untrue or incorrect; or

(iii) ECMLFG shall fail, neglect or refuse to comply with any of the material undertakings and covenants on ECMLFG's part to be performed,

then THSB shall be entitled to terminate the Tune Hotel KK SPA.

On termination, THSB shall be entitled to forfeit the deposit paid by ECMLFG as agreed liquidated damages.

(3) THSB's Default

In the event that:

(i) THSB shall default, fail, neglect or refuse to complete the sale in accordance with the provisions of the Tune Hotel KK SPA;

(ii) any undertaking, covenant, representation or warranty of THSB in the Tune Hotel KK SPA shall be found at any time to have been untrue or incorrect; or

(iii) THSB shall fail, neglect or refuse to comply with any of the material undertakings and covenants on THSB's part to be performed,

then ECMLFG shall be entitled to the remedy of specific performance or terminate Tune Hotel KK SPA.

On termination, THSB shall refund all monies paid by ECMLFG, including the deposit together with an amount equivalent to the deposit as agreed liquidated damages.

(4) Covenants and Obligations of THSB

The covenants and obligations of THSB are, inter alia, as follows:

(i) THSB shall procure the existing tenants at Tune Hotel KK to sign novation agreements to novate the existing tenancy agreements in favour of ECMLFG; and

(ii) THSB shall procure the confirmation, consent and undertaking from the Liquidator.

(5) Covenants and Obligations of ECMLFG

ECMLFG shall accept the novation of the existing tenancy agreements in respect of the existing tenancies of Tune Hotel KK.

(6) Covenants and Obligations of both THSB and ECMLFG

THSB and ECMLFG shall, prior to the completion of the Tune Hotel KK SPA, enter into a transition agreement for the transition of the Tune Hotel KK's business as a going concern from THSB to ECMLFG in accordance with customary standard hotel sale terms.

TUNE HOTEL KLIA AEROPOLIS SPA

(1) Interdependence

The Tune Hotel KLIA Aeropolis SPA is interdependent with the TPRE SPA but not vice versa and if for any reason the TPRE SPA is not executed or if executed is rescinded or terminated or not capable of completion prior to the completion of the Tune Hotel KLIA Aeropolis SPA, the Tune Hotel KLIA Aeropolis SPA will ipso facto by reason of such non-execution, rescission, termination or non-completion, be rescinded or terminated.

(2) ECMLFG's Default

In the event that:

(i) ECMLFG shall default, fail, neglect or refuse to pay the balance consideration in accordance with the provisions of the Tune Hotel KLIA Aeropolis SPA;

(ii) any undertaking, covenant, representation or warranty of ECMLFG in the Tune Hotel KLIA Aeropolis SPA, shall be found at any time to have been untrue or incorrect; or

(iii) ECMLFG shall fail, neglect or refuse to comply with any of the material undertakings and covenants on ECMLFG's part to be performed,

then THSB shall be entitled to terminate the Tune Hotel KLIA Aeropolis SPA.

On termination, THSB shall be entitled to forfeit the deposit paid by ECMLFG as agreed liquidated damages.

(3) THSB's Default

In the event that:

(i) THSB shall default, fail, neglect or refuse to complete the sale herein in accordance with the provisions of the Tune Hotel KLIA Aeropolis SPA;

(ii) any undertaking, covenant, representation or warranty of THSB in the Tune Hotel KLIA Aeropolis SPA, shall be found at any time to have been untrue or incorrect; or

(iii) THSB shall fail, neglect or refuse to comply with any of the material undertakings and covenants on THSB's part to be performed;

then ECMLFG shall be entitled to the remedy of specific performance or terminate the Tune Hotel KLIA Aeropolis SPA.

On termination, THSB shall refund all monies paid by ECMLFG, including the deposit together with an amount equivalent to the deposit as agreed liquidated damages.

(4) Covenants and Obligations of THSB

The covenants and obligations of THSB are, inter alia, as follows:

(i) THSB shall procure the existing tenant at Tune Hotel KLIA Aeropolis to sign a novation agreement to novate the existing licence agreement in favour of ECMLFG;

(ii) THSB shall procure the consent and the relevant reassignment documents from the KLIA Aeropolis Existing Assignee; and

(iii) THSB shall procure the consent and duly executed novation agreement from MAP.

(5) Covenants and Obligations of ECMLFG

ECMLFG shall accept the novation of the existing licence agreement in respect of the existing tenancy of the Tune Hotel KLIA Aeropolis.

(6) Covenants and Obligations of both THSB and ECMLFG

THSB and ECMLFG shall, prior to the completion of the Tune Hotel KLIA Aeropolis SPA, enter into a transition agreement for the transition of the Tune Hotel KLIA Aeropolis' business as a going concern from THSB to ECMLFG in accordance with customary standard hotel sale terms.

SEMI-D SPA

(1) Interdependence

The Semi-D Disposal SPA is interdependent with the Bangunan ECM Libra Disposal SPA and if for any reason the Bangunan ECM Libra Disposal SPA is not executed or if executed is rescinded, terminated or not capable of completion prior to the completion of the Semi-D Disposal SPA, the Semi-D Disposal SPA will ipso facto by reason of such non-execution, rescission, termination or non-completion, be rescinded or terminated.

(2) Noblemen's Default

In the event that:

(i) Noblemen shall default, fail, neglect or refuse to pay the balance consideration in accordance with the provisions of the Semi-D Disposal SPA;

(ii) any undertaking, covenant, representation or warranty of Noblemen in the Semi-D Disposal SPA shall be found at any time to have been untrue or incorrect; or

(iii) Noblemen shall fail, neglect or refuse to comply with any of the material undertakings and covenants on Noblemen's part to be performed,

then ECMLFG shall be entitled to terminate the Semi-D Disposal SPA.

On termination, ECMLFG shall be entitled to forfeit the deposit paid by Noblemen as agreed liquidated damages.

(3) ECMLFG's Default

In the event that:

(i) ECMLFG shall default, fail, neglect or refuse to complete the sale in accordance with the provisions of the Semi-D Disposal SPA;

(ii) any undertaking, covenant, representation or warranty of ECMLFG in the Semi-D Disposal SPA shall be found at any time to have been untrue or incorrect; or

(iii) ECMLFG shall fail, neglect or refuse to comply with any of the material undertakings and covenants on ECMLFG's part to be performed,

then Noblemen shall be entitled to the remedy of specific performance or terminate the Semi-D Disposal SPA.

On termination, ECMLFG shall refund all monies paid by Noblemen, including the deposit together with an amount equivalent to the deposit as agreed liquidated damages.

(4) Non-registration

In the event that:

(i) the transfer of the Semi-D Property cannot be registered in favour of Noblemen (save for due to the default of ECMLFG or Noblemen, as the case maybe) and such transfer cannot be rectified by either party, ECMLFG and Noblemen shall consult and discuss with each other in good faith to enter into an agreement for ECMLFG to hold the Semi-D Property on trust for Noblemen; or

(ii) the transfer of the Semi-D Property is rejected for registration for reason which are rectifiable (include circumstances which requires rectification from ECMLFG), ECMLFG shall upon notification from Noblemen or the ECMLFG's solicitors, take steps to rectify the situation so that the registration of the transfer can be completed.

BANGUNAN ECM LIBRA SPA

(1) Interdependence

The Bangunan ECM Libra Disposal SPA is interdependent with the Semi-D Disposal SPA and if for any reason the Semi-D Disposal SPA is not executed or if executed is rescinded or terminated or not capable of completion prior to the completion of the Bangunan ECM Libra Disposal SPA, the Bangunan ECM Libra Disposal SPA will ipso facto by reason of such non-execution, rescission, termination or non-completion, be rescinded or terminated.

(2) Noblemen's Default

In the event that:

(i) Noblemen shall default, fail, neglect or refuse to pay the balance consideration in accordance with the provisions of the Bangunan ECM Libra Disposal SPA;

(ii) any undertaking, covenant, representation or warranty of Noblemen in the Bangunan ECM Libra Disposal SPA shall be found at any time to have been untrue or incorrect; or

(iii) Noblemen shall fail, neglect or refuse to comply with any of the material undertakings and covenants on Noblemen's part to be performed, then ECMLFG shall be entitled to terminate the Bangunan ECM Libra Disposal SPA.

On termination, ECMLFG shall be entitled to forfeit the deposit paid by Noblemen as agreed liquidated damages.

(3) ECMLFG's Default

In the event that:

(i) ECMLFG shall default, fail, neglect or refuse to complete the sale in accordance with the provisions of the Bangunan ECM Libra Disposal SPA;

(ii) any undertaking, covenant, representation or warranty of ECMLFG in the Bangunan ECM Libra Disposal SPA shall be found at any time to have been untrue or incorrect; or

(iii) ECMLFG shall fail, neglect or refuse to comply with any of the material undertakings and covenants on ECMLFG's part to be performed,

then Noblemen shall be entitled to the remedy of specific performance or terminate the Bangunan ECM Libra Disposal SPA.

On termination, ECMLFG shall refund all monies paid by Noblemen, including the deposit together with an amount equivalent to the deposit as agreed liquidated damages.

(4) Non-registration

In the event that:

(i) the transfer of the Bangunan ECM Libra cannot be registered in favour of the ECMLFG (save for due to the default of ECMLFG and Noblemen, as the case maybe) and such transfer cannot be rectified by either party, ECMLFG and Noblemen shall consult and discuss with each other in good faith to enter into an agreement for ECMLFG to hold the Bangunan ECM Libra on trust for Noblemen; or

(ii) the transfer of the Bangunan ECM Libra is rejected for registration for reason which are rectifiable (include circumstances which requires rectification from ECMLFG), ECMLFG shall upon notification from Noblemen or the ECMLFG's solicitors, take steps to rectify the situation so that registration of the transfer can be completed.

(5) Covenants and Obligations of ECMLFG

The covenants and obligations of ECMLFG are, inter alia, as follows:

(i) ECMLFG shall procure the existing tenants at the Bangunan ECM Libra to sign novation agreement to novate the existing tenancies agreement in favour of Noblemen provided that ECMLFG has no obligation to procure new tenants to substitute tenancies which have expired before the completion date of the Bangunan ECM Libra Disposal SPA; and

(ii) ECMLFG shall deposit the original tenancy agreements that are to be novated with ECMLFG's solicitors.

(6) Covenants and Obligations of Noblemen

(i) Noblemen shall enter into a tenancy agreement with ECMLFG for ECMLFG to continue to occupy the area within the Bangunan ECM Libra which currently occupied by ECMLFG;

(ii) Noblemen shall accept the renewal of the relevant tenancy agreements that may have expired after the date of the Bangunan ECM Libra Disposal SPA and renewed prior to completion date of the Bangunan ECM Libra Disposal SPA in order to maintain the existing business as a going concern; and

(iii) Noblemen shall release ECMLFG from its obligation in procuring the subdivision of the entire Bangunan ECM Libra (including the West Wing and Car Park) in accordance to Strata Titles Act 1985 and issuance of separate titles for units in the Bangunan ECM Libra pursuant to Clause 10A of the sale and purchase agreement dated 5 September 2007, being the agreement in relation to the sales of the West Wing and Car Park to ECM Libra Foundation.

APPENDIX II

SALIENT TERMS OF THE OTHER AGREEMENTS

KLIA2 CONCESSION AGREEMENT

(1) Grant of Concession

MAP grants to TPSB the right and authority to, inter alia, the following:

(i) to design, construct, build, operate, maintain and manage Tune Hotel KLIA2 in accordance with the prescribed standards; and

(ii) to provide hotel services in accordance with the prescribed standards.

(2) Tenure

The tenure of the concession for Tune Hotel KLIA2 is for a period commencing from 1 March 2012 to 31 January 2034.

(3) Ongoing Payment Obligations of the Respective Parties

TPSB shall pay to MAP, inter alia, the following:

(i) the licence fee being charges imposed by MAP for the use of the land comprised in the concession area in respect of Tune Hotel KLIA2, which shall be payable annually in advance and such licence fee shall be increased by 10% every 3 years;

(ii) the service fee being charges imposed by MAP for the maintenance of the airport, which shall be payable monthly in advance and such service fee shall be increased by 3% every 5 years; and

(iii) the royalty fee being a revenue share percentage, which shall be calculated based on 5% TPSB's gross revenue monthly and payable by the end of every calendar month.

(4) Termination

4.1 MAP has an exclusive discretion at any time, to terminate the KLIA2 Concession Agreement for reasons due to operational requirements, due to governmental directive, safety or security related issues by giving to TPSB 90 days' prior written notice and the KLIA2 Concession Agreement is deemed to be terminated upon the expiry of the 90 days' notice period.

4.2 If TPSB fails to comply with the terms and conditions of the KLIA2 Concession Agreement and is in breach of its material obligations under the KLIA2 Concession Agreement, then MAP may give notice to TPSB specifying the relevant default and requiring TPSB to remedy within 14 days from the date of notice.

4.3 Upon termination or expiry of the concession period, Tune Hotel KLIA2 and all rights and entitlements of TPSB shall revert to, vest in or remain vested in MAP and TPSB shall hand over Tune Hotel KLIA2 and the concession area.

4.4 TPSB may at any time, terminate the KLIA2 Concession Agreement by 2 months' prior written notice to MAP.

4.5 On termination, TPSB shall pay to MAP a sum equivalent to 6 months licence fee as agreed liquidated damages. However, if TPSB terminates the KLIA2 Concession Agreement without giving such notice, TPSB shall pay to MAP a sum equivalent to 8 months licence fee as agreed liquidated damages.

KLIA AEROPOLIS CONCESSION AGREEMENTS

(1) Grant of Concession

MAP grants to THSB the right and authority to, inter alia, the following:

(i) to design, construct and/or build and transfer Tune Hotel KLIA Aeropolis;

(ii) to operate, maintain and manage Tune Hotel KLIA Aeropolis; and

(iii) to provide hotel services in accordance with the prescribed standards.

(2) Tenure

The tenure of the concession for Tune Hotel KLIA Aeropolis is for a period commencing from 1 September 2007 to 11 February 2034.

(3) Payment Obligations of THSB

THSB shall pay to MAP, inter alia, the following:

(i) the licence fee being charges imposed by MAP for the use of the land comprised in the concession area in respect of Tune Hotel KLIA Aeropolis, which shall be payable annually in advance and such licence fee shall be increased by 10% every 3 years;

(ii) the service fee being charges imposed by MAP for the maintenance of the airport site, which shall be payable quarterly in advance and such service fee shall be increased by 3% every 5 years; and

(iii) revenue sharing being charges imposed by MAP in consideration of the licence granted by MAP to THSB to operate Tune Hotel KLIA Aeropolis during the concession period.

(4) Termination and Effects of Termination

4.1 MAP has an exclusive discretion at any time, to terminate the KLIA Aeropolis Concession Agreements without giving any reason whatsoever by it giving to THSB 90 days' prior written notice and the KLIA Aeropolis Concession Agreements are deemed to be terminated upon the expiry of the 90 days' notice period.

4.2 If THSB fails to comply with the terms and conditions of the KLIA Aeropolis Concession Agreements or is in breach of its material obligations under the KLIA Aeropolis Concession Agreements, then MAP may give notice to THSB specifying the relevant default and requiring THSB to remedy within 30 days from the date of notice or such longer period as MAP may specify.

4.3 Upon termination or expiry of the concession period, Tune Hotel KLIA Aeropolis and all rights and entitlements of THSB shall revert to, vest in or remain vested in MAP and THSB shall hand over Tune Hotel KLIA Aeropolis and the concession area together with the list of agreed items in the inventory.

4.4 THSB may at any time, terminate the KLIA Aeropolis Concession Agreements by giving 90 days' prior written notice to MAP and the KLIA Aeropolis Concession Agreements is deemed to be terminated upon the expiry of the 90 days' notice period.

4.5 If THSB terminates the KLIA Aeropolis Concession Agreements without giving such notice, THSB shall pay to MAP a sum equivalent to 1 month current licence fee and 3 months current service fee as agreed liquidated damages.

COLLABORATION AGREEMENT

(1) Terms

The Collaboration Agreement shall take effect on the completion of the TPRE SPA and be effective for a term of fifteen (15) years.

(2) Interdependence

The Collaboration Agreement is interdependent with the TPRE SPA and if for any reason TPRE SPA is not executed or if executed is rescinded or terminated prior to the completion of Collaboration Agreement, the Collaboration Agreement will ipso facto by reason of such non-execution, rescission or termination be rescinded or terminated.

(3) Obligation of TH (Brandco)

The obligations of TH (Brandco) are as follows:

(i) if required, to grant a power of attorney in favour of ECMLFG to provide TH (Brandco) with the necessary support in developing the new business; and

(ii) provide training and briefings to ECMLFG and the relevant personnel and staff seconded by ECMLFG in respect of Tune Hotel franchise including the franchise system.

(4) Obligation of ECMLFG

The obligations of ECMLFG are as follows:

(i) review, and if required, prepare and recommend fund raising exercises to be undertaken by the TH (Brandco);

(ii) provide its management expertise and the relevant personnel and staff to the TH (Brandco) to support the TH (Brandco);

(iii) review and recommend changes to the franchise system to further develop, improve, enhance and promote the Tune Hotels franchise;

(iv) identify and conduct the necessary due diligence on potential franchisees for the purpose of the new business;

(v) develop loyalty, reward and/or other similar programmes, initiatives and/or campaigns to promote and enhance the Tune Hotels brand and/or the Tune Hotels franchise; and

(vi) identify and assess the suitability of potential sites or markets for the new business.

(5) Termination

In the event that any party:

(i) commits any breach of its material obligations under the Collaboration Agreement fails to remedy such breach;

(ii) becomes insolvent or unable to pay its debts within the meaning of the Companies Act or any other legislation regarding bankruptcy or insolvency of the jurisdiction in which it is a resident and/or carries on business (provided that such action would adversely affect the ability of the defaulting party to perform its obligations under the Collaboration Agreement) and has not taken steps to contest in good faith;

(iii) goes into liquidation or is wound up either compulsorily or voluntarily (except in the case of a voluntary liquidation for the purpose of reconstruction or amalgamation);

(iv) if a receiver, receiver and manager, trustee or similar official is appointed over any of the assets or undertaking of the defaulting party (which appointment would adversely affect the ability of the defaulting party to perform its obligations under the Collaboration Agreement);

(v) if the defaulting party enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or any class of them; or

(vi) if the defaulting party ceases, or threatens to cease, to carry on the whole or a substantial part of its business,

then and in any such event, the non-defaulting party shall be entitled to terminate the Collaboration Agreement by written notice to the defaulting party.

APPENDIX III

INFORMATION OF THE PROPERTIES

FLINDERS LANE PROPERTY

Title no.	Certificate of Title Volume 11654 Folio 032, being more particularly described as Lots 1 and 2 on Title Plan 161650U (Parent Title 09148 Folio 436)
Mukim, District, State	540 Flinders Street 7, 539-545 Flinders Lane, Melbourne, Victoria, 3000
Land area	1,741 sq. metres (18,740 sq. feet)
Lettable space (sq ft)	22,570
Lettable space available for letting and the occupancy (sq ft)	21,710
Occupancy rate	Unoccupied
Category of land use	Office
Existing and proposed usage	Currently vacant. Its proposed usage in the future is for redevelopment as a hotel
Terms of tenure	Freehold interests "As Is" with Vacant Possession
Registered owner	TP International as trustee for TP (Flinders)
Restriction in interest	Nil
Express conditions	Nil
Encumbrances	Caveat registered under instrument AM842248M dated 8th June, 2016 in favour of TP International Pty Ltd claiming an interest in the freehold estate pursuant to agreement with the registered proprietors dated 3rd June, 2016
Net book value based on the latest audited financial statements as at 30 September 2016	AUD19,599,145/RM61,997,975[(1)]

Note:

1) Translated at the exchange rate as at 30 September 2016 of AUD1.00:RM3.1633

TUNE HOTEL PENANG

Title no.	Geran 63526/Lot 426 and Geran 11256/Lot 348
Mukim, District, State	Seksyen 15, Bandar George Town, Daerah Timor Laut, Negeri Pulau Pinang
Land area (sq ft)	22,103
Lettable space (sq ft)	Not applicable
Lettable space available for letting and the occupancy (sq ft)	Not applicable
Occupancy rate	Not applicable
Category of land use	Nil
Existing and proposed usage	Budget Hotel (with 1-star certification by the Ministry of Tourism Malaysia)
Terms of tenure	Freehold
Registered owner	THSB

Restriction in interest	Nil
Express conditions	The land comprised in this title: (i) shall not be affected by any provision of the National Land Code limiting the compensation payable on the exercise by the State Authority of a right of access or use conferred by Chapter 3 of Part Three of the Code or on the creation of a Land Administrator's right of way; and (ii) subject to the implied condition that land is liable to be re-entered if it is abandoned for more than three years, shall revert to the State only if the proprietor for the time being dies without heirs; and the title shall confer the absolute right to all forest produced and to all oil, mineral and other natural deposits on or below the surface of the land (including the right to work or extract any such produce or deposit and remove it beyond the boundaries of the land).
Encumbrances	Charged to Public Bank Berhad via Presentation No. 0799SC2014048459, registered on 30 December 2014
Approximate age of building	8
Net book value as at 30 September 2016 (RM)	27,266,359[(1)]
Revenue FYE 30 September 2016 (RM)	3,687,733[(1)]
Gross profit FYE 30 September 2016 (RM)	2,888,995[(1)]
Net loss FYE 30 September 2016 (RM)	(1,284,105)[(1)]

Note:

1. Financial information derived from the audited financial statements of THSB for FYE 30 September 2016.

TUNE HOTEL KK

Summary of Master Title Details	
Master Title no.	Country Lease 015607057
Mukim, District, State	Locality of Kuala Menggatal, District of Kota Kinabalu, Sabah
Terms of tenure	99-year leasehold term expiring on 31 December 2103
Registered owner / Developer	Pertubuhan Islam Seluruh Sabah ("**USIA**")/ Sagajuta (Sabah) Sdn Bhd
Lettable space (sq ft)	Not applicable
Lettable space available for letting and the occupancy (sq ft)	Not applicable
Occupancy rate	Not applicable
Category of land use	Residential and commercial
Restriction in interest	Not applicable
Address	Unit No. G-803 & F-803 & S-803 & T-803, Ground Floor to Third Floor, 1 Borneo, Off Jalan UMS, 88450 Kota Kinabalu, Sabah
Existing usage	165-room budget hotel (with 1-star certification by the Ministry of Tourism Malaysia)

Beneficial owner	THSB By virtue of four (4) respective principal sale and purchase agreement dated 22 May 2007 between Sagajuta (Sabah) Sdn. Bhd., Pertubuhan Islam Seluruh Sabah and THSB
Express conditions	Special Terms: The said land is demised herein expressly and only for the purpose of erecting thereon for use of such commercial and residential buildings. Subdivision of this title is prohibited without the written permission from the Director of Lands and Surveys who shall impose additional premium and enhanced rent and any other conditions thereof while granting such permission. Transfer, sublease or charge of this title is prohibited without the written permission from the Director of Lands and Surveys Department who will charge additional premium and enhanced rent while granting such permission. The Owner Covenants: To complete before month 01 of year 2011 (month January of year two thousand and eleven) the construction on the said land of a building in accordance with the terms and conditions contained herein and with the plans and specifications submitted to and approved by the authority under the Local Government Ordinance, (and Town and Country Planning Ordinance) having jurisdiction over the said land. At all times to maintain and keep in tenantable conditions and good repair of the building/s erected or to be erected on the said land to the satisfaction of the Local Authority under the Local Government Ordinance (and Town and Country Planning Ordinance) having jurisdiction over the said land and that in the event of the total or partial destruction of any of the said buildings, to repair, reinstate and rebuild in accordance with the last plans and specifications submitted to and approved by the Local Authority
Encumbrances	The interests under the agreement have been assigned by THSB to Public Bank Berhad, Section 14 Branch, No. 12, 14 & 16, Jalan 14/14, Section 14, 46100 Petaling Jaya, Selangor Darul Ehsan vide the respective Deed of Assignment and Power Attorney dated 9 February 2015 for loan facilities rendered
Total Floor Area	3,946.99 sq m
Approximate age of building	9
Net book value as at 30 September 2016 (RM)	10,945,605[(1)]
Revenue FYE 30 September 2016 (RM)	2,163,409[(1)]
Gross profit FYE 30 September 2016 (RM)	1,723,659[(1)]
Net loss FYE 30 September 2016 (RM)	(466,808)[(1)]

Note:

1. Financial information derived from the audited financial statements of THSB for FYE 30 September 2016.

SEMI-D

Title no.	Geran No. 78441, Lot 13115
Mukim, District, State	Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur
Land area	577.002 sq. metres (6,211 sq. feet)
Lettable space	Not applicable
Lettable space available for letting and the occupancy	Not applicable
Occupancy rate	Unoccupied
Category of land use	Bangunan
Existing and proposed usage	Vacant
Terms of tenure	Freehold
Registered owner	ECMLFG
Restriction in interest	Nil
Express conditions	Nil
Encumbrances	Nil
Approximate age of building	31 years
Net book value based on the latest audited financial statements of ECMLFG as at 31 December 2016 (RM)	4,010,646

BANGUNAN ECM LIBRA

Title no.	Geran No. 26884, Lot 8931
Mukim, District, State	Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur
Land area	4,218.31 sq. metres (45,405 sq ft)
Lettable space	39,858 sq ft
Lettable space available for letting and the occupancy (sq ft)	36,094 sq ft (excluding space occupied by ECMLFG) as at LPD
Occupancy rate	91% (excluding space occupied by ECMLFG) as at LPD
Category of land use	Bangunan
Existing and proposed usage	Existing – Office and commercial space (Ground floor) and Office (other levels) Proposed – as per existing
Terms of tenure	Freehold
Registered owner	ECMLFG
Restriction in interest	Nil
Express conditions	"Tanah ini hendaklah digunakan hanya untuk tapak perdagangan bagi tujuan pejabat sahaja"
Encumbrances	Save and except for the various tenancies, the land and building is free from encumbrances
Approximate age of building	21 years
Net book value based on the latest audited financial statements of ECMLFG as at 31 December 2016 (RM)	20,663,274

KEY FINANCIAL DATA

<u>TPSB</u>

	Audited for FYE 30 September		
	2014	**2015**	**2016**
	RM	***RM***	***RM***
Revenue	7,655,378	23,041,897	26,893,059
Profit/(loss) before tax	413,322	3,842,186	7,454,685
Profit/(loss) after tax and minority interest	711,651	2,359,083	5,387,088
Shareholders' funds / NA	10,580,778	12,939,861	18,326,949
No. of shares	10,000,000	10,000,000	10,000,000
NA per share	1.06	1.29	1.83
Total borrowings	46,372,309	48,307,951	42,532,381
Gearing (times)	4.38	3.73	3.73

Commentary:

FYE 30 September 2014

TPSB commenced its operation in May 2014 and recorded revenue of RM7.7 million and PAT of RM0.7 million during its first year of operation.

FYE 30 September 2015

TPSB's revenue and PAT increased by 201.0% and 231.5% respectively from 2014 to 2015 mainly due to recognising the full year contribution from hotel operations.

FYE 30 September 2016

TPSB's revenue and PAT increased by 16.7% and 128.4% respectively from 2015 to 2016 mainly due to increase in occupancy and average room rates.

TP Flinders

	Audited for FYE 30 September 2016		
	AUD		*RM*
Revenue	-		-
Profit/(loss) before tax	2,028		6,218[(1)]
Profit/(loss) after tax and minority interest	2,028		6,218[(1)]
Shareholders' funds / NA	2,029		6,418[(2)]
No. of units		1	
NA per share	2,029		6,418
Total borrowings	-		-
Gearing (times)	-		-

Notes:

(1) Translated at the average exchange rate of AUD1.00:RM3.0663 for the FYE 30 September 2016
(2) Translated at the exchange rate as at 30 September 2016 of AUD1.00:RM3.1633

Commentary:

FYE 30 September 2016

TP Flinders was incorporated on 2 June 2016. The net profit of AUD2,028 comprises mainly of rental income of AUD123,660, interest income of AUD7,480 and other income of AUD10,068, offset by property expenses of AUD42,272, other operating expenses of AUD32,055 and fixed overheads of AUD62,225.

TP International

	Audited for FYE 30 September 2016		
	AUD		*RM*
Revenue	-		-
Profit/(loss) before tax	(9,124)		(27,977)[(1)]
Profit/(loss) after tax and minority interest	(9,124)		(27,977)[(1)]
Shareholders' funds / NA	(9,123)		(28,859)[(2)]
No. of shares		100	
NA per share (AUD/RM)	(91)		(289)
Total borrowings	-		-
Gearing (times)	-		-

Notes:

(1) Translated at the average exchange rate of AUD1.00:RM3.0663 for the FYE 30 September 2016
(2) Translated at the exchange rate as at 30 September 2016 of AUD1.00:RM3.1633

Commentary:

FYE 30 September 2016

TP International was incorporated on 31 May 2016. The net loss mainly comprises employee benefit expenses of AUD2,628 and administrative and other expenses of AUD6,496

YKSB

	Audited for FYE 30 September 2016
	RM
Revenue	524,472
Profit/(loss) before tax	(90,732)
Profit/(loss) after tax and minority interest	(90,732)
Shareholders' funds / NA	(90,722)
No. of shares	10
NA per share	(9,072)
Total borrowings	-
Gearing (times)	-

Commentary:

FYE 30 September 2016

YKSB was incorporated on 4 February 2016 and commenced operations in April 2016 with income from restaurant operations of RM524,472 in 2016. However, with the cost of food and beverage of RM235,159, administrative expenses, employee benefit expenses and other expenses totaling RM379,145 mainly, YKSB incurred net losses of RM90,732 for the FYE 30 September 2016