

ECM LIBRA FINANCIAL GROUP BERHAD (“ECMLFG” OR “THE COMPANY”)

- **PROPOSED ACQUISITION OF:**

- (I) **50% EQUITY INTEREST IN TP SEPANG SDN BHD, TP INTERNATIONAL PTY LTD, YUMMY KITCHEN SDN BHD AND 40.005% EQUITY INTEREST IN TP HOTEL (FLINDERS) TRUST (TOGETHER WITH 40.005% OF THE RIGHTS AND BENEFITS TO THE TOTAL ADVANCES OWING BY TP HOTEL (FLINDERS) TRUST); AND**
- (II) **TUNE HOTEL PENANG, TUNE HOTEL KK AND THE RIGHTS TO OPERATE AND MAINTAIN TUNE HOTEL KLIA AEROPOLIS,**

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

- **PROPOSED SPECIAL DIVIDEND SUBJECT TO THE PROPOSED DISPOSALS BECOMING UNCONDITIONAL; AND**
 - **PROPOSED DISPOSAL OF THE COMPANY’S NON-CORE ASSETS, COMPRISING THE EAST WING AND CENTRE WING OF BANGUNAN ECM LIBRA AND A SEMI-DETACHED RESIDENTIAL PROPERTY, FOR AN AGGREGATED DISPOSAL CONSIDERATION OF RM28,000,000.**
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1. INTRODUCTION

Reference is made to the announcements made on 4 May 2017 (“**Initial Announcement**”), 21 June 2017, 3 July 2017, 8 August 2017 and 30 August 2017 in relation to the Proposals (collectively, the “**Announcements**”). Unless otherwise defined, the definitions set out in the Announcements shall apply herein.

On behalf of the Board, CIMB wishes to announce that on 26 October 2017, the parties to the:

- (i) TPRE SPA;
- (ii) Tune Hotel Penang SPA;
- (iii) Tune Hotel KK SPA;
- (iv) Tune Hotel KLIA Aeropolis SPA;
- (v) Bangunan ECM Libra Disposal SPA; and
- (vi) Semi-D Disposal SPA,

(collectively the “**Proposal SPAs**”)

entered into supplemental letters with respect to the Proposal SPAs (collectively, the “**Supplemental Letters**”) to, amongst others, extend the date to fulfil the conditions precedent of the Proposal SPAs by 6 months from 5 November 2017, or such longer period as the parties may mutually agree in writing (the “**Extension of Time**”).

In addition to the Extension of Time, the Supplemental Letters were also entered into:

- (a) (In respect of only the Tune Hotel Penang SPA and the Tune Hotel KK SPA) to provide for additional procedural provisions to facilitate the funding via borrowings to be obtained by ECMLFG for the cash portion to acquire the hotel properties (the “**THSB Revision**”); and

- (b) (In respect of only the Bangunan ECM Libra Disposal SPA and the Semi-D Disposal SPA) to amend the agreements' respective payment terms (the "**Payment Terms Revision**") in the interest to complete the Proposed Special Dividend in a more timely manner, further details of which are set out in Section 2.3 of this announcement. The TPRES SPA was also amended as a consequence to the Payment Terms Revision.

2. DETAILS AND RATIONALE FOR THE SUPPLEMENTAL LETTERS

2.1 The Extension of Time

At the time the Proposal SPAs were entered into, the Proposal SPAs were conditional upon their respective conditions precedent being fulfilled on or before 4 November 2017, being the date falling 6 months from the date of the Proposal SPAs.

The Extension of Time is to provide additional time to fulfil the conditions precedent of the Proposal SPAs. The details of the conditions precedent are set out in the Initial Announcement.

2.2 The THSB Revision

The THSB Revision is made in order to facilitate ECMLFG's purchase of the Tune Hotel Penang and the Tune Hotel KK via borrowings and outlines the additional procedural requirements to effect such completion with borrowings.

2.3 The Payment Terms Revision

The Payment Terms Revision was mutually agreed in the interest to complete the Proposed Special Dividend in a more timely manner. As a result:

- (a) the payment terms for the balance RM21,900,000 under the Bangunan ECM Libra Disposal SPA ("**Balance Disposal Consideration**") was amended to cater for early payment and set-off against the dividends receivable by the LKO Group¹ under the Proposed Special Dividend ("**LKO Group's Dividend Portion**"). The original terms of the Bangunan ECM Libra Disposal SPA required the Balance Disposal Consideration to be paid on its completion date concurrently with ECMLFG's solicitors being authorised to register the transfer of the Bangunan ECM Libra; and
- (b) the payment terms for the balance RM3,600,000 under the Semi-D Disposal SPA was amended to cater for early payment. The original terms of the Semi-D Disposal SPA required this balance of RM3,600,000 to be paid on its completion date concurrently with ECMLFG's solicitors being authorised to register the transfer of the Semi-D Property.

¹ Collectively, Garynma MY Capital Limited, Lim Kian Onn and Quek Siow Leng, who are the 26.3% direct shareholders of ECMLFG as at the date of this announcement and who have nominated Noblemen on 25 October 2017 to receive all or any of the dividends that they are entitled to receive under the Proposed Special Dividend.

The details of the Payment Terms Revision for the Bangunan ECM Libra Disposal SPA and the Semi-D Disposal SPA are as follows:

The Bangunan ECM Libra Disposal SPA	The Semi-D Disposal SPA
<ul style="list-style-type: none"> ▪ Upon becoming unconditional and after the issuance of the notice of stamp duty in respect of the disposal by the relevant stamp office, the Balance Disposal Consideration less the LKO Group's Dividend Portion (the "Cash Portion") shall be paid to ECMLFG's solicitors within 3 business days after the Proposed Special Dividend is declared and announced by ECMLFG. ▪ The disposal shall be completed on the payment date of the Proposed Special Dividend when: <ul style="list-style-type: none"> (i) ECMLFG's solicitors releases the Cash Portion to the Company; (ii) the LKO Group's Dividend Portion is applied against the Balance Disposal Consideration; and (iii) ECMLFG's solicitors are authorised to register the transfer of the East Wing and Centre Wing of Bangunan ECM Libra. 	<ul style="list-style-type: none"> ▪ Upon becoming unconditional and after the issuance of the notice of stamp duty in respect of the disposal by the relevant stamp office, the balance RM3,600,000 shall be paid to ECMLFG's solicitors within 3 business days after the Proposed Special Dividend is declared and announced by ECMLFG. ▪ The disposal shall be completed on the payment date of the Proposed Special Dividend when: <ul style="list-style-type: none"> (i) ECMLFG's solicitors releases the balance RM3,600,000 to the Company; and (ii) ECMLFG's solicitors are authorised to register the transfer of the Semi-D Property.

Under the original terms of the Proposals, the Proposed Special Dividend was to be only implemented after the completion of the Proposed Disposals. With the Payment Terms Revision, the Proposed Special Dividend is to be implemented after the Proposed Disposals becoming unconditional, resulting in an earlier completion of the Proposed Special Dividend compared to the original terms of the Proposals.

Noblemen as the purchaser has also agreed to deposit the balance of the consideration for the Proposed Disposals (less the LKO Group's Dividend Portion) prior to its completion date but after the declaration of the Proposed Special Dividend. Upon the application of the LKO Group's Dividend Portion against the Balance Disposal Consideration on the payment date for the Proposed Special Dividend, it shall also coincide with the completion date for the Proposed Disposals.

The Payment Terms Revision do not adversely impact the terms and conditions of the Proposed Disposals as the obligations are only effected after the Proposed Disposals become unconditional and requires Noblemen to provide for the remaining disposal consideration earlier than its completion date, which also result in the earlier completion of the Proposed Special Dividend.

In addition to the Extension of Time, the TPRE SPA was also amended as a consequence of the Payment Terms Revision to reflect that the Proposed Special Dividend shall only be undertaken after the Proposed Disposals become unconditional instead of from completion originally.

Save for the above revisions, all the other terms and conditions of the Proposal SPAs shall remain in full force and effect.

3. FINANCIAL EFFECTS DUE TO THE EXTENSION OF TIME, THE THSB REVISION AND THE PAYMENT TERMS REVISION

The Extension of Time, the THSB Revision and the Payment Terms Revision will have no effect on the Financial Effects of the Proposals presented in Section 11 of the Initial Announcement.

However, since the Initial Announcement, Lim Kian Onn, a substantial shareholder of ECMLFG, has acquired and currently hold an additional 1,775,100 Shares directly. Taking into account Lim Kian Onn's additional direct shareholding subsequent to the Initial Announcement, the proforma effects of the Proposed Acquisitions (including the Proposed Diversification) on the shareholdings of the substantial shareholders of the Company as at the date of this announcement is set out below:

	As at the date of this announcement				After Proposed Acquisitions from TPRE				After Proposed Tune Hotels Acquisitions			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	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⁾
Substantial shareholders												
Lim Kian Onn ⁽⁴⁾	1,775	0.6	130,387	45.5	23,555	5.3	130,387	29.2	28,058	5.8	130,387	27.2
Dato' Seri Kalimullah	39,357	13.7	-	-	61,047	13.7	-	-	65,532	13.7	-	-
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	-	-	-	-	91,276	20.4	-	-	110,150	23.0	-	-
Tan Sri Dr Anthony Francis Fernandes ⁽⁸⁾	-	-	-	-	-	-	91,276	20.4	-	-	110,150	23.0
Datuk Kamarudin bin Meranun ⁽⁸⁾	-	-	-	-	-	-	91,276	20.4	-	-	110,150	23.0

Notes:

- (1) *Based on the Company's existing share capital of 286,592,491 Shares.*
- (2) *Based on the proforma share capital of 446,798,046 Shares after Proposed Acquisitions from TPPE.*
- (3) *Based on the proforma share capital 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(1)(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 hold 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.*

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4. APPROVALS REQUIRED AND CONDITIONALITY OF THE PROPOSALS

The Supplemental Letters do not result in any change to the approvals required for the Proposals and the conditionality of the Proposals as set out in Section 12 of the Initial Announcement, except that the Proposed Special Dividend is conditional upon the Proposed Disposals becoming unconditional and that in the event the Proposed Disposals do not become unconditional, the Proposed Special Dividend will not be undertaken.

5. DIRECTORS' STATEMENT

The Board (save for the Interested Directors²), having considered all aspects of the Supplemental Letters (including but not limited to the rationale discussed in Section 2 above), is of the opinion that the terms in the Supplemental Letters 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.

6. AUDIT COMMITTEE'S STATEMENT

The Audit Committee of ECMLFG (save for the Interested Directors), having considered all aspects of the Supplemental Letters (including but not limited to the rationale discussed in Section 2 above), is of the opinion that the terms in the Supplemental Letters 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.

7. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Supplemental Letters dated 26 October 2017 will be made 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.

This announcement is dated 26 October 2017.

² At the time the Proposal SPAs were entered into, Chin Jon Wei was deemed interested in the Proposed Acquisitions, Proposed Provision of Financial Assistance, Proposed Collaboration and Proposed Disposals by virtue of him being the alternate director of Gareth Lim Tze Xiang. On 25 May 2017, Chin Jon Wei resigned as the alternate director and is no longer involved with the ECMLFG group. However, he continues to be deemed an Interested Director by virtue of paragraph 10.02(c) of the Listing Requirements.