

## **ECM LIBRA GROUP BERHAD (“ECMLG” OR THE “COMPANY”)**

### **ACQUISITION**

---

*(Unless otherwise stated, all abbreviations and definitions used in the announcement dated 24 November 2023 in relation to the Acquisition shall apply herein).*

The Board wishes to announce the following additional information as required by Bursa Malaysia Securities Berhad.

#### **Section 2.2**

- 1. To state the name of the directors of CSL and their respective shareholdings in CSL, if any.**

CSL was registered in England and Wales as a limited liability partnership under the Limited Liability Partnership Act 2000 of the UK. CSL does not have any directors.

The members with substantial interest in CSL (i.e. more than 5% interest) have been disclosed in Section 2.2 of the announcement dated 24 November 2023. The list of the designated members and members of CSL is available on the UK’s Companies House website: <https://find-and-update.company-information.service.gov.uk/company/OC391034>.

#### **Section 2.4.1**

- 2. To also provide further clarification on the arrangement made for the existing lease under the Additional Property by providing information on the novation or new agreement entered into with ECML Liverpool which shall include the date of the agreement and details on rental reversion throughout the tenancy period, if any.**

On the completion date of the Acquisition as at 23 November 2023, CSL had transferred the existing lease under the Additional Property to ECML Liverpool in accordance with the BPA dated 23 November 2023. No novation agreement was required as when a commercial property is sold during the contractual term of a lease in the UK, the new owner inherits the existing lease and become the new landlord. ECML Liverpool has thus become the new landlord pursuant to the aforesaid transfer. The rental reversion was on 8 August 2023 and no further rental reversion is stipulated for the remaining tenancy period.

### **Section 2.4.2**

#### **3. To clarify the basis in determining GBP100,000 as the retention sum and provide the details of the warranties by the sellers.**

The retention sum of GBP100,000 was arrived at after due consideration of the risk of the breach of any warranties by the Sellers, which had been assessed to be low.

The warranties that the Sellers warrant to the Purchasers are, amongst others:

- (a) The Sellers have all the requisite power and authority, and have taken all necessary corporate action, to enable them to enter into and perform the BPA;
- (b) the accounts of the Hotel give a true and fair view of the state of affairs of the Business and are not misleading in any material respect;
- (c) the Sellers are not in administration and no administration order has been made and no petition for such an order has been presented in respect of the Sellers and the Sellers are not aware of any circumstances that might give rise to any of the same;
- (d) CSL Opco has not received written notice of any breach of any laws, statutes, directives, statutory instruments, statutory duties, by-laws, regulations, rules, decrees or orders affecting the operation of the Business;
- (e) CSL Opco is not engaged in, nor subject to or threatened by any investigation, inquiry, or enforcement proceedings by any governmental, administrative or regulatory body;
- (f) the Business at all times has been operated in material compliance with health and safety laws;
- (g) so far as the Sellers are aware, the Properties, assets and the Business are and have at all material times been adequately insured; and
- (h) each of the Sellers' warranties are true and accurate at the date of the BPA.

## **Section 2.6**

4. **Given that the Purchase Consideration is financed via internally generated funds, please also state the cash position of the Company based on the latest audited financial statements and its financial effect after the Acquisition.**

For illustrative purposes, the proforma financial effect after the Acquisition based on the latest audited consolidated financial statements of the Group as of 31 December 2022 is set out below:

	<b>Audited as at 31 December 2022 (RM'000)</b>	<b>After the Acquisition<sup>(1)</sup> (RM'000)</b>
Cash and bank balances and deposits with licensed financial institutions	11,779	19,880 <sup>(2)</sup>

### **Notes:-**

- (1) *The proforma financial effect of the Acquisition has been presented on the assumption that the Acquisition has been completed as at 31 December 2022.*
- (2) *Including dividend income of RM36,000,000 received from the 30.0%-owned associate company, Positive Carry Sdn Bhd on 26 June 2023 and after deducting the Purchase Consideration of GBP4,500,000 (equivalent to approximately RM26,374,950) and estimated transaction costs of approximately GBP260,000 (equivalent to approximately RM1,523,886).*

## **Section 3.0**

5. **To quantify the number of the Group's existing hospitality assets and clarify if the Acquisition marks the Group's first foray into foreign-based assets.**

As at the LPD, the Group has 7 existing hospitality assets, which are Tune Hotel Penang, Tune Hotel Kota Kinabalu, Tune Hotel KLIA Aeropolis, Tune Hotel Danga Bay Johor, The Chow Kit - an Ormond Hotel, Momo's Kuala Lumpur and a piece of vacant land in Johor that is proposed to be developed into a beach resort, hotel or villas.

The Group has a 50% equity interest in OHG Services Sdn Bhd, which holds the concession to manage and operate Tune Hotel KLIA2, and a 40% equity interest in TP Hotel (Flinders) Trust, who is the beneficial owner of a property located at Flinders Lane, Australia. This Acquisition marks the Group's 2<sup>nd</sup> investment into foreign-based assets.

## **Section 4.2**

- 6. To provide the revenue contribution and/or net contribution generated from the Properties, including the existing lease and/or the Business to CSL and CSL Opco based on the annual report and unaudited financial statements for the year ended 5 April 2023.**

CSL sold the Properties and the Fixtures, together with the letting business carried on in respect of the Properties as a going concern. The Company is not in a position to disclose any other financial information of CSL other than that which is publicly available for which net book value of the Properties has been disclosed in Section 2.1 of the announcement dated 24 November 2023.

CSL Opco sold the business of operating the trade of the Tune Hotel, Liverpool to ECML Opco. Based on the annual report and unaudited financial statements of CSL Opco for the year ended 31 March 2023 ("**FYE2023**"), the revenue contribution generated from the Hotel was GBP1,240,951 (equivalent to approximately RM7,273,338) in FYE2023.

This announcement is dated 30 November 2023.