

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

### **PROPOSED ACQUISITION OF LAND BY ECM LIBRA BEACHFRONT SDN BHD (“ECML BEACHFRONT”), A WHOLLY-OWNED SUBSIDIARY OF ECMLG (“PROPOSED ACQUISITION OF DBPSB LAND”)**

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*(Unless otherwise stated, all abbreviations used herein shall have the same meaning as those mentioned in the announcement dated 8 September 2023 in relation to the Proposed Acquisition of DBPSB Land).*

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

#### **Section 1**

- 1. To incorporate a statement whether the DBPSB Land and the land owned by DB2SB mentioned in another announcement dated 8 September 2023 are located next to each other.**

The DBPSB Land and the land owned by DB2SB are not contiguous to each other. They are located approximately 1km away from each other.

#### **Section 2.3**

- 2. To disclose other salient terms of the SPA, including the termination clauses and relevant penalty clauses for events of default, if any.**

#### **TERMINATION**

##### **ECML Beachfront’s Default**

2.1 In the event that:-

- (i) ECML Beachfront fails to pay the Purchase Consideration in accordance with the provisions of the SPA; or
- (ii) ECML Beachfront fails to observe or perform or otherwise be in breach of any of the terms, conditions or covenants of the SPA; or
- (iii) any warranties and representations of ECML Beachfront is incorrect or inaccurate or misleading in any respect; or
- (iv) the Instrument of Transfer cannot be registered for any reason whatsoever due to the default, willful neglect, omission or blameworthy conduct on the part of ECML Beachfront,

and such failure or breach or reason for non-registration is not remedied by ECML Beachfront within thirty (30) days after DBPSB has given written notice to ECML Beachfront to remedy such failure or breach, DBPSB may at its discretion terminate the SPA.

2.2 Upon termination, DBPSB is entitled to forfeit the deposit together with interest less the fees payable to the Purchaser's Solicitors as stakeholder ("**Stakeholder Fees**") as agreed liquidated damages and within thirty (30) days from the date of receiving the termination notice from DBPSB:-

- (i) ECML Beachfront shall immediately cause to remove all encumbrance and caveat, if any, on DBPSB Land attributable to ECML Beachfront;
- (ii) ECML Beachfront shall return to DBPSB all documents delivered by DBPSB to ECML Beachfront or the Purchaser's Solicitors as stakeholders under the provisions of the SPA (other than the Instrument of Transfer if ECML Beachfront requires the same for the purposes of obtaining a refund on any stamp duty paid thereon) with DBPSB's interest in DBPSB Land remaining intact; and
- (iii) the Purchaser's Solicitors shall be authorised to release the deposit together with interest less the Stakeholder Fees payable to the Purchaser's Solicitors to DBPSB upon receipt of the notice of termination from DBPSB,

whereupon the SPA will terminate and cease to be of any further effect and thereafter DBPSB shall be entitled to sell or otherwise deal with DBPSB Land in such manner as DBPSB deems fit and ECML Beachfront shall have no claims whatsoever against DBPSB.

### **DBPSB's Default**

2.3 In the event that:-

- (i) DBPSB fails to observe or perform or otherwise is in breach of any of the terms, conditions or covenants of the SPA; or
- (ii) any of the material representations or warranties of DBPSB is incorrect or inaccurate or misleading in any respect that will affect the transfer of DBPSB Land to ECML Beachfront; or
- (iii) the Instrument of Transfer cannot be registered for any reason whatsoever due to the default, wilful neglect, omission or blameworthy conduct on the part of DBPSB,

and such failure or breach or reason for non-registration is not remedied by DBPSB within thirty (30) days after ECML Beachfront or the Purchaser's Solicitors has given written notice to DBPSB to remedy such failure or breach, ECML Beachfront shall be entitled to the following remedies:-

- (i) to the remedy of specific performance of the SPA against DBPSB; or
- (ii) to terminate the SPA at any time by giving a written notice to DBPSB.

2.4 Upon termination, the Purchaser's Solicitors shall immediately refund to ECML Beachfront all the monies paid together with interest from the interest-bearing account but less the Stakeholder Fees payable to the Purchaser's Solicitors and DBPSB shall, within thirty (30) days from the date of the termination, pay ECML Beachfront holding cost equivalent to five percent (5%) on the deposit per annum calculated on a day-to-day basis, commencing from the date of payment receipt of the deposit up to the date of ECML Beachfront's receipt of the refund of monies as agreed liquidated damages in exchange for:-

- (i) the re-delivery of the Vacant Possession to DBPSB (if it has already been delivered to ECML Beachfront);
- (ii) ECML Beachfront to procure for the immediate removal of all encumbrance and caveat, if any, on DBPSB Land attributable to ECML Beachfront;
- (iii) the return to DBPSB of all documents delivered by DBPSB to ECML Beachfront under the provisions of the SPA (other than the Instrument of Transfer if ECML Beachfront requires the same for the purposes of obtaining a refund on any stamp duty paid thereon) with DBPSB's interest in DBPSB Land remaining intact; and
- (iv) DBPSB shall indemnify ECML Beachfront for all direct losses sustained or suffered and expenses incurred as a result of DBPSB's default;

whereupon the SPA will terminate and cease to be of any further effect and upon refund to ECML Beachfront of all monies already paid to the Purchaser's Solicitors together with interest from the interest-bearing account but less the Stakeholder Fees payable to the Purchaser's Solicitors, DBPSB shall be entitled to sell or otherwise deal with DBPSB Land in such manner as DBPSB deems fit and ECML Beachfront shall have no claims whatsoever against DBPSB.

**3. To clarify if the 20% deposit paid is refundable or not in the event the Proposed Acquisition of DBPSB Land is not completed due to non-fulfilment of the conditions precedent or termination due to event(s) of default. To also provide details of the refund (e.g. timeline for refund), if applicable.**

The deposit paid would be refundable to ECML Beachfront in the event the Proposed Acquisition of DBPSB Land is not completed due to non-fulfilment of the conditions precedent or the occurrence of the termination event(s) due to DBPSB's default as stipulated in paragraph 2.3 above. Please refer to paragraph 2 above for completeness.

## **Section 2.4**

- 4. To elaborate further on the basis of the Purchase Consideration by disclosing the range of properties prices in the surrounding area and to quote the source of such information as well as the details of the relevant transacted properties / land.**

There have not been many recent publicly disclosed property transactions in the immediate vicinity of the acquired property but based on publicly available information obtained via Brickz Research Sdn Bhd, a 5-acre plot of leasehold land in Desaru (PT 8356, Jalan Pantai 3) recently traded in August 2022 for approximately RM9.5 million.

It is, however, important to note that the basis of the Purchase Consideration was determined on a willing-buyer / willing-seller basis and the investment decision primarily on potential returns available to the Group upon completion of the development. Whilst comparable transactions provide a reference point, the investment decision took into account, amongst others, the attractiveness of the Desaru Coast as a tourist and leisure destination, strategic objectives of the Group in expanding its Malaysia property portfolio and the significant operational expertise present within the Group in assessing trading performance and potential returns of the asset upon completion.

This announcement is dated 14 September 2023.