

ECM LIBRA GROUP BERHAD

DISPOSAL OF 24,000,000 ORDINARY SHARES IN TYK CAPITAL SDN BHD BY POSITIVE CARRY SDN BHD, A 30.0%-OWNED ASSOCIATE COMPANY

1. INTRODUCTION

The Board of Directors (the “**Board**”) of ECM Libra Group Berhad (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that its 30.0%-owned associate company, Positive Carry Sdn Bhd (“**Positive Carry**”), had on 5 May 2023 entered into a conditional sale and purchase agreement (“**SPA**”) with Enzo II Holdings Pte Ltd (“**Buyer**”) - a special purpose vehicle established and managed by PrimeMovers Equity (S) Pte Ltd, a Singapore-based private equity firm - to dispose of all the 24,000,000 ordinary shares it owns in TYK Capital Sdn Bhd (Registration No. 201101025265 (953401-V)) (“**TYK**”), representing 27.0% of the total number of issued ordinary shares of TYK (the “**Positive Carry Disposal**”).

2. SALIENT TERMS OF SPA

- 2.1 The parties to the SPA are all existing shareholders of TYK (including Positive Carry) - collectively being the sellers disposing their interests in TYK - and the Buyer who will be purchasing the said interests.
- 2.2 The sale consideration payable for the Positive Carry Disposal will be in cash in the amount of RM120,000,000, payable in full upon completion (the “**Sale Consideration**”).
- 2.3 The completion of the SPA is conditional upon certain conditions to be fulfilled by parties to the SPA on or before 31 October 2023 or such other extended period as provided in the SPA.
- 2.4 On completion of the Positive Carry Disposal, Positive Carry shall cease to be a shareholder of TYK.

3. SALE CONSIDERATION

- 3.1 The Sale Consideration was negotiated at arm’s length commercial terms and concluded on a willing-buyer willing-seller basis, after taking into consideration, *inter alia*, various factors such as (i) the Sale Consideration and gain on investment realised pursuant to the Positive Carry Disposal as outlined in the following item 3.3 of this announcement; (ii) the holding period of the investment; and (iii) the Group’s intent to focus on opportunities in core area in hospitality.
- 3.2 The Company’s 30.0% share of the Sale Consideration will be RM36,000,000.
- 3.3 The Company’s effective equity interest in TYK is 8.1% (being 30.0% of the 27.0% equity interest owned by Positive Carry). The Company’s disposal of its effective equity interest of 8.1% in TYK pursuant to the Positive Carry Disposal (the “**ECM Disposal**”) is expected to result in Group’s share of profits of approximately RM26,861,000 which derives from the difference between the Group’s share of the Sale Consideration of RM36,000,000 and the carrying value of 8.1% effective equity interest of the Group in TYK of RM9,139,000 as at 31 December 2022.

4. RATIONALE FOR THE ECM DISPOSAL AND PROPOSED USE OF THE GROUP’S SHARE OF THE SALE CONSIDERATION

The Board is of the view that the ECM Disposal is in the interest of the Company as it will (i) enable the Company to realise the value of an investment outside its core focus area of hospitality after a 11-year holding period; (ii) improve the cash flow of the Group; (iii) provide liquidity for new investments and initiatives that will enhance shareholder value; and (iv) provide additional working capital for the Group’s operations.

5. INTERESTS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Plato Capital Limited (“**Plato**”), a substantial shareholder of the Company, holds 70.0% equity interest in Positive Carry indirectly via its wholly-owned subsidiary, Truesource Sdn Bhd. Dato’ Lim Kian Onn, a Director and substantial shareholder of the Company, is also a Director and substantial shareholder of Plato. Mr Gareth Lim Tze Xiang, the Executive Director and Chief Executive Officer of the Company and son of Dato’ Lim Kian Onn, is also the Chief Executive Officer of Plato and an alternate Director to Dato’ Lim Kian Onn in Plato.

Save as disclosed above, none of the other Directors and/or substantial shareholders of the Company and/or person connected with them have any interest, directly, or indirectly in the ECM Disposal.