

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

(a) 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 , TUNE HOTEL KK AND TUNE HOTEL KLIA AEROPOLIS (“PROPOSED TUNE HOTELS ACQUISITIONS”),**

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

- (b) PROPOSED SPECIAL DIVIDEND, SUBJECT TO THE COMPLETION OF THE PROPOSED DISPOSALS (“PROPOSED SPECIAL DIVIDEND”); AND**
- (c) 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”).**

1. INTRODUCTION

Reference is made to the announcement on 4 May 2017 in relation to the Proposals (“**Announcement**”). Unless otherwise defined, the definitions set out in the Announcement shall apply herein.

According to the provisions of the TPRE SPA, TPRE has an obligation to maintain the equity capital of TPSB, TP Flinders, TP International and YKSB (collectively the “**Target Entities**”) as at the date of the TPRE SPA up to the completion of the Proposed Acquisitions from TPRE, and shall not undertake any increase in equity capital or other fund raising exercises without the prior written consent of ECMLFG.

TP International, acting as the trustee for TP Flinders, intends to undertake a proposed fund raising exercise whereby:

- (i) Hedgehog Financial Pty Ltd, in its capacity as trustee for Hedgehog Trust (“**Hedgehog**”) will subscribe for 223,867 new units in TP Flinders for a subscription value of AUD2.2387 and to provide shareholder advances of AUD4,764,500.82, resulting in a total cash value of AUD4,764,503.06 (equivalent to approximately RM15,497,022.65¹); and
- (ii) Spencer17 Pty Ltd in its capacity as trustee for Spencer Investment Trust (“**Spencer17**”) will subscribe for 25,976 new units in TP Flinders for a subscription value of AUD0.2598 and to provide shareholder advances of AUD552,840.18, resulting in a total cash value of AUD552,840.44 (equivalent to approximately RM1,798,168.82¹),

(collectively referred to as the “**Proposed Subscription and Advances**”).

¹ For the purpose of this announcement, translated based on the exchange rate of AUD1.00:RM3.2526 as at 20 June 2017, being the date immediately preceding the date of this announcement.

On behalf of the Board of Directors of ECMLFG, CIMB wishes to announce that ECMLFG and TPRE had on 21 June 2017 entered into a supplemental letter (“**Supplemental Letter**”) for ECMLFG to grant consent to the Proposed Subscription and Advances and to amend certain provisions of the TPRE SPA and the SHA for TP Flinders, to facilitate the Proposed Subscription and Advances (as detailed in Section 2 of this announcement).

The total 249,843 new units in TP Flinders to be subscribed by Hedgehog and Spencer17 (collectively referred to as the “**New Investors**”) represents 19.99% of the enlarged total units of TP Flinders.

Additionally, ECMLFG and TPRE have also mutually decided under the Supplemental Letter to remove a condition precedent under the TPRE SPA for ECMLFG to obtain approval from Bank Negara Malaysia for investment abroad to purchase the Sale Shares of the Target Entities not incorporated in Malaysia because it has been established that such an approval is not required for the Proposed Acquisitions from TPRE.

Due to the Proposed Subscription and Advances, the acquisition of the 500,000 units in TP Flinders and together with 50% of the rights and benefits of the TP Flinders Advances² by ECMLFG from TPRE shall be changed to represent 40.005% of the total issued units in TP Flinders together with 40.005% of the rights and benefits of the total shareholder advances owing by TP Flinders of AUD26,600,080.00. There shall be no change to the purchase consideration and the number of units to be acquired by ECMLFG under the Supplemental Letter.

It is anticipated that the Proposed Subscription and Advances will be completed before the completion of the TPRE SPA.

The Proposed Subscription and Advances will have no effect on the Financial Effects of the Proposals presented in Section 11 of the Announcement.

2. KEY SALIENT TERMS OF THE SUPPLEMENTAL LETTER DUE TO THE PROPOSED SUBSCRIPTION AND ADVANCES

Clause	Original terms per TPRE SPA	Revised terms per Supplemental Letter
Definition	Shareholders’ Agreement ” means the shareholders’ agreement (which shall be substantially in the form attached as Appendix A , unless mutually agreed by the Parties) to be executed by the Parties for each Target Entities;	Shareholders’ Agreement ” means the (i) shareholders’ agreement (which shall be substantially in the form attached as Appendix A , unless mutually agreed by the Parties) <u>in respect of TPSB and YKSB and (ii) unitholders’ deed (which shall be substantially in the form attached as Appendix B, unless mutually agreed by the Parties) in respect of TP Flinders and TP International</u> to be executed by the Parties;

² Defined in the TPRE SPA to mean the shareholder advances owing by TP Flinders to TPRE amounting to AUD21,282,739 as at the date of the TPRE SPA or equivalent to RM67,323,688.28 based on the agreed upon exchange rate of AUD1.00:RM3.1633.

Clause	Original terms per TPRE SPA	Revised terms per Supplemental Letter
2.1(a)(ii)	Subject to the terms and conditions of this Agreement, the Vendor shall sell and transfer to the Purchaser 500,000 units of AUD0.00001 each in TP Flinders, representing 50% of the total issued units of TP Flinders as at the date of this Agreement (or such other percentage in the event there is a change of the total issued units in TP Flinders after the date of this Agreement) together with 50% of the rights and benefits of the TP Flinders Advances;	Subject to the terms and conditions of this Agreement, the Vendor shall sell and transfer to the Purchaser 500,000 units of AUD0.00001 each in TP Flinders, representing 40.005% of the total issued units of TP Flinders together with 50% of the rights and benefits of the TP Flinders Advances;
2.4 of Schedule 2	On Closing, the Sale Shares shall represent (i) fifty percent (50%) interest in the capital of each of the Target Entities respectively and (ii) fifty percent (50%) of the TP Flinders Advances.	On Closing, the Sale Shares shall represent (i) fifty percent (50%) interest in the capital of TPSB, TP International and YKSB respectively; (ii) <u>forty point zero zero five percent (40.005%) interest in the total issued units of TP Flinders;</u> and (iii) <u>forty point zero zero five percent (40.005%) of the total shareholder advances of TP Flinders of AUD26,600,080.00.</u>
3.1 of Schedule 2	The particulars of the Target Entities set out in Part A of Schedule 1 of this Agreement are true and accurate.	The particulars of the Target Entities set out in Part A of Schedule 1 of this Agreement are true and accurate, <u>save that on completion, TP Flinders shall have an issued capital of AUD12.50 comprising 1,249,843 units.</u>
3.4 of Schedule 2	The Vendor is the sole legal and beneficial owner of the issued share capital of the Target Entities and the TP Flinders Advances free from all Encumbrances.	<u>As at the date of this Agreement,</u> the Vendor is the sole legal and beneficial owner of the issued share capital of the Target Entities and TP Flinders Advances free from all Encumbrances. <u>On Closing, the Vendor shall remain as the sole legal and beneficial owner of the issued share capital of the Target Entities and TP Flinders Advances free from all Encumbrances, save for TP Flinders where the Vendor shall be the 80.01% legal and beneficial owner of the total units.</u>
3.7 of Schedule 2	The Melbourne Land is a trust asset held under TP Flinders, and the Vendor is the sole beneficiary of the Melbourne Land.	<u>As at the date of this Agreement,</u> the Melbourne Land is a trust asset held under TP Flinders, and the Vendor is the sole beneficiary of the Melbourne Land. <u>On Closing, the Melbourne Land shall remain as a trust asset held under TP Flinders, but the Vendor shall be the 80.01% beneficiary of the Melbourne Land.</u>

Clause	Original terms per TPRE SPA	Revised terms per Supplemental Letter
Schedule 4	Please refer to Appendix I	Please refer to Appendix I

As mentioned in Section 3.1.1 of the Announcement, TPRE shall deliver the SHAs for TPSB, TP Flinders, TP International and YKSB duly executed by TPRE, which were already in agreed form appended to the TPRE SPA. To facilitate the Proposed Subscription and Advances, the Supplemental Letter has also amended certain provisions in the SHAs (now known as the Unitholders Deed in respect of TP Flinders and TP International).

The salient amendments are described below:

- (i) The board of directors of TP International
 - (a) Any shareholder holding 25% or more equity interest in TP International is entitled to appoint one director to TP International's board of directors for every 25% of the total equity interest held; and
 - (b) Each unitholder of TP Flinders acknowledges that a director appointed by a shareholder(s) of TP International is the nominee of that shareholder(s).

- (ii) Unitholders' meeting of TP Flinders

The introduction of a "Special Majority Resolution", where at a unitholders' meeting, a vote, resolution or consent of unitholders is passed by more than 50% of the total number of votes cast or otherwise given in writing, which must include both TPRE and ECMLFG.

- (iii) Fundamental matters requiring consent

The matters set out below are matters in relation to TP Flinders requiring a Special Majority Resolution, *inter alia*:

- (a) the sale of TP Flinders' main undertaking or any substantial assets;
- (b) the repayment of advances to any unitholder, or conversion of the advances to equity;
- (c) the increase or change in the paid-up share capital of the company;
- (d) application for a listing or quotation of the company on any stock exchange;
- (e) change, alter, amend or modify the memorandum or articles, constituent documents or by-laws of the company; and
- (f) any resolution for the dissolution or winding up of the company.

Save for the above variations, all the other terms and conditions of the TPRE SPA shall remain in effect and in full force.

3. RATIONALE

TP International, acting as the trustee for TP Flinders, is planning to explore potential development options for the Flinders Lane Property, in particular for the Proposed Hotel Development and has proposed to raise approximately AUD5.3 million as seed capital to commence this process. The funds raised will be used to hire staff, consultants and experts required to facilitate this process. In order to minimise cash outlay from current investors (i.e. TPRE and ECMLFG on completion of the TPRE SPA), the New Investors have been identified to provide this funding. The New Investors have agreed to transact at a similar valuation and investment structure to the current investors, namely TPRE and ECMLFG.

The Supplemental Letter was entered into to facilitate the Proposed Subscription and Advances.

After due consideration, ECMLFG is agreeable to this business strategy being proposed by TP International, acting as the trustee for TP Flinders and the need to undertake the Proposed Subscription and Advances. ECMLFG is also agreeable to the introduction of New Investors in order to conserve its cash. ECMLFG further notes that the transaction valuation is at the same terms as ECMLFG and the Proposed Subscription and Advances will benefit TP Flinders by providing fresh funding.

4. INFORMATION ON HEDGEHOG

4.1 Details of Hedgehog Pty Ltd

Hedgehog Financial Pty Ltd was incorporated in Australia as a private limited company on 14 June 2017 and acts as trustee for the Hedgehog Trust. The unitholders of the Hedgehog Trust and shareholders of Hedgehog Financial Pty Ltd are as set out in Section 4.4 and 4.5 below.

4.2 Share Capital

The issued share capital of Hedgehog Financial Pty Ltd as at 14 June 2017 is AUD100 comprising 100 ordinary shares.

4.3 Director

The particulars of the director of Hedgehog Financial Pty Ltd and his shareholding in Hedgehog Financial Pty Ltd as at 14 June 2017 are as follows:

Name	Nationality	Direct		Indirect	
		No. of ordinary shares	%	No. of ordinary shares	%
Mr Say Wei NG	Malaysian	100	100.0	-	-

4.4 Shareholder

The particulars of the shareholder of Hedgehog Financial Pty Ltd and his shareholding in Hedgehog Financial Pty Ltd as at 14 June 2017 are as follows:

Name	Nationality	Direct		Indirect	
		No. of ordinary shares	%	No. of ordinary shares	%
Mr Say Wei NG	Malaysian	100	100.0	-	-

4.5 Unitholders

The particulars of the unitholders of Hedgehog Trust and their holdings in Hedgehog Trust as at 14 June 2017 are as follows:

Name	Nationality	Direct		Indirect	
		No. of units	%	No. of units	%
Mr Say Wei NG	Malaysian	50	50.0	-	-
Mr Say Jing NG	Malaysian	50	50.0	-	-

5 INFORMATION ON SPENCER17

5.1 History and Principal Activities

Spencer17 Pty Ltd was incorporated in Australia as a private limited company on 1 May 2017 and acts as trustee for the Spencer Investment Trust. The unitholders of the Spencer Investment Trust are the same shareholders of Spencer17 Pty Ltd in the same shareholding proportion, details of which are set out in Section 5.4 below.

5.2 Share Capital

The issued share capital of Spencer17 Pty Ltd as at 1 May 2017 is AUD100 comprising 100 ordinary shares.

5.3 Directors

The particulars of the directors of Spencer17 Pty Ltd and their shareholdings in Spencer17 Pty Ltd as at 1 May 2017 are as follows:

Name	Nationality	Direct		Indirect	
		No. of ordinary shares	%	No. of ordinary shares	%
Mr Leong Yin Cheong	Malaysian	25	25.0	-	-
Ms Leong Kin Ling	Malaysian	25	25.0	-	-
Ms Leong Kow Lin	Malaysian	25	25.0	-	-
Mr Leong Wee Cheong	Malaysian	25	25.0	-	-

5.4 Shareholders

The particulars of the shareholders of Spencer17 Pty Ltd and their shareholdings in Spencer17 Pty Ltd as at 1 May 2017 are as follows:

Name	Nationality	Direct		Indirect	
		No. of ordinary shares	%	No. of ordinary shares	%
Mr Leong Yin Cheong	Malaysian	25	25.0	-	-
Ms Leong Kin Ling	Malaysian	25	25.0	-	-
Ms Leong Kow Lin	Malaysian	25	25.0	-	-
Mr Leong Wee Cheong	Malaysian	25	25.0	-	-

6. DIRECTORS' STATEMENT

The Board (save for the Interested Directors³), having considered all aspects of the Supplemental Letter (including but not limited to the rationale discussed in Section 3 above), is of the opinion that the terms in the Supplemental Letter 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. AUDIT COMMITTEE'S STATEMENT

The Audit Committee of ECMLFG (save for the Interested Directors), having considered all aspects of the Supplemental Letter (including but not limited to the rationale discussed in Section 3 above), is of the opinion that the terms in the Supplemental Letter 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.

8. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Supplemental Letter 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 21 June 2017.

³ At the time the TPRE SPA was 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.

Schedule 4 – Apportionment of Purchase Consideration

Original terms per TPRE SPA		Revised terms per Supplemental Letter	
I	II	I	II
Sale Shares	Apportionment of Purchase Consideration	Sale Shares	Apportionment of Purchase Consideration
5,000,000 ordinary shares in TPSB, representing 50% of the total issued and paid-up share capital of TPSB	RM24,009,000.00	5,000,000 ordinary shares in TPSB, representing 50% of the total issued and paid-up share capital of TPSB	RM24,009,000.00
<p>(i) 500,000 unit of AUD0.00001 each in TP Flinders, representing 50% of the total issued units of TP Flinders as at the date of this Agreement or such other percentage in the event there is a change of the total issued units in TP Flinders after the date of this Agreement and together with 50% to the rights and benefits of the TP Flinders Advances of AUD 10,641,369.50 (or equivalent to RM33,661,8441.14 based on the agreed upon exchange rate of AUD1.00:RM3.1633);</p> <p>(ii) 50 ordinary shares of AUD0.01 each in TP International, representing 50% of the total issued and paid-up share capital of TP International (as the trustee to TP Flinders)</p>	RM33,664,999.00	<p>(i) 500,000 unit of AUD0.00001 each in TP Flinders, representing 40.005% of the total issued units of TP Flinders and together with 50% to the rights and benefits of the TP Flinders Advances of AUD 10,641,369.50 (or equivalent to RM33,661,8441.14 based on the agreed upon exchange rate of AUD1.00:RM3.1633);</p> <p>(ii) 50 ordinary shares of AUD0.01 each in TP International, representing 50% of the total issued and paid-up share capital of TP International (as the trustee to TP Flinders)</p>	RM33,664,999.00
5 ordinary shares in YKSB, representing 50% of the total issued and paid-up share capital of YKSB	RM1.00	5 ordinary shares in YKSB, representing 50% of the total issued and paid-up share capital of YKSB	RM1.00