

SUMMARY NOTIFICATION TO SHAREHOLDERS ON THE ISSUANCE OF INDEPENDENT ADVICE CIRCULAR (“IAC”) IN RELATION TO THE CONDITIONAL MANDATORY TAKE-OVER OFFER BY DATO’ LIM KIAN ONN (“OFFEROR”) THROUGH MERCURY SECURITIES SDN BHD TO ACQUIRE ALL THE REMAINING ORDINARY SHARES IN ECM LIBRA GROUP BERHAD (“ECMLG” OR “COMPANY”) NOT ALREADY HELD BY THE OFFEROR AND PERSONS ACTING IN CONCERT WITH HIM (“OFFER SHARES”) FOR A CASH OFFER PRICE OF RM0.22 PER OFFER SHARE (“OFFER PRICE”) (“OFFER”)

Dear valued shareholders of ECMLG,

The Company had on 31 May 2022 received a notice of the Offer (“**Notice**”) from the Offeror through Mercury Securities Sdn Bhd, and the Notice was despatched to the holders of the Offer Shares (“**Holders**”) on 7 June 2022.

You should have by now received a summary notification informing that an offer document in relation to the Offer dated 27 June 2022 (“**Offer Document**”), which sets out the details, terms and conditions of the Offer together with the procedures for acceptance and method of settlement of the Offer, have been published on Bursa Malaysia Securities Berhad’s (“**Bursa Securities**”) website.

The Board of Directors of the Company (“**Board**”) had on 2 June 2022 appointed DWA Advisory Sdn Bhd (“**DWA Advisory**”) as the Independent Adviser to provide comments, opinions, information and recommendation in relation to the Offer. An IAC in relation to the Offer has been issued and is available on the Company’s website at http://ecmlibra.com/Investor_Relations_Circular2StkHolders.asp and on Bursa Securities’ website at [https://www.bursamalaysia.com/market information/announcements/company announcement](https://www.bursamalaysia.com/market_information/announcements/company_announcement) for viewing and/or downloading. You may request a copy of the printed IAC from our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd via the contact details as follows:

Tricor Investor & Issuing House Services Sdn Bhd

(Registration No. 197101000970 (11324-H))
Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur

Tel No. : 03-2783 9299
Fax No. : 03-2783 9222
Email : is.enquiry@my.tricorglobal.com

Salient information of the IAC is set out below:

Evaluation of the Offer

a) Fairness of the Offer

ECMLG is principally involved in the business of investment holding and provision of management services. ECMLG, through its subsidiaries are involved in investment holding, structured financing and hospitality business segments. In arriving at the value of ordinary shares in ECMLG (“**ECMLG Shares**”), DWA Advisory has considered revalued net asset value (“**RNAV**”) method as the most appropriate valuation methodology. RNAV method is a generally accepted method in the valuation of predominantly asset-based entities as all or certain substantial property-related assets may be carried at their historical costs. The methodology takes into consideration any surplus and/or deficit (net of tax) attributable to the owners of the company arising from the revaluation of material assets to reflect their market values based on the presumption that the assets are realisable on a willing-buyer willing-seller basis in the open market.

In assessing the **fairness** of the Offer, DWA Advisory has considered the following factors:

Consideration	Assessment
Valuation of ECMLG Shares	The Offer Price of RM0.22 represents a discount of RM0.13 or approximately 37.14% to the estimated value of ECMLG Share of RM0.35 based on RNAV method.
Historical market prices of ECMLG Shares	<p>(i) Last traded price as at last full trading day (“LTD”) prior to the serving of Notice</p> <p>The Offer Price represents a premium of RM0.04 (22.22%) over the last traded price of ECMLG Shares as at the LTD.</p> <p>(ii) Up to and including 30 May 2022, being the LTD</p> <p>The Offer Price represents a premium ranging from RM0.03 (18.66%) to RM0.05 (28.73%) over the 5-day, 1-month, 3-month, 6-month and 12-month volume weighted average market price (“VWAP”) of ECMLG Shares up to and including LTD.</p> <p>(iii) Up to and including 30 June 2022, being the latest practicable date before the posting date of the IAC (“LPD”)</p> <p>The Offer Price represents a premium of 4.76% and 4.81% over the last traded price of ECMLG Shares as at the LPD and 5-day VWAP of ECMLG Shares up to and including the LPD.</p>

Notwithstanding the Offer Price of RM0.22 is at a premium to the last traded market prices of ECMLG Shares as at the LTD and LPD as well as VWAP of ECMLG Shares up to the LTD and LPD, DWA Advisory is of the view that the Offer is **NOT FAIR** as the Offer Price is lower and represents a **discount** of approximately 37.14% to the estimated value of ECMLG Share of RM0.35 based on the RNAV method.

b) Reasonableness of the Offer

In assessing the **reasonableness** of the Offer, DWA Advisory has considered the following factors:

Consideration	Assessment
Listing status of ECMLG	<p>The Offeror intends to maintain the listing status of ECMLG on the Main Market of Bursa Securities.</p> <p>For information purposes, the historical trading volume of ECMLG Shares are illiquid as compared to the Bursa Malaysia Consumer Products and Services Index as the average monthly volume of ECMLG Shares over free float of 0.32% is lower than the average monthly trading volume of Bursa Malaysia Consumer Products and Services Index over free float of 5.50%.</p> <p>Notwithstanding the above, Holders who hold small blocks of ECMLG Shares may still have opportunity to dispose their Offer Shares in the open market subsequent to the Closing Date (as defined below) as the Offeror intends to maintain the listing status of ECMLG on the Main Market of Bursa Securities. Further, Holders can consider selling ECMLG Shares in the open market if they are able to obtain a price higher than the Offer Price, net of transaction cost.</p>

Consideration	Assessment
Listing status of ECMLG (cont'd)	<i>Closing Date: 5.00 p.m. (Malaysian time) on Monday, 18 July 2022, being the first closing date, or such later date(s) if the Offer is extended in accordance with the Rules on Take-overs, Mergers and Compulsory Acquisitions and the terms and conditions of the Offer Document as the Offeror may decide and Mercury Securities Sdn Bhd may announce, on behalf of the Offeror, at least 2 days before the Closing Date. Notices of any extension will be posted to the Holders accordingly.</i>
Compulsory acquisition and Rights of Dissenting Holders	The Offeror does not intend to invoke the provisions of Section 222(1) of the Capital Market Services Act, 2007 (" CMSA ") to compulsorily acquire any remaining Offer Shares for which valid acceptances have not been received on or before the Closing Date even if the conditions stipulated in Section 222(1) of the CMSA are fulfilled.
Level of Control	As at the LPD, the Offeror and persons acting in concert namely Datin Quek Siow Leng, Gareth Lim Tze Xiang, Caryn Lim Su Yin, Gemma Lim Su Xian, Plato Capital Limited, Truesource Pte Ltd, Garynma MY Holdings Limited and Garynma MY Capital Limited (" PACs ") hold a controlling stake of approximately 41.91% in ECMLG. With the current level of control, the Offeror and PACs are not able to approve ordinary resolutions or special resolutions at the shareholders' general meetings of ECMLG (as these resolutions require approval from more than 50.00% and at least 75.00% respectively of the total votes cast), but are able to vote against special resolutions. Nevertheless, they may have significant influence over the outcome of these resolutions with their current shareholdings.

Based on the above, DWA Advisory is of the view that the Offer is **NOT REASONABLE** as ECMLG Shares will remain tradable on the Main Market of Bursa Securities and hence, the Holders will still have the opportunity to realise their investment in ECMLG Shares in the open market after the Closing Date.

c) Recommendation

Accordingly, DWA Advisory recommends that the Holders to **REJECT** the Offer. The Non-Interested Directors (collectively, Dato' Seri Kalimullah bin Masheerul Hassan, Datuk Kamarudin bin Md Ali, Mahadzir bin Azizan and Oh Teik Khim) have **CONCURRED** with the opinion by DWA Advisory that the offer is **NOT FAIR** and **NOT REASONABLE**, and recommend that the Holders **REJECT** the offer.

You should take note that if there is any further restriction to movement due to the implementation of movement control orders (whether in conditional, restricted, enhanced or any other form) by the Government of Malaysia or any other emergency, electronic documentation and service may be the only mode that can be employed. As such, it is important for you to register your e-mail address with Bursa Malaysia Depository Sdn Bhd via:

- (i) Bursa Securities' website as follows:
https://www.bursamalaysia.com/trade/our_products_services/central_depository_system/request_for_estatement; or
- (ii) Bursa Anywhere mobile application which can be downloaded from Google Play Store or Apple App Store (please refer to <https://www.bursamarketplace.com/anywhere/> for instructions to download the application).

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ECM LIBRA GROUP BERHAD

Registration No. 200501031433 (713570-K)

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You are advised to read and consider carefully the information contained in the IAC, together with the Offer Document before forming an opinion on the Offer and making a decision on the course of action to be taken.

If you are in any doubt as to the course of action you should take in relation to the Offer, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Thank you for your continued support.

Wong Choy Ling
Company Secretary
(SSM PC No.: 202008004069)
(MIA 47044)

Rebecca Kong Say Tsui
Company Secretary
(SSM PC No.: 202008001003)
(MAICSA 7039304)

7 July 2022