

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

If you have sold or transferred all your ordinary shares in ECM Libra Avenue Berhad, you should at once hand this Circular, together with the enclosed Form of Proxy to the purchaser or agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

Certain sections in this Circular to shareholders in relation to the Proposed Share Buy-Back, Proposed Amendments and Proposed Change of Name (as defined in this Circular) has been prescribed by Bursa Malaysia Securities Berhad ("**Bursa Securities**") as an exempt Circular. As such, Bursa Securities has not perused the said sections in this Circular pertaining to the Proposed Share Buy-Back, Proposed Amendments and Proposed Change of Name.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



**ECM LIBRA AVENUE BERHAD (713570-K)**  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO THE**

- (I) PROPOSED AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES OF UP TO 10% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY;**
- (II) PROPOSED GRANT OF OPTIONS TO DIRECTORS OF THE COMPANY;**
- (III) PROPOSED CHANGE OF NAME; AND**
- (IV) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY**

*Prepared by*



**ECM LIBRA AVENUE SECURITIES BERHAD (682-X)**  
A Participating Organisation of Bursa Malaysia Securities Berhad

The Notice of Extraordinary General Meeting to be held at 2.30 p.m. on Thursday, 31 January 2008 at Ballroom 1, Level 2, Hotel Nikko Kuala Lumpur, 165 Jalan Ampang, 50450 Kuala Lumpur together with the Form of Proxy are enclosed with this Circular.

You may appoint a proxy or proxies to attend and vote on your behalf. If you wish to do so, kindly complete and deposit the Form of Proxy at the registered office of the Company at 8A Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur not later than 48 hours before the time appointed for holding the meeting or any adjournment thereof should you be unable to attend the meeting. However, you may still attend and vote in person at the Extraordinary General Meeting even after you have already lodged the Form of Proxy.

Last date and time for lodging the Form of Proxy : Tuesday, 29 January 2008 at 2.30 p.m.  
Date and time of Extraordinary General Meeting : Thursday, 31 January 2008 at 2.30 p.m.

This Circular is dated 9 January 2008

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## DEFINITIONS

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Unless the context otherwise requires, the following definitions shall apply throughout this Circular:

“Act”	:	Companies Act, 1965, as amended from time to time and any re-enactment thereof
“Articles”	:	Articles of Association of the Company
“Board”	:	Board of Directors of ELAB
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (Company No.: 635998-W)
“Bye-Laws”	:	The term(s) and condition(s) of the Company’s existing ESOS
“CCM”	:	Companies Commission of Malaysia
“Circular”	:	This circular dated 9 January 2008 in relation to the Proposals
“Code”	:	Malaysian Code on Take-Over and Mergers 1998, and any amendments made thereto from time to time
“ECM Libra Avenue”	:	ECM Libra Avenue Securities Berhad (Company No.: 682-X)
“EGM”	:	Extraordinary General Meeting
“ELAB” or the “Company”	:	ECM Libra Avenue Berhad (Company No.: 713570-K)
“ELAB Group” or “Group”	:	ELAB, its subsidiaries companies, collectively
“ELAB Share(s)” or “Share(s)”	:	Ordinary share(s) of RM1.00 each in ELAB
“Eligible Employee(s)”	:	An employee or Director of the ELAB Group (save for subsidiaries that are dormant) who meets the criteria of eligibility for participation in the ESOS
“EPS”	:	Earnings per Share
“ESOS” or “Scheme”	:	The scheme for the grant of Options to the Eligible Employees to subscribe for new ELAB Shares on the terms set out in the Bye-Laws
“Interested Directors”	:	YBhg Dato’ Seri Kalimullah bin Masheerul Hassan, YBhg Dato’ Ab. Halim bin Mohyiddin, Mr Lim Kian Onn, YBhg Datuk Kamarudin bin Md Ali, Encik Mahadzir bin Azizan, YBhg Dato’ Othman bin Abdullah and Mr Soo Kim Wai, collectively who are deemed interested in their respective allocation under the Proposed Grant of Options
“Latest Practicable Date”	:	31 December 2007, being the latest practicable date prior to the despatch of this Circular
“Listing Requirements”	:	The listing requirements of Bursa Securities, as amended from time to time
“Offer”	:	An offer made in writing by the Options Committee to an Eligible Employee to subscribe for new ELAB Shares in the manner indicated in the Bye-Laws
“Offer Date”	:	The date on which an Offer (including any subsequent Offer) is made by the Options Committee to an Eligible Employee to participate in the ESOS
“Option(s)”	:	The right of an Eligible Employee who has accepted an Offer or any part thereof in the manner indicated in the Bye-Laws to subscribe for new ELAB Shares pursuant to the contract constituted by the acceptance of an offer in the manner indicated in the Bye-Laws
“Options Committee”	:	The committee appointed by the Board of ELAB to administer the ESOS
“Option Price”	:	The price at which an Eligible Employee has accepted the Offer in the manner indicated in the Bye-Laws

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**DEFINITIONS (*cont'd*)**

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“Proposals”	:	Proposed Share Buy-Back, Proposed Grant of Options, Proposed Change of Name and Proposed Amendments, collectively
“Proposed Amendments”	:	The proposed amendments to the Articles
“Proposed Change of Name”	:	Proposed change of name from ECM Libra Avenue Berhad to “ECM Libra Financial Group Berhad”
“Proposed Grant of Options”	:	Proposed specific grant of Options to the Directors of ELAB pursuant to the ESOS, namely YBhg Dato’ Seri Kalimullah bin Masheerul Hassan, YBhg Dato’ Ab. Halim bin Mohyiddin, Mr Lim Kian Onn, YBhg Datuk Kamarudin bin Md Ali, YBhg Dato’ Othman bin Abdullah, Encik Mahadzir bin Azizan, and Mr Soo Kim Wai
“Proposed Share Buy-Back”	:	Proposed authority to enable the Company to purchase ELAB Shares of up to 10% of the issued and paid-up share capital of ELAB
“Purchased Shares”	:	ELAB Shares purchased pursuant to the Proposed Share Buy-Back
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively

Words importing the singular only shall include the plural and vice versa and words importing the masculine gender shall, where applicable include the feminine and neuter genders and vice versa. References to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted.

All references to the time of day in this Circular are references to Malaysian time, unless otherwise stated.

All references to “our Company” in this Circular are to ELAB, references to “our Group” are to our Company, our subsidiaries and our associated companies and references to “we”, “us”, “our” and “ourselves” are to our Company, and save where the context otherwise requires shall include our subsidiaries and our associated companies.

All references to “you” in this Circular are to our shareholders.

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**ecmlibra avenue**  
**ECM LIBRA AVENUE BERHAD** (713570-K)  
(Incorporated in Malaysia)

**Registered Office:**  
8A Floor, Wisma Genting  
Jalan Sultan Ismail  
50250 Kuala Lumpur  
Malaysia

9 January 2008

**Board of Directors:**

YBhg Dato' Seri Kalimullah bin Masheerul Hassan (*Executive Chairman & Chief Executive Officer*)  
YBhg Dato' Ab. Halim bin Mohyiddin (*Vice Chairman*)  
Mr. Lim Kian Onn (*Managing Director*)  
YBhg Datuk Kamarudin bin Md Ali (*Independent Non-Executive Director*)  
YBhg Dato' Othman bin Abdullah (*Independent Non-Executive Director*)  
Encik Mahadzir bin Azizan (*Independent Non-Executive Director*)  
Mr. Soo Kim Wai (*Non-Independent Non-Executive Director*)  
Mr. Lum Sing Fai – Alternate to Mr. Soo Kim Wai (*Non-Independent Non-Executive Director*)

**To: Our Shareholders**

Dear Sir/Madam,

- (I) **Proposed Share Buy-Back;**
  - (II) **Proposed Grant of Options;**
  - (III) **Proposed Change of Name; and**
  - (IV) **Proposed Amendments**
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**1. INTRODUCTION**

On 13 December 2007, our Company announced to Bursa Securities that we will seek approval from our shareholders at the forthcoming EGM to purchase and/or hold our own shares of up to 10% of our issued and paid-up share capital through Bursa Securities.

On 28 December 2007, our Company announced to Bursa Securities that we will seek approval from our shareholders at the forthcoming EGM to:

- (i) grant specific Options to our eligible Directors namely YBhg Dato' Seri Kalimullah bin Masheerul Hassan, YBhg Dato' Ab. Halim bin Mohyiddin, Mr Lim Kian Onn, YBhg Datuk Kamarudin bin Md Ali, YBhg Dato' Othman bin Abdullah, Encik Mahadzir bin Azizan, and Mr Soo Kim Wai;
- (ii) change our Company's name to ECM Libra Financial Group Berhad; and
- (iii) amend our Articles to take into account the recent changes in the regulatory framework.

**The purpose of this Circular is to provide you with information on the Proposals and to seek your approval for the resolutions relating to the Proposals to be tabled at the forthcoming EGM. The Notice of EGM, together with the Form of Proxy, is enclosed in this Circular.**

**We advise you to read this Circular before voting on the resolutions relating to the Proposals at the forthcoming EGM.**

## **2. DETAILS OF THE PROPOSALS**

### **2.1 Proposed Share Buy-Back**

The Proposed Share Buy-Back will involve purchases of up to 10% of the issued and paid-up share capital of our Company at the time of such purchases, on the Bursa Securities through stockbrokers to be appointed by ELAB at a later date. As at the Latest Practicable Date, our total issued and paid-up share capital is approximately RM830.9 million comprising 830.9 million ELAB Shares.

Your approval for the Proposed Share Buy-Back will be effective immediately upon the passing of the ordinary resolution to be tabled at the forthcoming EGM of the Company relating to the Proposed Share Buy-Back and will continue to be in force until:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of our Company in a general meeting;

whichever occurs first.

Your approval for the Proposed Share Buy-Back does not impose an obligation on our Company to purchase our own Shares but rather it will allow our Board to exercise the power of our Company to purchase our own Shares at any time within the above time period.

Our Company is allowed to deal with the Purchased Shares in the following manner:

- (i) to cancel the Purchased Shares; or
- (ii) to retain the Purchased Shares as treasury shares; or
- (iii) to retain part of the Purchased Shares as treasury shares and cancel the remainder; or
- (iv) to distribute the treasury shares as dividends to shareholders and/or resell on the Bursa Securities and/or cancel all or part of them.

An immediate announcement will be made to Bursa Securities in respect of the buying of the Purchased Shares, resale of Purchased Shares, cancellation of Purchased Shares, distribution as share dividends and the intention of the Directors to either retain the Purchased Shares as treasury shares or cancel them or a combination of both following any transaction executed pursuant to the authority under the Proposed Share Buy-Back. While the Purchased Shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in other distribution and otherwise are suspended, and the Purchased Shares shall not be taken into account in calculating the number of percentage of shares or of a class of shares in our Company for any purposes including determination of substantial shareholdings, takeovers, notices, the requisitioning of meetings, the quorum for meetings and the result of a vote on a resolution at meetings of the shareholders.

The maximum amount of funds to be allocated for the Proposed Share Buy-Back shall not exceed the amount of retained profits and/or share premium account of our Company. The audited retained profits of our Company as at 31 January 2007 is approximately RM6.3 million. Our Company does not have any amount standing to the credit of the share premium account as at 31 January 2007.

The Proposed Share Buy-Back is subject to compliance with Section 67A of the Act and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase.

Pursuant to the Listing Requirements, our Company shall purchase our own ordinary shares on Bursa Securities at a price which is not more than 15% above the weighted average market price for the 5 market days immediately preceding the date of purchase. Our Company may only re-sell the treasury shares at:

- (a) a price which is not less than the weighted average market price for the 5 market days immediately prior to the resale; or
- (b) a discounted price of not more than 5% to the weighted average market price for the 5 market days immediately prior to the resale provided that:
  - (i) the resale takes place no earlier than 30 days from the date of purchase; and
  - (ii) the resale price is not less than the cost of purchase of the shares being resold.

#### **2.1.1 Funding for the Proposed Share Buy-Back**

Our Board proposes to allocate a maximum amount not exceeding the retained profits and/or the share premium account of our Company for the purpose of the Proposed Share Buy-Back. The audited retained profits of our Company as at 31 January 2007 is approximately RM6.3 million. However, if our Company receives dividend payments from our subsidiaries, the retained profits may increase. Any buy-back in excess of the audited retained profits shall be based on the retained profits certified by our auditors.

The funding of the Proposed Share Buy-Back will be sourced from internally generated funds and/or bank borrowings, the proportion of which will depend on the quantum of purchase consideration as well as the availability of internally generated funds and borrowings and repayment capabilities of our Company at the time of purchase. In the event that the Proposed Share Buy-Back is to be partly financed by bank borrowings, your Board will ensure that our Company will have sufficient funds to repay such borrowings and that the repayment would not have any material effect on the cash flow of our Group.

#### **2.1.2. Implication of the Proposed Share Buy-Back in relation to the Code**

Under the Code, a director and any person acting in concert with him/her or a relevant shareholder will be required to make a mandatory take-over offer if his/her stake in the Company is increased to beyond 33% or if his/her existing shareholdings is between 33% and 50% and it increases by another 2% in any 6 month period.

Based on our Company's issued and paid-up share capital and the shareholdings of our Directors and major shareholders as at the Latest Practicable Date, none of our Directors and major shareholders (please refer to Section 5.4 of this Circular) will be required to undertake a mandatory take-over offer under the requirements of the Code if the Proposed Share Buy-Back is carried out in full.

#### **2.1.3 Purchase, Resale and Cancellation of ELAB Shares**

As this is the first Proposed Share Buy-Back, our Company has not made any purchase of our Shares or resale of treasury shares in the previous 12 months preceding the date of this Circular and therefore, no resale of the Purchased Shares or cancellation has occurred during the same period.

For the historical share prices of ELAB Shares, please refer to Appendix I of this Circular.

## 2.2 Proposed Grant of Options

ELAB had on 1 December 2005 obtained your approval for the ESOS, details of which were set out in the Company's Circular to Shareholders dated 9 November 2005. Pursuant thereto and in accordance with the Bye-Laws, the Options Committee has granted Options (subject to your approval for the specific allotment) to the following directors at an exercise price of RM1.00 per Share ("**Offer**") and we are now proposing to seek your approval for the specific allotment of the Options to our Interested Directors as follows:

<b>Name</b>	<b>Designation</b>	<b>Maximum number of Shares entitled under the Proposed Grant of Options</b>
YBhg Dato' Seri Kalimullah bin Masheerul Hassan	Executive Chairman & Chief Executive Officer	29 million
YBhg Dato' Ab. Halim bin Mohyiddin	Vice Chairman	200,000
Mr Lim Kian Onn	Managing Director	29 million
YBhg Datuk Kamarudin bin Md Ali	Independent Non-Executive Director	200,000
YBhg Dato' Othman bin Abdullah	Independent Non-Executive Director	200,000
Encik Mahadzir bin Azizan	Independent Non-Executive Director	200,000
Mr Soo Kim Wai	Non-Independent Non-Executive Director	200,000

provided always that:

- (i) the allocation of Options, in aggregate, to eligible employees who are directors and senior management of ELAB and/or its subsidiaries does not exceed 50% of the shares available under the Scheme; and
- (ii) the allocation of Options to a director or employee who either singly or collectively through persons connected with the director or employee, holds 20% or more of the issued and paid-up share capital of ELAB, does not exceed 10% of the shares available under the Scheme;

and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the Bye-Laws.

Pursuant to the terms of the Offer, the options to YBhg Dato' Seri Kalimullah Masheerul Hassan and Mr Lim Kian Onn shall be exercisable in the following manner:

- (i) Only 50% of the options ("**First Tranche**") allocated to each of them can be exercised within 1 year from the date of the Offer;
- (ii) The balance 50% allocation ("**Second Tranche**") can be exercised any time after 1 year from the date of the Offer; and
- (iii) The option period for the First Tranche and Second Tranche shall be 5 years from the date of the Offer.

Pursuant to the terms of the Offer, YBhg Dato' Ab Halim bin Mohyiddin, YBhg Datuk Kamarudin bin Md Ali, YBhg Dato' Othman bin Abdullah, Encik Mahadzir Azizan and Mr Soo Kim Wai shall not sell, transfer or assign such new Shares allotted and issued to them pursuant to the exercise of Options within 1 year from the date of the Offer.

### **2.2.1 Option Price**

The Option Price of RM1.00 has been fixed based on the higher of the following:

- (i) based on the weighted average market price of the Shares for the 5 Market Days immediately preceding the Offer Date, which is 4 January 2008, of RM0.95; or
- (ii) the par value of the Shares,

and subject to adjustments to the Bye-Laws, where applicable.

### **2.2.2 Ranking of New ELAB Shares**

The new ELAB Shares to be allotted upon any exercise of the Options shall, upon allotment and issue, rank pari passu in all respects in relation to voting, dividend, transfer and other rights, including those arising on a liquidation of ELAB or its subsidiaries, as the case may be, with the existing issued and fully paid-up of RM1.00 each in ELAB save and except that the new ELAB Shares will not be entitled to any dividends, rights, allotments and/or other distributions where the entitlement date precedes the relevant exercise dates of the Options. For this purpose, entitlement date means the date at the close of business on which shareholders must be registered in order to participate in any dividends, rights, allotments and/or other distributions.

### **2.2.3 Utilisation of Proceeds**

The proceeds from the exercise of the Options, if any, shall be utilised for the working capital of our Group.

### **2.3 Proposed Change of Name**

We propose to change our Company's name to "ECM Libra Financial Group Berhad".

### **2.4 Proposed Amendments**

The Proposed Amendments, as set out in Appendix II of this Circular, is to comply with the recent enhancements issued by Bursa Securities amending certain provisions of the Listing Requirements and to comply with provisions of Bank Negara Malaysia in view that the Company will be the financial holding company of ECM Libra Avenue.

## **3. RATIONALE AND POTENTIAL ADVANTAGES FOR THE PROPOSALS**

### **3.1 Proposed Share Buy-Back**

- (i) To enable us to utilise our financial resources that has no immediate usage when the market prices of our Shares are not reflective of its fundamental values;
- (ii) The Purchased Shares can also be held as treasury shares and resold on Bursa Securities at a higher price with the intention of realising a potential gain without affecting our total issued and paid-up share capital. Should any treasury shares be distributed as share dividends, this would serve to reward our shareholders; and
- (iii) The Proposed Share Buy-Back is also expected to enhance our EPS and return of equity in the event the Shares bought are cancelled, which will benefit our shareholders.

### **3.2 Proposed Grant of Options**

The Proposed Grant of Options is to recognise and reward all our Directors for their contribution to our Group and also to provide them with an opportunity to participate in the equity of our Company. Our Executive Directors have been actively involved in the various business strategies and contributed in putting our Group on a stronger footing going forward.

### **3.3 Proposed Change of Name**

The Proposed Change of Name is to better reflect our Company as the holding company of a group providing integrated financial services.

### **3.4 Proposed Amendments**

The Proposed Amendments is to ensure continued compliance with regulatory requirements.

## **4. POTENTIAL DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK**

The potential disadvantages of the Proposed Share Buy-Back are as follows:

- (i) the Proposed Share Buy-Back would reduce our financial resources and may result in us foregoing better investment opportunities that may emerge in the future; and
- (ii) as the Proposed Share Buy-Back can only be made out of retained profits and/or share premium account of our Company, it may result in the reduction of financial resources available for distribution to our shareholders in the immediate future.

However, these disadvantages are mitigated by the prospect that the financial resources of our Group may increase, if the Purchased Shares held as treasury shares are resold at prices higher than their purchase price. Therefore, the Proposed Share Buy-Back will be undertaken only after due consideration of our financial resources. Our Board will be mindful of the interests of our Company and our shareholders in undertaking the Proposed Share Buy-Back.

## **5. EFFECTS OF THE PROPOSALS**

The Proposed Change of Name and Proposed Amendments will not have any effect on the share capital, major shareholders' shareholdings, net assets, earnings, working capital and dividend policy of our Company.

The effects of the Proposed Share Buy-Back and Proposed Grant of Options on the share capital, major shareholders' shareholdings, net assets, earnings, working capital and dividend policy of our Company are as follows:

### **5.1 Share capital**

#### **5.1.1 Proposed Share Buy-Back**

The effect of the Proposed Share Buy-Back on the share capital of our Company will depend on whether the Purchased Shares are cancelled or retained as treasury shares.

The Proposed Share Buy-Back will result in the reduction of the issued and paid-up share capital of our Company if the Purchased Shares are cancelled. The proforma effect of the Proposed Share Buy-Back based on the issued and paid-up share capital of our Company assuming the Proposed Share Buy-Back is implemented in full and all the Purchased Shares are cancelled, is illustrated below:

	No. of ELAB Shares	Par value	Share capital
	'000	RM	RM'000
Share capital			
Issued and paid-up as at 31 December 2007	830,902	1.00	830,902
Assuming the maximum number of Purchased Shares are cancelled	83,090	1.00	83,090
Resultant issued and paid-up share capital upon completion of the Proposed Share Buy-Back and cancellation of the Purchased Shares	747,812	1.00	747,812

### 5.1.2 Proposed Grant of Options

The Proposed Grant of Options is not expected to have an immediate effect on the share capital of our Company. However, the issued and paid-up share capital of our Company will increase with time depending on the number of Options exercised pursuant to the Proposed Grant of Options.

For illustrative purposes, assuming the exercise of all Options pursuant to the Proposed Grant of Options, the issued and paid-up share capital as at the Latest Practicable Date would increase from approximately RM830.9 million to RM889.9 million.

## 5.2 Net assets

### 5.2.1 Proposed Share Buy-Back

The effects of the Proposed Share Buy-Back on the net assets per share of our Group are dependent on the purchase price and the number of Purchased Shares.

The Proposed Share Buy-Back will reduce the net assets per Share when the purchase price exceeds the net assets per share at the relevant point in time. On the contrary, the net assets per share will be increased when the purchase price is less than the net assets per share at the relevant point in time.

If the Purchased Shares are held as treasury shares and subsequently resold on Bursa Securities, our Company's net assets per Share would increase if our Company realise a gain from the resale and vice-versa.

In addition to the purchase price of the Shares, the effective cost of funds or any loss in interest income to our Group may also have an impact on the net assets per Share.

### 5.2.2 Proposed Grant of Options

The Proposed Grant of Options is not expected to have an immediate effect on the net assets of our Group until such time when the Options allotted pursuant to the Proposed Grant of Options are exercised. The potential effect on our Group's net assets would depend on the number of new ELAB Shares to be issued pursuant to the exercise of the Options allotted under the Proposed Grant of Options.

For illustrative purposes, assuming the exercise of all Options pursuant to the Proposed Grant of Options, the audited net assets per Share as at 31 January 2007 would reduce from RM1.04 to RM1.03.

### **5.3 Earnings**

#### **5.3.1 Proposed Share Buy-Back**

The Proposed Share Buy-Back will increase the EPS of our Group, the extent of which will depend on the number of Purchased Shares, the purchase prices of ELAB Shares and the effective funding cost to finance the purchase or loss in interest income to our Group.

Similarly, on the assumption that the Purchased Shares are treated as treasury shares, the extent of the effect on the earnings of our Group will depend on the actual selling price, the number of treasury shares resold, the effective gain or interest saving arising and the gain or loss from the disposal.

#### **5.3.2 Proposed Grant of Options**

The Proposed Grant of Options is not expected to have an immediate effect on the earnings and EPS of our Group. Any potential effect of the Proposed Grant of Options on the consolidated earnings and EPS of our Group in the future would depend on the number of Options allotted and exercised under the Proposed Grant of Options, the Option Price as well as the utilisation of proceeds to be raised from the Options exercised.

In addition, with the adoption of the new Financial Reporting Standard 2 on Share Based Payment issued by the Malaysian Accounting Standards Board, the cost relating to the options allotted pursuant to Proposed Grant of Options will need to be measured at grant date and recognised as an expense in the income statement of ELAB over the vesting period of such options. The cost of the Options granted would depend on, *inter alia*, the Options granted and the theoretical fair value of such Options granted.

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## 5.4 Directors' and major shareholders' shareholdings

### 5.4.1 Proposed Share Buy-Back

Assuming that the Proposed Share Buy-Back is implemented in full and that the ELAB Shares purchased are from shareholders other than our Directors and major shareholders, the effect of the Proposed Share Buy-Back on the shareholdings of our Directors and major shareholders based on the Registers of Directors and Substantial Shareholders as at the Latest Practicable Date is as follows:

Name	As at the Latest Practicable Date				After Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of ELAB Shares	%	No. of ELAB Shares	%	No. of ELAB Shares	%	No. of ELAB Shares	%
Dato' Seri Kalimullah bin Masheerul Hassan	-	-	35,000,000	4.21	-	-	35,000,000	4.68
Dato' Ab. Halim bin Mohyiddin	-	-	-	-	-	-	-	-
Lim Kian Onn	76,456,000	9.20	-	-	76,456,000	10.22	-	-
Datuk Kamarudin bin Md Ali	-	-	-	-	-	-	-	-
Dato' Othman bin Abdullah	-	-	-	-	-	-	-	-
Mahadzir bin Azizan	-	-	-	-	-	-	-	-
Soo Kim Wai	-	-	-	-	-	-	-	-
Lum Sing Fai	-	-	-	-	-	-	-	-
Hikkaya Jaya Sdn Bhd	48,594,212	5.85	-	-	48,594,212	6.50	-	-
Equity Vision Sdn Bhd	128,019,819	15.41	-	-	128,019,819	17.12	-	-
Tan Sri Dato' Azman Hashim	-	-	189,554,103 <sup>(1)</sup>	22.81	-	-	189,554,103 <sup>(1)</sup>	25.35
Amcorp Group Berhad (formerly known as Arab-Malaysian Corporation Berhad)	-	-	61,534,284 <sup>(2)</sup>	7.41	-	-	61,534,284 <sup>(2)</sup>	8.23
Clear Goal Sdn Bhd	-	-	61,534,284 <sup>(2)</sup>	7.41	-	-	61,534,284 <sup>(2)</sup>	8.23

Notes:

(1) Deemed interest of 22.81% by virtue of Section 6A of the Act held through Hikkaya Jaya Sdn Bhd, Corporateview Sdn Bhd, Mezzanine Capital (Malaysia) Sdn Bhd and Equity Vision Sdn Bhd

(2) Deemed interest of 7.41% by virtue of Section 6A of the Act held through Hikkaya Jaya Sdn Bhd, Corporateview Sdn Bhd and Mezzanine Capital (Malaysia) Sdn Bhd

#### 5.4.2 Proposed Grant of Options

The Proposed Grant of Options is not expected to have any immediate effect on our Directors and major shareholders' shareholdings until such time the Options granted pursuant to the Proposed Grant of Options are exercised. The maximum potential effect on our Directors and major shareholders' shareholdings in the future pursuant to the Proposed Grant of Options is as follows:

Name	As at the Latest Practicable Date				Proforma I				Proforma II			
	Direct		Indirect		After the Proposed Grant of Options		Indirect		After Proforma I and full exercise of the Proposed Grant of Options		Indirect	
	No. of ELAB Shares	%	No. of ELAB Shares	%	No. of ELAB Shares	%	No. of ELAB Shares	%	No. of ELAB Shares	%	No. of ELAB Shares	%
Dato' Seri Kalimullah bin Masheerul Hassan	-	-	35,000,000	4.21	-	-	-	4.21	29,000,000	3.26	35,000,000	4.21
Dato' Ab. Halim bin Mohyiddin	-	-	-	-	-	-	-	-	200,000	0.02	-	-
Lim Kian Onn	76,456,000	9.20	-	-	76,456,000	9.20	-	-	105,456,000	11.85	-	-
Datuk Kamarudin bin Md Ali	-	-	-	-	-	-	-	-	200,000	0.02	-	-
Dato' Othman bin Abdullah	-	-	-	-	-	-	-	-	200,000	0.02	-	-
Mahadzir bin Azizan	-	-	-	-	-	-	-	-	200,000	0.02	-	-
Soo Kim Wai	-	-	-	-	-	-	-	-	200,000	0.02	-	-
Lum Sing Fai	-	-	-	-	-	-	-	-	-	-	-	-
Hikkaya Jaya Sdn Bhd	48,594,212	5.85	-	-	48,594,212	5.85	-	-	48,594,212	5.46	-	-
Equity Vision Sdn Bhd	128,019,819	15.41	-	-	128,019,819	15.41	-	-	128,019,819	14.39	-	-



## **5.5 Working Capital**

### **5.5.1 Proposed Share Buy-Back**

The Proposed Share Buy-Back, as and when implemented will reduce the working capital and cashflow of our Group, the quantum being dependent on the number of Purchased Shares, the purchase price of ELAB Shares and the amount of financial resources to be utilised for the purchase of ELAB Shares. However, it is not expected to have a material effect on the working capital and cash flow of our Group.

For Purchased Shares which are retained as treasury shares, upon its resale, the working capital and cash flow of our Company will increase. Again, the quantum of the increase in the working capital and cash flow will depend on the actual selling price of the treasury shares and the number of treasury shares resold.

### **5.5.2 Proposed Grant of Options**

The Proposed Grant of Options is not expected to have an immediate effect on the working capital of our Company. However, the working capital and cashflow of our Company will increase depending on the number of Options exercised and the Option Price.

## **5.6 Dividend Policy**

The Proposed Share Buy-Back and Proposed Grant of Options are not expected to have any material effect on the dividend policy of our Company. The dividend to be declared by our Company in the future, if any, shall depend on, amongst others, the profitability and cash flow position of our Group and our Company.

## **6. PUBLIC SHAREHOLDING SPREAD**

As at 30 November 2007, the public shareholding spread of our Company was 63.76%. Assuming the Proposed Share Buy-Back is implemented in full and all the Shares so purchased are from public shareholders, the public shareholding spread of our Company would be reduced to 59.73%. In implementing the Proposed Share Buy-Back, our Company will ensure that the minimum public shareholding spread of 25% is complied with.

## **7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS**

### **7.1 Proposed Share Buy-Back**

Save for the proportionate increase in the percentage shareholdings and/or voting rights of the shareholders of our Company as a result of the Purchased Shares, none of our Directors and/or major shareholders and/or persons connected with them have any interest, direct or indirect, in the Proposed Share Buy-Back.

### **7.2 Proposed Grant of Options**

Save for the following, none of our Directors and/or major shareholders and/or persons connected with them have any interest, direct or indirect, in the Proposed Grant of Options.

Our Interested Directors are entitled to participate in respect of their entitlements under the Proposed Grant of Options and are therefore deemed interested in the Proposed Grant of Options by virtue of their respective entitlements under the Proposed Grant of Options. Their direct and indirect shareholdings of our Interested Directors in our Company based on our Register of Directors' Shareholdings as at the Latest Practicable Date are set out below:

Name	Direct		Indirect	
	No. of ELAB Shares	%	No. of ELAB Shares	%
Dato' Seri Kalimullah bin Masheerul Hassan	-	-	35,000,000	4.21
Dato' Ab. Halim bin Mohyiddin	-	-	-	-
Lim Kian Onn	76,456,000	9.20	-	-
Datuk Kamarudin bin Md Ali	-	-	-	-
Dato' Othman bin Abdullah	-	-	-	-
Mahadzir bin Azizan	-	-	-	-
Soo Kim Wai	-	-	-	-

Accordingly, our Interested Directors have declared their interests in the Proposed Grant of Options and have resolved to present the respective resolutions to our shareholders at the forthcoming EGM, for your consideration and approval.

Our Interested Directors have abstained and will continue to abstain from all deliberations and voting on their respective entitlements under the Proposed Grant of Options at the relevant Board meetings. Our Interested Directors will also abstain from voting in respect of their direct and indirect shareholdings in our Company, if any, on the ordinary resolutions pertaining to their respective entitlements under the Proposed Grant of Options to be tabled at the forthcoming EGM. They will also ensure that any persons connected to them, if any, will abstain from voting on the relevant resolutions to be tabled at the forthcoming EGM.

### 7.3 Proposed Change of Name and Proposed Amendments

None of our Directors and/or major shareholders and/or persons connected with them have any interest, direct or indirect, in the Proposed Change of Name and Proposed Amendments.

## 8. APPROVALS REQUIRED

The Proposals are subject to your approval at the forthcoming EGM to be convened on 31 January 2008.

In addition, the Proposed Change of Name is subject to the approvals of:

- (i) CCM, to be obtained; and
- (ii) Bank Negara Malaysia, which has been received on 27 December 2007.

The approval in-principle from Bursa Securities for the listing and quotation for the new Shares to be issued upon exercise of the Options granted pursuant to our Company's ESOS has been obtained on 18 November 2005.

The Proposed Share Buy-Back, the Proposed Grant of Options, the Proposed Change of Name and Proposed Amendments are undertaken on a standalone basis and are not conditional upon one another.

**9. PROPOSALS ANNOUNCED BUT PENDING IMPLEMENTAION**

Save for the Proposals, our Board is not aware of any corporate exercises which have been announced but pending implementation as the date of this Circular.

**10. DIRECTORS' RECOMMENDATION**

Your Board after having considered all aspects of the Proposed Share Buy-Back, Proposed Change of Name and Proposed Amendments is of the opinion that the Proposed Share Buy-Back, Proposed Change of Name and Proposed Amendments are in the best interests of our Company, and recommends that you vote in favour of the relevant resolutions to be tabled at the forthcoming EGM to give effect to the Proposed Share Buy-Back, Proposed Change of Name and Proposed Amendments.

Our Board is deemed interested in the Proposed Grant of Options and therefore has abstained from expressing an opinion in respect of the Proposed Grant of Options.

**11. EGM**

We will hold our EGM (for which the notices are enclosed with this Circular), at Ballroom 1, Level 2, Hotel Nikko Kuala Lumpur, 165 Jalan Ampang, 50450 Kuala Lumpur on Thursday, 31 January 2008 at 2.30 p.m., for the purpose of considering and if thought fit, passing the resolutions to give effect to the Proposals.

If you are unable to attend and vote in person at the EGM, please complete, sign and return the Form(s) of Proxy, of which is enclosed in this Circular, in accordance with the instructions contained therein, so as to arrive at our registered office at 8A Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur not later than 48 hours before the time fixed for the forthcoming EGM or any adjournment thereof. If you subsequently wish to attend and vote at the EGM after lodging the Form of Proxy, you may still do so.

**12. ADDITIONAL INFORMATION**

We advise you to refer to the attached Appendix I, Appendix II and Appendix III for additional information.

Yours faithfully  
For and on behalf of the Board of  
**ECM LIBRA AVENUE BERHAD**

**YBhg Dato' Seri Kalimullah bin Masheerul Hassan**  
Executive Chairman

**HISTORICAL SHARE PRICES**

The monthly high and low market prices of ELAB Shares as traded on Bursa Securities for the past 12 months from January 2007 to December 2007 are as follows:

	<b>High RM</b>	<b>Low RM</b>
<b>2007</b>		
January	0.775	0.685
February	1.23	0.74
March	0.95	0.705
April	1.16	0.855
May	1.19	1.00
June	1.29	1.03
July	1.25	1.10
August	1.13	0.70
September	0.975	0.845
October	1.03	0.90
November	0.955	0.85
December	0.99	0.82

The last transacted market price of ELAB Shares on 12 December 2007, being the date immediately prior to the date of announcement of the Proposed Share Buy-Back

0.88

The last transacted market price of ELAB Shares on 4 January 2008

0.935

*(Source: Bloomberg)*

## DETAILS OF THE PROPOSED AMENDMENTS

Article No	Existing Article	Proposed New Article
2	In these Articles if not inconsistent with the subject or context:-	In these Articles if not inconsistent with the subject or context:-
(b)	“ <u>Approved Market Place</u> ” means a stock exchange which is specified to be an approved market place pursuant to an exemption order made under Section 62A of the Central Depositories Act or any statutory modification, amendment or re-enactment thereof for the time being in force.	<b>Deleted</b>
(c),(d),(e)	Existing articles	<b>The existing articles to be renumbered as (b), (c), (d) respectively.</b>
(f)	“Depositor” means a holder of a securities account.	(e) “Depositor” means a holder of a securities account <b>established by the Depository.</b>
(g) to (x)	Existing articles	<b>The existing articles to be renumbered as (f) to (w) respectively.</b>
5	Without prejudice any special rights previously conferred on the holders of any share or class of shares already issued, but subject to the Act and these Articles any shares in the Company (whether forming part of the original capital or not) may be issued or have attached thereto such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by ordinary resolution determine provided that:-  (a) the total nominal value of issued preference shares shall not exceed the total nominal value of the issued ordinary shares at any time  (b) preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and audited accounts and attending general meetings of the Company PROVIDED ALWAYS THAT preference shareholders shall not have the right to vote at any general meeting of the Company except on each of the following circumstances:-  (i) when the dividend or part of the dividend on the shares is in arrears for more than six (6) months; (ii) on a proposal to reduce the Company's share capital;	Without prejudice any special rights previously conferred on the holders of any share or class of shares already issued, but subject to the Act and these Articles any shares in the Company (whether forming part of the original capital or not) may be issued or have attached thereto such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by ordinary resolution determine provided that:-  (a) <b>Deleted</b>  <b>Renumbered as (a)</b> No change

Article No	Existing Article	Proposed New Article
	<p>(iii) on a proposal for the disposal of the whole of the Company's property, business and undertaking;</p> <p>(iv) on a proposal that affects rights attached to the share;</p> <p>(v) on a proposal to wind up the Company; and</p> <p>(vi) during the winding up of the Company</p> <p>(c) the Company shall not unless with the consent of the existing preference shareholders at a class meeting or pursuant to Article 20 hereof issue further preference capital ranking in priority above preference shares already issued but may issue preference shares ranking equally therewith.</p> <p>(d) holders of preference shares shall have the right to a return of capital in preference to holders or ordinary shares when the Company is wound up.</p> <p>Subject to the Act, any preference shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed.</p>	<p><b>Renumbered as (b)</b> No change</p> <p><b>Deleted</b></p> <p>No change.</p>
50	<p>(1) Where:-</p> <p>(a) the securities of the Company are listed on <u>an Approved Market Place</u>; and</p> <p>(b) the Company is exempted from compliance with section 14 of the Central Depositories Act or section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be under the Rules in respect of such securities,</p> <p>the Company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the register of the Company in the jurisdiction of the <u>Approved Market Place (hereinafter referred to as "the Foreign Register")</u>, to the register of holders maintained by the registrar of the Company in Malaysia <u>(hereinafter referred to as the "Malaysian Register")</u> provided that there shall be no change in the ownership of such securities.</p> <p>(2) For the avoidance of doubt, where the Company fulfills the requirements of paragraphs (1)(a) and (b) above, it shall not allow may transmission of securities from the Malaysian Register into the Foreign Register.</p>	<p>Where:-</p> <p>(a) the securities of the Company are listed on <b>another stock exchange</b>;- and</p> <p>(b) No change</p> <p>the Company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the register of the Company in the jurisdiction of the <b>other stock exchange</b>, to the register of holders maintained by the registrar of the company in Malaysia <b>and vice versa</b> provided that there shall be no change in the ownership of such securities.</p> <p>(2) <b>Deleted</b></p>

Article No	Existing Article	Proposed New Article
	The existing definition of Article 50 which reads as “ <u>TRANSMISSION OF SHARES</u> ”	The new definition of Article 50 to be read as “ <b>TRANSMISSION OF SECURITIES</b> ”
69	<p>(1) The Company shall request the Depository in accordance with the Rules of the Depository, to issue a Record of Depositors to whom notices of general meetings shall be given by the Company</p> <p>(2) The Company shall also request the Depository in accordance with the Rules of the Depository, to issue a Record of Depositors, as at a date not less than three (3) market days before the general meeting (hereinafter referred to as “the General Meeting Record of Depositors”).</p> <p>(3) Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 (where applicable) a depositor shall not be regarded as a Member entitled to attend any general meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.</p>	<p>(1) No change</p> <p>(2) The Company shall request the Depository in accordance with the Rules of the Depository, to issue a Record of Depositors, as at <b>the latest date which is reasonably practicable which shall in any event be not less than 3 market days</b> before the general meeting (“hereinafter referred to as “the General Meeting Record of Depositors”).</p> <p>(3) No change</p>
70	Every notice calling a general meeting shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint one or more proxy/proxies to attend and vote instead of him and that the proxy need not be a member of the Company. Where a member of the Company is an authorized nominee as defined under the Central Depositories Act, it may appoint at least one <u>but not more than two proxies</u> in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a Member appoints more than one (1) proxy to attend the same meeting, the Member shall specify the proportion of his shareholdings to be represented by each proxy.	Every notice calling a general meeting shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint one or more proxy/proxies to attend and vote instead of him and that the proxy need not be a member of the Company. Where a member of the Company is an authorized nominee as defined under the Central Depositories Act, it may appoint at least one <b>proxy</b> in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a Member appoints more than one (1) proxy to attend the same meeting, the Member shall specify the proportion of his shareholdings to be represented by each proxy.

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## APPENDIX II

Article No	Existing Article	Proposed New Article
89	Subject to any special rights or restrictions as to voting attached to any class or classes of shares by or in accordance with these Articles, on a show of hands every person present who is a Member or a Member's representative or proxy or attorney shall have one vote and in the case of a poll every Member present in person or by proxy or by attorney or other duly authorized representative shall have one vote for every share held by him.	Subject to any special rights or restrictions as to voting attached to any class or classes of shares by or in accordance with these Articles, on a show of hands, <b>a holder of ordinary shares or preference shares who is personally present and entitled to vote</b> or a Member's representative or proxy or attorney shall have one vote and in the case of a poll every Member present in person or by proxy or by attorney or other duly authorized representative shall have one vote for every share held by him.
101	All the Directors of the Company shall be natural persons	<b>Deleted</b>
102 - 180	Existing articles	<b>The existing articles to be renumbered 101 - 179 respectively.</b>
114	<p>The office of Director shall, ipso facto, be vacated :-</p> <p>(a) if he ceases to be a director by virtue of the Act;</p> <p>(b) if he resigns his office by notice in writing under his hand sent to or left at the Office;</p> <p>(c) if he shall have absented himself from more than 50% of the total Board meeting held during a financial year, unless an exemption or waiver is obtained from the Exchange;</p> <p>(d) if he is removed from his office or director by resolution of the Company in general meeting of which special notice has been given;</p> <p>(e) if he becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder;</p> <p>(f) if he has a Receiving Order in Bankruptcy made against him or makes any arrangement or composition with his creditors generally;</p> <p>(g) if he becomes prohibited from being a director by reason of any order made under the provisions of the Act or contravenes Section 130 of the Act;</p>	<p><b>113.</b> The office of Director shall, ipso facto, be vacated :-</p> <p>(a) No change</p> <p>(b) No change</p> <p>(c) <b>Deleted</b></p> <p>(d) No change</p> <p>(e) if he becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder <b>during his term of office;</b></p> <p>(f) if he has a Receiving Order in Bankruptcy made against him or makes any arrangement or composition with his creditors generally <b>during his term of office;</b></p> <p>(g) No change</p>
126	Until otherwise determined, <u>two Directors</u> shall form a quorum for meetings.	<b>125.</b> Until otherwise determined, <b>three Directors or 50% of total board members (whichever is higher)</b> shall form a quorum for meetings.

Article No	Existing Article	Proposed New Article
180	<p>(i) Notwithstanding anything contained in these Articles, if the Listing Requirements prohibit an act being done, the act shall not be done.</p> <p>(ii) Nothing contained in these Articles prevents an act being done that the Listing Requirements require to be done.</p> <p>(iii) If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).</p> <p>(iv) If the Listing Requirements require these Articles to contain a provision and they do not contain such a provision, these Articles are deemed to contain that provision.</p> <p>(v) If the Listing Requirements require these Articles not to contain a provision and they contain such a provision, these Articles are deemed not to contain that provision.</p> <p>(vi) If any provision of these Articles is or becomes inconsistent with the Listing Requirements, these Articles are deemed not to contain that provision to the extent of the inconsistency.</p> <p>(vii) <b>New provision</b></p>	<p><b>179.</b> (i) No change</p> <p>(ii) No change</p> <p>(iii) No change</p> <p>(iv) No change</p> <p>(v) No change</p> <p>(vi) No change</p> <p>(vii) <b>For the purpose of this article, unless the context otherwise requires, “Listing Requirements” means the Listing Requirements of Bursa Malaysia Securities Berhad including any amendment to the Listing Requirements that may be made from time to time.</b></p>

## FURTHER INFORMATION

## 1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy, completeness and correctness of the information given herein and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

## 2. CONSENT

The written consent of ECM Libra Avenue for the inclusion in this Circular of its name and references in the form and context in which they appear in this Circular, has been given and has not been subsequently withdrawn prior to the issuance of this Circular.

## 3. CONFLICT OF INTEREST

Other than being a wholly-owned subsidiary of ELAB, ECM Libra Avenue is not aware of any conflict of interest situation which exists or is likely to exist in its capacity to assist ELAB to prepare this Circular.

## 4. MATERIAL CONTRACTS

Save as disclosed below, as at the date to this Circular, our Group has not entered into any other material contracts (not being contracts entered into in the ordinary course of business) within 2 years immediately preceding the date of this Circular:

Conditional share sale agreement dated 19 January 2006 entered into between Avenue Capital Resources Berhad ("**ACRB**"), ECM Libra Avenue Berhad (*formerly known as Avenue International Capital Berhad*) ("**AICB**") and ECM Libra Berhad ("**ECM Libra**") for the merger between ACRB and ECM Libra, via the acquisitions by AICB of the entire equity interests in each of ECM Libra Capital Sdn Bhd, ECM Libra Capital Markets Sdn Bhd, ECM Libra Holdings Limited, ECM Libra Partners Sdn Bhd and ECM Libra Securities Sdn Bhd from ECM Libra, in consideration of the allotment and issuance of 442,000,000 new ordinary shares of RM1.00 each in AICB to be credited as fully paid-up to be issued to ECM Libra.

The above agreement has been completed on 16 June 2006.

## 5. MATERIAL LITIGATION

Save as disclosed below, neither us nor our subsidiaries are engaged in any material litigation, claims or arbitration either as plaintiff or defendant as at the date of this Circular, which may have a material effect on our financial position and our Directors are not aware and do not have any knowledge of any proceedings, pending or threatened, against us and/or our subsidiaries or of any facts which is likely to give rise to any proceedings which may materially and adversely affect our financial position or business and/or our subsidiaries:

- (i) On 7 November 2007, a claim has been made by ECM Libra Avenue against Antah Holdings Berhad ("**Antah**") for wrongful termination and breach of contract, among others. Antah has served its defence and counter claim documents on 26 December 2007.

Antah and ECM Libra Avenue entered into an agreement (“**the Contract**”) on 11 November 2005 for the appointment of ECM Libra Avenue as Adviser and Placement Agent with relation to the proposed restructuring of Antah (“**the Restructuring Scheme**”) on the terms and conditions as set out in the Contract. To date, we do not foresee any material financial liabilities arising from the above.

- (ii) Avenue Invest Berhad (“**AvIB**”) is the representative holder of RM10,000,000 worth of Al-bai Bithaman Ajil bonds (“**ABBA Bonds**”) issued by Pesaka Astana Sdn Bhd (“**Pesaka**”) held in certain unit trust funds managed by AvIB. On 15 December 2005, AvIB together with 9 other holders of the ABBA Bonds (as plaintiffs) filed a civil suit at the High Court of Malaya at Kuala Lumpur against Pesaka and 12 other defendants including the trustee and the Directors of Pesaka for inter-alia, breach of contract by Pesaka, breach of trust on the part of the trustee and claiming for inter-alia, judgment sum of RM157,815,000 plus interest and damages. A Mareva Injunction has been granted against the defendants on 16 December 2005. We are currently waiting for the court to fix the next mention date. Since AvIB is involved in this litigation merely as the manager of the unit trust fund and the registered holder, our Board is of the opinion that the litigation will not have any material financial impact on our Group.
- (iii) Claims have been made by our Group, in the ordinary course of its stockbroking business, against various parties for the recovery of amounts owing by its clients in respect of purchases and contra losses incurred. As at 28 December 2007, 72 legal actions or cases representing approximately RM236,344,406 in value are still in progress, the material claims (being individual claims exceeding RM10 million each) of which are against the following parties:

	<b>RM’000</b>
Challenger Citi (M) Sdn Bhd (the defendant had also counter-claimed for the same amount plus certain damages)	10,982
Joseph Lee Yoke Min @ Ambrose	143,285
Dato’ Wong Yeon Chai, Nuroli A/l Shahodebu Naiko, Che Wan	21,520
Mohamed Khadri and Tay Leong Kooi	
	175,787

The abovementioned amounts, however, have been provided for in our books.

## 6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at our registered office at 8A Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:

- (i) Our Memorandum and Articles of Association;
- (ii) Our audited consolidated financial statements for FYE 31 January 2007;
- (iii) Our unaudited consolidated results for the 9-months financial period ended 31 October 2007;
- (iv) the letter of consent referred to in Section 2 above;
- (v) the material contracts as set out in Section 4 above;
- (vi) the cause papers in relation to the material litigation referred to in Section 5 above; and
- (vii) the Bye-Laws of the Scheme.

# ecmlibraavenue

**ECM LIBRA AVENUE BERHAD** (713570-K)  
(Incorporated in Malaysia)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of ECM LIBRA AVENUE BERHAD (“**ELAB**” or the “**Company**”) will be held at Ballroom 1, Level 2, Hotel Nikko Kuala Lumpur, 165 Jalan Ampang, 50450 Kuala Lumpur on Thursday, 31 January 2008 at 2.30 p.m. for the purpose of considering, and, if thought fit, passing the following resolutions:

### ORDINARY RESOLUTION 1

#### PROPOSED SHARE BUY-BACK

THAT, subject to Section 67A of the Companies Act, 1965 (the “**Act**”) and Part IIIA of the Companies Regulations, 1966, provisions of the Company’s Articles of Association and the requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and any other relevant authority, the Directors of the Company be and are hereby authorised to make purchases of ordinary shares of RM1.00 each in the Company’s issued and paid-up share capital through Bursa Securities subject further to the following:-

- (i) the maximum number of shares which may be purchase and/or be held by the Company shall be equivalent to 10% of the issued and paid-up share capital of the Company (“**Purchased Shares**”) for the time being;
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing the Purchased Shares shall not exceed the aggregate of the retained profits and/or share premium account of the Company as certified by the auditors of the Company;
- (iii) the authority conferred by this resolution will commence immediately upon passing of this resolution and will continue to be in force until:
  - (a) the conclusion of the next annual general meeting of the Company; or
  - (b) the expiration of the period within which the next annual general meeting after that date is required by law to be held; or
  - (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting;whichever occurs first,
- (iv) upon completion of the purchase of the Purchased Shares by the Company, the Directors of the Company be and are hereby authorised to deal with the Purchased Shares in the following manner:-
  - (a) cancel the Purchase Shares so purchased; or
  - (b) retain the Purchased Shares so purchased as treasury shares; or
  - (c) retain part of the Purchased Shares so purchased as treasury shares and cancel the remainder; or
  - (d) distribute the treasury shares as dividends to shareholders and/or resell on Bursa Securities and/or cancel all or part of them; orin any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of the Bursa Securities and any other relevant authority for the time being in force;

AND THAT, the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the Purchase Shares with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and to take all such steps as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto.

## **ORDINARY RESOLUTION 2**

### **PROPOSED GRANT OF OPTIONS TO YBHG DATO' SERI KALIMULLAH BIN MASHEERUL HASSAN**

THAT, the offer and granting of 29,000,000 options to YBhg Dato' Seri Kalimullah Masheerul Hassan, the Executive Chairman and Chief Executive Officer of the Company, to subscribe for new ordinary shares of RM1.00 each in ELAB at RM1.00 each under the Company's Employees' Share Option Scheme subject always to such terms and conditions and/or any adjustment which may be made in accordance with the provisions of the bye-laws be and is hereby approved.

## **ORDINARY RESOLUTION 3**

### **PROPOSED GRANT OF OPTIONS TO YBHG DATO' AB. HALIM BIN MOHYIDDIN**

THAT, the offer and granting of 200,000 options to YBhg Dato' Ab. Halim bin Mohyiddin, the Vice Chairman of the Company, to subscribe for new ordinary shares of RM1.00 each in ELAB at RM1.00 each under the Company's Employees' Share Option Scheme subject always to such terms and conditions and/or any adjustment which may be made in accordance with the provisions of the bye-laws be and is hereby approved.

## **ORDINARY RESOLUTION 4**

### **PROPOSED GRANT OF OPTIONS TO MR LIM KIAN ONN**

THAT, the offer and granting of 29,000,000 options to Mr Lim Kian Onn, the Managing Director of the Company, to subscribe for new ordinary shares of RM1.00 each in ELAB at RM1.00 each under the Company's Employees' Share Option Scheme subject always to such terms and conditions and/or any adjustment which may be made in accordance with the provisions of the bye-laws be and is hereby approved.

## **ORDINARY RESOLUTION 5**

### **PROPOSED GRANT OF OPTIONS TO YBHG DATUK KAMARUDIN BIN MD ALI**

THAT, the offer and granting of 200,000 options to YBhg Datuk Kamarudin bin Md Ali, non-executive Director of the Company, to subscribe for new ordinary shares of RM1.00 each in ELAB at RM1.00 each under the Company's Employees' Share Option Scheme subject always to such terms and conditions and/or any adjustment which may be made in accordance with the provisions of the bye-laws be and is hereby approved.

## **ORDINARY RESOLUTION 6**

### **PROPOSED GRANT OF OPTIONS TO YBHG DATO' OTHMAN BIN ABDULLAH**

THAT, the offer and granting of 200,000 options to YBhg Dato' Othman bin Abdullah, non-executive Director of the Company, to subscribe for new ordinary shares of RM1.00 each in ELAB at RM1.00 each under the Company's Employees' Share Option Scheme subject always to such terms and conditions and/or any adjustment which may be made in accordance with the provisions of the bye-laws be and is hereby approved.

## **ORDINARY RESOLUTION 7**

### **PROPOSED GRANT OF OPTIONS TO ENCIK MAHADZIR BIN AZIZAN**

THAT, the offer and granting of 200,000 options to Encik Mahadzir bin Azizan, non-executive Director of the Company, to subscribe for new ordinary shares of RM1.00 each in ELAB at RM1.00 each under the Company's Employees' Share Option Scheme subject always to such terms and conditions and/or any adjustment which may be made in accordance with the provisions of the bye-laws be and is hereby approved.

## **ORDINARY RESOLUTION 8**

### **PROPOSED GRANT OF OPTIONS TO MR SOO KIM WAI**

THAT, the offer and granting of 200,000 options to Mr Soo Kim Wai, non-executive Director of the Company, to subscribe for new ordinary shares of RM1.00 each in ELAB at RM1.00 each under the Company's Employees' Share Option Scheme subject always to such terms and conditions and/or any adjustment which may be made in accordance with the provisions of the bye-laws be and is hereby approved.

## **SPECIAL RESOLUTION 1**

### **PROPOSED CHANGE OF NAME**

THAT, the name of the Company be changed from "ECM Libra Avenue Berhad" to "ECM Libra Financial Group Berhad" and that all references in the Memorandum & Articles of Association of the Company to the name of ECM Libra Avenue Berhad, wherever the same may appear, shall be deleted and substituted with ECM Libra Financial Group Berhad ("**Proposed Change of Name**"); AND THAT YBhg Dato' Seri Kalimullah Masheerul Hassan, the Executive Chairman and Chief Executive Officer of the Company, be and is hereby authorised to give effect to the Proposed Change of Name with full power to assent to any condition, modification, variation and/or amendment as may be required by the relevant authorities.

## **SPECIAL RESOLUTION 2**

### **PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY**

THAT, subject to the relevant approvals being obtained, the Articles of Association of the Company be amended in the manner as set out in Appendix II attached in the Circular to Shareholders dated 9 January 2008 AND THAT the Directors be and are hereby authorised to sign, do and execute all relevant documents, acts, and things as may be required for or in connection with and to give full effect to the Proposed Amendments to the Articles of Association of the Company with full power to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities.

By Order of the Board

**WONG SEONG CHO**  
Company Secretary

Kuala Lumpur  
9 January 2008

**Notes:**

1. A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one (1) or more proxy/proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company. A member who is an authorised nominee may appoint not more than two (2) proxies in respect of each securities account it holds.
2. The Form of Proxy must be deposited at the Registered Office of the Company at 8A Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time and date of the Extraordinary General Meeting or adjourned meeting.

**ecmlibra<sup>15</sup>avenue**  
**ECM LIBRA AVENUE BERHAD** (713570-K)  
(Incorporated in Malaysia)

**FORM OF PROXY**

I/We \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ being a member/members of ECM LIBRA AVENUE BERHAD  
hereby appoint \_\_\_\_\_  
of \_\_\_\_\_  
or failing \*him/her \_\_\_\_\_  
of \_\_\_\_\_

or failing \*him/her, the Chairman of the meeting as \*my/our proxy/proxies to vote for me/us on \*my/our behalf at the Extraordinary General Meeting of the Company to be held at Ballroom 1, Level 2, Hotel Nikko Kuala Lumpur, 165 Jalan Ampang, 50450 Kuala Lumpur on Thursday, 31 January 2008 at 2.30 p.m. and at any adjournment thereof.

\*My/Our proxy/proxies is/are to vote either on show of hands or on a poll as indicated below with an "X":

ORDINARY RESOLUTIONS		FOR	AGAINST
1.	PROPOSED SHARE BUY-BACK		
2.	PROPOSED GRANT OF OPTIONS TO YBHG DATO' SERI KALIMULLAH BIN MASHEERUL HASSAN		
3.	PROPOSED GRANT OF OPTIONS TO YBHG DATO' AB. HALIM BIN MOHYIDDIN		
4.	PROPOSED GRANT OF OPTIONS TO MR LIM KIAN ONN		
5.	PROPOSED GRANT OF OPTIONS TO YBHG DATUK KAMARUDIN BIN MD ALI		
6.	PROPOSED GRANT OF OPTIONS TO YBHG DATO' OTHMAN BIN ABDULLAH		
7.	PROPOSED GRANT OF OPTIONS TO ENCIK MAHADZIR BIN AZIZAN		
8.	PROPOSED GRANT OF OPTIONS TO MR SOO KIM WAI		
SPECIAL RESOLUTIONS			
1.	PROPOSED CHANGE OF NAME		
2.	PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2008

Number of shares held \_\_\_\_\_  
[\*Delete if not applicable]

Signature of Member(s) \_\_\_\_\_

**Notes**

1. If you wish to appoint other person(s) to be your proxy, delete the words "the Chairman of the meeting" and insert the name(s) and address(es) of the person(s) desired in the space so provided.
2. If there is no indication as to how you wish your vote(s) to be cast, the proxy will vote or abstain at his/her discretion.



3. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company.
4. A member shall be entitled to appoint one (1) or more proxy/proxies to attend and vote at the same meeting provided that where a member of the Company is authorised nominee as defined in accordance with the provisions of the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member appoints more than one (1) proxy to attend the meeting, the member shall specify the proportion of his shareholdings to be represented by each proxy.
5. In the case where a member is a corporation, this Form of Proxy must be executed under its Common Seal or under the hand of its Attorney.
6. All Forms of Proxy must be duly executed and deposited at the Registered Office of the Company at 8A Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time for holding the meeting or adjourned meeting.



Fold this flap for sealing

Then fold here

AFFIX  
STAMP

The Company Secretary  
**ECM Libra Avenue Berhad** (713570-K)  
8A Floor, Wisma Genting,  
Jalan Sultan Ismail,  
50250 Kuala Lumpur.

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