

APPENDIX VI – INFORMATION ON TP INTERNATIONAL, TP INTERNATIONAL’S DIRECTORS’ REPORT AND TP INTERNATIONAL’S LATEST AUDITED FINANCIAL STATEMENTS FOR THE FPE 30 SEPTEMBER 2016

1. HISTORY AND PRINCIPAL ACTIVITIES

TP International was incorporated in Australia as a proprietary limited company on 31 May 2016 to act as the trustee for TP Flinders.

2. SHARE CAPITAL

The issued share capital of TP International as at the LPD is AUD1 comprising 100 ordinary shares of AUD0.01.

3. SUBSIDIARIES AND ASSOCIATED COMPANIES

As at the LPD, TP International does not have any subsidiary or associated company.

4. DIRECTORS

The particulars of the directors of TP International and their shareholdings in TP International as at the LPD are as follows:

Name	Nationality	Direct		Indirect	
		No. of ordinary shares	%	No. of ordinary shares	%
Christopher Mark Anthony Lankester	Malaysian	-	-	-	-
Gareth Lim Tze Xiang	Malaysian	-	-	-	-
Wong Ah Mee	Malaysian	-	-	-	-
Navinderjeet Singh A/L Naranjan Singh (Alternate director to Christopher Mark Anthony Lankester)	Malaysian	-	-	-	-
Oh Teik Khim (Alternate director to Gareth Lim Tze Xiang)	Malaysian	-	-	-	-

5. SUBSTANTIAL SHAREHOLDERS

The particulars of the substantial shareholders of TP International and their shareholdings in TP International as at the LPD are as follows:

Name	Nationality/Country of Incorporation	Direct		Indirect	
		No. of ordinary shares	%	No. of ordinary shares	%
TPRE	Singapore	100	100.0	-	-

Information related to TPRE is set out in **Section 3.5** of this Circular.

APPENDIX VI – INFORMATION ON TP INTERNATIONAL, TP INTERNATIONAL’S DIRECTORS’ REPORT AND TP INTERNATIONAL’S LATEST AUDITED FINANCIAL STATEMENTS FOR THE FPE 30 SEPTEMBER 2016 (cont’d)

6. HISTORICAL FINANCIAL INFORMATION

The summary of the key financial information of TP International based on its audited financial statements for the FPE 30 September 2016 is set out below:

	Audited for FPE 30 September 2016	
	AUD’000	RM’000
Revenue	-	-
Loss before tax	(9)	(28) ⁽¹⁾
Loss after tax	(9)	(28) ⁽¹⁾
Paid-up capital	-*	-*
Shareholders’ funds / NA	(9)	(29) ⁽²⁾
No. of shares	100	100
EPS (AUD / RM)	(91)	(280)
NA per share (AUD/RM)	(91)	(289)
Total borrowings	-	-
Current ratio (times)	0.0	0.0
Gearing (times)	-	-

Notes:

* Less than 100.

(1) Translated at the average exchange rate of AUD1.00:RM3.0663 for the FPE 30 September 2016.

(2) Translated at the exchange rate as at 30 September 2016 of AUD1.00:RM3.1633.

Commentary:

FPE 30 September 2016

TP International was incorporated on 31 May 2016. The net loss mainly comprises employee benefit expenses of AUD2,628 and administrative and other expenses of AUD6,496.

7. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

7.1 Material commitments

As at the LPD, there are no material commitments incurred or known to be incurred by TP International which may, upon being enforceable, have a material adverse effect on TP International’s profits or NA.

7.2 Contingent liabilities

As at the LPD, there are no contingent liabilities incurred or known to be incurred by TP International which may, upon being enforceable, have a material adverse effect on TP International’s profits or NA.

8. MATERIAL CONTRACTS

Save as disclosed below, TP International has not entered into any material contracts (not being contracts entered into in the ordinary course of business) during the 2 years preceding the LPD.

- (i) Contract for sale with N.M. Computer Services Pty Ltd dated 3 June 2016 for the purchase of the Flinders Lane Property; and
- (ii) Subscription agreements dated 21 June 2017 with Hedgehog (acting as trustee for Hedgehog Trust) and Spencer17 (acting as trustee for Spencer Investment Trust) in respect of the Subscription and Advances.

9. MATERIAL LITIGATION

As at the LPD, TP International is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and TP International does not have any knowledge of any such proceedings, pending or threatened against TP International or of any facts which is likely to give rise to any such proceedings which may affect the position or business of TP International.

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 **TP International Pty Ltd**
(ACN 612 712 384)

Management Office
2nd Floor,
Bangunan ECM Libra,
8 Jalan Damansara Endah,
Damansara Heights,
50490 Kuala Lumpur,
Malaysia.

Registered Office
40, Bramley Crescent,
Wheelers Hill, VIC 3150.

 +603-2082 5799
 +603-2092 3407
tunehotels.com

Date: **14 NOV 2017**

Board of Directors
ECM Libra Financial Group Berhad
2nd Floor, West Wing
Bangunan ECM Libra
8 Jalan Damansara Endah
Damansara Heights
50490 Kuala Lumpur

Dear Sirs,

**PROPOSED ACQUISITION BY ECM LIBRA FINANCIAL GROUP
BERHAD OF 50% EQUITY INTEREST IN TP INTERNATIONAL PTY LTD**

On behalf of the Board of Directors of TP International Pty Ltd (“**Board**”), I wish to report that after making due enquiries in relation to the period between 30 September 2016, being the date on which the last audited financial statement of TP International Pty Ltd have been made up, and up to the date hereof, being a date not earlier than fourteen (14) days before the date of issue of this circular by ECM Libra Financial Group Berhad to its shareholders, that:

- (a) The business of TP International Pty Ltd has, in the opinion of the Board, been satisfactorily maintained;
- (b) In the opinion of the Board, no circumstances have arisen since the last audited financial statements of TP International Pty Ltd, which have adversely affected the trading or the value of the assets of TP International Pty Ltd;
- (c) The current assets of TP International Pty Ltd appears in the books at values which are believed to be realisable in the ordinary course of business;
- (d) There are no contingent liabilities by reason of any guarantees or indemnities given by TP International Pty Ltd;
- (e) There has been, since the last audited financial statements of TP International Pty Ltd, no default or any known event that could give rise to a default situation, on payments of either interest and/or principal sums for any borrowings of TP International Pty Ltd; and

- (f) Since the last audited financial statements of TP International Pty Ltd, there has been no material change in the published reserves or any unusual factors affecting the profits of TP International Pty Ltd.

Yours faithfully,
For and on behalf of the Board of
TP International Pty Ltd



GARETH LIM TZE XIANG
Director



CHRISTOPHER MARK ANTHONY LANKESTER
Director

TP International Pty Ltd
ACN 612 712 384



Financial Report
for the period ended 30 September 2016

**APPENDIX VI – INFORMATION ON TP INTERNATIONAL, TP INTERNATIONAL’S DIRECTORS’
REPORT AND TP INTERNATIONAL’S LATEST AUDITED FINANCIAL STATEMENTS FOR THE FPE
30 SEPTEMBER 2016 (cont’d)**

TP International Pty Ltd

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APPENDIX VI – INFORMATION ON TP INTERNATIONAL, TP INTERNATIONAL'S DIRECTORS' REPORT AND TP INTERNATIONAL'S LATEST AUDITED FINANCIAL STATEMENTS FOR THE FPE 30 SEPTEMBER 2016 (cont'd)

TP International Pty Ltd

Directors' Report

The directors of TP International Pty Ltd present their report on the company for the financial period 31 May 2016 to 30 September 2016.

DIRECTORS

The names of the company's directors in office during the financial year and until the date of this report were:

- 1) Christopher Mark Anthony, Lankester (Director);
- 2) Gareth Tze Xiang, Lim (Director);
- 3) Ah Mee, Wong (Director);
- 4) Navinderjeet Singh, Naranjan Singh (Director); and
- 5) Teik Khim, Oh (Director).

All directors were in office from the date of incorporation until the date of this report, unless otherwise stated.

PRINCIPAL ACTIVITY

The company's principal activity is to act as The Trustee for TP Hotel (Flinders) Trust.

RESULT AND DIVIDENDS

The loss after tax of the company for the period 30 September 2016 was A\$9,124. No dividend was declared during the current period.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs. The Company being the Trustee of TP Hotel (Flinders) Trust during the financial year entered to a contract of sale to acquire a property at Flinders Lane, Melbourne for a purchase consideration A\$ 18.5 mil. The acquisition was completed on 28 July 2016.

SIGNIFICANT EVENTS AFTER BALANCE DATE

There have been no significant events occurring after balance date, which may affect either the Company's operations or results of those operations or the Company's state of affairs.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The directors advise at the date of the report that there will be no material developments that will significantly change the existing activities of the company except that measures have been put in place for further expansion.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The company's operations are not specifically affected by any significant environmental, industrial or social regulation under a law of the Commonwealth or of a State or Territory.

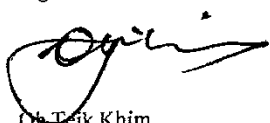
AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 4.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Signed in accordance with a resolution of the directors.



Oh Teik Khim
Director

Kuala Lumpur, Malaysia.

Date: 21 April 2017



8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67
Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Auditor's Independence Declaration to the Directors of TP International Pty Ltd

As lead auditor for the audit of TP International Pty Ltd for the period ended 30 September 2016, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

Ernst & Young

Christopher Reid
Partner
24 April 2017

**APPENDIX VI – INFORMATION ON TP INTERNATIONAL, TP INTERNATIONAL’S DIRECTORS’
REPORT AND TP INTERNATIONAL’S LATEST AUDITED FINANCIAL STATEMENTS FOR THE FPE
30 SEPTEMBER 2016 (cont’d)**

TP International Pty Ltd

Statement of Comprehensive Income

For the period ended 30 September 2016

	NOTE	31.5.2016 to 30.9.2016
Employee benefits expenses		(2,628)
Administrative and other expenses		(6,496)
LOSS BEFORE INCOME TAX		(9,124)
Income tax expense	4	-
LOSS AFTER TAX , REPRESENTING TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(9,124)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

APPENDIX VI – INFORMATION ON TP INTERNATIONAL, TP INTERNATIONAL'S DIRECTORS' REPORT AND TP INTERNATIONAL'S LATEST AUDITED FINANCIAL STATEMENTS FOR THE FPE 30 SEPTEMBER 2016 (cont'd)

TP International Pty Ltd

Statement of Financial Position

As at 30 September 2016

	NOTE	2016 \$
CURRENT ASSETS		
Cash and cash equivalent	8	23
TOTAL ASSET		23
CURRENT LIABILITIES		
Other payables	5	9,146
TOTAL LIABILITIES		9,146
NET ASSETS		(9,123)
EQUITY		
Contributed equity	6	1
Accumulated loss		(9,124)
TOTAL EQUITY(DEFICIENCY)		(9,123)

The above statement of financial position should be read in conjunction with the accompanying notes.

APPENDIX VI – INFORMATION ON TP INTERNATIONAL, TP INTERNATIONAL'S DIRECTORS' REPORT AND TP INTERNATIONAL'S LATEST AUDITED FINANCIAL STATEMENTS FOR THE FPE 30 SEPTEMBER 2016 (cont'd)

TP International Pty Ltd

Statement of Changes In Equity

For the period ended 30 September 2016

	Contributed Equity	Accumulated loss	Total Equity/(Deficiency)
	\$	\$	\$
At date of incorporation	1	-	1
Total comprehensive loss for the period	-	(9,124)	(9,124)
At 30 September 2016	<u>1</u>	<u>(9,124)</u>	<u>(9,123)</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

APPENDIX VI – INFORMATION ON TP INTERNATIONAL, TP INTERNATIONAL'S DIRECTORS' REPORT AND TP INTERNATIONAL'S LATEST AUDITED FINANCIAL STATEMENTS FOR THE FPE 30 SEPTEMBER 2016 (cont'd)

TP International Pty Ltd

Statement of Cash Flows

For the period ended 30th September 2016

	NOTE	2016 \$
Cash from operating activities:		
Loss before tax		(9,124)
Working capital adjustments:		
Other payables (excluding related parties)		4,572
Net cash used in operating activities		(4,552)
Cash flows from financing activities:		
Advances from related parties, representing net cash generated from financing activity		4,574
Purchase of ordinary shares		1
Net cash generated from financing activities		4,575
Net cash at date of incorporation		23
Cash at end of the financial period	8	23

The above statement of cash flows should be read in conjunction with the accompanying notes.

APPENDIX VI – INFORMATION ON TP INTERNATIONAL, TP INTERNATIONAL'S DIRECTORS' REPORT AND TP INTERNATIONAL'S LATEST AUDITED FINANCIAL STATEMENTS FOR THE FPE 30 SEPTEMBER 2016 (cont'd)

TP International Pty Ltd

Notes to the Financial Statements

For period ended 30th September 2016

1. CORPORATE INFORMATION

The financial report of the TP International Pty Ltd (the Company) for the period ended 30 September 2016 was authorised for issue in accordance with a resolution of the directors on 21 April 2017.

TP International Pty Ltd was incorporated on the 31 May 2016 with the principal activity to act as The Trustee for TP Hotel (Flinders) Trust.

The registered office of TP International Pty Ltd is located at:
40 Bramley Crescent, Wheelers Hill
3150 Victoria, Australia

The nature of the operations and principal activity during the period of the Company are described in the directors' report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation and statement of compliance

This special purpose financial report has been prepared for distribution to the members to fulfil the director's financial reporting requirements under the *Corporations Act 2001*. The accounting policies used in the preparation of this report, as described below are in the opinion of the directors, appropriate to meet the needs of the members.

The requirements of Accounting Standards issued by the Australian Accounting Standards Board and other professional reporting requirements do not have mandatory applicability to the Company in relation to the period ended 30 September 2016 because the directors have determined that the Company is not a reporting entity. However, the directors have determined that in order for the financial report to give a true and fair view of the Company's results of operations and state of affairs, the requirements of Accounting Standards and other professional reporting requirements in Australia regarding the measurement and recognition of assets, liabilities, revenues, expenses and equity should be complied with.

Accordingly, the directors have prepared the financial report and in accordance with Australian Accounting Standards with the main disclosure exceptions including:

- AASB 7 *Financial Instruments: Disclosures*
- AASB 112 *Income Taxes*
- AASB 117 *Leases*
- AASB 119 *Employee Benefits*
- AASB 124 *Related Party Disclosures*
- AASB 132 *Financial Instruments: Presentation*
- AASB 136 *Impairment of Assets*
- AASB 139 *Financial Instruments: Recognition and Measurement*

The financial report has been prepared on an accruals basis of accounting including historical cost convention, except as disclosed in the notes to the financial statements.

(b) New Accounting Standards and Interpretations

(i) Changes in accounting policy and disclosures

There have been no new or amended Australian Accounting Standards and AASB Interpretations effective for reporting periods beginning 1 October 2016 that impact the accounting policies, financial position or performance of the entity.

(ii) Australian Standards and Interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ending 30 September 2016.

(c) Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash and cash equivalents as defined above. Cash at bank is nominal value.

APPENDIX VI – INFORMATION ON TP INTERNATIONAL, TP INTERNATIONAL'S DIRECTORS' REPORT AND TP INTERNATIONAL'S LATEST AUDITED FINANCIAL STATEMENTS FOR THE FPE 30 SEPTEMBER 2016 (cont'd)

TP International Pty Ltd

Notes to the Financial Statements

For period ended 30th September 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Going concern

The financial report is presented in Australian dollars and has been prepared on a going concern basis despite the Company having a net deficiency A\$9,123 of current assets over current liabilities. A letter of financial support from TP Real Estate Holdings Pte Ltd has been provided to the Company.

(e) Other payables

Liabilities for other payables including related party loans are carried at amortised cost which represents liabilities for goods and services received prior to year end, whether or not billed to the Company.

(f) Contributed Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(g) Provisions and employee benefits

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

APPENDIX VI – INFORMATION ON TP INTERNATIONAL, TP INTERNATIONAL'S DIRECTORS' REPORT AND TP INTERNATIONAL'S LATEST AUDITED FINANCIAL STATEMENTS FOR THE FPE 30 SEPTEMBER 2016 (cont'd)

TP International Pty Ltd

Notes to the Financial Statements

For period ended 30th September 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Income tax

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(i) Other Taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(j) Foreign currency translation

Both the functional and presentation currency is Australian dollars.

APPENDIX VI – INFORMATION ON TP INTERNATIONAL, TP INTERNATIONAL'S DIRECTORS' REPORT AND TP INTERNATIONAL'S LATEST AUDITED FINANCIAL STATEMENTS FOR THE FPE 30 SEPTEMBER 2016 (cont'd)

TP International Pty Ltd

Notes to the Financial Statements

For the year period 30 September 2016

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results of the financial position reported in future periods.

NOTE **31 May 2016**
to 30 September 2016

4. INCOME TAX

(a) Income tax expense

The major components of income tax expense are:

Current income tax expense, representing total tax expense reported in the Statement of Comprehensive Income

(9,124)

(b) Reconciliation

A reconciliation of income tax expense applicable to accounting loss before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate is as follows:

Accounting loss before income tax

(9,124)

At the statutory income tax rate of 30%

(2,737)

Adjustments in respect of current income tax:

Non-deductible costs

435

Deferred tax not recognised on unutilised business losses

2,302

Income tax expense reported in the statement of comprehensive income

-

APPENDIX VI – INFORMATION ON TP INTERNATIONAL, TP INTERNATIONAL'S DIRECTORS' REPORT AND TP INTERNATIONAL'S LATEST AUDITED FINANCIAL STATEMENTS FOR THE FPE 30 SEPTEMBER 2016 (cont'd)

TP International Pty Ltd

Notes to the Financial Statements

For the year ended 30 September 2016

	NOTE	2016 \$
5. OTHER PAYABLES		
Other payables		4,572
Amount due to a holding company		4,574
		<u>9,146</u>
6. CONTRIBUTED EQUITY		
<i>Issued and Paid Up Capital</i>		
1 unit of ordinary share fully paid		<u>1</u>
Fully paid ordinary shares carry one vote per share and carry the right to dividends and the proceeds on winding up of the entity in proportion to the number of shares held.		
7. AUDITOR'S REMUNERATION		
Amounts received or due and receivable by Ernst & Young as auditors of TP International Pty Ltd for:		
– an audit of the financial statements		<u>3,948</u>
8. CASH AND CASH EQUIVALENTS		
Reconciliation of cash and cash equivalents		
For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise the following:		
Cash at bank		<u>23</u>
9. COMPARATIVES		
There are no comparative figures as this is the first set of financial statements of the Company since the date of incorporation on 31 May 2016.		

APPENDIX VI – INFORMATION ON TP INTERNATIONAL, TP INTERNATIONAL'S DIRECTORS' REPORT AND TP INTERNATIONAL'S LATEST AUDITED FINANCIAL STATEMENTS FOR THE FPE 30 SEPTEMBER 2016 (cont'd)

TP International Pty Ltd

Director's Declaration

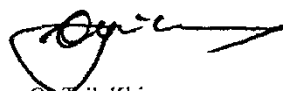
For the period ended 30 September 2016

In accordance with a resolution of the directors of TP International Pty Ltd, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the company are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 September 2016 and of its performance for the period ended on that date prepared in accordance with the accounting policies described in Note 2 to the financial statements; and
 - (ii) complying with Australian Accounting Standards and Corporations Regulations 2001 to the extent described in Note 2 to the financial statements; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- (c) the company is not a reporting entity

On behalf of the Board



On Teik Khim
Director

Kuala Lumpur, Malaysia.

Date: 21 April 2017



8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67
Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8660 7777
ey.com/au

Independent auditor's report to the members of TP International Pty Ltd

We have audited the accompanying financial report, being a special purpose financial report of TP International Pty Ltd, which comprises the statement of financial position as at 30 September 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 2 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal controls as the directors determine are necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration.



Opinion

In our opinion the financial report of TP International Pty Ltd is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the company's financial position as at 30 September 2016 and of its performance for the period to that date; and
- b. complying with Australian Accounting Standards to the extent described in Note 2, and the *Corporations Regulations 2001*.

Basis of accounting

Without modifying our opinion, we draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

A handwritten signature in dark ink, appearing to read 'Ernst & Young', is positioned above the printed name.

Ernst & Young

A handwritten signature in dark ink, appearing to read 'C. Reid', is positioned above the printed name.

Christopher Reid
Partner
Melbourne
24 April 2017

1. HISTORY AND PRINCIPAL ACTIVITIES

YKSB was incorporated in Malaysia as a private limited company on 4 February 2016.

YKSB owns a restaurant business and provides food catering services for the AirAsia Lounge located in KLIA2.

2. SHARE CAPITAL

The issued share capital of YKSB as at the LPD is RM10 comprising 10 ordinary shares.

3. SUBSIDIARIES AND ASSOCIATED COMPANIES

As at the LPD, YKSB does not have any subsidiary or associated company.

4. DIRECTORS

The particulars of the directors of YKSB and their shareholdings in YKSB as at the LPD are as follows:

Name	Nationality	Direct		Indirect	
		No. of ordinary shares	%	No. of ordinary shares	%
Juwahir bin Mustafa	Malaysian	-	-	-	-
Wendy Woo	Malaysian	-	-	-	-

5. SUBSTANTIAL SHAREHOLDERS

The particulars of the substantial shareholders of YKSB and their shareholdings in YKSB as at the LPD are as follows:

Name	Nationality/Country of Incorporation	Direct		Indirect	
		No. of ordinary shares	%	No. of ordinary shares	%
TPRE	Singapore	10	100.0	-	-

Information related to TPRE is set out in **Section 3.5** of this Circular.

6. HISTORICAL FINANCIAL INFORMATION

The summary of the key financial information of YKSB based on its audited financial statements for the FPE 30 September 2016 is set out below:

	Audited for FPE 30 September 2016
	RM’000
Revenue	524
Loss before tax	(91)
Loss after tax	(91)
Paid-up capital	-*
Shareholders’ funds / NA	(91)
No. of shares	10
EPS	(9)
NA per share	(9)
Total borrowings	-
Current ratio (times)	0.8
Gearing (times)	-

Note:

* *Less than 100*

Commentary:

FPE 30 September 2016

YKSB was incorporated on 4 February 2016 and commenced operations in April 2016 with revenue from restaurant operations registering RM524,472 during the period until 30 September 2016. However, after incorporating expenses related to food and beverage of RM235,159 and administrative expenses, employee benefit expenses and other expenses totaling RM379,145, YKSB incurred net losses for the FPE 30 September 2016.

7. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

7.1 Material commitments

As at the LPD, there are no material commitments incurred or known to be incurred by YKSB which may, upon being enforceable, have a material adverse effect on YKSB’s profits or NA.

7.2 Contingent liabilities

As at the LPD, there are no contingent liabilities incurred or known to be incurred by YKSB which may, upon being enforceable, have a material adverse effect on YKSB’s profits or NA.

YKSB has previously provided a bank guarantee (“**Bank Guarantee**”) obtained on behalf of TPRE in favour of Airport and Aviation Services (Sri Lanka) Limited (“**AASL**”). On 4 October 2017, AASL made a call on the Bank Guarantee, requesting for the release of the guarantee amount of approximately LKR2.7 million (equivalent to RM76,360.50) (“**Guarantee Amount**”). On 27 October 2017, TPRE fully indemnified YKSB by paying the Guarantee Amount to YKSB and the discharge of the Bank Guarantee is in progress as at the LPD.

8. MATERIAL CONTRACTS

As at the LPD, YKSB has not entered into any material contracts (not being contracts entered into in the ordinary course of business) during the past 2 years preceding the LPD.

9. MATERIAL LITIGATION

As at the LPD, YKSB is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and YKSB does not have any knowledge of any such proceedings, pending or threatened against YKSB or of any facts which is likely to give rise to any such proceedings which may affect the position or business of YKSB.

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THE GLASSHOUSE

café . bar

Date: **14 NOV 2017**

Board of Directors
ECM Libra Financial Group Berhad
2nd Floor, West Wing
Bangunan ECM Libra
8 Jalan Damansara Endah
Damansara Heights
50490 Kuala Lumpur

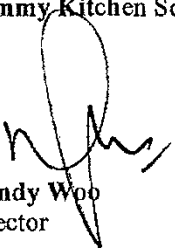
Dear Sirs,

PROPOSED ACQUISITION BY ECM LIBRA FINANCIAL GROUP BERHAD OF 50% EQUITY INTEREST IN YUMMY KITCHEN SDN BHD

On behalf of the Board of Directors of Yummy Kitchen Sdn Bhd ("Board"), I wish to report that after making due enquiries in relation to the period between 30 September 2016, being the date on which the last audited financial statement of Yummy Kitchen Sdn Bhd have been made up, and up to the date hereof, being a date not earlier than fourteen (14) days before the date of issue of this circular by ECM Libra Financial Group Berhad to its shareholders, that:

- (a) The business of Yummy Kitchen Sdn Bhd has, in the opinion of the Board, been satisfactorily maintained;
- (b) In the opinion of the Board, no circumstances have arisen since the last audited financial statements of Yummy Kitchen Sdn Bhd, which have adversely affected the trading or the value of the assets of Yummy Kitchen Sdn Bhd;
- (c) The current assets of Yummy Kitchen Sdn Bhd appears in the books at values which are believed to be realisable in the ordinary course of business;
- (d) There are no contingent liabilities by reason of any guarantees or indemnities given by Yummy Kitchen Sdn Bhd;
- (e) There has been, since the last audited financial statements of Yummy Kitchen Sdn Bhd, no default or any known event that could give rise to a default situation, on payments of either interest and/or principal sums for any borrowings of Yummy Kitchen Sdn Bhd; and
- (f) Since the last audited financial statements of Yummy Kitchen Sdn Bhd, there has been no material change in the published reserves or any unusual factors affecting the profits of Yummy Kitchen Sdn Bhd.

Yours faithfully,
For and on behalf of the Board of
Yummy Kitchen Sdn Bhd


Wendy Woo
Director


Juwahir Bin Mustafa
Director

Yummy Kitchen Sdn Bhd (1174912-W)
Tune Hotel KLIA 2, Lot Pt 13 Jalan Klia 2/2, 64000 KLIA Selangor, Malaysia
Tel: +603 8787 1726



**YUMMY KITCHEN SDN. BHD.
(1174912-W)
(Incorporated in Malaysia)**

**Directors' Report and Audited Financial Statements
30 September 2016**

1174912-W

**Yummy Kitchen Sdn. Bhd.
(Incorporated in Malaysia)**

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Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 - 33

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Yummy Kitchen Sdn. Bhd.
(Incorporated in Malaysia)

Directors' report

The directors hereby present their report together with the financial statements of the Company for the financial period from 4 February 2016 (date of incorporation) to 30 September 2016.

Principal activities

The principal activities of the Company are to operate restaurant, food caterers and food specialist businesses. The Company has commenced its operation during the financial period. There have been no significant changes in the nature of principal activities during the financial period.

Results

	RM
Net loss for the financial period	<u>90,732</u>

There were no material transfers to or from reserves or provisions during the financial period.

In the opinion of the directors, the results of the operations of the Company during the financial period was not substantially affected by any item, transaction or event of a material and unusual nature.

Directors

The names of the directors of the Company in office since the date of incorporation and at the date of this report are:

Juwahir Bin Mustafa	(First director)
Wendy Woo	(Appointed on 11 March 2016)
Low Yuk Kei	(First director, resigned on 11 March 2016)

Directors' benefits

Neither at the end of the financial period, nor at any time during that period, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by the means of acquisition of shares in or debentures of the Company or any other body corporate.

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Yummy Kitchen Sdn. Bhd.
(Incorporated in Malaysia)

Directors' benefits (cont'd.)

Since the date of incorporation, no director has received or become entitled to receive a benefit (other than benefits included in the fixed salary of a full time employee) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, other than as disclosed in Note 18 to the financial statements.

Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial period in shares and options over shares in the Company and its related corporations during the financial period were as follows:

	[-----Number of ordinary shares of RM1.00 each-----]			
	At date of incorporation	Acquired	Sold	At 30 September 2016
Direct interest:				
Wendy Woo	8	-	(8)	-
Low Yuk Kei	2	-	(2)	-

None of the directors in office at the end of the financial period had any interest in shares in the Company or its related corporations during the financial period.

Other statutory information

- (a) Before the statement of comprehensive income and statement of financial position of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that no provision for doubtful debts was necessary; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

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Yummy Kitchen Sdn. Bhd.
(Incorporated in Malaysia)

Other statutory information (cont’d.)

- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) it necessary to write off any bad debts or to make any provision for doubtful debts in respect of the financial statements of the Company; and
 - (ii) the values attributed to the current assets in the financial statements of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
 - (i) any charge on the assets of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Company which has arisen since the end of the financial period.
- (f) In the opinion of the directors:
 - (i) subject to the continuous financial support of its holding company, no contingent or other liability has become enforceable or is likely to become enforceable within the year of twelve months after the end of the financial period which will or may affect the ability of the Company to meet its obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of the operations of the Company for the financial period in which this report is made.
- (g) For the period end 30 September 2016, the Company reported a net loss of RM90,732 and as of that date, its current liabilities exceeded current assets by RM107,757 and its shareholder's deficit was RM90,722. The Company relies on its holding company for continued financial support and has obtained an undertaking from the holding company to enable it to meet its obligations and liabilities as and when they fall due so as to operate as a going concern.

APPENDIX VII – INFORMATION ON YKSB, YKSB’S DIRECTORS’ REPORT AND YKSB’S LATEST AUDITED FINANCIAL STATEMENTS FOR THE FPE 30 SEPTEMBER 2016 *(cont’d)*

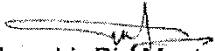
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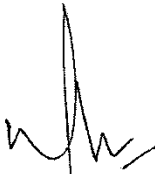
**Yummy Kitchen Sdn. Bhd.
(Incorporated in Malaysia)**

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors dated 31 March 2017.


Juwahir Bin Mustafa


Wendy Woo

1174912-W

Yummy Kitchen Sdn. Bhd.
(Incorporated in Malaysia)

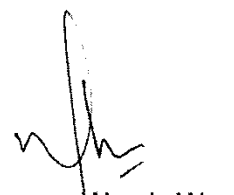
Statement by directors

Pursuant to Section 169(15) of the Companies Act, 1965

We, Juwahir Bin Mustafa and Wendy Woo, being two directors of Yummy Kitchen Sdn Bhd, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 8 to 33 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 30 September 2016 and of its financial performance and cash flows of the Company for the period then ended.

Signed in accordance with a resolution of the directors dated 31 MAR 2017


Juwahir Bin Mustafa


Wendy Woo

Statutory declaration

Pursuant to Section 169(16) of the Companies Act, 1965

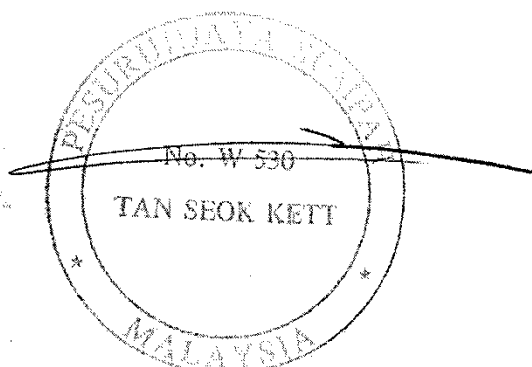
I, Wendy Woo, being the director primarily responsible for the financial management of Yummy Kitchen Sdn Bhd, do solemnly and sincerely declare that the accompanying financial statements set out on pages 8 to 33 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Wendy Woo
at Kuala Lumpur in the Federal Territory
on 31 March 2017.


Wendy Woo

Before me,

Lot 350, 3rd Floor, Wisma Naza,
Jalan Raja Chulan,
50200 Kuala Lumpur.





Ernst & Young Member Firm
GST Reg No: 001556430848
Chartered Accountants
Level 23A Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
50490 Kuala Lumpur Malaysia

Tel: +603 7495 8000
Fax: +603 2095 5332 (General line)
+603 2095 9076
+603 2095 9078
ey.com

1174912-W

**Independent auditors' report to the member of
Yummy Kitchen Sdn. Bhd.
(Incorporated in Malaysia)**

Report on the financial statements

We have audited the financial statements of Yummy Kitchen Sdn. Bhd., which comprise the statement of financial position as at 30 September 2016 and statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the period ended 30 September 2016, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 33.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



1174912-W

Independent auditors' report to the member of
Yummy Kitchen Sdn. Bhd. (cont'd.)
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 September 2016 and of its financial performance and cash flows for the period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Kuala Lumpur, Malaysia
31 March 2017

H'ng Boon Keng
No. 03112/08/2018 J
Chartered Accountant

1174912-W

Yummy Kitchen Sdn. Bhd.
(Incorporated in Malaysia)

Statement of comprehensive income
For the financial period ended 30 September 2016

	Note	4.2.2016 to 30.9.2016 RM
Revenue	4	524,472
Other income	5	679
Cost of food and beverage		(235,159)
Administrative expenses		(161,691)
Other expenses		(52,956)
Employee benefit expenses	7	(164,498)
Depreciation		(1,579)
Loss from operations		<u>(90,732)</u>
Loss before tax		(90,732)
Income tax expense	8	<u>-</u>
Net loss for the period, representing total comprehensive expense for the period		<u>(90,732)</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

APPENDIX VII – INFORMATION ON YKSB, YKSB’S DIRECTORS’ REPORT AND YKSB’S LATEST AUDITED FINANCIAL STATEMENTS FOR THE FPE 30 SEPTEMBER 2016 (cont’d)

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**Yummy Kitchen Sdn. Bhd.
(Incorporated in Malaysia)**

**Statement of financial position
As at 30 September 2016**

	Note	2016 RM
Assets		
Non-current assets		
Equipment	9	12,857
Deposit		15,794
Deferred expenses		2,694
		<u>31,345</u>
Current assets		
Inventories	10	24,467
Trade receivables	11	218,931
Other receivables	12	240,718
Cash and bank balances	13	6,210
		<u>490,326</u>
Total assets		<u>521,671</u>
Equity and liabilities		
Share capital	14	10
Accumulated loss		(90,732)
Total equity		<u>(90,722)</u>
Non current liability		
Deferred liability		<u>14,310</u>
Current liabilities		
Trade payables	15	65,119
Other payables	16	520,614
Amount due to a director	17	12,350
		<u>598,083</u>
Total equity and liabilities		<u>521,671</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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Yummy Kitchen Sdn. Bhd.
(Incorporated in Malaysia)

Statement of changes in equity
For the financial period ended 30 September 2016

	Share capital RM	Non distributable Accumulated loss RM	Total equity RM
At date of incorporation	10	-	10
Total comprehensive expense for the period	-	(90,732)	(90,732)
At 30 September 2016	10	(90,732)	(90,722)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1174912-W

**Yummy Kitchen Sdn. Bhd.
(Incorporated in Malaysia)**

Statement of cash flows

For the financial period ended 30 September 2016

**4.2.2016
to
30.9.2016
RM**

Cash flows from operating activities

Loss before tax	(90,732)
Adjustment for:	
Depreciation of equipment	1,578
Operating loss before working capital	(89,154)
Increase in inventories	(24,467)
Increase in trade receivables	(218,931)
Increase in other receivables	(259,196)
Increase in trade payables	65,119
Increase in other payables	534,924
Net cash flows from operating activities	8,295

Cash flows from investing activity

Purchase of equipment, representing net cash used in investing activity	(14,435)
---	----------

Cash flows from financing activity

Amount owing to a director, representing net cash generated from financing activity	12,350
---	--------

Net increase in cash and cash equivalents	6,210
Cash and cash equivalents at date of incorporation	-
Cash and cash equivalents at end of the period	6,210

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1174912-W

**Yummy Kitchen Sdn. Bhd.
(Incorporated in Malaysia)**

**Notes to the financial statements
For the financial year ended 30 September 2016**

1. Corporate information

The Company is a private limited liability company incorporated and domiciled in Malaysia. The registered office of the Company is located at B-13-15, Level 13, Menara Prima Tower B, Jalan PJU 1/39, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan.

The ultimate holding company is TP Real Estate Holdings Pte Ltd, which is incorporated and domiciled in Singapore. TP Real Estate Holdings Pte Ltd is a joint venture set up by its two shareholders, Tune Hotels.Com Limited, a company incorporated in Labuan and Plato Capital Limited, a public company incorporated in Singapore and listed on the Singapore Exchange Limited.

The principal activities of the Company are to operate restaurant, food caterers and food specialist businesses. The Company has commenced its operation during the financial period. There have been no significant changes in the nature of principal activities during the financial period.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared under the historical cost convention unless otherwise indicated in the accounting policies below and comply with Malaysian Financial Reporting Standards ("MFRSs") as issued by Malaysian Accounting Standard Board ("MASB"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements are presented in Ringgit Malaysia ("RM").

For the period end 30 September 2016, the Company reported a net loss of RM90,732 and as of that date, its current liabilities exceeded current assets by RM107,757 and its shareholder's deficit was RM90,722. The Company relies on its holding company for continued financial support and has obtained an undertaking from the holding company to enable it to meet its obligations and liabilities as and when they fall due so as to operate as a going concern.

The Directors of the Company are of the opinion that the going concern assumption for the Company is appropriate as its holding company have agreed to provide continuing financial support to the Company to meet their liabilities as and when they fall due.

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**Yummy Kitchen Sdn. Bhd.
(Incorporated in Malaysia)**

2. Summary of significant accounting policies (cont’d.)

2.2 Standards issued but not yet effective

The standards that are issued but not yet effective up to the date of issuance of the Company’s financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Effective for annual periods beginning on or after 1 January 2017

Amendments to MFRS 12	Disclosure of Interest in Other Entities (Annual Improvements to MFRS Standards 2014-2016 Cycle)
Amendments to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses

Effective for annual periods beginning on or after 1 January 2018

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
Clarifications to MFRS15	Revenue from Contracts with Customers
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)
Amendments to MFRS 2	Share-base Payment - Classification and Measurement of Share-base Payment Transactions
Amendments to MFRS 4	Insurance Contracts - Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 128	Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)
Amendments to MFRS 140	Investment Property - Transfers of Investment Property

Effective for annual periods beginning on or after 1 January 2019

MFRS 16	Leases
---------	--------

Deferred

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
------------------------------------	---

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application other than as disclosed below:

1174912-W

Yummy Kitchen Sdn. Bhd.
(Incorporated in Malaysia)

2. Summary of significant accounting policies (cont'd.)

2.2 Standards issued but not yet effective (cont'd.)

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual years beginning on or after 1 January 2018 with early adoption permitted. The Directors anticipate that the application of MFRS 15 may have a material impact on the amounts reported and disclosures made in the Company's financial statements. The Company are currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.

MFRS 9 : Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual years beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 may have an effect on the classification and measurement of the Company's financial assets, but no impact on the classification and measurement of the Company's financial liabilities.

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Yummy Kitchen Sdn. Bhd.
(Incorporated in Malaysia)

2. Summary of significant accounting policies (cont'd.)

2.3 Current versus non-current classification

Assets and liabilities in the statement of financial position are presented based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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**Yummy Kitchen Sdn. Bhd.
(Incorporated in Malaysia)**

2. Summary of significant accounting policies (cont’d.)

2.4 Fair value measurement (cont’d.)

Valuation techniques that are appropriate in the circumstances and for which sufficient data are available, are used to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Policies and procedures are determined by senior management for both recurring fair value measurement and for non-recurring measurement.

External valuers are involved for valuation of significant assets and significant liabilities. Involvement of external valuers is decided by senior management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The senior management decides, after discussions with the external valuers, which valuation techniques and inputs to use for each case.

2.5 Equipment

All items of equipment is initially recorded at cost. The cost of an item of equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Subsequent to recognition, equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of equipment are required to be replaced in intervals, the Company recognises such parts as individual assets with specific useful lives and depreciation, respectively.

Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

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2. Summary of significant accounting policies (cont’d.)

2.5 Equipment (cont’d.)

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Office equipment	3 years
Furniture and fittings	3 years
Other equipments	2-5 years

The carrying values of equipment is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.6 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Company make an estimate of the asset’s recoverable amount.

An asset’s recoverable amount is the higher of an asset’s fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units (“CGU”)).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss in the period in which it arises.

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2. Summary of significant accounting policies (cont'd.)

2.6 Impairment of non-financial assets (cont'd.)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value for both saleable merchandise and operating supplies, with cost being determined on the first in, first out basis. Cost includes actual cost of materials and incidentals in bringing stocks into store.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.8 Financial assets

Financial assets are recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Company determines the classification of their financial assets at initial recognition. Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

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2. Summary of significant accounting policies (cont'd.)

2.9 Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Receivables that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss except for receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable become uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases as a result of an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.10 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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2. Summary of significant accounting policies (cont'd.)

2.11 Financial liabilities

Financial liabilities are recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified according to the substance of the contractual agreements entered into and the definitions of a financial liability.

Financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. A financial liability is derecognised when the obligation under the liability is extinguished and the resulting gains or losses are recognised in profit or loss.

2.12 Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.13 Income taxes

a) Current tax

Current tax is measured at the amount expected to be recovered from or paid to the taxation authorities using tax rates and tax laws that are enacted or substantively enacted by the reporting date. Current taxes are recognised in profit or loss.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

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2. Summary of significant accounting policies (cont’d.)

2.13 Income taxes (cont’d.)

b) Deferred tax (cont’d.)

Deferred tax liabilities are recognised for all temporary differences, except:

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits and deposits with licensed bank with maturity of three months or less which are subject to an insignificant risk of changes in value.

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2. Summary of significant accounting policies (cont’d.)

2.15 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) Sale of food and beverage

Revenue from operation of restaurant is recognised upon the billing of food and beverage products to customers.

2.16 Leases

As lessee

Finance leases, which transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased assets or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

3. Significant accounting estimates and judgements

3.1 Judgements made in applying accounting policies

There are no significant judgements made by management in the process of applying the Company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

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3. Significant accounting estimates and judgements (cont'd.)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Useful life of equipment

The Company estimates the useful lives of equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of the property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescences and legal or other limits on the use of the relevant assets.

In addition, the estimation of the useful lives of equipment is based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimate of useful lives and residual values of property and equipment brought about by changes in factors mentioned above. The Company also performs annual review of the assumptions made on useful lives and residual values to ensure that they continue to be valid.

The carrying amount of the Company's equipment at the reporting date is disclosed in Note 9. A 5% difference in the expected useful lives of these assets from management's estimates would result in approximately 1.74% variance in the Company's loss for the year.

(b) Impairment of loans and receivables

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Company's trade and other receivables at the reporting date is disclosed in Note 11 and 12.

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4. Revenue

**4.2.2016
to
30.9.2016
RM**

Sale from food and beverage	<u>524,472</u>
-----------------------------	----------------

5. Other income

**4.2.2016
to
30.9.2016
RM**

Gratuity	191
Finance income	<u>488</u>

6. Loss before tax

**4.2.2016
to
30.9.2016
RM**

The following amount has been included in arriving at loss before tax:	
Auditors' remuneration	10,000
Management fee	47,158
Rental of premise	54,790
Depreciation of equipment	<u>1,578</u>

7. Employee benefits expense

**4.2.2016
to
30.9.2016
RM**

Wages and salaries	145,323
Pension costs - defined contribution plans	13,296
Social security costs	1,272
Other staff related expenses	<u>4,607</u>
	<u>164,498</u>

Included in the employee benefits expense of the Company are executive directors' remuneration amounting to RM15,000 as disclosed in Note 18(C) to the financial statements.

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8. Income tax expense

Reconciliation between tax expense and accounting profit

Domestic current income tax is calculated at the Malaysia statutory tax rate of 24% of the estimated assessable profit for the period.

There is no provision for taxation for the Company in current financial year as the Company has no taxable income.

A reconciliation of income tax expense applicable to loss before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:

	4.2.2016
	to
	30.9.2016
	RM
Loss before tax	<u>(90,732)</u>
Taxation at Malaysian statutory tax rate of 24%	(21,776)
Expenses not deductible for tax purposes	1,722
Deferred tax assets not recognised	<u>20,054</u>
Income tax expense for the year	<u>-</u>

Deferred tax asset have not been recognised in respect of unabsorbed investment tax allowance of RM83,560 as it is not probable that future taxable profits will be available to utilise the benefit.

9. Equipment

	Furniture and fittings RM	Office equipment RM	Other equipments RM	Total RM
At 30 September 2016				
Cost				
At date of incorporation	-	-	-	-
Additions	3,710	339	10,386	14,435
At 30 September 2016	<u>3,710</u>	<u>339</u>	<u>10,386</u>	<u>14,435</u>
Accumulated depreciation				
At date of incorporation	-	-	-	-
Charge for the year	618	56	904	1,578
At 30 September 2016	<u>618</u>	<u>56</u>	<u>904</u>	<u>1,578</u>
Net carrying amount	<u>3,092</u>	<u>283</u>	<u>9,482</u>	<u>12,857</u>

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10. Inventories

4.2.2016
to
30.9.2016
RM

Food and beverages, at cost	24,467
-----------------------------	--------

11. Trade receivables

4.2.2016
to
30.9.2016
RM

Trade receivables	
- Third party	102,703
- a related company	116,228
	218,931

Trade receivables are non-interest bearing and are on 30 days terms. Other credit terms are assessed and approved on a case-by-case basis.

The Company has no significant concentration of credit risk that may arise from exposure to a single debtor or to a group of debtors.

Aging analysis of trade receivables

The aging analysis of the Company's trade receivables is as follows:

4.2.2016
to
30.9.2016
RM

Neither past due nor impaired	147,070
1 to 30 days past due not impaired	29,737
31 to 60 days past due not impaired	24,507
61 to 90 days past due not impaired	2,122
91 to 120 days past due not impaired	14,520
More than 121 days past due not impaired	975
	71,861
Impaired	-
	218,931

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11. Trade receivables (cont'd.)

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Company. None of the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Company has trade receivables amounting to RM71,861 that are past due at the reporting date but not impaired. The receivables that are past due but not impaired are unsecured in nature.

12. Other receivables

	4.2.2016 to 30.9.2016 RM
Other receivables	24,279
Deposits*	203,000
Prepayment	13,439
	<u>240,718</u>

* The deposit is paid as security deposit for supplies of food and beverage to a company with common directors of the Company's ultimate holding company.

13. Cash and bank balances

	4.2.2016 to 30.9.2016 RM
Cash at bank	5,710
Cash on hand	500
Cash and cash equivalents	<u>6,210</u>

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14. Share capital

	Number of ordinary shares of RM1 each 2016	Amount 2016 RM
Authorised		
At date of incorporation/end of the financial period	400,000	400,000
Issued and fully paid		
At date of incorporation/end of the financial period	10	10

The Company was incorporated on 4 February 2016 with an authorised share capital of 400,000 ordinary shares of RM1 each and issued and fully paid share capital consisting of 10 ordinary shares of RM1 each issued at par being subscribers' shares.

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

15. Trade payables

The normal trade credit terms granted to the Company range from 30 to 60 days.

16. Other payables

	4.2.2016 to 30.9.2016 RM
Current	
Other payables	32,096
Amount due to a related company	378,819
Accruals	109,699
	<u>520,614</u>

Other payables are normally settled on an average term of 30 days. These amounts are non-interest bearing.

The amount due to a related company is unsecured, interest-free and repayable on demand.

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17. Amount due to a director

Amount due to a director represents unsecured, interest-free and repayable on demand.

18. Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and the related parties took place at terms agreed between the parties during the financial period:

	4.2.2016 to 30.9.2016 RM
Expenses/(income) charged by/(to):	
A. Related company	
Revenue received/receivable from a related company	(427,582)
Rental payable to a related company	54,790
Utilities payable to a related company	30,145
Facilities costs payable to a related company	4,122
Administrative fee payable to a related company	<u>12,694</u>
B. Entity owned by common directors	
Management fee charged by an affiliated company	<u>47,158</u>
C. Key management personnel	
Consultancy fee paid/payable to a director	15,000
Expenses paid on behalf by a director	<u>350</u>

Key management personnel refers to those persons having authority and responsibility for planning, directing and controlling the activities of the entity, direct or indirectly, including any director (whether executive or otherwise) of the Company.

There were no significant related party transactions with key management personnel during the financial year except as disclosed above.

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19. Fair value of financial instruments

Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following classes of financial instruments that are not carried at fair value are reasonable approximation of fair value:

	Note
Trade receivables	11
Other receivables	12
Trade payables	15
Other payables	16
Amount due to a director	17

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

20. Financial risk management

The Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include liquidity risk, credit risk and interest rate risk.

(a) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the amount of financial assets and liabilities.

As disclosed in Note 2.1, as at 30 September 2016, the Company reported a net loss of RM90,732 and as of that date, its current liabilities exceeded current assets by RM107,757 and its shareholder's deficit was RM90,722. The Company relies on its holding company for continued financial support and has obtained an undertaking from the holding company to enable it to meet its obligations and liabilities as and when they fall due so as to operate as a going concern.

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20. Financial risk management (cont'd.)

(a) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

2016

	On demand or within one year RM
Financial liabilities:	
Other payables	520,614
Amount due to directors	12,350
	<u>532,964</u>

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises mainly from trade and other receivables. The Company manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

Exposure to credit risk

At the reporting date, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

Credit risk concentration profile

The Company does not have any significant exposure to any individual customer of counterparty nor does it have any major concentration of credit risk related to any financial instruments.

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 11.

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21. Financial instruments

The financial instruments of the Company as at 30 September 2016 by classes are as follows :

	4.2.2016 to 30.9.2016 RM
(a) Loans and receivables	
Trade receivables	218,931
Other receivables (exclude prepayment)	243,073
Cash and bank balances	6,210
	<u>468,214</u>
	4.2.2016 to 30.9.2016 RM
(b) Financial liabilities measured at amortised cost	
Trade payables	65,119
Other payables	141,795
Amount due to a related company	378,819
Amount due to a director	12,350
	<u>598,083</u>

22. Capital management

The Company manages its capital to ensure that it will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholder value. To achieve this objective, the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Board of Directors reviews and agrees policies and procedures for the management of liquidity risk which influence the primary objective of the Company's capital management. The capital of the Company includes equity attributable to owners of the parent. In this regard, the Company's policies and procedures involve obtaining funding from its ultimate holding company to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

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23. Comparatives

There are no comparatives as this is the first set of financial statements since the date of incorporation on 4 February 2016.

24. Authorisation of financial statements for issue

The financial statements for the period ended 30 September 2016 were authorised for issue in accordance with a resolution of directors on 31 March 2017.



Ernst & Young malaysia
GST Reg No: 001556430948
Chartered Accountants
Level 23A Menara Millenium
Jalan Damansara, Pusat Bandar Damansara
50490 Kuala Lumpur Malaysia

Tel: +603 7495 8000
Fax: +603 2095 5332 (General line)
+603 2095 9076
+603 2095 9078
ey.com

Private & Confidential

ECM Libra Financial Group Berhad
2nd Floor, West Wing Bangunan ECM Libra
8 Jalan Damansara Endah
Damansara Heights
50490 Kuala Lumpur

20 November 2017

Attention: Board of Directors

Policies Relating to the Repatriation of Profits, Foreign Investment and Taxation Laws in Australia.

1. Approach and Background

1.1 We have been requested to report on the current policies relating to repatriation of profits, foreign investment and taxation in Australia ("Report"), to be included in the circular to shareholders ("Circular") of ECM Libra Financial Group Berhad, a company incorporated in Malaysia with registration number 713570-K ("ECMLFG").

1.2 Specifically, this Report discusses:

- ▶ Repatriation of profits from a trust and a company, and in respect of a company, the corporate law framework governing dividends and share redemptions set out in the Corporations Act 2001 (the "Corporations Act");
- ▶ The general principles associated with a foreign person acquiring an interest in Australian companies, units of a trust, businesses, or land, as mandated by the Foreign Investment Review Board ("FIRB");
- ▶ Key considerations in determining the applicability of Australia's foreign investment laws to a proposed action;
- ▶ The national interest test, and what FIRB considers to be "in the national interest";
- ▶ Certain Australian Income Tax considerations;
- ▶ Goods and Services Tax ("GST");
- ▶ Land tax considerations; and
- ▶ Stamp duty considerations.



- 1.3 The Australian Income Tax, GST, land tax and stamp duty considerations discussed are those associated with ECMLFG's interests in TP Hotel (Flinders) Trust (ABN 76 924 192 249) ("TP Flinders"), a fixed unit trust established in Australia and TP International Pty Ltd (ACN 612 712 384) ("TP International"), a proprietary company registered in the State of Victoria, Australia, after ECMFLG acquires these interests from the vendor in return for the issue of new ordinary shares in ECMLFG to the vendor ("Proposed Transaction"). This Report does not consider taxes arising as a result of the Proposed Transaction, but rather those arising to ECMLFG and TP Flinders during the period of holding and divestment of these assets.
- 1.4 The comments in this Report are general in nature and do not purport to contain advice in relation to any taxation consequences associated with any particular business operations or transactions to be undertaken by the abovementioned entities. Accordingly, separate professional advice should be sought to determine the specific tax treatment applicable to any particular business operations or transaction entered.
- 1.5 This Report has been prepared on the basis of law and administrative practice in force in Australia at the date of this Report. Any change in law or administrative practice may materially affect the Report. We have not been retained, nor are we obliged, to monitor or update the information in this letter for any future legislative changes which may affect the correctness of the information after the date of this Report.
- 1.6 This Report does not constitute legal advice, and contains general statements, and is intended to provide an overview of funds repatriation in Australia, not the merits, effect, or requirements related to the Proposed Transaction. The Report does not take into account specific or individual circumstances that may have a material impact on the information provided. Any comment regarding the Australian Government's FIRB, is illustrative only, and separate consideration of FIRB matters is always recommended.
- 1.7 This Report does not constitute financial product advice as defined in the Corporations Act. This summary is confined to taxation issues and is only one of the matters you need to consider when making a decision about your investments. You should consider taking advice from a licensed adviser, before making a decision about your investments. The partnership of Ernst & Young is not required to hold an Australian Financial Services Licence under the Corporations Act to provide you with this taxation advice. We have not caused and take no responsibility for the publication of any part of the Circular in which this letter appears, other than this letter itself.
- 1.8 Finally, the scope of this report with respect to tax matters is limited to the taxes mentioned above, and does not extend to a discussion of all potential Australian taxes. In particular, this report does not consider employment taxes such as (but not limited to) payroll tax and local government charges, such as the Growth Areas Infrastructure Contribution in Victoria.



1.9 This Report has been prepared based on our understanding of the facts communicated to us and not a review of any particular constituent or transaction documents. Our understanding is set out below.

- (1) ECMLFG is proposing to undertake a transaction that includes the acquisition of:
 - (a) 50% of the issued share capital of TP International for the purchase consideration of RM1; and
 - (b) 40.005% interest in the units of TP Flinders and approximately AU\$10.6 million (or approximately RM33.7 million based on the agreed upon exchange rate) of unitholders advances owing by TP Flinders to TP Real Estate Holdings Pte Ltd (TPRE), being a company registered in Singapore with registration number 200912833H, for the purchase consideration of RM33,664,998from TPRE (the "Proposed Acquisition");
- (2) TP International is the trustee for TP Flinders; it has not and does not intend to have any other business operations;
- (3) TP Flinders owns a double storey building at Flinders Lane, Melbourne, Victoria, Australia, located to the south western corner of the Melbourne central business district, with dual access provided via frontage to Flinders Lane along the northern boundary and Flinders Street on the southern boundary. The property is currently valued at approximately AU\$21.5 million ("Flinders Lane Property");
- (4) The Flinders Lane Property is a commercial building which is currently vacant, however TP Flinders intends to develop the Flinders Lane Property into a hotel and operate as a hotel ("Proposed Hotel Development"). Funding for the development will be a combination of external borrowings, unitholder loans and capital subscriptions;
- (5) The sole member (shareholder) of TP International is currently TPRE;
- (6) ECMLFG and TPRE have some common ultimate shareholders; and
- (7) ECMLFG is a resident of Malaysia for tax purposes and ECMLFG and its shareholders would likely be considered "foreign persons" as defined under the Australian *Foreign Acquisitions and Takeovers Act 1975* (Cth) ("FATA").

2. Executive Summary

- 2.1 Profits from investments in Australian companies and trusts can be repatriated, subject to withholding tax on dividends and trust distributions of up to 30% (the 30% dividend withholding tax may be reduced to 15% pursuant to the Australia/Malaysia double tax treaty), if applicable.
- 2.2 Repatriation of profits from Australian companies are also subject to the rules set out in Australia's principal corporate legislation, the Corporations Act.



3. Repatriation of profits

Trust

- 3.1 Generally, TP Flinders will be able to repatriate funds or assets from the repayment of advances and from its profits, assuming it is empowered to do so under its constituent documents. If so, any legal requirements relating to the underlying asset (in the context of the Proposed Acquisition, property or cash) may need to be considered.
- 3.2 In relation to property, Australia's foreign investment law may need to be considered. This is discussed below at paragraph 4.
- 3.3 In relation to cash, there are generally no restrictions on the import or export of funds into or out of Australia whether from repayment of advances or through the distribution of profits. Although Australia does not typically restrict cash movement, the Australian Transaction Reports and Analysis Centre ("AUSTRAC") monitors cash transactions in any currency that exceeds AU\$10,000. AUSTRAC does not restrict cash transactions, however, it has regulatory responsibility for anti-money laundering and counter-terrorism financing.

Company

- 3.4 The Corporations Act governs the various methods by which an Australian company can repatriate funds. After completion of the Proposed Acquisition, we understand that it is proposed that this be achieved by way of dividend or redemption of shares. These concepts are summarised below.
- 3.5 The Corporations Act provides that a company may not pay a dividend unless:
- ▶ the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
 - ▶ the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
 - ▶ the payment of the dividend does not materially prejudice the company's ability to pay its creditors.¹
- 3.6 In addition to the above, dividends may only be paid out of profits. A company may effect payment of a dividend by way of cash or the transfer of assets ("in kind").
- 3.7 To the extent that profits do not exist, any such distributions must be made under the separate capital reduction provisions of the Corporations Act.

¹ Corporations Act, s 254T.



- 3.8 Under the Corporations Act a company may reduce its share capital if the reduction:
- ▶ is fair and reasonable to the company's shareholders as a whole;
 - ▶ does not materially prejudice the company's ability to pay its creditors; and
 - ▶ is approved by shareholders.²
- 3.9 A reduction of share capital can be an equal or selective reduction. An equal reduction must meet the following three conditions:
- ▶ it relates only to ordinary shares;
 - ▶ it applies to each holder of ordinary shares in proportion to the number of ordinary shares they hold; and
 - ▶ the terms of the reduction are the same for each holder of ordinary shares.³
- 3.10 If any of these three conditions do not apply, it must be a selective reduction.⁴ A selective reduction is more administratively burdensome, and must be approved by either a special resolution passed by the shareholders not participating in the offer or a resolution approved by all shareholders.
- 3.11 The rules around the redemption of shares in Australia are less prescriptive. Redeemable preference shares must be redeemed only on the terms on which they are issued.⁵ It is also relevant whether there are any provisions in the company's constitution (the analogous document to articles of association) governing how the company may effect such a redemption.
- 3.12 The Corporations Act imposes penalties on those who are dishonestly involved in a company's contravention of the rules governing share redemption.
4. Australia's foreign investment framework
- 4.1 Generally, a foreign person (which may include a foreign individual, government, corporation, or trustee of a trust) must apply to, and receive approval from, FIRB prior to performing certain actions taken by foreign persons in relation to businesses or land that have a connection to Australia. The FIRB rules distinguish between different types of "actions" - "notifiable actions" require prior FIRB approval, while "significant actions" generally do not, however, the Treasurer of the Commonwealth of Australia may still exercise power in relation to significant actions.

² Corporations Act, s 256B(1).

³ Corporations Act, s 256B(2).

⁴ Corporations Act, s 256B(3).

⁵ Corporations Act, s 254J.



4.2 A significant action includes, relevantly⁶:

- ▶ Acquiring an interest in Australian securities. In general, proposals to acquire an interest of 20 per cent or more in any business valued at over AU\$252 million (or the higher threshold of AU\$1,094 million for agreement country investors from Chile, China, Japan, Korea, New Zealand and the United States) require prior approval.
- ▶ Acquiring an interest in Australian land, where the value of the land breaches the relevant monetary threshold (which varies depending on the FIRB classification of the land, see below for more information).

4.3 Some significant actions, called "notifiable actions" must receive prior approval from FIRB. A significant action is a notifiable action where (relevantly) a foreign person proposes to acquire a substantial interest in an Australian entity that meets the threshold test⁷. A substantial interest is an interest 20% or greater, or 40% or greater when aggregated with any associates. The same applies to the acquisition of any interest in Australian land that meets the relevant threshold.

5. Key FIRB considerations

5.1 Australia's foreign investment laws are complex and apply to a broad range of transactions and foreign investors. There are also different rules that apply to different classes of Australian assets (including securities). There are a number of factors that may inform whether or not FIRB approval is required, including, without limitation:

- ▶ The type and value of the land and assets (including securities) proposed to be held by ECMLFG and its subsidiaries.
- ▶ The type and value of the land and assets (including securities) being transferred or distributed by ECMLFG to its shareholders.
- ▶ The presence of any 'foreign government investors' (as defined in the FATA) in the ownership structure of any of party acquiring an interest in land and/or assets (including securities).
- ▶ Whether the proposed transaction is in the Australian "national interest" (discussed below).

5.2 In some circumstances, ECMLFG may be subject to more favourable foreign investment rules and monetary thresholds, on the basis Malaysia is a free trade partner of Australia.

⁶ *Foreign Acquisitions and Takeovers Act 1975* (Cth) (FATA), s 41.

⁷ FATA, s 47.



5.3 For example, assuming that the Flinders Lane Property is deemed to be 'developed commercial land' under the FATA, different rules apply to developed commercial land, including:

- ▶ Foreign government investors are required to notify FIRB before acquiring any interest in developed commercial land, regardless of the value (AU\$0 threshold) and their country of origin.
- ▶ Foreign persons need to notify FIRB before acquiring an interest in developed commercial land if the value of the interest is more than the relevant notification threshold. The general notification threshold for developed commercial land is AU\$252 million unless the proposed acquisition is considered to be 'sensitive', in which case the threshold is AU\$55 million.
- ▶ Australia currently has free trade agreements in force with several countries, including Chile, China, Japan, Korea, Malaysia, New Zealand, Singapore, Thailand and the United States. Under these agreements, Australia has made various commitments relating to foreign investment screening. These commitments determine what monetary screening thresholds apply to investors from certain countries. Therefore, depending on the nature of the "foreign person", higher monetary thresholds may apply to free trade agreement countries.

5.4 Different rules may apply to vacant commercial land. For FIRB purposes, commercial land is vacant if there is no substantive permanent building on land that can be lawfully occupied. Foreign persons generally need to notify FIRB before acquiring an interest in any vacant commercial land, regardless of the value of the proposed acquisition. If FIRB has no objections to a notification of this type, it may be subject to conditions, amongst others, that the foreign person:

- ▶ Commences continuous construction of the proposed development on the land within five years of the date of approval; and
- ▶ Does not sell the land until construction is complete.

5.5 Different rules also apply to acquisitions of certain prescribed 'sensitive businesses', which is defined broadly under the FATA to include Australia businesses that operate in (amongst others) the media, telecommunications, transport, and communications industries.



6. FIRB application process

- 6.1 In the context of repatriating funds subsequent to completing the Proposed Acquisition, if any actions are notifiable actions, an application would need to be submitted to FIRB prior to implementing the relevant action (e.g. signing transaction documents). This involves preparing a detailed application, typically between 20-40 pages long depending on the complexity of the notifiable action(s) and the nature of the foreign person. An application might typically include the following (without limitation):
- ▶ A detailed description of the relevant notifiable action(s) of the proposed action of repatriation.
 - ▶ Detailed financial statements and other information in relation to ECMLFG and its shareholders.
 - ▶ The commercial rationale behind the proposed action of repatriation.
 - ▶ The Australian tax implications of the proposed action of repatriation.
 - ▶ A description of any increase in debt funding and/or revaluation for thin capitalisation purposes for the Australian aspects of the proposed action of repatriation.
- 6.2 Once the application has been lodged, an application fee is payable to FIRB. This fee varies depending on the nature of the underlying action/transaction.
- 6.3 Once payment has been received, FIRB has 30 days within which to give its approval, or otherwise, in respect of the notifiable action(s). Should FIRB make any further requests for information (which is very common), the 30 day "clock" stops until the relevant information request has been satisfied.
- 6.4 FIRB would then consider the application against the 'national interest', on a case-by-case basis. If it is ultimately determined that the proposal is contrary to the Australian national interest, it may not be approved, or conditions could be applied to safeguard the national interest.

7. What is "in the national interest"?

- 7.1 FIRB considers a range of factors that are in the national interest, and the relative importance of these can vary depending upon the nature of the target enterprise. Investments in enterprises that are large employers or that have significant market share may raise more sensitivities than investments in smaller enterprises. However, investments in small enterprises with unique assets or in sensitive businesses may also raise concerns.



- 7.2 FIRB policy states that the national interest is a negative test - foreign investment proposals must be contrary to the national interest to be prohibited. Amongst others, FIRB considers the following factors when assessing what is contrary to the national interest:
- ▶ **(Tax policy)** FIRB now considers the impact of a foreign investment proposal on Australian tax revenues. Further, from May 2016 all foreign investment applicants will typically be subject to eight standard tax conditions and two additional conditions for high risk cases.
 - ▶ **(Impact on the economy and community)** FIRB considers the impact of the investment on the general economy. It will consider the impact of any plans to restructure an Australian enterprise following an acquisition. It also considers the nature of the funding of the acquisition and the level of Australian participation in the enterprise after the foreign investment occurs, as well as the interests of employees, creditors and other stakeholders. FIRB also considers the extent to which the investor will develop the project and ensure a fair return for the Australian people. The investment should also be consistent with the Australian Government's aim of ensuring that Australia remains a reliable supplier to all customers in the future.
 - ▶ **(Character of the investor)** FIRB considers the extent to which the investor operates on a transparent commercial basis and is subject to adequate and transparent regulation and supervision. It also considers the corporate governance practices of foreign investors. Proposals by foreign owned or controlled investors that operate on a transparent and commercial basis are less likely to raise national interest concerns than proposals from those that do not. FIRB also considers whether the investor complies with Australia's laws, including following both the spirit and the letter of Australian law, and acting in good faith in complying with any conditions imposed by FIRB.

8. Australian Tax Analysis

ECMLFG's interest in shares of TP International

- 8.1 ECMLFG will hold a 50% interest in TP International, an Australian resident company acting as a trustee. A company acting as a trustee generally does not derive substantial profits, and accordingly generally has minimal tax considerations.
- 8.2 For completeness, an Australian resident company is subject to income tax on its non-exempt worldwide income (including capital gains, if any) at a tax rate of 30%. This is reduced for certain eligible small business entities (i.e. those whose aggregate turnover does not exceed a threshold) and the Government has announced its intention that this rate is to be reduced and the aggregate turnover threshold is to be increased progressively going forward.
- 8.3 To the extent that profits derived by an Australian resident company have been subject to Australian income tax, these profits are treated as "franked" and may be distributed to a non-resident shareholder free of any further Australian income tax (including dividend withholding tax).



- 8.4 Australia imposes withholding tax on distributions of unfranked dividends (i.e. profits that have been sheltered by allowable deductions and therefore not subject to Australian income tax) paid to a non-resident entity. Under Australia's domestic income tax law, the dividend withholding rate is 30%, however this rate may be reduced under an applicable double tax treaty. Pursuant to the Australia/Malaysia double tax treaty, unfranked dividends paid by an Australian resident company, to which a resident of Malaysia is beneficially entitled, may be taxed in Australia but the tax shall not exceed 15% of the gross amount of the dividends.
- 8.5 Tax losses are trapped in companies, but they may be carried forward indefinitely against assessable income derived during succeeding years provided relevant loss recoupment tests are satisfied. To claim a deduction for past losses (both revenue and capital), companies must satisfy either a continuity of ownership test (COT) or a same business test (SBT). Broadly, COT is passed if it can be shown that the same individuals (directly or indirectly) held more than 50% of the ownership rights in the company between the start of the income year the losses were incurred to the end of the income year the losses are utilised. The continuity of ownership test includes concessional rules for certain types of widely held companies (broadly, listed companies and companies with more than 50 members). The SBT broadly requires the company to carry on the same business at certain times. This test is highly dependent on the facts and circumstances of each case and whether it is passed is often not easily determined or clear. The Government has announced the intention to introduce a similar business test which may be easier to satisfy than the SBT. Australia does not have loss carry-back rules. Revenue losses (referred to as tax losses) may be offset against revenue gain and capital gains, however capital losses are quarantined such that they can only be offset against future capital gains.
- 8.6 Finally, as a foreign resident, ECMLFG should only be assessable on certain Australian source income (such as its share of net income from TP Flinders as discussed below) or capital gains that are Taxable Australian Property (TAP) at the rate of 30% (or lower for certain smaller companies as discussed above). No Capital Gains Tax should arise if ECMLFG sells its shares in TP International, provided at that time, those shares continue to not constitute Taxable Australian Property. This should be the case provided 50% or more of the value of the shares are not derived from real property situated in Australia (including leases and certain mining, quarrying or prospecting rights).

ECMLFG's interest in Units of TP Flinders

- 8.7 TP Flinders will be required to calculate its net (taxable) income each year and report this on its tax return. The net (taxable) income of TP Flinders should include any revenue from its hotel business and interest from funds on deposit (amongst other forms of revenue which it may derive), and it should be able to deduct from this, expenses incurred in deriving this taxable income (e.g. property expenses, management fees, audit fees, tax depreciation and interest expenses etc) subject to satisfying transfer pricing requirements in respect of funding/goods/services obtained from international related parties. For completeness, interest deductions are subject to thin capitalisation, withholding tax and debt/equity characterisation requirements (as discussed further below).



- 8.8 Provided the corporate unitholders of TP Flinders are made presently entitled to its income each year, the rate of tax required to be paid by TP Flinders on its net (taxable) income (other than interest, an unfranked dividend or royalty income) should be the corporate tax rate of 30%. Any present entitlement to net (taxable) income representing interest should be subject to tax at 10%, unfranked dividends and royalties should be subject to tax at 15% pursuant to the double tax treaty between Australia and Malaysia.
- 8.9 To the extent ECMLFG is presently entitled to the income of TP Flinders, it will be liable to be assessed in Australia on its share (i.e. 40%) of the net (taxable) income of TP Flinders (other than any portion of the net income that represents interest, an unfranked dividend or royalty income). In this regard, it will be required to calculate its taxable income by subtracting from its share of the net (taxable) income from TP Flinders, any deductions relating to its Australian investment in TP Flinders or any other Australian operations, and lodge a tax return in Australia. As a company, ECMLFG should be liable to Australian tax at a rate of 30%, however it should be entitled to a credit for any tax paid on its share of net (taxable) income by TP Flinders. To the extent the tax paid by TP Flinders exceeds ECMLFG's Australian tax liability (for instance because of deductions relating to the TP Flinders investments incurred by ECMLFG), ECMLFG will be entitled to a refund of the excess tax paid by TP Flinders.
- 8.10 If there is taxable income to which no beneficiary is made presently entitled by the end of the income year, the income should be subject to tax at the top marginal rate (currently 47%), and its unitholders will not be entitled to a credit on this tax.
- 8.11 The net (taxable) income of TP Flinders for tax purposes may not correspond with the cash available for distribution or trust income. Where cash distributions (as defined in the trust deed) exceeds the net income of a trust for tax purposes (e.g. where a trust is able to benefit from a tax depreciation shelter), the excess is generally not taxable to the beneficiary when it is distributed. However, the excess is offset against the capital cost of the units in a unit trust. Where the cost base of the units is reduced to nil, any excess amounts received will generally be taxed as a capital gain to the beneficiary. In the case of a non-resident beneficiary like ECMLFG, a capital gain should only arise where the units held are taxable Australian property (i.e. where greater than 50% of the value of the trust is derived from real property situated in Australia).

Tax Losses of TP Flinders

- 8.12 Any tax losses generated by TP Flinders remain available to be carried forward and applied against the future income and gains of that trust in future years. Whilst tax losses may be carried forward indefinitely, the utilisation of current year and prior year revenue losses are subject to the satisfaction of specific trust loss integrity rules (e.g., being the 50% stake test). Capital losses are not subject to these integrity rules.



8.13 Broadly, a trust may utilise its losses where it satisfies the following tests:

- ▶ 50% stake test - applies by determining if there are individuals who (between them), directly or indirectly, and for their own benefit, have fixed entitlements to more than a 50% stake in income and capital of the trust from the start of the loss year to the end of the income year in which the loss is recouped; and
- ▶ Income injection test - applies to deny the use of losses where there is a scheme under which a new unitholder seeks to take advantage of carry forward tax losses.

Capital Gains Tax (CGT)

8.14 In the event TP Flinders disposes of its interest in the Flinders Lane Property, any net capital gains realised should not be subject to tax in the hands of the trust, provided that ECMLFG is presently entitled to the net capital gains in the relevant year. A capital gain will arise on disposal where the capital proceeds exceed the cost base of the property (including any incidental costs that are added to cost base, and excluding from cost base any building depreciation previously claimed). As Flinders Lane Property is situated in Australia, the CGT asset disposed of should constitute Taxable Australian Property.

8.15 In the event ECMLFG disposes of its interest in TP Flinders and greater than 50% of the value of TP Flinders is from Australian real estate at that time, the sale should be subject to CGT, and assessable to ECMLFG.

Capital Allowances and Capital Works

8.16 TP Flinders should be entitled to claim a tax deduction for the decline in value of a depreciating asset (i.e., an asset with a limited effective life, excluding buildings and fixtures) that it holds or has installed ready for use. A deduction may be claimed over the effective life of the depreciating asset using either the prime cost (straight line) method or the diminishing value method. While either method may be applied to calculate the decline in value of a depreciating asset, once that method is used, a taxpayer cannot change the method in respect of that asset. TP International, as the trustee may determine the effective life of an asset using the rates published by the Australian Taxation Office (ATO), or self-assess the effective life of each depreciating asset.

8.17 TP Flinders should be entitled to claim a 4% deduction for certain qualifying hotel construction expenditure (or a 2.5% deduction for other types of construction expenditure) on a straight line basis on the un-deducted original costs of construction of the hotel and on the costs of capital improvements to the hotel.



Thin Capitalisation

- 8.18 The thin capitalisation rules may apply to TP Flinders if the trust expects to have debt deductions in future income years that exceed AU\$2 million, as this entity will be foreign controlled.
- 8.19 Broadly, the Australian thin capitalisation rules will operate to limit the deductibility of interest where the average debt of an entity and its associates (i.e., calculated using the opening and closing accounting values) is above the maximum allowable debt (that is, the safe harbour amount, arm's length debt amount or worldwide gearing debt amount). The safe harbour debt limit is generally 60% of the entity's average value of assets. However, this limit may be exceeded where it can be demonstrated that the amount of the debt and the interest rate charged is an arm's length amount and contemporaneous documentation is maintained evidencing this fact (i.e., arm's length debt amount). In addition, a taxpayer may also be able to utilise the worldwide gearing debt test which permits an entity to gear up to the worldwide average of its global group (subject to meeting certain requirements). For completeness, most taxpayers apply the safe harbour debt amount as there is more certainty with respect to its application.
- 8.20 The thin capitalisation test is an annual test and will need to be monitored going forward to ensure that it is not breached in any particular year (e.g., a fall in the market value of the property may reduce the safe harbour debt amount so that the thin capitalisation thresholds are no longer met).

Transfer Pricing

- 8.21 Interest and other deductible expenses arising from transactions with international related parties should be deductible to the extent that the price and other terms and conditions are considered to be 'arm's length' for tax purposes. If they are not considered to be at 'arm's length', a portion may not be deductible for tax purposes (a "transfer pricing adjustment").

Obligation of Submitting Tax Returns, Assessment and Other Obligations

- 8.22 Entities that have Australian tax obligations, such as ECMLFG (upon completing the Proposed Acquisition), TP International and TP Flinders are required to apply to the ATO for an Australian tax file number ("TFN") before they are able to file (see below) unless they have already done so prior to the Proposed Transaction. Registration for various categories of tax can be completed depending on intended activities including GST, Fringe Benefits Tax ("FBT") and Payroll Tax.



- 8.23 The Australian income tax year ends on 30 June. For corporate taxpayers with accounting periods ending on other dates, the ATO may agree to use a substituted accounting period. An application for a substituted accounting period is usually granted where the substituted accounting period aligns with the accounting income year of the entity. In general, companies with a 30 June year-end must file an annual income tax return by the following 15 January. Companies with a substituted accounting period are generally required to lodge their income tax return on the 15th day of the 7th month following their year-end. Trusts with a 30 June year end (that lodge via a tax agent) are typically required to lodge their returns by the following 15 May, although the date may vary depending on the size of the trust, its past lodgements and type of trust. Income tax return lodgement and payment extension may be available in particular circumstances. Usually taxpayers with a tax agent may apply for an extension of 28 days for lodgement extension in particular circumstances.
- 8.24 Under the Australian income tax regime, a self-assessment system operates. For companies, the Commissioner of Taxation ("Commissioner") is deemed to have made, on the date the return is lodged, an assessment of taxable income and of the tax payable on the basis of the amounts specified on the return. Trusts are not assessed until such time the ATO issues a notice of assessment.

9. Australian GST Analysis

- 9.1 A GST is payable on the supply of most goods and services in Australia. The GST rate is currently 10%. There are certain exceptions for when GST is not payable, known as GST-free or input taxed supplies. GST-free supplies typically include certain food items, health, education and the export of goods/services from Australia. Input taxed supplies typically include most financial transactions (e.g. share disposals, derivatives, loans etc), and residential premises.
- 9.2 Both a company and a trust is required to register for GST in Australia if the value of supplies it makes that are connected with Australia exceeds AU\$75,000 per annum. This threshold test is satisfied if in any particular month an entity's current turnover (i.e. current month and preceding 11 months) or projected turnover (i.e. current month and projected 11 months) exceeds AU\$75,000. In calculating turnover, the value of input taxed supplies can be disregarded.
- 9.3 Once registered for GST, a registered entity is required to lodge a GST return, known as a Business Activity Statement ("BAS"), every quarter or month. A monthly BAS is required if an entity's annual turnover is greater than AU\$20 million, otherwise a quarterly return is required unless the entity elects to lodge monthly. If an entity's turnover is below AU\$75,000 per annum but it remains registered for GST, it can elect to lodge an annual return. Similar to income tax, under the Australian GST regime, a self-assessment system operates and the Commissioner is deemed to have made, on the date the BAS is lodged, an assessment of an entity's GST payable on the basis of the amounts specified on the return.



- 9.4 A registered entity should generally be entitled to claim a credit (known as an input tax credit) for any GST incurred on acquisitions that relate to the enterprise being carried on. Exceptions to this rule will include acquisitions that are of a private or domestic nature, non-deductible expenditure for income tax purposes and acquisitions that relate to the making of input taxed supplies.
- 9.5 It is common practice for most registered entities to include an appropriate GST 'gross up clause' that enables a supplier to recoup an additional amount equal to the GST payable on a supply. As with other GST/Value-Added Tax ("VAT") regimes, the imposition of GST is not intended to be a 'cost' to registered businesses (other than those that make input taxed supplies). The burden of GST typically rests with the end consumer that is unable to recover a credit for the GST imposed because they are not carrying on an enterprise and cannot register for GST.

10. Land Tax Analysis

- 10.1 Land tax in Victoria is an annual tax which is calculated by reference to the unimproved value of the land at a rate of approximately 2.25%. A further 1.5% is chargeable as an absentee surcharge if the owner of the land is taken to be an "absentee". While trusts do not usually qualify for an exemption from the absentee surcharge, in some factual circumstances, the absentee surcharge might not be payable. Local governments also imposes a periodic tax in the form of council rates.

- 10.2 Land tax and rates might be capable of being passed on to tenants.

11. Stamp Duty Analysis

- 11.1 Victorian landholder duty is chargeable on certain acquisitions of shares or units in entities which directly or indirectly hold interests in land in Victoria. If payable, landholder duty is calculated at the rate of 5.5% based on the market value of such land interests multiplied by the percentage interest acquired. A further 7% surcharge is payable by foreign controlled persons on the acquisition of residential land, or land which is intended to be converted to residential land (whether or not the intention is formed at the time of transfer or afterwards). While hotels are not taken to be residential land, other accommodation such as serviced apartments would need to be considered more closely to determine whether they are considered to be residential. All acquisitions by a person must be aggregated with acquisitions by associated persons and persons acquiring interests under an associated transaction when determining whether landholder duty is payable, and the interest on which it is calculated.

Yours faithfully

APPENDIX IX – EXPERT’S REPORT ON THE FAIRNESS OF THE PURCHASE CONSIDERATION FOR THE PROPOSED ACQUISITIONS FROM TP RE OF 40.005% EQUITY INTEREST IN TP FLINDERS (TOGETHER WITH 40.005% OF THE RIGHTS AND BENEFITS TO THE TOTAL ADVANCES OWING BY TP FLINDERS) AND 50% EQUITY INTEREST IN TP INTERNATIONAL



(A Participating Organisation of Bursa Malaysia Securities Berhad)

20 November 2017

The Board of Directors

ECM LIBRA FINANCIAL GROUP BERHAD

2nd Floor, West Wing, Bangunan ECM Libra

8 Jalan Damansara Endah

Damansara Heights

50490 Kuala Lumpur

Dear Sirs,

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

EXPERT’S REPORT ON THE FAIRNESS OF THE TOTAL PURCHASE CONSIDERATION FOR THE PROPOSED ACQUISITION FROM TP REAL ESTATE HOLDINGS PTE LTD (“TPRE”) OF 40.005% EQUITY INTEREST IN TP HOTEL (FLINDERS) TRUST (“TP FLINDERS”) (TOGETHER WITH 40.005% OF THE RIGHTS AND BENEFITS TO THE TOTAL ADVANCES OWING BY TP FLINDERS) AND 50% EQUITY INTEREST IN TP INTERNATIONAL PTY LTD (“TP INTERNATIONAL”) (“PROPOSED FOREIGN ACQUISITIONS”)

1. INTRODUCTION

On 4 May 2017, CIMB Investment Bank Berhad, on behalf of the Board of Directors of ECMLFG, announced that ECMLFG had on even date entered into, amongst others, an agreement with TP RE for the acquisition of 50% equity interest in:-

- (i) TP Sepang Sdn Bhd;
- (ii) TP Flinders *(together with 50% of the rights and benefits to the advances owing by TP Flinders to TP RE of AUD21,282,739 (“TP Flinders Advances”))*;
- (iii) TP International; and
- (iv) Yummy Kitchen Sdn Bhd,

for an aggregated purchase consideration of RM57,674,000 (“TPRE SPA”).

On 21 June 2017, CIMB Investment Bank Berhad, on behalf of the Board of Directors of ECMLFG, announced that ECMLFG and TP RE had on even date entered into a supplemental letter (“TPRE SPA Supplemental Letter”) for ECMLFG to grant consent to the Subscription and Advances⁽¹⁾ and to amend certain provisions of the TP RE SPA, to facilitate the Subscription and Advances and the removal of the Bank Negara Malaysia’s approval as one of the conditions precedent to the TP RE SPA as the same is not required for the proposed acquisitions.

Note:-

(1) *The Subscription and Advances is a fund raising exercise undertaken by TP International, acting as the trustee for TP Flinders which was completed on 21 June 2017, comprising:-*

- (i) *the subscription of 223,867 new units in TP Flinders for a subscription value of AUD2.2387 and provision of advances of AUD4,764,500.82 by Hedgehog Financial Pty Ltd which acts as the trustee for Hedgehog Trust; and*
- (ii) *the subscription of 25,976 new units in TP Flinders for a subscription value of AUD0.2598 and provision of advances of AUD552,840.18 by Spencer17 Pty Ltd which acts as the trustee for Spencer Investment Trust.*

Butterworth - Ground, 1st, 2nd & 3rd Floor, Wisma UMNO, Lorong Bagan Luar Dua 12000 Butterworth, Seberang Perai. Tel: 04-3322123 Fax: 04-3231813 / 3312195 E-mail: mercury@mersec.com.my Website: www.mercurysecurities.com.my

Kuala Lumpur - L-7-2, No. 2, Jalan Solaris, Solaris Mont’ Kiara 50480 Kuala Lumpur. Tel: 03-62037227 Fax: 03-62037117 F-mail: mercurykl@mersec.com.my

Melaka - No. 81, Ground Floor, 81A & 81B, Jalan Merdeka, Taman Melaka Raya, 75000 Melaka. Tel: 06-2921898 Fax: 06-2926898

Penang - 2nd Floor, Standard Chartered Bank Chambers, 2 Lebuh Pantai, 10300 Penang. Tel: 04-2639118 Fax: 04-2612118

Johor Bahru - Menara Pelangi, Suite 17.1, Level 17, Jalan Kuning, Taman Pelangi, 80400 Johor Bahru, Johor. Tel: 07-3316992 Fax: 07-3322693

APPENDIX IX – EXPERT’S REPORT ON THE FAIRNESS OF THE PURCHASE CONSIDERATION FOR THE PROPOSED ACQUISITIONS FROM TPRE OF 40.005% EQUITY INTEREST IN TP FLINDERS (TOGETHER WITH 40.005% OF THE RIGHTS AND BENEFITS TO THE TOTAL ADVANCES OWING BY TP FLINDERS) AND 50% EQUITY INTEREST IN TP INTERNATIONAL (cont’d)

As a result of the Subscription and Advances, the proposed acquisition by ECMLFG from TPRE of the 500,000 units or 50% equity interest in TP Flinders *(together with 50% of the rights and benefits to the TP Flinders Advances)* shall be changed to represent 40.005% equity interest in TP Flinders *(together with 40.005% of the rights and benefits to the total advances owing by TP Flinders after the Subscription and Advances of AUD26,600,080)*. There is no change to the purchase consideration and the number of units to be acquired by ECMLFG under the TPRE SPA.

As set out in the TPRE SPA and the TPRE SPA Supplemental Letter, the aggregated purchase consideration of RM57,674,000 is allocated as follows:-

	Allocation of purchase consideration (RM)
Sale shares	
5,000,000 ordinary shares in TP Sepang Sdn Bhd <i>(representing 50% equity interest)</i>	24,009,000
(i) 500,000 units of AUD0.00001 each in TP Flinders <i>(representing 40.005% equity interest)</i> together with 40.005% of the rights and benefits to the total advances owing by TP Flinders	33,664,999
(ii) 50 ordinary shares of AUD0.01 each in TP International <i>(representing 50% equity interest)</i>	
5 ordinary shares in Yummy Kitchen Sdn Bhd <i>(representing 50% equity interest)</i>	1
TOTAL	57,674,000

2. SCOPE AND LIMITATIONS OF OUR EVALUATION ON THE FAIRNESS OF THE TOTAL PURCHASE CONSIDERATION FOR THE PROPOSED FOREIGN ACQUISITIONS

We were not involved in any formulation of or any deliberations and negotiations on the terms and conditions pertaining to the Proposed Foreign Acquisitions. Our terms of reference are limited to expressing an opinion on the fairness of the total purchase consideration for the Proposed Foreign Acquisitions based on information and documents made available to us as set out below:-

- (i) information contained in Part A of the Circular and the accompanying appendices;
- (ii) audited financial statements of TP Flinders for the financial period from 2 June 2016 *(date of incorporation)* to 30 September 2016;
- (iii) audited financial statements of TP International for the financial period from 31 May 2016 *(date of incorporation)* to 30 September 2016;
- (iv) valuation report and valuation certificate *(including any update and/or revision thereto)* on the market value of the Flinders Lane Property, a property beneficially owned by TP Flinders which is located at Flinders Lane, Melbourne, Victoria in Australia;
- (v) other relevant information, documents, confirmations and representations furnished to us by the board of directors, management and/or representatives of ECMLFG and TPRE; and
- (vi) other relevant publicly available information.

We have relied on ECMLFG and TPRE as well as their directors, management and/or representatives to take due care in ensuring that all information, documents, confirmations and representations furnished to us to facilitate our evaluation and which had been used, referred to and/or relied upon in this report have been fully disclosed to us, are accurate, valid and complete in all material aspects.

APPENDIX IX – EXPERT’S REPORT ON THE FAIRNESS OF THE PURCHASE CONSIDERATION FOR THE PROPOSED ACQUISITIONS FROM TP RE OF 40.005% EQUITY INTEREST IN TP FLINDERS (TOGETHER WITH 40.005% OF THE RIGHTS AND BENEFITS TO THE TOTAL ADVANCES OWING BY TP FLINDERS) AND 50% EQUITY INTEREST IN TP INTERNATIONAL (cont’d)

We are satisfied that sufficient information has been disclosed to us in enabling us to formulate our opinion on the fairness of the total purchase consideration for the Proposed Foreign Acquisitions. After making all reasonable enquiries, the information used is reasonable, accurate, complete and free from material omission. Nevertheless, it is not within our terms of reference to express any opinion on legal, accounting, auditing and taxation issues relating to the Proposed Foreign Acquisitions.

Our opinion as contained in this report is based on economic, market and other conditions prevailing, and the information and/or documents made available to us as at the date of the latest valuation or such other period as specified herein. Such conditions may change significantly over a short period of time after the date of this report. In addition, it should be noted that our evaluation and opinion expressed in this report do not take into account any subsequent information, events or conditions arising after the date of the latest valuation or such other period as specified herein.

3. EVALUATION ON THE FAIRNESS OF THE TOTAL PURCHASE CONSIDERATION FOR THE PROPOSED FOREIGN ACQUISITIONS

The Proposed Foreign Acquisitions entail the acquisitions by ECMLFG from TP RE of two (2) foreign entities i.e. TP Flinders and TP International (“**Foreign Entities**”) for a total purchase consideration of RM33,664,999 (based on the allocation of purchase consideration as per the TP RE SPA and the TP RE SPA Supplemental Letter) (“**Purchase Consideration**”).

TP Flinders is a fixed unit trust incorporated in Australia to hold and develop the Flinders Lane Property whereas TP International is an Australian incorporated company which acts as the trustee of TP Flinders. Accordingly, their assets are principally represented by the Flinders Lane Property. The composition of the audited net assets / (liabilities) of TP Flinders and TP International based on their respective latest audited financial statements is as follows:-

	Audited as at 30 September 2016				Total	
	TP Flinders		TP International			
	AUD'000	RM'000 ⁽¹⁾	AUD'000	RM'000 ⁽¹⁾	AUD'000	RM'000 ⁽¹⁾
ASSETS						
Non-current assets						
Property, plant and equipment	19,599	63,587	-	-	19,599	63,587
Current assets						
Cash and cash equivalents	1,558	5,055	*	*	1,558	5,055
Other receivables	136	441	-	-	136	441
Total current assets	1,694	5,496	*	*	1,694	5,496
TOTAL ASSETS	21,293	69,083	*	*	21,293	69,083
LIABILITIES						
Current liabilities						
Other payables	8	26	4	13	12	39
Amount due to holding company	21,283	69,051	5	16	21,288	69,067
Total current liabilities	21,291	69,077	9	29	21,300	69,106
TOTAL LIABILITIES	21,291	69,077	9	29	21,300	69,106
Net assets / (liabilities)	2	6	(9)	(29)	(7)	(23)

* Insignificant.

Note:-

(1) Translated based on the closing exchange rate as at 31 October 2017 (being our assessment date) of RM3.2444/AUD as extracted from Bank Negara Malaysia's website.

APPENDIX IX – EXPERT’S REPORT ON THE FAIRNESS OF THE PURCHASE CONSIDERATION FOR THE PROPOSED ACQUISITIONS FROM TP RE OF 40.005% EQUITY INTEREST IN TP FLINDERS (TOGETHER WITH 40.005% OF THE RIGHTS AND BENEFITS TO THE TOTAL ADVANCES OWING BY TP FLINDERS) AND 50% EQUITY INTEREST IN TP INTERNATIONAL (cont’d)

As shown in the table above, the property, plant and equipment (*which comprise the Flinders Lane Property solely*) constitutes 92% of the Foreign Entities’ total assets. Apart from the Flinders Lane Property, other assets of the Foreign Entities comprise liquid assets such as cash and cash equivalents (7%) as well as receivables (1%) which are reasonably expected to approximate their fair values.

In view of the above, we view the Revalued Net Asset Valuation (“RNAV”) methodology (*an asset-based valuation method*) as the most appropriate method to derive a valuation of the Foreign Entities. The RNAV methodology is a generally accepted method in the valuation of property development and/or property investment entities. This methodology takes into consideration any surplus and/or deficit (*net of tax*) arising from the revaluation of material assets to reflect their market values based on presumption that the assets are realisable on a willing-buyer willing-seller basis in the open market.

Estimated RNAV of the Foreign Entities

In applying the RNAV methodology, certain assumptions are made, amongst others:-

- (i) the Foreign Entities will continue to operate on a going concern basis;
- (ii) TP International is the registered owner of the Flinders Lane Property as trustee of TP Flinders, which is the beneficial owner of the Flinders Lane Property;
- (iii) there will be ready and committed buyer for the Flinders Lane Property at its fully revalued basis and the sale can be conducted efficiently without any timing constraints and other relevant market factors which may affect the sale process;
- (iv) the Flinders Lane Property will not be compulsorily acquired by the government;
- (v) any potential costs in remediating the site will not be at a level which will affect the ongoing viability or target market return of any proposed redevelopment of the site;
- (vi) the closing exchange rate as at 31 October 2017 (*being our assessment date*) is RM3.2444/AUD and it is assumed that there will not be any material fluctuations in foreign exchange rates;
- (vii) the current accounting policies adopted by the Foreign Entities will remain relevant and there will not be any significant changes in their accounting policies which will have a material adverse impact on their financial position; and
- (viii) there will not be any material changes in political, social and economic conditions, monetary and fiscal policies, inflation and regulatory requirements of the property industry in Australia.

For the purpose of valuing the Flinders Lane Property, ECMLFG had appointed m3property (Vic) Pty Ltd as the valuer (“**m3property**”). The Flinders Lane Property (*bearing the address 539-545 Flinders Lane, Melbourne, Australia*) comprises the interest in perpetuity in a substantial redevelopment site with a developable area of approximately 1,741 square metres which is currently accommodating a double-storey building of approximately 2,215 square metres (“**Subject Property**”). The existing building occupies the whole of the site and was most recently used as a data centre. Since 2016, the property has been vacant and at the time of inspection by m3property, was in a relatively poor state of repair. Further, given the most recent use and configuration, the building provides relatively specialised accommodation, with limited alternate uses.

Having regard to the development potential of the site and the specialised nature of the buildings, m3property opines that the highest and best use of the Subject Property is for redevelopment (*subject to vacant possession*), with the existing structure considered to be of no added value. In arriving at the market value of the Subject Property, m3property has adopted the direct comparison method as their single approach for the purpose of their assessment.

APPENDIX IX – EXPERT’S REPORT ON THE FAIRNESS OF THE PURCHASE CONSIDERATION FOR THE PROPOSED ACQUISITIONS FROM TP OF 40.005% EQUITY INTEREST IN TP FLINDERS (TOGETHER WITH 40.005% OF THE RIGHTS AND BENEFITS TO THE TOTAL ADVANCES OWING BY TP FLINDERS) AND 50% EQUITY INTEREST IN TP INTERNATIONAL (cont’d)

We noted that an income capitalisation approach (*such as investment method, residual method and profits method*) is not appropriate in this instance in view that:-

- (i) existing improvements are not suitable for occupation and are considered to be in a state unable to generate income, without sufficient capital expenditure; and
- (ii) whilst the Flinders Lane Property is proposed to be redeveloped into a hotel, there is currently no planning approvals associated with the subject site or any such planning approvals being sought for the proposed development of the site. Hence, a feasibility analysis is not possible.

The direct comparison method involves the direct comparison of sales of broadly similar properties transacted in the open market, having regard to factors such as planning approvals, zoning, topography, shape / frontage, density and location. m3property’s assessment has been made on both a rate per metre of land area basis as well as on a potential gross floor area basis. The details of the sales evidences are set out in m3property’s valuation certificate dated 21 June 2017 and update valuation certificate dated 25 September 2017.

We further noted that m3property has made an allowance for the estimated cost of demolition which is higher than typical demolition rate in view of the nature of the building, which includes extensive plant and equipment such as gas storage tanks. After deducting the estimated cost of demolition, m3property arrived at a market value as at 14 September 2017 of AUD21,500,000 or a rate of AUD12,750/m² for the Subject Property which falls within the range of rates derived from identified most recent sales evidence. As for the rate on a potential gross floor area basis, the adopted rate of AUD875/m² falls below the range of rates derived from identified most recent sales evidence, which is considered by m3property as appropriate having regard to the circumstances surrounding the Subject Property.

Based on the valuation conducted by m3property, we are of the view that the valuation methodology adopted by m3property is reasonable, appropriate and consistent with generally applied valuation methodologies. We are satisfied with the reasonableness of m3property’s opinion on the market value of the Subject Property and have relied upon such market value for the purposes of computing the estimated RNAV of the Foreign Entities.

After considering the valuation of the Subject Property as ascribed by m3property, the estimated RNAV of the Foreign Entities, ECMLFG’s entitlements pursuant to the Proposed Foreign Acquisitions and the resulting discount implied by the Purchase Consideration are as follows:-

	TP Flinders	TP International	Total	
	AUD’000	AUD’000	AUD’000	RM’000 ⁽¹⁾
Audited net assets / (liabilities) as at 30 September 2016	2	(9)		
Add: Net revaluation surplus arising from the Subject Property	1,616 ⁽²⁾	-		
Estimated RNAV	1,618	(9)		
Equity interest to be acquired by ECMLFG (%)	40.005	50.000		
Estimated RNAV attributable to ECMLFG	647	(5)	642	2,083
Add: 40.005% of the rights and benefits to the total advances owing by TP Flinders ⁽³⁾	10,641	-	10,641	34,524
ECMLFG’s entitlements pursuant to the Proposed Foreign Acquisitions	11,288	(5)	11,283	36,607
Purchase Consideration				33,665
Discount represented by the Purchase Consideration to ECMLFG’s entitlements pursuant to the Proposed Foreign Acquisitions				
• RM				2,942
• %				8.04

APPENDIX IX – EXPERT’S REPORT ON THE FAIRNESS OF THE PURCHASE CONSIDERATION FOR THE PROPOSED ACQUISITIONS FROM TP RE OF 40.005% EQUITY INTEREST IN TP FLINDERS (TOGETHER WITH 40.005% OF THE RIGHTS AND BENEFITS TO THE TOTAL ADVANCES OWING BY TP FLINDERS) AND 50% EQUITY INTEREST IN TP INTERNATIONAL (cont’d)

Notes:-

- (1) Translated based on the closing exchange rate as at 31 October 2017 (being our assessment date) of RM3.2444/AUD as extracted from Bank Negara Malaysia’s website.
- (2) After deducting capital gains tax as computed below based on the assumption that the Subject Property will be realised in the open market at the market value:-

	AUD’000
Market value of the Subject Property	21,500
Less: Cost of acquisition	(19,599)
Revaluation surplus	1,901
Less: Deferred tax adjustment of 15%, based on Australian capital gains tax applicable for a trust, assuming that the asset will be held for at least twelve (12) months	(285)
Net revaluation surplus	1,616

- (3) Being 40.005% of the total advances owing by TP Flinders after the Subscription and Advances of AUD26,600,080.

4. CONCLUSION

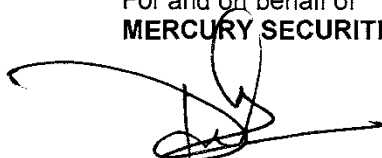
Based on our evaluation above, the Purchase Consideration of RM33.665 million is **lower than** ECMLFG’s entitlements pursuant to the Proposed Foreign Acquisitions of RM36.607 million (based on the closing exchange rate as at 31 October 2017 (being our assessment date) of RM3.2444/AUD as extracted from Bank Negara Malaysia’s website).

Accordingly, we are of the opinion that from the financial viewpoint of ECMLFG and based on the key bases and assumptions set out above, the Purchase Consideration for the Proposed Foreign Acquisitions is **FAIR**.

This report is addressed to the Board of Directors of ECMLFG and is intended only for inclusion in the Circular to the shareholders of ECMLFG. This report is prepared solely for the purposes of expressing our opinion on the fairness of the Purchase Consideration for the Proposed Foreign Acquisitions, being part of the proposals to be considered by the non-interested shareholders of ECMLFG and should not be used or relied upon by any other party for any other purposes.

Our opinion and this report may not be quoted, referred to or otherwise disclosed (in whole or in part) without our prior written consent. This report is not intended to be and does not constitute our recommendation on the Proposed Foreign Acquisitions. It is also not intended to be relied upon to address any business concerns or risks pertaining to the Proposed Foreign Acquisitions.

Yours faithfully
For and on behalf of
MERCURY SECURITIES SDN BHD



DENIS LIM
Director / Head of Corporate Finance



PUA KIN JOH
Director
Corporate Finance



WongPartnership LLP
12 Marina Boulevard Level 28
Marina Bay Financial Centre Tower 3
Singapore 018982
T +65 6416 8000
wongpartnership.com

ASEAN | CHINA | MIDDLE EAST

Date: 21 November 2017

The Board of Directors
ECM Libra Financial Group Berhad
2nd Floor, West Wing
Bangunan ECM Libra
8 Jalan Damansara Endah
Damansara Heights 50490 Kuala Lumpur Malaysia

FROM

LOML/LTLA/20171433

f: +65 6532 5711

*Not for service of court documents
Not for urgent correspondence*

d: +65 6416 2544 / 6517 8625

e: lydia.ong@wongpartnership.com
lisa.tan@wongpartnership.com

Dear Sirs

REPORT ON ENFORCEABILITY OF SHARE PURCHASE AGREEMENT

PROPOSED ACQUISITION BY ECM LIBRA FINANCIAL GROUP BERHAD ("ECMLFG") FROM TP REAL ESTATE HOLDINGS PTE. LTD. ("TPRE") OF 50% OF THE INTEREST IN EACH OF (I) TP SEPANG SDN BHD, (II) TP INTERNATIONAL PTY LTD AND (III) YUMMY KITCHEN SDN BHD, AND 40.005% OF THE INTEREST IN TP HOTEL (FLINDERS) TRUST (TOGETHER WITH 40.005% OF THE RIGHTS AND BENEFITS OF THE ADVANCES OWING BY TP HOTEL (FLINDERS) TRUST) FOR A TOTAL PURCHASE CONSIDERATION OF RM57,674,000 (THE "PROPOSED ACQUISITIONS FROM TPRE")

A. INTRODUCTION

- 1.1 We have been appointed by ECMLFG on 6 June 2017 to provide a report on the enforceability of the share purchase agreement dated 4 May 2017 (as amended by the supplemental letters to the share purchase agreement dated 21 June 2017, 30 August 2017 and 26 October 2017) entered into between ECMLFG and TPRE (collectively, the "Parties" and each, a "Party") in relation to the Proposed Acquisitions from TPRE (the "TPRE SPA"), against TPRE (as a foreign counter-party) under the relevant laws of Singapore.
- 1.2 This Report is given for the sole benefit of ECMLFG and we disclaim any responsibility to anyone other than ECMLFG. This Report is not to be transmitted to any other party nor is it to be used or relied upon by any other person for any other purposes or quoted or referred to in any public document or filed with any governmental or other authorities without our prior written consent, except that this Report may be annexed to the circular to the shareholders of ECMLFG in respect of an extraordinary general meeting to be convened to approve, amongst others, the Proposed Acquisitions from TPRE. This Report does not constitute a recommendation to any shareholder of ECMLFG as to how any shareholder should vote in respect of the Proposed Acquisitions from TPRE.

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1.3 Legal Review

- (a) For the purpose of issuing this Report, we have reviewed only the documents and completed only the searches referred to in Schedule 1 (*Documents and Searches*) to this Report.
- (b) Our review has been of a legal rather than of a financial or technical nature and we have not reviewed the commercial nature or effect of any transaction or matter.
- (c) We have not undertaken any independent verification of information made available to us by ECMLFG or their legal advisers and representatives, and we have not made any assessment of the possible commercial or financial consequences of any particular document.
- (d) Our review does not extend to documents or matters relating to financial, actuarial, stamp duty, taxation, technical, construction, insurance, accounting, environmental, competition or anti-trust issues and we have not made any assessment of the possible legal, commercial or financial consequences of the TPRE SPA in respect of such issues.
- (e) We do not express any views on whether the rights and obligations of the Parties set out in the TPRE SPA have been, are being or will be exercised in the manner envisaged by the TPRE SPA and we do not express any views on whether any Party is in breach of any of the terms and conditions of the TPRE SPA or whether any ground exists or will exist (with the giving of time or notice) for any Party to terminate the TPRE SPA.

1.4 Applicable Law

- (a) This Report and the opinions given herein are governed by Singapore law and relate only to Singapore law as applied by the courts of Singapore as at the date of this Report. We express no opinion in this Report on the laws of any other jurisdiction.
- (b) We will not be carrying out any review and/or update to take account of subsequent changes in the relevant Singapore laws after the date of this Report, which changes could be made on a retrospective basis. We also express no opinion as to matters of fact. We do not opine or advise on the commercial desirability of the terms of the Proposed Acquisitions from TPRE and the TPRE SPA, on the Parties' ability to perform their obligations thereunder, or on the legality, validity or enforceability of the terms of the Proposed Acquisitions from TPRE and the TPRE SPA under any law which is not the law of Singapore.

1.5 Assumptions and Reservations

This Report and the opinions given herein are given on the basis of the assumptions set out in Schedule 2 (*Assumptions*) to this Report and are subject to the reservations set out in Schedule 3 (*Reservations*) to this Report. We have not made any enquiry, investigation or research of any of the matters forming the subject of the said assumptions in Schedule 2 (*Assumptions*). This Report and the opinions given herein are strictly limited to the matters stated herein and are not to be read as extending by implication to any other matter including, without limitation, any other agreement or document whatsoever mentioned or referred to in the TPRE SPA, or any other document signed or to be signed in connection with or pursuant to the TPRE SPA, other than the TPRE SPA itself.

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B. REPORT ON ENFORCEABILITY OF TPRE SPA

1.6 Governing Law and Jurisdiction

The choice of Malaysian law to govern the TPRE SPA will be recognised as a valid choice of law if this question arises in any action before the courts of Singapore, provided that: (a) the TPRE SPA and the agreement for Malaysian law to govern the TPRE SPA are valid, binding and enforceable on the Parties thereto and has been made in good faith, and not with a view to avoiding the applicability of any other applicable law, (b) the application of Malaysian law is not contrary to the public policy in Singapore, and (c) the relevant agreement was not entered into for any unlawful purpose, pursuant to fraud or under duress. While Malaysian law governs the TPRE SPA, Singapore law will apply in relation to matters of procedure in any proceedings before the Singapore courts.

1.7 Enforcement of Foreign Judgments in Singapore

- (a) Under Clause 9.2 of the TPRE SPA, the Parties irrevocably submit to the non-exclusive jurisdiction of the courts of Malaysia.
- (b) Subject to certain limitations and defences, a judgment given by a superior court of Malaysia for the payment of any sum of money may be recognised and enforced by the courts of Singapore by way of registration under section 5(1) read with section 3(1) of the Reciprocal Enforcement of Commonwealth Judgments Act (Cap. 264, Rev. Ed. 1985) ("**RECJA**") within twelve (12) months after the date of such judgment (which may be varied by the Singapore courts). The limitations and defences include, but are not limited to, the following:
 - (i) the original court acted without jurisdiction;
 - (ii) the judgment debtor, being a person who was neither carrying on business nor ordinarily resident within the jurisdiction of the original court, did not voluntarily appear or otherwise submit or agree to submit to the jurisdiction of that court;
 - (iii) the judgment debtor, being the defendant in the proceedings, was not duly served with the process of the original court and did not appear, notwithstanding that he was ordinarily resident or was carrying on business within the jurisdiction of that court or agreed to submit to the jurisdiction of that court;
 - (iv) the judgment was obtained by fraud;
 - (v) the judgment debtor satisfies the registering court either than an appeal is pending, or that he is entitled and intended to appeal, against the judgment;
 - (vi) the judgment debt is a sum payable in respect of taxes or other charges of like nature or in respect of a fine or other penalty;
 - (vii) the judgment was in respect of a cause of action which for reasons of public policy or for some other similar reason could not have been entertained by the registering court, such that its enforcement would be contrary to the public policy of Singapore; or
 - (viii) the proceedings in which the judgment was obtained were contrary to natural justice.
- (c) As an alternative to registration under the RECJA, a foreign judgment, including a judgment given by the courts of Malaysia, may be enforced under common law by commencing a fresh action in Singapore for the amount due under it, provided that it is (i) final and conclusive as between the same parties (i.e., the foreign judgment is conclusive as to any matter thereby adjudicated upon

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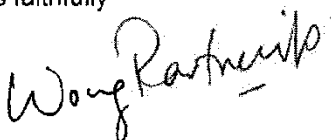
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and cannot be set aside by the court that delivered it or any other court of co-ordinate jurisdiction for any error, whether of fact or of law, although it may be subject to an appeal), (ii) given by a court of competent jurisdiction, and (iii) a judgment for a fixed sum of money.

- (d) As the common law enforcement of a foreign judgment is an action based on an implied debt, it would be subject to the limitation period of six (6) years as set out in section 6(1)(a) of the Limitation Act (Chapter 163 of Singapore).
- (e) As a general rule, only foreign judgments (including judgments of the Malaysian courts) for the payment of any sum of money may be registered under the RECJA or enforced under common law in Singapore. Foreign judgments providing solely for non-monetary remedies such as specific performance or an injunction are generally not enforceable in Singapore.

Yours faithfully



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SCHEDULE 1

DOCUMENTS AND SEARCHES

1. DOCUMENTS

We have reviewed only the following documents for the purposes of this Report:

- 1.1 A copy of the share purchase agreement dated 4 May 2017 executed by the Parties.
- 1.2 Copies of the supplemental letters to the share purchase agreement dated 21 June 2017, 30 August 2017 and 26 October 2017 executed by the Parties.
- 1.3 A copy of the Constitution of TPRE including a Certificate Confirming Incorporation of Company under the New Name dated 8 March 2011 confirming that Tune Plato Real Estate Holdings Pte. Ltd., incorporated on 15 July 2009, resolved to change its name to TP Real Estate Holdings Pte. Ltd. with effect from 7 March 2011.
- 1.4 A copy of the Directors' Resolution in Writing of TPRE dated 4 May 2017 resolving that certain resolutions pertaining to the TPRE SPA (including, *inter alia*, the resolution approving the entry by TPRE into the TPRE SPA) be recommended to the shareholders of TPRE for approval.
- 1.5 A copy of the Members' Resolution in Writing of TPRE dated 4 May 2017 approving, *inter alia*, the entry by TPRE into the TPRE SPA.

2. SEARCHES

We have undertaken only the following searches for the purposes of this Report:

- 2.1 A search in respect of TPRE was conducted on 2 November 2017 at the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**").
- 2.2 Composite litigation searches and winding-up and judicial management searches in respect of TPRE were conducted on 2 November 2017 at the Cause Book Search (CBS) service module of the Integrated Electronic Litigation System (eLitigation) at www.elitigation.sg for the years 2015 and 2016 and the period from 1 January 2017 to 2 November 2017.

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SCHEDULE 2

ASSUMPTIONS

This Report and the opinions given herein have been made on the following assumptions:

1. ORIGINAL AND GENUINE DOCUMENTATION

- 1.1 All signatures, stamps and seals are genuine, all original documents are authentic and all copy documents are complete and conform to the originals.
- 1.2 All factual statements contained in the documents listed in Schedule 1 (*Documents and Searches*) are correct.

2. PARTIES TO THE TPRES SPA

- 2.1 Each Party is validly incorporated and existing under the laws of its jurisdiction of incorporation, and has the capacity, power and authority to enter into and to exercise its rights and to perform its obligations under the TPRES SPA.
- 2.2 Each Party has complied (and will comply) with all laws and regulations of Singapore relating to its business in Singapore (if it carries on any business in Singapore or has a place of business in Singapore) which are relevant to the TPRES SPA.
- 2.3 No Party has (or will have) notice or knowledge of the other Party having entered into any agreement, document, arrangement or transaction which may in any way prohibit or restrict the latter Party's right to enter into the TPRES SPA or restrict the performance by the latter Party of its obligations under the TPRES SPA.

3. AUTHORITY

- 3.1 There have been (and will be) no amendments to the form of the Constitution of TPRES referred to in Schedule 1 (*Documents and Searches*).
- 3.2 The Directors' Resolution and the Members' Resolution referred to in Schedule 1 (*Documents and Searches*):
 - (a) were duly passed in the form of circulating resolutions in writing in accordance with the provisions of the Constitution of TPRES;
 - (b) were duly passed in accordance with the provisions of the Companies Act (Chapter 50 of Singapore); and
 - (c) have not been (and will not be) amended or rescinded and are in full force and effect.
- 3.3 The execution and delivery of the TPRES SPA by each Party and the exercise of its rights and performance of its obligations under the TPRES SPA will sufficiently benefit and is in the interests of that Party.
- 3.4 The directors of each Party acted in good faith and in the interests of, and for the commercial benefit of, such Party in approving the Proposed Acquisitions from TPRES and the TPRES SPA.
- 3.5 No Party has entered (or will enter) into any agreement, document, arrangement or transaction which may in any way prohibit or restrict its right to enter into the TPRES SPA.

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4. SEARCHES

There has been (and will be) no alteration in the status or condition of TPPE as disclosed by the searches referred to in Schedule 1 (*Documents and Searches*). However, it is our experience that the searches referred to in Schedule 1 (*Documents and Searches*) may be unreliable. In particular, notice of a winding-up order made or resolution passed or a receiver or judicial manager appointed may not be filed at ACRA immediately.

5. OTHER AGREEMENTS AND DOCUMENTS

There is no other agreement, instrument or other arrangement between any of the parties to the Proposed Acquisitions from TPPE which modifies or supersedes the TPPE SPA.

6. OTHER LAWS

- 6.1 All acts, conditions or things required to be fulfilled, performed or effected in connection with the TPPE SPA under the laws of any jurisdiction other than Singapore have been duly fulfilled, performed and complied with.
- 6.2 The TPPE SPA constitutes legal, valid, binding and enforceable obligations of the Parties for all purposes under the laws of all relevant jurisdictions other than Singapore.
- 6.3 There are no provisions of the laws of any jurisdiction other than Singapore which would be contravened by the execution or delivery of the TPPE SPA, and in so far as any obligation expressed to be incurred or performed under the TPPE SPA falls to be performed in or is otherwise subject to the laws of any jurisdiction other than Singapore, its performance will not be illegal by virtue of the laws of that jurisdiction.
- 6.4 All consents, approvals, authorisations, licences, exemptions or orders required from any governmental or other regulatory authorities outside Singapore and all other requirements outside Singapore for the legality, validity and enforceability of the TPPE SPA have been duly obtained or fulfilled and are and will remain in full force and effect and that any conditions to which they are subject have been satisfied.

7. OTHER ASSUMPTIONS

- 7.1 There have been (and will be) no amendments made to the TPPE SPA which would affect this Report.
- 7.2 All stamp duty payable in respect of the TPPE SPA have been (or will be) duly paid or remitted by the relevant tax authority.

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SCHEDULE 3

RESERVATIONS

1. ENFORCEABILITY OF CLAIMS

In this Report, "enforceable" means that an obligation is of a type which the courts of Singapore enforce. It does not mean that those obligations will be enforced in all circumstances in accordance with the terms of the TPRES SPA. In particular:

- 1.1 this Report is not to be taken to imply that a court of Singapore will necessarily grant any remedy, the availability of which is subject to equitable considerations or which is otherwise in the discretion of the court. In particular, orders for specific performance and injunctions are, in general, discretionary remedies under the laws of Singapore and specific performance is not available where damages are considered by the court to be an adequate alternative remedy;
- 1.2 where any Party is vested with a discretion or may determine a matter in its opinion, that Party may be required to exercise its discretion in good faith, reasonably and for a proper purpose, and to form its opinion in good faith and on reasonable grounds;
- 1.3 enforcement may be limited by the principles of the laws of Singapore applicable to agreements held to have been frustrated by events happening after their execution;
- 1.4 claims may become barred under the Limitation Act (Chapter 163 of Singapore) or may be or become subject to a defence of set-off or counterclaim;
- 1.5 a court in Singapore may (a) stay proceedings if concurrent proceedings are being brought elsewhere and (b) decline to accept jurisdiction in certain cases;
- 1.6 on the other hand, a court in Singapore will not be automatically bound to stay proceedings brought in its jurisdiction despite the existence of an exclusive jurisdiction provision in an agreement naming the foreign jurisdiction where the proceedings should be brought; the Singapore courts have the discretion as to whether or not to grant an application for a stay notwithstanding such an exclusive jurisdiction clause;
- 1.7 a party to a contract may be able to avoid its obligations under that contract (and may have other remedies) where it has been induced to enter into that contract by a misrepresentation and the courts of Singapore will generally not enforce an obligation if there has been fraud;
- 1.8 any provision in the TPRES SPA which purports to excuse or protect any Party against its own negligence or misconduct or which purports to apply notwithstanding the negligence or misconduct of any Party, or excusing any Party from a liability or duty otherwise owed, may be limited by law or may not be given effect by the courts of Singapore;
- 1.9 whilst a court of Singapore has power to give judgment in a currency other than Singapore dollars, if, subject to the terms of the contract, it is the currency which most truly expresses the plaintiff's loss, it has the discretion to decline to do so; and
- 1.10 any provision providing that any calculation, determination or certification is to be conclusive and binding may not be effective if such calculation, determination or certification is fraudulent, unreasonable, arbitrary or manifestly incorrect and a court in Singapore may regard any certification, determination or calculation as no more than prima facie evidence.

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2. APPLICATION OF FOREIGN LAW

If any obligation is to be performed in a jurisdiction outside Singapore, it may not be enforceable in Singapore to the extent that performance would be illegal or contrary to public policy under the laws of the other jurisdiction and a court in Singapore may take into account the law of the place of performance in relation to the manner of performance and to the steps to be taken in the event of defective performance.

3. OTHER RESERVATIONS

- 3.1 If it is necessary to initiate any legal proceeding in Singapore by serving a writ outside the jurisdiction, the leave of the court (as to which the court has a discretion) would have to be obtained.
- 3.2 It is uncertain whether the Parties can agree in advance to settle any disputes connected with the TPRE SPA but which are not contractual claims, such as a claim in tort.
- 3.3 Certain laws, directives, orders and other regulations (whether relating to United Nations sanctions or otherwise) have in the past been and may from time to time be enacted, passed or issued, the effect of which as a matter of Singapore law might be to restrict the making of any payment and/or the performance of any other obligation under the TPRE SPA.

Our Ref: SD 657998

17 November 2017

The Board of Directors
ECM Libra Financial Group Berhad
2nd Floor, West Wing
Bangunan ECM Libra
8 Jalan Damansara Endah
Damansara Heights 50490 Kuala Lumpur
Malaysia

Legal professional privilege applies

Dear Sirs

**TP International Pty Ltd as trustee for the TP Hotel (Flinders) Trust
Legal Opinion on the Ownership of Title or Interests in TP Hotel (Flinders) Trust, TP
International and the Flinders Lane Property**

1. Background

ECM Libra Financial Group Berhad (Company no 713570-K) (**ECMLFG**) has entered into a share purchase agreement (**TPRE SPA**) with TP Real Estate Holdings Pte Ltd (Company no 200912833H) (**TPRE**) to acquire, amongst others, 50% of TPRE's interest in:

- (a) the issued shares in TP International Pty Ltd (ACN 612 712 384) (**TP International**), which holds, in its capacity as trustee for TP Flinders, a double storey building at Flinders Lane, Melbourne, Victoria located at 539 - 545 Flinders Lane, Melbourne VIC 3000 (**Flinders Lane Property**);
- (b) the 80.01% issued units in the TP Hotel (Flinders) Trust (**TP Flinders**); and
- (c) the advances of AUD21,282,739 provided by TPRE to TP Flinders (**TP Flinders Advance**),

(Proposed Acquisitions from TPRE).

The TPRE SPA should be read together with the supplemental letters varying the TPRE SPA between TPRE and ECMLFG dated 21 June 2017, 30 August 2017 and 26 October 2017.

ECMLFG has requested that HWL Ebsworth Lawyers (**HWLE**) provide this legal opinion in respect of the ownership of title or interests in TP International and TP Flinders, as well as the assets of TP International and TP Flinders. This legal opinion will be annexed to the circular to the shareholders of ECMLFG in respect of an extraordinary general meeting to be convened to approve the Proposed Acquisitions from TPRE.

Adelaide
Brisbane
Canberra
Darwin
Hobart
Melbourne
Norwest
Perth
Sydney

Doc ID 442809513/v3

Level 26, 530 Collins Street, Melbourne VIC 3000 Australia
PO Box 3, Collins Street West VIC 8007 Australia
DX 564 Melbourne

Telephone +61 3 8644 3500
Facsimile 1300 365 323 (Australia) +61 2 8507 6582 (International)
hwlebsworth.com.au

ABN 37 246 549 189

2. Title details of the Flinders Lane Property

Land description	Registered proprietor
Lots 1 and 2 on Title Plan 161650U Volume 11654 Folio 032	Sole proprietor - TP International Pty Ltd in its capacity as trustee of the TP Hotel (Flinders) Trust of 40 Bramley Crescent, Wheelers Hill VIC 3150

3. Opinion

Subject to the Assumptions and Qualifications as stated in Sections 4 and 5 below, we are of the opinion that:

- (a) TP International is a proprietary company limited by shares that is validly incorporated in Australia on 31 May 2016, remains registered as at the date of this letter, is not subject to external administration and is capable of being sued in its own name and in its capacity as trustee of TP Flinders;
- (b) TP Flinders is a unit trust validly established in Australia pursuant to a duly stamped trust deed executed by TP International as trustee on 2 June 2016;
- (c) TPRE is the sole shareholder of TP International and an 80.01% unitholder of TP Flinders as at the date of the this letter;
- (d) TP International in its capacity as trustee for the TP Flinders is the sole proprietor of the Flinders Lane Property;
- (e) ECMLFG will acquire 50% of TPRE's interest in TP International and TP Flinders under the TPRE SPA (representing 50% equity interest in TP International and 40.005% equity interest in TP Flinders);
- (f) ECMLFG will acquire 50% of the TP Flinders Advance under the TPRE SPA, which amounts to AUD10,641,369.50 (representing 40.005% of the total advances owing by TP Flinders to its unitholders);
- (g) the TPRE SPA and the transfer completion mechanism contained in the TPRE SPA comply with obligations under Australian laws, rules and regulations;
- (h) there is no restriction to the transfer of ownership in the TP International shares and TP Flinders units issued;
- (i) there is no limitation in the right to own the shares and units; and
- (j) there is no restriction to the ownership and transfer of the Flinders Lane Property.

4. Assumptions

In arriving at our opinion in Section 3 above, we have made the following assumptions:

- (a) TP International and its advisers, representatives and experts have made available all relevant information and documentation to us, and in response to any enquiries made by us;
- (b) the information provided by TP International and its advisers, representatives and experts, including the documents provided to HWLE for the purpose of conducting due diligence on the Proposed Acquisitions from TPRE (**Due Diligence Material**), is not misleading and are true, complete and accurate in all respects;
- (c) all copy documents (including unexecuted copies) provided conform with the originals of those documents;
- (d) no document reviewed by us has been amended other than as apparent from the Due Diligence Material;
- (e) all signatures, seals and dates, and any stamp duty endorsement or marking on documents made available are authentic;
- (f) all documents required to be stamped have been or will be stamped and are not subject to any penalty or fine arising out of late or inadequate stamping;
- (g) all documents are within the capacity, power and authority of, and have been or will be validly executed and delivered by, each party to it and constitute valid and binding obligations of those parties, enforceable with their terms, in accordance with all applicable laws;
- (h) in respect of all documents executed under a power of attorney, the power of attorney was not varied or revoked, and the attorney did not have notice of revocation before execution of that document;
- (i) in respect of all documents executed by an agent, the agent was within its power and capacity to do so, and was validly authorised by the principal, and the terms of the document are binding on, and are enforceable against, the principal under all relevant laws;
- (j) the execution and delivery of all documents was in compliance with all laws applicable to such documents in all jurisdictions where any obligation is to be performed outside Australia, and the performance of any such obligations is not illegal or ineffective by virtue of the laws of any such jurisdiction;
- (k) all relevant authorisations were obtained in all relevant jurisdictions prior to those transactions being entered into, and were in full force and effect at all material times (although, if we had a belief that a relevant authorisation might not have been obtained, we asked a question in relation to that matter);
- (l) each document reflects the intention of each party to it and is not for any purpose not apparent from the document;

- (m) the parties to the documents reviewed by us are still in existence (except if we have noted otherwise), solvent and capable of completing their obligations;
- (n) no documents have been repudiated or otherwise terminated other than as apparent from the Due Diligence Material;
- (o) there are no defaults or contraventions under any agreement or instrument (other than those set out in the Due Diligence Material) which have led to or will lead to litigation or have other adverse consequences;
- (p) the details revealed by searches of public registers have been properly and accurately recorded in a timely manner in those registers by the persons responsible for maintaining them, however please note that those records are not necessarily correct, complete or up to date, and we cannot comment on whether or not the position may have changed between the date on which the search was conducted and the date of this opinion;
- (q) we were not required to search public registers other than those at set out in Schedule 1 of this opinion;
- (r) except as otherwise noted, all documents provided in draft were or will be executed in that form of that draft;
- (s) we may rely on material disclosed by the management of TP International, and its advisers and representatives without being required to take independent steps to verify the statements made or information supplied;
- (t) all counterparts of original agreements and instruments are held at the offices of TP International or are under the control of TP International; and
- (u) each meeting of the board of directors of any company of TP International and any committee of such boards, and in relation to which we have reviewed minutes, was duly convened and quorate, each director, alternate and any other person who attended and voted was entitled to do so, each resolution recorded in the minutes as passed was duly passed and accurately minuted and each director discharged that director's duties, including relating to declaration of interests and voting.

The making of an assumption for the purposes of this opinion does not imply that we have made any enquiry to verify that assumption or that we are not aware of any circumstance which would or might affect the correctness of the assumption. No assumption specified above is limited by reference to any other assumption.

5. Qualifications

This opinion is subject to the following qualifications:

- (a) that in respect of documents not governed by Australian law, the general legal principles which apply are similar to those that would apply in Victoria, Australia. We express no opinion about the laws of any jurisdiction or any legislation other than Australia which are in effect as of the date of this opinion. Accordingly, our

review of documents not being governed by Australian law has been from a common sense perspective only;

- (b) in providing this opinion, we only hold ourselves out as having skills and expertise with respect to the laws of Australia. We specifically disclaim any skills or expertise in any other capacity, financial or otherwise;
- (c) this opinion is strictly limited to the matters referred to in this opinion and is not to be read as extending by implication or otherwise, to any other matters, and in particular:
 - (i) this opinion has been prepared only for the consideration of ECMLFG;
 - (ii) our review has only concerned, and this opinion only relates to, the matters stated to have been reviewed by us in this opinion; and
 - (iii) we are unable to advise that the material disclosed to us comprises all of the information and material in existence which may be relevant to our legal due diligence review, and we have relied on TP International and its advisers and experts;
- (d) we express no opinion, except as expressly provided in this opinion, about factual matters. To the extent that this opinion relates to factual matters (as distinct from matters of Australian law), it is provided in relation to the actual knowledge of those partners and solicitors directly engaged in due diligence and which they have acquired in acting for you in relation to the proposed acquisitions from TPRE.

6. Benefit of Opinion

- (a) This opinion is provided for the exclusive benefit of ECMLFG.
- (b) This opinion may not:
 - (i) be relied upon by any person other than the person referred to in paragraph 6(a) above;
 - (ii) be disclosed, except to persons who in the ordinary course of the businesses of the persons permitted to rely on this opinion have access to their papers and records and on the basis that they will make no further disclosure of it; or
 - (iii) be filed with a government or other agency or quoted or referred to in any public document or domain, save and except as required by law.
- (c) This opinion may not apply if any of the Assumptions are incorrect.
- (d) This opinion is based on the Due Diligence Material as at 9.00 am on 17 November 2017.

APPENDIX XI – LEGAL OPINION BY HWL EBSWORTH LAWYERS ON THE OWNERSHIP OF TITLE OR INTERESTS IN TP FLINDERS, TP INTERNATIONAL AND THE FLINDERS LANE PROPERTY
(cont'd)

Yours faithfully

A handwritten signature in black ink, appearing to read 'SDwyer', with a long horizontal flourish extending to the right.

Sam Dwyer

Partner

HWL Ebsworth Lawyers

+61 3 8644 3558

sdwyer@hwle.com.au

Schedule 1 Public Registers Searched

We have conducted the following searches of public registers for the purposes of this report:

	Search	Details
1.	ASIC	Company search for TP International was conducted on 2 November 2017. Business name searches for TP International, TP Hotel and TP Flinders were conducted on 13 November 2017. We conducted business name searches to determine if there had been any registrations for the names used by TP International and TP Flinders (other than the trustee name). Our searches were limited to current business name registrations. • No results found for TP International and TP Flinders. • 1 result found for TP Hotel. The company, TP Hotel Pty Ltd ACN 622 767 793, was registered on 10 November 2017. • TP Hotel Pty Ltd is not related to TP International, TP Flinders, TPRE or ECMLFG. In the absence of an intention to incorporate an entity called TP Hotel, or to register TP Hotel as a business name, there are no negative implications of this search result.
2.	PPS Register	PPSR searches for TP International and TP Flinders were conducted on 2 November 2017.
3.	Land Victoria	Title search for Volume 11654 Folio 032 was conducted on 8 November 2017.

APPENDIX XII – VALUATION CERTIFICATES AND UPDATE VALUATION CERTIFICATES FOR THE PROPERTIES UNDER THE PROPOSED ACQUISITIONS AND THE PROPOSED DISPOSALS

JJ/mw1
5119818/307283



21 June 2017

ECM Libra Financial Group Berhad
2nd Floor, West Wing
Bangunan ECM Libra
8 Jalan Damansara Endah
Damansara Heights
50490 Kuala Lumpur Malaysia

Dear Sirs

VALUATION CERTIFICATE OF 539-545 FLINDERS LANE, MELBOURNE, AUSTRALIA ("SUBJECT PROPERTY").

This Valuation Certificate has been prepared for the submission to Bursa Malaysia Securities Berhad and inclusion in the circular to Shareholders of ECM Libra Financial Group Berhad in connection with the proposed acquisition of 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").

In accordance with the instructions from ECM Libra Financial Group Berhad to value the subject property, we have undertaken an inspection on 30 May 2017 and the date of valuation is 30 May 2017.

The basis of valuation is to assess the Market Value of the subject property as a parcel of freehold land. Market Value is defined as being

"...the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arms-length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion".

This Valuation Certificate and associated Valuation Report have been prepared in accordance with the relevant provisions of the Asset Valuation Guidelines issued by the Securities Commission Malaysia on 8 May 2009 (revised on 19 January 2017) together with the relevant provisions of the Australian and New Zealand Valuation and Property Standards (7th Edition).

ABN 99 472 148 297
Level 29/600 Bourke Street
Melbourne Vic 3000
DX 548 Melbourne
Telephone 03 9605 1000
Facsimile 03 9670 1658
info@m3property.com.au
www.m3property.com.au

APPENDIX XII – VALUATION CERTIFICATES AND UPDATE VALUATION CERTIFICATES FOR THE PROPERTIES UNDER THE PROPOSED ACQUISITIONS AND THE PROPOSED DISPOSALS (cont'd)

This Valuation Certificate has been solely prepared for inclusion in the circular to the shareholders of ECM Libra Financial Group Berhad, and is to be read in conjunction with our valuation report dated 30 May 2017.

Summary of Assumptions

Critical Assumptions

- Vacant possession.
- The valuation is based on the critical condition that the government holds no requirements of the land.
- The encumbrances that are detailed within this report have been considered in our assessment of Market Value. If there are any encumbrances, encroachments, restrictions, leases or covenants which are not noted in our report, they may affect our assessment. If any such matters are known or discovered, we should be advised and asked as to whether they affect our assessment.
- Our valuation is made on the assumption that there are no onerous costs in remediating the site, and that no further environmental issues which could negatively impact future development of the site are discovered in any detailed environmental investigation. In particular, our report has been completed on the basis that any potential remediation costs will not be at a level which will affect the ongoing viability or target market return of any proposed redevelopment. Should it transpire that this is not the case, we reserve the right to revise our assessment.

1. PROPERTY

Category

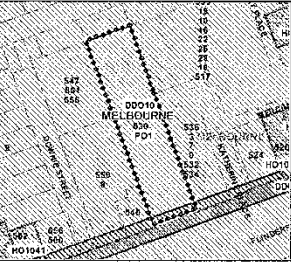
- Development site. We are of the opinion that the highest and best use of the subject property is for redevelopment, with the existing structure considered to be of no value.
- Interest valued is fee simple subject to vacant possession.

Title Details / Description / Site Area / Zoning

- The subject property is registered under a single Certificates of Title, being Lots 1 and 2 on Title Plan 161650U. TP International Pty Ltd is registered on title as the Sole Proprietor.
- The property is regular in shape occupying the south side of Flinders Street and the north side of Flinders Lane.
- Total unencumbered site area is 1,741 square metres. (developable area)
- Pursuant to the provisions of the City of Melbourne Planning Scheme, the property is subject to the Capital City - Schedule 1 Zoning.
- The property is freehold.

Planning

Planning Scheme	City of Melbourne Planning Scheme
Zoning	"Capital City Zone – Schedule 1" (CCZ1) The purpose of this Zone is: • To implement the State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies. • To enhance the role of Melbourne's central city as the capital of Victoria and as an area of national and international importance. • To recognise or provide for the use and development of land for specific purposes as identified in a schedule to this zone. • To create through good urban design an attractive, pleasurable, safe and stimulating environment. Specifically, Schedule 1 relates to the provision for a range of financial, legal, administrative, cultural, recreational, tourist, entertainment and other uses that complement the capital city function of the locality.

Planning Scheme	City of Melbourne Planning Scheme
Overlays 	Design and Development Overlay Schedule 1 (DDO1) and Schedule 10 (DDO10) The purpose of this Overlay is: - To identify areas which are affected by specific requirements relating to the design and built form of new development. Schedule 1 (DDO1) relates to design objectives. Schedule 10 (DDO10) relates to built form controls. More specifically, the Overlay relates to setback requirements, overshadowing and wind affects as a result of the proposed built form. Parking Overlay - Precinct 1 Schedule (PO1) The purpose of this Overlay is: - To facilitate an appropriate provision of car parking spaces in an area. - To identify areas and uses where local car parking rates apply. - To identify areas where financial contributions are to be made for the provision of shared car parking.

THE PLANNING INFORMATION SET OUT IN THIS CERTIFICATE HAS BEEN OBTAINED VIA THE INTERNET SITE OF THE DEPARTMENT OF ENVIRONMENT, LAND, WATER AND PLANNING. WE HAVE RELIED UPON THIS INFORMATION IN ASSESSING THE VALUE OF THE PROPERTY. NO RESPONSIBILITY IS ACCEPTED FOR THE ACCURACY OF THAT INFORMATION AND IF IT IS WRONG IN ANY SIGNIFICANT RESPECT, OUR ASSESSMENT OF VALUE MAY BE DIFFERENT. PROPER SEARCHES AND ENQUIRIES SHOULD BE MADE BEFORE RELIANCE IS PLACED ON OUR VALUATION.

Current Planning

The existing planning requirements are set out under the approved Amendment C270 on 23 November 2016. The provisions outlined below are now within the Melbourne Planning Scheme and relate to built form controls across the Central City.

- A new base floor area ratio of 18:1 is introduced, with discretion to agree to a floor area uplift bonus if all relevant built form parameters are met, and an appropriate public benefit is provided to share added value.
- New built-form requirements, including a maximum street wall height, a minimum street setback, a minimum side and rear setback, and a minimum setback between towers within the same site, as well as height controls.
- Discretionary and mandatory overshadowing requirements to protect key public spaces at key times.
- Revised wind speed criteria based on average comfort levels and not just extreme wind events.

Encumbrances/Notifications

The Certificate of Title refers to the following encumbrances:

- Right of Carriageway Easement, which extends along the northern boundary with a width of 10.13 metres, and the southern boundary with a width of 1.22 metres.

The abovementioned easements are currently utilised as public roads, with the easement situated to the north of the site forming part of Flinders Lane, and the easement to the south forming part of Flinders Street. We have therefore not included the easement affected land as forming part of the developable site area of the subject land.

IF THERE ARE ANY ENCUMBRANCES, ENCROACHMENTS, RESTRICTIONS, LEASES OR COVENANTS WHICH ARE NOT NOTED IN THIS CERTIFICATE, THEY MAY AFFECT OUR ASSESSMENT. IF ANY SUCH MATTERS ARE KNOWN OR DISCOVERED, WE SHOULD BE ADVISED AND ASKED AS TO WHETHER THEY AFFECT OUR ASSESSMENT.

APPENDIX XII – VALUATION CERTIFICATES AND UPDATE VALUATION CERTIFICATES FOR THE PROPERTIES UNDER THE PROPOSED ACQUISITIONS AND THE PROPOSED DISPOSALS (cont'd)

The Certificate of Title was searched via the online website www.anstat.com.au on 25 May 2017 and is attached as Annexure 4 to the Valuation Report.

Locality

The subject property extends between Flinders Lane and Flinders Street, approximately 100 metres west of their intersection with King Street, within the western core of the Melbourne CBD.

Buildings

Existing buildings occupy the whole of the site, and include a two level premises of approximately 2,215 square metres in building area, most recently utilised as a data centre. We understand that the property has been vacant since 2016, and at the time of inspection was in a relatively poor state of repair. Given the most recent use and configuration, the buildings provide relatively specialised accommodation, with limited alternate uses.

Planning Approval

We are unaware of any planning approvals associated with the subject site.

Proposed Development

Not applicable.

2. VALUATION DETAILS

Valuation Approach

In arriving at the assessed Market Value, we have adopted the direct comparison approach. This method involves the direct comparison of comparable sales evidence on a rate per square metre of the land area.

We have adopted a single approach for the purpose of our assessment, given the existing improvements are not suitable for occupation and are considered to be in a state unable to generate income, without sufficient capital expenditure. We therefore consider the capitilisation approach is not appropriate in this instance. Furthermore, given planning approval is yet to be sought for the proposed redevelopment of the site, a feasibility analysis is not possible.

The direct comparison method for development land has regard to sales of broadly similar properties transacted in the open market and compares these sales to the subject property having regard to factors including but not limited to:

APPENDIX XII – VALUATION CERTIFICATES AND UPDATE VALUATION CERTIFICATES FOR THE PROPERTIES UNDER THE PROPOSED ACQUISITIONS AND THE PROPOSED DISPOSALS (cont'd)

- Prevailing market conditions with specific consideration to potential unit pricing, sale rates and development costs.
- Land area and potential densities/unit yield.
- Zoning status under the Local Authority Planning Scheme.
- Development Approvals.
- Likely scheme cost contributions where applicable.
- Access and proximity to local transport corridors including freeways and rail facilities.
- Immediate competition and profile of developers active within the general localities.
- Servicing constraints.
- Environmental constraints.
- Location.

Typically, sales are analysed on a rate per square metre of land area or potential unit yield, and an appropriate rate is attributed to the subject property having regard to the considerations outlined above. Our assessment has been made on both a rate per metre of land area basis, as well as on the basis of a potential gross floor area (GFA) basis.

3. DIRECT COMPARISON APPROACH

3.1 DEVELOPMENT SALES EVIDENCE

To our knowledge, there has been limited recent sales of redevelopment sites within the Melbourne CBD over the past six to twelve months, which is generally considered to be a result of the recent planning uncertainty. We nevertheless detail the most comparable identified sales evidence that we have considered within our valuation as follows. We note that all sales outlined below relate to freehold transactions:

45 - 55 Dudley Street, West Melbourne, Vic

Sale Details

Sale Price	\$19,500,000 (reported)
Sale Date	May 2017
Vendor	Undisclosed
Purchaser	United Asia Group (Offshore Developer)
Zoning	Mixed Use Zone (MUZ)
Site Area	1,340m ²
Planning Permit	N/A – permitted height limit up to 40 metres
Potential GFA	17,420m ²



Analysis & Assumptions

Rate per m² of Site Area	\$14,552/m ²
Rate per m² of Potential GFA	\$1,119/m ²

Comments

Comprises a rectangular shaped allotment situated to the western side of Dudley Street, the site includes a three level hotel providing 42 rooms, previously occupied by the Flagstaff City Inn. The property was sold subject to vacant possession to offshore developer United Asia Group.

The property is subject to a Design and Development Overlay (DDO) permitting a height limit of up to 40 metres, however a higher density development is situated next door, with speculation that greater density could be achieved. Our discussions with the marketing agents Savills, indicated that the actual sale price remains undisclosed, however is broadly in line with the reported sale price in the media of \$19,500,000. We have assumed this sale price within our analysis. We consider the existing improvements could obtain short term income while planning approval is sought, and have therefore not made any allowance for demolition.

Source: Savills/Australian Property Journal

Comparison

Considered to be situated within a broadly comparable location, with the site located further from the CBD core, however benefiting from its proximity to Flagstaff Gardens, and the Queen Victoria Market. Upper levels of any proposed development will also benefit from views over the CBD and Port Phillip Bay. We also consider that, while the site is subject to a 40 metre height limit, precedent exists next door for greater development density. On balance, we consider a slightly lower site value rate is appropriate for the subject site.

Comparison as part of Section 4.10(c) of the Asset Valuation Guidelines (Malaysia)

As required as part of our instructions, we have applied a discount of 10% due to the superior views available at the property, and 7.5% due to the superior street frontage. Based on these discounts, a rate of \$12,005/m² is reflected.

We consider a lower GFA rate is appropriate for the subject property, however given a planning permit has not been approved, this is an estimate only, and therefore adopted as a secondary check method.

APPENDIX XII – VALUATION CERTIFICATES AND UPDATE VALUATION CERTIFICATES FOR THE PROPERTIES UNDER THE PROPOSED ACQUISITIONS AND THE PROPOSED DISPOSALS (cont'd)

496 - 508 La Trobe Street, West Melbourne, Vic

Sale Details

Sale Price	\$25,000,000
Sale Date	April 2017
Vendor	Regent Realty
Purchaser	Holder East
Zoning	Mixed Use Zone (MUZ)
Site Area	1,877m ²
Planning Permit	N/A – permitted height limit up to 40 metres
Potential GFA	24,401m ²



Analysis & Assumptions

Rate per m² of Site Area	\$13,319/m ²
Rate per m² of Potential GFA	\$1,025/m ²

Comments

Comprises a slightly irregular shaped allotment, situated to the north-western fringe of the Melbourne CBD. The site is contained within five adjoining Certificates of Title, while having a frontage to Latrobe Street of approximately 30 metres, with minor frontage to West End Lane. Subject to a DDO which permits a maximum building height of 40 metres, or approximately 13 levels.

Currently utilised as a car park, we understand the property was purchased by Chinese developer Holder East who will seek to redevelop the site into a mixed use or residential complex.

Source: Colliers/Sydney Morning Herald

Comparison

Comparable size to the subject, and within a generally comparable location to the fringe of the Melbourne CBD, although benefits from greater street frontage. On balance, we consider a slightly lower rate per square metre of land area is appropriate for the subject site.

Comparison as part of Section 4.10(c) of the Asset Valuation Guidelines (Malaysia)

As required as part of our instructions, we have applied a discount of 10% due to the superior street frontage. Based on this discount, a rate of \$11,987/m² is reflected.

We consider a lower GFA rate is appropriate for the subject property, however given a planning permit has not been approved, this is an estimate only, and therefore adopted as a secondary check method.

APPENDIX XII – VALUATION CERTIFICATES AND UPDATE VALUATION CERTIFICATES FOR THE PROPERTIES UNDER THE PROPOSED ACQUISITIONS AND THE PROPOSED DISPOSALS (cont'd)

361-365 Little Lonsdale Street, Melbourne, Vic

Sale Details

Sale Price	\$11,125,000
Sale Date	March 2017
Vendor	The Quang Holdings Pty Ltd
Purchaser	Malaysian Developer
Zoning	Capital City Zone (CCZ1)
Site Area	602m ²
Planning Permit	N/A
Potential GFA	10,836m ²



Analysis & Assumptions

Rate per m² of Site Area	\$18,480/m ²
Rate per m² of Potential GFA	\$1,027/m ²

Comments

Comprises an "L" shaped redevelopment site, situated near the corner of Elizabeth Street, being within close proximity to Melbourne Central and the CBD retail precinct. The property is contained with three adjoining Certificates of Title.

We understand the property was purchased "off market", that is, without being marketed, with the Contract subject to five month settlement terms. The site included an existing low clearance warehouse which was subject to a short term lease returning approximately \$9,333 per month. Having regard to the short term lease in place, we have not made an allowance for demolition costs.

Source: Contract of Sale sighted

Comparison

Smaller than the subject site, and considered to be situated within a superior location, with greater retail exposure. Slightly irregular shape parcel. On balance, we consider a lower site value rate is appropriate for the subject site.

Comparison as part of Section 4.10(c) of the Asset Valuation Guidelines (Malaysia)

As required as part of our instructions, we have applied a discount of 15% due to the smaller size of the land, and 20% due to the superior location. Based on these discounts, a rate of \$12,012/m² is reflected.

We consider a lower GFA rate is appropriate for the subject property, however given a planning permit has not been approved, this is an estimate only, and therefore adopted as a secondary check method.

APPENDIX XII – VALUATION CERTIFICATES AND UPDATE VALUATION CERTIFICATES FOR THE PROPERTIES UNDER THE PROPOSED ACQUISITIONS AND THE PROPOSED DISPOSALS (cont'd)

595 - 599 Little Collins Street, Melbourne, Vic

Sale Details

Sale Price	\$30,600,000
Analysed Sale Price	\$30,900,000
Sale Date	January 2017
Vendor	Undisclosed
Purchaser	Pro Invest Group
Zoning	Capital City Zone (CCZ1)
Site Area	1,254m ²
Planning Permit	N/A
Potential GFA	22,572m ²



Analysis & Assumptions

Rate per m² of Site Area	\$24,641/m ²
Rate per m² of Potential GFA	\$1,369/m ²

Comments

The site includes two low rise office buildings occupied by Billy Blue College of Design, however we understand the property was sold subject to vacant possession. We have allowed for their cost of demolition within our analysis. The site benefits from frontage to both Little Collins Street and Francis Street of approximately 30 metres.

We understand the property was purchased in an off market transaction to hotel developer Pro Invest Group, who will seek to construct a Holiday Inn Express hotel with approximately 300 rooms and associated retail.

The property sold without planning approval in place, with settlement terms undisclosed.

Source: *The Australian*

Comparison

Superior location when compared to the subject, while being smaller. Provides similar dual street frontage, however benefits from approximately 30 metres to both Little Collins Street and Francis Street. We consider a lower site value rate and rate per metre of hypothetical GFA is appropriate for the subject site.

Comparison as part of Section 4.10(c) of the Asset Valuation Guidelines (Malaysia)

As required as part of our instructions, we have applied a discount of 20% due to the superior location, 15% due to the superior street frontage, and 15% due to the smaller size. Based on these discounts, a rate of \$12,320/m² is reflected.

We consider a lower GFA rate is appropriate for the subject property, however given a planning permit has not been approved, this is an estimate only, and therefore adopted as a secondary check method.

APPENDIX XII – VALUATION CERTIFICATES AND UPDATE VALUATION CERTIFICATES FOR THE PROPERTIES UNDER THE PROPOSED ACQUISITIONS AND THE PROPOSED DISPOSALS (cont'd)

1 Queen Street, Melbourne, Vic

Sale Details

Sale Price	\$17,000,000
Analysed Sale Price	\$16,920,000
Sale Date	March 2016
Vendor	Creative Wealth
Purchaser	Caydon Property Group
Zoning	Capital City Zone (CCZ1)
Site Area	746m ²
GFA (actual)	12,742m ²
Plot Ratio	11:1
Planning Permit	111 apartments and 5 retail units over 25 levels.
GFA	12,742m ² (actual)



Analysis & Assumptions

Rate per m² of Site Area	\$22,681/m ²
Rate per m² of GFA	\$1,328/m ²
Rate per Permitted Unit	\$145,862/unit

Comments

A regular shaped redevelopment site located on the north-western corner of Queen and Flinders Streets. Constructed on the site is a two storey bluestone and concrete building previously occupied by Fletcher Jones group and is now leased to Culture Kings. The property was sold with short term income of \$236,320 per annum increasing to \$300,000 per annum plus GST as at 1 August 2016, with lease expiry at 31 January 2017.

The property was sold with a planning permit for a 25 level tower to comprise 111 residential units with an additional five retail units which equates to a GFA of approximately 12,742. The site was purchased by Caydon Group on six month terms and we have made an allowance for the extended settlement term in our analysis. We have not reflected a demolition allowance as this is offset by the short term income.

We understand that the Contract of Sale was originally agreed at \$18,000,000, however was conditional, with a subsequent Deed of Variation agreed at the eventual sale price of \$17,000,000.

Source: *Sydney Morning Herald/Knight Frank*

Comparison

Superior corner position, while benefiting from planning certainty, with greater development potential when compared to the subject. We consider a significantly lower site value rate is appropriate for the subject site.

Comparison as part of Section 4.10(c) of the Asset Valuation Guidelines (Malaysia)

As required as part of our instructions, we have applied a discount of 20% due to the development certainty of the property, and 15% due to the superior street frontage, and 12% due to the superior location. Based on these discounts, a rate of \$12,021/m² is reflected.

We consider a lower GFA rate is appropriate for the subject property, however given a planning permit has not been approved, this is an estimate only, and therefore adopted as a secondary check method.

248 Flinders Street, Melbourne, Vic

Sale Details

Sale Price	\$23,800,000
Analysed Sale Price	\$22,700,000
Sale Date	November 2015
Vendor	Yooralla
Purchaser	Malaysia-based investor
Zone	Capital City Zone (CCZ1)
Site Area	853m ²
Plot Ratio	9:1
Potential GFA	7,919m ²



Analysis & Assumptions

Rate per m² of Site Area	\$26,612/m ²
Rate per m² of GFA	\$2,867/m ²

Comments

The property comprises a near regular shaped redevelopment site located on the north side of Flinders Street opposite Flinders Street station. The site comprises a five level building incorporating two ground floor retail tenancies, rear ground floor office and four upper levels of office accommodation, together with a basement office. The site is incorporated within a Design and Development Overlay under precinct A1 which has a maximum building height of 40 metres and is affected by a Heritage Overlay. The property has a frontage of approximately 20 metres to Flinders Street providing excellent exposure.

The property is leased with tenants until the end of 2017, with one lease incorporating a demolition clause. The terms of the contract initially included a 10% deposit of \$2,380,000 with the balance of \$21,420,000 payable at settlement due on 31 March 2016 however, a subsequent Deed of Variation of Contract of Sale between the Vendor and the purchaser has been provided varying the terms of the sale to include a 20% deposit of \$4,760,000 with the balance of \$19,040,000 payable at settlement due on 16 May 2016. In addition, the Deed of Variation of Contract of Sale provides for a leaseback to Yooralla on part Level 2 for 20 months at a gross rental of \$13,500 per calendar month. We have made an allowance for the extended settlement terms in our analysis.

Source: Savills/Prism

Comparison

Smaller than the subject site, while situated within a superior location. The site also transacted prior to the introduction of recent planning restrictions. A lower site value rate is appropriate.

Comparison as part of Section 4.10(c) of the Asset Valuation Guidelines (Malaysia)

As required as part of our instructions, we have applied a discount of 10% due to the property transacting within a superior market, 25% due to a superior location, and 20% due to the smaller size. Based on these discounts, a rate of \$11,975/m² is reflected.

We consider a lower GFA rate is appropriate for the subject property, however given a planning permit has not been approved, this is an estimate only, and therefore adopted as a secondary check method.

APPENDIX XII – VALUATION CERTIFICATES AND UPDATE VALUATION CERTIFICATES FOR THE PROPERTIES UNDER THE PROPOSED ACQUISITIONS AND THE PROPOSED DISPOSALS (cont'd)

42-50 La Trobe Street, Melbourne, Vic

Sale Details

Sale Price	\$22,000,000
Sale Date	July 2015
Purchaser	Blue Sky
Vendor	Undisclosed
Zone	Mixed Use Zone (MUZ)
Site Area	1,103m ²
GFA (actual)	23,890m ²
Plot Ratio	22:1



Planning Permit 783 student apartments

Analysis & Assumptions

Rate per m² of Site Area	\$19,946/m ²
Rate per m² of GFA	\$921/m ²
Rate per unit	\$28,097/unit

Comments

A near regular shaped development site formed by two contiguous titles with a combined frontage of 22 metres. The site also benefits from rear lane access from Bell Place. 48-50 La Trobe Street is currently occupied by a double storey heritage building and 42 - 46 La Trobe Street is occupied by a six-level building with heritage facade. The buildings are leased on a short term basis.

Subsequent to the sale, a planning application was lodged in October 2015 and was approved in June 2016 for a 41 storey student accommodation tower comprising 783 units. The site was purchased by local developer Blue Sky. The application was lodged when a plot ratio of 24:1 was stipulated.

Source: Sydney Morning Herald/Savills/Prism

Comparison

Smaller than the subject site, while situated within a superior location, while having sold with planning permit in place for greater development density. A lower site value rate is appropriate for the subject site.

Comparison as part of Section 4.10(c) of the Asset Valuation Guideline (Malaysia)

As required as part of our instructions, we have applied a discount of 25% due to the existing planning permit and greater development density, and 15% due to the smaller land size. Based on these discounts, a rate of \$11,968/m² is reflected.

We consider a lower GFA rate is appropriate for the subject property, however given a planning permit has not been approved, this is an estimate only, and therefore adopted as a secondary check method.

APPENDIX XII – VALUATION CERTIFICATES AND UPDATE VALUATION CERTIFICATES FOR THE PROPERTIES UNDER THE PROPOSED ACQUISITIONS AND THE PROPOSED DISPOSALS (cont'd)

Our commentary in respect to the subject property in comparison to the sales evidence is summarised below.

Address	539-545 Flinders Street, Melbourne	49-55 Dudley Street, West Melbourne	495-502 La Trobe St, West Melbourne	351-365 Little Lonsdale Street, Melbourne	595-599 Little Collins Street, Melbourne	1 Queen Street, Melbourne	248 Flinders Street, Melbourne	42-50 La Trobe Street, Melbourne
Sale/Valuation Date	May-17	May-17	Apr-17	Mar-17	Jan-17	Mar-16	Nov-15	Jul-15
Sale Price/Valuation Date	\$20,900,000	\$19,500,000	\$25,000,000	\$11,125,000	\$30,800,000	\$17,000,000	\$23,800,000	\$22,000,000
Analysed Sale Price		\$19,500,000	\$25,000,000	\$11,125,000	\$30,800,000	\$16,820,000	\$22,700,000	\$22,000,000
Land Area	1,241 m ²	1,340 m ²	1,877 m ²	602 m ²	1,254 m ²	748 m ²	853 m ²	1,103 m ²
Zoning	CC1Z	MUZ	MUZ	CC21	CC21	CC21	CC21	MUZ
Frontage	20 m	30 m	30 m	18 m	30 m	41 (2 frontages)	20 m	22 m
Permit Issued	No	No	No	No	No	Yes	No	Yes
Potential Height Limit	18 Levels	13 Levels	13 Levels	18 Levels	18 Levels	25 Levels	9 Levels	24 Levels
Potential GFA	25,070m ²	17,420m ²	24,401m ²	10,836m ²	22,572m ²	12,742m ²	7,919m ²	23,890m ²
Analysis								
\$/m ² Land Area	\$11,775/m ²	\$14,552/m ²	\$13,319/m ²	\$18,480/m ²	\$24,641/m ²	\$22,681/m ²	\$26,612/m ²	\$19,948/m ²
\$/m ² Potential GFA	\$818/m ²	\$1,119/m ²	\$1,026/m ²	\$1,027/m ²	\$1,389/m ²	\$1,328/m ²	\$2,867/m ²	\$921/m ²
Comments of Comparison								
Planning		Inferior	Inferior	Similar	Similar	Superior	Inferior	Superior
Zoning		Inferior	Inferior	Same	Same	Same	Same	Inferior
Topography		Similar	Similar	Similar	Similar	Similar	Similar	Similar
Shape/Frontage		Superior	Superior	Inferior	Superior	Superior	Similar	Inferior
Density achievable		Inferior	Inferior	Similar	Similar	Superior	Inferior	Superior
Location		Similar	Similar	Superior	Superior	Superior	Superior	Superior
Overall		Superior	Superior	Superior	Superior	Superior	Superior	Superior
Adopted Rate for Subject In Comparison to Sales								
\$/m ² Site Area		Lower	Lower	Lower	Lower	Lower	Lower	Lower
\$/m ² Potential GFA		Lower	Lower	Lower	Lower	Lower	Lower	Lower

*Notes:

MUZ: Mixed Use Zone

CCZ: Capital City Zone

3.2 ASSESSMENT OF VALUE - DIRECT COMPARISON APPROACH

Based on the above comments, we have adopted a rate of \$12,000 per square metre of land area and \$837.50/m² of potential GFA, after taking into account the adjustments made to the comparable sales evidence. After considering both measures we have broadly adopted the midpoint of \$20,500,000 exclusive of GST.

Our land rate has been adopted on the basis of the comparable sales evidence, which based on our adjustments described previously within this certificate reflect adjusted rates of between \$11,968/m² and \$12,320/m² of site area. Our adopted rate of \$12,000/m² falls comfortably within this range, and is therefore considered to be well supported by the sales evidence.

In regards to our adopted GFA rate of \$837.50/m², we again emphasise that this method of comparison has been adopted primarily as a check method only, given a planning permit is yet to be obtained. The sales evidence detailed within this report reflects hypothetical rates of between \$921/m² and \$2,867/m², with our adopted rate being slightly below this range. In our view, we consider this rate appropriate having regard to the development uncertainty of the site, given planning approval is yet to be obtained, as well as the fringe CBD location. This rate has primarily been adopted in support of our primary valuation method.

APPENDIX XII – VALUATION CERTIFICATES AND UPDATE VALUATION CERTIFICATES FOR THE PROPERTIES UNDER THE PROPOSED ACQUISITIONS AND THE PROPOSED DISPOSALS (cont'd)

Our calculations are as follows:

Direct Comparison Approach				
Site Area	1,741 m ²	@	\$12,000/m ²	\$20,892,000
Potential GFA	25,070 m ²	@	\$837.50/m ²	\$20,996,460
Adopted Midpoint				\$21,000,000
Less Demolition	2,215 m ²	@	\$250/m ²	\$553,750
Subtotal				\$20,446,250
Market Value Exclusive of GST				\$20,500,000

4. VALUATION AND VALUATION COMPLIANCE STATEMENT

Valuation

Subject to the qualifications and assumptions contained within the body of this certificate, we assess the Market Value of 539-545 Flinders Lane, Melbourne, Victoria exclusive of GST, as at 30 May 2017, to be:

**\$20,500,000 exclusive of GST
(TWENTY MILLION FIVE HUNDRED THOUSAND DOLLARS)**

Or the equivalent sum (based on an exchange rate of \$1.00: RM3.1801, being the middle rate published by Bank Negara Malaysia at 5.00pm on 30 May 2017, being the date of valuation):

**RM65,192,050 exclusive of GST
(SIXTY FIVE MILLION ONE HUNDRED AND NINETY TWO THOUSAND AND FIFTY MALAYSIAN RINGGIT)**

This valuation is for the private and confidential use only of the ECM Libra Financial Group Berhad and for the specific purpose for which it has been requested. No third party is entitled to use or rely upon this report in any way and neither the Valuer nor m3property shall have any liability to any third party who does.

Only a signed original of this valuation should be relied upon and no responsibility will be accepted for photocopies of the report.

No part of this valuation or any reference to it may be included in any other document or reproduced or published in any way without written approval of the form and context in which it is to appear.

This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements and factors specific to the particular property). We do not accept responsibility or liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume responsibility or accept liability where the valuation is relied upon after the expiration of 90 days from the date of valuation or such earlier date if you become aware of any factors that have an effect on the valuation.

We advise that no party may rely upon financial projections or future values contained in our valuation report. Any financial projection or future value calculations in our valuation reports are valuation tools only, and should not be construed in any way as providing an indication of likely future profit and/or cash flow.

APPENDIX XII – VALUATION CERTIFICATES AND UPDATE VALUATION CERTIFICATES FOR THE PROPERTIES UNDER THE PROPOSED ACQUISITIONS AND THE PROPOSED DISPOSALS (cont'd)

Valuation Compliance Statement

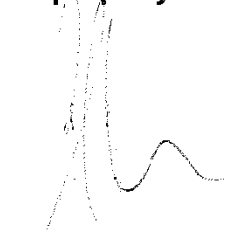
m3property confirms that:

- The statements of fact presented in the report are correct to the best of Valuer's knowledge.
- The analyses and conclusions are limited only by the reported assumptions and conditions.
- The Valuer has no interest in the subject property.
- The Valuer's fee is not contingent upon any aspect of the report.
- The valuation was performed in accordance with an ethical code and performance standards.
- The Valuer has satisfied professional education requirements.
- The Valuer has experience in the location and category of the subject property being valued.
- The Valuer has made a personal inspection of the subject property.
- No one, except those specified in the valuation report, has provided professional assistance in preparing the valuation report.

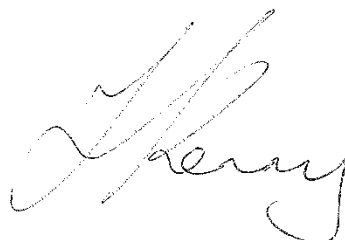
We confirm that neither **m3property** nor any of its Directors or employees has any pecuniary interest that could conflict with the proper valuation of this subject property.

Valuation Certificate Prepared By:

m3property



Josh Johnston B.Bus (Prop) AAPV
Primary Valuer
Certified Practising Valuer/Associate Director
Registered Valuer No. 63428



Luana Kenny B.Bus (Prop) AAPV
Counter Signatory
Certified Practising Valuer/Director
Registered Valuer No. 62805

Date of Signing: 21 June 2017

JJ/mw1
3303477/307779



25 September 2017

ECM Libra Financial Group Berhad
2nd Floor, West Wing
Bangunan ECM Libra
8 Jalan Damansara Endah
Damansara Heights
50490 Kuala Lumpur Malaysia

Dear Sirs

UPDATE VALUATION CERTIFICATE OF 539-545 FLINDERS LANE, MELBOURNE, AUSTRALIA ("SUBJECT PROPERTY").

This update valuation certificate has been prepared for the submission to Bursa Malaysia Securities Berhad and inclusion in the circular to Shareholders of ECM Libra Financial Group Berhad in connection with the proposed acquisition of 50% equity interest in TP Sepang Sdn Bhd ("TPSB"), TP International Pty Ltd ("TP International"), Yummy Kitchen Sdn Bhd ("YKSB") and 40.005% equity interest in TP Hotel (Finders) Trust (together with 40.005% of the rights and benefits to the total advances owing by TP Hotel (Flinders) Trust) ("Proposed Acquisitions from TPRE").

In accordance with the instructions from ECM Libra Financial Group Berhad, the objective of this update valuation is for the review of the Market Value reported in our valuation report, reference 4502724/307283 (JJ/mw1), for the date of valuation of 30 May 2017 (hereinafter referred to as Full Valuation Report) and the valuation certificate dated 21 June 2017, reference JJ/mw1 5119818/307283 (hereinafter referred to as the Valuation Certificate). We have conducted a further inspection of the Subject Property on 14 September 2017. Therefore, the material date of this update valuation of the Subject Property is 14 September 2017.

This update valuation certificate has been prepared in accordance with the relevant provisions of the Asset Valuation Guidelines issued by the Securities Commission Malaysia on 8 May 2009 (revised on 19 January 2017) together with the relevant provisions of the Australian and New Zealand Valuation and Property Standards (7th Edition).

m3property (Vic) Pty. Ltd.
ABN 99 472 148 297
Level 29/600 Bourke Street
Melbourne Vic 3000
DX 548 Melbourne
Telephone 03 9605 1000
Facsimile 03 9670 1658
info@m3property.com.au
www.m3property.com.au



The basis of valuation is to assess the Market Value of the Subject Property as a parcel of freehold land. Market Value is defined as being:

"...the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arms-length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion".

This update has been solely prepared for inclusion in the circular to the shareholders of ECM Libra Financial Group Berhad, and is to be read in conjunction with the Full Valuation Report and the Valuation Certificate.

Category

Development site. We are of the opinion that the highest and best use of the Subject Property is for redevelopment, with the existing structure considered to be of no value.

Interest valued is fee simple subject to vacant possession.

Buildings

Existing buildings occupy the whole of the site, and include a two level premises of approximately 2,215 square metres in building area, most recently utilised as a data centre. We understand that the property has been vacant since 2016, and at the time of inspection was in a relatively poor state of repair. Given the most recent use and configuration, the buildings provide relatively specialised accommodation, with limited alternate uses.

The property was inspected on 14 September 2017.

Title Details

We wish to confirm that there were no changes to the particulars of the title in respect of the Subject Property since the date of the Full Valuation Report and the Valuation Certificate up to the date of this update valuation.

An updated search via the online website www.anstat.com.au was conducted for the Certificate of Title on 12 September 2017.



Market Observations

We wish to confirm that additional market evidence has been identified in respect of the Subject Property since the date of the Full Valuation Report and the Valuation Certificate up to the date of this update valuation. These are further summarised within this update.

Town Planning

We wish to confirm that there were no changes to the existing planning regulations in respect of the Subject Property since the date of the Full Valuation Report and the Valuation Certificate up to the date of this update valuation.



Market Observations

We provide the following market evidence which has occurred since the date of the Full Valuation Report and Valuation Certificate up to the date of this update valuation.

9-27 Downie Street, Melbourne, Vic	
Sale Details	
Sale Price	\$26,000,000
Analysed Sale Price	\$26,500,000
Sale Date	June 2017
Purchaser	Private Developer
Vendor	Private
Zoning	Capital City (CCZ1)
Site Area	1,187m ²
GFA (actual)	28,359m ²
Plot Ratio	24:1
Planning Permit	255 apartments with four ground floor retail units over 33 levels
Analysis & Assumptions	
Rate per m² of Site Area	\$22,325/m ²
Rate per m² of GFA	\$934/m ²
Rate per unit	\$102,317/unit
Comments	
The property is located within the south-western precinct of the Melbourne CBD, approximately 900 radial metres south-west of the Melbourne GPO, and comprises five contiguous allotments forming a rectangular shaped development site with frontage to Downie Street of approximately 48 metres. Occupying the site is a two level warehouse considered to be of no added value to the land. The property is affected by a Design and Development Overlay (DDO10) and Parking Overlay (PO1). The site sold with an approved permit for the construction of a 33 level residential tower comprising 255 apartments with ground floor retail. Discussions with the selling agent revealed that the property sold on four month settlement terms with a 10% deposit to local developer Paul Little. Source: <i>Colliers International/commercialrealestate.com.au</i>	
Comparison	
Situated within a highly comparable location to the subject, being approximately 50 metres to the west, although smaller, while sold with a planning permit in place for greater development density when compared to the potential development density of the subject site. A lower site value rate is appropriate for the subject site.	
Comparison as part of Section 4.10(c) of the Asset Valuation Guideline (Malaysia)	
As required as part of our instructions, we have applied a discount of 27.5% due to the existing planning permit and greater development density, and 15% due to the smaller land size. Based on these discounts, a rate of \$12,837/m² is reflected. We consider a lower GFA rate is appropriate for the subject property, however given a planning permit has not been approved, this is an estimate only, and therefore adopted as a secondary check method.	





111-125 A'Beckett Street, Melbourne, Vic

Sale Details

Sale Price	\$61,000,000
Analysed Sale Price	\$61,250,000
Sale Date	June 2017
Vendor	Tong Eng Group
Purchaser	SP Setia
Zoning	Capital City (CCZ1)
Site Area	1,741m ²
GFA (actual)	61,429m ²
Plot Ratio	35:1
Planning Permit	632 apartments with ground level retail



Analysis & Assumptions

Rate per m² of Site Area	\$35,181/m ²
Rate per m² of GFA	\$997/m ²
Rate per unit	\$96,915

Comments

The property is situated to the south side of A'Beckett Street, between Queen Street and Elizabeth Street, approximately 600 metres from the Melbourne GPO. The site is located within close proximity of the Melbourne Central Railway Station and the Queen Victoria Market. The property is affected by a Design and Development Overlay (DDO10), Heritage Overlay (HO994) and Parking Overlay (PO).

A'Beckett Street is characterised by a number of high rise residential developments. The site abuts a laneway to the east and has a combined frontage of approximately 83 metres.

A two storey retail showroom in average condition currently occupies the site, and at the date of sale, the retail showroom was leased to Harley Heaven with a net passing income of \$911,046 per annum. The lease expired on 30 June 2017 and the tenant has now vacated.

Discussions with the selling agent revealed that the property was sold on a 20 day settlement term.

The property was purchased by Malaysian Developer SP Setia with a planning permit approved for a 64 storey mixed use development comprising 632 apartments and ground level retail area. The existing Art Deco building will be restored and form part of the new development.

Source: Savills/Prism

Comparison

Similar size when compared to the subject, and within a comparable location to the northern fringe of the CBD, however has been issued with planning approval for development density greatly exceeding existing planning guidelines. We consider a lower site value rate is appropriate for the subject.

Comparison as part of Section 4.10(c) of the Asset Valuation Guidelines (Malaysia)

As required as part of our instructions, we have applied a discount of 65% due to the high density Planning Permit issued for the site, which exceeds current guidelines. Based on this discount, a rate of \$12,313/m² is reflected.

We consider a lower GFA rate is appropriate for the subject property, however given a planning permit has not been approved, this is an estimate only, and therefore adopted as a secondary check method.

APPENDIX XII – VALUATION CERTIFICATES AND UPDATE VALUATION CERTIFICATES FOR THE PROPERTIES UNDER THE PROPOSED ACQUISITIONS AND THE PROPOSED DISPOSALS (cont'd)



Our commentary in respect to the Subject Property in comparison to the sales evidence is summarised below.

Address	539-545 Flinders Street, Melbourne	9-27 Downie Street, Melbourne	111-125 A'Beckett Street, Melbourne
Sale/Valuation Date	Jun-17	Jun-17	Jun-17
Sale Price/Valuation Date	\$21,500,000	\$26,000,000	\$61,000,000
Analysed Sale Price		\$26,500,000	\$61,250,000
Land Area	1,741 m ²	1,187 m ²	1,741 m ²
Zoning	CCZ1	CCZ1	CCZ1
Frontage	41 m	48 m	83 m
Permit Issued	No	Yes	Yes
Potential Height Limit	18 Levels	33 Levels	64 Levels
Potential GFA	25,070m ²	28,359m ²	61,429m ²
Analysis			
\$/m ² Land Area	\$12,349/m ²	\$22,325/m ²	\$35,181/m ²
\$/m ² Potential/Approved GFA	\$858/m ²	\$934/m ²	\$997/m ²
Comments of Comparison			
Planning		Superior	Superior
Zoning		Same	Same
Topography		Similar	Similar
Shape/Frontage		Superior	Similar
Density achievable		Superior	Superior
Location		Similar	Similar
Overall		Superior	Superior
Adopted Rate for Subject in Comparison to Sales			
\$/m ² Site Area		Lower	Lower
\$/m ² Potential/Approved GFA		Lower	Lower

*Notes:

CCZ: Capital City Zone

Valuation Approach

We have adopted the same valuation approach as stated in the Full Valuation Report and Valuation Certificate, i.e. the Direct Comparison Approach, in formulating our opinion of the Market Value of the Subject Property.

We have adopted a single approach for the purpose of our assessment, given the existing improvements are not suitable for occupation and are considered to be in a state unable to generate income, without sufficient capital expenditure. We therefore consider the capitilisation approach is not appropriate in this instance. Furthermore, given planning approval is yet to be sought for the proposed redevelopment of the site, a feasibility analysis is not possible.

Assessment of Value - Direct Comparison Approach

Based on the above comments, we have adopted a rate of \$12,750 per square metre of land area and \$875/m² of potential GFA, after taking into account the adjustments made to the comparable sales evidence. After considering both measures we have broadly adopted the midpoint of \$21,500,000 exclusive of GST.

APPENDIX XII – VALUATION CERTIFICATES AND UPDATE VALUATION CERTIFICATES FOR THE PROPERTIES UNDER THE PROPOSED ACQUISITIONS AND THE PROPOSED DISPOSALS (cont'd)



Our land rate has been adopted on the basis of the comparable sales evidence, which based on our adjustments described previously within this update valuation certificate reflect adjusted rates of between \$12,313/m² and \$12,837/m² of site area. Our adopted rate of \$12,750/m² falls comfortably within this range, and is therefore considered to be well supported by the sales evidence, particularly having regard to the most recent sales evidence which has occurred since the date of the previous valuation.

In regards to our adopted GFA rate of \$875/m², we again emphasise that this method of comparison has been adopted primarily as a check method only, given a planning permit is yet to be obtained. The sales evidence detailed within this update valuation certificate reflects hypothetical rates of between \$934/m² and \$997/m², with our adopted rate being slightly below this range. In our view, we consider this rate appropriate having regard to the development uncertainty of the site, given planning approval is yet to be obtained, as well as the fringe CBD location. This rate has primarily been adopted in support of our primary valuation method.

Our calculations are as follows:

Direct Comparison Approach				
Site Area	1,741 m ²	@	\$12,750/m ²	\$22,197,750
Potential GFA	25,070 m ²	@	\$875/m ²	\$21,936,600
Adopted Midpoint				\$22,050,000
Less Demolition	2,215 m ²	@	\$250/m ²	\$553,750
Subtotal				\$21,496,250
Market Value Exclusive of GST				\$21,500,000



VALUATION AND VALUATION COMPLIANCE STATEMENT

Valuation

Subject to the qualifications and assumptions contained within the body of this certificate, we assess the Market Value of 539-545 Flinders Lane, Melbourne, Victoria exclusive of GST, as at 14 September 2017, to be:

**\$21,500,000 exclusive of GST
(TWENTY ONE MILLION FIVE HUNDRED THOUSAND DOLLARS)**

Or the equivalent sum (based on an exchange rate of \$1.00: RM3.3615, being the middle rate published by Bank Negara Malaysia at 5.00pm on 14 September 2017, being the date of valuation):

**RM72,272,250 exclusive of GST
(SEVENTY TWO MILLION TWO HUNDRED AND SEVENTY TWO THOUSAND TWO HUNDRED AND FIFTY MALAYSIAN RINGGIT)**

This valuation is for the private and confidential use only of the ECM Libra Financial Group Berhad and for the specific purpose for which it has been requested. No third party is entitled to use or rely upon this report in any way and neither the Valuer nor m3property shall have any liability to any third party who does.

Only a signed original of this valuation should be relied upon and no responsibility will be accepted for photocopies of the report.

No part of this valuation or any reference to it may be included in any other document or reproduced or published in any way without written approval of the form and context in which it is to appear.

This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements and factors specific to the particular property). We do not accept responsibility or liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume responsibility or accept liability where the valuation is relied upon after the expiration of 90 days from the date of valuation or such earlier date if you become aware of any factors that have an effect on the valuation.

We advise that no party may rely upon financial projections or future values contained in our valuation report. Any financial projection or future value calculations in our valuation reports are valuation tools only, and should not be construed in any way as providing an indication of likely future profit and/or cash flow.



Valuation Compliance Statement

m3property confirms that:

- The statements of fact presented in the report are correct to the best of Valuer's knowledge.
- The analyses and conclusions are limited only by the reported assumptions and conditions.
- The Valuer has no interest in the subject property.
- The Valuer's fee is not contingent upon any aspect of the report.
- The valuation was performed in accordance with an ethical code and performance standards.
- The Valuer has satisfied professional education requirements.
- The Valuer has experience in the location and category of the subject property being valued.
- The Valuer has made a personal inspection of the subject property.
- No one, except those specified in the valuation report, has provided professional assistance in preparing the valuation report.

We confirm that neither **m3property** nor any of its Directors or employees has any pecuniary interest that could conflict with the proper valuation of this subject property.

Valuation Update Prepared By:

m3property

Josh Johnston B. Bus (Prop) AAPI
Primary Valuer
Certified Practising Valuer/Associate Director
Registered Valuer No. 63428

Dan Magree MRE FAPI FRICS
Counter Signatory
Director
Registered Valuer No. 62373

Date of Signing: 25 September 2017



HENRY BUTCHER MALAYSIA

International Asset Consultants

Our Ref : V/PG/DY1731
Date : 25th May 2017

PRIVATE & CONFIDENTIAL

ECM Libra Financial Group Berhad

Level 2, Bangunan ECM Libra
No. 8, Jalan Damansara Endah
Damansara Heights
50490 Kuala Lumpur

Dear Sirs,

VALUATION CERTIFICATE OF A 258-ROOM HOTEL KNOWN AS TUNE HOTELS – DOWNTOWN PENANG IDENTIFIED AS NO. 100, JALAN BURMA, 10050 GEORGETOWN, PENANG (“THE SUBJECT PROPERTY”)

This Valuation Certificate has been prepared for inclusion in the circular to shareholders of ECM Libra Financial Group Berhad (“ECM”) pursuant to the submission to Bursa Malaysia Securities Berhad (“Bursa Securities”) in connection with the proposed acquisition of the Subject Property by ECM in a related party transaction.

In accordance with the instructions from ECM, we have valued the Subject Property vide our valuation report bearing Reference No. V/PG/DY1731 dated 25th May 2017. The material date of valuation for this valuation exercise is taken as at 12th April 2017.

This certificate is to be read in conjunction with our valuation report bearing Reference No. V/PG/DY1731 dated 25th May 2017.

The valuation has been carried out in compliance with the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents Malaysia (5th Edition of MVS and effective from 8th September 2015) and the Asset Valuation Guidelines (1st Revision Series No.SC-GL/AV-2009 (R1-2017) dated 19th January 2017 and effective from 20th March 2017) issued by the Securities Commission Malaysia.

The basis of valuation adopted for the purpose of this valuation is **Market Value**. The term **Market Value**, as defined in the Malaysian Valuation Standards 5th Edition 2015, is “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion”.

As the Subject Property is an operating hotel, the market value is assessed on a going concern basis as a fully operational hotel and the valuation given comprises the value attributed to the real estate components and to include the contribution as a whole from all its other constituent parts such as necessary furniture, fittings and finishes fixed and fitted in the hotel; plant and machinery such as air-conditioning, generators and other supporting facilities for the hotel; complete telecommunications system as fitted and installed; kitchen appliances and utensils; existing work force and management in place, goodwill etc.

HENRY BUTCHER MALAYSIA (PENANG) Sdn Bhd (177498-P)

142-M, Jalan Burma, 10050 Penang, Malaysia

t • +604-229 8999 f • +604-229 8666 e • hbpenang@hbmpg.com w • www.henrybutcherpenang.com

Valuation | Real Estate Agency | Investment Advisory | International Marketing | Market Research | Development Consultancy
Project Marketing | Asset Management | Retail Planning & Consultancy | Auctions | Plant & Machinery | Art Consultancy



RICS



VC10008/4 V-296
E110501/5 E-1053

Description of the Subject Property

The Subject Property comprises an 11-storey building and currently being used and operated as a budget hotel comprising 258 guestrooms trading under the name and style of "Tune Hotels" and is provided with 18 car parking bays located at the ground level of the north eastern portion of the site. It has a total gross floor area of about 8,884.23 square metres (95,629 square feet).

As at the date of valuation, the Subject Property is operating as a "Budget Hotel". The last rating certificate issued by Ministry of Tourism and Culture Malaysia for the Subject Property was 1-star, which expired on 27th March 2015 and currently subject to renewal.

The Subject Property is located within the Georgetown city centre and is sited along the main thoroughfare of Jalan Burma on Penang Island in Malaysia. The Central Financial District along Lebuh Pantai where most of the major banks and financial institutions are located, is situated about 2.5 km (1.56 miles) due east of the Subject Property. The Penang Ferry Terminal is located approximately 2.7 km (1.69 miles) due south-east of the Subject Property.

The Subject Property is approachable from KOMTAR via Jalan Penang and thence onto Jalan Burma, all being well-maintained metalled roads.

The site, within which the Subject Property is erected, comprises two adjoining lots which are both rectangular in shape identified as Lot Nos. 348 & 426 and encompasses a total title land area of approximately 2,053.4429 square metres (22,103 square feet).

The Subject Property is generally constructed of a reinforced concrete frame with brick infills rendered externally and plastered internally supporting part reinforced concrete flat roof and part metal trussed roof laid over with metal deck sheets concealed behind parapet walls.

The elevations of the building comprise plastered brickwalls incorporating aluminium framed with glass panels.

The corridor on the ground floor is roofed over with a reinforced concrete structure incorporating a metal trussed roof laid over with tempered glass panels.

The ceiling finishes comprise cement plaster and plaster boards incorporating concealed lights, sprinklers, smoke and heat detectors.

The floor finishes of the Subject Property comprise porcelain tiles, ceramic tiles, cement render and homogeneous tiles.

The doors are generally of frameless swing tempered glass panel doors, timber panel, timber flush, fire-rated timber and glass panel. Windows are generally of aluminium casements incorporating glass panels.

A Certificate of Completion and Compliance has been issued by Penang Island Municipal Council vide Certificate No. LAM / PP / No. 0181 dated 6th April 2009.

Planning Provision

Our enquiries conducted at *Jabatan Perancang Bandar, Majlis Bandaraya Pulau Pinang* (Town Planning Department, Penang Island City Council) revealed that the subject property is located within an area zoned for commercial use.

APPENDIX XII – VALUATION CERTIFICATES AND UPDATE VALUATION CERTIFICATES FOR THE PROPERTIES UNDER THE PROPOSED ACQUISITIONS AND THE PROPOSED DISPOSALS (cont'd)

Title Particulars

In accordance to the certified true copy of the Registered Document of Titles of the Subject Property obtained from the *Pejabat Tanah dan Galian Negeri Pulau Pinang* (Penang Land Registry) on 13th April 2017, the following entries are noted:-

Lot Nos.	:	348 & 426, both within Section 15, Town of Georgetown, District of Timor Laut, Pulau Pinang
Title No.	:	Geran 11256 & Geran 63526 respectively
Tenure	:	Freehold (<i>in respect of both Titles</i>)
Category Of Land Use	:	Nil (<i>in respect of both Titles</i>)
Title Land Area	:	Lot No. 348 139.4429 square metres Lot No. 426 1,914.0000 square metres
Registered Proprietor	:	TUNE HOTELS SDN. BHD. (<i>in respect of both Titles</i>)
Express Conditions	:	(<i>in respect of both titles</i>) (First Grade) The Land comprised in this title : a) shall not be affected by any provision of the National Land Code limiting the compensation payable on the exercise by the State Authority of a right of access or use conferred by Chapter 3 of Part Three of the Code or on the creation of a Land Administrator's right of way; and b) subject to the implied condition that land is liable to be re-entered if it is abandoned for more than three years, shall revert to the State only if the proprietor for the time being dies without heirs; and the title shall confer the absolute right to all forest produce and to all oil, mineral and other natural deposits on or below the surface of the land (including the right to work or extract any such produce or deposit and remove it beyond the boundaries of the land).
Restriction-In-Interest	:	Nil (<i>in respect of both Titles</i>)
Encumbrances	:	(<i>in respect of both titles</i>) (i) Charged to Public Bank Berhad vide Presentation No. 0799SC2014048459 registered on 30 th December 2014. (ii) A private caveat has been entered by Public Bank Berhad vide Presentation No. 0799B2014014732 registered on 14 th November 2014.

APPENDIX XII – VALUATION CERTIFICATES AND UPDATE VALUATION CERTIFICATES FOR THE PROPERTIES UNDER THE PROPOSED ACQUISITIONS AND THE PROPOSED DISPOSALS (cont'd)

Occupation Status

At the date of inspection, we noted that certain sections of the Subject Property are rented to various tenants whilst the remaining portion is occupied by Tune Hotels Sdn Bhd.

Valuation Methods

We have adopted the “**Profit Method (By Discounted Cash Flow)**” of **Income Approach** and cross-checked with the “**Comparison Approach**” in formulating our opinion of the current **Market Value** of the Subject Property.

The “**Profit Method (By Discounted Cash Flow)**” of Valuation is used to determine the Market Value of properties with special licensing requirement, whose value is driven by the profitability of the business that occupy the building to be valued. The past records of gross revenue is adjusted to cover for fixed cost and expenses and other operating expenses to arrive at operating profit, which will then deduct other incomes or expenses to arrive at net operating profit. A projection of future revenues and expenses will then be forecasted using reasonable and calculated data and to be capitalized at an acceptable market rate to arrive at the present capital value of the property

Comparison Approach, also known as Market Approach, is adopted by comparing the Subject Property with similar properties that were either transacted recently or listed for sale within the same location or other comparable localities. In comparing properties, due consideration is given to factors such as time (market improvement), location, specification of building, in-house facilities and services, seaview, guestroom size and “Star” rating and other relevant factors to arrive at our opinion of value of the Subject Property.

Profit Method (By Discounted Cash Flow)

Based on information extracted from the audited summary income statements of the hotel operation of the Subject Property, the key indicators and financial performance are tabulated as follows :-

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Occupancy	68.4%	61.6%	49.6%
Total Rooms	239	238	246
Average Room Rate	RM78.87	RM82.40	RM78.50
Room Occupied	59,735	53,621	44,619
Room Available	87,367	87,026	90,036
Gross Operating Revenue	RM4,895,147	RM4,605,417	RM3,688,386
Total Operating Costs & Expenses	-RM734,426	-RM740,648	-RM799,390
Net Operating Revenue	RM4,160,721	RM3,864,769	RM2,888,996
Total Undistributed Overhead Expenses	-RM1,596,124	-RM1,563,528	-RM1,861,984
House Profit	RM2,564,597	RM2,301,241	RM1,027,012
Total Fee Payable	RM437,038	RM409,468	RM324,814
Gross Operating Profit	RM2,127,559	RM1,891,773	RM702,198
Total Fixed Overhead Expenses	RM162,284	RM167,968	RM169,549
Net Operating Profit	RM1,965,275	RM1,723,805	RM532,649

The followings are the basis and explanatory notes to be read in the context of the projections used in the DCF.

APPENDIX XII – VALUATION CERTIFICATES AND UPDATE VALUATION CERTIFICATES FOR THE PROPERTIES UNDER THE PROPOSED ACQUISITIONS AND THE PROPOSED DISPOSALS (cont'd)

Average Room Rate ("ARR")

After taking into consideration of the current "standard guest room package" which became effective from January 2017 onwards, room rates published online by other similar hotels located within the Georgetown area as well as improved tourism industry in Penang particularly in the Georgetown City area for the foreseeable future, we are of the opinion that the adopted ARR of RM90.00 per room per night (excluding 6% GST and 10% service charges) in Year 1 of our projection is fair and reasonable. The projected ARR for the Subject Property in our projection is presented as follows:

Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
ARR	RM90.00	RM92.70	RM95.48	RM98.35	RM101.30	RM104.33

We have adopted an annual increase rate of 3% for ARR from RM90.00 in Year 1 and achieving RM104.33 in Year 6. Based on HB Research, we noted that the ARR of hotels located in Georgetown City generally increases by 2% to 5% annually depending on the location and grading of the hotel. We are of the opinion that the projected ARR of the Subject Property increasing by 3% annually is considered fair and reasonable.

Occupancy Rate

We are of the opinion that our projection of occupancy rate of 50% for the Subject Property in Year 1 (2017) is considered fair and reasonable. With the expectation of improved tourism industry in Malaysia for the foreseeable future, we have allowed an average increase by an additional of 2% for Occupancy Rate every year as follow:-

Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Occupancy Rate	50%	52%	54%	56%	58%	60%

We are of the opinion that the annual 2% increase of average occupancy rate for every subsequent year in our projection is fair and reasonable due to the positive outlook of the hotel industry in general and coupled with the efforts from the government in promoting Malaysia's Tourism Industry. The introduction of Visa Waiver Program in collaboration between Tourism Malaysia and Middle Eastern Airlines will also help to increase the number of tourist arrival and boost the hotel industry.

In addition, the strategic location of the Subject Property and the benefit of being located within short distance to a few shopping malls (KOMTAR, Prangin Mall KOMTAR & 1st Avenue Mall) as well as Georgetown UNESCO World Heritage City will further strengthen the attractiveness of the Subject Property as a hotel.

Franchise / Marketing Fees, Etc.

The Subject Property pays a franchise fee (4% of room revenue) to the franchisor for the use of the name "Tune Hotels – Downtown Penang". In addition, there is a respective RM2,500.00 monthly payment (or RM30,000 per annum) and 2% of room revenue payment to Tune Hotels Regional Services Sdn. Bhd. to provide hotel support services and advertising & promotion fee.

Other Incomes and Expenses

From the historical financial statement, we have analyzed various expenses to total revenue ratios in percentage format and apply as projected figure in our forecast computation accordingly. This adopted ratio is within range of the actual past performance and assumption is made that it will continue in similar trend. However, for quit rent and assessment, we have adopted the actual amount billed in 2016 as the projected amount in Year 1 (2017) to Year 3 (2019) and subsequently increase by an additional 5% in Year 4 to Year 6 taking inflation into consideration.

On top of that, we have allocated Capital Expenditure Reserve to the cash flow projection from Year 1 onwards at 2% per annum of the gross operating revenue. To be prudent, we have decided to include this item as hotel businesses usually will require renovation and/or refurbishment every 5 to 10 years.

APPENDIX XII – VALUATION CERTIFICATES AND UPDATE VALUATION CERTIFICATES FOR THE PROPERTIES UNDER THE PROPOSED ACQUISITIONS AND THE PROPOSED DISPOSALS (cont'd)

Discount Rate & Terminal Capitalisation Rate

Based on our finding and market observations from online and research data, we understand that expected yields for office sector range from 5.0% to 6.5%, whilst retail sector would expect yields between 5.5% and 6.5%. Hotel sector in general commands a higher yield compare to office and retail sector, hence we feel it is fair and appropriate to adopt 6.5% as our terminal capitalization rate.

Our discount rate adopted for this valuation exercise is 8.0%, which is 1.5% higher than the terminal capitalization rate to reflect short term risks and expectations. Furthermore the rate of 8.0% is about 4.0% higher than Malaysia Government 10 years bond rate which currently is offering around 3.97%.

The summary of the parameters adopted and / or projections made are as follows :-

No. of Guestroom	: 246 rooms*
No. of Years in DCF model	: 6 years projection
Average Room Rate	: RM90.00 - RM104.33
Occupancy Rate	: 50% - 60%
Gross Operating Revenue	: RM4.206mil - RM5.851mil
Net Operating Profit	: RM1.153mil - RM1.654mil
Net Operating Profit Margin	: 27.4% - 28.2%
Discount Rate on Projected Earning (Year 1 to Year 6)	: 8%
Capitalisation Rate on Sustained Earning at Year 6 (and onwards) to derive the Terminal Value	: 6.5%

* We were given to understand by the management of Tune Hotels Sdn Bhd that out of the total of 258 guestrooms, 12 guestrooms are classified as 'Quad Room'. Therefore, we have adopted a total of 246 guestrooms in our Profit Method (by Discounted Cash Flow) taking into consideration of the current operating room arrangement.

Market Value of the Subject Property derived by using DCF : **RM21,300,000.00**

Comparison Approach

In arriving at our opinion of the Market Value using the Comparison Approach, the following sale evidences, amongst others, are noted :-

	Comparable 1	Comparable 2	Comparable 3
Address of Property	No. 56, Jalan Low Yat, Penang	No. 33, Lorong Baru, Penang	No. 68, Jalan Gurdwara, Penang
Location	Batu Ferringhi	Georgetown	Georgetown
Type of Property	A 322-room hotel known as Hydro Hotel	A 250-room hotel known as Sunway Hotel	A 188-room hotel known as Grand Continental Hotel
Date of Transaction	2 nd May 2014	8 th December 2014	18 th November 2013
Source	Jabatan Penilaian & Perkhidmatan Harta	Jabatan Penilaian & Perkhidmatan Harta	Jabatan Penilaian & Perkhidmatan Harta
Vendor	Mister Phoenix (M) Sdn Bhd	Sunway Biz Hotel Sdn Bhd	Grand Central Enterprises (Penang) Sdn Bhd
Purchaser	Pinnacle Nexus Sdn Bhd	RHB Trustees Berhad	L & O Standard Sdn Bhd
No. of Rooms	322	250	188
Consideration	RM82,000,000	RM74,000,000	RM44,000,000
Base Value	RM254,658 per room	RM296,000 per room	RM234,043 per room
Adjustments	Adjustments have been made for time (market improvement), location, specification of building, in-house facilities and services, seaview, guestroom size and "Star" rating between the subject property and the comparables		
Adjusted Value	RM76,398 per room	RM88,800 per room	RM93,617 per room

APPENDIX XII – VALUATION CERTIFICATES AND UPDATE VALUATION CERTIFICATES FOR THE PROPERTIES UNDER THE PROPOSED ACQUISITIONS AND THE PROPOSED DISPOSALS (cont'd)

Justification

Post adjustments have been made to the comparables after taking into consideration of the positive and negative factors of time (market improvement), location, specification of building, in-house facilities and services, seaview, guestroom size and "Star" rating between the subject property and the comparables.

Based on these three comparables adjustments made, we have concluded that Comparable 2 is the most suitable comparable to be adopted for the subject valuation due to the fact that this comparable is the most recent hotel transaction and located nearer to the Subject Property.

Having considered the above, we have adopted the adjusted value of Comparable 2 of RM90,000 (rounded from RM88,800) per guest room to be the fair market rate for the Subject Property.

Market Value of the Subject Property derived by using Comparison Approach : **RM23,220,000.00**

Reconciliation of Value

Method of Valuation	Market Value	
Profit Method (by DCF)	RM21,300,000	(Ringgit Malaysia Twenty One Million and Three Hundred Thousand Only)
Comparison Approach	RM23,220,000	(Ringgit Malaysia Twenty Three Million Two Hundred and Twenty Thousand Only)

In arriving at our opinion of Market Value of the Subject Property, we have selected Discounted Cash Flow Method of valuation as it analysed the present worth of the projected future cash flow over an assumed holding period. This is the preferred method for hotel as an income generating property and reflects the Subject Property's investment potential. Therefore we have used Comparison Approach as counter-checked method only.

Opinion of Value

Having regard to the foregoing, our opinion of the **Market Value** of the full share freehold interest of the Subject Property comprising a 258-room hotel known as Tune Hotels - Downtown Penang identified as No. 100, Jalan Burma, 10050 Georgetown, Penang, **ON A GOING CONCERN BASIS AS A FULLY OPERATIONAL HOTEL, WITH A CERTIFICATE OF COMPLETION AND COMPLIANCE ISSUED AND SUBJECT TO THE TITLES BEING GOOD, REGISTRABLE, MARKETABLE, FREE FROM ALL ENCUMBRANCES, ENDORSEMENTS, STATUTORY NOTICES AND OUTGOINGS IS RM21,300,000** (Ringgit Malaysia: Twenty One Million And Three Hundred Thousand Only).

Yours faithfully,

HENRY BUTCHER MALAYSIA (Penang) Sdn Bhd



SR. DR. TEOH POH HUAT (V-296)

FRICS, FRISM

Chartered Surveyor / Registered Valuer

Designation: Director

Registered Number: V-296



HENRY BUTCHER MALAYSIA

International Asset Consultants

Our Ref : V/PG/DY1731 (UL)
Date : 14th September 2017

PRIVATE & CONFIDENTIAL

ECM Libra Financial Group Berhad

Level 2, Bangunan ECM Libra
No. 8, Jalan Damansara Endah
Damansara Heights
50490 Kuala Lumpur

Dear Sirs,

UPDATE VALUATION CERTIFICATE OF A 258-ROOM HOTEL KNOWN AS TUNE HOTELS – DOWNTOWN PENANG IDENTIFIED AS NO. 100, JALAN BURMA, 10050 GEORGETOWN, PENANG ("THE SUBJECT PROPERTY")

This update valuation certificate is prepared for inclusion in the circular to shareholders of ECM Libra Financial Group Berhad ("ECM") pursuant to the submission to Bursa Malaysia Securities Berhad ("Bursa Securities") in connection with the proposed acquisition of the Subject Property by ECM in a related party transaction.

In accordance with the instructions from ECM, the objective of this update valuation is for the review of the Market Value reported in our valuation report (hereinafter referred to as Full Valuation Report) and valuation certificate (hereinafter referred to as Valuation Certificate), bearing Reference Nos. V/PG/DY1731 and V/PG/DY1731 (AG) respectively, both dated 25th May 2017. We have conducted inspection of the Subject Property on 11th September 2017. Therefore, the material date of this update valuation of the Subject Property is 11th September 2017.

This update valuation certificate has been carried out in compliance with the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents Malaysia (5th Edition of MVS and effective from 8th September 2015) and the Asset Valuation Guidelines (1st Revision Series No. SC-GL/AV-2009 (R1-2017) dated 19th January 2017 and effective from 20th March 2017) issued by the Securities Commission Malaysia.

The basis of valuation adopted for the purpose of this update valuation is **Market Value**. The term **Market Value**, as defined in the Malaysian Valuation Standards 5th Edition 2015, is "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion".

As the Subject Property is an operating hotel, the market value is assessed on a going concern basis as a fully operational hotel and the valuation given comprises the value attributed to the real estate components and to include the contribution as a whole from all its other constituent parts such as necessary furniture, fittings and finishes fixed and fitted in the hotel; plant and machinery such as air-conditioning, generators and other supporting facilities for the hotel; complete tele-communications system as fitted and installed; kitchen appliances and utensils; existing work force and management in place, goodwill etc.

HENRY BUTCHER MALAYSIA (PENANG) Sdn Bhd (177498-P)

142-M, Jalan Burma, 10050 Penang, Malaysia

t • +604-229 8999 f • +604-229 8666 e • hbpenang@hbmppg.com w • www.henrybutcherpenang.com

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V11006/4 V-296
E110501/5 E-1053

Description of the Subject Property

The Subject Property comprises an 11-storey building and currently being used and operated as a budget hotel comprising 258 guestrooms trading under the name and style of "Tune Hotels" and is provided with 18 car parking bays. The Subject Property is located within the Georgetown city centre and is sited along the main thoroughfare of Jalan Burma on Penang Island in Malaysia.

At the date of our inspection, there were no material changes to the physical conditions of the Subject Property that would affect the contents of the valuation between the date of Full Valuation Report and Valuation Certificate and up to the date of this update valuation.

Title Particulars

We wish to confirm that there were no changes to the particulars of the title in respect of the Subject Property between the date of the Full Valuation Report and Valuation Certificate and up to the date of this update valuation.

Market Observation

We wish to confirm that there is no material changes to the property market conditions as well as tourism industry in Penang State between the date of the Full Valuation Report and Valuation Certificate and up to the date of this update valuation.

Town Planning of the Subject Property

We wish to confirm that there were no changes to the legal planning aspect of the Subject Property between the date of the Full Valuation Report and Valuation Certificate and up to the date of this update valuation.

Valuation Approaches

We have adopted the same valuation approaches as stated in the Full Valuation Report and Valuation Certificate i.e. the "**Profit Method (By Discounted Cash Flow)**" of **Income Approach** and cross-checked with the "**Comparison Approach**" in formulating our opinion of the **Market Value** of the Subject Property.

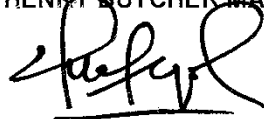
Based on the analysis from the latest income statements provided by the management of Tune Hotels Sdn Bhd, we noted that there is no significant impact towards our assumptions and parameters adopted in the Full Valuation Report and Valuation Certificate. Therefore, we are of the opinion that the Market Value reported in the Full Valuation Report and Valuation Certificate remains unchanged.

APPENDIX XII – VALUATION CERTIFICATES AND UPDATE VALUATION CERTIFICATES FOR THE PROPERTIES UNDER THE PROPOSED ACQUISITIONS AND THE PROPOSED DISPOSALS (cont'd)

Opinion of Value

Having regard to the foregoing, our opinion of the **Market Value** of the full share freehold interest of the Subject Property comprising a 258-room hotel known as Tune Hotels - Downtown Penang identified as No. 100, Jalan Burma, 10050 Georgetown, Penang, **ON A GOING CONCERN BASIS AS A FULLY OPERATIONAL HOTEL, WITH A CERTIFICATE OF COMPLETION AND COMPLIANCE ISSUED AND SUBJECT TO THE TITLES BEING GOOD, REGISTRABLE, MARKETABLE, FREE FROM ALL ENCUMBRANCES, ENDORSEMENTS, STATUTORY NOTICES AND OUTGOINGS IS RM21,300,000** (Ringgit Malaysia: Twenty One Million And Three Hundred Thousand Only).

Yours faithfully,
HENRY BUTCHER MALAYSIA (Penang) Sdn Bhd



SR. DR. TEOH POH HUAT (V-296)
FRICS, FRISM
Chartered Surveyor / Registered Valuer
Designation: Director
Registered Number: V-296



HENRY BUTCHER MALAYSIA

International Asset Consultants

REF: HBLL/SC/01/10381/VC (Bursa)

15 May 2017

ECM Libra Financial Group Berhad
Level 2, Bangunan ECM Libra
No. 8, Jalan Damansara Endah
Damansara Heights
50490 Kuala Lumpur

Dear Sirs,

VALUATION CERTIFICATE:

4-STOREY HOTEL IDENTIFIED AS "TUNE HOTEL, KOTA KINABALU" LOCATED AT UNIT NO. G-803, F-803, S-803 & T-803, GROUND TO THIRD FLOORS, I BORNEO SHOPPING MALL, OFF JALAN UMS, 88450 KOTA KINABALU, SABAH PRESENTLY HELD UNDER MASTER TITLE NO. CL 015607057, DISTRICT OF KOTA KINABALU, STATE OF SABAH ("SUBJECT PROPERTY")

This Valuation Certificate has been prepared for inclusion in the circular to shareholders of ECM Libra Financial Group Berhad ("ECM Libra") pursuant to the submission to Bursa Malaysia Securities Berhad ("Bursa Securities") in connection with the proposed acquisition of the Subject Property by ECM Libra in a related party transaction.

In accordance with the instructions from ECM Libra, we have valued the Subject Property vide our valuation report bearing Reference No. HBLL/SC/01/10381 dated 15 May 2017 for the purpose of submission to Bursa Securities. The material date of valuation for the valuation exercise is taken as at **21 March 2017**.

We confirm that we have valued the Subject Property based on the valuation basis stated herein. The valuation has been prepared in compliance with the Malaysian Valuation Standards ("MVS") issued by the Board of Valuers, Appraisers and Estate Agents Malaysia (*5th Edition of MVS and effective from 8 September 2015*) and the Asset Valuation Guidelines (*1st Revision Series No.SC-GL/AV-2009 (R1-2017) dated 19 January 2017 and effective from 20th March 2017*) issued by the Securities Commission Malaysia ("SC").

The material information as contained in the valuation report is listed herein below.

HENRY BUTCHER MALAYSIA (SABAH) SDN BHD (328470-P)

Suite 326, 3rd Floor, Wisma Sabah, 88000 Kota Kinabalu, Sabah

t • 088-255 000 f • 088-257 333 e • hbsabah@gmail.com www.henrybutcher.com.my

Valuation | Real Estate Agency | Investment Advisory | International Marketing | Market Research | Development Consultancy
Project Marketing | Asset Management | Retail Planning & Consultancy | Auctions | Plant & Machinery | Art Consultancy





1. **Basis of Valuation**

The basis of valuation is Market Value. The term “*Market Value*” as defined in MVS is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

As the Subject Property is an operating hotel, the market value is assessed on a going concern basis as a fully operational hotel and the valuation given comprises the value attributed to the real estate components and to include the contribution as a whole from all its other constituent parts such as furniture, fittings and equipments in the hotel; plant and machinery such as air-conditioning, generators and other supporting facilities for the hotel; tele-communications system as fitted and installed; kitchen appliances and utensils (if any); existing work force and management in place and goodwill (if any).

2. **Identification of Subject Property**

i) *Location/Address*

The Subject Property is located at **1 Borneo** which is about 9.0 kilometres by road north-east of **Kota Kinabalu City Centre**. Its postal address is Unit No. G-803, F-803, S-803 & T-803, Ground to Third Floors, 1 Borneo Shopping Mall, Off Jalan UMS, 88450 Kota Kinabalu, Sabah.

ii) *Interests Being Valued / Summary Of Master Land Title Details / Beneficial Ownership Particulars*

There are presently no individual subsidiary/strata titles issued for the respective parcels of the Subject Property yet. Presently, the Subject Property is held under a 99-year leasehold Master Title CL 015607057 (expiring on 31 December 2103) and the developer of 1 Borneo has undertaken (as stated in the Principal Sale and Purchase Agreement) to apply at its own cost and expense and take the necessary steps to obtain a separate subsidiary title for the respective parcel of the Subject Property as provided for under the Land (Subsidiary Title) Enactment 1972. Pending the issuance of subsidiary/strata titles for the Subject Property, the interest to be valued is therefore the unencumbered interest of the Subject Property held by **Tune Hotels Sdn. Bhd.** as the beneficial owner by virtue of its rights and interests as contained in four (4) separate Principal Sale & Purchase Agreements (“SPA”) respectively dated 22 May 2007.

Details of the property and ownership based on the SPA are summarised herein the following:



Date of SPA	Unit No.	Floor Level	Address	Parcel Area	Developer	Landowner	Purchaser/ Current Beneficial Owner
22-May-07	G-803	Ground	1 Borneo Shopping Mall, off Jalan UMS, 88450 Kota Kinabalu	1,545 ft ² (143.54 m ²)	Sagajuta (Sabah) Sdn. Bhd.	United Sabah Islamic Association [USIA]	Tune Hotels Sdn. Bhd.
22-May-07	F-803	First		8,853 ft ² (822.47 m ²)	Sagajuta (Sabah) Sdn. Bhd.	United Sabah Islamic Association [USIA]	Tune Hotels Sdn. Bhd.
22-May-07	S-803	Second		13,611 ft ² (1,264.50 m ²)	Sagajuta (Sabah) Sdn. Bhd.	United Sabah Islamic Association [USIA]	Tune Hotels Sdn. Bhd.
22-May-07	T-803	Third		18,476 ft ² (1,716.48 m ²)	Sagajuta (Sabah) Sdn. Bhd.	United Sabah Islamic Association [USIA]	Tune Hotels Sdn. Bhd.

3. Property Description

The Subject Property is within part of the 1 Borneo development which has some 128,798 m² of net retail space, three (3) blocks of condominiums and four (4) hotels (including the Subject Property) with a total of 929 rooms. The four (4) hotels here consist of Tune Hotel Kota Kinabalu [the Subject Property], Klagan Regency Hotel (previously Novotel Hotel), Felda owned Grand Borneo Hotel and Hotel Courtyard 1 Borneo.

The Subject Property is a 4-storey stratified building which is currently being used and operated as a 1-star rated hotel trading under the name and style of “*Tune Hotel, Kota Kinabalu*”. 163 of the total guest rooms for the Subject Property are marketable and saleable as 2 of the rooms are currently being used as surau. Apart from the 36.51 m² of retail space on the ground floor which is let out to a car rental company and a 7-Eleven outlet, the hotel operates and accommodates “guest rooms only” and there are no other income generating facilities such as banquet hall, meeting rooms, food and beverage outlets and car parking provided (car parking facilities are separately owned by a third party owner and available as part of the overall 1 Borneo shopping mall). The hotel was completed together with the 1 Borneo shopping mall with the Occupation Certificate issued vide DBKK Ref: R/1290/II dated 6 June 2008 and it has been in operation since then.

Over the four (4) floors, the Subject Property has a total floor area of 42,485 ft² (3,946.99 m²). There is no elevator within the Subject Property as the elevators are situated outside the hotel premise under the common property of the 1 Borneo shopping mall. The size of the most common typical guest room within the Subject Property measures about 11 m². All the guest rooms are designed and equipped with en-suite bathroom (with shower amenities), electronic door lock, queen sized bed, colour TV and split unit air conditioning.

Based on information extracted from the certified management accounts of the hotel operation of the Subject Property, the following summarises the performance (figures rounded) achieved by the hotel operations over the last 3 financial years ended 30 September 2014 to 30 September 2016:



Average Room Rate	: RM70	- RM78
Occupancy Rate	: 46%	- 54%
Gross Operating Revenue	: RM2.163m	- RM2.466m
Operating Expenses	: RM1.284m	- RM1.362m
Gross Operating Profit	: RM801,000	- RM1.182m
Gross Operating Profit Margin	: 37%	- 48%
Fees & Statutory Payments**	: RM357,000	- RM387,000
Net Operating Profit	: RM444,000	- RM795,000
Net Operating Profit Margin	: 21%	- 32%

** This include statutory payments such as assessment, insurance and audit fees. In addition, the Subject Property pays a franchise fees (4% of room revenue) to the franchisor for the use of the name "Tune Hotel, Kota Kinabalu", a RM2,500.00 monthly payment and 2% of room revenue payment to Tune Hotels Management Sdn. Bhd. (previously known as Tune Hotels Regional Services Sdn. Bhd.) to provide hotel support services, advertising and promotion fee.

4. Market Value

In arriving at the Market Value of the Subject Property, we have adopted the "**Profit Method (By Discounted Cash Flow ("DCF"))**" under the Income Capitalisation Approach and the "**Comparison Method**" of the Comparison Approach to arrive at the market value of the Subject Property.

i) DCF

The summary of the parameters adopted and/or projections made are as follows:

No. Of Hotel Rooms	: 163 rooms
No. Of Years In DCF Model	: 6 Years Projection
Average Room Rate	: RM78 - RM83
Occupancy Rate	: 48% - 62%
Gross Operating Revenue	: RM2.272m - RM3.123m
Operating Expenses	: RM1.337m - RM1.869m
Gross Operating Profit	: RM935,000 - RM1.254m
Gross Operating Profit Margin	: 40% - 41%
Fees & Statutory Payments**	: RM368,000 - RM439,000
Net Operating Profit	: RM522,000 - RM753,000
Net Operating Profit Margin	: 23% - 24%
Discount Rate On Net Operating Profit	: 8% p.a (For Year 1 to Year 6)

Capitalisation Rate On Sustained
Earning At Year 6 (and onwards)
Over Remaining Tenure Of Leasehold
Interest To Derive The Terminal Value : 6.5% p.a.

Market Value derived by DCF : **RM9,703,000.00**

The followings are the basis and explanatory notes to be read in the context of the main parameters adopted in the DCF:



Average Room Rate ("ARR")

The projected ARR starts at RM78 which is reflective of the current occupancy rate achieved by the hotel and this is projected to reach a longer term sustainable ARR of RM83 in Year 6. The longer term ARR of RM83 is reasonable and justified taking into context that the outlook for the tourism market in Sabah is positive and that the industry is still growing and there is only a minimal increment of RM1 being adopted every year. This is also to reflect the status of the Subject Property as a 1-star rated hotel vis-à-vis the room rates charged by other hotels of similar rating or even slightly higher rated hotel.

Occupancy Rate

The projected occupancy rate starts at 48% which is reflective of the current occupancy rate achieved by the hotel and based on the DCF this is projected to reach a longer sustainable occupancy rate of 62% in Year 6. The projected longer term sustainable occupancy rate of 62% is realistic taking into context that the average occupancy rates of hotels in Sabah has been consistent above 60% and that the outlook for the tourism market in Sabah is positive and the industry is still growing.

Expenses

We have analysed the ratio of the various expenses to revenue in percentage format from the historical financial statement of the hotel. The ratio of expenses to revenue in percentage from past performance generally forms the basis for the projection of the various expenses to be incurred and that it will continue in similar trend. In the case of the respective expenses parameter, the analysed expenses to revenue in percentage showed small marginal variances of only between 1% - 3% over the last few years, with the exception of the "Departmental Expenses Attributed to Rooms" under operating expenses which had a slightly wider variance of 6%. As the variances are mostly small, we have adopted the average of those ratio in percentage rate (figures are rounded / rounded to the next higher numeric) as the basis for our projection of the expenses parameters. However, for the undistributed overhead expenses attributed to "Other Operating Expenses", we noted that the expenses incurred are mostly small expense items and did not have any particular pattern because they are one off in nature. For this parameter in the DCF, we have projected it at 1% (rounded) of gross revenue based on the fact that in the last few years (with the exception of 2015) the respective rate was about 1% (rounded) of gross revenue.

Contracted fees such as franchise fees, management fees and other fixed statutory payments are based on the actual contracted rate and/or fixed payments due. As a matter of prudence, we have also allocated a capital expenditure reserve of 2% (of gross revenue) in the DCF to factor in the fact that the Subject Property may require further renovations/refurbishments after certain years of operations notwithstanding that this may not be so critical for the Subject Property as a 1-star rated hotel and that it has no central air-conditioning plant, no F&B facilities (kitchen utensils and cooking equipments), no elevators (the existing elevators are outside the Subject Property and are common properties under the management of the 1 Borneo shopping mall development, and there are also no vehicles owned by the hotel.



Discount Rate & Terminal Capitalisation Rate

The hospitality industry is considered to be a long term and generally relatively medium risk industry *vis-à-vis* fluctuating prices, seasonal demand, sensitive to adverse global news and other unforeseen factors affecting the industry. In adopting the appropriate discount rate, we have taken into consideration among others, returns obtainable from risk free investments (4% - 4.5% for 10 - 15 years securities), initial yields derived from some of the hotel transactions in Kota Kinabalu, yields obtainable by most retail and office oriented REITs in Malaysia (about 5% - 7%). In that context, we have adopted a discount rate of **8.0% p.a.** to reflect the rate of return expected by an investor in respect of the Subject Property as a hotel.

Based on the Subject Property's location, size as well as its profile and in the context of Kota Kinabalu's status in a growing tourism market and considering that some of the recent hotel transfers in Kota Kinabalu indicating investors' willingness to accept initial yields of about 3.5% to 5.25% p.a, we have accordingly adopted **6.5%** as the terminal capitalisation rate to capitalise on the discounted net operating profit on the 6th year.

ii) Comparison Method

The comparison method adopted first derives the basic value of stratified parcel of the Subject Property without renovation/refurbishment. The estimated costs of the renovations/refurbishments as a 1-star rated hotel is added thereon to arrive at the market value of the Subject Property. The details of the sale comparables *vis-à-vis* the Subject Property's basic stratified value and the market value derived by the Comparison Method for the Subject Property is summarised as follows:

APPENDIX XII – VALUATION CERTIFICATES AND UPDATE VALUATION CERTIFICATES FOR THE PROPERTIES UNDER THE PROPOSED ACQUISITIONS AND THE PROPOSED DISPOSALS (cont'd)



Adjustment To Sale Comparables For Differences vis-a-vis The Subject Property's Basic Stratified Parcel Value													
Adjustment for Ground Floor Strata Parcel				Adjustment for First Floor Strata Parcel				Adjustment for Second and Third Floor Strata Parcel					
Factors	Comparable 1	Comparable 2	Comparable 3	Subject Property Ground Floor	Comparable 4	Comparable 5	Comparable 6	Subject Property First Floor	Comparable 7	Comparable 8	Comparable 9	Comparable 10	Subject Property Second Floor
1 Title No	CL 015607057 (Master Title)	CL 015607057 (Master Title)	CL 015607057 (Master Title)	CL 015607057 (Master Title)	CL 015607057 (Master Title)	CL 015607057 (Master Title)	CL 015607057 (Master Title)	CL 015607057 (Master Title)	CL 015607057 (Master Title)	CL 015607057 (Master Title)	CL 015607057 (Master Title)	CL 015607057 (Master Title)	CL 015607057 (Master Title)
2 Unit No & Floor Level	G-913 Ground Floor	G-912 Ground Floor	G-915 Ground Floor	G-803 Ground Floor	F-912 First Floor	F-915 First Floor	F-903 First Floor	F-803 First Floor	S-905 Second Floor	S-903 Second Floor	S-915 Second Floor	4th Floor Linas Station	1-803 Third Floor
3 Name of Development	1 Borneo	1 Borneo	1 Borneo	1 Borneo	1 Borneo	1 Borneo	1 Borneo	1 Borneo	1 Borneo	1 Borneo	1 Borneo	Linpas Plaza Phase 2A	1 Borneo
4 Floor Area (m ²)	127.65	135.91	137.49	143.54	150.03	229.93	229.93	882.47	172.79	183.94	279.91	2,201.21	1,284.50
5 Corner or Intermediate	Corner	Intermediate	Corner	Intermediate	Intermediate	Corner	Corner	Intermediate	Intermediate	Intermediate	Corner	Whole Floor	Intermediate
6 Condition of Premises	Good	Good	Good	Good	Good	Good	Good	Good	Good	Good	Good	Fair	Good
7 Tenure & Unexpired term during the time of sale	99 years expiring on 31 Dec 2103 (Unexpired 90 years)	99 years expiring on 31 Dec 2103 (Unexpired 90 years)	99 years expiring on 31 Dec 2103 (Unexpired 91 years)	99 years expiring on 31 Dec 2103 (Unexpired 86 years)	99 years expiring on 31 Dec 2103 (Unexpired 90 years)	99 years expiring on 31 Dec 2103 (Unexpired 90 years)	99 years expiring on 31 Dec 2103 (Unexpired 86 years)	99 years expiring on 31 Dec 2103 (Unexpired 86 years)	99 years expiring on 31 Dec 2103 (Unexpired 91 years)	99 years expiring on 31 Dec 2103 (Unexpired 91 years)	99 years expiring on 31 Dec 2103 (Unexpired 89 years)	99 years expiring on 31 Dec 2103 (Unexpired 89 years)	99 years expiring on 31 Dec 2103 (Unexpired 86 years)
8 Date of Transaction	17-Oct-13	17-Oct-13	20-Dec-12	17-Oct-13	17-Oct-13	20-Dec-12	20-Dec-12	06-Jul-12	06-Jul-12	09-Jul-12	20-Dec-12	23-Jul-13	
9 Vendor	Asiatik Lumber Industries Sdn Bhd	Asiatik Lumber Industries Sdn Bhd	Pearl Angle Sdn Bhd	Asiatik Lumber Industries Sdn Bhd	Asiatik Lumber Industries Sdn Bhd	Pearl Angle Sdn Bhd	Pearl Angle Sdn Bhd	Lang Yan Foh	Lang Yan Foh	Lang Yan Foh	Pearl Angle Sdn Bhd	Excelsun Sdn Bhd	
10 Purchaser	Loo Pang Kee +1	Loo Pang Kee +1	Rendrena Sdn Bhd	Loo Pang Kee +1	Loo Pang Kee +1	Rendrena Sdn Bhd	Rendrena Sdn Bhd	Angkasan Hebat Sdn Bhd	Angkasan Hebat Sdn Bhd	Angkasan Hebat Sdn Bhd	Rendrena Sdn Bhd	Cara Kaya Sdn Bhd	
11 Source of Information	Jabatan Pendaftaran dan Pendaftaran Hak (JPPH)	JPPH	JPPH	JPPH	JPPH	JPPH	JPPH	JPPH	JPPH	JPPH	JPPH	Sale and Purchase Agreement / HBM Research	
Transfer Consideration (RM)	1,013,693.00	1,254,826.00	883,000.00		504,658.00	672,728.00	705,000.00		440,000.00	440,000.00	612,000.00	5,000,000.00	
Analysed Transaction Price (RM per m ²)	7,941	9,233	6,422		3,394	2,926	3,066		2,546	2,382	2,166	2,271	
Adjusted Value (Per m ²)	RM7,147	RM10,155	RM6,101		RM2,823	RM1,902	RM2,146		RM2,087	RM1,814	RM1,530	RM2,271	
Adjusted Value Adopted For Subject Property (Rounded) RM/m ²	RM7,147						RM2,146			RM1,814			RM1,722
As all the sale comparables are almost identical and within the same locality, we have adopted Sale Comparable 1 (i) being between the highest and lowest adjusted value for the subject property (ground floor).													
As all the sale comparables are almost identical and within the same locality, we have adopted Sale Comparable 6 (i) being between the highest and lowest adjusted value for the subject property (first floor).													
The sale comparables 7, 8 & 9 are almost identical and within the same locality. We have adopted Sale Comparable 8 (i) being between the highest and lowest adjusted value for the subject property (second and third floor).													
Adopt 2nd Floor Rate but Discount A Further 10% For 3rd Floor													



ii) Comparison Method

The estimated renovation/refurbishment costs of the Subject Property as a 1-star rated hotel is derived by considering:

- the estimated premium of about RM1,715 per m² (over the gross floor area) paid by the purchaser of the recently transacted 3-star rated Imperial Boutech Hotel, Kota Kinabalu on 07 September 2016 at RM6,107 per m² (over its gross floor area of 3,581.39 m²) against the estimated basic stratified value of its space at RM4,392 per m²;
- the actual renovation/refurbishments costs (on per m² of gross floor area) incurred by the 3-star rated Hotel Sixty3 in Kota Kinabalu which was converted from the conventional 6-storey shop/office space. Based on the total gross floor area of the renovation area of 6,220 m², the renovation costs incurred from 2008 to 2010 was about RM1,334 per m²; and
- information extracted from the "JUBM & Langdon Seah Construction Cost Handbook Malaysia 2016" published by Langdon Seah where the fit out costs for 3-star hotels in Kuala Lumpur is listed as RM1,260 per m² to RM1,800 per m² of gross floor area (for guest rooms portions only).

As the Subject Property is a 1-star rated hotel with lower quality of FF&E and finishing than the above 3-star rated figures and that it is in its 9th year of operation, we have estimated an amount of **RM800 per m²** to reflect the value of the existing (depreciated) refurbishment/renovation costs of the Subject Property. The market value of the Subject Property derived based on the comparison method of valuation is therefore summarised as follows:

Unit No.	Level	Floor Area	Market Value	
			RM/m ²	RM
G-803	GF	143.54	7,147	1,026,000
F-803	1F	822.47	2,146	1,765,000
S-803	2F	1,264.50	1,914	2,420,000
T-803	3F	1,716.48	1,722	2,956,000
Value of Basic Stratified Parcel Space (Without Hotel Renovations)		3,946.99		8,167,000
<u>Add:</u>				
Estimated Existing Value Of Renovation and Refurbishment Costs For The Subject Property		3,946.99 (Total)	800	3,158,000
Market Value By Comparison Method				11,325,000



iii) Reconciliation of Value

Profit Method (By DCF): **RM 9,703,000.00**

Comparison Method: **RM11,325,000.00**

We have adopted the market value derived from the Profit Method (By DCF) as it is more reflective of the assessment of the Subject Property based on its existing use as a hotel on going concern. This is also the preferred valuation method for hotel as an income generating property.

On that basis we have therefore assessed the Market Value of the Subject Property on a going concern basis as a fully operational hotel which is identified as “Tune Hotel, Kota Kinabalu” and located at ***Unit No. G-803, F-803, S-803 & T-803, Ground to Third Floors, 1 Borneo Shopping Mall, Off Jalan UMS, 88450 Kota Kinabalu, Sabah*** and currently held under Master Title CL 015607057, District of Kota Kinabalu, free from encumbrances, at ***RM9,703,000.00 (Ringgit Malaysia: Nine Million Seven Hundred and Three Thousand Only).***

Thank You.

Yours faithfully

for and on behalf of

HENRY BUTCHER MALAYSIA (SABAH) SDN. BHD.

A handwritten signature in black ink, appearing to read 'LST', is written over a horizontal line.

LIEW SHUN THYAM, PAUL
B.Sc (Est Mgt), MRICS, MRISM
Chartered Valuation Surveyor
Registered Valuer (V-351)



HENRY BUTCHER MALAYSIA

International Asset Consultants

REF: HBLL/SC/01/10381/Update

26 September 2017

ECM Libra Financial Group Berhad
Level 2, Bangunan ECM Libra
No. 8, Jalan Damansara Endah
Damansara Heights
50490 Kuala Lumpur

Dear Sirs,

**UPDATE VALUATION CERTIFICATE OF A 4-STOREY HOTEL IDENTIFIED AS
"TUNE HOTEL, KOTA KINABALU" LOCATED AT UNIT NO. G-803, F-803, S-803
& T-803, GROUND TO THIRD FLOORS, 1 BORNEO SHOPPING MALL, OFF
JALAN UMS, 88450 KOTA KINABALU, SABAH PRESENTLY HELD UNDER
MASTER TITLE NO. CL 015607057, DISTRICT OF KOTA KINABALU, STATE OF
SABAH ("SUBJECT PROPERTY")**

This Update Valuation Certificate has been prepared for inclusion in the circular to shareholders of ECM Libra Financial Group Berhad ("ECM Libra") pursuant to the submission to Bursa Malaysia Securities Berhad ("Bursa Securities") in connection with the proposed acquisition of the Subject Property by ECM in a related party transaction.

In accordance with the instructions from ECM Libra, the objective of this update valuation is for the review of the Market Value reported in our valuation report (hereinafter referred to as "Full Valuation Report") and valuation certificate (hereinafter referred to as "Valuation Certificate") bearing Reference No. HBLL/SC/01/10381 and HBLL/SC/01/10381/VC (Bursa) respectively, both dated 15 May 2017 where the material date for the valuation of the Subject Property was 21 March 2017. We have subsequently conducted an inspection of the Subject Property on 21 September 2017 and the material date of this update valuation is taken to be 21 September 2017.

The basis of valuation adopted for the purpose of this update valuation is Market Value. The term "**Market Value**", as defined in the Malaysian Valuation Standards 5th Edition 2015, is "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

As the Subject Property is an operating hotel, the market value is assessed on a going concern basis as a fully operational hotel and the valuation given comprises the value attributed to the real estate components and to include the contribution as a whole from all its other constituent parts such as furniture, fittings and equipments in the hotel; plant and machinery such as air-conditioning, generators and other supporting facilities for the hotel; tele-communications system as fitted and installed; kitchen appliances and utensils (if any); existing work force and management in place and goodwill (if any).

HENRY BUTCHER MALAYSIA (SABAH) SDN BHD (328470-P)

Suite 326, 3rd Floor, Wisma Sabah, 88000 Kota Kinabalu, Sabah

t • 088-255 000 f • 088-257 333 e • hbsabah@gmail.com www.henrybutcher.com.my

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Project Marketing | Asset Management | Retail Planning & Consultancy | Auctions | Plant & Machinery | Art Consultancy





1. The Subject Property

i) Description & Location

The Subject Property is a 4-storey stratified building which is currently being used and operated as a 1-star rated hotel trading under the name and style of “*Tune Hotel, Kota Kinabalu*”. It is located at **1 Borneo** which is about 9.0 kilometres by road north-east of **Kota Kinabalu City Centre**. The Subject Property's postal address is Unit No. G-803, F-803, S-803 & T-803, Ground to Third Floors, 1 Borneo Shopping Mall, Off Jalan UMS, 88450 Kota Kinabalu, Sabah.

At the date of our inspection, there were no material changes to the physical conditions of the Subject Property that would affect the contents of the valuation between the date of the Full Valuation Report / Valuation Certificate up to the date of this update valuation.

ii) Legal Interest Position Of Subject Property.

The individual subsidiary/strata titles for the respective parcels of the Subject Property are yet to be issued as at the date of this update valuation. The Subject Property is currently held under the 99-year leasehold Master Title CL 015607057 (expiring on 31 December 2103) whereby the developer of 1 Borneo has undertaken (as stated in the Principal Sale and Purchase Agreement) to apply at its own cost and expense and take the necessary steps to obtain a separate subsidiary title for the respective parcel of the Subject Property as provided for under the Land (Subsidiary Title) Enactment 1972. The Subject Property is still beneficially owned by **Tune Hotels Sdn. Bhd.** by virtue of its rights and interests as contained in four (4) separate Principal Sale & Purchase Agreements (“SPA”) respectively dated 22 May 2007.

2. General Market Observation

There is no material change to the property market condition between the date of the Full Valuation Report and the Valuation Certificate up to the date of this update valuation. As for the tourism industry in Sabah and based on the latest statistics obtained from the Research Division of the Sabah Tourism Board, the total tourists arrival recorded for the first seven months (January - July) of 2017 was 2,109,060 against 1,916,710 for the same corresponding period in 2016. This reflects a 10% growth on total tourists arrival over the same period last year. This growth is consistent with the tourism market outlook that the industry is positive and growing which was also stated in the earlier Full Valuation Report.

In that context there is therefore no change to the contents of the valuation between the date of Full Valuation Report / Valuation Certificate up to the date of this update valuation.



3. Market Value

i) *Valuation Approaches*

We have adopted the same valuation approaches as stated in the Full Valuation Report / Valuation Certificate to derive the Market Value, i.e. "**Profit Method (By Discounted Cash Flow ("DCF"))**" under the Income Capitalisation Approach and the "**Comparison Method**" of the Comparison Approach. As in the Full Valuation Report / Valuation Certificate, we have adopted the market value derived from the Profit Method (By DCF) as it is more reflective of the assessment of the Subject Property based on its existing use as a hotel on going concern.

In this update valuation, we have also analysed latest available unaudited income statement (actual and forecast provided by the management of Tune Hotels Sdn. Bhd.). This is analysed in the context of the actual performances of the hotel operations which are derived from the certified management accounts of the hotel operations for the last 3 financial years which were adopted in the Full Valuation Report / Valuation Certificate.

In general, there is no significant impact towards the parameters adopted in the Full Valuation Report / Valuation Certificate. Therefore, we are of the opinion that the Market Value as reported in the Full Valuation Report / Valuation Certificate remains unchanged.

ii) *Opinion Of Value*

On that basis we have therefore assessed the Market Value of the Subject Property on a going concern basis as a fully operational hotel which is identified as "Tune Hotel, Kota Kinabalu" and located at **Unit No. G-803, F-803, S-803 & T-803, Ground to Third Floors, 1 Borneo Shopping Mall, Off Jalan UMS, 88450 Kota Kinabalu, Sabah** and currently held under Master Title CL 015607057, District of Kota Kinabalu, free from encumbrances, at **RM9,703,000.00 (Ringgit Malaysia: Nine Million Seven Hundred and Three Thousand Only).**

Thank You.

Yours faithfully

for and on behalf of

HENRY BUTCHER MALAYSIA (SABAH) SDN. BHD.

A handwritten signature in black ink, appearing to read 'Liam', is written over a horizontal line.

LIEW SHUN THYAM, PAUL
B.Sc (Est Mgt), MRICS, MRISM
Chartered Valuation Surveyor
Registered Valuer (V-351)



HENRY BUTCHER MALAYSIA

International Asset Consultants

Our Ref : VR/03-17/0185

Date : May 25, 2017

ECM Libra Financial Group Berhad

Level 2, Bangunan ECM Libra,
No. 8, Jalan Damansara Endah, Damansara Heights,
50490 Kuala Lumpur

Dear Sir/Madam,

CERTIFICATE OF VALUATION OF THE EAST WING AND CENTRE WING OFFICES WHICH FORM PART OF THE THREE AND A HALF (3½) STOREY OFFICE BUILDING KNOWN AS BANGUNAN ECM LIBRA BEARING POSTAL ADDRESS OF NO. 8, JALAN DAMANSARA ENDAH, DAMANSARA HEIGHTS, 50490 KUALA LUMPUR ("SUBJECT PROPERTY")

This certificate has been prepared for the purpose of **submission to Bursa Malaysia Securities Berhad ("Bursa Securities") and inclusion in the circular to be distributed by ECM Libra to its shareholders in conjunction with the proposed disposal of the Subject Property to a related party.**

In accordance with the instruction from ECM Libra Financial Group Berhad, we have conducted a valuation of the Subject Property vide our valuation report bearing reference no. VR/03-17/0185 dated May 25, 2017 for the purpose of submission to Bursa Securities. The Subject Property was inspected on April 6, 2017. The material date of valuation for this valuation exercise is as at April 6, 2017.

We confirm that we have valued the Subject Property based on the valuation basis stated below. The valuation had been carried out in accordance with the Securities Commission Malaysia's Asset Valuation Guidelines and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia.

The basis of valuation adopted is the Market Value which is defined as the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

HENRY BUTCHER MALAYSIA Sdn Bhd (160636-P)

25, Jalan Yap Ah Shak, 50300 Kuala Lumpur, Malaysia.

t • +603-2694 2212 f • +603-2694 3484 (valuation)

e • hbmalsia@henrybutcher.com.my (valuation) w • www.henrybutcher.com.my

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APPENDIX XII – VALUATION CERTIFICATES AND UPDATE VALUATION CERTIFICATES FOR THE PROPERTIES UNDER THE PROPOSED ACQUISITIONS AND THE PROPOSED DISPOSALS (cont'd)

Property Description

Property Type/
Interest Valued

The Subject Property in this valuation exercise comprises East Wing and Centre Wing offices which form part of the Bangunan ECM Libra which has a total Net Lettable Area of 39,858 sq. ft. (about 3,703 sq. m.).

Name and Address of
the Subject Property

Bangunan ECM Libra bearing postal address of No. 8, Jalan Damansara Endah, Damansara Heights, 50490 Kuala Lumpur.

Location

The subject property is situated within Damansara Height which is approximately 10 km due west of Kuala Lumpur City Centre. It is easily accessible from the Kuala Lumpur City Centre via Jalan Tun Razak, follow by Lebuhraya Sultan Iskandar, exit to Jalan Tuanku Halim, turn onto Jalan Semantan and finally turning onto Jalan Damansara Endah where the Subject Property is sited.

Age of Building

Estimated 19 years.

Building Description

The building is generally constructed of reinforced concrete framework resting on deep piled foundation and intermediate reinforced concrete precast slabs, with brick and glass walls supporting with reinforced concrete flat roof. The main entrances to the ground floor is of dual leaf glass panel doors whilst all the internal doors are of fire rated doors, frameless glass panels, fire rated doors and timber flush doors.

Other standard features in the building include fire-fighting systems such as dry riser, hose reel, smoke detector, sprinkler system, break glass alarm, fireman's intercom, exit signs, portable fire extinguishers and fire rated doors

Existing Use Of The Subject
Property

Office building

Town Planning

Zoned commercial

Certificate of Fitness

The Bangunan ECM Libra was issued with first Certificate of Fitness for Occupation by Dewan Bandaraya Kuala Lumpur via Certificate No. 23739 dated December 16, 1998 and subsequently it had been renovated and issued with new Certificate of Fitness for Occupation (or Borang F1) vide Reference No. LAM/WP/No.0099 dated October 29, 2010.

Historical Rental

Year	Year Ended January 31, 2015	Year Ended January 31, 2016	Year Ended December 31, 2016 (11 months)
Average Rental (RM per sq. ft.)	RM4.92	RM4.63	RM4.68

APPENDIX XII – VALUATION CERTIFICATES AND UPDATE VALUATION CERTIFICATES FOR THE PROPERTIES UNDER THE PROPOSED ACQUISITIONS AND THE PROPOSED DISPOSALS (cont'd)

Historical Outgoings

Year	Year Ended January 31, 2015	Year Ended January 31, 2016	Year Ended December 31, 2016 (11 months)
Average Outgoing (RM per sq. ft.)	1.78	1.97	2.20

The above outgoings include basement car park expenses, we allow an estimate of 20% (or equivalent to RM0.12 per sq. ft.) of the car park revenue as basement car park operating expenses. Therefore, we have adopted RM2.08 per sq. ft. as this is the actual cost incurred for the building.

Occupancy Rate

Year	Year Ended January 31, 2015	Year Ended January 31, 2016	Year Ended December 31, 2016 (11 months)
Occupancy Rate	91%	92%	95%

As at the date of valuation, the occupancy rate for Centre Wing, East Wing and West Wing offices is presented as follow:

Office Portion	Occupied Area / Total Area	Vacant Space	Occupancy Rate	Average Occupancy
Centre Wing	18,534 sq. ft. / 19,024 sq. ft.	Second Floor – 490 sq. ft.	97.42%	88.85%
East Wing	16,876 sq. ft. / 20,834 sq. ft.	Ground Floor – 2,400 sq. ft. Mezzanine Floor – 858 sq. ft. Second Floor – 700 sq. ft.	81.00%	
West Wing	41,896 sq. ft. / 41,896 sq. ft.	Nil	100%	

It should be noted that the total area is rather small and any small change in occupied area will significantly influence the occupancy rate calculation. As for East Wing, even though the occupancy rate is stated at 81%, the vacant space only represents a small area as tabulated above.

Term of Tenancy

Bangunan ECM Libra is currently 95% occupied with the various tenants with gross rental rangin RM4.25 per sq. ft. and RM4.80 per sq. ft.

Title Particulars

Master Title No.

Geran 26884, Lot 8931, Mukim and District of Kuala Lumpur and State of Wilayah Persekutuan Kuala Lumpur.

Tenure

Freehold

Category of land use

Building (*Bangunan*)

Surveyed Land Area

4,218.31 sq. m. (about 45,405.47 sq. ft.)

APPENDIX XII – VALUATION CERTIFICATES AND UPDATE VALUATION CERTIFICATES FOR THE PROPERTIES UNDER THE PROPOSED ACQUISITIONS AND THE PROPOSED DISPOSALS (cont'd)

Net Lettable Area	Approximately 39,858 sq. ft. (for East and Centre Wing Offices)
No. of Car Park Bays	It should be noted that this valuation excludes the car parks.
Registered Owner	*ECM Libra Avenue Berhad
Express Condition	Tanah ini hendaklah digunakan untuk tapak perdagangan bagi tujuan pejabat sahaja. (<i>This land shall be used of commercial site for office building only</i>)
Restriction In Interest	Nil.
Encumbrances	Nil
Endorsements	Portion of land measuring 133 sq. m. has been approved to be surrendered vide Presn. No. 3175/1995 dated October 17, 1995.

*Note: Now ECM Libra Financial Group Berhad based on the Certificate of Incorporation on change of Name of Company on January 31, 2008.

INDIVIDUAL BLOCK STRATA TITLES IN RESPECT OF THE SUBJECT PROPERTY HAVE NOT BEEN ISSUED BY THE RELEVANT AUTHORITY. OUR VALUATION IS ON THE BASIS/ASSUMPTION THAT INDIVIDUAL BLOCK STRATA TITLES IN RESPECT OF THE SUBJECT PROPERTY WILL BE ISSUED BY THE RELEVANT AUTHORITY AND WHEN ISSUED, WILL BE FREE FROM ALL ENCUMBRANCES OVER THE RESPECTIVE FLOOR AREAS.

Valuation Methodology

We have used the “**Comparison Approach**” and the “**Investment Method**” in formulating our opinion of the Market Value of the Subject Property.

It should be noted that we are of the opinion that the estimate of the Market Value of the Subject Property (East and Centre Wings) is best achieved by first ascertain the Market Value of the whole building and thereafter apportioning the value to the Subject Property accordingly.

Comparison Approach

This approach is the Market Approach of comparing the Bangunan ECM Libra with similar properties that were either transacted recently or listed for sale within the same location or other comparable localities. In comparing properties, due consideration is given to factors such as location, size, building differences, improvements and amenities, time element and other relevant factors to arrive at our opinion of value.

Comparables	1	2	3
Property	Menara Prudential	Dijaya Plaza	Bangunan Shell Malaysia
Building Description	A 32-storey Office Building with 201 car parking bays	A 19-storey Office Building with 322 car parking bays.	A 12-storey Office Building with 337 car parking bays.
Source	Valuation and Property Service Department	Bursa Securities Announcement	Valuation and Property Service Department
Tenure	Freehold	Freehold	Freehold

APPENDIX XII – VALUATION CERTIFICATES AND UPDATE VALUATION CERTIFICATES FOR THE PROPERTIES UNDER THE PROPOSED ACQUISITIONS AND THE PROPOSED DISPOSALS (cont'd)

Age	Approximately 17 years	Approximately 5 years	Approximately 19 years
Net Lettable Area	153,716 sq. ft.	156,488 sq. ft.	212,867 sq. ft.
Consideration	RM125,000,000	RM140,000,000	RM138,000,000
Transaction Date	September 22, 2016	January 28, 2016	May 15, 2014
Vendor	OCBC Properties (M) Sdn Bhd	Tropicana Plaza Sdn Bhd	Alloy Properties Sdn Bhd
Purchaser	Setia 33 Sdn Bhd	Kenanga Holdings Bhd	Suruhanjaya Koperasi Malaysia
Estimated Car Park Value Per Bay	RM60,000	RM60,000	RM35,000
Total Estimated Car Park Value	RM12,060,000	RM19,320,000	RM11,795,000
Consideration Without Car Park	RM112,940,000	RM120,680,000	RM126,205,000
Adjusted Value (without car park)	RM735 per sq. ft.	RM771 per sq. ft.	RM593 per sq. ft.
Adjustment Made	Time, Location, Building Condition and Size		
Final Adjusted Value	RM661 per sq. ft.	RM 656 per sq. ft.	RM623 per sq. ft.

After final adjustment, we have arrived at a range of value between **RM623 per sq. ft.** to **RM661 per sq. ft.** Having taken all relevant factors into consideration, we placed a greater emphasis on **Comparable 3 - Bangunan Shell Malaysia** as it is the nearest to the Subject Property. Therefore, it is in our opinion that **RM 625 per sq. ft.** reflects the fair and reasonable market value for the office building without car park.

Investment Method

Under this method, the capital value of the Bangunan ECM Libra is derived from an estimate of the Market Rental which the Subject Property can reasonably be let for. Rental evidence may be obtained from actual passing rents command by the building itself, if it is tenanted. Outgoings, such as assessment & quit rent, repairs and maintenance, insurance and management are then deducted from the annual rental income. The net annual rental income is then capitalized at an appropriate capitalization rate to arrive at its indicative capital value.

We have adopted the following rates in the computation:-

Term Period:

Capitalization Rate	= 5.50%
Average Gross Rental Rate	= RM4.80 per sq. ft.
Outgoings Rate	= RM2.08 per sq. ft.

Reversionary Period:

Capitalization Rate	= 5.75%
Present Value (PV) Rate	= 5.50%
Rental Rate	= RM4.80 per sq. ft.
Outgoings Rate	= RM2.08 per sq. ft.
Void Factor	= 5%

APPENDIX XII – VALUATION CERTIFICATES AND UPDATE VALUATION CERTIFICATES FOR THE PROPERTIES UNDER THE PROPOSED ACQUISITIONS AND THE PROPOSED DISPOSALS (cont'd)

Explanatory Notes:

1) Rental

Based on the tenancy schedule, the current gross rental rates range at RM4.25 and RM4.80 per sq. ft. per month. As for reversionary rental, we have considered the following asking prices which were publicly listed in the vicinity

Building Description	Asking Rental per sq. ft.
HP Towers, Damansara Heights	RM4.80
UOA Damansara, Damansara Heights	RM4.50
Work @ Clearwater, Damansara Heights	RM4.60
Wisma E & C, Damansara Heights	RM4.50
Wisma MBSB, Damansara Heights	RM4.70
Menara Manulife, Damansara Heights	RM5.20

(Source : Iproperty.com.my)

From the table above, the current asking rental rates for office buildings in the vicinity of Damansara Heights range between RM4.50 per sq. ft. to RM5.20 per sq. ft. depending on building differences and size. Therefore, we are of the opinion that RM4.80 per sq. ft. as the reversionary rental is fair and reasonable.

2) Outgoings

Operating expenses are the costs incurred in maintaining the property comprise staff costs, operational costs, general expenses, assessment, quit rent, insurance and maintenance cost.

The historical operating cost is presented as follow:-

	Year Ended January 31, 2015	Year Ended January 31, 2016	Year Ended December 31, 2016 (11 months)
Outgoing (RM)*	1,747,590	1,930,963	1,975,657
Outgoing (RM per sq. ft.)**	1.78	1.97	2.20

(Source: ECM Management Team)

* This outgoing covers assessment, quit rent, insurance, building operating expenses, building repair & maintenance, management fees, utility bills and other general expenses.

**Outgoing divided by NLA of 81,754 sq. ft.

From the above, the operating expense has increased from RM1.78 per sq. ft. to RM2.20 per sq. ft. We noted all items have contributed to the increased i.e. utilities bills, security guards, building upkeep related works and etc. It should be noted that the above operating expenses include basement car park expenses, we allow an estimate of 20% of the car park revenue as basement car park operating expenses.

Estimated Car Park Revenue	RM580,000
x 20%	<u>RM116,000</u> or RM0.12 per sq. ft. based on NLA

Therefore, the operating expenses of the building portion without car parks are as follow:

Total Operating Expenses	RM2.20 per sq. ft.
Less Car Park Expenses	<u>RM0.12 per sq. ft.</u>
Operating Expenses for building portion	<u>RM2.08 per sq. ft.</u>

APPENDIX XII – VALUATION CERTIFICATES AND UPDATE VALUATION CERTIFICATES FOR THE PROPERTIES UNDER THE PROPOSED ACQUISITIONS AND THE PROPOSED DISPOSALS (cont'd)

Office Building	Location	Outgoing (RM/per sq. ft./month)
UOA Damansara Parcel	Damansara Height	1.70
Wisma UOA Damansara II	Damansara Height	1.14
Parcel B – Menara UOA Bangsar	Bangsar	1.49
HP Tower	Damansara Height	1.30
Menara Multi-Purpose	Kuala Lumpur	1.60
Vista Tower	Kuala Lumpur	1.80

(Source: UOA REIT Annual Report 2016, Tower REIT Annual Report 2016 and Henry Butcher Research)

Based on our checking, we note that outgoings for other office buildings within the Kuala Lumpur are in the range of RM1.14 per sq. ft. to RM1.80 per sq. ft. (as presented by table above) depending on the building age and condition. Nevertheless, we have adopted RM2.08 per sq. ft. as this is the actual cost incurred for the building.

3) Yield

Yield is used to capitalize the annual net rental to arrive at the capital value. The following are the analyzed yields for other purpose built offices in Kuala Lumpur:-

	Comparable 1	Comparable 2	Comparable 3
Property	Dijaya Plaza	Wisma Amanahraya	Platinum Sentral
Location	Jalan Tun Razak, Kuala Lumpur.	Jalan Ampang, Kuala Lumpur	Kuala Lumpur Sentral
NLA	156,488 sq. ft.	153,908 sq. ft.	475,857 sq. ft.
Consideration Price	RM140,000,000	RM78,000,000	RM740,000,000
Date of Transaction	January 28, 2016	June 23, 2015	April 10, 2014
Source	Bursa Securities Announcement	Bursa Securities Announcement	Bursa Securities Announcement
Annual Rental Income	RM7,860,000 (Net Rental Income)	RM7,009,884 (Gross Rental Income)	RM48,634,000 (Gross Rental Income)
Analysed Property Yield (%)	5.61%	5.67%*	5.38%**

(Source: Bursa Securities Announcement)

* The reported RM1.40 per sq. ft. has been deducted for outgoings to arrive at the analysed net yield.

** The reported RM1.55 per sq. ft. has been deducted for outgoings to arrive at the analysed net yield.

The table above indicates the general property yields of the purpose built offices in Kuala Lumpur range in between 5.38% to 5.67%. Based on the above, we opine that a term capitalization rate of 5.50% is fair and reasonable for the Subject Property. For reversionary period, we have allowed a higher capitalization rate of 5.75% as compared to the term capitalization rate of 5.50% to reflect the risks of future uncertainty.

APPENDIX XII – VALUATION CERTIFICATES AND UPDATE VALUATION CERTIFICATES FOR THE PROPERTIES UNDER THE PROPOSED ACQUISITIONS AND THE PROPOSED DISPOSALS (cont'd)

4) Voids

Void allowance is for vacancy periods, marketing and rent free periods offered to new tenants.

The overall occupancy rates of the Bangunan ECM Libra for the past 3 years as provided by ECM Management Team is as follow:-

Year	Year Ended January 31, 2015	Year Ended January 31, 2016	Year Ended December 31, 2016 (11 months)
Occupancy Rate	91%	92%	95%

(Source: ECM Management Team)

We have adopted 5% as void factor for the office building.

The value summary (Bangunan ECM Libra) from both methods of valuation and its reconciliation are as follows:-

Comparison Approach

Office Building RM51,096,250 @ RM625 per sq. ft.

And

Investment Method

Office Building RM42,442,091 @ RM519 per sq. ft.

We have adopted the Comparison Approach as the main method in arriving at our opinion of the Market Value of the Bangunan ECM Libra without car park portion. The market value derived from the Investment Method appears to be on the lower side for an office building in this Damansara location and therefore we opine it does not reflect accurately the market value of the building.

It is our opinion that the Market Value of the freehold unencumbered interest in the Bangunan ECM Libra without car park portion is **RM51,096,250 @ RM625 per sq. ft.**

RECONCILIATION OF VALUE

The Market Value of the Subject Property (East and Centre Wing offices) is computed as follows:

Net Lettable Area 39,858 sq. ft. @ RM625 per sq. ft. RM24,911,250

We have further allowed the following downward adjustments:

- i) Responsibility to apply for strata title
- ii) Sale without car park ownership

FINAL ADJUSTED MARKET VALUE RM23,000,000

Explanatory notes

i) We have allowed downward adjustment as it will be the responsibility of the Purchaser at its own cost and expenses to procure the subdivision of the building and the issuance of separate strata title for the respective wings in the building. (as extracted from clause 4.1 (b) stated in the Sale and Purchase Agreement for this exercise). Marketability of the Subject Property will be reduced due to this responsibility.

APPENDIX XII – VALUATION CERTIFICATES AND UPDATE VALUATION CERTIFICATES FOR THE PROPERTIES UNDER THE PROPOSED ACQUISITIONS AND THE PROPOSED DISPOSALS (cont'd)

ii) We have allowed a marginal downward adjustment for sale of the Subject Property without car park as compared to the West Wing (with 278 car park bays). A building with car parks will be more desirable than one without car parks.

Taking into above considerations, it is our opinion that the Market Value of the freehold unencumbered interest in the Subject Property in its existing physical condition and tenancies is **RM23,000,000 (Ringgit Malaysia: Twenty Three Million Only)**

Yours faithfully,

HENRY BUTCHER MALAYSIA SDN. BHD.



LOW KHEE WAH

B. (Hons) Estate Mgmt., MRISM
Registered Valuer (V-724)



LKW/alvin



HENRY BUTCHER MALAYSIA

International Asset Consultants

Our Ref : VR/03-17/0185
Date : 15th September 2017

PRIVATE & CONFIDENTIAL

ECM Libra Financial Group Berhad

Level 2, Bangunan ECM Libra
No. 8, Jalan Damansara Endah
Damansara Heights
50490 Kuala Lumpur

Dear Sirs,

UPDATE VALUATION CERTIFICATE OF THE EAST WING AND CENTRE WING OFFICES WHICH FORM PART OF THE THREE AND A HALF (3½) STOREY OFFICE BUILDING KNOWN AS BANGUNAN ECM LIBRA BEARING POSTAL ADDRESS OF NO. 8, JALAN DAMANSARA ENDAH, DAMANSARA HEIGHTS, 50490 KUALA LUMPUR ("THE SUBJECT PROPERTY")

This update valuation certificate is prepared for purpose of submission to Bursa Malaysia Securities Berhad ("**Bursa Securities**") and inclusion in the circular to be distributed by ECM Libra Financial Group Berhad ("**ECM**") to its shareholders in conjunction with the proposed disposal of the Subject Property to a related party.

In accordance with the instructions from ECM, the objective of this update valuation is for the review of the Market Value reported in our valuation report (hereinafter referred to as Full Valuation Report) and valuation certificate (hereinafter referred to as Valuation Certificate), both bearing Reference No. VR/03-17/0185 dated 25th May 2017. We have conducted inspection of the Subject Property on 15th September 2017. Therefore, the material date of this update valuation of the Subject Property is 15th September 2017.

We confirm that we have valued the Subject Property based on the valuation basis stated below. This update valuation certificate is prepared in accordance with the Securities Commission Malaysia's Asset Valuation Guidelines and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia.

The basis of valuation adopted for the purpose of this update valuation is **Market Value**. The term **Market Value**, as defined in the Malaysian Valuation Standards 5th Edition 2015, is "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion".

HENRY BUTCHER MALAYSIA Sdn Bhd (160636-P)

25, Jalan Yap Ah Shak, 50300 Kuala Lumpur, Malaysia.

t • +603-2694 2212 f • +603-2694 3484 (valuation)

e • hbmalsia@henrybutcher.com.my (valuation) w • www.henrybutcher.com.my

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Description of the Subject Property

Bangunan ECM Libra comprises three and a half (3½) storey office building consisting of West Wing, Centre Wing, East Wing offices and with one (1) level of sub-basement and three (3) levels of basement car park houses 278 car park bays bearing postal address of No. 8, Jalan Damansara Endah, Damansara Heights, 50490 Kuala Lumpur.

The Subject Property in this update valuation exercise comprises only the East Wing and Centre Wing offices which form part of the Bangunan ECM Libra. The Subject Property has a total Net Lettable Area of 39,858 sq. ft. (about 3,703 sq. m.). The car parks do not form part of the Subject Property.

Based on the tenancy schedule, the building has the following Net Lettable Area ("NLA"):

Components	Net Lettable Area ("NLA")	Ownership
Centre Wing	19,024 sq. ft. (about 1,767 sq. m.)	ECM Libra Financial Group Berhad
East Wing	20,834 sq. ft. (about 1,936 sq. m.)	
West Wing together with 278 car park bays****	41,896 sq. ft. (about 3,892 sq. m.)	ECM Libra Foundation
Total	81,754 sq. ft. (about 7,595 sq. m.)	

* The NLA adopted is based on the tenancy schedule by the client.

** square feet ("sq. ft.")

*** square meter ("sq. m.")

**** It should be noted that the West Wing office and 278 car park bays are owned by the ECM Libra Foundation via the Sale and Purchase Agreement made between ECM Libra Avenue Berhad (now known as ECM Libra Financial Group Berhad) and the ECM Libra Foundation dated September 5, 2007.

At the date of our inspection, there were no material changes to the physical conditions of the Subject Property that would affect the contents of the valuation between the date of Full Valuation Report and Valuation Certificate and up to the date of this update valuation.

We have analysed the latest tenancy schedule and outgoings provided by ECM and we noted that there were no significant changes in the tenancies and outgoings.

Title Particulars

We wish to confirm that there were no changes to the particulars of the title in respect of the Subject Property between the date of the Full Valuation Report and Valuation Certificate and up to the date of this update valuation.

Market Observation

We wish to confirm that there were no material change to the property market conditions between the date of the Full Valuation Report and Valuation Certificate and up to the date of this update valuation.

Town Planning of the Subject Property

We wish to confirm that there were no changes to the legal planning aspect of the Subject Property between the date of the Full Valuation Report and Valuation Certificate and up to the date of this update valuation.

Valuation Approaches

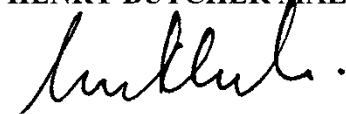
We have adopted the same valuation methods as stated in the Full Valuation Report and Valuation Certificate i.e. the “**Comparison Approach**” and cross-checked with the “**Investment Method**” in formulating our opinion of the **Market Value** of the Subject Property.

Based on the analysis of the available data, we are of the opinion that the Market Value reported in the Full Valuation Report and Valuation Certificate remains unchanged.

Opinion of Value

It is our opinion that the Market Value of the freehold unencumbered interest in the Subject Property in its existing physical condition and tenancies is **RM23,000,000 (Ringgit Malaysia: Twenty Three Million Only)**

Yours faithfully,
HENRY BUTCHER MALAYSIA SDN. BHD.



LOW KHEE WAH
B. (Hons) Estate Mgmt., MRISM
Registered Valuer (V-724)



LKW/alvin



HENRY BUTCHER MALAYSIA

International Asset Consultants

Our Ref. : VR/03-17/0186

Date : May 25, 2017

ECM Libra Financial Group Berhad

Level 2, Bangunan ECM Libra,
No. 8, Jalan Damansara Endah,
Damansara Heights,
50490 Kuala Lumpur.

Dear Sirs/ Madam,

CERTIFICATE OF VALUATION OF A DOUBLE STOREY SEMI-DETACHED HOUSE IDENTIFIED AS NO. 9, PERSIARAN DAMANSARA ENDAH, DAMANSARA ENDAH, 50490 KUALA LUMPUR. (“THE SUBJECT PROPERTY”)

This certificate has been prepared for purpose of **submission to Bursa Malaysia Securities Berhad (“Bursa Securities”) and inclusion in the circular to be distributed by ECM Libra to its shareholders in conjunction with the proposed disposal of the Subject Property to a related party.** In accordance with the instructions from ECM Libra Financial Group Berhad, we have conducted a valuation of the Subject Property vide our valuation report bearing reference no. VR/03-17/0186 dated May 25, 2017 for the purpose of submission to the Bursa Malaysia Securities Berhad. The subject property was inspected on April 6, 2017. The relevant date of valuation for this valuation exercise is as at April 6, 2017.

We confirm that we have valued the Subject Property based on the valuation basis stated below. This report is prepared in accordance with the Securities Commission Malaysia’s Asset Valuation Guidelines and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia.

The basis of valuation adopted is the Market Value which is defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

We have been instructed by ECM Libra Financial Group Berhad to determine the market value of the freehold unencumbered interest in the Subject Property in its existing physical condition with the benefit of vacant possession.

Property Type	The Subject Property comprises of a double storey semi-detached house.
Tenure	Freehold
Title No.	Geran 78441, Lot 13115, Mukim of Kuala Lumpur, District of Kuala Lumpur and State of Wilayah Persekutuan KL.
Surveyed Land Area	577.002 sq. m. (about 6,211 sq. ft.)

HENRY BUTCHER MALAYSIA Sdn Bhd (160636-P)

25, Jalan Yap Ah Shak, 50300 Kuala Lumpur, Malaysia.

t • +603-2694 2212 f • +603-2694 5543 e • admin@henrybutcher.com.my w • www.henrybutcher.com.my

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APPENDIX XII – VALUATION CERTIFICATES AND UPDATE VALUATION CERTIFICATES FOR THE PROPERTIES UNDER THE PROPOSED ACQUISITIONS AND THE PROPOSED DISPOSALS (cont'd)

Estimated Gross Floor Area	About 206.71 sq. m. (2,225 sq. ft.)
Category of land use	Bangunan
Express Condition	Nil
Restriction In Interest	Nil
Registered Owner	ECM Libra Financial Group Berhad
Encumbrances	Nil
Planning Details	The Subject Property is situated within an area designated for residential purpose.
Proposed Development	Nil.
Location	The Subject Property is situated within Damansara Endah which is approximately 10 km due west of Kuala Lumpur City Centre. It is easily accessible from the Kuala Lumpur City Centre via Jalan Tun Razak, follow by Lebuhraya Sultan Iskandar, exit to Jalan Tuanku Halim, turn onto Jalan Semantan, Jalan Damansara Endah and finally onto Persiaran Damansara Endah where the Subject Property is sited. ECM Libra Building is located immediately east of the Subject Property while Indah Damansara Condominium is further east of the Subject Property. Other notable landmarks nearby include Wisma PSMB, Menara HP, Menara Manulife, Kompleks Pejabat Damansara, Wisma E & C, Wisma Printis, Wisma Help, Wisma UOA Damansara, Wisma UOA Damansara II, Wisma MBSB, Menara I & P and Wisma Chase Perdana. Further west of the Subject Property are Menara Millenium and on-going developments, Pavillion Damansara Heights and Damansara City. The newly completed MRT stations, Semantan Station is located about 300 metres due north of the Subject Property.
Site Description	The subject site is almost rectangular in shape encompassing a surveyed land area of 577.002 sq.m. (about 6,211 sq. ft.). The physical terrain of the site is generally flat and lies about same level with the frontage road (Persiaran Damansara Endah).

APPENDIX XII – VALUATION CERTIFICATES AND UPDATE VALUATION CERTIFICATES FOR THE PROPERTIES UNDER THE PROPOSED ACQUISITIONS AND THE PROPOSED DISPOSALS (cont'd)

We have adopted the “Comparison Approach” in formulating our opinion of the Market Value of the Subject Property.

The Comparison Approach is comparing the Subject Property with similar properties that were either transacted recently or listed for sale within the same location or other comparable localities. The estimated depreciated building values are deducted from the comparables to arrive at the estimated land value of the comparables. In comparing properties, due consideration is given to factors such as location, tenure, size, time and other relevant factors to arrive at our opinion of the land value of the Subject Property.

The depreciated building value of the Subject Property is then added to the estimated land value to arrive at the estimated Market Value of the Subject Property.

We have adopted only one method of valuation i.e. Comparison Approach. For a residential semi-detached house, the Comparison Approach is the most suitable method to be used. As there are sufficient sale comparable to justify an opinion of value, we have therefore adopted the “Comparison Approach” in this valuation.

For the purpose of this valuation, we have adopted the following comparables:-

Comparables	1	2	3
Property/ Location	No. 6, Jalan Setiabakti 8, Damansara Heights.	No.3, Lorong Setiabistari 4, Damansara Heights.	No. 28, Jalan Setiamurni 1, Damansara Heights.
Source	JPPH	JPPH	JPPH
Tenure	Freehold	Freehold	Freehold
Property Type	Double Storey Semi- Detached House	Double Storey Semi- Detached House	Double Storey Semi- Detached House
Land Area	395 sq. m. (about 4,252 sq. ft.)	362 sq. m. (about 3,897 sq. ft.)	605 sq. m. (about 6,512 sq. ft.)
Build-up Area	About 189.62 sq. m. (2,041.05 sq. ft.)	About 237.65 sq. m. (2,558.04 sq. ft.)	About 261.62 sq. m. (2,816.05 sq. ft.)
Consideration	RM 3,050,000	RM 3,000,000	RM 4,100,000
Transaction Date	May 5, 2016	April 19, 2016	April 4, 2016
Vendor	Phuah Yew Beng	Shanti Krishna Moorthy	Terra Suvarna Sdn Bhd
Purchaser	Teoh Chew Chin	Siva Kumar A/L Kanagasabai +1	Green Bondage Sdn Bhd

Comparables	1	2	3
Estimated Depreciated Building Cost	RM 367,389	RM 486,028	RM 354,822
Estimated Land Value	RM2,682,611	RM 2,513,972	RM 3,745,178
Land Value per sq. ft.	RM 662.49 per sq. ft.	RM 677.44 per sq. ft.	RM 603.86 per sq. ft.
Adjustment Made	Size	Size	No Adjustment
Adjusted Land Value per sq. ft.	RM 629.37 per sq. ft.	RM 643.57 per sq. ft.	RM 603.86 per sq. ft.

APPENDIX XII – VALUATION CERTIFICATES AND UPDATE VALUATION CERTIFICATES FOR THE PROPERTIES UNDER THE PROPOSED ACQUISITIONS AND THE PROPOSED DISPOSALS (cont'd)

The adjusted value range from RM 603.86 per square feet to RM 643.57 per sq. ft.. We have put greater emphasis on Comparable 3 due to its similar characteristics with the Subject Property i.e. similar land area. We have therefore adopted RM 605 per sq. ft. in our valuation computation.

Our informal checking with other building consultants indicate that the cost for a new semi-detached house is estimated to be RM 180 per sq. ft. to RM 200 per sq. ft.. As the Subject Property design is quite basic, we have therefore adopted RM 180 per sq. ft. for the building cost and allowed depreciation due to the current condition of the Subject Property.

It is our opinion that the Market Value (MV) of the freehold unencumbered interest in the Subject Property in its existing physical condition with the benefit of vacant possession, is **RM 4,000,000 (Ringgit Malaysia: Four Million Only).**

Yours faithfully,

HENRY BUTCHER MALAYSIA SDN. BHD.



LOW KHEE WAH

B. (Hons) Estate Mgmt., MRISM
Registered Valuer (V-724)



LKW/Wenyit



HENRY BUTCHER MALAYSIA

International Asset Consultants

Our Ref : VR/03-17/0186
Date : September 20, 2017

PRIVATE & CONFIDENTIAL

ECM Libra Financial Group Berhad

Level 2, Bangunan ECM Libra
No. 8, Jalan Damansara Endah
Damansara Heights
50490 Kuala Lumpur

Dear Sirs,

UPDATE VALUATION CERTIFICATE OF A DOUBLE STOREY SEMI-DETACHED HOUSE IDENTIFIED AS NO. 9, PERSIARAN DAMANSARA ENDAH, DAMANSARA ENDAH, 50490 KUALA LUMPUR. ("THE SUBJECT PROPERTY")

This update valuation certificate is prepared for purpose of submission to Bursa Malaysia Securities Berhad ("**Bursa Securities**") and inclusion in the circular to be distributed by ECM Libra Financial Group Berhad ("**ECM**") to its shareholders in conjunction with the proposed disposal of the Subject Property to a related party.

In accordance with the instructions from ECM, the objective of this update valuation is for the review of the Market Value reported in our valuation report (hereinafter referred to as Full Valuation Report) and valuation certificate (hereinafter referred to as Valuation Certificate), both bearing Reference No. VR/03-17/0186 dated May 25, 2017. We have conducted inspection of the Subject Property on September 18, 2017. Therefore, the material date of this update valuation of the Subject Property is September 18, 2017.

We confirm that we have valued the Subject Property based on the valuation basis stated below. This update valuation certificate is prepared in accordance with the Securities Commission Malaysia's Asset Valuation Guidelines and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia.

The basis of valuation adopted for the purpose of this update valuation is **Market Value**. The term **Market Value**, as defined in the Malaysian Valuation Standards 5th Edition 2015, is "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion".

HENRY BUTCHER MALAYSIA Sdn Bhd (160636-P)

25, Jalan Yap Ah Shak, 50300 Kuala Lumpur, Malaysia.

t • +603-2694 2212 f • +603-2694 5543 e • admin@henrybutcher.com.my w • www.henrybutcher.com.my

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Description of the Subject Property

The Subject Property comprises a freehold double storey semi-detached house bearing postal address No. 9, Persiaran Damansara Endah, Damansara Endah, 50490 Kuala Lumpur.

The Subject Property has a surveyed land area of 577.002 sq. m. (about 6,211 sq. ft.). It is situated within Damansara Endah which is located 10 km west of Kuala Lumpur City Centre.

At the date of our inspection, there were no material changes to the physical conditions of the Subject Property that would affect the contents of the valuation between the date of Full Valuation Report and Valuation Certificate and up to the date of this update valuation.

Title Particulars

We wish to confirm that there were no changes to the particulars of the title in respect of the Subject Property between the date of the Full Valuation Report and Valuation Certificate and up to the date of this update valuation.

Market Observation

We wish to confirm that there were no material changes to the property market conditions between the date of the Full Valuation Report and Valuation Certificate and up to the date of this update valuation.

Town Planning of the Subject Property

We wish to confirm that there were no changes to the legal planning aspect of the Subject Property between the date of the Full Valuation Report and Valuation Certificate and up to the date of this update valuation.

Valuation Approaches

We have adopted the same valuation method as stated in the Full Valuation Report and Valuation Certificate i.e. the “**Comparison Approach**” in formulating our opinion of the **Market Value** of the Subject Property.

Based on the analysis of available data, we are of the opinion that the Market Value reported in the Full Valuation Report and Valuation Certificate remains unchanged.

Opinion of Value

It is our considered opinion that the Market Value of the freehold unencumbered interest in the Subject Property in its existing physical condition with the benefit of vacant possession is **RM 4,000,000 (Ringgit Malaysia: Four Million Only)**

Yours faithfully,

HENRY BUTCHER MALAYSIA SDN. BHD.



LOW KHEE WAH

B. (Hons) Estate Mgmt., MRISM
Registered Valuer (V-724)



LKW/Wenyit

APPENDIX XIII – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF ECMLFG AS AT 31 DECEMBER 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER



Ernst & Young
GST Reg No: 001556430648
Chartered Accountants
Level 23A Menara Milenium
Jalan Damansara, Pusat Bandar Damansara
50490 Kuala Lumpur Malaysia

Tel: +603 7495 8000
Fax: +603 2095 5332 (General line)
+603 2095 9076
+603 2095 9078
ey.com

REPORTING ACCOUNTANTS' LETTER ON THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF ECM LIBRA FINANCIAL GROUP BERHAD AS AT 31 DECEMBER 2016

(Prepared for inclusion in the Circular to Shareholders)

The Board of Directors
ECM Libra Financial Group Berhad
Level 2, Bangunan ECM Libra
8 Jalan Damansara Endah
Damansara Heights
50490 Kuala Lumpur

20 November 2017

Dear Sirs

**ECM LIBRA FINANCIAL GROUP BERHAD
PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016**

We have completed our assurance engagement to report on the compilation of the pro forma consolidated statement of financial position of ECM Libra Financial Group Berhad ("ECMLFG" or the "Company") prepared by the Directors of the Company as set out in the Appendix to this letter (which we have stamped for the purpose of identification). The applicable criteria on the basis of which the Directors have compiled the pro forma consolidated statement of financial position are as described in the notes to the pro forma consolidated statement of financial position ("Applicable Criteria").

The pro forma consolidated statement of financial position has been prepared to provide information about how the consolidated statement of financial position of the Company as at 31 December 2016 that has been presented might have been affected had certain proposals been completed on that date. As part of this process, information about the financial position has been extracted by the Directors from the audited consolidated financial statements of the Company as at 31 December 2016 on which an audit report has been published.



The aforementioned proposals encompass the following:

- (a) Proposed acquisition of:
 - (i) 50% equity interest in TP Sepang Sdn Bhd, TP International Pty Ltd and Yummy Kitchen Sdn Bhd and 40.005% equity interest in TP Hotel (Flinders) Trust ("TP Flinders") (together with 40.005% of the rights and benefits to the total advances owing by TP Flinders) ("Proposed Acquisitions from TPRE"); and
 - (ii) the Tune Hotel Penang, the Tune Hotel KK and the rights to operate and maintain the Tune Hotel KLIA Aeropolis ("Proposed Tune Hotels Acquisitions"),for an aggregated purchase consideration of RM88,600,000 ("Proposed Acquisitions"),
- (b) Proposed special dividend, which will result in ECMLFG's consolidated net assets being adjusted to approximately RM103.2 million or about RM0.36 per share, that is estimated to result in a special dividend of approximately RM0.155 per share, 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 cash ("Proposed Disposals").

The Directors' Responsibility for the Pro Forma Consolidated Statement of Financial Position

The Directors are responsible for compiling the pro forma consolidated statement of financial position on the basis of the Applicable Criteria.

Our Independence and Quality Control

We are independent in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our ethical responsibilities in accordance with the By-Laws and the IESBA Code.

The firm applies International Standard on Quality Control 1 ("ISQC 1"), *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Our Responsibilities

Our responsibility is to express an opinion, as required by Bursa Malaysia Securities Berhad, about whether the pro forma consolidated statement of financial position has been compiled, in all material respects, by the Directors on the basis of the Applicable Criteria.

We conducted our engagement in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the pro forma consolidated statement of financial position on the basis of the Applicable Criteria.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical consolidated statement of financial position used in compiling the pro forma consolidated statement of financial position, nor have we, in the course of this engagement, performed an audit or review of the consolidated statement of financial position used in compiling the pro forma consolidated statement of financial position.

The purpose of pro forma consolidated statement of financial position included in a circular to shareholders is solely to illustrate the impact of a significant event or transaction on unadjusted consolidated statement of financial position of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented. In addition, because of its nature, it may not be reflective of ECMLFG's actual consolidated financial position. Furthermore, such information does not purport to predict the future consolidated financial position of ECMLFG.

A reasonable assurance engagement to report on whether the pro forma consolidated statement of financial position has been compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of pro forma consolidated statement of financial position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma consolidated statement of financial position reflects the proper application of those adjustments to the unadjusted consolidated statement of financial position.



Our Responsibilities (continued)

The procedures selected depend on our judgment, having regard to our understanding of the nature of the Company, the event or transaction in respect of which the pro forma consolidated statement of financial position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated statement of financial position.

We believe that the evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma consolidated statement of financial position has been compiled, in all material respects, on the basis of the Applicable Criteria.

Other matters

This letter is issued for the sole purpose of complying with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and for inclusion into the Circular to Shareholders of ECMLFG. Our work had been carried out in accordance with Malaysian Approved Standards on Assurance Engagements and accordingly should not be relied upon as if it had been carried out in accordance with standards and practices in other jurisdictions. Therefore, this letter is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than the proposals described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this letter in connection with any type of transaction, including the sale of securities other than the proposals described above.

Yours faithfully

Ernst & Young
AF: 0039
Chartered Accountants

Yeo Beng Yean
No: 03013/10/2018 J
Chartered Accountant

APPENDIX XIII – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF ECMLFG AS AT 31 DECEMBER 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER (cont'd)

**ECM Libra Financial Group Berhad
Pro Forma Consolidated Statement of Financial Position
As at 31 December 2016**

APPENDIX

	Audited 31 December 2016	Adjustment 1	Pro forma 1	Adjustment 2	Pro forma 2	Adjustment 3	Pro forma 3	Adjustment 4	Pro forma 4	Adjustment 5	Pro forma 5
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets											
Cash and short-term funds	22,016		22,016	28,000	50,016	(30,261)	19,755	(1,705)	18,050	(2,795)	15,255
Securities available-for-sale	37,217		37,217		37,217	(14,200)	23,017		23,017		23,017
Loans, advances and financing	58,897		58,897		58,897		58,897		58,897		58,897
Trade receivables	2,142		2,142		2,142		2,142		2,142		2,142
Other assets	1,487		1,487		1,487		1,487		1,487		1,487
Investment in associated companies	-		-		-		-	59,379	59,379		59,379
Deferred tax assets	91		91		91		91		91		91
Investment properties	4,011		4,011	(4,011)	-		-		-		-
Property, plant and equipment	23,403		23,403	(20,663)	2,740		2,740		2,740	31,000	33,740
Intangible assets	-		-		-		-		-	926	926
Total assets	149,264		149,264		152,590		108,129		165,803		194,934
Liabilities and equity											
Liabilities											
Trade payables	2,134		2,134		2,134		2,134		2,134		2,134
Other liabilities	2,774		2,774		2,774		2,774		2,774		2,774
Borrowings	-		-		-		-		-	19,000	19,000
Provision for taxation	47		47		47		47		47		47
Total liabilities	4,955		4,955		4,955		4,955		4,955		23,955
Equity attributable to equity holders of the Company											
Share capital	34,391	3,555	37,946		37,946		37,946	57,574	95,620	11,926	107,546
Non-distributable reserves	(590)		(590)		(590)		(591)		(591)		(591)
AFS revaluation reserve	2,788		2,788		2,788		2,788		2,788		2,788
General reserve	3,555	(3,555)	-		-		-		-		-
Capital redemption reserve											
Distributable reserves:											
Retained profits	104,185		104,185	3,326	107,491	(44,460)	63,031		63,031	(1,795)	61,236
Total reserves	109,918		106,363		109,889		65,228		65,228		63,433
Shareholders' equity	144,309		144,309		147,635		103,174		160,848		170,979
Total equity and liabilities	149,264		149,264		152,590		108,129		165,803		194,934
Number of ordinary shares ('000)	286,592		286,592		286,592		286,592	160,206	446,798	33,128	479,926
Net assets	144,309		144,309		147,635		103,174		160,848		170,979
Net asset per share (RM)	0.50		0.50		0.52		0.36		0.36		0.36

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APPENDIX XIII – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF ECMLFG AS AT 31 DECEMBER 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER (cont'd)

ECM Libra Financial Group Berhad
Pro Forma Consolidated Statement of Financial Position
As at 31 December 2016

APPENDIX

Notes to the Pro Forma Consolidated Statement of Financial Position

1. Basis of preparation

The pro forma consolidated statement of financial position of ECM Libra Financial Group Berhad ("ECMLFG" or the "Company") and its subsidiaries (the "Group") as at 31 December 2016 has been prepared for illustrative purposes, in connection with the following:

(a) Proposed acquisition of:

- (i) 50% equity interest in TP Sepang Sdn Bhd ("TPSB"), TP International Pty Ltd ("TP International") and Yummy Kitchen Sdn Bhd ("YKSB") and 40.005% equity interest in TP Hotel (Flinders) Trust ("TP Flinders") (together with 40.005% of the rights and benefits to the total advances owing by TP Flinders) ("Proposed Acquisitions from TPRE"); and
- (ii) the Tune Hotel Penang, the Tune Hotel KK and the rights to operate and maintain the Tune Hotel KLIA Aeropolis ("Proposed Tune Hotels Acquisitions"),

for an aggregated purchase consideration of RM88,600,000 ("Proposed Acquisitions");

- (b) Proposed special dividend, which will result in ECMLG's consolidated net assets ("NA") being adjusted to approximately RM103.2 million or about RM0.36 per share, that is estimated to result in a special dividend of approximately RM0.155 per share, 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 cash ("Proposed Disposals").

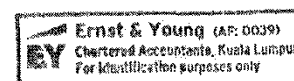
The pro forma consolidated statement of financial position as at 31 December 2016 has been prepared based on the audited consolidated statement of financial position of ECMLFG as at 31 December 2016 and on a basis consistent with both the format of the audited financial statements and the accounting policies adopted by the Group in the preparation of the audited financial statements of the Group for the financial year ended 31 December 2016, which are in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards, to show the effects if the Proposed Acquisition, Proposed Special Dividend and Proposed Disposals had been completed on the date.

The sequence of events as illustrated in the pro forma consolidated statement of financial position as at 31 December 2016 is based on the conditionality of the Proposed Acquisitions, Proposed Special Dividend and Proposed Disposals.

2. Adjustments

2.1 Adjustment 1 and Pro forma 1

Pro forma 1 incorporates the effects of Adjustment 1 which reflects the subsequent event encompassing the transfer of the remaining balance in the Capital Redemption Reserve account as at 31 December 2016 into the Share Capital account of the Company arising from the abolishment of the concept of nominal value in shares pursuant to the enactment of the Companies Act, 2016 which became effective on 31 January 2017.



APPENDIX XIII – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF ECMLFG AS AT 31 DECEMBER 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER (cont'd)

ECM Libra Financial Group Berhad
Pro Forma Consolidated Statement of Financial Position
As at 31 December 2016

APPENDIX

Notes to the Pro Forma Consolidated Statement of Financial Position

2. Adjustments (continued)

2.2 Adjustment 2 and Pro forma 2

Pro forma 2 incorporates the effects of Adjustments 1 and 2.

Adjustment 2 encompasses the effects of the Proposed Disposals which comprise the following:

- (i) the proposed disposal of part of Bangunan ECM Libra owned by the Group, comprising the East Wing and Centre Wing, for a disposal consideration of RM24,000,000; and
- (ii) the proposed disposal of a semi-detached residential property owned by the Group for a disposal consideration of RM4,000,000.

2.3 Adjustment 3 and Pro forma 3

Pro forma 3 incorporates the effects of Adjustments 1, 2 and 3.

Adjustment 3 encompasses the effects of the Proposed Special Dividend comprising the following:

- (i) partial disposal of the Group's investments in securities available-for-sale ("AFS") for an estimated disposal consideration of RM14,200,000 and resulting in a realisation of AFS revaluation profit of approximately RM1,000; and
- (ii) declaration and payment of a special dividend, estimated at RM0.155 per share to be paid simultaneously with the completion of the Proposed Disposals pursuant to the terms and conditions of the Proposed Disposals.

This amount of special dividend of approximately RM0.155 per ECMLFG ordinary share was derived to adjust the consolidated NA of ECMLFG to an approximately RM0.36 per ECMLFG share which will then be equivalent to the value of new ECMLFG shares to be issued for purposes of the Proposed Acquisitions, further described as follows:

	NA RM'000	NA per share RM
NA and NA per share subsequent to the Proposed Disposals (after Adjustments 1 and 2)	147,635	0.515
Less: Targetted NA and NA per share upon completion of the Proposed Special Dividends but before the Proposed Acquisitions	(103,174)	(0.360)
Illustrative special dividend to be declared under the Proposed Special Dividend	44,461	0.155

The Proposed Special Dividend is proposed to be funded through:

	RM'000
(i) Proceeds from the Proposed Disposals (Note 2.2)	28,000
(ii) Proceeds from disposal of securities AFS (Note 2.3(i))	14,200
(iii) Internal cash and short-term funds	2,261
	44,461

APPENDIX XIII – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF ECMLFG AS AT 31 DECEMBER 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER (cont'd)

ECM Libra Financial Group Berhad
Pro Forma Consolidated Statement of Financial Position
As at 31 December 2016

APPENDIX

Notes to the Pro Forma Consolidated Statement of Financial Position

2. Adjustments (continued)

2.4 Adjustment 4 and Pro forma 4

Pro forma 4 incorporates the effects of Adjustments 1, 2, 3 and 4.

Adjustment 4 encompasses the effects of the proposed acquisition of 50% equity interest in TPSB, TP International and YKSB and 40.005% equity interest in TP Flinders (together with 40.005% of the rights and benefits to the total advances owing by TP Flinders), for an aggregated purchase consideration of RM57,674,000 to be satisfied by the issuance of 160,205,555 new ordinary shares in ECMLFG at an issue price of RM0.36 each.

The Group is assumed to be able to continue to exercise significant influence on the 4 entities after the purchase and, accordingly, the entities purchased will be classified as Investments in Associates and will be equity accounted in the financial statements of the Group.

For purposes of illustration, the stamp duty relating to the acquisition of TP Flinders amounting to approximately RM1,705,000 will be paid in cash and capitalised in the cost of acquisition.

2.5 Adjustment 5 and Pro forma 5

Pro forma 5 incorporates the effects of Adjustments 1, 2, 3, 4 and 5.

Adjustment 5 encompasses the effects of the proposed acquisition of the Tune Hotel Penang, the Tune Hotel KK and the rights to operate and maintain the Tune Hotel KLIA Aeropolis for an aggregated purchase consideration of RM30,926,000 to be satisfied through the following:

- (i) cash amounting to approximately RM19,000,000, which will be raised through new borrowings to be obtained; and
- (ii) issuance of 33,127,777 new ordinary shares in ECMLFG at an issue price of RM0.36 each amounting to approximately RM11,926,000.

As the Group is expected to continue to self-manage these hotels, the Tune Hotel Penang and the Tune Hotel KK will be classified as Property, Plant and Equipment whilst the rights to operate and maintain the Tune Hotel KLIA Aeropolis will be classified as intangible assets in the financial statements of the Group.

Adjustment 5 also encompasses the incurrence of other estimated costs for the Proposed Acquisitions, Proposed Special Dividend and Proposed Disposals of approximately RM2,795,000 which will be paid in cash. For purposes of illustration, approximately RM1,000,000 of the estimated costs relating to the stamp duty of the Proposed Tune Hotels Acquisition will be capitalised into the cost of acquisition while the balance recognised in profit or loss.

APPENDIX XIII – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF ECMLFG AS AT 31 DECEMBER 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER (cont'd)

ECM Libra Financial Group Berhad
Pro Forma Consolidated Statement of Financial Position
As at 31 December 2016

APPENDIX

Notes to the Pro Forma Consolidated Statement of Financial Position

3. The effects of the above adjustments are as summarised below:

(i) Cash and short-term funds

	Ref	RM'000
Audited as at 31 December 2016 / Pro forma 1		22,016
Adjustment 2: Proposed disposal of Bangunan ECM Libra	2.2(i)	24,000
Proposed disposal of semi-detached residential property	2.2(ii)	4,000
Pro forma 2		50,016
Adjustment 3: Proposed disposal of securities AFS	2.3(i)	14,200
Proposed payment of special dividend	2.3(ii)	(44,461)
Pro forma 3		19,755
Adjustment 4: Payment of cost relating to proposed acquisition of TP Flinders	2.4	(1,705)
Pro forma 4		18,050
Adjustment 5: Payment of costs relating to Proposed Acquisitions, Proposed Special Dividend and Proposed Disposals	2.5	(2,795)
Pro forma 5		15,255

(ii) Securities available-for-sale

	Ref	RM'000
Audited as at 31 December 2016 / Pro forma 1 / Pro forma 2		37,217
Adjustment 3: Proposed disposal of securities AFS	2.3(i)	(14,200)
Pro forma 3 / Pro forma 4 / Pro forma 5		23,017

(iii) Investments in associated companies

	Ref	RM'000
Audited as at 31 December 2016 / Pro forma 1 / Pro forma 2 / Pro forma 3		-
Adjustment 4: Proposed Acquisitions from TPRE	2.4	59,379
Pro forma 4 / Pro forma 5		59,379

(iv) Investment properties

	Ref	RM'000
Audited as at 31 December 2016 / Pro forma 1		4,011
Adjustment 2: Proposed disposal of semi-detached residential property	2.2	(4,011)
Pro forma 2 / Pro forma 3 / Pro forma 4 / Pro forma 5		-

APPENDIX XIII – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF ECMLFG AS AT 31 DECEMBER 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER (cont'd)

ECM Libra Financial Group Berhad
Pro Forma Consolidated Statement of Financial Position
As at 31 December 2016

APPENDIX

Notes to the Pro Forma Consolidated Statement of Financial Position

3. The effects of the above adjustments are as summarised below (continued):

(v) Property, plant and equipment

	Ref	RM'000
Audited as at 31 December 2016 / Pro forma 1		23,403
Adjustment 2: Proposed disposal of Bangunan ECM Libra	2.2	(20,663)
Pro forma 2 / Pro forma 3 / Pro forma 4		<u>2,740</u>
Adjustment 5: Proposed Tune Hotels Acquisitions	2.5	31,000
Pro forma 5		<u>33,740</u>

(vi) Intangible assets

	Ref	RM'000
Audited as at 31 December 2016 / Pro forma 1		-
Pro forma 2 / Pro forma 3 / Pro forma 4		-
Adjustment 5: Proposed Tune Hotels Acquisitions	2.5	926
Pro forma 5		<u>926</u>

(vii) Borrowings

	Ref	RM'000
Audited as at 31 December 2016 / Pro forma 1 / Pro forma 2 /		-
Pro forma 3 / Pro forma 4		-
Adjustment 5: Proposed Tune Hotels Acquisitions	2.5	19,000
Pro forma 5		<u>19,000</u>

(viii) Share capital

	Ref	RM'000
Audited as at 31 December 2016		34,391
Adjustment 1: Transfer of Capital Redemption Reserve account	2.1	3,555
Pro forma 1 / Pro forma 2 / Pro forma 3		<u>37,946</u>
Adjustment 4: Proposed Acquisitions from TPPE	2.4	57,674
Pro forma 4		<u>95,620</u>
Adjustment 5: Proposed Tune Hotels Acquisitions	2.5	11,926
Pro forma 5		<u>107,546</u>

(ix) AFS revaluation reserve

	Ref	RM'000
Audited as at 31 December 2016 / Pro forma 1 / Pro forma 2		590
Adjustment 3: Realisation of reserve arising for proposed disposal of Securities AFS	2.3	1
Pro forma 3 / Pro forma 4 / Pro forma 5		<u>591</u>

APPENDIX XIII – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF ECMLFG AS AT 31 DECEMBER 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER (cont'd)

ECM Libra Financial Group Berhad
Pro Forma Consolidated Statement of Financial Position
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Notes to the Pro Forma Consolidated Statement of Financial Position

3. The effects of the above adjustments are as summarised below (continued):

(x) Capital redemption reserve

	Ref	RM'000
Audited as at 31 December 2016		3,555
Adjustment 1: Transfer of Capital Redemption Reserve account	2.1	(3,555)
Pro forma 1 / Pro forma 2 / Pro forma 3 / Pro forma 4 / Pro forma 5		<u>-</u>

(xi) Retained profits

	Ref	RM'000
Audited as at 31 December 2016 / Pro forma 1		104,165
Adjustment 2: Gain arising from proposed disposal of Bangunan ECM Libra	2.2(i)	3,337
Loss arising from proposed disposal of semi-detached residential property	2.2(ii)	(11)
Pro forma 2		<u>107,491</u>
Adjustment 3: Realisation of gain arising from proposed disposal of securities AFS	2.3(i)	1
Proposed payment of special dividend	2.3(ii)	(44,461)
Pro forma 3 / Pro forma 4		<u>63,031</u>
Adjustment 5: Recognition of costs relating to Proposed Acquisitions, Proposed Special Dividend and Proposed Disposals	2.5	(1,795)
Pro forma 5		<u>61,236</u>

1. DIRECTORS' RESPONSIBILITY STATEMENT

Our Board has seen and approved this Circular and they collectively and individually accept full responsibility for the accuracy of the information contained in this Circular. They confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in this Circular false or misleading.

The information relating to the TPRE, TPSB, TP International, TP Flinders, YKSB, Noblemen and THSB have been obtained from the respective parties and the sole responsibility of our Board is limited to ensuring that such information is accurately reproduced in this Circular and our Board accepts no further or other responsibility in respect of such information.

2. WRITTEN CONSENT AND CONFLICT OF INTEREST

2.1 CIMB

CIMB, being the Principal Adviser to our Company for the Proposals, has given and has not subsequently withdrawn its consent to the inclusion of its name in this Circular and all references thereto, in the form and context in which they appear.

CIMB, its subsidiaries and associated companies, as well as its holding company, CIMB Group Holdings Berhad and the subsidiaries and associated companies of its holding company ("**CIMB Group**"), form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and funds management and credit transaction service businesses. The CIMB Group has engaged and may in the future, engage in transactions with and perform services for our Company and/or our affiliates, in addition to its role as Principal Adviser as set out in this Circular.

In addition, in the ordinary course of business, any member of the CIMB Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with any member of our Group or our shareholders or their affiliates or any other entity or person, hold long or short positions, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of our Company and our affiliates. This is a result of the businesses of the CIMB Group generally acting independent of each other, and accordingly there may be situations where parts of the CIMB Group and/or its customers now have or in the future, may have interest in or take actions that may conflict with the interests of our Company.

CIMB confirms that as at the LPD, it is not aware of any circumstance that would give rise to a conflict of interest situation in its capacity as the Principal Adviser to our Company for the Proposals.

2.2 Mercury Securities

Mercury Securities, being (i) the Independent Adviser for the Proposals and (ii) the expert expressing an opinion on the fairness of the total purchase consideration for the proposed acquisition from TPRE of the 40.005% equity interest in TP Flinders (together with 40.005% of the rights and benefits to the total advances owing by TP Flinders) and the 50% equity interest in TP International, has given and has not subsequently withdrawn its consent to the inclusion of:

- (i) its name in this Circular;
- (ii) the independent advice letter as set out in **Part B** of this Circular; and
- (iii) the expert's report on the fairness of the total purchase consideration for the proposed acquisition from TPRE of the 40.005% equity interest in TP Flinders (together with 40.005% of the rights and benefits to the total advances owing by TP Flinders) and the 50% equity interest in TP International,

and all references thereto, in the form and context in which they appear.

Mercury Securities confirms that it is not aware of any circumstance that would give rise to a conflict of interest situation as the Independent Adviser and the expert expressing the fairness opinion in this Circular.

2.3 Ernst & Young

Ernst & Young, being (i) the Reporting Accountants to our Company for the Proposals and (ii) the expert expressing an opinion on the policies on foreign investments, taxation and repatriation of profits of Australia in this Circular, has given and has not subsequently withdrawn its consent to the inclusion of:

- (i) its name in this Circular;
- (ii) the expert's report on the policies on foreign investments, taxation and repatriation of profits of Australia as set out in **Appendix VIII** of this Circular; and
- (iii) the Reporting Accountants' letter on the pro forma consolidated statement of financial position of our Company as at 31 December 2016 as set out in **Appendix XIII** of this Circular,

and all references thereto in the form and context in which they appear in this Circular.

Ernst & Young is not aware of circumstances that would give rise to a conflict of interest situation as the Reporting Accountant to our Company and the expert expressing an opinion on the policies on the foreign investments, taxation and repatriation of profits of Australia in this Circular.

2.4 m3property

m3property, being the valuer for the Flinders Lane Property, has given and has not subsequently withdrawn its consent to the inclusion of its name in this Circular, the valuation certificate and the update valuation certificate in relation to the Flinders Lane Property, as set out in **Appendix XII** of this Circular and all references thereto in this Circular, in the form and context in which they appear.

m3property is not aware of any circumstances that would give rise to a conflict of interest situation in its capacity as the valuer for the Flinders Lane Property.

2.5 Henry Butcher

Henry Butcher, being the valuer for the East Wing and Centre Wing of Bangunan ECM Libra and the Semi-D Property, has given and has not subsequently withdrawn its consent to the inclusion of its name in this Circular, the valuation certificate and the update valuation certificate in relation to the East Wing and Centre Wing of Bangunan ECM Libra and the Semi-D Property, as set out in **Appendix XII** of this Circular and all references thereto in this Circular, in the form and context in which they appear.

Henry Butcher is not aware of any possible conflict of interest which exists or is likely to exist in its capacity as the valuer for the East Wing and Centre Wing of Bangunan ECM Libra and the Semi-D Property.

2.6 Henry Butcher Penang

Henry Butcher Penang, being the valuer for the Tune Hotel Penang, has given and has not subsequently withdrawn its consent to the inclusion of its name in this Circular, the valuation certificate and the update valuation certificate in relation to the Tune Hotel Penang, as set out in **Appendix XII** of this Circular and references thereto in this Circular, in the form and context in which they appear.

Henry Butcher Penang is not aware of any possible conflict of interest which exists or is likely to exist in relation to its capacity as the valuer for the Tune Hotel Penang.

2.7 Henry Butcher Sabah

Henry Butcher Sabah, being the valuer for the Tune Hotel KK, has given and has not subsequently withdrawn its consent to the inclusion of its name in this Circular, the valuation certificate and the update valuation certificate in relation to the Tune Hotel KK as set out in **Appendix XII** of this Circular and all references thereto in this Circular, in the form and context in which they appear.

Henry Butcher Sabah is not aware of any possible conflict of interest which exists or is likely to exist in its capacity as the valuer for the Tune Hotel KK.

2.8 WongPartnership LLP

WongPartnership LLP, being the foreign legal counsel appointed by ECMLFG to provide a report on the enforceability of the TPRE SPA against TPRE under the relevant laws of Singapore, has given and has not subsequently withdrawn its consent to the inclusion of its name, the legal opinion on the enforceability of the TPRE SPA against TPRE as set out in **Appendix X** of this Circular and all references thereto in the Contents section as well as **Appendices X and XIV** of this Circular.

WongPartnership LLP is not aware of any circumstances that would give rise to a conflict of interest by virtue of its appointment as our Company's foreign legal counsel to provide the legal opinion on the enforceability of the TPRE SPA against TPRE.

2.9 HWL Ebsworth Lawyers

HWL Ebsworth Lawyers, being named as the foreign legal counsel opining on the ownership of title or interests in TP Flinders and TP International, as well as their assets, has given and has not subsequently withdrawn its consent to the inclusion of:

- (i) its name in this Circular; and
- (ii) the legal opinion on the ownership of title or interests in TP Flinders, TP International as well as the Flinders Lane Property as set out in **Appendix XI** of this Circular ("**Legal Opinion**"), and all references thereto in this Circular,

in the form and context in which they appear.

HWL Ebsworth Lawyers have acted for and continue to act for TP International and TP Flinders in respect of certain matters which are not directly related to the Proposals. Our Company is aware of their involvement and pursuant to an Acknowledgement and Consent issued in accordance with Rule 11 of the Legal Professional Uniform Law Australian Solicitors' Conduct Rules 2015 and signed by us on 4 July 2017, we have confirmed our consent to HWL Ebsworth Lawyers acting as legal counsel expressing the Legal Opinion.

HWL Ebsworth Lawyers is not aware of any circumstances that give rise to a conflict of interest situation in its capacity as the foreign legal counsel expressing the Legal Opinion.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**3.1 Material commitments**

As at the LPD, save as disclosed below, our Board is not aware of any approved and contractual material commitments incurred or known to be incurred by our Group:

	RM'000
Authorised and contracted for computer software	123
Total	123

3.2 Contingent liabilities

Pursuant to the proposed acquisition of the 50% equity interest in TPSB under the Proposed Acquisitions from TPRE, our Company may be required to provide a corporate guarantee as may be required by the financier of TPSB in proportion to our equity interest in TPSB after completing the Proposed Acquisitions from TPRE.

As at the LPD, save for the above, our Board is not aware of any material contingent liabilities, which may, upon being enforceable, have a material adverse effect on our Group's financial position or business.

4. MATERIAL LITIGATION OF OUR GROUP

As at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board does not have any knowledge of any such proceedings, pending or threatened against our Group or of any facts which is likely to give rise to any such proceedings which may affect the position or business of our Group.

5. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at 2nd Floor, West Wing, Bangunan ECM Libra, 8 Jalan Damansara Endah, Damansara Heights, 50490 Kuala Lumpur during normal business hours on Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the EGM:

- (a) our constitution⁽⁷⁾;
- (b) our audited financial statements for the FYE 31 January 2015 and 31 January 2016, and FPE 31 December 2016;
- (c) our latest available unaudited financial results as at the LPD for the FPE 30 June 2017;
- (d) the TPRE SPA together with the TPRE SPA Supplemental Letter, the TPRE SPA Second Supplemental Letter and the TPRE SPA Third Supplemental Letter;
- (e) Tune Hotel Penang SPA together with the Tune Hotel Penang SPA Supplemental Letter and the Tune Hotel Penang SPA Second Supplemental Letter;
- (f) Tune Hotel KK SPA together with the Tune Hotel KK SPA Supplemental Letter;
- (g) Tune Hotel KLIA Aeropolis SPA together with the Tune Hotel KLIA Aeropolis SPA Supplemental Letter;

⁽⁷⁾ Pursuant to Section 619(3) of the Act, our memorandum and articles of association is now deemed to be our constitution.

APPENDIX XIV – FURTHER INFORMATION *(cont'd)*

- (h) Collaboration Agreement;
- (i) Semi-D Disposal SPA together with the Semi-D Disposal SPA Supplemental Letter;
- (j) Bangunan ECM Libra Disposal SPA together with the Bangunan ECM Libra Disposal SPA Supplemental Letter;
- (k) the franchise agreements, hotel management agreements and service agreements referred to in **Section 4.6** of this Circular;
- (l) the audited financial statements of TPSB for the FYE 30 September 2016;
- (m) the audited financial statements of TP Flinders for the FPE 30 September 2016;
- (n) the audited financial statements of TP International for the FPE 30 September 2016;
- (o) the audited financial statements of YKSB for the FPE 30 September 2016;
- (p) the expert's report on policies on the foreign investment, taxation and repatriation of profits of Australia referred to in **Appendix VIII** of this Circular;
- (q) the expert's report on the fairness of the purchase consideration for the proposed acquisition from TPRE of the 40.005% equity interest in TP Flinders (together with 40.005% of the rights and benefits to the total advances owing by TP Flinders) and the 50% equity interest in TP International referred to in **Appendix IX** of this Circular;
- (r) the legal opinion by WongPartnership LLP on enforceability of the TPRE SPA, representations and undertakings given by TPRE referred to in **Appendix X** of this Circular;
- (s) the legal opinion by HWL Ebsworth Lawyers on the ownership of title or interests in TP Flinders, TP International and the Flinders Lane Property referred to in **Appendix XI** of this Circular;
- (t) the valuation certificates and the update valuation certificates by m3property, Henry Butcher Penang, Henry Butcher Sabah and Henry Butcher referred to in **Appendix XII** of this Circular, as well as their respective valuation reports;
- (u) the pro forma consolidated statement of financial position of our Company as at 31 December 2016 together with the Reporting Accountants' letter thereon referred to in **Appendix XIII** of this Circular;
- (v) the letters of consent and non-conflict referred to in **Section 2** of this Appendix;
- (w) the material contract in relation to TPSB referred to in **Section 8 of Appendix IV** of this Circular; and
- (x) the material contracts in relation to TP International referred to in **Section 8 of Appendix VI** of this Circular.

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ECM LIBRA FINANCIAL GROUP BERHAD

(Company No. 713570-K)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of ECM Libra Financial Group Berhad (“**ECMLFG**” or “**Company**”) will be held at Ground Floor, East Wing, Bangunan ECM Libra, 8 Jalan Damansara Endah, Damansara Heights, 50490 Kuala Lumpur on Tuesday, 12 December 2017, at 2.30 p.m., or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the following resolutions by way of poll:

ORDINARY RESOLUTION 1

PROPOSED ACQUISITION OF 50% EQUITY INTEREST IN TP SEPANG SDN BHD (“TPSB”), TP INTERNATIONAL PTY LTD (“TP INTERNATIONAL”) AND YUMMY KITCHEN SDN BHD (“YKSB”), AND 40.005% EQUITY INTEREST IN TP HOTEL (FLINDERS) TRUST (“TP FLINDERS”) (TOGETHER WITH 40.005% OF THE RIGHTS AND BENEFITS TO THE TOTAL ADVANCES OWING BY TP FLINDERS) BY THE COMPANY FROM TP REAL ESTATE HOLDINGS PTE LTD (“TPRE”), FOR AN AGGREGATED PURCHASE CONSIDERATION OF RM57,674,000, TO BE SATISFIED ENTIRELY VIA THE ALLOTMENT AND ISSUANCE OF 160,205,555 NEW ORDINARY SHARES IN ECMLFG (“TPRE CONSIDERATION SHARES”) AT AN ISSUE PRICE OF RM0.36 PER ORDINARY SHARE OF ECMLFG (“SHARE”) (“ISSUE PRICE”) IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE SHARE PURCHASE AGREEMENT DATED 4 MAY 2017 SUPPLEMENTED BY THE SUPPLEMENTAL LETTERS DATED 21 JUNE 2017, 30 AUGUST 2017 AND 26 OCTOBER 2017 (“PROPOSED ACQUISITIONS FROM TPRE”)

“THAT subject to the passing of Ordinary Resolutions 4 and 5, and the approval of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the listing of and quotation for the TPRE Consideration Shares on the Main Market of Bursa Securities and all the requisite consents/approvals of the relevant authorities and/or parties being obtained, approval be and is hereby given to the Company to acquire the following:

- (a) 5,000,000 ordinary shares in TPSB, representing 50% of the equity interest in TPSB;
- (b) 500,000 units of AUD0.00001 each in TP Flinders representing 40.005% of the total units in issue in TP Flinders and 40.005% of the total advances owing by TP Flinders;
- (c) 50 ordinary shares of AUD0.01 each in TP International, representing 50% of the total issued and paid-up share capital of TP International; and
- (d) 5 ordinary shares in YKSB, representing 50% of the equity interest in YKSB,

for an aggregated purchase consideration of RM57,674,000, to be satisfied via the allotment and issuance of the TPRE Consideration Shares at the Issue Price, upon the terms and conditions set out in the share purchase agreement dated 4 May 2017 entered into between the Company and TPRE supplemented by the supplemental letters dated 21 June 2017, 30 August 2017 and 26 October 2017.

THAT approval be given to the Company to issue and allot the TPRE Consideration Shares at the Issue Price, and specifically to the following directors of the Company:

Name	TPRE Consideration Shares
Dato’ Seri Kalimullah bin Masheerul Hassan	21,689,950
Lim Kian Onn	21,779,413

THAT the TPRE Consideration Shares shall, upon allotment and issue, rank equally in all respects with the existing Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions unless the allotment of the TPRE Consideration Shares were made on or prior to the entitlement date of such dividends, rights, allotments and/or other distributions.

THAT pursuant to the proposed acquisition of 50% equity interest in TPSB, approval be and is hereby given to the Company to pledge the acquired ordinary shares in TPSB, to provide a corporate guarantee and any other forms of guarantee, indemnity or collateral as may be required by the financier of TPSB, all in proportion to the Company's equity interest in TPSB following the completion of the Proposed Acquisitions from TPRE, in respect of a loan obligation of RM42.5 million owing by TPSB (audited as at 30 September 2016) ("**Proposed Provision of Financial Assistance**") pursuant to paragraph 8.23(2)(c) of the Main Market Listing Requirements of Bursa Securities ("**Listing Requirements**").

AND THAT the Board of Directors of the Company ("**Board**") be and is hereby authorised to do all acts, deeds, things and execute all necessary documents as the Board may consider necessary or expedient, and to take all such necessary steps to give effect to the Proposed Acquisitions from TPRE and the Proposed Provision of Financial Assistance with full powers to consent to and to adopt such conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities in respect of the Proposed Acquisitions from TPRE and the Proposed Provision of Financial Assistance or as the Board may deem necessary or expedient, and to deal with all such matters and to take such steps and do all acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect to the Proposed Acquisitions from TPRE and the Proposed Provision of Financial Assistance in the interest of the Company."

ORDINARY RESOLUTION 2

PROPOSED ACQUISITION OF TUNE HOTEL PENANG (AS DEFINED HEREIN), TUNE HOTEL KK (AS DEFINED HEREIN) AND TUNE HOTEL KLIA AEROPOLIS (AS DEFINED HEREIN) BY THE COMPANY FROM TUNE HOTELS SDN BHD ("THSB") IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THREE (3) SALE AND PURCHASE AGREEMENTS ALL DATED 4 MAY 2017 SUPPLEMENTED BY THE SUPPLEMENTAL LETTERS DATED 30 AUGUST 2017 AND 26 OCTOBER 2017 ("PROPOSED TUNE HOTELS ACQUISITIONS")

"THAT subject to the passing of Ordinary Resolutions 1, 4, and 5, and the approval of Bursa Securities for the listing of and quotation for the Tune Hotel Penang Consideration Shares (as defined herein) on the Main Market of Bursa Securities and all the requisite consents/approvals of the relevant authorities and/or parties being obtained, approval be and is hereby given to the Company to acquire all or any of the following:

- (a) an 11-storey limited-service hotel comprising 258 rooms known as "**Tune Hotel Penang**", erected on two pieces of land measuring in aggregate approximately 2,053.4 square meters (or approximately 22,103.1 square feet) held under Geran No. 63526 and 11256, Lot 426 and 348 Seksyen 15, Bandar George Town, Daerah Timor Laut, Negeri Pulau Pinang, together with existing tenancies for a purchase consideration of RM21,000,000, whereby:
 - (i) RM11,926,000 is to be satisfied via the allotment and issuance of 33,127,777 new Shares ("**Tune Hotel Penang Consideration Shares**") at the Issue Price; and
 - (ii) RM9,074,000 is to be satisfied in cash,

upon the terms and conditions set out in the sale and purchase agreement dated 4 May 2017 entered into between the Company and THSB supplemented by the supplemental letters dated 30 August 2017 and 26 October 2017;

- (b) a 4-storey limited-service hotel comprising 165 rooms known as "**Tune Hotel KK**", measuring in aggregate 42,485 square feet bearing postal address Unit Nos. G-803, F-803, S-803 & T-803, Ground Floor to Third Floor, 1 Borneo, Off Jalan UMS, 88450 Kota Kinabalu, Sabah, together with existing tenancies for a purchase consideration of RM9,000,000, to be satisfied entirely in cash, upon the terms and conditions set out in the sale and purchase agreement dated 4 May 2017 entered into between the Company and THSB supplemented by the supplemental letter dated 26 October 2017; and

- (c) the rights to operate and maintain a 5-storey limited-service hotel comprising 218 rooms known as “**Tune Hotel KLIA Aeropolis**”, located at a portion of land measuring approximately 4,046.9 square meters identified as Lot PT No. 29, Jalan KLIA S4, 64000 Sepang, Selangor together with an existing tenancy for a purchase consideration of RM926,000 to be satisfied entirely in cash, upon the terms and conditions set out in the sale and purchase agreement dated 4 May 2017 entered into between the Company and THSB supplemented by a supplemental letter dated 26 October 2017.

THAT approval be given to the Company to issue and allot the Tune Hotel Penang Consideration Shares at the Issue Price, and specifically to the following directors of the Company:

Name	Tune Hotel Penang Consideration Shares
Dato’ Seri Kalimullah bin Masheerul Hassan	4,485,112
Lim Kian Onn	4,503,612

THAT the Tune Hotel Penang Consideration Shares shall, upon allotment and issue, rank equally in all respects with the existing Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions unless the allotment of the Tune Hotel Penang Consideration Shares were made on or prior to the entitlement date of such dividends, rights, allotments and/or other distributions.

AND THAT the Board be and is hereby authorised to do all acts, deeds, things and execute all necessary documents as the Board may consider necessary or expedient, and to take all such necessary steps to give effect to the Proposed Tune Hotels Acquisitions with full powers to consent to and to adopt such conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities in respect of the Proposed Tune Hotels Acquisitions or as the Board may deem necessary or expedient, and to deal with all such matters and to take such steps and do all acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect to the Proposed Tune Hotels Acquisitions in the interest of the Company.”

ORDINARY RESOLUTION 3

PROPOSED COLLABORATION IN RESPECT OF THE “TUNE HOTELS.COM” FRANCHISE BETWEEN THE COMPANY AND TUNE HOTELS.COM (BVI) LIMITED (“TH (BRANDCO)”) IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE COLLABORATION AGREEMENT DATED 4 MAY 2017 (“PROPOSED COLLABORATION”)

“**THAT** subject to the passing of Ordinary Resolution 1, approval be and is hereby given to the Company to collaborate with TH (Brandco), the owner and franchisor of the “Tune Hotels.Com” brand and franchise, for the Company to further enhance, promote and develop new franchisees of the “Tune Hotels.Com” brand after the completion of the Proposed Acquisitions from TPRE, upon the terms and conditions set out in the collaboration agreement dated 4 May 2017 entered into between the Company and TH (Brandco).

AND THAT the Board be and is hereby authorised to do all acts, deeds, things and execute all necessary documents as the Board may consider necessary or expedient, and to take all such necessary steps to give effect to the Proposed Collaboration with full powers to consent to and to adopt such conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities in respect of the Proposed Collaboration or as the Board may deem necessary or expedient, and to deal with all such matters and to take such steps and do all acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect to the Proposed Collaboration in the interest of the Company.”

ORDINARY RESOLUTION 4

PROPOSED DISPOSAL OF THE EAST WING AND CENTRE WING OF BANGUNAN ECM LIBRA BY THE COMPANY TO NOBLEMEN HOLDINGS SDN BHD (“NOBLEMEN”) IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE SALE AND PURCHASE AGREEMENT DATED 4 MAY 2017 SUPPLEMENTED BY THE SUPPLEMENTAL LETTER DATED 26 OCTOBER 2017 (“PROPOSED BANGUNAN ECM LIBRA DISPOSAL”) AND PROPOSED DISPOSAL OF THE SEMI-D PROPERTY (AS DEFINED HEREIN) BY THE COMPANY TO NOBLEMEN IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE SALE AND PURCHASE AGREEMENT DATED 4 MAY 2017 SUPPLEMENTED BY THE SUPPLEMENTAL LETTER DATED 26 OCTOBER 2017 (“PROPOSED SEMI-D DISPOSAL”)

“THAT subject to the passing of Ordinary Resolution 1, and all the requisite consents/approvals of the relevant authorities and/or parties being obtained, approval be and is hereby given to the Company to dispose of:

- (i) part of the Bangunan ECM Libra comprising the east wing measuring 21,907.0 square feet of gross floor area and the centre wing measuring 26,443.0 square feet of gross floor area, erected on a piece of land measuring approximately 4,218.3 square meters (or approximately 45,405.5 square feet) held under Geran No. 26884, Lot 8931, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, together with existing tenancies for a disposal consideration of RM24,000,000, upon the terms and conditions set out in the sale and purchase agreement dated 4 May 2017 entered into between the Company and Noblemen supplemented by the supplemental letter dated 26 October 2017; and
- (ii) a semi-detached residential property erected on a piece of land measuring approximately 577.0 square meters (or approximately 6,210.8 square feet) held under Geran No. 78441, Lot 13115, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur (**“Semi-D Property”**) for a disposal consideration of RM4,000,000, upon the terms and conditions set out in the sale and purchase agreement dated 4 May 2017 entered into between the Company and Noblemen supplemented by the supplemental letter dated 26 October 2017.

THAT subject to the Proposed Bangunan ECM Libra Disposal and Proposed Semi-D Disposal becoming unconditional, approval be and is hereby given to the Board to utilise the proceeds from the disposal of RM28,000,000 to partially fund and implement the special cash dividend of an amount which will result in the Company's net asset being adjusted to approximately RM103.2 million or about RM0.36 per Share.

AND THAT the Board be and is hereby authorised to do all acts, deeds, things and execute all necessary documents as the Board may consider necessary or expedient, and to take all such necessary steps to give effect to the Proposed Bangunan ECM Libra Disposal and Proposed Semi-D Disposal with full powers to consent to and to adopt such conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities in respect of the Proposed Bangunan ECM Libra Disposal and Proposed Semi-D Disposal or as the Board may deem necessary or expedient, and to deal with all such matters and to take such steps and do all acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect to the Proposed Bangunan ECM Libra Disposal and Proposed Semi-D Disposal in the interest of the Company.”

ORDINARY RESOLUTION 5

PROPOSED DIVERSIFICATION OF THE EXISTING PRINCIPAL ACTIVITIES OF ECMLFG AND ITS SUBSIDIARIES (“ECMLFG GROUP”) TO INCLUDE THE BUSINESS OF HOTEL OWNERSHIP AND MANAGEMENT (“PROPOSED DIVERSIFICATION”)

“THAT subject to the passing of Ordinary Resolution 1, approval be and is hereby given to the Company to diversify the existing business activities of ECMLFG Group which consist of general investments, management of unit trust funds and asset management, structured lending and financial-related services to include the business of hotel ownership and management upon completion of the Proposed Acquisitions from TPRE and, where applicable, the Proposed Tune Hotels Acquisitions pursuant to paragraph 10.13(1) of the Listing Requirements.

AND THAT the Board be and is hereby authorised to do all acts, deeds, things and execute all necessary documents as the Board may consider necessary or expedient, and to take all such necessary steps to give effect to the Proposed Diversification with full powers to consent to and to adopt such conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities in respect of the Proposed Diversification or as the Board may deem necessary or expedient, and to deal with all such matters and to take such steps and do all acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect to the Proposed Diversification in the interest of the Company.”

BY ORDER OF THE BOARD

CHAN SOON LEE
NG CHEONG SENG
Company Secretaries

Kuala Lumpur
27 November 2017

Notes:

- (1) *In respect of deposited securities, only members whose names appear in the Record of Depositors on 4 December 2017 shall be eligible to attend, speak and vote at the Extraordinary General Meeting (“EGM”).*
- (2) *A member entitled to attend and vote at the EGM is entitled to appoint not more than 2 proxies to attend and vote in his stead. A proxy may but does not need to be a member of the Company. Where a member appoints 2 proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy. A proxy appointed to attend and vote at the EGM shall have the same rights as the member to speak at the EGM. Notwithstanding this, a member entitled to attend and vote at the EGM is entitled to appoint any person as his proxy to attend and vote instead of the member at the EGM. There shall be no restriction as to the qualifications of the proxy.*
- (3) *In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.*
- (4) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account (“Omnibus Account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. Where an exempt authorised nominee appoints more than 1 proxy to attend and vote at the EGM, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, failing which, the appointment shall be invalid.*
- (5) *The instrument appointing a proxy must be deposited at the Company’s Registered Office at 2nd Floor, West Wing, Bangunan ECM Libra, 8 Jalan Damansara Endah, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time for holding the EGM or at any adjournment thereof.*
- (6) *By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms pursuant to the Personal Data Protection Act 2010 set out below:*

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company or its Share Registrar for the purpose of the processing and administration of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company or its Share Registrar to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company or its Share Registrar, the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company or its Share Registrar of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

**ECM LIBRA FINANCIAL GROUP BERHAD**

(Company No. 713570-K)

(Incorporated in Malaysia)

FORM OF PROXY

I/We _____ (NRIC No./Co. No.) _____

of _____ being a member/members

of ECM Libra Financial Group Berhad hereby appoint _____

(NRIC No.) _____ of _____

or failing him/her _____ (NRIC No.) _____

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 Ground Floor, East Wing, Bangunan ECM Libra, 8 Jalan Damansara Endah, Damansara Heights, 50490 Kuala Lumpur on Tuesday, 12 December 2017 at 2.30 p.m. and at any adjournment thereof, as the case may be, on the following resolutions referred to in the notice of EGM:

	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	PROPOSED ACQUISITIONS FROM TPRE		
2.	PROPOSED TUNE HOTELS ACQUISITIONS		
3.	PROPOSED COLLABORATION		
4.	PROPOSED BANGUNAN ECM LIBRA DISPOSAL AND PROPOSED SEMI-D DISPOSAL		
5.	PROPOSED DIVERSIFICATION		

(Please indicate with an "X" in the appropriate box against the resolution how you wish your proxy to vote. If no instruction is given, this form will be taken to authorise the proxy to vote at his/her discretion.)

Dated this _____ day of _____ 2017

Number of shares held

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:		
	No. of shares	Percentage
Proxy 1		
Proxy 2		
Total		100%

Signature(s) / Common
Seal of Member(s)



Notes:

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 4 December 2017 shall be eligible to attend, speak and vote at the EGM.*
2. *A member entitled to attend and vote at the EGM is entitled to appoint not more than 2 proxies to attend and vote in his stead. A proxy may but does not need to be a member of the Company. Where a member appoints 2 proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy. A proxy appointed to attend and vote at the EGM shall have the same rights as the member to speak at the EGM. Notwithstanding this, a member entitled to attend and vote at the EGM is entitled to appoint any person as his proxy to attend and vote instead of the member at the EGM. There shall be no restriction as to the qualifications of the proxy.*
3. *In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.*
4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. Where an exempt authorised nominee appoints more than 1 proxy to attend and vote at the EGM, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, failing which, the appointment shall be invalid.*
5. *The instrument appointing a proxy must be deposited at the Company's Registered Office at 2nd Floor, West Wing, Bangunan ECM Libra, 8 Jalan Damansara Endah, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time for holding the EGM or at any adjournment thereof.*
6. *By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms pursuant to the Personal Data Protection Act 2010 set out below:*

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company or its Share Registrar for the purpose of the processing and administration of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company or its Share Registrar to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company or its Share Registrar, the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company or its Share Registrar of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretary
ECM LIBRA FINANCIAL GROUP BERHAD
2nd Floor, West Wing, Bangunan ECM Libra
8 Jalan Damansara Endah
Damansara Heights
50490 Kuala Lumpur

1st fold here

