

ECM LIBRA AVENUE BERHAD (Company No. 713570-K)
(formerly known as Avenue International Capital Berhad)

Unaudited Condensed Consolidated Income Statements for the Fourth Quarter Ended 31 January 2007

	3 months ended		12 months ended	
	31.01.2007	31.01.2006	31.01.2007	31.01.2006
	RM'000	RM'000	RM'000	RM'000
Revenue	41,488	16,237	120,885	77,981
Other operating income	1,667	8,906	13,877	22,683
Staff costs	(11,244)	(13,947)	(36,453)	(27,711)
Depreciation of property, plant and equipment	(1,336)	(1,041)	(6,216)	(3,987)
Other operating expenses	(20,866)	(3,136)	(70,826)	(33,716)
Profit from operations	9,709	7,019	21,267	35,250
Rationalisation expenses	-	-	(17,385)	-
Share of profit/(loss) of associate companies	6,151	18,067	6,074	22,279
Impairment loss on investments	-	(18,182)	-	(18,182)
Gain/ (Loss) on investments	(888)	1,960	13,160	15,272
Finance costs	(2,003)	(139)	(3,740)	(139)
Profit before tax	12,969	8,725	19,376	54,480
Income tax	3,077	171	1,825	(1,671)
Net profit for the period/year	16,046	8,896	21,201	52,809
Earnings per share ("EPS") :	Sen	Sen	Sen	Sen
- basic / diluted *	1.93	1.27	2.72	7.51

* Diluted EPS is the same as the basic EPS as the Company does not have any dilutive potential ordinary shares in issue presently.

The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the audited consolidated financial statements for the year ended 31 January 2006 of Avenue Capital Resources Berhad ("ACRB").

The Unaudited Condensed Consolidated Income Statements for the Group has been prepared using the merger principles of accounting method with the ACRB group and as such, the results of the Group has been stated as if ACRB group have been combined with the Company throughout the current and previous accounting periods. The comparative figures are that of ACRB group's, adjusted for the effects arising from the merger principles of accounting.

ECM LIBRA AVENUE BERHAD (Company No. 713570-K)
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Unaudited Condensed Consolidated Balance Sheet As At 31 January 2007

	31.1.2007	Adjusted *
	RM'000	31.1.2006 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	57,984	53,905
Investment in associate companies	46,845	318,173
Other investments	15,081	69,772
Goodwill on consolidation	232,000	-
Deferred tax assets	5,000	-
	<u>356,910</u>	<u>441,850</u>
Current Assets		
Marketable securities	208,686	99,435
Trade receivables	564,572	303,311
Loan receivables	15,285	-
Other receivables and prepaid expenses	31,723	29,283
Fixed deposits, cash and bank balances	286,286	242,953
	<u>1,106,552</u>	<u>674,982</u>
TOTAL ASSETS	<u>1,463,462</u>	<u>1,116,832</u>
EQUITY AND LIABILITIES		
Equity attributable to shareholders of the Company		
Share capital	830,902	703,027
Loan stocks	-	-
Reserves	31,894	18,027
Treasury shares	-	(1)
	<u>862,796</u>	<u>721,053</u>
Non-Current Liabilities		
Deferred tax liabilities	433	117
Provision for retirement benefit	-	-
	<u>433</u>	<u>117</u>
Current Liabilities		
Borrowings	100,000	30,000
Trade payables	419,743	316,366
Other payables and accrued expenses	78,978	48,998
Tax liabilities	1,512	298
	<u>600,233</u>	<u>395,662</u>
TOTAL EQUITY AND LIABILITIES	<u>1,463,462</u>	<u>1,116,832</u>
Net Assets per Share (RM)	1.04	1.03

* The Adjusted Unaudited Consolidated Balance Sheet of the Group as at 31 January 2006 was derived from the audited financial statements of ACRB as at 31 January 2006 and adjusted for the merger principles of accounting (see Note 1 below).

The Unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the audited consolidated financial statements for the year ended 31 January 2006 of ACRB.

ECM LIBRA AVENUE BERHAD (Company No. 713570-K)
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Unaudited Condensed Consolidated Statement of Changes in Equity for the Financial Year Ended 31 January 2007

	Share capital	Non-distributable reserve Other reserves	Translation reserve	Distributable reserves Unappropriated profit	Total
	RM '000	RM '000	RM '000	RM '000	RM '000
Balance as at 1 February 2006 (as reflected in the adjusted financial statements)*	703,027	202,732	-	(184,705)	721,054
Share capital cancelled pursuant to distribution of assets in specie	(314,125)		-	-	(314,125)
Arising from acquisition of subsidiaries	442,000	325	-	-	442,325
Arising from disposal of a subsidiary company	-	78,140	-	(78,140)	-
Capital reduction by ACRB	-	(254,022)	-	254,022	-
Net profit for the financial period	-	-	-	21,201	21,201
Dividends paid	-	-	-	(5,612)	(5,612)
Currency translation differences	-	-	(2,047)	-	(2,047)
Balance as at 31 January 2007	830,902	27,175	(2,047)	6,766	862,796

* The adjusted balance as at 1 February 2006 was derived from the audited financial statements of ACRB as at 31 January 2006 and adjusted for the merger principles of accounting (see Note 1)

ECM LIBRA AVENUE BERHAD (Company No. 713570-K)
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Unaudited Condensed Consolidated Statement of Changes in Equity for the Financial Year Ended 31 January 2007 (Continued)

	Non-distributable reserve		Translation reserve	Distributable reserves	Total
	Share capital	Other reserves		Unappropriated profit/ (Accumulated loss)	
	RM '000	RM '000	RM '000	RM '000	RM '000
Adjusted balance as at 1 February 2005 *	703,027	202,732		(231,902)	673,857
Net profit for the financial period	-	-	-	52,809	52,809
Dividends	-	-	-	(5,612)	(5,612)
Balance as at 31 January 2006	<u>703,027</u>	<u>202,732</u>	-	<u>(184,705)</u>	<u>721,054</u>

* The adjusted balance as at 1 February 2005 was derived from the audited financial statements of ACRB as at 31 January 2005 and adjusted for the merger principles of accounting (see Note 1)

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited consolidated financial statements for the year ended 31 January 2006 of ACRB.

ECM LIBRA AVENUE BERHAD (Company No. 713570-K)
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Unaudited Condensed Consolidated Cash Flow Statement for the Financial Year Ended 31 January 2007

	12 months ended	
	31 January 2007 RM'000	31 January 2006 RM'000
Cash Flows From / (Used In) Operating Activities		
Profit before tax	19,376	54,480
Adjustment for non-cash items	12,069	(21,545)
Operating profit before working capital changes	<u>31,445</u>	<u>32,935</u>
Net (increase) / decrease in current assets	(369,613)	(6,034)
Net increase / (decrease) in current liabilities	131,303	(109,920)
Net cash used in operations	<u>(206,865)</u>	<u>(83,019)</u>
Net tax paid	(2,066)	(1,974)
Net cash used in operating activities	<u>(208,931)</u>	<u>(84,993)</u>
Cash flows from / (used in) investing activities		
Net (addition to) / proceeds from disposal of other investments	(71,738)	49,816
Net cash outflow from disposal of subsidiary companies	(255)	(3,256)
Net cash inflow from acquisition of subsidiary companies	80,909	-
Net addition to property, plant and equipment	(1,951)	(4,889)
Dividend income	-	7,245
Net cash outflow from investment in associated company	-	(30)
Net cash from investing activities	<u>150,441</u>	<u>48,886</u>
Cash flows from / (used in) financing activities		
Dividend paid	(5,612)	(5,612)
Drawdown of short term borrowings	10,000	30,000
Interest paid	(3,740)	(139)
Net cash inflow financing activities	<u>648</u>	<u>24,249</u>
Net decrease in cash and cash equivalents	(57,842)	(11,858)
Effects of exchange rate changes	(368)	-
Cash and cash equivalents at beginning of year	145,586	157,444
Cash and cash equivalents at end of year	<u>88,112</u>	<u>145,586</u>

Cash and cash equivalents included in the cash flow statement comprise the following Balance Sheet amounts:

	RM'000	RM'000
Short term funds	286,285	242,953
Less: Monies held in trust	(198,174)	(97,367)
	<u>88,112</u>	<u>145,586</u>

The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited consolidated financial statements for the year ended 31 January 2006 of ACRB.

Part A: Explanatory Notes Pursuant To Financial Reporting Standards (“FRS”) 134

1. Basis of Preparation

This unaudited quarterly report has been prepared in accordance with FRS 134 “Interim Financial Reporting” and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The Company became the new holding company of Avenue Capital Resources Berhad (“ACRB”) Group and assumed the listing status of ACRB pursuant to the ACRB Reorganisation, which was completed during the current financial year under review. The transaction has been accounted for using the merger principles of accounting. In accordance with the merger principles of accounting, the results and the financial position of the Group has been stated as if the subsidiaries and businesses of the ACRB Group have been combined with the Company throughout the current and previous accounting periods. Accordingly, the comparative financial statements of the Group relate to those of the previous ACRB Group and adjusted for the effects arising from the merger principles of accounting. As such, the interim financial statements should be read in conjunction with the audited financial statements for the period ended 31 January 2006 (“Financial Statements 2006”) of ACRB.

In addition, during the current financial year, the Company also completed the acquisition of the operating subsidiaries of ECM Libra Berhad (“ECM Libra”). This acquisition was accounted for using the purchase method.

The accounting policies and methods of computation adopted in this interim financial report are consistent with those adopted in the preparation of the Financial Statements 2006, except for the adoption of the following new and revised FRS issued by Malaysia Accounting Standard Board (“MASB”) that are effective for financial statements commencing 1 January 2006:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 140	Investment Property

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The adoption of the above new FRS does not have any significant financial impact on the results of the Group except for the principal effects of the changes in accounting policies resulting from the adoption of FRS 101 as disclosed below:-

FRS 101: Presentation of Financial Statements

The adoption of the revised FRS 101 requires new presentation of financial statements. In the consolidated income statement, share of profit of associated companies is presented net of tax. The current quarter's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

2. Audit Report of Preceding Annual Financial Statements

The auditors' reports on the Financial Statements 2006 of the Company and ACRB were not subjected to any qualification.

3. Seasonality and Cyclicity Factors

The operations of the Group were not materially affected either by seasonal or cyclical factors.

4. Exceptional Items/Unusual Events

During the financial year ended 31 January 2007, the Group undertook a rationalisation exercise, including a voluntary separation scheme for its employees and integration of offices, to lower its operating cost and improve efficiency. The total cost of the rationalisation exercise amounted to RM17.4 million.

Other than the above there was no unusual item affecting assets, liabilities, equity, net income, or cash flows during the financial quarter and financial year ended 31 January 2007.

5. Variation from Financial Estimates Reported in Preceding Financial Period/Year

There were no changes in estimates of amounts reported in the preceding financial period that would have a material effect in the current quarter results.

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6. Debt and Equity Securities

The movements on the issued and paid-up ordinary share capital of the Company and the Group during the current year are as follows:

Company

	RM'000
As at 1 February 2006	*
Shares issued for the exchange of securities in ACRB pursuant to the ACRB Reorganisation	849,128
Share capital cancelled pursuant to a distribution of assets in specie	(314,125)
Share capital cancelled pursuant to ACRB Reorganisation	<u>(146,101)</u>
	388,902
Shares issued pursuant to the acquisition of the operating subsidiaries of ECM Libra	<u>442,000</u>
As at 31 January 2007	<u><u>830,902</u></u>

* RM2.00

Group

	RM'000
Adjusted balance as at 1 February 2006# (as reported in the unaudited consolidated statement of changes in equity)	703,027
Share capital issued pursuant to the acquisition of the operating subsidiaries of ECM Libra	442,000
Share capital cancelled pursuant to a distribution of assets in specie	<u>(314,125)</u>
As at 31 January 2007	<u>830,902</u>

The adjusted balance as at 1 February 2006 was derived from the audited financial statements of ACRB as at 31 January 2006 and adjusted for the merger principles of accounting (see Note 1 above)

Other than the above, there was no other issuance, cancellation, repurchase, resale and repayment of either debt or equity securities during the financial quarter and financial year ended 31 January 2007.

7. Dividend Paid

There was no dividend paid during the quarter ended 31 January 2007.

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8. Segmental Reporting

Segmental revenue and results for the financial year ended 31 January 2007 are as follows:

	Financial services RM'000	Investment holding RM'000	Group Eliminations RM'000	Total RM'000
Revenue				
External sales	119,307	19,725	(18,147)	120,885
Inter-segment sales	-	-	-	-
Total revenue	<u>119,307</u>	<u>19,725</u>	<u>(18,147)</u>	<u>120,885</u>
Results				
Profit from operations	<u>20,728</u>	<u>18,686</u>	<u>(18,147)</u>	21,267
Gain on disposal of investments				13,160
Rationalisation expenses				(17,385)
Finance costs				(3,740)
Share of results of associate companies				<u>6,074</u>
Profit before tax				19,376
Income tax				<u>1,825</u>
Profit after tax				<u>21,201</u>
Other information				
Depreciation	<u>6,017</u>	<u>199</u>	<u>-</u>	<u>6,216</u>

The primary basis of segment reporting of the Group is according to business segments as the Group operates principally in Malaysia.

9. Valuation of Property, Plant and Equipment

The valuations of property, plant and equipment and investment properties have been brought forward without amendment from the Financial Statements 2006 of ACRB.

10. Material Subsequent Event

Other than the disposal of its entire 40% equity interest in Muamalat Avenue Sdn Bhd ("MuAV") on 15 March 2007, which is detailed in Note 13 Part B, there are no other materials events subsequent to the end of the financial year ended 31 January 2007 that have not been reflected in the financial statements for the said period as at the date of this report.

11. Changes in the Composition of the Group

(a) ACRB Reorganisation

- (i) On 16 June 2006, the Company completed the ACRB Reorganisation wherein the Company became the new holding company of ACRB Group. The Company also assumed the listing status of ACRB on the Main Board of Bursa Securities on 28 June 2006;
- (ii) On 16 June 2006, Pos Malaysia & Services Holdings Bhd (“PSH”) ceased to be an associate of the Company pursuant to the distribution of assets in specie comprising all the shares held by the Company in PSH;

(b) Acquisition of the operating subsidiaries of ECM Libra

On 16 June 2006, the Company completed the acquisitions of the entire equity interests in the following operating subsidiaries of ECM Libra in consideration of the allotment and issuance of 442.0 million new ordinary shares of RM1.00 each in the Company credited as fully paid-up at RM1.00 each to ECM Libra:-

- (i) ECM Libra Securities Sdn Bhd;
- (ii) ECM Libra Capital Sdn Bhd;
- (iii) ECM Libra Partners Sdn Bhd;
- (iv) ECM Libra Capital Markets Sdn Bhd; and
- (v) ECM Libra Holdings Limited

(c) Dissolution of Pentaville Investments Ltd

On 17 July 2006, Pentaville Investments Ltd, a dormant subsidiary of the Company was dissolved.

(d) Disposal of MuAV

The Company completed the disposal of its entire 40% equity interest in MuAV on 15 March 2007, details of the disposal are set out in Note 13 Part B.

Other than as disclosed above, there are no changes in the composition of the Group during the financial year ended 31 January 2007.

12. Changes in Contingent Liabilities/Assets

There were no material changes in contingent liabilities or assets since the last audited balance sheet date.

13. Capital Commitments

As at 31 January 2007, the Group has commitments in respect of capital expenditure as follows: -

	RM'000
Authorised but not contracted for	128

Part B – Additional Information Required by the Listing Requirements of Bursa Securities

14. Status of Corporate Proposals Announced

On 19 May 2005, ACRB announced the establishment by the company of a scheme for the grant of options to directors and eligible employees of the Group (“ESOS”). The ESOS has been approved by the authorities and the shareholders and is currently pending implementation.

On 18 December 2006, the Company entered into a conditional share sale agreement with Bank Muamalat Malaysia Berhad for the disposal of its entire 40% equity interest held in an associate company, MuAV, for RM4.42 million. The said disposal was completed on 15 March 2007.

Other than the above, there were no other corporate proposals announced but not completed at the date of this report.

15. Performance Review on the Results of the Group for the Current Financial Quarter and Financial Year

The Group’s revenue for the current quarter under review increased to RM41.49 million from RM16.23 million in the preceding year’s corresponding quarter. This is mainly due to higher revenue from the Group’s stockbroking business in tandem with the significantly higher trading volume and market values on Bursa Securities. Accordingly, profit before tax for the financial quarter increased to RM12.97 million from RM8.73 million recorded in the preceding year’s corresponding quarter mainly due to higher net brokerage income.

The Group registered total revenue of RM120.88 million for the year-ended 31 January 2007 as compared to RM77.98 million in the previous corresponding period. The higher revenue arose from increased brokerage income and placement fees for the final quarter. Operating cost for the year increased to RM70.83 million from RM33.72 million due mainly to higher combined costs of the merged entity. The Group recorded a profit before tax of RM19.38 million for the year against RM54.48 million in the previous financial year. The decrease arose from rationalisation expenses of RM17.40 million and higher operating cost for the current financial year.

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16. Review of Performance of Current Financial Quarter against Preceding Financial Quarter

	Current Quarter 31 January 2007 RM'000	Preceding Quarter 31 October 2006 RM'000	Variance RM'000
Profit/ (Loss) before tax	12,969	(15,130)	28,099
Taxation	3,077	44	38,033
Profit/ (Loss) after tax	<u>16,046</u>	<u>(15,086)</u>	<u>66,132</u>

For the financial quarter under review, the Group recorded revenue of RM41.48 million and profit before tax of RM12.96 million compared to revenue of RM30.37 million and loss before tax of RM15.13 million in the preceding quarter. The preceding quarter's result was affected by rationalisation expenses of RM17.40 million incurred in the quarter. The improved result for the current quarter is mainly due to higher income from the stockbroking division.

17. Company's Prospects

The Group is continuing its streamlining and rationalising exercise since the completion of the merger. The strength of the merged entity, in tandem with the expectation for the improving Malaysia economy and market sentiment of Bursa Securities, barring unforeseen circumstances, provides an opportunity for the Group to perform better for the forthcoming financial year.

The Group's stockbroking subsidiary, ECM Libra Avenue Securities Sdn Bhd (formerly known as Avenue Securities Sdn Bhd) ("ELAS") is awaiting the approval of the authorities for the granting of an investment banking licence. With the transformation of ELAS into an investment bank, the Group would be able to offer a more comprehensive range of investment banking activities, including deposits taking.

18. Profit Forecast

The Group has not entered into any scheme that requires it to present forecast results or guarantee any profits.

19. Taxation

	Quarter ended		Year-to-date	
	31.01.2007 RM'000	31.01.2006 RM'000	31.01.2007 RM'000	31.01.2006 RM'000
Current year income tax	(2,395)	215	(3,620)	(1,623)
Over provision in respect of prior years	445	(25)	445	(15)
Deferred taxation	5,027	(19)	5,000	(33)
	<u>3,077</u>	<u>171</u>	<u>1,825</u>	<u>(1,671)</u>

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The effective tax rate of the Group is lower than the statutory tax rate for the quarter and financial period to date mainly due to utilisation of unabsorbed tax losses. In addition, there is no tax effect arising from the gain on disposal of investments as it is capital in nature.

20. Sale of Unquoted Investments and Properties

There was no sale of unquoted investments and properties during the financial quarter under review and the financial year ended 31 January 2007 other than those held by the stockbroking subsidiaries in their ordinary course of business.

21. Quoted Securities

The particulars of the purchase and disposal of quoted securities of the Group are as follows: -

- a) Total purchases and disposal of quoted securities and profit/loss, other than those arising from the ordinary course of business by the stockbroking and offshore investment bank subsidiaries, for the current financial year-to-date are as follows:-

	Quarter ended 31.01.2007 RM'000	Year-to-date 31.01.2007 RM'000
Total purchases	-	-
Total sales proceeds	-	48,483
Total profit on disposals	-	2,314

- b) There are no investments in quoted securities as at 31 January 2007, other than those held by the stockbroking and offshore investment bank subsidiaries in their ordinary course of business.

22. Group Borrowings

Total borrowings and debt securities of the Group as at 31 January 2007 were as follows:

Unsecured short term borrowings	RM'000 <u>100,000</u>
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23. Off Balance Sheet Financial Instruments

There are no financial instruments with material off balance sheet risk as at the date of this report.

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24. **Material Litigations**

There is no pending material litigation for the Group as at the date of this report.

25. **Dividend**

A final dividend of 1 sen per share less income tax of 27% has been proposed for the current quarter.

- (i) Amount per share : 1 sen per share less 27% taxation)
- (ii) Previous corresponding quarter: Nil
- (iii) Entitlement date: To be advised
- (iv) Payment date: To be advised

The total dividend of the current financial year (amount per share): 1 sen less tax at 27%

26. **Earnings Per Share**

	Quarter ended		Year-to-date	
	31.01.2007	31.01.2006	31.01.2007	31.01.2006
Basic earnings per share:				
Net (loss)/ profit (RM'000)	<u>16,046</u>	<u>8,896</u>	<u>21,201</u>	<u>52,809</u>
Weighted average number of ordinary shares in issue ('000)	<u>830,902</u>	<u>703,027</u>	<u>779,402</u>	<u>703,027</u>
Basic earnings per share (sen)	<u>1.93</u>	<u>1.27</u>	<u>2.72</u>	<u>7.51</u>

The basic earnings per ordinary share is calculated by dividing the net profit for the quarter/year by the weighted average number of ordinary shares in issue during the quarter/year.

The diluted earnings per share is the same as basic earnings per share as the Company does not have any dilutive potential ordinary shares in issue presently.

Dated: 30 March 2007