

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

**Unaudited Condensed Consolidated Income Statements for the Second Quarter Ended 31 July 2007**

	Current/ Corresponding quarter ended		Year to date	
	31.07.2007 RM'000	31.07.2006 RM'000	31.07.2007 RM'000	31.07.2006 RM'000
Revenue	<b>45,710</b>	28,540	<b>106,056</b>	49,025
Other operating income	<b>16,230</b>	9,598	<b>27,599</b>	21,348
Staff costs	<b>(10,663)</b>	(9,896)	<b>(19,888)</b>	(16,188)
Depreciation of property, plant and equipment	<b>(1,474)</b>	(2,048)	<b>(2,961)</b>	(3,050)
Other operating expenses	<b>(25,661)</b>	(19,353)	<b>(54,698)</b>	(28,895)
Profit from operations	<b>24,142</b>	6,841	<b>56,108</b>	22,240
Share of profit of associate companies	<b>531</b>	213	<b>1,241</b>	141
Finance costs	<b>(747)</b>	(790)	<b>(1,486)</b>	(844)
Profit before tax	<b>23,926</b>	6,264	<b>55,863</b>	21,537
Income tax	<b>(721)</b>	(687)	<b>(1,647)</b>	(1,296)
Net profit for the period/year	<b>23,205</b>	5,577	<b>54,216</b>	20,241
Earnings per share ("EPS") :	<b>Sen</b>	Sen	<b>Sen</b>	Sen
- basic / diluted *	<b>2.79</b>	0.77	<b>6.52</b>	2.79

\* 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 2007 of the Company.

The Unaudited Condensed Consolidated Income Statements for the Group has been prepared using the merger principles of accounting method with the Avenue Capital Resources Berhad ("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.

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**Unaudited Condensed Consolidated Balance Sheet As At 31 July 2007**

	<b>31.7.2007</b>	31.1.2007
	<b>RM'000</b>	RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	<b>56,317</b>	57,988
Investment in associate companies	<b>43,637</b>	46,389
Other investments	<b>13,518</b>	14,019
Goodwill on consolidation	<b>232,000</b>	232,000
Investment properties	<b>672</b>	1,020
Deferred tax assets	<b>5,000</b>	5,000
	<b>351,144</b>	356,416
<b>Current Assets</b>		
Inventories	<b>107</b>	1,016
Marketable securities	<b>132,979</b>	207,670
Trade receivables	<b>740,377</b>	1,027,865
Loan receivables	<b>14,577</b>	15,284
Other receivables and prepaid expenses	<b>27,261</b>	32,632
Fixed deposits, cash and bank balances	<b>470,151</b>	279,970
	<b>1,385,452</b>	1,564,437
<b>TOTAL ASSETS</b>	<b>1,736,596</b>	1,920,853
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to shareholders of the Company		
Share capital	<b>830,902</b>	830,902
Reserves	<b>77,772</b>	30,396
	<b>908,674</b>	861,298
<b>Non-Current Liabilities</b>		
Deferred tax liabilities	<b>199</b>	433
Hire purchase payable	<b>611</b>	-
<b>Current Liabilities</b>		
Borrowings	<b>40,000</b>	100,000
Trade payables	<b>721,177</b>	872,907
Other payables and accrued expenses	<b>64,195</b>	84,697
Tax liabilities	<b>1,740</b>	1,518
	<b>827,112</b>	1,059,122
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,736,596</b>	1,920,853
Net Assets per Share (RM)	<b>1.09</b>	1.04

The Unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the audited consolidated financial statements for the year ended 31 January 2007 of the Company.

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

	Non-distributable reserve		Distributable reserves		Total
	Share capital	Other reserves	Translation reserve	Unappropriated profit	
	RM '000	RM '000	RM '000	RM '000	RM '000
Balance as at 1 February 2007	830,902	26,720	(2,047)	5,723	861,298
Net profit for the financial period	-	-	-	54,216	54,216
Dividends	-	-	-	(6,066)	(6,066)
Currency translation differences	-	-	(774)	-	(774)
<b>Balance as at 31 July 2007</b>	<b>830,902</b>	<b>26,720</b>	<b>(2,821)</b>	<b>53,873</b>	<b>908,674</b>

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 January 2007 of the Company.

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

	Non-distributable reserve			Translation reserve	Distributable reserves		Total
	Share capital	Other reserves	Translation reserve		Unappropriated profit/loss	RM '000	
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Adjusted balance as at 1 February 2006 *	703,027	202,732	-	(184,705)		721,054	
Share capital cancelled pursuant to distribution of asset in specie	(314,125)	-	-	-	-	(314,125)	
Arising from acquisition of subsidiaries	442,000	-	-	-	-	442,000	
Arising from disposal of subsidiaries	-	7,985	-	23		8,008	
Net profit for the financial period	-	-	-	20,241		20,241	
Dividends	-	-	-	(5,612)		(5,612)	
Currency translation differences	-	-	399	-		399	
Balance as at 31 July 2006	830,902	210,717	399	(170,053)		871,965	

\* 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)

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 January 2007 of the Company.

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

	6 months ended	
	31 July 2007 RM'000	31 July 2006 RM'000
<b>Cash Flows From / (Used In) Operating Activities</b>		
Profit before tax	55,863	21,170
Adjustment for non-cash items	(14,568)	(12,969)
Operating profit before working capital changes	41,295	8,201
Net decrease/ (increase) in current assets	294,443	62,166
Net (decrease)/ increase in current liabilities	(191,467)	(51,824)
Net cash generate/ (used) in operations	144,271	18,543
Net tax paid	(988)	(1,234)
Net cash generate/ (used) in operating activities	143,283	17,309
<b>Cash flows from / (used in) investing activities</b>		
Net proceeds from marketable securities and other investments	92,944	6,086
Net cash outflow from disposal of subsidiary companies	-	(256)
Net cash inflow from acquisition of subsidiaries companies	-	103,836
Net addition to property, plant and equipment	(1,345)	(83)
Net cash inflow from disposal of associated company	4,417	-
Net cash from investing activities	96,016	109,583
<b>Cash flows from / (used in) financing activities</b>		
Dividend paid	(6,066)	(5,612)
(Repayment) / drawdown of short term borrowings	(60,000)	15,137
Interest paid	(1,486)	(845)
Net cash outflow financing activities	(67,552)	8,680
<b>Net increase in cash and cash equivalents</b>	171,747	135,572
<b>Effects of exchange rate changes</b>	(774)	401
<b>Cash and cash equivalents at beginning of period</b>	167,473	145,586
<b>Cash and cash equivalents at end of period</b>	338,446	281,559

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

	RM'000	RM'000
Short term funds	470,151	366,723
Less: Monies held in trust	(131,705)	(85,164)
	338,446	281,559

The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited consolidated financial statements for the year ended 31 January 2007 of the Company.

**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 last financial year. The transaction has been accounted for using the merger principles of accounting. In accordance with the merger principles of accounting, the results and 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 merger principles of accounting. The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 January 2007 (“Financial Statement 2007”). The explanatory notes attached to the condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 January 2007.

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 2007, except for the adoption of the new and revised FRS issued by Malaysia Accounting Standard Board (“MASB”) that are effective to the Group’s financial year beginning on and after 1 February 2007 are as follows :

FRS 117 – Leases (effective for accounting periods beginning on and after 1 October 2006). This amendment is not relevant to the Group as the Group does not have any leasehold land and building.

FRS 124 – Related Party Disclosures (effective for accounting periods beginning on and after 1 October 2006). This standard will affect the identification of related parties and some other related party disclosures.

Amendment to FRS 119 <sup>2004</sup> Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures (effective for accounting periods beginning on and after 1 January 2007). This amendment is not relevant to the Group as the Group does not have any defined benefit plan.

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**1. Basis of Preparation (Continued)**

FRS 6 Exploration for and Evaluation of Mineral Resources (effective for accounting periods beginning on and after 1 January 2007). FRS 6 is not relevant to the Group operations as the Group does not carry out exploration for and evaluation of mineral resources.

The adoption of the new and revised FRS does not have any significant financial impact on the results of the Group.

**2. Audit Report of Preceding Annual Financial Statements**

The auditors' reports on the Financial Statements 2007 of the Company 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**

There was no unusual item affecting assets, liabilities, equity, net income, or cash flows during the second quarter ended 31 July 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.

**6. Debt and Equity Securities**

There was no issuance, cancellation, repurchase, resale, and repayment of either debt or equity securities during the second quarter ended 31 July 2007.

**7. Dividend Paid**

During the quarter under review, a final dividend in respect of the financial year ended 31 January 2007 of 1 sen less 27% taxation on 830,901,953 ordinary shares, amounting to RM 6,065,584 was paid on 13 July 2007.

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**8. Segmental Reporting**

Segmental revenue and results for the current 6 months financial period ended 31 July 2007 are as follows:

	Financial services <b>RM'000</b>	Investment holding <b>RM'000</b>	Group Eliminations <b>RM'000</b>	Total <b>RM'000</b>
<b>Revenue</b>				
External sales	106,056	8,620	(8,620)	106,056
Inter-segment sales	-	-	-	-
Total revenue	<u>106,056</u>	<u>8,620</u>	<u>(8,620)</u>	<u>106,056</u>
<b>Results</b>				
Profit from operations	<u>46,347</u>	<u>18,381</u>	<u>(8,620)</u>	56,108
Finance costs				(1,486)
Share of results of associate companies				<u>1,241</u>
Profit before tax				<u>55,863</u>
Income tax				<u>(1,647)</u>
Profit after tax				<u><u>54,216</u></u>
<b>Other information</b>				
Depreciation	<u>2,804</u>	<u>157</u>	<u>-</u>	<u>2,961</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**

There was no valuation of property, plant and equipment of the Group in the quarter under review.

**10. Material Subsequent Event**

There were no material events subsequent to 31 July 2007.



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**11. Changes in the Composition of the Group**

There are no changes in the composition of the Group during the second quarter ended 31 July 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 July 2007, the Group has commitments in respect of capital expenditure as follows: -

	RM'000
Authorised but not contracted for	18

**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.

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 RM45.71 million from RM28.54 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 as well as revenue from equity capital market (ECM) activities and principal investment activities. Accordingly, profit after tax for the financial quarter increased to RM23.21 million from RM5.58 million recorded in the preceding year's corresponding quarter.

The revenue for the six months ended 31 July 2007 is higher by 116% as compared to the previous year's corresponding period, profit after tax increased from RM20.24 million in previous year corresponding period to RM54.22 million in the current period.

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

	<b>Current Quarter</b>	<b>Preceding Quarter</b>	<b>Variance</b>
	<b>31 July 2007</b>	<b>30 April 2007</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>RM'000</b>	
Profit before tax	<b>23,926</b>	31,937	(8,011)
Taxation	<b>(721)</b>	(926)	205
Profit/ (Loss) after tax	<b>23,205</b>	31,011	(7,806)

For the financial quarter under review, the Group recorded revenue of RM45.71 million and profit after tax of RM23.21 million compared to revenue of RM60.35 million and profit after tax of RM31.01 million in the preceding quarter. The lower profit for the current quarter is mainly due to lower income from the stockbroking business in line with lower trading volume and market values of Bursa securities.

**17. Company's Prospects**

The Group with the merged entity and improving Malaysia economy and market sentiment on Bursa Securities recorded a strong six months for the current financial year.

With the impending transformation of ECM Libra Avenue Securities Sdn Bhd into an investment bank, the Group intends to enhance the range of investment banking activities.

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18. **Profit Forecast**

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

19. **Taxation**

	<b>Quarter ended</b>		<b>Year-to-date</b>	
	<b>3.07.2007</b>	<b>31.07.2006</b>	<b>31.07.2007</b>	<b>31.07.2006</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current year income tax	(721)	(687)	(1,647)	(1,269)
Deferred taxation	-	-	-	(27)
	<u>(721)</u>	<u>(687)</u>	<u>(1,647)</u>	<u>(1,296)</u>

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.

20. **Sale of Unquoted Investments and Properties**

There was no sale of unquoted investments and property during the quarter under review other than those held by the stockbroking subsidiaries in the ordinary course of business.

21. **Quoted Securities**

There are no investments in quoted securities as at 31 July 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 July 2007 were as follows:

Unsecured short term borrowings	<b>RM'000</b> <u>40,000</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.

**24. Material Litigations**

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

**25. Dividend**

Interim dividend has not been recommended for the quarter ended 31 July 2007.

**26. Related Party Transactions**

The Group has entered into the following related party transaction :-

Transaction with a company in which a director and shareholder of holding company has interest in

	RM'000
Project management fee	212
	=====
<b>Transactions with Directors of the Company</b>	
Brokerage income	42
	=====

**27. Earnings Per Share**

	<b>Quarter ended</b>		<b>Year-to-date</b>	
	<b>31.07.2007</b>	<b>31.07.2006</b>	<b>31.07.2007</b>	<b>31.07.2006</b>
Net profit (RM'000)	23,205	5,577	54,216	20,241
Weighted average number of ordinary shares in issue ('000)	830,902	726,471	830,902	726,471
Basic earnings per share (sen)	2.79	0.77	6.52	2.79

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

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: 7 September 2007