

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

Unaudited Condensed Consolidated Income Statements for the Third Quarter Ended 31 October 2007

	Current/ Corresponding quarter ended		Year to date	
	31.10.2007 RM'000	31.10.2006 RM'000	31.10.2007 RM'000	31.10.2006 RM'000
Revenue	32,147	30,372	138,203	79,397
Other operating income	13,667	4,910	41,266	26,258
Staff costs	(10,756)	(9,021)	(30,644)	(25,209)
Depreciation of property, plant and equipment	(1,766)	(1,830)	(4,727)	(4,880)
Other operating expenses	(16,808)	(21,065)	(71,506)	(49,960)
Profit from operations	16,484	3,366	72,592	25,606
Rationalisation expenses	-	(17,385)	-	(17,385)
Share of profit/ (loss) of associate companies	1,386	(218)	2,627	(77)
Finance costs	(875)	(893)	(2,361)	(1,737)
Profit/ (loss) before tax	16,995	(15,130)	72,858	6,407
Income tax	(457)	44	(2,104)	(1,252)
Net profit for the period/year	16,538	(15,086)	70,754	5,155
Earnings per share ("EPS") : - basic / diluted *	Sen 1.99	Sen (1.98)	Sen 8.52	Sen 0.68

* 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.

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

	31.10.2007	31.1.2007
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	55,290	57,988
Investment in associate companies	43,803	46,389
Other investments	13,518	14,019
Goodwill on consolidation	232,000	232,000
Investment properties	668	1,020
Deferred tax assets	5,000	5,000
	350,279	356,416
Current Assets		
Inventories	154	1,016
Marketable securities	143,907	207,670
Trade receivables	606,126	1,027,865
Loan receivables	25,353	15,284
Other receivables and prepaid expenses	28,329	32,632
Fixed deposits, cash and bank balances	407,698	279,970
	1,211,566	1,564,437
TOTAL ASSETS	1,561,845	1,920,853
EQUITY AND LIABILITIES		
Equity attributable to shareholders of the Company		
Share capital	830,902	830,902
Reserves	92,431	30,396
	923,333	861,298
Non-Current Liabilities		
Deferred tax liabilities	199	433
Hire purchase payable	528	-
Current Liabilities		
Borrowings	40,000	100,000
Trade payables	401,849	787,292
Monies held in trust	133,348	85,615
Other payables and accrued expenses	61,991	84,697
Tax liabilities	597	1,518
	637,785	1,059,122
TOTAL EQUITY AND LIABILITIES	1,561,845	1,920,853
Net Assets per Share (RM)	1.11	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 October 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	-	-	-	70,754	70,754
Dividends	-	-	-	(6,066)	(6,066)
Currency translation differences	-	-	(2,653)	-	(2,653)
Balance as at 31 October 2007	830,902	26,720	(4,700)	70,411	923,333

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 October 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
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	-	-	-	5,155		5,155	
Dividends	-	-	-	(5,612)		(5,612)	
Currency translation differences	-	-	317	-		317	
Balance as at 31 October 2006	830,902	210,717	317	(185,139)		856,797	

* 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 October 2007**

	9 months ended	
	31 October 2007	31 October 2006
	RM'000	RM'000
Cash Flows From / (Used In) Operating Activities		
Profit before tax	72,858	6,407
Adjustment for non-cash items	(13,992)	841
Operating profit before working capital changes	58,866	7,248
Net decrease/ (increase) in current assets	416,803	(20,497)
Net (decrease)/ increase in current liabilities	(381,441)	53,832
Net cash generate/ (used) in operations	94,228	40,583
Net tax paid	(2,522)	(1,972)
Net cash generate/ (used) in operating activities	91,706	38,611
Cash flows from / (used in) investing activities		
Net proceeds/ (additions) from marketable securities and other investments	83,770	(82,168)
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	(1,936)	(1,938)
Net cash inflow from disposal of associated company	4,417	-
Net cash from investing activities	86,251	19,474
Cash flows from / (used in) financing activities		
Dividend paid	(6,066)	(5,612)
(Repayment) / drawdown of short term borrowings	(60,000)	(32,000)
Interest paid	(2,361)	(844)
Net cash outflow financing activities	(68,427)	(38,456)
Net increase in cash and cash equivalents	109,530	19,629
Effects of exchange rate changes	(2,653)	318
Cash and cash equivalents at beginning of period	167,473	145,587
Cash and cash equivalents at end of period	274,350	165,534

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

	RM'000	RM'000
Short term funds	407,698	292,084
Less: Monies held in trust	(133,348)	(126,550)
	274,350	165,534

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 ²⁰⁰⁴ 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.

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 third quarter ended 31 October 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 third quarter ended 31 October 2007.

7. Dividend Paid

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

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8. Segmental Reporting

Segmental revenue and results for the current 9 months financial period ended 31 October 2007 are as follows:

	Financial services RM'000	Investment holding RM'000	Group Eliminations RM'000	Total RM'000
Revenue				
External sales	138,203	8,826	(8,826)	138,203
Inter-segment sales	-	-	-	-
Total revenue	<u>138,203</u>	<u>8,826</u>	<u>(8,826)</u>	<u>138,203</u>
Results				
Profit from operations	<u>62,779</u>	<u>18,639</u>	<u>(8,826)</u>	72,592
Finance costs				(2,361)
Share of results of associate companies				<u>2,627</u>
Profit before tax				<u>72,858</u>
Income tax				<u>(2,104)</u>
Profit after tax				<u>70,754</u>
Other information				
Depreciation	<u>4,455</u>	<u>272</u>	<u>-</u>	<u>4,727</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 October 2007.

11. Changes in the Composition of the Group

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

	RM'000
Authorised but not contracted for	2,722

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 RM32.15 million from RM30.37 million in the preceding year’s corresponding quarter. The Group’s stockbroking business in current quarter showed higher revenue of RM26.69 million compared to RM12.90 million in the preceding year’s corresponding quarter. Profit after tax for the financial quarter increased to RM16.54 million from loss of RM15.09 million recorded in the preceding year’s corresponding quarter.

The revenue for the nine months ended 31 October 2007 is higher by 74.07% as compared to the previous year’s corresponding period, profit after tax increased from RM5.16 million in previous year’s corresponding period to RM70.75 million in the current period. The increase in profit is primarily due to higher stockbroking business income.

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

	Current Quarter	Preceding Quarter	Variance
	31 October 2007	31 July 2007	RM'000
	RM'000	RM'000	
Profit before tax	16,995	23,926	(6,931)
Taxation	(457)	(721)	264
Profit/ (Loss) after tax	<u>16,538</u>	<u>23,205</u>	<u>(6,667)</u>

For the financial quarter under review, the Group recorded revenue of RM32.15 million and profit after tax of RM16.54 million compared to revenue of RM45.71 million and profit after tax of RM23.21 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

We expected the performance to sustain, barring unforeseen circumstances. The Group is cautiously optimistic that the various initiatives recently launched by the Government will help spur domestic growth.

With the transformation of ECM Libra Avenue Securities Sdn Bdn into an investment bank, we intend to expand our products and services to broaden our competitiveness and in turn contribute positively to our revenue.

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	
	31.10.2007	31.10.2006	31.10.2007	31.10.2006
	RM'000	RM'000	RM'000	RM'000
Current year income tax	(553)	(430)	(2,200)	(1,699)
Over provision in respect of prior years	96	474	96	474
Deferred taxation	-	-	-	(27)
	<u>(457)</u>	<u>44</u>	<u>(2,104)</u>	<u>(1,252)</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 October 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 October 2007 were as follows:

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

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 October 2007.

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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

	Current Quarter RM'000	YTD RM'000
Project management fee	31	243
	=====	=====

Transactions with Directors of the Company

Brokerage income	-	42
	=====	=====

27. Earnings Per Share

	Quarter ended		Year-to-date	
	31.10.2007	31.10.2006	31.10.2007	31.10.2006
Net profit (RM'000)	16,538	(15,086)	70,754	5,155
Weighted average number of ordinary shares in issue ('000)	830,902	761,281	830,902	761,281
Basic earnings per share (sen)	1.99	(1.98)	8.52	0.68

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: 13 December 2007