

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)
(formerly known as ECM Libra Avenue Berhad)

Unaudited Condensed Consolidated Income Statements for the Forth Quarter Ended 31 January 2008

	Current/ Corresponding quarter ended		Year to date	
	31.1.2008 RM'000	31.1.2007 RM'000	31.1.2008 RM'000	31.1.2007 RM'000
Revenue	66,849	65,115	205,052	144,512
Other operating income	(26,099)	(36,737)	15,167	(10,479)
Staff costs	(12,212)	(3,861)	(42,856)	(29,070)
Depreciation of property, plant and equipment	(1,499)	(1,471)	(6,226)	(6,351)
Other operating expenses	(17,844)	(15,555)	(89,350)	(65,515)
Profit from operations	9,195	7,491	81,787	33,097
Rationalisation expenses	-	16	-	(17,369)
Share of profit/ (loss) of associate companies	628	6,151	3,255	6,074
Finance costs	(38)	(1,713)	(2,399)	(3,450)
Profit/ (loss) before tax	9,785	11,945	82,643	18,352
Income tax	3,848	3,058	1,744	1,806
Net profit for the period/year	13,633	15,003	84,387	20,158
Earnings per share ("EPS") : - basic/ diluted *	Sen 1.64	Sen 1.81	Sen 10.16	Sen 2.59

* Diluted EPS is the same as the basic EPS as the outstanding ESOS have been excluded from the computation of fully diluted earnings per RM1 ordinary share as the average market price of the ordinary shares is currently below the exercise price of the options.

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 previous accounting period. The comparative figures are that of ACRB group's, adjusted for the effects arising from the merger principles of accounting.

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)
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Unaudited Condensed Consolidated Balance Sheet As At 31 January 2008

	31.1.2008	31.1.2007
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	54,509	57,988
Investment in associate companies	43,280	46,389
Other investments	12,304	14,019
Intangible assets	284,500	232,000
Investment properties	-	1,020
Deferred tax assets	10,000	5,000
	404,593	356,416
Current Assets		
Inventories	89	1,016
Marketable Securities	164,095	207,670
Trade receivables	550,845	1,027,865
Loan receivables	25,367	15,284
Other receivables and prepaid expenses	19,408	32,632
Fixed deposits, cash and bank balances	370,272	279,970
	1,130,076	1,564,437
TOTAL ASSETS	1,534,669	1,920,853
EQUITY AND LIABILITIES		
Equity attributable to shareholders of the Company		
Share capital	830,902	830,902
Reserves	106,121	30,396
	937,023	861,298
Non-Current Liabilities		
Deferred tax liabilities	168	433
Hire purchase payable	444	-
Current Liabilities		
Borrowings	-	100,000
Trade payables	355,765	787,292
Monies held in trust	191,252	104,073
Other payables and accrued expenses	49,027	66,239
Tax liabilities	990	1,518
	597,034	1,059,122
TOTAL EQUITY AND LIABILITIES	1,534,669	1,920,853
Net Assets per Share (RM)	1.13	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 FINANCIAL GROUP BERHAD (Company No. 713570-K)
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Unaudited Condensed Consolidated Statement of Changes in Equity for the Financial Year Ended 31 January 2008

	Share capital RM '000	Non-distributable reserve		Distributable reserves		Total RM '000
		Other reserves RM '000	Translation reserve RM '000	General reserve RM '000	Unappropriated profit RM '000	
Balance as at 1 February 2007	830,902	26,561	(2,047)	159	5,723	861,298
Arising from share option granted during the year	-	2,075	-	-	-	2,075
Net profit for the financial year	-	-	-	-	84,387	84,387
Dividends	-	-	-	-	(6,066)	(6,066)
Currency translation differences	-	-	(4,671)	-	-	(4,671)
Balance as at 31 January 2008	830,902	28,636	(6,718)	159	84,044	937,023

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 FINANCIAL GROUP BERHAD (Company No. 713570-K)
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Unaudited Condensed Consolidated Statement of Changes in Equity for the Financial Year Ended 31 January 2008 (Continued)

	Non-distributable reserve		Distributable reserves		Total	
	Share capital	Other reserves	Translation reserve	General reserve		Unappropriated profit/(Accumulated loss)
	RM '000	RM '000	RM '000	RM '000	RM '000	
Adjusted balance as at 1 February 2006 *	703,027	202,573	-	159	(184,705)	721,054
Share capital cancelled pursuant to distribution of asset in specie	(314,125)	-	-	-	-	(314,125)
Capital cancellation undertaken by ACRB	-	(254,022)	-	-	254,022	-
Arising from acquisition of subsidiaries	442,000	-	-	-	-	442,000
Arising from disposal of subsidiaries	-	78,010	-	-	(78,140)	(130)
Net profit for the financial year	-	-	-	-	20,158	20,158
Dividends	-	-	-	-	(5,612)	(5,612)
Currency translation differences	-	-	(2,047)	-	-	(2,047)
Balance as at 31 January 2007	830,902	26,561	(2,047)	159	5,723	861,298

* 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 FINANCIAL GROUP BERHAD (Company No. 713570-K)
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Unaudited Condensed Consolidated Cash Flow Statement for the Financial Year Ended 31 January 2008

	12 months ended	
	31 January 2008 RM'000	31 January 2007 RM'000
Cash Flows From / (Used In) Operating Activities		
Profit before tax	82,643	18,352
Adjustment for non-cash items	(23,629)	11,059
Operating profit before working capital changes	<u>59,014</u>	29,411
Net decrease/ (increase) in current assets	541,489	(745,496)
Net (decrease)/ increase in current liabilities	(470,221)	575,074
Net cash generate/ (used) in operations	<u>130,282</u>	(141,011)
Net tax paid	(2,698)	(2,087)
Net cash generate/ (used) in operating activities	<u>127,584</u>	(143,098)
Cash flows from / (used in) investing activities		
Net proceeds from other investments	1,901	-
Dividend received	612	1,009
Payment to BNM for merchant bank licence	(42,500)	(10,000)
Net cash outflow from disposal of subsidiary companies	-	(255)
Net cash inflow from acquisition of subsidiaries companies	-	103,263
Net addition to property, plant and equipment	(3,231)	(1,895)
Net cash inflow from disposal of investment property	1,497	-
Net cash inflow from disposal of associated company	4,417	71,424
Net cash from investing activities	<u>(37,304)</u>	163,546
Cash flows from / (used in) financing activities		
Dividend paid	(6,066)	(5,612)
(Repayment) / drawdown of short term borrowings	(100,000)	10,000
Interest paid	(2,399)	(3,450)
Net cash outflow financing activities	<u>(108,465)</u>	938
Net (decrease) / increase in cash and cash equivalents	(18,185)	21,386
Effects of exchange rate changes	(174)	500
Cash and cash equivalents at beginning of period	<u>167,473</u>	145,587
Cash and cash equivalents at end of period	<u>149,114</u>	167,473

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

	RM'000	RM'000
Short term funds	370,272	279,970
Less: Monies held in trust	(221,158)	(112,497)
	<u>149,114</u>	167,473

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 Group and ECM Libra Investment Bank Berhad (formerly known as ECM Libra Avenue Securities Berhad) (“ECMLIB”) had received approval from Bank Negara Malaysia (“BNM”) to comply with the requirements of the Revised Guidelines on Financial Reporting for Licensed Institutions (“BNM/GP8”) not later than one year from the date of inception of its investment bank status. The Group and ECMLIB has not early adopted the requirements of BNM/GP8 for current financial year ended 31 January 2008.

The accounting policies and methods of computation adopted in this interim financial report are consistent with those adopted in the Financial Statements 2007, except for the FRS issued by Malaysian Accounting Standard Board (“MASB”) subsequent to 1 February 2007 set out 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.

BNM ‘Garisan Panduan’ 8 (“BNM/GP8”) not yet adopted

The Group has not adopted BNM/GP8 for the current financial year, with the approval of BNM. The adoption of BNM/GP8 in the financial year ending 31 January 2009 will result in the reclassification of marketable securities to held-for-trading/available-for-sale/held-to-maturity.

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 forth quarter ended 31 January 2008.

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 forth quarter ended 31 January 2008.

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7. Dividend Paid

There was no dividend paid during the quarter ended 31 January 2008.

8. Segmental Reporting

Segmental revenue and results for the current 12 months financial year ended 31 January 2008 are as follows:

	Financial services RM'000	Investment holding RM'000	Group Eliminations RM'000	Total RM'000
Revenue				
External sales	203,644	78,313	(76,905)	205,052
Inter-segment sales	-	-	-	-
Total revenue	<u>203,644</u>	<u>78,313</u>	<u>(76,905)</u>	<u>205,052</u>
Results				
Profit from operations	<u>112,511</u>	<u>68,677</u>	<u>(99,401)</u>	81,787
Finance costs				(2,399)
Share of results of associate companies				<u>3,255</u>
Profit before tax				82,643
Income tax				<u>1,744</u>
Profit after tax				<u><u>84,387</u></u>
Other information				
Depreciation				
-Property, plant and equipment	5,702	512	-	6,214
-Investment property	12	-	-	12
	<u>5,714</u>	<u>512</u>	<u>-</u>	<u>6,226</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.

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)
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10. Material Subsequent Event

On 6 February 2008, ECMLIB, a wholly owned subsidiary of the Company, was granted a merchant bank licence by the Minister of Finance to allow ECMLIB to carry on merchant banking business.

Other than the above, there were no material events subsequent to 31 January 2008.

11. Changes in the Composition of the Group

On 26 January 2008, Puico Entertainment Venture (M) Sdn. Bhd., a dormant indirect wholly owned subsidiary of the Company was in voluntary winding up and dissolved.

Other than as disclosed above, there are no changes in the composition of the Group during the forth quarter ended 31 January 2008.

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 2008, the Group has commitments in respect of capital expenditure as follows: -

	RM'000
Authorised but not contracted for	418
	<hr/>

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

14 Status of Corporate Proposals Announced

(a) Employees Share Option Scheme

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 implemented on 31 January 2008.

14 Status of Corporate Proposals Announced (Continued)

(b) **Share Buy Back**

On 31 January 2008, the shareholders of the Company approved the proposal for the Company to purchase its own ordinary shares in accordance with the terms and conditions set out in the Circular To Shareholders dated 9 January 2008 issued in connection therewith.

Other than the above, there were no other corporate proposals announced in the quarter under review.

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

The Group's total income for the current quarter under review increased to RM40.75 million from RM28.38 million in the preceding year's corresponding quarter. The Group's stockbroking business in the current quarter showed higher total income of RM41.50 million compared to RM32.28 million in the preceding year's corresponding quarter. Profit after tax for the financial quarter decreased to RM13.63 million from RM15.00 million recorded in the preceding year's corresponding quarter.

The total income for the twelve months ended 31 January 2008 is higher by 64.30% as compared to the previous year, profit after tax increased from RM20.16 million in previous year to RM84.39 million in the current year. The increase in profit is primarily due to higher stockbroking business recorded in the first half of the financial year.

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

	Current Quarter	Preceding Quarter	Variance
	31 January 2008	31 October 2007	RM'000
	RM'000	RM'000	
Profit before tax	9,785	16,995	(7,210)
Taxation	3,848	(457)	4,305
Profit/ (Loss) after tax	13,633	16,538	(2,905)

For the financial quarter under review, the Group recorded total income of RM40.75 million and profit after tax of RM13.63 million compared to total income of RM45.81 million and profit after tax of RM16.54 million in the preceding quarter. The lower profit for the current quarter is mainly due to lower income from the stockbroking business caused by the lower trading volume and market values of Bursa securities.

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17. Company's Prospects

Having obtained the investment bank status by one of the Company's subsidiary, ECMLIB, the Group will be in a better position to expand its products and services to broaden its competitiveness and face the more challenging market environment. Nevertheless, we are cautious on concerns over the downturn in the US economy and global events that have affected the Malaysian capital markets.

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	
	31.1.2008 RM'000	31.1.2007 RM'000	31.1.2008 RM'000	31.1.2007 RM'000
Current year income tax	(1,043)	(2,414)	(3,243)	(3,639)
Real property gain tax	(29)	-	(29)	-
Over/ (under) provision in respect of prior years	(345)	445	(249)	445
Deferred taxation	<u>5,265</u>	<u>5,027</u>	<u>5,265</u>	<u>5,000</u>
	<u>3,848</u>	<u>3,058</u>	<u>1,744</u>	<u>1,806</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

- (i) During the quarter, the Company entered into a Sale and Purchase Agreement with ECMLIB, a wholly-owned subsidiary, for the acquisition of a commercial building known as Bangunan Avenue located at Jalan Damansara Heights, Kuala Lumpur for a purchase consideration of RM40,000,000.
- (ii) A subsidiary of the Company disposed off an office unit located at Megan Avenue II for sale consideration of RM1,060,650.

Other than above, 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.

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)
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21. Quoted Securities

There are no investments in quoted securities as at 31 January 2008, other than those held by the investment bank and offshore investment bank subsidiaries in their ordinary course of business.

22. Group Borrowings

There are no borrowings and debt securities by the Group as at 31 January 2008.

The Company had fully repaid all borrowings during the quarter.

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

A final dividend of 3 sen per share less income tax 26% has been proposed for the current quarter.

- (i) Amount per share : 3 sen per share

Details of the dividend payment are as follows:

	Sen per Ordinary share	Dividend RM'000
Franked under section 108 (less 26% taxation)	2	14,011
Single tier-system	1	5,993
	<hr/>	<hr/>
	3	20,004
	<hr/>	<hr/>

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

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)
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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	-	243
	<u> </u>	<u> </u>

Transactions with Directors of the Company

Brokerage income	-	42
	<u> </u>	<u> </u>

27. Earnings Per Share

	Quarter ended		Year-to-date	
	31.1.2008	31.1.2007	31.1.2008	31.1.2007
Net profit (RM'000)	<u>13,633</u>	<u>15,003</u>	<u>84,387</u>	<u>20,158</u>
Weighted average number of ordinary shares in issue ('000)	<u>830,902</u>	<u>830,902</u>	<u>830,902</u>	<u>779,402</u>
Basic/ diluted earnings per share (sen)	<u>1.64</u>	<u>1.81</u>	<u>10.16</u>	<u>2.59</u>

The basic earnings per ordinary share is calculated by dividing the net profit for the quarter 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 outstanding ESOS options have been excluded from the computation of fully diluted earnings per RM1 ordinary share as the average market price of the ordinary shares is currently below the exercise price of the options.

Dated: 12 March 2008