

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)
Interim Financial Statements for the period ended 31 January 2016

Unaudited Condensed Consolidated Statement of Financial Position
as at 31 January 2016

	<u>Note</u>	31-Jan-16 RM'000	31-Jan-15 RM'000
ASSETS			
Cash and short-term funds	9	24,883	152,533
Securities available-for-sale	10	17,327	193,430
Loans, advances and financing	11	60,279	72,000
Trade receivables	12	6,222	1,809
Other assets	13	1,555	2,492
Investment in associated company	14	7,200	7,200
Deferred tax assets		295	244
Property, plant and equipment		24,304	23,756
Investment property		4,030	-
TOTAL ASSETS		146,095	453,464
LIABILITIES AND EQUITY			
LIABILITIES			
Trade payables	15	334	1,055
Other liabilities	16	8,075	3,870
Provision for taxation		351	92
TOTAL LIABILITIES		8,760	5,017
EQUITY			
Share capital		34,391	268,222
Reserves		102,944	180,225
TOTAL EQUITY		137,335	448,447
TOTAL LIABILITIES AND EQUITY		146,095	453,464
Par value per share (RM)		0.12	1.00
Net assets per share (RM)		0.48	1.67

The interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended 31 January 2015 of the Group.

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)
Interim Financial Statements for the period ended 31 January 2016

Unaudited Condensed Consolidated Statement of Comprehensive Income
for the fourth quarter ended 31 January 2016

	Current quarter ended 31-Jan-16	Corresponding quarter ended 31-Jan-15	Current year to date ended 31-Jan-16	Corresponding year to date ended 31-Jan-15
<u>Note</u>	RM'000	RM'000	RM'000	RM'000
Revenue	2,833	11,022	36,661	48,627
Interest income	17 1,683	2,561	8,992	8,638
Non-interest income	18 1,150	8,461	27,669	39,989
Other non-operating income/(loss)	19 718	255	(1,288)	1,535
Gross income	3,551	11,277	35,373	50,162
Operating expenses	20 (4,665)	(5,847)	(18,115)	(17,297)
Operating (loss)/profit	(1,114)	5,430	17,258	32,865
Impairment losses on securities	21 (4,165)	(3,186)	(4,165)	(3,186)
(Loss)/profit before tax	(5,279)	2,244	13,093	29,679
Income tax expense	32 (531)	(107)	(1,916)	(1,449)
(Loss)/profit for the period	(5,810)	2,137	11,177	28,230
Other comprehensive income:				
Items that may be subsequently reclassified to profit or loss:				
Net gain/(loss) on available-for-sale financial assets	1,039	(14,315)	(62,437)	36,388
Available-for-sale revaluation reserve losses reclassified to profit or loss upon impairment on securities	3,810	3,186	3,810	3,186
Currency translation differences	(87)	264	(87)	191
Foreign currency translation reserve losses reclassified to profit or loss upon liquidation of subsidiary	-	-	3,762	-
Income tax relating to components of other comprehensive income	124	1,144	114	298
Other comprehensive income/(loss) for the period, net of tax	4,886	(9,721)	(54,838)	40,063
Total comprehensive (loss)/income for the period	(924)	(7,584)	(43,661)	68,293
Earnings/(loss) per share:	Sen	Sen	Sen	Sen
- basic	37 (2.03)	0.80	4.06	10.52
- diluted	37 (2.03)	0.74	3.90	9.80

The interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended 31 January 2015 of the Group.

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)
Interim Financial Statements for the period ended 31 January 2016

Unaudited Condensed Consolidated Statement of Changes in Equity
for the financial year ended 31 January 2016

	-----Non-distributable-----					Distributable		Total RM'000	
	Share capital RM'000	Treasury shares RM'000	Capital redemption reserve RM'000	Foreign currency translation reserve RM'000	Available-for-sale revaluation reserve RM'000	Equity compensation reserve RM'000	General reserve RM'000		Retained profits RM'000
As at 1 February 2015	268,222	-	2,083	(4,816)	58,116	2,789	159	121,894	448,447
Profit for the year	-	-	-	-	-	-	-	11,177	11,177
Other comprehensive income	-	-	-	(87)	(62,323)	-	-	-	(62,410)
Reclassification to profit or loss upon impairment on securities	-	-	-	-	3,810	-	-	-	3,810
Reclassification to profit or loss upon liquidation of subsidiary	-	-	-	3,762	-	-	-	-	3,762
Reclassification to retained profits upon liquidation of subsidiary	-	-	-	-	-	-	(159)	159	-
	-	-	-	3,675	(58,513)	-	(159)	11,336	(43,661)
Transaction with owners:									
Issuance of shares pursuant to Employees' Share Option Scheme ("ESOS")	19,842	-	-	-	-	(2,788)	2,788	-	19,842
ESOS expired during the year	-	-	-	-	-	(1)	-	1	-
Shares buy-back by the Company	-	(1,593)	-	-	-	-	-	-	(1,593)
Cancellation of treasury shares	(1,472)	1,593	1,472	-	-	-	-	(1,593)	-
Capital reduction	(252,201)	-	-	-	-	-	-	-	(252,201)
Dividend paid during the year	-	-	-	-	-	-	-	(33,499)	(33,499)
	(233,831)	-	1,472	-	-	(2,789)	2,788	(35,091)	(267,451)
As at 31 January 2016	34,391	-	3,555	(1,141)	(397)	-	2,788	98,139	137,335
As at 1 February 2014	268,222	-	2,083	(5,007)	18,244	2,737	159	93,664	380,102
Profit for the year	-	-	-	-	-	-	-	28,230	28,230
Other comprehensive income	-	-	-	191	36,686	-	-	-	36,877
Reclassification to profit or loss upon impairment on securities	-	-	-	-	3,186	-	-	-	3,186
	-	-	-	191	39,872	-	-	28,230	68,293
Transaction with owners:									
ESOS granted during the year	-	-	-	-	-	53	-	-	53
ESOS lapsed during the year	-	-	-	-	-	(1)	-	-	(1)
	-	-	-	-	-	52	-	-	52
As at 31 January 2015	268,222	-	2,083	(4,816)	58,116	2,789	159	121,894	448,447

The interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended 31 January 2015 of the Group.

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)
Interim Financial Statements for the period ended 31 January 2016

Unaudited Condensed Consolidated Statement of Cash Flows
for the financial year ended 31 January 2016

	12 months ended	
	31-Jan-16	31-Jan-15
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	13,093	29,679
Adjustment for non-cash items	(15,975)	(29,228)
Operating (loss)/profit before working capital changes	<u>(2,882)</u>	451
Net decrease in operating assets	8,265	322
Net increase/(decrease) in operating liabilities	3,484	(624)
Cash generated from operations	<u>8,867</u>	149
Net tax paid	(1,679)	(1,831)
Net cash generated from/(used in) operating activities	<u>7,188</u>	<u>(1,682)</u>
Cash flows from investing activities		
Net sales of securities	128,629	113,415
Net purchase of property, plant and equipment	(1,880)	(232)
Purchase of investment property	(4,032)	-
Interest income received	9,057	8,826
Proceeds from liquidation of subsidiary	182	-
Dividend income received	63	1,544
Net cash generated from investing activities	<u>132,019</u>	<u>123,553</u>
Cash flows from financing activities		
Purchase of treasury shares	(1,593)	-
Proceeds from issuance of shares	19,842	-
Capital reduction	(252,201)	-
Dividend paid	(33,499)	-
Net cash used in financing activities	<u>(267,451)</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents	(128,244)	121,871
Effects of foreign exchange rate changes	594	83
Cash and cash equivalents at beginning of the year	152,533	30,579
Cash and cash equivalents at end of the year	<u>24,883</u>	<u>152,533</u>
Cash and cash equivalents comprise:		
Cash and short-term funds	<u>24,883</u>	<u>152,533</u>

The interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended 31 January 2015 of the Group.

Part A: Explanatory notes pursuant to Malaysian Financial Reporting Standards ("MFRS") 134

1 Basis of preparation

This unaudited interim financial statements of the Group has been prepared on a historical cost basis, unless otherwise disclosed in the notes to the financial statements and are in accordance with MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB") and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements are in compliance with IAS 34 *Interim Financial Reporting*.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 January 2015. The explanatory notes attached to the 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 year ended 31 January 2015.

The accounting policies and methods of computation adopted in this interim financial report are consistent with those adopted in the annual financial statements for the year ended 31 January 2015.

The following Malaysian Financial Reporting Standards ("MFRS"), IC Interpretation and Amendments to MFRS have been issued by the MASB and are not yet effective:

Effective for annual periods commencing on or after 1 January 2016

Amendments to MFRS 10, MFRS 12 and MFRS 128 *Investment Entities: Applying the Consolidation Exception*

Amendments to MFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*

MFRS 14 *Regulatory Deferral Account*

Amendments to MFRS 101 *Disclosure Initiative*

Amendments to MFRS 116 and MFRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*

Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer plants*

Amendments to MFRS 127 *Equity Method in Separate Financial Statements*

Annual Improvements to MFRS 2012 - 2014 Cycle

Effective for annual periods commencing on or after 1 January 2018

MFRS 9 *Financial Instruments*

MFRS 15 *Revenue from Contracts with Customers*

Deferred to a date to be announced by MASB

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

1 Basis of preparation (cont'd.)

Adoption of the above standards and interpretations will not have any material impact on the financial statements in the year of initial application, except as discussed below:

MFRS 9 Financial Instruments ("MFRS 9")

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but restatement of comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015.

MFRS 9 is issued by the MASB in respect of its application in Malaysia. It is equivalent to IFRS 9 as issued by IASB, including the effective and issuance dates. The areas with expected significant impact from application of MFRS 9 are summarised below:

(i) Classification and measurement

The classification and measurement of financial assets is determined on the basis of the contractual cash flow characteristics and the objective of the business model associated with holding the asset. Key changes include:

- The held-to-maturity ("HTM") and available-for-sale ("AFS") asset categories will be removed;
- A new asset category measured at fair value through other comprehensive income ("FVOCI") is introduced. This applies to debt instruments with contractual cash flow characteristics that are solely payments of principle and interest and held in a model whose objective is achieved by both collecting contractual cash flows and selling financial assets;
- A new asset category for non-traded equity investments measured at FVOCI is introduced; and
- Classification of financial liabilities will remain largely unchanged, other than the fair value gains and losses attributable to changes in 'own credit risk' for financial liabilities designated and measured at fair value through profit or loss to be presented in other comprehensive income.

The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, and may have no impact on the classification and measurement of the Group's financial liabilities.

1 Basis of preparation (cont'd.)

MFRS 9 (cont'd.)

(ii) Impairment

The MFRS 9 impairment requirements are based on an expected credit loss model (“ECL”) that replaces the incurred loss model under the current accounting standard. The Group will be generally required to recognise either a 12-month or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. The ECL model will apply to financial assets measured at amortised cost or at FVOCI, irrevocable loan commitments and financial guarantee contracts, which will include loans, advances and financing and debt instruments held by the Group. MFRS 9 will change the Group’s current methodology for calculating allowances for impairment, in particular for individual and collective assessment and provisioning.

(iii) Hedge accounting

The requirements for general hedge accounting have been simplified for hedge effectiveness testing and may result in more designations of hedged items for accounting purposes.

The Group is in the process of assessing the financial implications for adopting the new standard.

MFRS 15 Revenue from Contracts with Customers ("MFRS 15")

MFRS 15 replaces all existing revenue requirements (MFRS 111 *Construction Contracts*, MFRS 118 *Revenue*, IC 13 *Customer Loyalty Programme s*, IC 15 *Agreements for the Construction of Real Estate*, IC 18 *Transfers of Assets from Customer s* and IC 131 *Revenue – Barter Transactions Involving Advertising Services*) in MFRS and applies to all revenue arising from contracts with customers. It also provides a model for the recognition and measurement of sales of some non-financial assets including disposals of property, equipment and intangible assets.

The standard outlines the principles an entity must apply to measure and recognise revenue. The core principle is that an entity will recognise revenue at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group is in the process of assessing the financial implications for adopting the new standard.

2 Audit report of preceding annual financial statements

The auditors’ report on the Financial Statements for the year ended 31 January 2015 of the Group was 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 fourth quarter ended 31 January 2016.

5 Variation from financial estimates reported in preceding financial period

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 were no issuance, cancellation, resale and repayment of either debt or equity securities during the year under review except for the following:

(i) Issuance of ordinary shares pursuant to ESOS

During the financial year, a total of 19,842,300 new ordinary shares of RM1.00 each were issued pursuant to the exercise of options under the Employees' Share Option Scheme ("ESOS"). The exercise price was at RM1.00 per share. The ESOS was in force for a period of ten years and expired on 30 November 2015. The balance of 5,700 options that were not exercised have since expired.

(ii) Shares buy back & cancellation of treasury shares

During the financial year, the Company bought back 1,471,900 ordinary shares of RM1.00 each that were held as treasury shares at an average price per share of RM1.0822.

On 11 September 2015, the 1,471,900 treasury shares held at a carrying amount of RM1,592,894 were cancelled. The amount of RM1,471,900 which the issued share capital was diminished was transferred to the capital redemption reserve in accordance with the requirements of Section 67A of the Companies Act, 1965. The issued share capital after cancellation of treasury shares diminished from 288,064,391 ordinary shares of RM1.00 each to 286,592,491 ordinary shares of RM1.00 each. The carrying amount of the treasury shares cancelled was set off against retained profits.

As at 31 January 2016, the Company does not hold any treasury shares.

6 Debt and equity securities (cont'd.)

(iii) Capital reduction

During the financial year, the Company has undertaken a distribution exercise to shareholders comprising a capital repayment of RM0.88 per ordinary share of RM1.00 par value each and special dividend of RM0.117 per ordinary share (“Distribution Exercise”).

The capital repayment was via a capital reduction by cancellation of RM0.88 from the par value of each existing ordinary share of RM1.00 each pursuant to Section 64 of the Companies Act, 1965. The capital reduction was effected on 19 November 2015 and the total issued and paid-up share capital of the Company was reduced by RM252,201,392 from RM286,592,491 to RM34,391,099 based on the total issued and paid-up share capital of 286,592,491 ordinary shares after taking into account the cancellation of 1,471,900 treasury shares and the issuance of 19,842,300 ordinary shares of RM1.00 par value each pursuant to the exercise of options under the ESOS. After the capital reduction, the paid-up share capital of RM34,391,099 comprised 286,592,491 ordinary shares of par value RM0.12 each.

7 Dividend paid

Since the last financial year ended 31 January 2015, a special dividend of RM0.117 per ordinary share was paid on 7 December 2015 pursuant to the Distribution Exercise. Based on the Company's paid-up capital of 286,592,491 ordinary shares, the total dividend paid amounted to RM33.50 million.

8 Segmental reporting

The Group's reportable operating segments are identified based on business units which are engaged in providing different services and products, as follows:

- (i) Investment holding and capital market operations - general investments and capital market related operations
- (ii) Fund management - unit trust funds and asset management
- (iii) Fund managed by a subsidiary - a unit trust fund
- (iv) Corporate advisory and structured financing - corporate advisory, structured lending and financial services related activities

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8 Segmental reporting (cont'd.)

3 months ended 31 January 2016	Investment holding and capital market operations RM'000	Fund management RM'000	Fund managed by a subsidiary RM'000	Corporate advisory and structured financing RM'000	Inter- segment elimination RM'000	Group total RM'000
Revenue	853	3,336	(2,658)	1,302	-	2,833
Inter-segment revenue	-	9	-	-	(9)	-
	853	3,345	(2,658)	1,302	(9)	2,833
Interest income	362	82	78	1,161	-	1,683
Non-interest income/(loss)	491	3,263	(2,736)	141	(9)	1,150
Other non-operating income	539	30	149	-	-	718
Gross income/(loss)	1,392	3,375	(2,509)	1,302	(9)	3,551
Operating expenses/(income)	(1,489)	(3,100)	(32)	(53)	9	(4,665)
Operating (loss)/profit	(97)	275	(2,541)	1,249	-	(1,114)
Impairment on securities	(206)	-	(3,959)	-	-	(4,165)
(Loss)/profit before tax	(303)	275	(6,500)	1,249	-	(5,279)
12 months ended 31 January 2016						
Revenue	2,594	12,120	16,104	5,843	-	36,661
Inter-segment revenue	-	177	-	-	(177)	-
	2,594	12,297	16,104	5,843	(177)	36,661
Interest income	1,277	296	2,041	5,378	-	8,992
Non-interest income	1,317	12,001	14,063	465	(177)	27,669
Other non-operating (loss)/income	(1,854)	30	536	-	-	(1,288)
Gross income	740	12,327	16,640	5,843	(177)	35,373
Operating expenses	(6,156)	(11,689)	(369)	(78)	177	(18,115)
Operating (loss)/profit	(5,416)	638	16,271	5,765	-	17,258
Impairment on securities	(206)	-	(3,959)	-	-	(4,165)
(Loss)/profit before tax	(5,622)	638	12,312	5,765	-	13,093
As at 31 January 2016						
Segment assets	56,646	21,114	803	60,332	-	138,895
Investment in associated company						7,200
Total assets						146,095
Total liabilities	1,866	6,804	23	67	-	8,760

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8 Segmental reporting (cont'd.)

12 months ended 31 January 2015	Investment holding and capital market operations RM'000	Fund management RM'000	Fund managed by a subsidiary RM'000	Corporate advisory and structured financing RM'000	Inter- segment elimination RM'000	Group total RM'000
Revenue	7,845	12,768	22,448	5,566	-	48,627
Inter-segment revenue	-	238	-	-	(238)	-
	7,845	13,006	22,448	5,566	(238)	48,627
Interest income	2,590	238	1,588	4,222	-	8,638
Non-interest income	5,255	12,768	20,860	1,344	(238)	39,989
Other non-operating income	1,583	(48)	-	-	-	1,535
Gross income	9,428	12,958	22,448	5,566	(238)	50,162
Operating expenses	(5,690)	(11,363)	(432)	(50)	238	(17,297)
Operating profit	3,738	1,595	22,016	5,516	-	32,865
Impairment on securities	(3,186)	-	-	-	-	(3,186)
Profit before tax	552	1,595	22,016	5,516	-	29,679
As at 31 January 2015						
Segment assets	103,977	16,845	252,717	72,725	-	446,264
Investment in associated company						7,200
Total assets						453,464
Total liabilities	2,044	2,949	18	6	-	5,017

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9 Cash and short-term funds

	31-Jan-16	31-Jan-15
	RM'000	RM'000
Cash	24,875	84,436
Cash belonging to a fund managed by a subsidiary	8	68,097
	24,883	152,533

10 Securities available-for-sale

	31-Jan-16	31-Jan-15
	RM'000	RM'000
At fair value		
Quoted shares	8,121	158,657
Unquoted shares	12,788	-
Unit trust fund units	583	37,959
	21,492	196,616
Less: Impairment losses on securities	(4,165)	(3,186)
	17,327	193,430

11 Loans, advances and financing

	31-Jan-16	31-Jan-15
	RM'000	RM'000
Term loans, representing gross loans, advances and financing	60,279	72,000
Less: Impaired loans	-	-
Total net loans, advances and financing	60,279	72,000

Analysis of gross loans, advances and financing

By residual contractual maturity

Maturity within one year	60,279	72,000
Gross loans, advances and financing	60,279	72,000

By economic purpose

Investments	20,231	20,000
Working capital	-	20,000
Others	40,048	32,000
Gross loans, advances and financing	60,279	72,000

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11 Loans, advances and financing (cont'd.)

	31-Jan-16	31-Jan-15
	RM'000	RM'000
Analysis of gross loans, advances and financing (cont'd.)		
<u>By interest rate sensitivity</u>		
Fixed rate		
- Term loans	60,279	72,000
Gross loans, advances and financing	60,279	72,000
<u>By type of customer</u>		
Domestic business enterprises	20,231	40,000
Individuals	40,048	32,000
Gross loans, advances and financing	60,279	72,000

Impaired loans

There is no impaired loans during and at the end of the financial year.

12 Trade receivables

	31-Jan-16	31-Jan-15
	RM'000	RM'000
Amount owing by trustees	6,222	1,809

13 Other assets

	31-Jan-16	31-Jan-15
	RM'000	RM'000
Interest receivable	59	124
Deposits	340	419
Tax recoverable	545	460
Other receivables and prepayments	611	1,489
	1,555	2,492

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14 Investment in associated company

	31-Jan-16	31-Jan-15
	RM'000	RM'000
Unquoted shares, outside Malaysia	_*	_*
Advances	7,200	7,200
Total investment in associated company	7,200	7,200

* denotes RM9

15 Trade payables

	31-Jan-16	31-Jan-15
	RM'000	RM'000
Amount owing to trustees	334	1,055

16 Other liabilities

	31-Jan-16	31-Jan-15
	RM'000	RM'000
Accruals and other payables	7,369	2,887
Deposits received	706	983
	8,075	3,870

17 Interest income

	Current	Corresponding	Current	Corresponding
	quarter ended	quarter ended	year to date	year to date
	31-Jan-16	31-Jan-15	31-Jan-16	31-Jan-15
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	1,159	1,199	5,378	4,222
Short-term funds and deposits with financial institutions	524	1,094	3,614	2,362
Securities held-to-maturity	-	268	-	2,054
	1,683	2,561	8,992	8,638

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18 Non-interest income

	Current quarter ended 31-Jan-16 RM'000	Corresponding quarter ended 31-Jan-15 RM'000	Current year to date ended 31-Jan-16 RM'000	Corresponding year to date ended 31-Jan-15 RM'000
Fee income				
- Fees on loans, advances and financing	-	38	-	576
- Portfolio management fees	3,254	3,761	11,824	12,530
- Other fee income	141	163	464	1,343
	3,395	3,962	12,288	14,449
Investment and trading income				
Net gain arising from securities held-for-trading				
- Realised gain on disposal	-	-	-	9,846
	-	-	-	9,846
Net income from securities available-for-sale				
- Net gain on disposal	491	4,437	491	4,437
- Income distribution from fund	1	62	828	242
	492	4,499	1,319	4,679
Net (loss)/income from securities available-for-sale of fund managed by a subsidiary				
- Net (loss)/gain on disposal	(2,737)	-	13,999	19,317
- Dividend income	-	-	63	1,544
	(2,737)	-	14,062	20,861
Net loss arising from derivatives				
- Realised loss on disposal	-	-	-	(9,846)
	-	-	-	(9,846)
Total non-interest income	1,150	8,461	27,669	39,989

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19 Other non-operating income/(loss)

	Current quarter ended 31-Jan-16 RM'000	Corresponding quarter ended 31-Jan-15 RM'000	Current year to date ended 31-Jan-16 RM'000	Corresponding year to date ended 31-Jan-15 RM'000
Rental income	315	352	1,389	1,369
Gain on disposal of motor vehicles	-	-	169	-
Gain /(loss) on foreign exchange translation	190	(97)	681	(108)
Foreign currency translation reserve losses reclassified to profit or loss upon liquidation of subsidiary (refer Note)	-	-	(3,762)	-
Gain on liquidation of subsidiary	182	-	182	-
Others	31	-	53	274
	718	255	(1,288)	1,535

Note:

Following the conclusion of the member's voluntary winding-up of ECML Ltd, the foreign currency translation losses recognised in other comprehensive income and accumulated as foreign currency translation reserve in equity was reclassified to profit or loss in the consolidated income statements and the said reclassification had no adverse impact on the Group's net assets position (Refer Note 24).

20 Operating expenses

	Current quarter ended 31-Jan-16 RM'000	Corresponding quarter ended 31-Jan-15 RM'000	Current year to date ended 31-Jan-16 RM'000	Corresponding year to date ended 31-Jan-15 RM'000
<u>Personnel expenses</u>				
Salaries, allowance and bonus	2,765	3,154	8,639	8,330
Contributions to defined contribution plan	251	236	1,039	940
Other personnel costs	289	611	1,178	997
	3,305	4,001	10,856	10,267
<u>Establishment costs</u>				
Depreciation of property, plant and equipment	362	371	1,501	1,602
Depreciation of investment property	2	-	2	-
Rental of premises	35	36	141	151
Other establishment costs	9	12	47	59
	408	419	1,691	1,812

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20 Operating expenses (cont'd.)

	Current quarter ended 31-Jan-16 RM'000	Corresponding quarter ended 31-Jan-15 RM'000	Current year to date ended 31-Jan-16 RM'000	Corresponding year to date ended 31-Jan-15 RM'000
<u>Administrative and general expenses</u>				
Audit fees	31	46	103	109
Building maintenance expenses	274	277	1,016	924
Legal and professional fees	271	169	1,155	441
Marketing and communication expenses	349	458	1,421	1,646
Printing and stationery	16	14	136	110
Rental of network and equipment and telecommunication expenses	38	46	156	203
Insurance, postages and courier	34	63	148	145
Others	(61)	354	1,433	1,640
	952	1,427	5,568	5,218
Total operating expenses	4,665	5,847	18,115	17,297

21 Impairment losses on securities

	Current quarter ended 31-Jan-16 RM'000	Corresponding quarter ended 31-Jan-15 RM'000	Current year to date ended 31-Jan-16 RM'000	Corresponding year to date ended 31-Jan-15 RM'000
Securities available-for-sale:				
- Impairment losses made during the financial year	4,165	3,186	4,165	3,186

22 Valuation of property, plant and equipment

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

23 Material subsequent event

There were no material events subsequent to 31 January 2016.

24 Changes in the composition of the Group

In the previous financial year, the Group commenced member's voluntary winding-up of the following dormant wholly-owned subsidiaries:

- a) ECM Libra Securities Nominees (Asing) Sdn Bhd
- b) ECM Libra Securities Nominees (Tempatan) Sdn Bhd
- c) ECM Libra Capital Markets Sdn Bhd
- d) Avenue Capital Resources Berhad
- e) ECML Ltd (formerly known as ECM Libra Investment Bank Limited)
- f) ECM Libra Securities Sdn Bhd

On 30 July 2015, the Liquidator of ECML Ltd (formerly known as ECM Libra Investment Bank Limited) convened the Final Meeting to conclude the member's voluntary winding-up and ECML Ltd was dissolved effective from 29 October 2015.

On 7 October 2015, the Liquidator of ECM Libra Securities Nominees (Asing) Sdn Bhd ("ELSN(A)") and ECM Libra Securities Nominees (Tempatan) Sdn Bhd ("ELSN(T)") convened the respective Final Meeting to conclude the member's voluntary winding-up. ELSN(A) and ELSN(T) were dissolved effective from 7 January 2016.

On 7 December 2015, the Liquidator of Avenue Capital Resources Berhad ("ACRB") convened the Final Meeting to conclude the member's voluntary winding-up. The Return by Liquidator Relating to Final Meeting of ACRB was lodged on 8 December 2015 with the Companies Commission of Malaysia and the Official Receiver, and ACRB will be dissolved upon the expiry of three months from 8 December 2015.

As at 31 January 2016, the member's voluntary winding-up of the remaining 2 subsidiaries is still on-going.

On 18 February 2016, Avenue Asset Management Services (Labuan) Ltd ("AAMS"), a dormant wholly-owned subsidiary, has submitted application to Labuan Financial Services Authority ("LFSA") for the name of AAMS to be struck off from the register of LFSA. The striking off process is ongoing and expected to take effect after 18 October 2016.

25 Commitments and contingencies

Capital commitments

As at 31 January 2016, the Group has commitments in respect of capital expenditure as follows: -

Authorised and contracted for

RM'000
413

26 Significant related party transactions

The Group has no significant related party transactions which would have a significant impact on the financial position and business of the Group for the quarter ended 31 January 2016.

Part B – Additional information required by the listing requirements of Bursa Malaysia

27 Status of corporate proposals announced

The distribution to shareholders comprising a capital repayment of RM0.88 per ordinary share of RM1.00 each and special dividend of RM0.117 per ordinary share was completed on 7 December 2015. The distribution was satisfied by a combination of cash distribution and distribution in-specie. The total value of the distribution to shareholders amounted to RM286 million or equivalent to RM0.997 for every ordinary share of RM1.00 par value.

On 24 February 2016, the Company ("ECM") announced that the Board has received a Notification of Potential Mandatory General Offer from Mr Lim Kian Onn. The Board was informed that a conditional Share Sale Agreement ("Agreement") has been executed on 23 February 2016 between Amcorp Group Berhad, Hikmaya Jaya Sdn Bhd, Arab-Malaysian (CSL) Sdn Bhd and Equity Vision Sdn Bhd as vendors ("Vendors") and Truesource Sdn Bhd as purchaser ("Purchaser") with respect to 74,194,973 ordinary shares in ECM ("Sale Shares"). The Purchaser is a subsidiary of Plato Capital Limited.

Mr Lim Kian Onn is a director and substantial shareholder of both ECM and Plato Capital Limited.

The Board was informed that under the Agreement, there are conditions precedent which are required to be satisfied in order for the Purchaser to complete the sale and purchase of the Sale Shares. Pursuant to the Malaysian Code on Take-Overs and Mergers, 2010, the Purchaser and/or parties acting in concert will be obliged to undertake a mandatory general offer ("MGO") to acquire all the remaining shares in ECM not already owned by the Purchaser and parties acting in concert when the Agreement becomes unconditional. Mr Lim Kian Onn has informed that upon the Agreement becoming unconditional, he will undertake the MGO in accordance with the provisions of the Malaysian Code on Take-Overs and Mergers, 2010.

On 25 February 2016, ECM announced further information received pertaining to the Notification of Potential MGO as follows:

- (i) The purchase consideration is RM0.37 per share for the 74,194,973 ordinary shares of par value RM0.12 each in ECM to be purchased by Truesource Sdn Bhd, a 100% subsidiary of Plato Capital Limited.
- (ii) The conditions precedent of the share sale agreement dated 23 February 2016 include the following:
 - (a) resolutions being passed at a general meeting of Plato Capital Limited approving (i) the issuance of redeemable convertible unsecured loan stocks (RCULS) of an aggregate value up to SGD10,000,000.00 to Mr. Lim Kian Onn to raise proceeds to enable Truesource Sdn Bhd to satisfy the purchase consideration; and (ii) the transaction on the terms and conditions contained in the share sale agreement; and
 - (b) all regulatory approvals being obtained for issuance of the RCULS by Plato Capital Limited.
- (iii) It is envisaged that the conditions precedent set out in the share sale agreement would be fulfilled by 31 May 2016.

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

28 Performance review on the results of the Group

For the year ended 31 January 2016, the Group recorded a profit before tax of RM13.09 million and a profit after tax of RM11.18 million. The income was contributed by gain on disposal of securities available-for-sale of RM14.49 million, portfolio management fees income of RM11.82 million, interest income of RM8.99 million, rental income of RM1.39 million, investment income of RM0.83 million, gain on revaluation of foreign exchange translation of RM0.68 million and other income of RM0.93 million. Operating expenses for the year amounted to RM18.12 million. The foreign currency translation reserve losses of RM3.76 million recorded in previous years was reclassified from equity to profit or loss for the current year upon completion of the liquidation of a subsidiary. The unrealised revaluation loss of RM3.81 million accumulated in the AFS revaluation reserve in equity was also reclassified to profit or loss and constituted part of the RM4.17 million impairment losses on securities. Whilst the reclassification has no impact on the net asset value of the Group, said reclassification has substantially reduced the profit for the year.

The performance of the respective operating business segments for the year ended 31 January 2016 is analysed as follows:

(i) Investment holding and capital market operations

Investment holding and capital market operations reported a loss before tax of RM5.62 million for the year ended 31 January 2016. Income for the year was derived from rental income of RM1.39 million, interest income of RM1.28 million, investment income of RM0.83 million, gain on disposal of securities of RM0.49 million, gain on liquidation of subsidiary of RM0.18 million and other income of RM0.34 million. Income was offset by operating and corporate expenses of RM6.16 million, foreign currency translation reserve losses reclassified to profit or loss upon liquidation of subsidiary of RM3.76 million and impairment losses on securities of RM0.21 million.

(ii) Fund management

Fund management reported a profit before tax of RM0.64 million for the year ended 31 January 2016, largely contributed by fee income of RM12.00 million, interest income of RM0.30 million and sundry income of RM0.03 million; partially offset by operating expenses of RM11.69 million.

(iii) Corporate advisory and structured finance

Corporate advisory and structured finance reported a profit before tax of RM5.77 million for the year ended 31 January 2016, largely contributed by interest income of RM5.38 million and other income of RM0.47 million; partially offset by operating expenses of RM0.08 million.

(iv) Fund managed by a subsidiary

The fund managed by a subsidiary reported a profit before tax of RM12.31 million for the year ended 31 January 2016, largely contributed by gain on disposal of securities of RM14.00 million, interest income of RM2.04 million, foreign currency translation gains of RM0.54 million and dividend income from securities of RM0.06 million; partially offset by impairment losses on securities of RM3.96 million and operating expenses of RM0.37 million. The impairment losses on securities was in respect of the unrealised revaluation loss accumulated as available-for-sale revaluation reserve in equity reclassified to profit or loss and said reclassification had no adverse impact on the Group's net assets position.

29 Review of performance of current financial quarter against immediate preceding financial quarter

For the financial quarter under review, the Group reported a loss before tax of RM5.28 million compared to profit before tax of RM1.87 million reported for the immediate preceding quarter.

In the current quarter, the Group reported portfolio management fees income of RM3.26 million, interest income of RM1.68 million, rental income of RM0.32 million, gain on revaluation of foreign exchange translation of RM0.19 million, gain on liquidation of subsidiary of RM0.18 million and other income of RM0.19 million; partially offset by operating expenses of RM4.67 million. The loss before tax in the current quarter was mainly due to impairment losses on securities of RM4.17 million and loss on disposal of securities of RM2.25 million compared to gain on disposal of securities of RM0.05 million in the previous quarter.

Performance of the respective operating business segments for the current quarter ended 31 January 2016 is analysed as follows:

(i) Investment holding and capital market operations

Investment holding and capital market operations reported a lower loss before tax of RM0.30 million in the current quarter ended 31 January 2016 compared to loss before tax of RM0.49 million in the previous quarter ended 31 October 2015. The lower loss was mainly due to higher interest income of RM0.36 million reported in the current quarter compared to RM0.08 million in the previous quarter and lower operating expenses for the current quarter at RM1.49 million compared to RM1.61 million in the previous quarter, partially offset by impairment losses on securities of RM0.21 million.

(ii) Fund management

Fund management reported a higher profit before tax of RM0.28 million in the current quarter ended 31 January 2016 compared to RM0.001 million in the previous quarter ended 31 October 2015. The increase was mainly contributed by higher portfolio management fees of RM3.26 million in the current quarter compared to RM2.96 million in the previous quarter, partially offset by higher operating expenses of RM3.10 million in the current quarter compared to RM3.03 million in the previous quarter.

(iii) Corporate advisory and structured finance

Corporate advisory and structured financing reported a lower profit before tax of RM1.25 million in the current quarter ended 31 January 2016 compared to RM1.49 million in the previous quarter ended 31 October 2015. The decrease was mainly due to lower interest income of RM1.16 million in the current quarter compared to RM1.36 million in the previous quarter and higher operating expenses of RM0.05 million in the current quarter compared to RM0.01 million in the previous quarter.

(iv) Fund managed by a subsidiary

Fund managed by a subsidiary reported a loss before tax of RM6.50 million in the current quarter ended 31 January 2016 compared to profit before tax of RM0.86 million in the previous quarter ended 31 October 2015. The loss was mainly due to impairment losses on securities of RM3.96 million, loss on disposal of securities of RM2.74 million in the current quarter compared to gain on disposal of securities of RM0.05 million in the previous quarter and lower interest income of RM0.08 million in the current quarter compared to RM0.90 million in the previous quarter. During the quarter under review, the Fund has disposed almost all its investments to facilitate the Distribution Exercise.

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30 Group's prospects

With the completion of the Distribution Exercise outlined in Note 27, the Group has a substantially reduced earnings base after distributing a total value of RM286 million to shareholders; with income contribution from its existing fund management business, a smaller loan portfolio and a substantially lower cash reserve.

The Group will continue to nurture its fund management business which is operated under Libra Invest Berhad. The fund management and structured lending businesses are expected to be the main income source for the financial year ending 31 January 2017.

31 Profit forecast

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

32 Income tax expense

	Current quarter ended 31-Jan-16 RM'000	Corresponding quarter ended 31-Jan-15 RM'000	Current year to date ended 31-Jan-16 RM'000	Corresponding year to date ended 31-Jan-15 RM'000
Income tax:				
Current period's provision	468	353	1,814	1,683
Under provision of tax in prior years	-	-	39	12
	468	353	1,853	1,695
Deferred taxation:				
Transfer from deferred tax	24	(135)	24	(135)
Under/(over) provision of prior years	39	(111)	39	(111)
	531	107	1,916	1,449

The Group's effective tax rate for the year ended 31 January 2016 was lower than statutory tax rate due to certain income not subjected to taxation.

33 Group borrowings

The Group has no borrowings and debt securities as at 31 January 2016.

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34 Realised and unrealised retained profits

The breakdown of the retained profits of the Group as at 31 January 2016 and 31 January 2015 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, as issued by the Malaysian Institute of Accountants.

	31-Jan-16	31-Jan-15
	RM'000	RM'000
Total retained profits of the Group		
- Realised	152,495	142,760
- Unrealised	169	(1,508)
	152,664	141,252
Less: Consolidation adjustments	(54,525)	(19,358)
Retained profits as per financial statements	98,139	121,894

The unrealised retained profits of the Group as disclosed above excludes translation gains and losses on monetary items denominated in a currency other than the functional currency, as these translation gains and losses are incurred in the ordinary course of business of the Group, and are hence deemed as realised.

35 Material litigations

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

36 Dividend

A special dividend of RM0.117 per ordinary share was paid to the shareholders on 7 December 2015 as outlined in Note 7. No further dividend has been proposed for the quarter ended 31 January 2016.

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37 Earnings per share

(a) Basic

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

The computation of the weighted average number of ordinary shares in issue is net of treasury shares.

	Current quarter ended 31-Jan-16	Corresponding quarter ended 31-Jan-15	Current year to date ended 31-Jan-16	Corresponding year to date ended 31-Jan-15
Net profit (RM'000)	(5,810)	2,137	11,177	28,230
Weighted average number of ordinary shares in issue ('000)	286,592	268,222	275,462	268,222
Basic earnings per share (sen)	(2.03)	0.80	4.06	10.52

(b) Diluted

The diluted earnings per ordinary share is calculated by dividing the net profit for the reporting period by the weighted average number of ordinary shares in issue during the reporting period, taking into account the outstanding options under the Employees' Share Option Scheme ("ESOS") as at the reporting period. The ESOS has expired on 30 November 2015 and the unexercised 5,700 options have thus expired.

	Current quarter ended 31-Jan-16	Corresponding quarter ended 31-Jan-15	Current year to date ended 31-Jan-16	Corresponding year to date ended 31-Jan-15
Net profit (RM'000)	(5,810)	2,137	11,177	28,230
Weighted average number of ordinary shares in issue ('000)	286,592	268,222	275,462	268,222
Effect of options if exercised under ESOS ('000)	2	19,848	11,178	19,848
	286,594	288,070	286,640	288,070
Diluted earnings per share (sen)	(2.03)	0.74	3.90	9.80

Date: 30 March 2016