

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)**Unaudited Interim Condensed Financial Statements for the second quarter ended 30 June 2018****Unaudited Interim Condensed Consolidated Statement of Financial Position as at 30 June 2018**

	Note	30-Jun-18 RM'000	31-Dec-17 RM'000
ASSETS			
Cash and cash equivalents	9	12,306	20,825
Available-for-sale financial assets	10	-	38,029
Financial assets at fair value through other comprehensive income	11	23,216	-
Loans, advances and financing	12	56,931	59,071
Trade receivables	13	1,539	1,910
Other assets	14	5,717	4,001
Deferred tax assets		250	250
Property, plant and equipment	15	2,233	2,438
Investment in joint ventures		63,738	-
Assets classified as held for sale	16	-	24,438
TOTAL ASSETS		165,930	150,962
LIABILITIES AND EQUITY			
LIABILITIES			
Trade payables	18	79	1,274
Other liabilities	19	2,071	3,134
Provision for taxation		209	209
Liabilities classified as held for sale	16	-	728
TOTAL LIABILITIES		2,359	5,345
EQUITY			
Share capital		95,620	37,946
Reserves		67,951	107,671
TOTAL EQUITY		163,571	145,617
TOTAL LIABILITIES AND EQUITY		165,930	150,962
Net assets per share (RM)		0.37	0.51

The unaudited interim condensed financial statements should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2017.

Unaudited Interim Condensed Consolidated Statements of Profit or Loss and
Other Comprehensive Income for the second quarter ended 30 June 2018

	Note	Individual Period (2 nd quarter)			Cumulative Period (6 months)		
		Current quarter 30-Jun-18 RM'000	Preceding year corresponding quarter 30-Jun-17 RM'000	%	Current year to date 30-Jun-18 RM'000	Preceding year corresponding period 30-Jun-17 RM'000	%
Continuing operations							
Revenue		4,703	5,018	-6.3	9,875	10,000	-1.3
Interest income	20	1,230	1,232	-0.2	2,441	2,449	-0.3
Non-interest income	21	3,473	3,786	-8.3	7,434	7,551	-1.5
Other non-operating income/(expenses)	22	730	(95)	-868.4	611	38	1,507.9
Gross income		5,433	4,923	10.4	10,486	10,038	4.5
Operating expenses	23	(4,305)	(4,727)	-8.9	(8,517)	(8,499)	0.2
Operating profit		1,128	196	475.5	1,969	1,539	27.9
Share of profit of equity- accounted joint ventures		292	-	100.0	292	-	100.0
Profit before tax		1,420	196	624.5	2,261	1,539	46.9
Income tax expense	37	(164)	(347)	-52.7	(403)	(631)	-36.1
Profit/(loss) from continuing operations		1,256	(151)	-931.8	1,858	908	104.6
Discontinued operation							
Profit/(loss) from discontinued operation	24	3,335	(51)	-6,639.2	3,439	(145)	-2,471.7
Profit/(loss) for the financial period attributable to owners of the Company		4,591	(202)	-2,372.8	5,297	763	594.2
Other comprehensive income/(loss):							
Items that will not be reclassified to profit or loss:							
Fair value changes of financial assets		368	(348)	-205.7	330	496	-33.5
Total comprehensive income/ (loss) for the financial period attributable to owners of the Company		4,959	(550)	-1,001.6	5,627	1,259	346.9
Basic earnings/(loss) per ordinary share:							
- from continuing operations	39	0.34	(0.05)		0.57	0.32	
- from discontinued operation	39	0.91	(0.02)		1.05	(0.05)	
		1.25	(0.07)		1.62	0.27	

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Unaudited Interim Condensed Financial Statements for the second quarter ended 30 June 2018

**Unaudited Interim Condensed Consolidated Statements of Profit or Loss and
Other Comprehensive Income for the second quarter ended 30 June 2018 (cont'd.)**

	Second quarter 30-Jun-18 RM'000	Immediate preceding quarter 31-Mar-18 RM'000	%
Continuing operations			
Revenue	4,703	5,172	-9.1
Interest income	1,230	1,211	1.6
Non-interest income	3,473	3,961	-12.3
Other non-operating income	730	(119)	-713.4
Gross income	5,433	5,053	7.5
Operating expenses	(4,305)	(4,212)	2.2
Operating profit	1,128	841	34.1
Share of profit of equity-accounted joint ventures	292	-	100.0
Profit before tax	1,420	841	68.8
Income tax expense	(164)	(239)	-31.4
Profit from continuing operations	1,256	602	108.6
Discontinued operation			
Profit from discontinued operation	3,335	104	3,106.7
Profit for the financial period attributable to owners of the Company	4,591	706	550.3

The unaudited interim condensed financial statements should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2017.

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

Unaudited Interim Condensed Financial Statements for the second quarter ended 30 June 2018

Unaudited Interim Condensed Consolidated Statement of Changes in Equity for the second quarter ended 30 June 2018

	<-----Non-distributable----->			Distributable	
	Share capital	Fair value through other comprehensive income (deficit)/reserve	General reserve	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2018	37,946	(156)	2,788	105,039	145,617
Impacts arising from adoption of MFRS 9 (Note 1(a))	-	383	-	39	422
	37,946	227	2,788	105,078	146,039
Profit for the financial period	-	-	-	5,297	5,297
Other comprehensive income for the financial period	-	330	-	-	330
Total comprehensive income for the financial period	-	330	-	5,297	5,627
Transaction with owners:					
Issuance of shares during the financial period	57,674	-	-	-	57,674
Dividend paid during the financial period	-	-	-	(45,769)	(45,769)
	57,674	-	-	(45,769)	11,905
At 30 June 2018	95,620	557	2,788	64,606	163,571

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Unaudited Interim Condensed Financial Statements for the second quarter ended 30 June 2018

Unaudited Interim Condensed Consolidated Statement of Changes in Equity for the second quarter ended 30 June 2018 (cont'd.)

	<-----Non-distributable----->			Distributable		Total RM'000
	Share capital RM'000	Capital redemption reserve RM'000	Fair value through other comprehensive income (deficit)/reserve RM'000	General reserve RM'000	Retained profits RM'000	
At 1 January 2017	34,391	3,555	(590)	2,788	104,165	144,309
Profit for the financial period	-	-	-	-	763	763
Other comprehensive income for the financial period	-	-	496	-	-	496
Total comprehensive income for the financial period	-	-	496	-	763	1,259
Transfer pursuant to the Companies Act, 2016 *	3,555	(3,555)	-	-	-	-
At 30 June 2017	37,946	-	(94)	2,788	104,928	145,568

* The new Companies Act, 2016, which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, any amount standing to the credit of the capital redemption reserve account of RM3,554,762 becomes part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Companies Act, 2016. Notwithstanding this provision, the Company may within 24 months from the commencement of the Companies Act, 2016, use the amount standing to the credit of its capital redemption reserve account of RM3,554,762 for purposes as set out in Section 618(3) of the Companies Act, 2016. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

The unaudited interim condensed financial statements should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2017.

**Unaudited Interim Condensed Consolidated Statement of Cash Flows
for the second quarter ended 30 June 2018**

	Note	Six Months Ended	
		30-Jun-18 RM'000	30-Jun-17 RM'000
Cash flows from operating activities			
Profit/(loss) before tax:			
- from continuing operations		2,261	1,539
- from discontinued operation		3,439	(145)
		<u>5,700</u>	<u>1,394</u>
Adjustments to reconcile profit before tax to net cash flows		(5,618)	(2,339)
		<u>82</u>	<u>(945)</u>
Decrease/(increase) in operating assets		2,322	(2,571)
Decrease in operating liabilities		(2,986)	(624)
		<u>(582)</u>	<u>(4,140)</u>
Interest received from loans, advances and financing		736	2,473
Net tax paid		(830)	(266)
		<u>(676)</u>	<u>(1,933)</u>
Cash flows from investing activities			
Net disposal of financial assets		15,762	4,752
Purchase of property, plant and equipment		(307)	(117)
Sale of discontinued operation			
- Proceed from disposal of property, plant and equipment		27,280	-
Investment in joint ventures		(62,718)	-
Interest received from deposits with financial institutions		114	228
		<u>(19,869)</u>	<u>4,863</u>
Cash flows from financing activities			
Dividend paid		(45,769)	-
Proceeds from issuance of shares		57,674	-
		<u>11,905</u>	<u>-</u>
Net cash generated from financing activities			
Net (decrease)/increase in cash and cash equivalents		(8,640)	2,930
Effects of foreign exchange rate changes		121	38
Cash and cash equivalents at beginning of the financial period		20,825	22,015
Cash and cash equivalents at end of the financial period	9	12,306	24,983

The unaudited interim condensed financial statements should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2017.

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

1 Basis of preparation

These unaudited interim condensed consolidated financial statements ("Condensed Report") have been prepared in accordance with MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB"), Chapter 9, Part K of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the requirements of the Companies Act, 2016 in Malaysia, where applicable. The Condensed Report, other than for financial assets, has been prepared under the historical cost convention. Financial assets are carried at fair value in accordance to MFRS 9 *Financial Instruments*.

The Condensed Report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017. The explanatory notes attached to the Condensed Report 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 December 2017.

The accounting policies and methods of computation adopted in this Condensed Report are consistent with those adopted in the audited annual financial statements for the financial year ended 31 December 2017, except for the following:

Effective for annual periods commencing on or after 1 January 2018

Amendments to MFRS 2 *Classification and Measurement of Share-based Payment Transactions*
Amendments to MFRS 4 *Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*
Amendments to MFRS 140 *Transfers of Investment Property*
Clarifications to MFRS 15 *Revenue from Contracts with Customers*
IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*
MFRS 9 *Financial Instruments*
MFRS 15 *Revenue from Contracts with Customers*
Annual Improvements to MFRS Standards 2014 - 2016 Cycle

The adoption of the above pronouncements, where relevant, did not have any significant effects on the Condensed Report upon their initial application, other than as disclosed below:

(a) MFRS 9 *Financial Instruments* ("MFRS 9")

The Group has adopted the requirements of MFRS 9 on 1 January 2018. MFRS 9 introduces new requirements with impacts mainly relating to classification and measurement of financial instruments, impairment assessment based on the expected credit loss model and hedge accounting. The adoption of MFRS 9 did not have any significant effects on the Condensed Report upon their initial application, except for changes in accounting policies for classification and measurement of financial instruments.

The changes in accounting policies have been applied retrospectively from 1 January 2018. In accordance with the transition requirements, comparatives are not restated. The changes to accounting policies are summarised as follow:

1 Basis of preparation (cont'd.)

(a) MFRS 9 *Financial Instruments* ("MFRS 9") (cont'd.)

Classification and measurement

The Group classifies financial assets into three primary measurement categories: Amortised Cost, Fair Value Through Profit or Loss ("FVTPL") and Fair Value Through Other Comprehensive Income ("FVOCI"). The basis of classification depends on the Group's business model and contractual cash flow characteristics of the financial asset.

Financial assets

Financial assets are measured at amortised cost if the assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows which represent solely payments of principal and interest. Financial assets are measured at FVOCI if the assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual cash flows represent solely payments of principal and interest. All other financial assets are classified and measured at FVTPL. On initial recognition of certain equity investments that are not held for trading, the Group has irrevocably elected to present subsequent changes in fair value in Other Comprehensive Income ("OCI"). This election is made on an instrument-by-instrument basis and is irrevocable.

Financial liabilities

As MFRS 9 retains most of the MFRS 139 requirements, there is no change to the classification and measurement of the Group's financial liabilities.

Impact as a result of MFRS 9 adoption:

- (i) Both quoted and unquoted equity instruments which are not held for trading and were previously classified as available-for-sale are now classified and measured at either FVTPL or FVOCI.
- (ii) Unquoted equity instruments which were previously measured at cost are now measured at fair value.

1 Basis of preparation (cont'd.)

(a) MFRS 9 *Financial Instruments* ("MFRS 9") (cont'd.)

Financial effects due to changes in accounting policies

The following table analyses the impact, net of tax, of transition to MFRS 9 on the statement of financial position of the Group:

	Impact of adopting MFRS 9 as at 1 January 2018 RM'000
Available-for-sale financial assets	
Closing balance under MFRS 139 at 31 December 2017	38,029
- Redesignation to Financial Assets at FVOCI	(22,163)
- Redesignation to Financial Assets at FVTPL	(15,866)
Opening balance under MFRS 9 at 1 January 2018	<u>-</u>
Financial Assets at FVOCI	
Closing balance under MFRS 139 at 31 December 2017	-
- Redesignation from available-for-sale financial assets	22,163
- Unrealised gain on unquoted investments	422
Opening balance under MFRS 9 at 1 January 2018	<u>22,585</u>
Financial Assets at FVTPL	
Closing balance under MFRS 139 at 31 December 2017	-
- Redesignation from available-for-sale financial assets	15,866
Opening balance under MFRS 9 at 1 January 2018	<u>15,866</u>
Fair value through other comprehensive income reserve	
Closing balance under MFRS 139 at 31 December 2017	(156)
- Transfer to retained profits	(39)
- Unrealised gain on unquoted investments	422
Opening balance under MFRS 9 at 1 January 2018	<u>227</u>
Retained profits	
Closing balance under MFRS 139 at 31 December 2017	105,039
- Transfer from fair value through other comprehensive income reserve	39
Opening balance under MFRS 9 at 1 January 2018	<u>105,078</u>

1 Basis of preparation (cont'd.)

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

MFRS 15 is effective for annual periods beginning on or after 1 January 2018. MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers.

The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

The main revenue streams of the Group within the scope of MFRS 15 are management fees and performance fees. Management fees are recognised net of any rebates (if any) on a daily basis when the management services are rendered. Performance fees are earned when the returns of a fund exceed the hurdle rate and/or high watermark over a given period. The Group previously recognises performance fees once the performance period elapses. However, in line with MFRS 15, recognition is required prior to the completion of the performance period if it becomes probable that the performance of the fund will continue to exceed the target rate at the end of the performance period. Based on the current market's volatility, the adoption of MFRS 15 did not have any material impact on the recognition of performance fees.

Overall, the adoption of MFRS 15 did not have any significant effects on the Condensed Report upon their initial application.

The following MFRS, amendments to MFRS, IC Interpretation and annual improvements to MFRS have been issued by the MASB but are not yet effective:

Effective for annual periods commencing on or after 1 January 2019

Amendments to MFRS 9 *Prepayment Features with Negative Compensation*
Amendments to MFRS 128 *Long-term Interests in Associates and Joint Ventures*
MFRS 16 *Leases*
IC Interpretation 23 *Uncertainty over Income Tax Treatments*
Annual Improvements to MFRS Standards 2015 - 2017 Cycle
Amendments to MFRS 119 *Plan Amendment, Curtailment or Settlement*

Effective for annual periods commencing on or after 1 January 2020

Amendments to MFRS 2 *Share-based Payment*
Amendment to MFRS 3 *Business Combinations*
Amendments to MFRS 6 *Exploration for and Evaluation of Mineral Resources*
Amendment to MFRS 14 *Regulatory Deferral Accounts*
Amendments to MFRS 101 *Presentation of Financial Statements*
Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*
Amendments to MFRS 134 *Interim Financial Reporting*
Amendments to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*

1 Basis of preparation (cont'd.)

Effective for annual periods commencing on or after 1 January 2020 (cont'd.)

Amendments to MFRS 138 *Intangible Assets*

Amendment to IC Interpretation 12 *Service Concession Arrangements*

Amendment to IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*

Amendment to IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*

Amendment to IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*

Amendment to IC Interpretation 132 *Intangible Assets - Web Site Costs*

Effective for annual periods commencing on or after 1 January 2021

MFRS 17 *Insurance Contracts*

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*

Adoption of the above pronouncements when they become effective in respective financial year are not expected to have any impact to the financial statements upon their initial application.

2 Auditors' report on preceding annual financial statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2017 was not qualified.

3 Seasonality and cyclicity factors

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

4 Exceptional items/unusual events

Other than as disclosed in Note 29, there was no other unusual item affecting assets, liabilities, equity, net income, or cash flows during the current quarter ended 30 June 2018.

5 Variation from financial estimates reported in preceding financial year

There were no changes in estimates of amounts reported in the preceding financial year that would have a material effect in the current quarter ended 30 June 2018.

6 Debt and equity securities

Save as detailed below, there were no other issuance, cancellation, resale and repayment of either debt or equity securities during the current quarter ended 30 June 2018:

6 Debt and equity securities (cont'd.)

On 16 May 2018, the Company issued 160,205,555 new ordinary shares at an issue price of RM0.36 per ordinary share for a total cash consideration of RM57.67 million to fund the Company's acquisition of 50% equity interest in TP Sepang Sdn Bhd, Yummy Kitchen Sdn Bhd, TP International Pty Ltd and 40.005% equity interest in TP Hotel (Flinders) Trust (together with 40.005% of the rights and benefits to the total advances owing by TP Hotel (Flinders) Trust).

7 Dividend paid

During the second quarter ended 30 June 2018, a special single-tier dividend of RM0.1597 per ordinary share amounting to RM45.8 million in respect of the financial year ending 31 December 2018 was paid on 8 May 2018.

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:

(a) Investment Holding

For the preceding year corresponding quarter ended 30 June 2017, this reporting segment represents the aggregation of two previous operating segments as follows:

- (i) Investment holding - general investments and corporate related activities
- (ii) Fund managed by a subsidiary - a unit trust fund

These operating segments share similar characteristics as they are engaged in investment holding. Management believes that it is appropriate to aggregate these two operating segments as one reporting segment due to the similarities in the nature of each operating segment.

The Company has liquidated its entire interest in the fund managed by a subsidiary - a unit trust fund in 2017. Consequently, for the current quarter ended 30 June 2018, this reporting segment consists of general investments and corporate related activities only.

(b) Fund Management - unit trust funds and asset management

(c) Structured Financing - structured lending and financial services related activities

(d) Discontinued Operation

In 2017, rental business within the Investment Holding operating segment is presented as Disposal Group held for sale following the Company entered into conditional sale and purchase agreements for the proposed disposal of the east wing and centre wing of Bangunan ECM Libra and the semi-detached residential property ("Disposal Group"), for an aggregated cash consideration of RM28,000,000 (as disclosed in Note 29).

The sale of the Disposal Group was completed on 8 May 2018. Consequently, rental business related to the Disposal Group is presented as discontinued operation in the current quarter ended 30 June 2018.

8 Segmental reporting (cont'd.)

	Continuing operations					
	Investment Holding RM'000	Fund Management RM'000	Structured Financing RM'000	Discontinued Operation RM'000	Inter- segment elimination RM'000	Group total RM'000
Three months ended 30 June 2018						
Revenue	89	3,462	1,152	-	-	4,703
Interest income	34	72	1,124	-	-	1,230
Non-interest income	55	3,390	28	-	-	3,473
Other non-operating income	727	-	3	3,532	-	4,262
Gross income	816	3,462	1,155	3,532	-	8,965
Operating expenses of which:	(1,188)	(3,097)	(20)	(197)	-	(4,502)
- Depreciation of property, plant and equipment	(58)	(83)	-	-	-	(141)
Operating (loss)/profit	(372)	365	1,135	3,335	-	4,463
Share of profit of equity- accounted joint ventures	292	-	-	-	-	292
(Loss)/profit before tax	(80)	365	1,135	3,335	-	4,755
Six months ended 30 June 2018						
Revenue	267	7,089	2,519	-	-	9,875
Interest income	69	145	2,227	-	-	2,441
Non-interest income	198	6,944	292	-	-	7,434
Other non-operating income	606	-	5	3,963	-	4,574
Gross income	873	7,089	2,524	3,963	-	14,449
Operating expenses of which:	(2,277)	(6,202)	(38)	(524)	-	(9,041)
- Depreciation of property, plant and equipment	(117)	(165)	-	-	-	(282)
Operating (loss)/profit	(1,404)	887	2,486	3,439	-	5,408
Share of profit of equity- accounted joint ventures	292	-	-	-	-	292
(Loss)/profit before tax	(1,112)	887	2,486	3,439	-	5,700
As at 30 June 2018						
Segment assets	29,480	15,203	57,202	-	-	101,885
Investment in joint ventures	63,738	-	-	-	-	63,738
Additions to property, plant and equipment	-	307	-	-	-	307
Total assets	29,480	15,510	57,202	-	-	165,930
Total liabilities	390	1,748	221	-	-	2,359

8 Segmental reporting (cont'd.)

	Continuing Operations				Inter-segment elimination RM'000	Group total RM'000
	Investment Holding RM'000	Fund Management RM'000	Structured Financing RM'000	Discontinued operation RM'000		
Three months ended 30 June 2017						
Revenue	129	3,628	1,261	-	-	5,018
Interest income	34	83	1,115	-	-	1,232
Non-interest income	95	3,545	146	-	-	3,786
Other non-operating (loss)/ income	(95)	-	-	324	-	229
Gross income	34	3,628	1,261	324	-	5,247
Operating expenses	(1,974)	(2,736)	(17)	(375)	-	(5,102)
of which:						
- Depreciation of property, plant and equipment	(67)	(74)	-	(75)	-	(216)
- Depreciation of investment property	-	-	-	(2)	-	(2)
(Loss)/profit before tax	(1,940)	892	1,244	(51)	-	145
Six months ended 30 June 2017						
Revenue	428	7,062	2,510	-	-	10,000
Interest income	62	169	2,218	-	-	2,449
Non-interest income	366	6,893	292	-	-	7,551
Other non-operating income	38	-	-	658	-	696
Gross income	466	7,062	2,510	658	-	10,696
Operating expenses	(2,918)	(5,545)	(36)	(803)	-	(9,302)
of which:						
- Depreciation of property, plant and equipment	(134)	(144)	-	(228)	-	(506)
- Depreciation of investment property	-	-	-	(7)	-	(7)
(Loss)/profit before tax	(2,452)	1,517	2,474	(145)	-	1,394
As at 30 June 2017						
Segment assets	47,982	18,146	59,274	24,438	-	149,840
Additions to property, plant and equipment	-	117	-	-	-	117
Total assets	47,982	18,263	59,274	24,438	-	149,957
Total liabilities	370	3,177	159	683	-	4,389

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)**Unaudited Interim Condensed Financial Statements for the second quarter ended 30 June 2018****9 Cash and cash equivalents**

	30-Jun-18	31-Dec-17
	RM'000	RM'000
Cash and balances with banks and other financial institutions	3,079	2,777
Money at call and deposit placements maturing within two months	9,227	18,048
	12,306	20,825

10 Available-for-sale financial assets

	30-Jun-18	31-Dec-17
	RM'000	RM'000
At fair value		
Quoted shares in Malaysia	-	1,566
Quoted shares outside Malaysia	-	-
Add: Reversal of impairment loss on securities	-	359
	-	359
Unit trust funds	-	15,866
	-	17,791
At cost		
Unquoted investment in Malaysia	-	13,038
Unquoted investment outside Malaysia	-	7,200
	-	20,238
Total available-for-sale financial assets	-	38,029

The available-for-sale financial assets category was reclassified upon the adoption of MFRS 9 on 1 January 2018. The financial effects of the adoption of MFRS 9 are disclosed in Note 1(a).

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11 Financial assets at fair value through other comprehensive income ("FVOCI")

	30-Jun-18	31-Dec-17
	RM'000	RM'000
At fair value		
In Malaysia		
Quoted shares	1,650	-
Unquoted investment	13,438	-
Outside Malaysia		
Quoted shares	606	-
Unquoted investment	7,522	-
	23,216	-

The financial assets at FVOCI category was introduced upon the adoption of MFRS 9 on 1 January 2018. Comparative figures are not restated in line with the transition requirements under MFRS 9. The financial effects of the adoption of MFRS 9 are disclosed in Note 1(a).

12 Loans, advances and financing

	30-Jun-18	31-Dec-17
	RM'000	RM'000
Term loans, representing gross loans, advances and financing	56,931	59,071
<u>Analysis of gross loans, advances and financing</u>		
By residual contractual maturity		
Within one year	56,931	59,071
By economic purpose		
Investments	16,931	19,071
Others	40,000	40,000
Gross loans, advances and financing	56,931	59,071
By interest rate sensitivity		
Fixed rate	56,931	59,071
By type of customer		
Domestic business enterprise	16,931	19,071
Individual	40,000	40,000
Gross loans, advances and financing	56,931	59,071

13 Trade receivables

	30-Jun-18	31-Dec-17
	RM'000	RM'000
Cancellation of units of funds	179	828
Management fee receivables	1,360	1,082
	<u>1,539</u>	<u>1,910</u>

Trade receivables have 30 days credit period and are neither past due nor impaired as at the end of the quarter ended 30 June 2018.

14 Other assets

	30-Jun-18	31-Dec-17
	RM'000	RM'000
Deposits *	3,461	3,437
Tax recoverable	607	180
Other receivables^	1,249	125
Prepayments	400	259
	<u>5,717</u>	<u>4,001</u>

* Deposits included RM3,092,600 cash deposit paid by the Company representing 10% of purchase price upon execution of the conditional sale and purchase agreements in the previous financial year ended 31 December 2017 for proposed acquisition of Tune Hotel Penang, Tune Hotel Kota Kinabalu and the right to operate and maintain Tune Hotel KLIA Aeropolis (as disclosed in Note 29).

^ Included in the other receivables as at 30 June 2018 are retention sum of RM720,000 relating to disposal of east wing and centre wing of Bangunan ECM Libra. Retention sum is unsecured, interest-free and is expected to be collected within 1 year.

15 Property, plant and equipment

The Group's property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

16 Disposal Group held for sale

In 2017, rental business within the Investment Holding operating segment is presented as Disposal Group held for sale following the Company entered into conditional sale and purchase agreements for the proposed disposal of the east wing and centre wing of Bangunan ECM Libra and the semi-detached residential property ("Disposal Group"), for an aggregated cash consideration of RM28,000,000 (as disclosed in Note 29).

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16 Disposal Group held for sale (cont'd.)

The sale of the Disposal Group was completed on 8 May 2018. The assets and liabilities of the Disposal Group are as follows:

	30-Jun-18	31-Dec-17
	RM'000	RM'000
Assets classified as held for sale		
Property, plant and equipment	-	20,434
Investment property	-	4,004
	<u>-</u>	<u>24,438</u>
Liabilities classified as held for sale		
Rental deposits received	-	(728)
	<u>-</u>	<u>(728)</u>

The carrying amount of property, plant and equipment and investment property of the Disposal Group is the same as the carrying amount before reclassification to held for sale. The details are as follows:

	Cost	Accumulated depreciation	Total
	RM'000	RM'000	RM'000
Property, plant and equipment	25,122	(4,688)	20,434
Investment property	4,032	(28)	4,004
	<u>29,154</u>	<u>(4,716)</u>	<u>24,438</u>

17 Valuation of property, plant and equipment

There was no valuation of property, plant and equipment of the Group during the current quarter ended 30 June 2018.

18 Trade payables

Trade payables comprise amounts payable to the funds managed by Libra Invest Berhad, a subsidiary of the Company, for the creation of units.

19 Other liabilities

	30-Jun-18	31-Dec-17
	RM'000	RM'000
Accruals and other payables	<u>2,071</u>	<u>3,134</u>

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20 Interest income

	Individual Period (2nd quarter)			Cumulative Period (6 months)		
	Current quarter 30-Jun-18 RM'000	Preceding year corresponding quarter 30-Jun-17 RM'000	%	Current year to date 30-Jun-18 RM'000	Preceding year corresponding period 30-Jun-17 RM'000	%
Loans, advances and financing	1,124	1,115	0.8	2,227	2,218	0.4
Short-term funds and deposits with financial institutions	106	117	-9.4	214	231	-7.4
	1,230	1,232		2,441	2,449	

21 Non-interest income

	Individual Period (2nd quarter)			Cumulative Period (6 months)		
	Current quarter 30-Jun-18 RM'000	Preceding year corresponding quarter 30-Jun-17 RM'000	%	Current year to date 30-Jun-18 RM'000	Preceding year corresponding period 30-Jun-17 RM'000	%
Fee income						
Portfolio management fees	3,390	3,545	-4.4	6,944	6,893	0.7
Other fee income	28	147	-81.0	292	293	-0.3
	3,418	3,692		7,236	7,186	
Investment income						
Net gain on disposal of quoted shares in Malaysia	-	13	-100.0	-	183	-100.0
Income distribution from unit trust funds	1	81	-98.8	126	182	-30.8
Fair value gain on financial assets at fair value through profit or loss	54	-	100.0	72	-	100.0
	55	94		198	365	
Total non-interest income	3,473	3,786		7,434	7,551	

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22 Other non-operating expenses

	Individual Period (2nd quarter)			Cumulative Period (6 months)		
	Current quarter 30-Jun-18 RM'000	Preceding year corresponding quarter 30-Jun-17 RM'000	%	Current year to date 30-Jun-18 RM'000	Preceding year corresponding period 30-Jun-17 RM'000	%
Net (loss)/gain on foreign exchange differences	-	(95)	-100.0	(121)	38	-418.4
Bargain purchase from investment in joint venture	728	-	100.0	728	-	100.0
Others	2	-	100.0	4	-	100.0
	730	(95)		611	38	

23 Operating expenses

	Individual Period (2nd quarter)			Cumulative Period (6 months)		
	Current quarter 30-Jun-18 RM'000	Preceding year corresponding quarter 30-Jun-17 RM'000	%	Current year to date 30-Jun-18 RM'000	Preceding year corresponding period 30-Jun-17 RM'000	%
Personnel expenses	3,025	2,825	7.1	5,939	5,489	8.2
Depreciation of property, plant and equipment	141	141	0.0	282	278	1.4
Rental of premises	122	9	1,255.6	170	19	794.7
Auditors' remuneration	21	21	0.0	42	41	2.4
Professional fees and expenses	142	748	-81.0	180	748	-75.9
Marketing and communication expenses	390	363	7.4	918	825	11.3
Others	464	620	-25.2	986	1,099	-10.3
	4,305	4,727		8,517	8,499	

There were no provision for and write off of receivables, impairment of assets and other exceptional items during the current quarter ended 30 June 2018.

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24 Discontinued operation

As disclosed in Note 16, the sale of the Disposal Group was completed on 8 May 2018. Accordingly, rental business related to Disposal Group is presented as discontinued operation during the current quarter ended 30 June 2018.

Profit/(loss) attributable to the discontinued operation is as follow:

	Individual Period (2 nd quarter)			Cumulative Period (6 months)		
	Current quarter 30-Jun-18 RM'000	Preceding year corresponding quarter 30-Jun-17 RM'000	%	Current year to date 30-Jun-18 RM'000	Preceding year corresponding period 30-Jun-17 RM'000	%
Results of discontinued operation						
Rental income	200	324	-38.3	631	658	-4.1
Gain on sale of discontinued operation	3,332	-		3,332	-	
Expenses	(197)	(375)	-47.5	(524)	(803)	-34.7
Profit/(loss) before tax	<u>3,335</u>	<u>(51)</u>		<u>3,439</u>	<u>(145)</u>	
Income tax expense	-	-		-	-	
Profit/(loss) for the financial period	<u>3,335</u>	<u>(51)</u>		<u>3,439</u>	<u>(145)</u>	
Included in profit/(loss) before tax are depreciation of:						
- Property, plant and equipment	-	75		-	228	
- Investment property	-	2		-	7	
				<u>30-Jun-18</u>	<u>31-Dec-17</u>	
				<u>RM'000</u>	<u>RM'000</u>	

Cash flows from discontinued operation

Net cash from investing activities		
- Proceed from disposal of property, plant and equipment	<u>27,280</u>	<u>-</u>

25 Changes in the composition of the Group

The Group had previously commenced member's voluntary winding-up of a dormant wholly-owned subsidiary, ECM Libra Capital Sdn Bhd. The winding-up process is on-going.

Apart from abovementioned, there were no material changes in the composition of the Group for the current quarter ended 30 June 2018.

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26 Commitments and contingencies

Capital commitments

As at 30 June 2018, the Group has commitments in respect of capital expenditure as follows:

Authorised and contracted for computer software	RM'000
	31

27 Significant related party transactions

Save as disclosed in Note 29, the Group's other significant related party transactions as follows:

	30-Jun-18	31-Dec-17
	RM'000	RM'000
Income/(expenses)		
Interest income from a major shareholder	429	-
Rental income from entity related to the director and major shareholder	48	172
Rental expenses charged by entities related to the directors and major shareholders	(128)	-
Loyalty programme expenses charged by an entity related to the director and major shareholders	(5)	(12)

The Directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business at arm's length.

28 Financial instruments

(a) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (i) Financial assets measured at amortised cost ("FA");
- (ii) Financial assets at fair value through other comprehensive income ("FVOCI"); and
- (iii) Financial liabilities measured at amortised cost ("FL").

30-Jun-18	Carrying amount	FA	FVOCI	FL
	RM'000	RM'000	RM'000	RM'000
Financial assets				
Cash and cash equivalents	12,306	12,306	-	-
Financial assets at fair value through other comprehensive income	23,216	-	23,216	-
Loans, advances and financing	56,931	56,931	-	-
Trade receivables	1,539	1,539	-	-
Other assets	5,317	5,317	-	-
	99,309	76,093	23,216	-

28 Financial instruments (cont'd.)

(a) Categories of financial instruments (cont'd.)

The table below provides an analysis of financial instruments categorised as follows:

- (i) Loans and receivable ("L&R");
- (ii) Available-for-sale financial assets ("AFS"); and
- (iii) Financial liabilities measured at amortised cost ("FL").

30-Jun-18	Carrying amount RM'000	L&R RM'000	AFS RM'000	FL RM'000
Financial liabilities				
Trade payables	(79)	-	-	(79)
Other liabilities	(2,071)	-	-	(2,071)
	<u>(2,150)</u>	<u>-</u>	<u>-</u>	<u>(2,150)</u>
31-Dec-17				
Financial assets				
Cash and cash equivalents	20,825	20,825	-	-
Available-for-sale financial assets	38,029	-	38,029	-
Loans, advances and financing	59,071	59,071	-	-
Trade receivables	1,910	1,910	-	-
Other assets	3,742	3,742	-	-
	<u>123,577</u>	<u>85,548</u>	<u>38,029</u>	<u>-</u>
Financial liabilities				
Trade payables	(1,274)	-	-	(1,274)
Other liabilities	(3,134)	-	-	(3,134)
	<u>(4,408)</u>	<u>-</u>	<u>-</u>	<u>(4,408)</u>

(b) Fair value measurement

The Group classifies financial assets which are measured at fair value according to the following hierarchy, reflecting the significance of inputs used in making the fair value measurements:

Level 1: Quoted (unadjusted) market price in active markets for identical assets and liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

28 Financial instruments (cont'd.)

(b) Fair value measurement (cont'd.)

The carrying amounts of cash and cash equivalents, loans, advances and financing, short-term receivables and payables reasonably approximate their fair values due to the relatively short-term nature of these financial instruments. The following table shows the Group's financial instruments which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy:

30-Jun-18	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets				
Financial assets at fair value through other comprehensive income	2,256	-	20,960*	23,216

* Fair value measurement of unquoted investments arising from the adoption of MFRS 9 with effect from 1 January 2018. Comparative figures are not restated in line with the transition requirements under MFRS 9.

31-Dec-17

Financial assets				
Available-for-sale financial assets #	1,925	15,866	-	17,791

Excluding the carrying amount of unquoted investments held by the Group of RM20,238,000 which are not carried at fair value as at 31 December 2017.

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the financial period (2017: None).

Determination of Fair Value

For financial assets measured at fair value, where available, quoted and observable market prices in an active market or dealer price quotations are used to measure fair value. These include listed equity securities, prices quoted by independent data providers and independent broker quotations.

Where such quoted and observable market prices are not available, fair values are determined using appropriate valuation techniques, which include the use of mathematical models, such as discounted cash flow models and other valuation techniques. The valuation techniques used incorporate assumptions regarding discount rates, estimates of future cash flows and other factors, as applicable. Changes in these assumptions could materially affect the fair value derived. The Group generally uses widely recognised valuation techniques with market observable inputs, if available, for the determination of fair value, which require minimal management judgment and estimation, due to the low complexity of the financial assets held.

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

29 Status of corporate proposals announced

The Company had on 4 May 2017 announced a corporate proposal and further announcements were made on 21 June 2017, 3 July 2017, 8 August 2017, 30 August 2017, 26 October 2017, 21 November 2017, 24 November 2017, 27 November 2017, 12 December 2017, 21 December 2017, 21 March 2018, 13 April 2018, 3 May 2018, 4 May 2018, 8 May 2018, 16 May 2018, 18 May 2018 and 2 July 2018 to provide further updates. The corporate proposals comprise the following:

(a) Proposed acquisitions of:

- 50% equity interest in TP Sepang Sdn Bhd ("TPSB"), TP International Pty Ltd, Yummy Kitchen Sdn Bhd and 40.005% equity interest in TP Hotel (Flinders) Trust (together with 40.005% of the rights and benefits to the total advances owing by TP Hotel (Flinders) Trust) from TP Real Estate Holdings Pte Ltd ("TPRE") ("Share Purchase Agreement"); and
- Tune Hotel Penang, Tune Hotel Kota Kinabalu and the rights to operate and maintain Tune Hotel KLIA Aeropolis;

for an aggregated purchase consideration of RM88,600,000 to be satisfied by a combination of RM19 million cash and 193,333,332 new ordinary shares in the Company to be issued ("Consideration Shares") ("Proposed Acquisitions");

- (b) Pursuant to the acquisition of the 50% equity interest in TPSB, the Company will be required to pledge the equity interest acquired and provide a corporate guarantee as may be required by the financier of TPSB in the proportion of the Company's equity interest in TPSB in respect of an existing loan obligation undertaken by TPSB ("Proposed Provision of Financial Assistance");
- (c) Proposed collaboration with Tune Hotels.com (BVI) Limited in respect of the "Tune Hotels.Com" brand;
- (d) Proposed special dividend, subject to the Proposed Disposals (as defined thereafter) becoming unconditional ("Proposed Special Dividend");
- (e) Proposed disposal of the Company's non-core assets, comprising the east wing and centre wing of Bangunan ECM Libra, and the semi-detached residential property ("Semi-D"), for an aggregated cash consideration of RM28,000,000 ("Proposed Disposals"); and
- (f) Proposed diversification of the existing principal activities of the Company to include the business of hotel management and ownership.

(collectively referred to as "Proposed Corporate Exercise").

The Proposed Corporate Exercise was approved by shareholders at the Extraordinary General Meeting held on 12 December 2017.

29 Status of corporate proposals announced (cont'd.)

On 13 April 2018, the Company announced that the Board of Directors has resolved to declare a special dividend of RM0.1597 per ordinary share totalling about RM45.8 million. The special dividend is based on the Company's latest available audited consolidated net assets as at 31 December 2017 of RM145.60 million and after taking into consideration the expected gain of RM3.30 million from the Proposed Disposals. The payment of the Special Dividend on 8 May 2018 has resulted in the Company's audited consolidated net assets as at 31 December 2017 to be adjusted to about RM0.36 per ordinary share.

On 3 May 2018, the Company announced that the parties to the Tune Hotel Penang Sale and Purchase Agreement ("SPA"), the Tune Hotel Kota Kinabalu SPA, and the Tune Hotel KLIA Aeropolis SPA (collectively, the "Tune Hotels SPAs") entered into variation letters to extend the date to fulfil the Tune Hotels SPAs' conditions precedent by 60 days from 5 May 2018 (inclusive), or such longer period as the parties may mutually agree in writing.

On 4 May 2018, the Company announced that pursuant to Paragraph 6.62(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company is required to complete the allotment and issuance of the Consideration Shares within 6 months from the date the listing application was approved by Bursa Securities, which was on 20 November 2017. The Company had on 4 May 2018, made an application to seek an extension of time for the allotment and issuance of the Consideration Shares.

On 8 May 2018, the Company announced that the Proposed Disposals and the Proposed Special Dividend have been completed.

On 16 May 2018, the Company announced that the Proposed Acquisitions from TPRE has been completed via the allotment and issuance of 160,205,555 new ordinary shares in the Company at an issue price of RM0.36 per share to satisfy the consideration of RM57,674,000; the said shares were listed on 17 May 2018. Consequently, the number of issued ordinary shares increased to 446,798,046 shares and the issued share capital increased to RM95,619,860.74.

On 18 May 2018, the Company announced that the Bursa Securities had vide its letter dated 18 May 2018 approved the application for an extension of time for the allotment and issuance of the Consideration Shares until 15 October 2018.

On 2 July 2018, the Company announced that all conditions precedent of the Tune Hotel Penang SPA have been fulfilled and hence the Tune Hotel Penang SPA has become unconditional.

In addition to the above, the Company also announced that on 2 July 2018, the parties to the Tune Hotel KK SPA and the Tune Hotel KLIA Aeropolis SPA entered into variation letters to extend the date to fulfill the respective agreements' conditions precedent by 60 days from 4 July 2018 (inclusive), or such longer period as the parties may mutually agree in writing.

Other than the above, there were no corporate proposals announced but not completed as at 29 August 2018.

30 Operating segments review

Performance review of continuing operations and discontinued operation are presented separately following the disposal of the east wing and centre wing of Bangunan ECM Libra and the semi-detached residential property as disclosed in Note 24.

(a) Q2 FY2018 vs. Q2 FY2017

Continuing operations

For the quarter ended 30 June 2018 ("Q2 FY2018"), the Group reported a profit before tax of RM1.42 million as compared to RM0.20 million reported for the quarter ended 30 June 2017 ("Q2 FY2017"). The higher profit before tax was mainly due to bargain purchase from investment in joint venture of RM0.73 million and share of profit of equity-accounted joint ventures of RM0.29 million.

The performance of the respective operating business segments for the Q2 FY2018 as compared to Q2 FY2017 is analysed as follows:

(i) Investment Holding

The Investment Holding recorded a loss before tax of RM0.08 million for Q2 FY2018 as compared to loss before tax of RM1.94 million in Q2 FY2017, mainly resulted by bargain purchase from investment in joint venture of RM0.73 million and share of profit of equity-accounted joint ventures of RM0.29 million recorded in Q2 FY2018 .

The decrease is also caused by non-recurring operating expenses of RM0.75 million incurred for the Proposed Corporate Exercise (as disclosed in Note 29) in Q2 FY2017, which resulted in higher operating expenses of RM1.97 million in Q2 FY2017 as compared to RM1.19 million in Q2 FY2018.

(ii) Fund Management

The Fund Management recorded a profit before tax of RM0.37 million in Q2 FY2018, a decrease of 58% compared to RM0.89 million in Q2 FY2017, mainly due to decrease in portfolio management fee by RM0.16 million and also higher operating expenses. Operating expenses increased by 13% to RM3.10 million in Q2 FY2018 compared to RM2.74 million in Q2 FY2017, mainly due to higher staff related costs.

(iii) Structured Financing

The Structured Financing recorded a profit before tax of RM1.14 million in Q2 FY2018, a decrease of 8% from RM1.24 million in Q2 FY2017, which was mainly due to lower fee income of RM0.03 million recorded in Q2 FY2018 compared to RM0.15 million in Q2 FY2017.

Discontinued operation

The Discontinued Operation recorded a profit before tax of RM3.34 million in Q2 FY2018 as compared to loss before tax of RM0.05 million in Q1 FY2017, mainly contributed by gain on disposal of property, plant and equipment of RM3.33 million in Q2 FY2018 upon completion of the sale on 8 May 2018.

30 Operating segments review (cont'd.)

(b) 6M FY2018 vs. 6M FY2017

Continuing operations

The profit before tax for the year-to-date ended 30 June 2018 ("6M FY2018") was RM2.26 million, an increase of 47% from RM1.54 million in the year-to-date ended 30 June 2017 ("6M FY2017"). The higher profit before tax was mainly due to bargain purchase from investment in joint venture of RM0.73 million and share of profit of equity-accounted joint ventures of RM0.29 million.

The performance of the respective operating business segments for the 6M FY2018 as compared to 6M FY2017 is analysed as follows:

(i) Investment Holding

The Investment Holding recorded a loss before tax of RM1.11 million for 6M FY2018 as compared to loss before tax of RM2.45 million in Q2 FY2017, mainly resulted by bargain purchase from investment in joint venture of RM0.73 million and share of profit of equity-accounted joint ventures of RM0.29 million recorded in 6M FY2018 .

The decrease is also caused by non-recurring operating expenses of RM0.75 million incurred for the Proposed Corporate Exercise (as disclosed in Note 29) in 6M FY2017, which resulted in higher operating expenses of RM2.92 million in 6M FY2017 as compared to RM2.28 million in 6M FY2018.

(ii) Fund Management

The Fund Management recorded a profit before tax of RM0.89 million in 6M FY2018, a decrease of 41% compared to RM1.52 million in 6M FY2017, mainly due to higher operating expenses. Operating expenses increased by 12% to RM6.20 million in 6M FY2018 compared to RM5.55 million in 6M FY2017, mainly due to higher staff related costs.

(iii) Structured Financing

The Structured Financing recorded a profit before tax of RM2.48 million in 6M FY2018, a slight increase from RM2.47 million in 6M FY2017.

Discontinued operation

The Discontinued Operation recorded a profit before tax of RM3.44 million in 6M FY2018 as compared to loss before tax of RM0.15 million, mainly contributed by gain on disposal of property, plant and equipment of RM3.33 million in 6M FY2018 upon completion of the sale on 8 May 2018.

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

(a) Continuing operations

For the current quarter ended 30 June 2018 ("Q2 FY2018"), the Group's profit before tax amounted to RM1.42 million and profit after tax was RM1.26 million. The profit before tax was higher by RM0.65 million compared to the immediate preceding quarter ended 31 March 2018 ("Q1 FY2018") which reported profit before tax of RM0.84 million. The higher profit before tax is mainly due to bargain purchase from investment in joint venture of RM0.73 million and share of profit of equity-accounted joint ventures of RM0.29 million.

Performance of the respective operating business segments for the Q2 FY2018 compared to the Q1 FY2018 is analysed as follows:

(i) Investment Holding

The Investment Holding reported a loss before tax of RM0.08 million in Q2 FY2018 compared to loss before tax of RM1.03 million in Q1 FY2018, mainly resulted by bargain purchase from investment in joint venture of RM0.73 million and share of profit of equity-accounted joint ventures of RM0.29 million recorded in Q2 FY2018 .

(ii) Fund Management

The Fund Management reported a lower profit before tax of RM0.37 million in Q2 FY2018 compared to profit before tax of RM0.52 million in Q1 FY2018. The lower profit was mainly caused by lower portfolio management fee of RM3.39 million for the current quarter compared to portfolio management fee of RM3.55 million in Q1 FY2018.

(iii) Structured Financing

The Structured Financing reported a lower profit before tax of RM1.14 million in Q2 FY2018 compared to RM1.35 million in Q1 FY2018, which was mainly due to lower fee income of RM0.03 million recorded in Q2 FY2018 compared to RM0.15 million in Q2 FY2017.

(b) Discontinued operations

The Discontinued Operation recorded a profit before tax of RM3.34 million in Q2 FY2018 as compared to profit before tax of RM0.10 million in Q1 FY2018, mainly contributed by gain on disposal of property, plant and equipment of RM3.33 million in Q2 FY2018 upon completion of the sale on 8 May 2018.

32 Group's prospects

As disclosed in Note 29 on the Proposed Corporate Exercise, the Group has proposed to diversify the existing business activities of the Group to include the business of hotel management and ownership. This would enable the Group to diversify the revenue and income stream. The Group intends to continue to engage in the existing principal business activities relating to financial services in addition to being involved in the hotel business after completion of the Proposed Corporate Exercise.

33 Profit forecast

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

34 Group borrowings

The Group has no borrowings and debt securities as at 30 June 2018.

35 Dividend

No dividend has been proposed for the current quarter ended 30 June 2018.

36 Material litigations

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

37 Income tax expense

	Individual Period			Cumulative Period		
	(2nd quarter)			(6 months)		
	Preceding year			Preceding year		
	Current	corresponding		Current	corresponding	
	quarter	quarter		year to date	period	
	30-Jun-18	30-Jun-17		30-Jun-18	30-Jun-17	
	RM'000	RM'000	%	RM'000	RM'000	%
Income tax						
Current period's provision	164	347	-52.7	403	631	-36.1

The Group's effective tax rate for the current quarter ended 30 June 2018 was lower than the statutory tax rate due to gain on disposal of property, plant and equipment was not subjected to tax.

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38 Material subsequent event

There was no material event subsequent to 30 June 2018 except as disclosed in Note 29.

39 Earnings/(loss) per ordinary share

(a) Basic earnings/(loss) per ordinary share

The basic earnings/(loss) 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.

	Individual Period (2 nd quarter)			Cumulative Period (6 months)		
	Current quarter 30-Jun-18	Preceding year corresponding quarter 30-Jun-17	%	Current year to date 30-Jun-18	Preceding year corresponding period 30-Jun-17	%
Profit/(loss) for the financial period attributable to owners of the Company (RM'000):						
- from continuing operations	1,256	(151)	-931.8	1,858	908	104.6
- from discontinued operations	3,335	(51)	-6,639.2	3,439	(145)	-2,471.7
	3,335	(51)	-6,639.2	3,439	(145)	-2,471.7
Weighted average number of ordinary shares in issue ('000)	367,576	286,592		327,308	286,592	
Basic earnings/(loss) per ordinary share (sen):						
- from continuing operations	0.34	(0.05)	-780.0	0.57	0.32	78.1
- from Disposal Group held for sale	0.91	(0.02)	-4,650.0	1.05	(0.05)	-2,200.0
	1.25	(0.07)		1.62	0.27	

(b) Diluted earnings/(loss) per ordinary share

The diluted earnings/(loss) per ordinary share for the current quarter and current year to date was not presented as there is no potential dilutive ordinary share.

Date: 29 August 2018