

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)
Condensed Interim Consolidated Financial Statements

Unaudited Condensed Consolidated Statements of Financial Position as at 31 March 2019

	Note	31-Mar-19 RM'000	31-Dec-18 RM'000
ASSETS			
Cash and cash equivalents	9	8,390	13,781
Financial assets at fair value through other comprehensive income	10	21,259	21,353
Assets classified as held for sale	11	16,926	-
Tax recoverable		316	596
Trade and other receivables	12	2,955	5,483
Inventories		74	74
Loans, advances and financing	13	46,738	57,903
Investment in joint ventures		67,372	67,537
Property, plant and equipment	14	22,976	24,744
TOTAL ASSETS		187,006	191,471
LIABILITIES AND EQUITY			
LIABILITIES			
Liabilities classified as held for sale	11	1,458	-
Tax payable		-	123
Deferred tax liabilities		5	109
Trade and other payables		1,579	7,163
Loans and borrowings	15	9,941	9,941
TOTAL LIABILITIES		12,983	17,336
EQUITY			
Share capital		107,546	107,546
Reserves		66,477	66,589
TOTAL EQUITY		174,023	174,135
TOTAL LIABILITIES AND EQUITY		187,006	191,471
Net assets per share (RM)		0.36	0.36

The above unaudited condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)
Condensed Interim Consolidated Financial Statements

Unaudited Condensed Consolidated Statements of Profit or Loss
for the quarter and year-to-date ended 31 March 2019

	Note	Quarter and Year-To-Date Ended		%
		31-Mar-19 RM'000	31-Mar-18 RM'000 (Restated)	
Continuing operations				
Revenue	16	2,547	1,545	65
Other income/(expenses)	17	51	(119)	-143
		2,598	1,426	
Operating expenses	18	(2,627)	(1,107)	137
Operating (loss)/profit		(29)	319	
Interest expense		(153)	-	100
Share of profit of equity-accounted joint ventures		126	-	100
(Loss)/profit before tax		(56)	319	
Income tax expense	19	(72)	(138)	-48
(Loss)/profit from continuing operations		(128)	181	
Disposal group held for sale/discontinued operation				
Profit from disposal group held for sale, net of tax	20	401	421	-5
Profit from discontinued operation, net of tax	21	-	104	-100
Profit from disposal group held for sale/ discontinued operation, net of tax		401	525	
Profit for the period attributable to owners of the Company		273	706	-61
		Sen	Sen	
Basic earnings per ordinary share:				
- from continuing operations	38	(0.03)	0.06	
- from disposal group held for sale/discontinued operation	38	0.08	0.18	
		0.05	0.24	

The above unaudited condensed consolidated statements of profit or loss should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)
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Unaudited Condensed Consolidated Statements of Comprehensive Income
for the quarter and year-to-date ended 31 March 2019

	Quarter and Year-To-Date Ended		%
	31-Mar-19	31-Mar-18	
	RM'000	RM'000	
Profit for the period	273	706	-61
Other comprehensive loss:			
Items that will not be reclassified to profit or loss:			
Fair value changes on financial assets	(94)	(38)	147
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	(291)	-	100
Other comprehensive loss for the period	(385)	(38)	
Total comprehensive (loss)/income attributable to owners of the Company	(112)	668	

The above unaudited condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)
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Unaudited Condensed Consolidated Statements of Profit or Loss
for the first quarter ended 31 March 2019

	Current quarter	Immediate preceding quarter	
	31-Mar-19	31-Dec-18	
	RM'000	RM'000	%
		(Restated)	
Continuing operations			
Revenue	2,547	3,130	-19
Other income	51	46	11
	2,598	3,176	
Operating expenses	(2,627)	(4,176)	-37
Operating loss	(29)	(1,000)	
Interest expense	(153)	(160)	-4
Share of profit of equity-accounted joint ventures	126	35	260
Loss before tax	(56)	(1,125)	
Income tax expense	(72)	(287)	-75
Loss from continuing operations	(128)	(1,412)	
Disposal group held for sale			
Profit from disposal group held for sale, net of tax	401	726	-45
Profit/(loss) for the period attributable to owners of the Company	273	(686)	-140

The above unaudited condensed consolidated statements of profit or loss should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)
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Unaudited Condensed Consolidated Statements of Changes in Equity for the quarter and year-to-date ended 31 March 2019

	<-----Non-distributable----->			Distributable		
	Share capital	Foreign currency translation deficit	Fair value through other comprehensive income deficit	General reserve	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	107,546	(447)	(442)	2,788	64,690	174,135
Profit for the period	-	-	-	-	273	273
Other comprehensive loss for the period	-	(291)	(94)	-	-	(385)
Total comprehensive loss for the period	-	(291)	(94)	-	273	(112)
At 31 March 2019	107,546	(738)	(536)	2,788	64,963	174,023
At 31 December 2017	37,946	-	(156)	2,788	105,039	145,617
Impacts arising from adoption of MFRS 9	-	-	383	-	39	422
At 1 January 2018, as restated	37,946	-	227	2,788	105,078	146,039
Profit for the period	-	-	-	-	706	706
Other comprehensive loss for the period	-	-	(38)	-	-	(38)
Total comprehensive income for the period	-	-	(38)	-	706	668
At 31 March 2018	37,946	-	189	2,788	105,784	146,707

The above unaudited condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)
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Unaudited Condensed Consolidated Statements of Cash Flows
for the quarter and year-to-date ended 31 March 2019

	Note	Quarter and Year-To-Date Ended	
		31-Mar-19 RM'000	31-Mar-18 RM'000 (Restated)
Cash flows from operating activities			
(Loss)/profit before tax:			
- from continuing operations		(56)	319
- from disposal group held for sale	20	526	522
- from discontinued operation	21	-	104
		470	945
Adjustments to reconcile profit before tax to net cash flows		(911)	(1,333)
		(441)	(388)
Decrease/(increase) in operating assets		9,189	(298)
Decrease in operating liabilities		(4,345)	(2,234)
		4,403	(2,920)
Interest received		2,340	830
Interest paid		(153)	-
Tax refunded		190	-
Tax paid		(194)	(477)
		6,586	(2,567)
Cash flows from investing activities			
Net disposal of financial assets		-	(300)
Purchase of property, plant and equipment		(115)	(201)
		(115)	(501)
Net increase/(decrease) in cash and cash equivalents		6,471	(3,068)
Effects of foreign exchange rate changes		-	121
Cash and cash equivalents at beginning of the period		13,781	20,825
Cash and cash equivalents at end of the period		20,252	17,878
Cash and cash equivalents comprise:			
Cash and cash equivalents	9	8,390	17,878
Cash and cash equivalents classified as assets held for sale	11	11,862	-
		20,252	17,878

The above unaudited condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

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

1 Basis of preparation

These unaudited condensed consolidated interim financial statements ("Condensed Report") has 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. This 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 2018. 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 year ended 31 December 2018.

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 year ended 31 December 2018, except for the following:

Effective for annual periods commencing on or after 1 January 2019

Amendments to MFRS 9 *Prepayment Features with Negative Compensation*

Amendments to MFRS 119 *Plan Amendment, Curtailment or Settlement*

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

The adoption of the above pronouncements, where relevant, did not have any significant effects on the Condensed Report upon their initial application.

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

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*

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*

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1 Basis of preparation (cont'd.)

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

The above pronouncements are either not relevant or do not have any material impact on the financial statements of the Group.

2 Auditors' report on preceding annual financial statements

The auditors' report on the audited annual financial statements for the year ended 31 December 2018 was not qualified.

3 Seasonality and cyclicity factors

The operations of the Group were not significantly affected by any seasonal or cyclical factors during the current quarter and year-to-date ended 31 March 2019.

4 Exceptional items/unusual events

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and year-to-date ended 31 March 2019.

5 Variation from financial estimates reported in preceding financial year

There were no changes in estimates that have had any material effect during the current quarter and year-to-date ended 31 March 2019.

6 Debt and equity securities

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter and year-to-date ended 31 March 2019.

7 Dividend paid

There were no dividend paid during the current quarter and year-to-date ended 31 March 2019.

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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 - general investments and corporate related activities

Rental business within the Investment Holding operating segment was sold in May 2018 (see Note 21).

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

- (c) Hospitality - operating business of Tune Hotel Penang and investment in hospitality related business through joint ventures

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

ECM Libra Financial Group Berhad had on 28 March 2019 entered into a conditional share purchase agreement with Kenanga Investors Berhad for the proposed disposal of the entire equity interest in Libra Invest Berhad, which is the business unit engaged in fund management. Consequently, Fund Management segment has been classified as disposal group held from sale (see Note 20).

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8 Segmental reporting (cont'd.)

	Investment Holding RM'000	Structured Financing RM'000	Hospitality RM'000	Fund Management (Disposal group held for sale) RM'000	Part of Investment Holding (Discontinued) RM'000	Inter-segment elimination RM'000	Group total RM'000
Three months' results for the quarter and year-to-date ended 31 March 2019							
Revenue	49	1,172	1,343	3,098	-	(17)	5,645
Interest income	49	979	-	87	-	(17)	1,098
Non-interest income	-	193	1,343	3,011	-	-	4,547
Other income	-	6	45	-	-	-	51
	49	1,178	1,388	3,098	-	(17)	5,696
Operating expenses of which:	(1,463)	(21)	(1,143)	(2,572)	-	-	(5,199)
- Depreciation of property, plant and equipment	(48)	-	(24)	(90)	-	-	(162)
Operating (loss)/profit	(1,414)	1,157	245	526	-	(17)	497
Interest expense	(17)	-	(153)	-	-	17	(153)
Share of profit of equity-accounted joint ventures	-	-	126	-	-	-	126
(Loss)/profit before tax	(1,431)	1,157	218	526	-	-	470

Three months' results for the quarter and year-to-date ended 31 March 2018

Revenue	178	1,367	-	3,627	-	-	5,172
Interest income	35	1,103	-	73	-	-	1,211
Non-interest income	143	264	-	3,554	-	-	3,961
Other (expenses)/income	(121)	2	-	-	431	-	312
	57	1,369	-	3,627	431	-	5,484
Operating expenses of which:	(1,089)	(18)	-	(3,105)	(327)	-	(4,539)
- Depreciation of property, plant and equipment	(59)	-	-	(82)	-	-	(141)
(Loss)/profit before tax	(1,032)	1,351	-	522	104	-	945

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8 Segmental reporting (cont'd.)

	Investment Holding RM'000	Structured Financing RM'000	Hospitality RM'000	Fund Management (Disposal group held for sale) RM'000	Part of Investment Holding (Discontinued) RM'000	Inter-segment elimination RM'000	Group total RM'000
Three months' results for the quarter ended 31 December 2018							
Revenue	94	1,602	1,434	2,298	-	-	5,428
Interest income	94	1,235	4	65	-	-	1,398
Non-interest income	-	367	1,430	2,233	-	-	4,030
Other (expenses)/income	(6)	16	36	-	-	-	46
	88	1,618	1,470	2,298	-	-	5,474
Operating expenses of which:	(2,999)	(17)	(1,160)	(1,388)	-	-	(5,564)
- Depreciation of property, plant and equipment	(48)	-	(24)	(80)	-	-	(152)
Operating (loss)/profit	(2,911)	1,601	310	910	-	-	(90)
Interest expense	-	-	(160)	-	-	-	(160)
Share of profit of equity-accounted joint ventures	-	-	35	-	-	-	35
(Loss)/profit before tax	(2,911)	1,601	185	910	-	-	(215)

Assets and liabilities as at 31 March 2019

Segment assets	30,932	46,989	24,852	16,811	-	(65)	119,519
Investment in joint ventures	-	-	67,372	-	-	-	67,372
Additions of leased equipment	-	-	-	115	-	-	115
Total assets	30,932	46,989	92,224	16,926	-	(65)	187,006
Total liabilities	437	259	10,894	1,458	-	(65)	12,983

Assets and liabilities as at 31 December 2018

Segment assets	23,344	58,171	2,862	16,049	-	-	100,426
Investment in joint ventures	-	-	67,537	-	-	-	67,537
Additions to property, plant and equipment	942	-	22,206	360	-	-	23,508
Total assets	24,286	58,171	92,605	16,409	-	-	191,471
Total liabilities	1,765	94	11,202	4,275	-	-	17,336

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9 Cash and cash equivalents

	31-Mar-19	31-Dec-18
	RM'000	RM'000
Cash and balances with banks and other financial institutions	7,660	4,551
Money at call and deposit placements maturing within two months	730	9,230
	8,390	13,781

10 Financial assets at fair value through other comprehensive income

	31-Mar-19	31-Dec-18
	RM'000	RM'000
In Malaysia		
Quoted shares	374	470
Unquoted investment	13,350	13,350
Outside Malaysia		
Quoted shares	185	183
Unquoted investment	7,350	7,350
	21,259	21,353

11 Disposal Group held for sale

Libra Invest Berhad ("LIB") is presented as a disposal group held for sale following the commitment of ECM Libra Financial Group Berhad, on 28 March 2019, to a conditional share purchase agreement for the proposed disposal of the entire equity interest in LIB to Kenanga Investors Berhad. As at 31 March 2019, the assets and liabilities of LIB are as follows:

	Note	31-Mar-19
		RM'000
Assets classified as held for sale		
Cash and cash equivalents		11,862
Tax recoverable		79
Other assets		1,508
Trade receivables		1,756
Property, plant and equipment	a	1,721
		16,926
Liabilities classified as held for sale		
Other liabilities		553
Trade payables		685
Finance lease liabilities		116
Deferred tax liabilities		104
		1,458

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

Note a

Property, plant and equipment held for sale comprise the following:

	31-Mar-19
	RM'000
Cost	4,782
Accumulated depreciation	(3,061)
	<u>1,721</u>

12 Trade and other receivables

	31-Mar-19	31-Dec-18
	RM'000	RM'000
Trade receivables	253	2,019
Other receivables	2,554	3,196
Prepayments	148	268
	<u>2,955</u>	<u>5,483</u>

13 Loans, advances and financing

	31-Mar-19	31-Dec-18
	RM'000	RM'000
Term loans, representing gross loans, advances and financing	<u>46,738</u>	<u>57,903</u>

Analysis of gross loans, advances and financing

By economic purpose

Investments	6,738	17,903
Others	40,000	40,000
Gross loans, advances and financing	<u>46,738</u>	<u>57,903</u>

By interest rate sensitivity

Fixed rate, representing gross loans, advances and financing	<u>46,738</u>	<u>57,903</u>
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13 Loans, advances and financing (cont'd.)

	31-Mar-19	31-Dec-18
	RM'000	RM'000
By type of customer		
Domestic business enterprise	6,738	17,903
Individual	40,000	40,000
Gross loans, advances and financing	46,738	57,903
By residual contractual maturity		
Within one year, representing gross loans, advances and financing	46,738	57,903

Allowance for expected credit losses

There is no movement in the allowance for expected credit losses during the quarter ended 31 March 2019. The Group has not recognised any loss allowance as the loans, advances and financing are supported by collateral such as equity instruments held as securities and other credit enhancement.

14 Property, plant and equipment

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

15 Loans and borrowings

	31-Mar-19	31-Dec-18
	RM'000	RM'000
Long term borrowings		
Secured		
Floating rate term loan	9,941	9,941

The 10 years term loan bears interest rate at the bank's base lending rate less 0.75%, which is currently at 6.22% for the quarter ended 31 March 2019. The remaining maturities of the term loan as at reporting date are as follows:

	31-Mar-19	31-Dec-18
	RM'000	RM'000
On demand or within one year	-	-
More than 1 year and less than 2 years	287	-
More than 2 years and less than 5 years	3,820	2,755
5 to 10 years	5,834	7,186
	9,941	9,941

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

	Quarter and Year-To-Date Ended		
	31-Mar-19	31-Mar-18	%
	RM'000	RM'000	
		(Restated)	
Interest income			
Loans, advances and financing	978	1,103	-11
Short-term funds and deposits with financial institutions	33	35	-6
	1,011	1,138	
Investment income			
Net gains on financial assets at fair value through profit or loss			
- Income distribution from unit trust funds	-	125	-100
- Net gain on disposal	-	18	-100
	-	143	
Other revenue			
Revenue from hotel operations	1,343	-	100
Fee income	193	264	-27
	1,536	264	
Total revenue	2,547	1,545	

17 Other income/(expenses)

	Quarter and Year-To-Date Ended		
	31-Mar-19	31-Mar-18	%
	RM'000	RM'000	
		(Restated)	
Rental income	33	-	100
Gain/(loss) on foreign exchange translation	1	(121)	-101
Others	17	2	750
	51	(119)	

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18 Operating expenses

	Quarter and Year-To-Date Ended		
	31-Mar-19	31-Mar-18	%
	RM'000	RM'000	
		(Restated)	
Personnel expenses	1,447	794	82
Depreciation of property, plant and equipment	72	59	22
Rental of premises	51	-	100
Water and electricity	159	-	100
General repairs and maintenance	109	-	100
Hotel management expenses	492	-	100
Auditors' remuneration	17	14	21
Professional fees and expenses	37	2	1,750
Others	243	238	2
	2,627	1,107	

There were no provision for and write off of receivables, provision for and write off of inventories, impairment of assets and other exceptional items during the current quarter and year-to-date ended 31 March 2019.

19 Income tax expense

	Quarter and Year-To-Date Ended		
	31-Mar-19	31-Mar-18	%
	RM'000	RM'000	
		(Restated)	
Income tax expense:			
- from continuing operations	72	138	-48
- from disposal group held for sale (Note 20)	125	101	24
Total income tax expense, representing current period's provision	197	239	

The Group's effective tax rate for the current quarter ended 31 March 2019 was higher than the statutory tax rate due to certain expenses were not tax deductible.

20 Disposal group held for sale

On 28 March 2019, ECM Libra Financial Group Berhad had entered into a conditional share purchase agreement ("SPA") with Kenanga Investors Berhad for the proposed disposal of the entire equity interest in Libra Invest Berhad for a provisional cash consideration of RM50,070,000, subject to adjustments set out in the SPA.

The subsidiary, Libra Invest Berhad was not a discontinued operation or classified as held for sale as at 31 December 2018 and the comparative consolidated statement of profit or loss has been re-presented to show the disposal group held for sale separately from continuing operations.

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20 Disposal group held for sale (cont'd.)

Profit attributable to the disposal group held for sale was as follow:

	Quarter and Year-To-Date Ended		
	31-Mar-19	31-Mar-18	%
	RM'000	RM'000	
Revenue	3,098	3,627	-15
Operating expenses	(2,572)	(3,105)	-17
Profit before tax	526	522	
Income tax expense (Note 19)	(125)	(101)	24
Profit for the period	401	421	
Included in profit before tax are:			
- Depreciation of property, plant and equipment	90	82	10

The profit from disposal group held for sale of RM401,000 (2018: RM421,000) is attributable entirely to owners of the Company.

21 Discontinued operation

In the previous financial year ended 31 December 2018, the sale and purchase agreements for the disposal of the east wing and centre wing of Bangunan ECM Libra and the semi-detached residential property, for an aggregated cash consideration of RM28,000,000, were completed on 8 May 2018. Consequently, the rental business in relation to east wing and centre wing of Bangunan ECM Libra was presented as discontinued operation.

Profit attributable to the discontinued operation was as follow:

	Quarter and Year-To-Date Ended		
	31-Mar-19	31-Mar-18	%
	RM'000	RM'000	
Other income	-	431	-100
Operating expenses	-	(327)	-100
Profit before tax	-	104	
Income tax expense	-	-	
Profit for the period	-	104	

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22 Changes in the composition of the Group

On 28 March 2019, ECM Libra Financial Group Berhad formed a joint venture, by incorporating a company in Singapore known as Ormond Group Pte Ltd held in equal proportion (50:50) with Plato Capital Limited.

On 28 March 2019, ECM Libra Financial Group Berhad entered into a conditional share purchase agreement with Kenanga Investors Berhad for the proposed disposal of the entire equity interest in Libra Invest Berhad, which is the business unit engaged in fund management, that constituted one of the four reportable operating segments of the Group.

23 Commitments

	31-Mar-19	31-Dec-18
	RM'000	RM'000
Approved and contracted for		
Proposed acquisition of Tune Hotel Kota Kinabalu	8,100	8,100
Proposed acquisition of Tune Hotel KLIA Aeropolis	833	833
Rental expenses	119	297
	<hr/>	<hr/>
Joint venture		
Share of capital commitment of the joint venture	614	614
	<hr/>	<hr/>

24 Related party disclosures

All related party transactions and balances within the Group had been entered into in the normal course of business and were carried out on normal commercial terms.

25 Contingent assets and liabilities

As at 31 March 2019, the Group does not have any contingent assets and liabilities.

26 Operating lease arrangements

The Group has entered into operating lease arrangements as the lessor for the lease of office space in its building. The future aggregate minimum lease payments receivable under the operating leases contracted for but not recognised in the financial statements as receivables are as follows:

	31-Mar-19	31-Dec-18
	RM'000	RM'000
Not later than 1 year	24	35
Later than 1 year and not later than 5 years	36	36
Total future minimum lease receivables	60	71
	<hr/>	<hr/>

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27 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").

31-Mar-19	Carrying amount RM'000	FA RM'000	FVOCI RM'000	FL RM'000
Financial assets				
Cash and cash equivalents	8,390	8,390	-	-
Financial assets at fair value through other comprehensive income	21,259	-	21,259	-
Loans, advances and financing	46,738	46,738	-	-
Trade and other receivables	2,807	2,807	-	-
	79,194	57,935	21,259	-
Financial liabilities				
Trade and other payables	(1,579)	-	-	(1,579)
Loans and borrowings	(9,941)	-	-	(9,941)
	(11,520)	-	-	(11,520)
31-Dec-18				
Financial assets				
Cash and cash equivalents	13,781	13,781	-	-
Financial assets at fair value through other comprehensive income	21,353	-	21,353	-
Loans, advances and financing	57,903	57,903	-	-
Trade and other receivables	5,215	5,215	-	-
	98,252	76,899	21,353	-
Financial liabilities				
Trade and other payables	(7,163)	-	-	(7,163)
Loans and borrowings	(9,941)	-	-	(9,941)
	(17,104)	-	-	(17,104)

27 Financial instruments (cont'd.)

(b) Financial assets that are carried at fair value

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.

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.

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:

	Level 1	Level 2	Level 3	Total
31-Mar-19	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets at fair value through other comprehensive income				
- Quoted shares	559	-	-	559
- Unquoted investments	-	-	20,700	20,700
	<u>559</u>	<u>-</u>	<u>20,700</u>	<u>21,259</u>
31-Dec-18				
Financial assets				
Financial assets at fair value through other comprehensive income				
- Quoted shares	653	-	-	653
- Unquoted investments	-	-	20,700	20,700
	<u>653</u>	<u>-</u>	<u>20,700</u>	<u>21,353</u>

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the quarter and year-to-date ended 31 March 2019 (2018: None).

27 Financial instruments (cont'd.)

(b) Financial assets that are carried at fair value (cont'd.)

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.

(c) Financial assets that are not carried at fair value

The carrying amount of financial assets and financial liabilities at amortised cost are reasonable approximation of their fair values.

28 Event after the reporting period

Other than the acquisition of Tune Hotel Kota Kinabalu as disclosed in Note 30, there was no other material event subsequent to 31 March 2019.

29 Significant event during the reporting period

Other than Proposed Disposal of Libra Invest Berhad as disclosed in Note 30, there was no other significant event during the quarter and year-to-date ended 31 March 2019.

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

30 Status of corporate proposals announced

30.1 Proposed Tune Hotels Acquisitions

At the Extraordinary General Meeting of the Company held on 12 December 2017, shareholders approved inter alia the following:

(a) Proposed acquisitions of:

- 50% equity interest in TP Sepang Sdn Bhd, 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") ("Proposed Acquisitions from TPRE"); and
- Tune Hotel Penang, Tune Hotel Kota Kinabalu ("KK") and the rights to operate and maintain Tune Hotel KLIA Aeropolis ("Proposed Tune Hotels Acquisitions");

for an aggregated purchase consideration of RM88.60 million to be satisfied by a combination of RM19 million cash and 193,333,332 new ordinary shares in the Company to be issued;

- (b) 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, for an aggregated cash consideration of RM28.00 million ("Proposed Disposals"); and
- (c) Proposed special dividend, subject to the Proposed Disposals becoming unconditional ("Proposed Special Dividend").

The Proposed Acquisitions from TPRE, the acquisition of Tune Hotel Penang, the Proposed Disposals and the Proposed Special Dividend totalling RM45.77 million were completed in previous financial year ended 31 December 2018.

On 27 February 2019, the Company announced that the parties to the Tune Hotel KK Sale and Purchase Agreement ("SPA") and Tune Hotel KLIA Aeropolis SPA have entered into variation letters in respect of the following:

- (i) Regarding the Tune Hotel KK SPA, the parties to the agreement had mutually agreed to extend the completion date by 60 days from 1 March 2019 to 29 April 2019 in order to provide additional time for the outstanding obligations to be fulfilled; and
- (ii) Regarding the Tune Hotel KLIA Aeropolis SPA, the parties to the agreement had mutually agreed to extend the date to fulfil the agreement's conditions precedent by 180 days from 5 March 2019 to 3 September 2019, or such longer period as the parties may mutually agree in writing. The extension was to provide additional time to fulfil several conditions precedent of the Tune Hotel KLIA Aeropolis SPA which were still not met as at the date of said announcement.

On 29 April 2019, the Company announced that the acquisition of Tune Hotel KK has been completed. As at 27 May 2019, the Tune Hotel KLIA Aeropolis SPA is still pending completion.

30 Status of corporate proposals announced

30.2 Proposed Disposal of Libra Invest Berhad

On 28 March 2019, the Company (as seller) announced that it entered into a conditional share purchase agreement with Kenanga Investors Berhad (as purchaser) in relation to the proposed disposal of 6,500,000 ordinary shares representing 100% equity interest in Libra Invest Berhad ("Sale Shares") for a provisional cash consideration of RM50.07 million, subject to adjustments and upon the terms and conditions as set out in the share purchase agreement ("Proposed Disposal").

Libra Invest Berhad is a fund management company licensed under the Capital Markets and Services Act, 2007. The Proposed Disposal is subject to:

- (i) approval by shareholders of the Company;
- (ii) the approval of the Securities Commission Malaysia; and
- (iii) the approval of Bank Negara Malaysia for the purchase of the Sale Shares by Kenanga Investors Berhad.

An application in relation to the Proposed Disposal was submitted to the Securities Commission Malaysia on 11 April 2019.

Other than the above, there are no corporate proposals announced but not completed as at 27 May 2019.

31 Operating segments review

Performance review of continuing operations and disposal group held for sale/discontinued operation are presented separately following the proposed disposal of Libra Invest Berhad and disposal of the east wing and centre wing of Bangunan ECM Libra and the semi-detached residential property as disclosed in Note 20 and Note 21.

Q1 FY2019 vs. Q1 FY2018

(a) Continuing operations

Loss before tax for the quarter ended 31 March 2019 ("Q1 FY2019") was RM0.06 million, a decrease of RM0.38 million compared to profit before tax of RM0.32 million in the previous corresponding quarter ended 31 March 2018 ("Q1 FY2018").

The lower earnings was mainly due to interest expense of RM0.15 million incurred for secured term loan of RM10.00 million obtained for acquisition of Tune Hotel Penang on 1 October 2018, lower investment income of RM0.14 million resulted from liquidation of unit trust investments in the previous financial year ended 31 December 2018 to partially fund the special dividend totalling RM45.77 million and also lower interest income from loans, advances and financing of RM0.12 million due to lower loan portfolio.

31 Operating segments review

Q1 FY2019 vs. Q1 FY2018

(a) Continuing operations (cont'd.)

Other comprehensive loss of the Group for Q1 FY2019 was RM0.39 million, an increase of RM0.35 million compared to RM0.04 million in Q1 FY2018. This was mainly due to foreign currency translation loss of RM0.29 million in respect of investment in foreign assets.

The performance of the respective operating business segments for the Q1 FY2019 as compared to Q1 FY2018 is analysed as follows:

(i) Investment Holding

Loss before tax from Investment Holding increased by RM0.40 million to RM1.43 million loss in Q1 FY2019 compared to RM1.03 million loss in Q1 FY2018, mainly due to increase in operating expenses by RM0.37 million resulted from higher staff related costs in Q1 FY2019.

(ii) Structured Financing

Gross loans, advances and financing portfolio decreased by RM11.16 million to RM46.74 million as at 31 March 2019 as compared to RM57.90 million as at 31 March 2018 and resulted in decrease in the profit before tax from the Structured Financing from RM1.35 million in Q1 FY2018 to RM1.16 million in Q1 FY2019.

(iii) Hospitality

Hospitality segment commenced following the acquisitions from TPRE and acquisition of Tune Hotel Penang as disclosed in Note 30.1 completed respectively on 16 May 2018 and 1 October 2018. In Q1 FY2019, Hospitality segment recorded a profit before tax of RM0.22 million.

(b) Disposal group held for sale/discontinued operation

Profit attributable to Fund Management was classified under disposal group held for sale following the commitment of ECM Libra Financial Group Berhad, on 28 March 2019, to a conditional share purchase agreement for the proposed disposal of the entire equity interest in Libra Invest Berhad.

Profit before tax increased by RM0.01 million to RM0.53 million in Q1 FY2019 from RM0.52 million in Q1 FY2018.

The rental business, which was part of the Investment Holding segment and classified as discontinued operation, ceased to generate income following the disposal of the east wing and centre wing of Bangunan ECM Libra completed on 8 May 2018.

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

(a) Continuing operations

Loss before tax for the quarter ended 31 March 2019 ("Q1 FY2019") was RM0.06 million, an improvement of RM1.07 million compared to loss before tax of RM1.13 million in the preceding quarter ended 31 December 2018 ("Q4 FY2018").

The decrease in loss before tax was mainly due to Q1 FY2019 recorded a lower operating expenses of RM1.55 million, partially offset by decrease in revenue from the Structured Financing segment by RM0.43 million due to lower loan portfolio.

Performance of the respective operating business segments for the Q1 FY2019 compared to the Q4 FY2018 is analysed as follows:

(i) Investment Holding

The Investment Holding reported a loss before tax of RM1.43 million in Q1 FY2019 compared to loss before tax of RM2.91 million in Q4 FY2018, mainly due to decrease in operating expenses to RM1.46 million in Q1 FY2019 from RM3.00 million in Q4 FY2018. The higher operating expenses in Q4 FY2018 mainly due to non-recurring year-end reimbursement of expenses of RM0.91 million by Fund Management segment (Libra Invest Berhad).

(ii) Structured Financing

Gross loans, advances and financing portfolio decreased by RM11.16 million to RM46.74 million as at 31 March 2019 as compared to RM57.90 million as at 31 March 2018 and resulted in decrease in the profit before tax from the Structured Financing from RM1.60 million in Q4 FY2018 to RM1.16 million in Q1 FY2019.

(iii) Hospitality

Hospitality segment recorded an increase in profit before tax to RM0.22 million in Q1 FY2019 from RM0.18 million in Q4 FY2018 resulted from increase in share of profit of equity-accounted joint ventures from RM0.03 million in Q4 FY2018 to RM0.13 million in Q1 FY2019. The increase is offset by decrease in profit before tax from operation of Tune Hotel Penang by RM0.06 million resulted from decrease in room revenue in Q1 FY2019 compared to Q4 FY2018.

(b) Disposal group held for sale/discontinued operation

Profit attributable to Fund Management was classified under disposal group held for sale following the commitment of ECM Libra Financial Group Berhad, on 28 March 2019, to a conditional share purchase agreement for the proposed disposal of the entire equity interest in Libra Invest Berhad.

32 Review of performance of current financial quarter against immediate preceding financial quarter (cont'd.)

(b) Disposal group held for sale/discontinued operation (cont'd.)

Profit before tax decreased by RM0.38 million to RM0.53 million in Q1 FY2019 from RM0.91 million in Q4 FY2018, mainly due to higher operating expenses of RM2.57 million in Q1 FY2019 as compared to RM1.39 million in Q4 FY2018, partially offset by increase in management fee income in Q1 FY2019 by RM0.76 million. The lower operating expenses in Q4 FY2018 mainly due to non-recurring year-end reimbursement of expenses of RM0.91 million from Investment Holding segment (ECM Libra Financial Group Berhad).

The rental business, which was part of the Investment Holding segment and classified as discontinued operation, ceased to generate income following the disposal of the east wing and centre wing of Bangunan ECM Libra completed on 8 May 2018.

33 Group's prospects

The Group has diversified the existing business activities to include hospitality related business through acquisitions from TPRE, acquisition of Tune Hotel Penang and Tune Hotel Kota Kinabalu as disclosed in Note 30. The proposed disposal of Libra Invest Berhad is expected to complete in the third quarter of the year and would result in cessation of income stream from fund management. The proceeds arising from the proposed disposal would be reinvested into the hospitality related business and other business opportunities to be identified.

34 Profit forecast

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

35 Valuation of property, plant and equipment

There was no valuation of property, plant and equipment of the Group in the current quarter ended 31 March 2019.

36 Dividend

No dividend has been proposed for the current quarter ended 31 March 2019.

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37 Material litigations

The Group does not have any material litigation which would materially and adversely affect the financial position of the Group.

38 Earnings per ordinary share

(a) Basic earnings per ordinary share

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.

	Quarter and Year-To-Date Ended		
	31-Dec-19	31-Mar-18	%
		(Restated)	
(Loss)/profit for the period attributable to owners of the Company (RM'000):			
- from continuing operations	(128)	181	(171)
- from disposal group held for sale/discontinued operation	401	525	(24)
	479,926	286,592	
Weighted average number of ordinary shares in issue ('000)			
	0.03	0.06	
Basic earnings per ordinary share (sen):			
- from continuing operations	(0.03)	0.06	
- from disposal group held for sale/discontinued operation	0.08	0.18	
	0.05	0.24	

(b) Diluted earnings per ordinary share

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

Date: 27 May 2019