

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

Condensed Consolidated Statements of Financial Position as at 30 September 2019

	Note	30-Sep-19 RM'000 (Unaudited)	31-Dec-18 RM'000 (Audited)
ASSETS			
Cash and cash equivalents	9	2,428	13,781
Financial assets at fair value through other comprehensive income	10	21,166	21,353
Financial assets at fair value through profit or loss	11	80,576	-
Tax recoverable		346	596
Trade and other receivables	12	14,569	5,483
Inventories		66	74
Loans, advances and financing	13	6,881	57,903
Investment in joint ventures		67,271	67,537
Property, plant and equipment	14	32,522	24,744
TOTAL ASSETS		225,825	191,471
LIABILITIES AND EQUITY			
LIABILITIES			
Tax payable		45	123
Deferred tax liabilities		4	109
Trade and other payables		1,142	7,163
Loans and borrowings	15	18,941	9,941
TOTAL LIABILITIES		20,132	17,336
EQUITY			
Share capital		107,546	107,546
Reserves		98,147	66,589
TOTAL EQUITY		205,693	174,135
TOTAL LIABILITIES AND EQUITY		225,825	191,471
Net assets per share (RM)		0.43	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 third quarter and year-to-date ended 30 September 2019

	Note	Quarter Ended		Year-To-Date Ended	
		30-Sep-19 RM'000	30-Sep-18 RM'000 (Restated)	30-Sep-19 RM'000	30-Sep-18 RM'000 (Restated)
Continuing operations					
Revenue	16	3,327	1,228	8,500	4,014
Other income/(expenses)	17	114	(119)	214	492
		3,441	1,109	8,714	4,506
Operating expenses	18	(4,820)	(1,836)	(10,980)	(4,151)
Operating (loss)/profit		(1,379)	(727)	(2,266)	355
Interest expense		(291)	-	(689)	-
Share of profit of equity- accounted joint ventures		709	1,218	496	1,510
(Loss)/profit before tax		(961)	491	(2,459)	1,865
Income tax expense	19	(29)	(225)	(147)	(447)
(Loss)/profit from continuing operations		(990)	266	(2,606)	1,418
Discontinued operation					
Disposal of a subsidiary, net of tax	20	34,835	259	35,549	965
Disposal of property, plant and equipment, net of tax	21	-	-	-	3,439
Profit from discontinued operation, net of tax		34,835	259	35,549	4,404
Profit for the period attributable to owners of the Company		33,845	525	32,943	5,822
		Sen	Sen	Sen	Sen
Basic earnings/(loss) per ordinary share:					
- from continuing operations	37	(0.21)	0.06	(0.54)	0.39
- from discontinued operation	37	7.26	0.06	7.41	1.20
		7.05	0.12	6.87	1.59

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 third quarter and year-to-date ended 30 September 2019

	Quarter Ended		Year-To-Date Ended	
	30-Sep-19 RM'000	30-Sep-18 RM'000	30-Sep-19 RM'000	30-Sep-18 RM'000
Profit for the period	33,845	525	32,943	5,822
Other comprehensive (loss)/income:				
Items that will not be reclassified to profit or loss:				
Fair value changes on financial assets	(63)	(202)	(387)	128
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating investment in foreign assets	(740)	206	(998)	206
Other comprehensive (loss)/income for the period	(803)	4	(1,385)	334
Total comprehensive income attributable to owners of the Company	33,042	529	31,558	6,156

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.

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Unaudited Condensed Consolidated Statements of Profit or Loss
for the third quarter ended 30 September 2019

	Third quarter 30-Sep-19 RM'000	Immediate preceding quarter 30-Jun-19 RM'000
Continuing operations		
Revenue	3,327	2,626
Other income	114	49
	<u>3,441</u>	<u>2,675</u>
Operating expenses	(4,820)	(3,533)
Operating loss	<u>(1,379)</u>	<u>(858)</u>
Interest expense	(291)	(245)
Share of profit/(loss) of equity-accounted joint ventures	709	(339)
Loss before tax	<u>(961)</u>	<u>(1,442)</u>
Income tax expense	(29)	(46)
Loss from continuing operations	<u>(990)</u>	<u>(1,488)</u>
Discontinued operation		
Profit from discontinued operation, net of tax	34,835	313
Profit/(loss) for the period attributable to owners of the Company	<u>33,845</u>	<u>(1,175)</u>

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)

Condensed Interim Consolidated Financial Statements

Unaudited Condensed Consolidated Statements of Changes in Equity for the year-to-date ended 30 September 2019

	<-----Non-distributable----->			Distributable		
	Share capital	Foreign currency translation	Fair value changes through other comprehensive income	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	-	-	-	-	32,943	32,943
Other comprehensive loss for the period	-	(998)	(387)	-	-	(1,385)
Total comprehensive (loss)/income for the period	-	(998)	(387)	-	32,943	31,558
Transfer upon the disposal of a subsidiary	-	-	-	(42)	42	-
At 30 September 2019	107,546	(1,445)	(829)	2,746	97,675	205,693
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	-	-	-	-	5,822	5,822
Other comprehensive income for the period	-	206	128	-	-	334
Total comprehensive income for the period	-	206	128	-	5,822	6,156
Transaction with owners:						
Issuance of shares during the financial period	57,674	-	-	-	-	57,674
Dividend paid during the period	-	-	-	-	(45,769)	(45,769)
	57,674	-	-	-	(45,769)	11,905
At 30 September 2018	95,620	206	355	2,788	65,131	164,100

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 year-to-date ended 30 September 2019

	Note	Year-To-Date-Ended	
		30-Sep-19 RM'000	30-Sep-18 RM'000 (Restated)
Cash flows from operating activities			
Profit before tax:			
- from continuing operations		(2,459)	1,865
- from discontinued operation	20, 21	35,647	4,594
		33,188	6,459
Adjustments to reconcile profit before tax to net cash flows		(37,068)	(9,243)
		(3,880)	(2,784)
Decrease in operating assets		36,999	1,567
Increase/(decrease) in operating liabilities		8,645	(3,529)
		41,764	(4,746)
Interest received		3,217	3,538
Interest paid		(689)	-
Tax refunded		190	-
Tax paid		(446)	(1,189)
Net cash generated from/(used in) operating activities		44,036	(2,397)
Cash flows from investing activities			
Investment in joint ventures		(236)	(65,717)
Net (investment)/disposal of financial assets		(80,000)	16,833
Proceeds from disposal of property, plant and equipment		-	262
Purchase of property, plant and equipment		(9,701)	(1,292)
Disposal of discontinued operation:			
- Proceeds from disposal, net of cash and cash equivalents of Libra Invest Berhad	20	25,548	-
- Proceeds from disposal of property, plant and equipment		-	27,280
Net cash used in investing activities		(64,389)	(22,634)
Cash flows from financing activities			
Dividend paid		-	(45,769)
Drawdown of loans and borrowings		9,000	-
Proceeds from issuance of shares		-	57,674
Net cash generated from financing activities		9,000	11,905
Net decrease in cash and cash equivalents		(11,353)	(13,126)
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		2,428	7,820

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 financial 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 and amendments to standards have been issued by the MASB but are not yet effective and have not been adopted by the Group:

Effective for financial periods commencing on or after 1 January 2020

Amendment to MFRS 3 *Business Combinations - Definition of a Business*

Amendment to MFRS 9 *Financial Instruments*, MFRS 139 *Financial Instruments: Recognition and Measurement* and MFRS 7 *Financial Instruments: Disclosures - Interest Rate Benchmark Reform*

Amendments to MFRS 101 *Presentation of Financial Statements - Definition of Material*

Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material*

Effective for financial 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 *Consolidated Financial Statements* and MFRS 128 *Investment in Associates and Joint Ventures - 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.

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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 cyclical 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 30 September 2019.

4 Exceptional items/unusual events

Save as disclosed in Note 30.2, there were no other unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and year-to-date ended 30 September 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 30 September 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 30 September 2019.

7 Dividend paid

There were no dividend paid during the current quarter and year-to-date ended 30 September 2019.

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.

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

- (c) Hospitality - operating business of Tune Hotel Penang, Tune Hotel Kota Kinabalu 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. The sale was completed on 8 July 2019. Consequently, Fund Management segment is presented as discontinued operation.

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8 Segmental reporting (cont'd.)

	<----- Discontinued ----->						
	Investment Holding RM'000	Structured Financing RM'000	Hospitality RM'000	Fund Management RM'000	Part of Investment Holding RM'000	Inter- segment elimination RM'000	Group total RM'000
Three months ended 30 September 2019							
Revenue	769	172	2,386	-	-	-	3,327
Interest income	90	149	-	-	-	-	239
Non-interest income	679	23	2,386	-	-	-	3,088
Other income	69	-	45	35,000	-	-	35,114
	838	172	2,431	35,000	-	-	38,441
Operating expenses of which:	(2,772)	(24)	(2,024)	(165)	-	-	(4,985)
- Depreciation of property, plant and equipment	(53)	-	(29)	-	-	-	(82)
Operating (loss)/profit	(1,934)	148	407	34,835	-	-	33,456
Interest expense	-	-	(291)	-	-	-	(291)
Share of profit of equity- accounted joint ventures	-	-	709	-	-	-	709
(Loss)/profit before tax	(1,934)	148	825	34,835	-	-	33,874
Three months ended 30 September 2018							
Revenue	15	1,213	-	3,065	-	-	4,293
Interest income	5	1,199	-	57	-	-	1,261
Non-interest income	10	14	-	3,008	-	-	3,032
Other (expenses)/income	(122)	3	-	-	-	-	(119)
	(107)	1,216	-	3,065	-	-	4,174
Operating expenses of which:	(1,820)	(16)	-	(2,797)	-	-	(4,633)
- Depreciation of property, plant and equipment	(51)	-	-	(81)	-	-	(132)
Operating (loss)/profit	(1,927)	1,200	-	268	-	-	(459)
Share of profit of equity- accounted joint ventures	-	-	1,218	-	-	-	1,218
(Loss)/profit before tax	(1,927)	1,200	1,218	268	-	-	759

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8 Segmental reporting (cont'd.)

	<----- Discontinued ----->						
	Investment Holding	Structured Financing	Hospitality	Fund Management	Part of Investment Holding	Inter- segment elimination	Group total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Nine months ended 30 September 2019							
Revenue	975	1,972	5,570	6,251	-	(17)	14,751
Interest income	199	1,756	-	171	-	(17)	2,109
Non-interest income	776	216	5,570	6,080	-	-	12,642
Other income	69	6	139	35,049	-	-	35,263
	1,044	1,978	5,709	41,300	-	(17)	50,014
Operating expenses of which:	(6,064)	(62)	(4,854)	(5,653)	-	-	(16,633)
- Depreciation of property, plant and equipment	(149)	-	(78)	(195)	-	-	(422)
Operating (loss)/profit	(5,020)	1,916	855	35,647	-	(17)	33,381
Interest expense	(17)	-	(689)	-	-	17	(689)
Share of profit of equity- accounted joint ventures	-	-	496	-	-	-	496
(Loss)/profit before tax	(5,037)	1,916	662	35,647	-	-	33,188
Nine months ended 30 September 2018							
Revenue	282	3,732	-	10,154	-	-	14,168
Interest income	74	3,426	-	202	-	-	3,702
Non-interest income	208	306	-	9,952	-	-	10,466
Other income	484	8	-	-	3,963	-	4,455
	766	3,740	-	10,154	3,963	-	18,623
Operating expenses of which:	(4,097)	(54)	-	(8,999)	(524)	-	(13,674)
- Depreciation of property, plant and equipment	(168)	-	-	(246)	-	-	(414)
Operating (loss)/profit	(3,331)	3,686	-	1,155	3,439	-	4,949
Share of profit of equity- accounted joint ventures	-	-	1,510	-	-	-	1,510
(Loss)/profit before tax	(3,331)	3,686	1,510	1,155	3,439	-	6,459

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8 Segmental reporting (cont'd.)

	Investment Holding	Structured Financing	Hospitality	Fund Management (Discontinued)	Inter-segment elimination	Group total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets and liabilities as at 30 September 2019						
Segment assets	104,878	7,457	36,518	-	-	148,853
Investment in joint ventures	-	-	67,271	-	-	67,271
Additions to property, plant and equipment	85	-	9,616	-	-	9,701
Total assets	104,963	7,457	113,405	-	-	225,825
Total liabilities	303	28	19,801	-	-	20,132
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

	30-Sep-19	31-Dec-18
	RM'000	RM'000
Cash and balances with banks and other financial institutions	327	4,551
Deposit placements maturing within two months	2,101	9,230
	2,428	13,781

10 Financial assets at fair value through other comprehensive income

	30-Sep-19	31-Dec-18
	RM'000	RM'000
In Malaysia		
Quoted shares	266	470
Unquoted investment	13,550	13,350
Outside Malaysia		
Quoted shares	-	183
Unquoted investment	7,350	7,350
	21,166	21,353

11 Financial assets at fair value through profit or loss

	30-Sep-19	31-Dec-18
	RM'000	RM'000
In Malaysia		
Unit trust funds	80,576	-

12 Trade and other receivables

	30-Sep-19	31-Dec-18
	RM'000	RM'000
Trade receivables	320	2,019
Other receivables	14,096	3,196
Prepayments	153	268
	14,569	5,483

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13 Loans, advances and financing

	30-Sep-19	31-Dec-18
	RM'000	RM'000
Term loans, representing gross loans, advances and financing	6,881	57,903
<u>Analysis of gross loans, advances and financing</u>		
By economic purpose		
Investments	6,881	17,903
Others	-	40,000
Gross loans, advances and financing	6,881	57,903
By interest rate sensitivity		
Fixed rate, representing gross loans, advances and financing	6,881	57,903
By type of customer		
Domestic business enterprise	6,881	17,903
Individual	-	40,000
Gross loans, advances and financing	6,881	57,903
By residual contractual maturity		
Within one year, representing gross loans, advances and financing	6,881	57,903

Allowance for expected credit losses

There is no movement in the allowance for expected credit losses during the quarter ended 30 September 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 completed the acquisition of a new property known as Tune Hotel Kota Kinabalu for a cash consideration of RM9.0 million in second quarter ended 30 June 2019.

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

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15 Loans and borrowings

	30-Sep-19	31-Dec-18
	RM'000	RM'000
Secured long term borrowings		
Floating rate term loan	18,941	9,941

The term loan increased by RM9.0 million was attributed to the loan drawdown for the acquisition of Tune Hotel Kota Kinabalu. The term loan bears interest of 5.97% per annum and the remaining maturities as at reporting date are as follows:

	30-Sep-19	31-Dec-18
	RM'000	RM'000
On demand or within one year	-	-
More than 1 year and less than 2 years	551	-
More than 2 years and less than 5 years	9,795	2,755
5 to 10 years	8,595	7,186
	18,941	9,941

16 Revenue

	Quarter Ended		Year-To-Date-Ended	
	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Hospitality income	2,386	-	5,570	-
Interest income				
Loans, advances and financing	144	1,199	1,749	3,426
Short-term funds and deposits with financial institutions	95	5	189	74
	239	1,204	1,938	3,500
Investment income				
Net gains on financial assets at fair value through profit or loss				
- Distribution from unit trust funds	567	-	664	126
- Fair value gain	53	-	53	72
- Net gain on disposal	59	10	59	10
	679	10	776	208
Other income	23	14	216	306
Total revenue	3,327	1,228	8,500	4,014

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17 Other income/(expenses)

	Quarter Ended		Year-To-Date-Ended	
	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Rental income	34	-	110	-
Loss on disposal of property, plant and equipment	-	(104)	-	(104)
Loss on foreign exchange translation	(2)	-	(2)	(121)
Gain on bargain purchase from investment in joint venture	-	-	-	728
Others	82	(15)	106	(11)
	114	(119)	214	492

18 Operating expenses

	Quarter Ended		Year-To-Date-Ended	
	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Personnel expenses	2,567	1,313	5,519	2,957
Depreciation of property, plant and equipment	82	51	227	168
Rental of premises	68	54	153	68
Water and electricity	251	-	629	-
General repairs and maintenance	208	-	484	-
Hotel management expenses	956	-	2,235	-
Auditors' remuneration	50	14	84	42
Professional fees and expenses	264	182	630	278
Others	374	222	1,019	638
	4,820	1,836	10,980	4,151

The overall increase in operating expenses of RM2.98 million and RM6.83 million for current quarter and year-to-date ended 30 September 2019, respectively, were attributed largely to the commencement of hospitality business.

There were no provision for or write off of receivables, provision for or write off of inventories, impairment of assets and other exceptional items during the current quarter and year-to-date ended 30 September 2019.

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19 Income tax expense

	Quarter Ended		Year-To-Date-Ended	
	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Continuing operations				
Income tax				
Current period's provision	29	225	147	354
Under provision of income tax in prior years	-	-	-	93
	29	225	147	447
Discontinued operation				
Income tax				
Current period's provision	-	14	116	195
Over provision of income tax in prior years	-	(10)	(46)	(10)
Deferred tax				
Relating to origination and reversal of temporary differences	-	-	25	-
Under provision of deferred tax in prior years	-	5	3	5
	-	9	98	190
Total income tax expense	29	234	245	637

The Group's effective tax rate for the current quarter and year-to-date ended 30 September 2019 was lower than the statutory tax rate due to gain on disposal of a subsidiary was not subjected to tax.

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20 Discontinued operation - Disposal of a subsidiary

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. The sale was completed on 8 July 2019 for a total cash consideration of RM50.78 million.

Libra Invest Berhad, a wholly-owned subsidiary, was not a discontinued operation or classified as held for sale as at 30 September 2018 and the comparative consolidated statement of profit or loss has been re-presented to show the discontinued operation separately from continuing operations.

Profit attributable to the discontinued operation was as follow:

	Quarter Ended		Year-To-Date-Ended	
	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
	RM'000	RM'000	RM'000	RM'000
Revenue	-	3,065	6,251	10,154
Other income	-	-	49	-
Operating expenses	(165)	(2,797)	(5,653)	(8,999)
Results from operating activities	(165)	268	647	1,155
Income tax expense (Note 19)	-	(9)	(98)	(190)
Results from operating activities, net of tax	(165)	259	549	965
Gain on sale of discontinued operation	35,000	-	35,000	-
Profit for the period	34,835	259	35,549	965

The profit from discontinued operation for the quarter ended 30 September 2019 of RM34,835,000 (2018: RM259,000) and for the year-to-date ended 30 September 2019 of RM35,549,000 (2018: RM965,000) is attributable entirely to owners of the Company.

	Year-To-Date-Ended	
	30-Sep-19	30-Sep-18
	RM'000	RM'000
Cash flows from/(used in) discontinued operation		
Net cash generated from/(used in) operating activities	13,057	(3,904)
Net cash generated from investing activities	25,548	-
Effect on cash flows	38,605	(3,904)

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20 Discontinued operation - Disposal of a subsidiary (cont'd.)

Effect of disposal on the financial position of the Group	30-Sep-19 RM'000
Cash and cash equivalents	25,233
Tax recoverable	211
Other receivables	925
Trade receivables	2,912
Property, plant and equipment	1,570
Other payables	(2,710)
Trade payables	(12,121)
Finance lease liabilities	(106)
Deferred tax liabilities	(133)
Net assets	<u>15,781</u>
Gain on sale of discontinued operation	<u>35,000</u>
Consideration received, satisfied in cash	50,781
Cash and cash equivalents disposed of	<u>(25,233)</u>
Net cash inflow	<u><u>25,548</u></u>

21 Discontinued operation - Disposal of property, plant and equipment

The sale and purchase agreements for the disposal of the East and Centre wings 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 the East and Centre wings of Bangunan ECM Libra was presented as discontinued operation in the previous financial year ended 31 December 2018.

Profit attributable to the discontinued operation was as follow:

	Quarter Ended		Year-To-Date-Ended	
	30-Sep-19 RM'000	30-Sep-18 RM'000	30-Sep-19 RM'000	30-Sep-18 RM'000
Other income	-	-	-	631
Operating expenses	-	-	-	(524)
Results from operating activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>107</u>
Income tax expense	-	-	-	-
Results from operating activities, net of tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>107</u>
Gain on sale of discontinued operation	-	-	-	3,332
Profit for the period	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>3,439</u></u>

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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.

As disclosed in Note 30.2, ECM Libra Financial Group Berhad completed the disposal of Libra Invest Berhad, which is the business unit engaged in fund management, that constituted one of the four reportable operating segments of the Group on 8 July 2019. Following the completion of the disposal, Libra Invest Berhad ceased to be a subsidiary of the Company.

There were no other material changes in the composition of the Group for the quarter ended 30 September 2019.

23 Commitments

	30-Sep-19	31-Dec-18
	RM'000	RM'000
Approved and contracted for		
Proposed acquisition of Tune Hotel Kota Kinabalu	-	8,100
Proposed acquisition of Tune Hotel KLIA Aeropolis	833	833
Rental expenses	136	297
	<hr/>	<hr/>
Joint venture		
Share of capital commitment of joint venture	-	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 30 September 2019, the Group does not have any contingent assets and liabilities.

26 Valuation of property, plant and equipment

There was no valuation of property, plant and equipment of the Group in the current quarter and year-to-date ended 30 September 2019.

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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");
- (iii) Financial assets at fair value through profit or loss ("FVPL"); and
- (iv) Financial liabilities measured at amortised cost ("FL").

	Carrying amount	FA	FVOCI	FVPL	FL
30-Sep-19	RM'000	RM'000	RM'000	RM'000	RM'000
Financial assets					
Cash and cash equivalents	2,428	2,428	-	-	-
Financial assets at fair value through other comprehensive income	21,166	-	21,166	-	-
Financial assets at fair value through profit or loss	80,576	-	-	80,576	-
Loans, advances and financing	6,881	6,881	-	-	-
Trade and other receivables	14,416	14,416	-	-	-
	125,467	23,725	21,166	80,576	-
Financial liabilities					
Trade and other payables	(1,142)	-	-	-	(1,142)
Loans and borrowings	(18,941)	-	-	-	(18,941)
	(20,083)	-	-	-	(20,083)
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)

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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
	RM'000	RM'000	RM'000	RM'000
30-Sep-19				
Financial assets				
Financial assets at fair value				
through other comprehensive income				
- Quoted shares	266	-	-	266
- Unquoted investments	-	-	20,900	20,900
Financial assets at fair value				
through profit or loss				
- Unit trust funds	-	80,576	-	80,576
	<u>266</u>	<u>80,576</u>	<u>20,900</u>	<u>101,742</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 third quarter ended 30 September 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

There was no material event subsequent to 30 September 2019.

29 Significant event during the reporting period

Other than the completion of the disposal of Libra Invest Berhad on 8 July 2019 and the Proposed Acquisition of Hospitality Assets as disclosed in Note 30.2 and 30.3 respectively, there was no other significant event during the quarter and year-to-date ended 30 September 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 (now known as OHG Services Sdn Bhd), TP International Pty Ltd, Yummy Kitchen Sdn Bhd (now known as Ormond Lifestyle Services 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 to TP Real Estate Holdings Pte Ltd ("TPRE")) ("Proposed Acquisitions from TPRE"); and
- Tune Hotel Penang, Tune Hotel Kota Kinabalu 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 RM19.00 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, Tune Hotel Kota Kinabalu, the Proposed Disposals and the Proposed Special Dividend have been completed.

The acquisition of the rights to operate and maintain Tune Hotel KLIA Aeropolis is still pending completion. On 3 September 2019, the parties to the Tune Hotel KLIA Aeropolis's Sale and Purchase Agreement have mutually agreed to extend the date to fulfill the agreement's conditions precedent by 180 days from 4 September 2019 (inclusive) to 2 March 2020, or such longer period as the parties may mutually agree in writing.

30.2 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 disposal of 6,500,000 ordinary shares representing 100% equity interest in Libra Invest Berhad 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 ("Disposal"). The Disposal was completed on 8 July 2019 for a final total cash consideration of RM50.78 million.

30 Status of corporate proposals announced (cont'd)

30.3 Proposed Acquisition of Hospitality Assets

On 8 August 2019, the Company announced that ECML Hotels Sdn Bhd, a wholly-owned subsidiary of the Company, had on even date entered into a conditional sale and purchase agreement (“SPA”) with OMT Hotels Sdn Bhd (formerly known as Tune Hotels Sdn Bhd) for the proposed acquisition of:

- (a) a piece of land together with a 7-storey limited-service hotel known as "Tune Hotel @ Danga Bay" comprising 218 hotel rooms;
- (b) two pieces of land in Bandar Kuala Lumpur together with an existing structure which is being re-developed into two hotels to be known as “The Chow Kit, an Ormond hotel” comprising 113 hotel rooms and “MoMo’s Kuala Lumpur” comprising 99 hotel rooms and one piece of vacant land; and
- (c) hospitality businesses (as defined therein)

for a total cash consideration of RM62.04 million upon the terms and conditions as set out in the SPA. (collectively referred to as "Proposed Acquisition of Hospitality Assets")

The Proposed Acquisition of Hospitality Assets is subject to the approvals being obtained from:

- (a) the non-interested shareholders of the Company at an extraordinary general meeting which has been scheduled to be convened on 3 December 2019; and
- (b) any other relevant authorities or parties, if required.

Other than the above, there are no corporate proposals announced but not completed as at 26 November 2019.

31 Operating segments review

The performance review of continuing operations and discontinued operation are presented separately following the disposal of Libra Invest Berhad, the East and Centre wings of Bangunan ECM Libra and the semi-detached residential property as disclosed in Note 20 and Note 21.

Q3 FY2019 vs. Q3 FY2018

(a) Continuing operations

The Group recorded a loss before tax of RM0.96 million for the quarter ended 30 September 2019 ("Q3 FY2019") from a profit before tax of RM0.49 million a year ago ("Q3 FY2018"). Loss for the quarter was attributed largely to the loss incurred by the Investment Holding segment and lower contribution by Structured Financing and Hospitality segments.

Other comprehensive income was recorded at a loss of RM0.80 million in Q3 FY2019 from RM0.01 million other comprehensive income a year earlier. The loss in Q3 FY2019 was due largely to foreign currency translation loss of RM0.74 million on investments denominated in foreign currencies.

31 Operating segments review (cont'd.)

Q3 FY2019 vs. Q3 FY2018 (cont'd.)

(a) Continuing operations (cont'd.)

Review of segmental performance:

(i) Investment Holding

The Investment Holding segment posted a loss before tax of RM1.93 million in Q3 FY2019 largely on operating expenses, which is similar to the loss recorded a year ago.

(ii) Structured Financing

The gross loans, advances and financing portfolio was lowered by RM50.52 million to RM6.88 million as at the end of the current quarter on repayment by borrowers. In line with the drop in the portfolio, the Structure Financing segment saw a drop in profit before tax from RM1.20 million in Q3 FY2018 to RM0.15 million in Q3 FY2019.

(iii) Hospitality

Following the completion of the acquisition of Tune Hotel Penang and Tune Hotel Kota Kinabalu, the financial performance of Hospitality segment is now made up of the financial results of Tune Hotel Penang and Tune Hotel Kota Kinabalu, and the share of results of equity-accounted joint ventures involve in the hospitality business.

The Hospitality segment posted a profit of RM0.83 million in Q3 FY2019 from RM1.22 million a year ago on lower share of profits of equity-accounted joint ventures, off-set by a contribution of RM0.12 million from Tune Hotel Penang and Tune Hotel Kota Kinabalu.

(b) Discontinued operation

The financial results of Fund Management segment were classified as discontinued operations and as disclosed in Note 30.2, Libra Invest Berhad (“LIB”), which is involved in the fund management business, ceased to be a subsidiary of the Company following the completion of the sale of LIB to Kenanga Investors Berhad (“Disposal”). A net gain of RM34.84 million was recorded for the Disposal.

9M FY2019 vs. 9M FY2018

(a) Continuing operations

The Group recorded a loss before tax of RM2.46 million for the nine months ended 30 September 2019 (“9M FY2019”) from a profit before tax of RM1.86 million a year ago (“9M FY2018”). Loss for the 9M FY2019 was contributed by higher loss in Investment Holding segment coupled with lower profit before tax in Structured Financing and Hospitality segments.

31 Operating segments review (cont'd.)

9M FY2019 vs. 9M FY2018 (cont'd.)

(a) Continuing operations (cont'd.)

Other comprehensive income was recorded at a loss of RM1.39 million in 9M FY2019 from RM0.33 million other comprehensive income a year earlier. The loss in 9M FY2019 was due largely to fair value loss on lower market value of investment in quoted shares of RM0.52 million and foreign currency translation loss of RM1.00 million on investments denominated in foreign currencies.

Review of segmental performance:

(i) Investment Holding

The Investment Holding segment posted a loss before tax of RM5.04 million in 9M FY2019 from RM3.33 million a year earlier largely on higher employees' related expenses and professional fees on corporate exercises as disclosed in Note 30.

(ii) Structured Financing

The gross loans, advances and financing portfolio was lowered by RM50.52 million to RM6.88 million as at the end of the current quarter on repayment by borrowers. In line with the drop in the portfolio, the Structure Financing segment saw a drop in profit before tax from RM3.69 million in 9M FY2018 to RM1.92 million in 9M FY2019.

(iii) Hospitality

Following the completion of the acquisition of Tune Hotel Penang and Tune Hotel Kota Kinabalu, the financial performance of Hospitality segment is now made up of the financial results of Tune Hotel Penang and Tune Hotel Kota Kinabalu, and the share of results of equity-accounted joint ventures involve in the hospitality business.

The Hospitality segment posted a profit of RM0.66 million in 9M FY2019 from RM1.51 million a year ago on lower share of profits of equity-accounted joint ventures, off-set by a contribution of RM0.17 million from Tune Hotel Penang and Tune Hotel Kota Kinabalu.

(b) Discontinued operation

The financial results of Fund Management segment were classified as discontinued operation and as disclosed in Note 30.2, Libra Invest Berhad ("LIB"), which is involved in the fund management business, ceased to be a subsidiary of the Company following the completion of the sale of LIB to Kenanga Investors Berhad ("Disposal"). A net gain of RM34.84 million was recorded for the Disposal.

Last year nine months' financial results had also included a gain on disposal of property, plant and equipment of RM3.44 million, in relation to the disposal of East and Center wings of Bangunan ECM Libra which was completed on 8 May 2018.

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

(a) Continuing operations

The Group recorded a loss before tax of RM0.96 million for the current quarter ended 30 September 2019 as compared to a loss before tax of RM1.44 million in the immediate preceding quarter ended 30 June 2019.

The lower loss was attributed largely to better financial performance in the Hospitality segment, offset by a lower contribution from Structured Financing segment and higher operating expenses in Investment Holding segment.

The Hospitality segment reported an improvement of RM1.21 million largely on higher share of profits of joint ventures whilst the lower contribution from Structured Financing segment was due to the lower loans, advances and financing portfolio.

(b) Discontinued operation

The discontinued operations, in both the current and preceding quarters, relate to the disposal of Libra Invest Berhad. The disposal was completed on 8 July 2019 with the full financial effect arising from the disposal reflected in the current quarter.

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 30.1 and the Proposed Acquisition of Hospitality Assets as disclosed in Note 30.3. The disposal of Libra Invest Berhad completed on 8 July 2019 has resulted in cessation of income stream from fund management. The proceeds from the disposal of Libra Invest Berhad 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 Dividend

No dividend has been proposed for the current quarter ended 30 September 2019.

36 Material litigations

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

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37 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/(loss) for the reporting period by the weighted average number of ordinary shares in issue during the reporting period.

	Quarter Ended		Year-To-Date-Ended	
	30-Sep-19	30-Sep-18 (Restated)	30-Sep-19	30-Sep-18 (Restated)
(Loss)/profit for the period attributable to owners of the Company (RM'000):				
- from continuing operations	(990)	266	(2,606)	1,418
- from discontinued operation	34,835	259	35,549	4,404
	<hr/> 479,926 <hr/>	<hr/> 446,798 <hr/>	<hr/> 479,926 <hr/>	<hr/> 367,576 <hr/>
Weighted average number of ordinary shares in issue ('000)				
	<hr/> 479,926 <hr/>	<hr/> 446,798 <hr/>	<hr/> 479,926 <hr/>	<hr/> 367,576 <hr/>
Basic earnings/(loss) per ordinary share (sen):				
- from continuing operations	(0.21)	0.06	(0.54)	0.39
- from discontinued operation	7.26	0.06	7.41	1.20
	<hr/> 7.05 <hr/>	<hr/> 0.12 <hr/>	<hr/> 6.87 <hr/>	<hr/> 1.59 <hr/>

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

The diluted earnings/(loss) per ordinary share for the current quarter and year-to-date ended 30 September 2019 was not presented as there is no potential dilutive ordinary share.

By order of the Board
26 November 2019