

ECM LIBRA GROUP BERHAD (Company No. 200501031433) (713570-K)
Condensed Interim Consolidated Financial Statements

Condensed Consolidated Statements of Financial Position as at 31 March 2021

	31-Mar-21	31-Dec-20
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	102,705	103,350
Intangible assets	183	199
Right-of-use assets	15,171	15,463
Deferred tax assets	1,232	1,232
Investment in joint ventures	64,455	64,902
Other investments	15,543	15,488
	199,289	200,634
CURRENT ASSETS		
Inventories	195	200
Contract assets	6	77
Tax recoverable	108	103
Loans, advances and financing	5,858	5,738
Trade and other receivables	2,188	2,284
Cash and bank balances and deposits with financial institutions	15,322	16,589
	23,677	24,991
TOTAL ASSETS	222,966	225,625
EQUITY AND LIABILITIES		
CURRENT LIABILITIES		
Loans and borrowings	20,750	20,754
Trade and other payables	3,555	4,442
Lease liabilities	537	699
Contract liabilities	66	131
	24,908	26,026
NET CURRENT LIABILITIES	(1,231)	(1,035)

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Condensed Consolidated Statements of Financial Position as at 31 March 2021 (cont'd.)

	31-Mar-21	31-Dec-20
	RM'000	RM'000
	(Unaudited)	(Audited)
EQUITY AND LIABILITIES (CONT'D.)		
NON-CURRENT LIABILITIES		
Loans and borrowings	18,411	18,411
Lease liabilities	3,525	3,503
Deferred tax liabilities	10	10
	21,946	21,924
TOTAL LIABILITIES	46,854	47,950
NET ASSETS	176,112	177,675
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	107,546	107,546
Retained earnings	73,902	76,188
Reserves	(5,336)	(6,059)
TOTAL EQUITY	176,112	177,675
TOTAL LIABILITIES AND EQUITY	222,966	225,625
Net assets per share (RM)	0.37	0.37

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 2020 and the accompanying explanatory notes attached to these interim financial statements.

ECM LIBRA GROUP BERHAD (Company No. 200501031433) (713570-K)
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Unaudited Condensed Consolidated Statements of Profit or Loss
for the first quarter and year-to-date ended 31 March 2021

	Note	Quarter and Year-to-Date Ended	
		31-Mar-21 RM'000	31-Mar-20 RM'000
Revenue		4,467	4,779
Other income		189	229
Operating expenses		(5,283)	(5,676)
Operating loss		(627)	(668)
Finance costs		(453)	(280)
Share of results of joint ventures		(1,182)	(1,183)
Loss before tax	21	(2,262)	(2,131)
Income tax expense		(24)	(27)
Loss for the period attributable to owners of the Company		(2,286)	(2,158)
Basic loss per ordinary share	26	Sen (0.48)	Sen (0.45)

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 2020 and the accompanying explanatory notes attached to these interim financial statements.

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Unaudited Condensed Consolidated Statements of Comprehensive Income
for the first quarter and year-to-date ended 31 March 2021

	Quarter and	
	Year-to-Date Ended	
	31-Mar-21	31-Mar-20
	RM'000	RM'000
Loss for the period	(2,286)	(2,158)
Other comprehensive income/(loss):		
<i>Items that will not be reclassified to profit or loss</i>		
<i>in subsequent periods (net of tax):</i>		
Fair value changes on financial assets	54	(102)
<i>Items that may be reclassified to profit or loss</i>		
<i>in subsequent periods (net of tax):</i>		
Exchange differences on translation of investment investment in foreign operations	669	(2,308)
Other comprehensive income/(loss) for the period, net of tax	723	(2,410)
Total comprehensive loss for the period, net of tax attributable to owners of the Company	(1,563)	(4,568)

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 2020 and the accompanying explanatory notes attached to these interim financial statements.

ECM LIBRA GROUP BERHAD (Company No. 200501031433) (713570-K)
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Unaudited Condensed Consolidated Statements of Changes in Equity for the first quarter and year-to-date ended 31 March 2021

	<-----Non-distributable----->			Distributable	
	Share capital RM'000	Foreign currency translation RM'000	Fair value changes through other comprehensive income RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2021	107,546	1,148	(7,207)	76,188	177,675
Loss for the period	-	-	-	(2,286)	(2,286)
Other comprehensive income for the period	-	669	54	-	723
Total comprehensive income/(loss) for the period	-	669	54	(2,286)	(1,563)
At 31 March 2021	107,546	1,817	(7,153)	73,902	176,112
At 1 January 2020	107,546	(1,010)	(1,823)	97,812	202,525
Loss for the period	-	-	-	(2,158)	(2,158)
Other comprehensive loss for the period	-	(2,308)	(102)	-	(2,410)
Total comprehensive loss for the period	-	(2,308)	(102)	(2,158)	(4,568)
At 31 March 2020	107,546	(3,318)	(1,925)	95,654	197,957

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 2020 and the accompanying explanatory notes attached to these interim financial statements.

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Unaudited Condensed Consolidated Statements of Cash Flows
for the first quarter and year-to-date ended 31 March 2021

	Quarter and	
	Year-to-Date Ended	
	31-Mar-21	31-Mar-20
	RM'000	RM'000
Cash flows from operating activities		
Loss before tax	(2,262)	(2,131)
Adjustments to reconcile loss before tax to net cash flows	2,413	1,095
Operating income/(loss) before changes in working capital	<u>151</u>	<u>(1,036)</u>
Decrease/(increase) in operating assets	7	(45,001)
(Decrease)/increase in operating liabilities	<u>(974)</u>	<u>1,292</u>
Cash used in operations	<u>(816)</u>	<u>(44,745)</u>
Interest received	57	472
Interest paid	(457)	(274)
Tax paid	(29)	(37)
Net cash used in operating activities	<u>(1,245)</u>	<u>(44,584)</u>
Cash flows from investing activities		
Net proceeds from disposal of financial assets	-	20,639
Purchase of property, plant and equipment	-	(833)
Net cash generated from investing activities	<u>-</u>	<u>19,806</u>
Cash flows from financing activities		
Payment of lease liabilities - principal	(22)	(51)
Net cash used in financing activities	<u>(22)</u>	<u>(51)</u>
Net decrease in cash and cash equivalents	(1,267)	(24,829)
Cash and cash equivalents at the beginning of the financial period	16,589	55,988
Cash and cash equivalents at the end of the financial period	<u>15,322</u>	<u>31,159</u>
Cash and cash equivalents comprise:		
Cash and bank balances	2,551	2,347
Deposits with financial institutions	13,248	28,812
	<u>15,799</u>	<u>31,159</u>
Less: Cash and bank balances restricted for use	(477)	-
	<u>15,322</u>	<u>31,159</u>

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 2020 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") have been prepared in accordance with the Malaysian Financial Reporting Standard ("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 2020. The explanatory notes attached to the Condensed Report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2020.

The accounting policies adopted in the preparation of the Condensed Report are consistent with those adopted in the preparation of the Group's audited financial statements for the year ended 31 December 2020, except for the adoption of the following accounting standards:

Effective for financial periods commencing on or after 1 June 2020

Amendments to MFRS 16 *Leases - Covid-19-Related Rent Concessions*

Effective for financial periods commencing on or after 17 August 2020

Amendments to MFRS 4 *Insurance Contracts - Extension of the Temporary Exemption from Applying MFRS 9*

Effective for financial periods commencing on or after 1 January 2021

Amendment to MFRS 9 *Financial Instruments*, MFRS 139 *Financial Instruments: Recognition and Measurement*, MFRS 7 *Financial Instruments: Disclosures*, MFRS 4 *Insurance Contracts* and MFRS 16 *Leases - Interest Rate Benchmark Reform - Phase 2*

The adoption of the above new standards, amendments to published standards and interpretation, where relevant, did not have any significant impact on the financial results of the Group.

Standards issued but not yet effective

The following standards and amendments to standards have been issued by the MASB but are not yet effective.

Effective for financial periods commencing on or after 1 April 2021

Amendments to MFRS 16 *Leases - COVID-19-Related Rent Concessions beyond 30 June 2021*

Effective for financial periods commencing on or after 1 January 2022

Amendments to MFRS 3 *Business Combinations - Reference to the Conceptual Framework*
Amendments to MFRS 116 *Property, Plant and Equipment - Proceeds before Intended Use*
Amendments to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract*
Amendments to MFRSs contained in the document entitled "*Annual Improvements to MFRS Standards 2018 - 2020*"

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1 Basis of preparation (cont'd.)

Standards issued but not yet effective (cont'd.)

Effective for financial periods commencing on or after 1 January 2023

MFRS 17 *Insurance Contracts*

Amendments to MFRS 17 *Insurance Contracts*

Amendments to MFRS 101 *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current*

Amendments to MFRS 101 *Presentation of Financial Statements - Disclosure of Accounting Policies*

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

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 in the period of initial application.

2 Auditors' report on preceding annual financial statements

The auditors' report on the audited annual financial statements for the year ended 31 December 2020 was not qualified.

3 Seasonality or cyclicity of operations

The business operations of the Group are not materially affected by any seasonal or cyclical factors.

4 Disaggregation of revenue

	Quarter and Year-to-Date Ended	
	31-Mar-20	31-Mar-20
	RM'000	RM'000
Revenue from contract with customers:		
Rental of hotel rooms	1,461	3,329
Sale of food and beverages	724	835
Management services fees	599	-
Others	8	13
Revenue from other sources		
Interest income	175	472
Investment income	-	130
Dividend income	1,500	-
Total revenue	4,467	4,779

5 Exceptional or unusual items

There were no significant unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the current financial period ended 31 March 2021.

6 Changes in estimates of amounts reported

There was no significant change in estimates of amounts reported in prior interim periods or prior financial years.

7 Debt and equity securities

There were no issuance, cancellation, share buy-back, resale and repayments of debt securities or equity securities for the current financial period ended 31 March 2021.

8 Dividend paid

There were no dividend paid during the current financial period ended 31 March 2021.

9 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
- (b) Structured Financing - structured lending and financial services related activities
- (c) Hospitality - management and operations of hotels and restaurant and investment in hospitality related business through joint ventures

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9 Segmental reporting (cont'd.)

	Investment Holding RM'000	Structured Financing RM'000	Hospitality RM'000	Group total RM'000
Three months' results ended 31 March 2021				
Revenue	1,546	129	2,792	4,467
Other income	-	1	188	189
Operating expenses	(350)	(33)	(4,900)	(5,283)
Operating profit/(loss)	1,196	97	(1,920)	(627)
Finance costs	(4)	-	(449)	(453)
Share of results of joint ventures	-	-	(1,182)	(1,182)
Profit/(loss) before tax	1,192	97	(3,551)	(2,262)
Income tax expense	-	(24)	-	(24)
Profit/(loss) after tax	1,192	73	(3,551)	(2,286)

Other information

Included in the profit/(loss) after tax are:

- Interest income	46	129	-	175
- Depreciation and amortisation	(98)	-	(918)	(1,016)
Investment in joint ventures	-	-	64,455	64,455

Three months' results ended 31 March 2020

Revenue	468	134	4,177	4,779
Other income	(5)	-	234	229
Operating expenses	(859)	(24)	(4,793)	(5,676)
Operating (loss)/profit	(396)	110	(382)	(668)
Finance costs	(6)	-	(274)	(280)
Share of results of joint ventures	-	-	(1,183)	(1,183)
(Loss)/profit before tax	(402)	110	(1,839)	(2,131)
Income tax expense	-	(27)	-	(27)
(Loss)/profit after tax	(402)	83	(1,839)	(2,158)

Other information

Included in the (loss)/profit after tax are:

- Interest income	338	134	-	472
- Depreciation and amortisation	(99)	-	(91)	(190)
Investment in joint ventures	-	-	62,271	62,271
Capital expenditure	-	-	926	926

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9 Segmental reporting (cont'd.)

	Investment Holding RM'000	Structured Financing RM'000	Hospitality RM'000	Group total RM'000
Assets and liabilities as at 31 March 2021				
Total assets	28,033	7,835	187,098	222,966
Total liabilities	505	7	46,342	46,854
Assets and liabilities as at 31 December 2020				
Total assets	29,749	7,762	188,114	225,625
Total liabilities	598	8	47,344	47,950

10 Changes in the composition of the Group

There were no material changes in the composition of the Group for the current financial period ended 31 March 2021.

11 Changes in contingent liabilities or contingent assets

As at 31 March 2021, the Group does not have any contingent assets and liabilities.

12 Property, plant and equipment

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

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13 Subsequent events

There were no items, transactions or events of material or unusual in nature during the period from the end of the quarter under review to the date of this report.

14 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.

15 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 March 2021	Carrying amount RM'000	FA RM'000	FVOCI RM'000	FL RM'000
Financial assets				
Cash and bank balances and				
Edeposits with financial institutions	15,322	15,322	-	-
Other investments	15,543	-	15,543	-
Loans, advances and financing	5,858	5,858	-	-
Trade and other receivables	1,478	1,478	-	-
	38,201	22,658	15,543	-
Financial liabilities				
Trade and other payables	(3,555)	-	-	(3,555)
Loans and borrowings	(39,161)	-	-	(39,161)
Lease liabilities	(4,062)	-	-	(4,062)
	(46,778)	-	-	(46,778)

15 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 prices 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.

As at 31 March 2021, the Group's financial instruments which are measured at fair value analysed by the various levels within the fair value hierarchy are as follows:

31 March 2021	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				
- Quoted shares	258	-	-	258
- Unquoted investments	-	-	15,285	15,285
	<u>258</u>	<u>-</u>	<u>15,285</u>	<u>15,543</u>

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared with the last financial year ended 31 December 2020.

There have been no transfers between the levels of the fair value hierarchy during the current financial period ended 31 March 2021.

(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.

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

16 Status of corporate proposals announced

There are no corporate proposals announced but not completed as at 24 May 2021.

17 Review of performance of continuing operations

Quarter ended 31 March 2021 compared with quarter ended 31 March 2020

For the current financial quarter ended 31 March 2021 ("3M FY2021"), the Group recorded a total revenue of RM4.47 million, a decrease of 7% compared with RM4.78 million recorded in the preceding year corresponding quarter ended 31 March 2020 ("3M FY2020").

The loss after tax in 3M FY2021 was RM2.29 million compared with RM2.16 million in 3M FY2020, an increase of 6%. Decrease in revenue and increase in loss after tax was attributed largely to losses in Hospitality segment which was impacted by the Covid-19 pandemic.

The performance of the respective operating business segments for the financial quarter ended 31 March 2021 as compared to the preceding year corresponding quarter analysed as follows:

(i) Investment Holding

For the current financial quarter under review, increase in income was mainly due to dividend income received and this has also contributed to the increase in profit after tax.

(ii) Structured Financing

For the current quarter under review, profit after tax remained consistent at RM0.07 million in 3M FY2021 as compared to RM0.08 million in 3M FY2020.

(iii) Hospitality

For the current financial quarter under review, the increase in losses by Hospitality segment reflects the difficult operating conditions in light of the Covid-19 pandemic. The Covid-19 pandemic led to the implementation of the movement control order and conditional movement control order by the Malaysian government, resulted in lower operating income in 3M FY2021.

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

	Current quarter 31-Mar-21 RM'000	Immediate preceding quarter 31-Dec-20 RM'000
Revenue	4,467	3,239
Other income	189	1,353
Impairment losses	-	(7,623)
Operating expenses	(5,283)	(5,268)
Operating loss	(627)	(8,299)
Finance costs	(453)	(669)
Share of results of joint ventures	(1,182)	187
Loss before tax	(2,262)	(8,781)
Income tax (expense)/credit	(24)	1,065
Loss for the period attributable to owners of the Company	(2,286)	(7,716)

The Group's loss for the current quarter of RM2.29 million, a decrease of 70% as compared with RM7.72 million in the immediate preceding quarter. In the immediate preceding quarter, loss for the period mainly comprised of impairment loss of assets of RM7.62 million.

The losses recorded was attributed largely to the continued losses in the Hospitality segment which was impacted by the effect of the Covid-19 pandemic. The demand for hotel stays by both leisure and business segments were severely impacted in view of the suspension of air services and the closure of national borders regionally and the Government of Malaysia's mandated restriction of movement.

19 Group's prospects

The Covid-19 pandemic continues to impact the Group's hospitality portfolio. Malaysia's continued closure of borders and repeated movement control orders have prevented a sustained recovery in hotel occupancies. Whilst the Group continues to focus on realising cost and operational efficiencies, most of these have been realised over the course of the past year and the near to medium-term outlook remains extremely difficult.

20 Profit forecast

The Group did not issue any profit forecast or profit guarantee for the current financial quarter.

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21 Loss before tax

	Quarter and Year-to-Date Ended	
	31-Mar-21	31-Mar-20
	RM'000	RM'000
Loss before tax for the period is stated after charging/(crediting):		
Auditors' remuneration	49	17
Amortisation of intangible assets	16	-
Depreciation of property, plant and equipment	645	140
Depreciation of right-of-use assets	292	50
Loss on foreign exchange translation	5	1
Interest expense	433	274
Interest expense on lease liabilities	20	6
Loss on disposal of property, plant and equipment	-	4
Employee benefits expense	1,939	1,945
Dividend income	1,500	-
Rental income of premises	(61)	-
Net gain on financial assets at fair value through profit or loss	-	(130)
Interest income	(175)	(472)
	<hr/>	<hr/>

Other than the above items, there were no other investment income, write off of receivables, gain or loss on disposal of properties, impairment of assets and exceptional items for the current financial quarter and year-to-date ended 31 March 2021.

22 Income tax expense

	Quarter and Year-to-Date Ended	
	31-Mar-21	31-Mar-20
	RM'000	RM'000
In respect of current period		
Total income tax expense, representing current period's provision	24	27
	<hr/>	<hr/>

The effective tax rates of the Group for the current and previous corresponding periods were higher than the statutory tax rate of 24% principally due to certain expenses being not deductible for tax purposes.

23 Dividend

No dividend has been proposed for the current quarter and year-to-date ended 31 March 2021.

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24 Group Borrowings

The Group's borrowings as at 31 March 2021 are as follows:

	RM'000
Current	
Secured term loan	538
Secured revolving credit	<u>20,212</u>
	20,750
Non-current	
Secured term loan	<u>18,411</u>
Total borrowings	<u>39,161</u>

The Company has provided corporate guarantee for the Group Borrowings disclosed above.

25 Material litigations

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

26 Loss per ordinary share

(a) Basic loss per ordinary share

The basic loss per ordinary share is calculated by dividing the Group's loss for the reporting period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the reporting period.

	Quarter and Year-to-Date Ended	
	31-Mar-21	31-Mar-20
Loss for the period attributable to owners of the Company (RM'000)	<u>(2,286)</u>	<u>(2,158)</u>
Weighted average number of ordinary shares in issue ('000)	<u>479,926</u>	<u>479,926</u>
Basic loss per ordinary share (sen)	<u>(0.48)</u>	<u>(0.45)</u>

(b) Diluted loss per ordinary share

The Group has no dilution in its loss per ordinary share in the current quarter and year-to-date ended 31 March 2021 as there are no dilutive potential ordinary share.

Date: 24 May 2021