

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

Condensed Consolidated Statement of Financial Position as at 30 June 2022

	30-Jun-22	31-Dec-21
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	99,109	100,564
Intangible assets	108	141
Right-of-use assets	13,709	14,236
Deferred tax assets	2,807	2,807
Investments in associates	15,808	5,755
Investments in joint ventures	56,809	57,862
Other investments	-	2,470
	188,350	183,835
CURRENT ASSETS		
Inventories	222	205
Trade and other receivables	3,028	2,153
Contract assets	9	83
Tax recoverable	120	94
Loans, advances and financing	-	5,967
Cash and bank balances and deposits with licensed financial institutions	12,646	17,705
	16,025	26,207
TOTAL ASSETS	204,375	210,042
EQUITY AND LIABILITIES		
CURRENT LIABILITIES		
Loans and borrowings	20,808	20,820
Trade and other payables	2,403	2,136
Lease liabilities	560	687
Contract liabilities	224	282
Tax payable	-	10
	23,995	23,935
NET CURRENT (LIABILITIES)/ASSETS	(7,970)	2,272

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

Condensed Consolidated Statement of Financial Position as at 30 June 2022 (cont'd.)

	30-Jun-22	31-Dec-21
	RM'000	RM'000
	(Unaudited)	(Audited)
EQUITY AND LIABILITIES (CONT'D.)		
NON-CURRENT LIABILITIES		
Loans and borrowings	17,912	18,197
Lease liabilities	2,441	2,689
Deferred tax liabilities	12	12
	20,365	20,898
TOTAL LIABILITIES	44,360	44,833
NET ASSETS	160,015	165,209
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	107,546	107,546
Retained earnings	64,502	69,454
Reserves	(12,033)	(11,791)
TOTAL EQUITY	160,015	165,209
TOTAL EQUITY AND LIABILITIES	204,375	210,042
Net assets per share (RM)	0.33	0.34

The above unaudited condensed consolidated statement of financial position should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to these interim financial statements.

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

Unaudited Condensed Consolidated Statement of Profit or Loss
for the second quarter and year-to-date ended 30 June 2022

	Note	Quarter Ended		Year-to-Date Ended	
		30-Jun-22 RM'000	30-Jun-21 RM'000	30-Jun-22 RM'000	30-Jun-21 RM'000
Revenue		5,160	1,036	9,021	5,503
Other income		246	169	505	358
Changes in inventories		8	(8)	17	(13)
Purchase of inventories		(447)	(319)	(872)	(657)
Operating expenses		(6,335)	(4,905)	(11,997)	(9,845)
Operating loss		(1,368)	(4,027)	(3,326)	(4,654)
Finance costs		(458)	(456)	(910)	(909)
Share of results of associates and joint ventures, net of tax		(360)	(928)	(699)	(2,110)
Loss before tax	24	(2,186)	(5,411)	(4,935)	(7,673)
Taxation		(8)	(23)	(17)	(47)
Loss for the financial period attributable to owners of the Company		(2,194)	(5,434)	(4,952)	(7,720)
		Sen	Sen	Sen	Sen
Basic and diluted loss per ordinary share attributable to owners of the Company	28	(0.46)	(1.13)	(1.03)	(1.61)

The above unaudited condensed consolidated statement of profit or loss should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to these interim financial statements.

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

Unaudited Condensed Consolidated Statement of Comprehensive Income
for the second quarter and year-to-date ended 30 June 2022

	Quarter Ended		Year-to-Date Ended	
	30-Jun-22 RM'000	30-Jun-21 RM'000	30-Jun-22 RM'000	30-Jun-21 RM'000
Loss for the financial period	(2,194)	(5,434)	(4,952)	(7,720)
Other comprehensive (loss)/income:				
<i>Items that may be reclassified to profit or loss in subsequent periods (net of tax):</i>				
Exchange differences on translation of investment in foreign operations	(1,183)	(486)	98	183
Share of other comprehensive loss in an associate	(49)	-	(116)	-
	(1,232)	(486)	(18)	183
<i>Items that will not be reclassified to profit or loss in subsequent periods (net of tax):</i>				
Fair value changes on financial assets	(224)	-	(224)	54
Other comprehensive (loss)/income for the financial period, net of tax	(1,456)	(486)	(242)	237
Total comprehensive loss for the financial period, net of tax attributable to owners of the Company	(3,650)	(5,920)	(5,194)	(7,483)

The above unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to these interim financial statements.

ECM LIBRA GROUP BERHAD (Company No. 200501031433) (713570-K)

Condensed Interim Consolidated Financial Statements

Unaudited Condensed Consolidated Statement of Changes in Equity for the quarter and year-to-date ended 30 June 2022

	<-----Non-distributable----->			Distributable	
	Share capital	Foreign currency translation reserve	Fair value reserve	Retained earnings	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	107,546	(23)	(11,768)	69,454	165,209
Net change in fair value of an equity investment	-	-	(224)	-	(224)
Loss on foreign currency translation	-	(18)	-	-	(18)
Total other comprehensive (loss)/income for the financial period	-	(18)	(224)	-	(242)
Loss for the financial period	-	-	-	(4,952)	(4,952)
Total comprehensive (loss)/income for the financial period	-	(18)	(224)	(4,952)	(5,194)
At 30 June 2022	107,546	(41)	(11,992)	64,502	160,015
At 1 January 2021	107,546	1,148	(7,207)	76,188	177,675
Gain on foreign currency translation	-	183	-	-	183
Net change in fair value of an equity investment	-	-	54	-	54
Transfer of loss on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	999	(999)	-
Total other comprehensive income/(loss) for the financial period	-	183	1,053	(999)	237
Loss for the financial period	-	-	-	(7,720)	(7,720)
Total comprehensive income/(loss) for the financial period	-	183	1,053	(8,719)	(7,483)
At 30 June 2021	107,546	1,331	(6,154)	67,469	170,192

The above unaudited condensed consolidated statement of changes in equity should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to these interim financial statements.

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

Unaudited Condensed Consolidated Statement of Cash Flows
for the year-to-date ended 30 June 2022

	Quarter and	
	Year-to-Date Ended	
	30-Jun-22	30-Jun-21
	RM'000	RM'000
Cash flows from operating activities		
Loss before tax	(4,935)	(7,673)
Adjustments to reconcile loss before tax to net cash flows	3,557	4,580
Operating loss before changes in working capital	<u>(1,378)</u>	<u>(3,093)</u>
Decrease in operating assets	4,920	131
Increase/(decrease) in operating liabilities	209	(983)
Cash generated from/(used in) operations	<u>3,751</u>	<u>(3,945)</u>
Interest received	404	195
Interest paid	(907)	(912)
Tax paid	(53)	(46)
Net cash generated from/(used in) operating activities	<u>3,195</u>	<u>(4,708)</u>
Cash flows from investing activities		
Advances to joint ventures	(669)	(80)
Purchase of property, plant and equipment	(108)	-
Net proceeds from financial assets	-	1,811
Dividend received from a joint venture company	-	2,000
Purchase of additional shares in an associate	(6,802)	-
Net cash (used in)/generated from investing activities	<u>(7,579)</u>	<u>3,731</u>
Cash flows from financing activities		
Repayment of term loans	(300)	-
Payment of lease liabilities - principal	(375)	(191)
Net cash used in financing activities	<u>(675)</u>	<u>(191)</u>
Net decrease in cash and cash equivalents	(5,059)	(1,168)
Cash and cash equivalents at beginning of the financial period	17,228	16,589
Cash and cash equivalents at end of the financial period	12,169	15,421
Cash and cash equivalents comprise:		
Cash and bank balances	2,909	2,812
Deposits placements with licensed financial institutions	9,737	13,086
	<u>12,646</u>	<u>15,898</u>
Less: Monies held in Debt Service Reserve Accounts	(477)	(477)
	<u>12,169</u>	<u>15,421</u>

The above unaudited condensed consolidated statement of cash flows should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to these interim financial statements.

Part A: Explanatory notes pursuant to Malaysian Financial Reporting Standard 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*, the International Accounting Standard 34 *Interim Financial Reporting* 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. Certain financial assets are carried at fair value in accordance to MFRS 9 *Financial Instruments*.

This Condensed Report has also been prepared in accordance with paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Condensed Report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021. The explanatory notes attached to this 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 financial year ended 31 December 2021.

2 Significant accounting policies

2.1 Adoption of Amendments to Standards

The accounting standards 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 financial year ended 31 December 2021, except for the following which were adopted at the beginning of the current financial year. These pronouncements are either not relevant or do not have any material impact on the Group's financial statements for the current financial year.

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*"

2.2 Standards issued but not yet effective

As at the date of authorisation of this Condensed Report, the following Standards and amendments to Standards have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective to the Group's current financial period.

Effective for financial periods commencing on or after 1 January 2023

MFRS 17 *Insurance Contracts* and Amendments to MFRS 17 *Insurance Contracts*

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

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

2 Significant accounting policies (cont'd.)

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

Effective for financial periods commencing on or after 1 January 2023 (cont'd.)

Amendments to MFRS 112 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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 Group's financial statements.

3 Auditors' report on preceding annual financial statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2021 was not qualified.

4 Comments about seasonal or cyclical factors

The business operations of the Group are not materially affected by any seasonal or cyclical factors, apart from the general economic conditions in which it operates.

5 Unusual items due to their nature, size or incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows during the current quarter and year-to-date ended 30 June 2022.

6 Significant estimates and changes in estimates

There were no changes in estimates that have had any material effect during the current quarter and year-to-date ended 30 June 2022.

7 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 June 2022.

8 Dividend paid

There was no dividend paid during the current quarter and year-to-date ended 30 June 2022.

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

9 Disaggregation of revenue

	Quarter Ended		Year-to-Date Ended	
	30-Jun-22 RM'000	30-Jun-21 RM'000	30-Jun-22 RM'000	30-Jun-21 RM'000
Revenue from contract with customers:				
Hotel operations	3,484	1,332	5,860	2,793
Sale of food and beverages	1,088	692	2,030	1,416
Management services fees	510	288	956	887
Others	-	42	-	50
	5,082	2,354	8,846	5,146
Revenue from other sources:				
Interest income	78	182	175	357
Reclassification of dividend income received from a joint venture company to investment in joint ventures (Note (a))	-	(1,500)	-	-
	78	(1,318)	175	357
	5,160	1,036	9,021	5,503
Timing of revenue recognition				
At a point in time	1,115	734	2,057	1,466
Over time	3,967	1,620	6,789	3,680
	5,082	2,354	8,846	5,146

All sales are made within Malaysia.

- (a) Dividend income of RM1.50 million received from a joint venture company was reclassified from revenue in Investment Holding segment to reduce the carrying amount of investment in joint ventures as at 30 June 2021 in accordance with MFRS 128 *Investments in Associates and Joint Ventures*.

The above reclassification does not have any impact on the net assets per share of the Group.

10 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

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

10 Segmental reporting (cont'd.)

	Investment Holding RM'000	Structured Financing RM'000	Hospitality RM'000	Group total RM'000
Three months' results ended 30 June 2022				
Revenue	38	39	5,083	5,160
Other income	-	-	246	246
Changes in inventories	-	-	8	8
Purchase of inventories	-	-	(447)	(447)
Operating expenses	(717)	(2)	(5,616)	(6,335)
Operating (loss)/profit	(679)	37	(726)	(1,368)
Finance costs	-	-	(458)	(458)
Share of results of associates and joint ventures, net of tax	342	-	(702)	(360)
(Loss)/profit before tax	(337)	37	(1,886)	(2,186)
Taxation	-	(8)	-	(8)
(Loss)/profit after tax	(337)	29	(1,886)	(2,194)

Other information

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

- Interest income	38	39	1	78
- Depreciation and amortisation	(81)	-	(973)	(1,054)

Three months' results ended 30 June 2021

Revenue (Note (a))	(1,420)	131	2,325	1,036
Other income	-	3	166	169
Changes in inventories	-	-	(8)	(8)
Purchase of inventories	-	-	(319)	(319)
Operating expenses	(421)	(35)	(4,449)	(4,905)
Operating (loss)/profit	(1,841)	99	(2,285)	(4,027)
Finance costs	(3)	-	(453)	(456)
Share of results of joint ventures, net of tax	-	-	(928)	(928)
(Loss)/profit before tax	(1,844)	99	(3,666)	(5,411)
Taxation	-	(23)	-	(23)
(Loss)/profit after tax	(1,844)	76	(3,666)	(5,434)

Other information

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

- Interest income	51	131	-	182
- Depreciation and amortisation	(95)	-	(871)	(966)

(a) Dividend income of RM1.50 million received from a joint venture company was reclassified from revenue in Investment Holding segment to reduce the carrying amount of investment in joint ventures as at 30 June 2021.

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

10 Segmental reporting (cont'd.)

	Investment Holding RM'000	Structured Financing RM'000	Hospitality RM'000	Group total RM'000
Six months' results ended 30 June 2022				
Revenue	85	86	8,850	9,021
Other income	-	1	504	505
Changes in inventories	-	-	17	17
Purchase of inventories	-	-	(872)	(872)
Operating expenses	(1,345)	(14)	(10,638)	(11,997)
Operating (loss)/profit	(1,260)	73	(2,139)	(3,326)
Finance costs	(1)	-	(909)	(910)
Share of results of associates and joint ventures, net of tax	1,121	-	(1,820)	(699)
(Loss)/profit before tax	(140)	73	(4,868)	(4,935)
Taxation	-	(17)	-	(17)
(Loss)/profit after tax	(140)	56	(4,868)	(4,952)
Other information				
Included in the (loss)/profit after tax are:				
- Interest income	85	86	4	175
- Depreciation and amortisation	(177)	-	(1,946)	(2,123)
Six months' results ended 30 June 2021				
Revenue	126	260	5,117	5,503
Other income	-	4	354	358
Changes in inventories	-	-	(13)	(13)
Purchase of inventories	-	-	(657)	(657)
Operating expenses	(771)	(68)	(9,006)	(9,845)
Operating (loss)/profit	(645)	196	(4,205)	(4,654)
Finance costs	(7)	-	(902)	(909)
Share of results of joint ventures, net of tax	-	-	(2,110)	(2,110)
(Loss)/profit before tax	(652)	196	(7,217)	(7,673)
Taxation	-	(47)	-	(47)
(Loss)/profit after tax	(652)	149	(7,217)	(7,720)
Other information				
Included in the (loss)/profit after tax are:				
- Interest income	97	260	-	357
- Depreciation and amortisation	(193)	-	(1,726)	(1,919)

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

10 Segmental reporting (cont'd.)

	Investment Holding RM'000	Structured Financing RM'000	Hospitality RM'000	Group total RM'000
Other information as at 30 June 2022				
Total assets	75,086	8,132	121,157	204,375
Total liabilities	191	4	44,165	44,360
Investments in associates	15,808	-	-	15,808
Investments in joint ventures	-	-	56,809	56,809
Capital expenditure	-	-	108	108
Other information as at 31 December 2021				
Total assets	78,863	8,090	123,089	210,042
Total liabilities	466	16	44,351	44,833
Investment in an associate	5,755	-	-	5,755
Investments in joint ventures	-	-	57,862	57,862
Capital expenditure	16	-	316	332

11 Changes in the composition of the Group

There were no material changes in the composition of the Group during the current quarter and year-to-date ended 30 June 2022.

12 Contingent assets and liabilities

There were no contingent assets and contingent liabilities as at 30 June 2022.

13 Property, plant and equipment

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

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

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 during the current quarter and year-to-date ended 30 June 2022.

15 Event after the reporting period

There was no material event subsequent to the current quarter and year-to-date ended 30 June 2022.

16 Significant event during the financial period

There was no significant event during the current quarter and year-to-date ended 30 June 2022.

17 Financial instruments

(a) Categories of financial instruments

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

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

30 June 2022	Carrying amount RM'000	FA RM'000	FVOCI RM'000	FL RM'000
Financial assets				
Cash and bank balances and deposits with licensed financial institutions	12,646	12,646	-	-
Trade and other receivables excluding prepayments	2,242	2,242	-	-
	14,888	14,888	-	-
Financial liabilities				
Trade and other payables	(2,403)	-	-	(2,403)
Loans and borrowings	(38,720)	-	-	(38,720)
Lease liabilities	(3,001)	-	-	(3,001)
	(44,124)	-	-	(44,124)

17 Financial instruments (cont'd.)

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

31 December 2021	Carrying amount RM'000	FA RM'000	FVOCI RM'000	FL RM'000
Financial assets				
Cash and bank balances and deposits with licensed financial institutions	17,705	17,705	-	-
Other investments	2,470	-	2,470	-
Loans, advances and financing	5,967	5,967	-	-
Trade and other receivables excluding prepayments	1,699	1,699	-	-
	<u>27,841</u>	<u>25,371</u>	<u>2,470</u>	<u>-</u>
Financial liabilities				
Trade and other payables	(2,136)	-	-	(2,136)
Loans and borrowings	(39,017)	-	-	(39,017)
Lease liabilities	(3,376)	-	-	(3,376)
	<u>(44,529)</u>	<u>-</u>	<u>-</u>	<u>(44,529)</u>

(b) Financial assets that are carried at fair value

Financial assets at FVOCI are measured at different measurement hierarchies (i.e. Levels 1, 2 and 3). The hierarchies are reflecting the significance of inputs used in making the fair value measurements.

(i) Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

The Group does not have any financial assets measured at Level 1 as at 30 June 2022 and 31 December 2021.

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

The Group does not have any financial assets measured at Level 2 as at 30 June 2022 and 31 December 2021.

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

The Group does not have any financial assets measured at Level 3 as at 30 June 2022. As at 31 December 2021, unquoted investments are measured at Level 3 and the fair value have been estimated based on the net assets of the investees, which are used as a proxy for their fair value.

(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 due to their short-term nature.

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

18 Status of corporate proposals announced

On 31 May 2022, the Company ("ECMLG") announced that the Board of Directors ("Board") has on even date received a notice of conditional mandatory take-over offer ("Notice") from Mercury Securities Sdn Bhd, on behalf of Dato' Lim Kian Onn ("Offeror"), to acquire all the remaining ordinary shares in ECMLG ("ECMLG Shares") not already held by the Offeror and persons acting in concert with him ("Offer Shares") for a cash offer price of RM0.22 per Offer Share ("Offer").

On 2 June 2022, ECMLG announced that in accordance with Paragraph 3.06 of the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia, the Board had appointed DWA Advisory Sdn Bhd as the independent adviser to provide comments, opinions, information and recommendation in relation to the Offer.

The Notice was posted to the holders of the Offer Shares within seven days of its receipt and a copy was attached to the Bursa announcement dated 7 June 2022.

The summary notifications were dispatched on 27 June 2022 and 7 July 2022 respectively to the holders of the Offer Shares informing that the Offer Document dated 27 June 2022 and the Independent Advice Circular dated 7 July 2022 have been published on Bursa's website.

The Offer had closed at 5.00 p.m. (Malaysian time) on 18 July 2022, the Offeror did not receive valid acceptances of the Offer Shares which would result in the Offeror and persons acting in concert with him holding in aggregate more than 50% of the voting shares in ECMLG. As such, the acceptance condition has not been fulfilled. Accordingly, the Offer has lapsed and ceased to be capable of further acceptances and all acceptances shall be returned to the accepting holders and the Offeror will thereafter cease to be bound by any such prior acceptances of the Offer.

There are no corporate proposals announced but not completed as at 28 July 2022.

19 Review of performance

(a) Financial period ended 30 June 2022 compared with the previous financial period ended 30 June 2021

The Group recorded total revenue of RM9.02 million in the current financial period ended 30 June 2022 ("6M FY2022") representing an increase of 64% compared with total revenue of RM5.50 million recorded in the previous financial period ended 30 June 2021 ("6M FY2021") with the hospitality segment being the main contributor to the higher revenue. Loss for the period of RM4.95 million in 6M FY2022 is lower than 6M FY2021, corresponding to the increase in 6M FY2022 total revenue.

Review of segmental performance:

(i) Investment Holding

The investment holding segment posted a lower lost after tax for 6M FY2022 of RM0.14 million (6M FY2021: RM0.65 million), mainly due to a share of profit of RM1.12 million from investments in associates in 6M FY2022.

(ii) Structured Financing

The structured financing segment recorded a lower profit after tax of RM0.06 million in 6M FY2022 from RM0.15 million in 6M FY2021, resulting from lower interest income. The outstanding term loan was settled and repayment was received in full in January 2022.

(iii) Hospitality

The hospitality segment recorded revenue of RM8.85 million in 6M FY2022, an increase of 73% or RM3.73 million from 6M FY2021 contributed by the overall improved performance across the Group's hospitality properties in the current financial period.

The hospitality segment showed an overall improved occupancy with the increase in domestic leisure and business travel following the easing of containment measures on transitioning to endemic phase in 6M FY2022 compared to the movement restrictions in 6M FY2021.

19 Review of performance (cont'd.)

(b) Financial quarter ended 30 June 2022 compared with the previous financial quarter ended 30 June 2021

The Group recorded total revenue of RM5.16 million in the current financial quarter ended 30 June 2022 ("Q2 FY2022") as compared to RM2.54 million (excluding reversal of a one-off dividend income of RM1.50 million received from a joint venture) in the preceding year corresponding quarter ended 30 June 2021 ("Q2 FY2021") with the hospitality segment being the main contributor to the higher revenue.

The Group posted a lower loss after tax of RM2.19 million in Q2 FY2022 as compared to a loss after tax of RM3.93 million (excluding reversal of a one-off dividend income of RM1.50 million received from a joint venture) in Q2 FY2021, corresponding to the increase in Q2 FY2022 total revenue.

On 1 April 2022, Malaysia reopened its borders to all countries for quarantine-free travel with no mandatory quarantine requirements, which contributed positively to the hospitality segment. This resulted in higher Group revenue of RM2.62 million or 103% and lower loss after tax of RM1.74 million or 44% in Q2 FY2022 as compared to Q2 FY2021.

Review of segmental performance:

(i) Investment Holding

The investment holding segment posted a loss after tax of RM0.34 million in Q2 FY2022 (Q2 FY2021: loss of RM0.34 million, excluding reversal of a one-off dividend income of RM1.50 million received from a joint venture).

(ii) Structured Financing

The structured financing segment recorded a lower profit after tax of RM0.03 million in Q2 FY2022 from RM0.08 million in Q2 FY2021, resulting from lower interest income. The outstanding term loan was settled and repayment was received in full in January 2022.

(iii) Hospitality

The hospitality segment recorded higher revenue of RM5.08 million in Q2 FY2022 (Q2 FY2021: RM2.33 million) and posted a lower loss after tax of RM1.89 million Q2 FY2022 (Q2 FY2021: loss of RM3.67 million). Lower loss in Q2 FY2022 due to higher revenue as a result of higher occupancy rates and higher food and beverage revenue with easing of travel restrictions and opening of borders on transitioning to endemic phase in Malaysia.

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

	Current quarter 30-Jun-22 RM'000	Immediate preceding quarter 31-Mar-22 RM'000
Revenue	5,160	3,861
Other income	246	259
Changes in inventories	8	9
Purchase of inventories	(447)	(425)
Operating expenses	(6,335)	(5,662)
Operating loss	(1,368)	(1,958)
Finance costs	(458)	(452)
Share of results of associates and joint ventures, net of tax	(360)	(339)
Loss before tax	(2,186)	(2,749)
Taxation	(8)	(9)
Loss for the period attributable to owners of the Company	(2,194)	(2,758)

The Group's total revenue of RM5.16 million in the current quarter ("Q2 FY2022") represented an increase of 34% compared with total revenue of RM3.86 million recorded in the immediate preceding quarter ("Q1 FY2022") with the hospitality segment being the main contributor to the higher revenue. Consequently, loss for the period of RM2.19 million in Q2 FY2022 is lower than Q1 FY2022 in line with the increase in revenue.

Revenue from the hospitality segment improved resulting from higher room occupancy rates and higher contribution from food and beverage revenue in Q2 FY2022.

21 Group's prospects

Occupancies and revenues are expected to gradually improve in-line with the general relaxation of movement restrictions in Malaysia. However, management remains cautious in light of new Covid-19 variants, inflationary pressures and a tight labour market which presents challenges to operating performance and the bottom line.

22 Profit forecast

The Group did not issue any profit forecast or profit guarantee for the current quarter and year-to-date ended 30 June 2022.

23 Dividend

There was no dividend declared in respect of the current quarter and the corresponding quarter in the previous year.

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

24 Loss before tax

	Quarter Ended		Year-to-Date Ended	
	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21
	RM'000	RM'000	RM'000	RM'000
Loss before tax for the period is arrived at after charging/(crediting):				
Auditors' remuneration	26	64	51	113
Amortisation of intangible assets	15	4	33	20
Depreciation of property, plant and equipment	799	675	1,563	1,320
Depreciation of right-of-use assets	240	287	527	579
Employee benefits expense	2,299	1,966	4,459	3,905
Net unrealised (gain)/loss on foreign exchange translation	(1)	5	-	10
Interest expense on:				
- loans and borrowings	448	438	894	871
- lease liabilities	10	18	16	38
Dividend income	-	(1,500)	-	-
Rental income of premises	(41)	(61)	(113)	(122)
Interest income	(78)	(182)	(175)	(357)

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 quarter and year-to-date ended 30 June 2022.

25 Income tax expense

	Quarter Ended		Year-to-Date Ended	
	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21
	RM'000	RM'000	RM'000	RM'000
In respect of current period				
Total income tax expense, representing current period's provision				
- Current tax	8	23	17	47
Total income tax expense	8	23	17	47

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the current and previous corresponding periods.

The effective tax rates of the Group for the current and previous corresponding periods were lower than the statutory tax rate of the respective periods principally due to current year tax losses incurred.

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

26 Group Borrowings

The Group's borrowings as at 30 June 2022 are as follows:

	RM'000
Current	
Secured term loan	600
Secured revolving credit	20,208
	<u>20,808</u>
Non-current	
Secured term loan	17,912
Total borrowings	<u>38,720</u>

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

27 Changes in material litigation

There was no material litigation against the Group as at the reporting date.

28 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 Ended		Year-to-Date Ended	
	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21
Loss for the financial period attributable to owners of the Company (RM'000)	<u>(2,194)</u>	(5,434)	<u>(4,952)</u>	(7,720)
Weighted average number of ordinary shares in issue (units '000)	<u>479,926</u>	479,926	<u>479,926</u>	479,926
Basic loss per ordinary share (sen)	<u>(0.46)</u>	(1.13)	<u>(1.03)</u>	(1.61)

(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 30 June 2022 as there are no dilutive potential ordinary shares.

Date: 28 July 2022