

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

Condensed Consolidated Statement of Financial Position as at 31 March 2023

	31-Mar-23	31-Dec-22
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	97,567	98,030
Intangible assets	67	81
Right-of-use assets	13,037	13,209
Deferred tax assets	2,157	2,157
Investments in associates	21,842	21,320
Investments in joint ventures	56,621	56,727
	191,291	191,524
CURRENT ASSETS		
Inventories	328	283
Trade and other receivables	4,029	4,172
Contract assets	443	364
Tax recoverable	116	111
Cash and bank balances and deposits with licensed financial institutions	10,400	11,779
	15,316	16,709
TOTAL ASSETS	206,607	208,233
EQUITY AND LIABILITIES		
CURRENT LIABILITIES		
Loans and borrowings	21,258	21,258
Trade and other payables	3,362	3,486
Lease liabilities	295	386
Contract liabilities	113	422
	25,028	25,552
NET CURRENT LIABILITIES	(9,712)	(8,843)

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Condensed Consolidated Statement of Financial Position as at 31 March 2023 (cont'd.)

	31-Mar-23	31-Dec-22
	RM'000	RM'000
	(Unaudited)	(Audited)
EQUITY AND LIABILITIES (CONT'D.)		
NON-CURRENT LIABILITIES		
Loans and borrowings	17,016	17,165
Lease liabilities	2,404	2,475
Deferred tax liabilities	8	8
	<u>19,428</u>	<u>19,648</u>
TOTAL LIABILITIES	<u>44,456</u>	<u>45,200</u>
NET ASSETS	<u>162,151</u>	<u>163,033</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	107,546	107,546
Retained earnings	67,587	68,260
Reserves	(12,982)	(12,773)
TOTAL EQUITY	<u>162,151</u>	<u>163,033</u>
TOTAL LIABILITIES AND EQUITY	<u>206,607</u>	<u>208,233</u>
Net assets per share (RM)	<u>0.34</u>	<u>0.34</u>

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 2022 and the accompanying explanatory notes attached to these interim financial statements.

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Unaudited Condensed Consolidated Statement of Profit or Loss
for the first quarter and year-to-date ended 31 March 2023

	Note	Quarter and Year-to-Date Ended	
		31-Mar-23 RM'000	31-Mar-22 RM'000
Revenue		8,006	3,861
Other income		274	259
Changes in inventories		45	9
Purchase of inventories		(640)	(425)
Operating expenses		(8,219)	(5,662)
Loss from operations		(534)	(1,958)
Finance costs		(587)	(452)
Share of results of associates and joint ventures, net of tax		452	(339)
Loss before tax	24	(669)	(2,749)
Taxation		(4)	(9)
Loss for the financial period attributable to owners of the Company		(673)	(2,758)
		Sen	Sen
Basic and diluted loss per ordinary share attributable to owners of the Company	28	(0.14)	(0.57)

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 2022 and the accompanying explanatory notes attached to these interim financial statements.

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Unaudited Condensed Consolidated Statement of Comprehensive Income
for the first quarter and year-to-date ended 31 March 2023

	Quarter and Year-to-Date Ended	
	31-Mar-23	31-Mar-22
	RM'000	RM'000
Loss for the financial period	(673)	(2,758)
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	(346)	1,281
Share of other comprehensive income/(loss) in an associate	137	(67)
Other comprehensive (loss)/income for the financial period, net of tax	(209)	1,214
Total comprehensive loss for the financial period, net of tax attributable to owners of the Company	(882)	(1,544)

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 2022 and the accompanying explanatory notes attached to these interim financial statements.

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Unaudited Condensed Consolidated Statement of Changes in Equity for the first quarter and year-to-date ended 31 March 2023

	<-----Non-distributable----->			Distributable	
	Share capital RM'000	Foreign currency translation reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2023	107,546	(639)	(12,134)	68,260	163,033
Loss on foreign currency translation	-	(346)	-	-	(346)
Share of comprehensive income in an associate	-	137	-	-	137
Total other comprehensive loss for the financial period	-	(209)	-	-	(209)
Loss for the financial period	-	-	-	(673)	(673)
Total comprehensive loss for the financial period	-	(209)	-	(673)	(882)
At 31 March 2023	107,546	(848)	(12,134)	67,587	162,151
At 1 January 2022	107,546	(23)	(11,768)	69,454	165,209
Gain on foreign currency translation	-	1,281	-	-	1,281
Share of comprehensive loss in an associate	-	(67)	-	-	(67)
Total other comprehensive income for the financial period	-	1,214	-	-	1,214
Loss for the financial period	-	-	-	(2,758)	(2,758)
Total comprehensive loss for the financial period	-	1,214	-	(2,758)	(1,544)
At 31 March 2022	107,546	1,191	(11,768)	66,696	163,665

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 2022 and the accompanying explanatory notes attached to these interim financial statements.

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Unaudited Condensed Consolidated Statement of Cash Flows
for the first quarter and year-to-date ended 31 March 2023

	Quarter and	
	Year-to-Date Ended	
	31-Mar-23	31-Mar-22
	RM'000	RM'000
Cash flows from operating activities		
Loss before tax	(669)	(2,749)
Adjustments to reconcile loss before tax to net cash flows	1,149	1,763
Operating profit/(loss) before changes in working capital	<u>480</u>	(986)
Decrease in operating assets	17	5,110
Decrease in operating liabilities	(433)	(124)
Cash generated from operations	<u>64</u>	4,000
Interest received	57	324
Interest paid	(587)	(452)
Tax paid	(9)	(35)
Net cash (used in)/generated from operating activities	<u>(475)</u>	3,837
Cash flows from investing activities		
Advances to joint ventures	(473)	(606)
Purchase of property, plant and equipment	(285)	(25)
Purchase of right-of-use assets	(135)	-
Dividend received from a joint venture company	300	-
Net cash used in investing activities	<u>(593)</u>	(631)
Cash flows from financing activities		
Repayment of term loans	(149)	(150)
Payment of lease liabilities - principal	(162)	(82)
Net cash used in financing activities	<u>(311)</u>	(232)
Net (decrease)/increase in cash and cash equivalents	(1,379)	2,974
Cash and cash equivalents at beginning of the financial period	11,302	17,228
Cash and cash equivalents at end of the financial period	<u>9,923</u>	<u>20,202</u>
Cash and cash equivalents comprise:		
Cash and bank balances	4,010	7,581
Deposits placements with licensed financial institutions	6,390	13,098
	<u>10,400</u>	20,679
Less: Monies held in Debt Service Reserve Accounts	(477)	(477)
	<u>9,923</u>	<u>20,202</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 2022 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 has been prepared under the historical cost convention and is presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

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 2022. 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 2022.

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 2022, except for the following which were adopted at the beginning of the current financial period. These pronouncements are either not relevant or do not have any material impact on the Group's financial statements for the current financial period.

MFRS 17 Insurance Contracts and Amendments to MFRS 17 Insurance Contracts - Initial Application

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

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

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.

Effective for financial periods commencing on or after 1 January 2024

Amendments to MFRS 16 Leases - Lease liability in a Sale and Leaseback

Amendments to MFRS 101 Presentation of Financial Statements - Non-current Liabilities with Covenants

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

2 Significant accounting policies (cont'd.)

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

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 2022 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 31 March 2023.

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 31 March 2023.

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 31 March 2023.

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8 Dividend paid

There was no dividend paid during the current quarter and year-to-date ended 31 March 2023.

9 Disaggregation of revenue

	Current and Year-to-Date Ended	
	31-Mar-23	31-Mar-22
	RM'000	RM'000
Revenue from contract with customers:		
Hotel operations	5,887	2,376
Sale of food and beverages	1,425	942
Management services fees	639	446
	<u>7,951</u>	<u>3,764</u>
Revenue from other sources:		
Interest income	55	97
	<u>55</u>	<u>97</u>
	<u>8,006</u>	<u>3,861</u>
Timing of revenue recognition		
At a point in time	1,425	942
Over time	6,526	2,822
	<u>7,951</u>	<u>3,764</u>

All sales are made within Malaysia.

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; and
- (c) Hospitality - management and operations of hotels and restaurant and investment in hospitality related business through joint ventures.

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10 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 2023				
Revenue	5	32	7,969	8,006
Other income	-	-	274	274
Changes in inventories	-	-	45	45
Purchase of inventories	-	-	(640)	(640)
Operating expenses	(619)	(17)	(7,583)	(8,219)
(Loss)/profit from operations	(614)	15	65	(534)
Finance costs	-	-	(587)	(587)
Share of results of associates and joint ventures, net of tax	385	-	67	452
(Loss)/profit before tax	(229)	15	(455)	(669)
Taxation	-	(4)	-	(4)
(Loss)/profit after tax	(229)	11	(455)	(673)

Other information

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

- Interest income	5	32	18	55
- Depreciation and amortisation	(50)	-	(1,019)	(1,069)

Three months' results ended 31 March 2022

Revenue	47	47	3,767	3,861
Other income	-	1	258	259
Changes in inventories	-	-	9	9
Purchase of inventories	-	-	(425)	(425)
Operating expenses	(628)	(12)	(5,022)	(5,662)
(Loss)/profit from operations	(581)	36	(1,413)	(1,958)
Finance costs	(1)	-	(451)	(452)
Share of results of associates and joint ventures, net of tax	779	-	(1,118)	(339)
Profit/(loss) before tax	197	36	(2,982)	(2,749)
Taxation	-	(9)	-	(9)
Profit/(loss) after tax	197	27	(2,982)	(2,758)

Other information

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

- Interest income	47	47	3	97
- Depreciation and amortisation	(96)	-	(973)	(1,069)

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10 Segmental reporting (cont'd.)

	Investment Holding RM'000	Structured Financing RM'000	Hospitality RM'000	Total RM'000
Other information as at 31 March 2023				
Total assets	80,746	3,160	122,701	206,607
Total liabilities	408	7	44,041	44,456
Investments in associates	21,842	-	-	21,842
Investments in joint ventures	-	-	56,621	56,621
Capital expenditure	-	-	420	420
Other information as at 31 December 2022				
Total assets	79,966	5,144	123,123	208,233
Total liabilities	652	7	44,541	45,200
Investments in associates	21,320	-	-	21,320
Investments in joint ventures	-	-	56,727	56,727
Capital expenditure	5	-	527	532

11 Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter and year-to-date ended 31 March 2023.

12 Contingent assets and liabilities

There were no contingent assets and contingent liabilities as at 31 March 2023.

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.

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 31 March 2023.

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15 Event after the reporting period

There was no material event subsequent to the current quarter and year-to-date ended 31 March 2023.

16 Significant event during the financial period

There was no significant event during the current quarter and year-to-date ended 31 March 2023.

17 Financial instruments

Categories of financial instruments

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

- (i) Financial assets measured at amortised cost ("FA"); and
- (ii) Financial liabilities measured at amortised cost ("FL").

	Carrying amount RM'000	FA RM'000	FL RM'000
31 March 2023			
Financial assets			
Cash and bank balances and deposits with licensed financial institutions	10,400	10,400	-
Trade and other receivables excluding prepayments	2,989	2,989	-
	13,389	13,389	-
Financial liabilities			
Trade and other payables	(3,362)	-	(3,362)
Loans and borrowings	(38,274)	-	(38,274)
Lease liabilities	(2,699)	-	(2,699)
	(44,335)	-	(44,335)
	Carrying amount RM'000	FA RM'000	FL RM'000
31 December 2022			
Financial assets			
Cash and bank balances and deposits with licensed financial institutions	11,779	11,779	-
Trade and other receivables excluding prepayments	3,600	3,600	-
	15,379	15,379	-
Financial liabilities			
Trade and other payables	(3,486)	-	(3,486)
Loans and borrowings	(38,423)	-	(38,423)
Lease liabilities	(2,861)	-	(2,861)
	(44,770)	-	(44,770)

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

18 Status of corporate proposals announced

On 8 May 2023, the Company announced that its 30%-owned associate company, Positive Carry Sdn Bhd, had on 5 May 2023 entered into a conditional sale and purchase agreement ("SPA") with Enzo II Holdings Pte Ltd - a special purpose vehicle established and managed by PrimeMovers Equity (S) Pte Ltd, a Singapore-based private equity firm - to dispose of all the 24,000,000 ordinary shares it owns in TYK Capital Sdn Bhd (Registration No. 201101025265 (953401-V)) ("TYK"), representing 27% of the total number of issued ordinary shares of TYK for a cash consideration of RM120.00 million.

The completion of the SPA is conditional upon certain conditions to be fulfilled by parties to the SPA on or before 31 October 2023 or such other extended period as provided in the SPA.

Saved for the above, there were no other corporate proposals announced and not completed as at the date of this announcement.

19 Review of performance

Financial quarter ended 31 March 2023 compared with the financial quarter ended 31 March 2022

The Group's loss before tax for the financial quarter ended 31 March 2023 ("Q1 FY2023") was RM0.67 million, a decrease of 76% compared to RM2.75 million in the preceding year corresponding quarter ended 31 March 2022 ("Q1 FY2022"). The improved results are attributed mainly to the better performance of the hospitality segment.

Review of segmental performance:

(i) Investment Holding

The investment holding segment recorded a loss before tax of RM0.23 million in Q1 FY2023 (Q1 FY2022: profit before tax of RM0.20 million) mainly due to a decrease in the share of profits from associates and joint ventures by RM0.39 million in Q1 FY2023 as compared to Q1 FY2022.

(ii) Structured Financing

The structured financing segment recorded a lower segment profit of RM0.01 million in Q1 FY2023, a decrease of 67% from RM0.03 million in Q1 FY2022 due to lower interest income. The Group has not extended any loans to any party during the financial period ended 31 March 2023 in its ordinary course of business as a licensed money lender.

(iii) Hospitality

The hospitality segment's revenue rose by 111% to RM7.97 million in Q1 FY2023 (Q1 FY2022: RM3.77 million) mainly due to overall rise in occupancies across the hospitality assets and higher food and beverage revenue in Q1 FY2023. Consequently, a lower loss before tax of RM0.46 million in Q1 FY2023 was recorded compared with the previous year's corresponding quarter primarily due to higher revenue partially offset by higher operating expenses in the current quarter.

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

	Current 31-Mar-23 RM'000	Immediate preceding 31-Dec-22 RM'000
Revenue	8,006	9,197
Other income	274	347
Changes in inventories	45	(23)
Purchase of inventories	(640)	(754)
Net loss on impairment of financial assets	-	(33)
Operating expenses	(8,219)	(8,749)
Loss from operations	(534)	(15)
Finance costs	(587)	(694)
Investments in associates and joint ventures		
- loss on dilution of equity interests	-	(142)
- share of results, net of tax	452	4,302
(Loss)/profit before tax	(669)	3,451
Taxation	(4)	(671)
(Loss)/profit for the period attributable to owners of the Company	(673)	2,780

The Group recorded a loss before tax of RM0.67 million in Q1 FY2023, representing a decrease of RM4.12 million compared with profit before tax of RM3.45 million in the previous quarter ended 31 December 2022 ("Q4 FY2022"). The decrease was mainly due to lower share of profits from associates and joint ventures of RM0.45 million in Q1 FY2023 (Q4 FY2022: RM4.30 million).

21 Group's prospects

The Group expects leisure and corporate demand for travel and hotels to remain robust for the rest of the year. However, the Group will continue to face operational challenges in the face of sustained inflationary pressures and a tight labour market.

22 Profit forecast

The Group did not issue any profit forecast or profit guarantee for the current quarter and year-to-date ended 31 March 2023.

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23 Dividend

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

24 Loss before tax

	Quarter and Year-to-Date Ended	
	31-Mar-23 RM'000	31-Mar-22 RM'000
Loss before tax for the period is arrived at after charging/(crediting):		
Auditors' remuneration	24	25
Amortisation of intangible assets	14	18
Depreciation of property, plant and equipment	748	764
Depreciation of right-of-use assets	307	287
Employee benefits expense	3,015	2,160
Net unrealised loss on foreign exchange translation	3	1
Interest expense on:		
- loans and borrowings	585	446
- lease liabilities	2	6
Rental income of premises	(49)	(72)
Interest income	(55)	(97)
	<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 quarter and year-to-date ended 31 March 2023.

25 Income tax expense

	Quarter and Year-to-Date Ended	
	31-Mar-23 RM'000	31-Mar-22 RM'000
In respect of current period		
Total income tax expense, representing current period's provision		
- Current tax	4	9
Total income tax expense	<hr/> 4 <hr/>	<hr/> 9 <hr/>

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.

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26 Group Borrowings

The Group's borrowings as at 31 March 2023 are as follows:

	RM'000
Current	
Secured term loan	1,050
Secured revolving credit	20,208
	<u>21,258</u>
Non-current	
Secured term loan	17,016
Total borrowings	<u>38,274</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 and Year-to-Date Ended	
	31-Mar-23	31-Mar-22
Loss for the financial period attributable to owners of the Company (RM'000)	<u>(673)</u>	<u>(2,758)</u>
Weighted average number of ordinary shares in issue (units '000)	<u>479,926</u>	<u>479,926</u>
Basic loss per ordinary share (sen)	<u>(0.14)</u>	<u>(0.57)</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 2023 as there are no dilutive potential ordinary shares.

Date: 22 May 2023