

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)
Interim Condensed Financial Statements for the nine months ended 31 October 2016

Unaudited Interim Condensed Consolidated Statement of Financial Position
as at 31 October 2016

	<u>Note</u>	31-Oct-16 RM'000	31-Jan-16 RM'000
ASSETS			
Cash and short-term funds		26,571	24,883
Securities available-for-sale	9	24,873	17,327
Loans, advances and financing	10	58,618	60,279
Trade receivables	11	5,495	6,222
Other assets	12	1,721	1,555
Investment in associated company	13	7,200	7,200
Deferred tax assets		294	295
Property, plant and equipment		23,415	24,304
Investment property		4,014	4,030
TOTAL ASSETS		152,201	146,095
LIABILITIES AND EQUITY			
LIABILITIES			
Trade payables	14	2,334	334
Other liabilities	15	5,659	8,075
Provision for taxation		70	351
TOTAL LIABILITIES		8,063	8,760
EQUITY			
Share capital		34,391	34,391
Reserves		109,747	102,944
TOTAL EQUITY		144,138	137,335
TOTAL LIABILITIES AND EQUITY		152,201	146,095
Par value per share (RM)		0.12	0.12
Net assets per share (RM)		0.50	0.48

The unaudited interim condensed financial statements should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 January 2016 of the Group.

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)
Interim Condensed Financial Statements for the nine months ended 31 October 2016

**Unaudited Interim Condensed Consolidated Statements of Profit or Loss and
Other Comprehensive Income for the nine months ended 31 October 2016**

	<u>Note</u>	Third Quarter Ended		Nine Months Ended	
		31-Oct-16	31-Oct-15	31-Oct-16	31-Oct-15
		RM'000	RM'000	RM'000	RM'000
Revenue		4,662	6,084	19,121	33,828
Interest income	16	1,273	2,405	3,870	7,309
Non-interest income	17	3,389	3,679	15,251	26,519
Other non-operating income/(loss)	18	471	467	1,178	(2,006)
Gross income		5,133	6,551	20,299	31,822
Operating expenses	19	(4,022)	(4,686)	(12,496)	(13,450)
Profit before tax		1,111	1,865	7,803	18,372
Income tax expense	31	(264)	(436)	(732)	(1,385)
Profit for the period		847	1,429	7,071	16,987
Other comprehensive income/(loss):					
Items that may be subsequently reclassified to profit or loss:					
Net loss on available-for-sale financial assets		(273)	(13,113)	(268)	(63,476)
Currency translation differences		-	(12)	-	-
Foreign currency translation reserve losses reclassified to profit or loss upon liquidation of subsidiary		-	-	-	3,762
Income tax relating to components of other comprehensive loss		-	(21)	-	(10)
Other comprehensive loss for the period, net of tax		(273)	(13,146)	(268)	(59,724)
Total comprehensive income/(loss) for the period		574	(11,717)	6,803	(42,737)
Earnings per share:		Sen	Sen	Sen	Sen
- basic	36	0.30	0.51	2.47	6.25
- diluted	36	0.30	0.51	2.47	6.25

The unaudited interim condensed financial statements should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 January 2016 of the Group.

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)
Interim Condensed Financial Statements for the nine months ended 31 October 2016

Unaudited Interim Condensed Consolidated Statement of Changes in Equity
for the nine months ended 31 October 2016

	<-----Non-distributable----->					Distributable			
	Share capital RM'000	Treasury shares RM'000	Capital redemption reserve RM'000	Foreign currency translation reserve/ (deficit) RM'000	Available-for- sale revaluation reserve/ (deficit) RM'000	Equity compensation reserve RM'000	General reserve RM'000	Retained profits RM'000	Total RM'000
As at 1 February 2016	34,391	-	3,555	(1,141)	(397)	-	2,788	98,139	137,335
Profit for the period	-	-	-	-	-	-	-	7,071	7,071
Other comprehensive loss	-	-	-	-	(268)	-	-	-	(268)
	-	-	-	-	(268)	-	-	7,071	6,803
As at 31 October 2016	34,391	-	3,555	(1,141)	(665)	-	2,788	105,210	144,138
As at 1 February 2015	268,222	-	2,083	(4,816)	58,116	2,789	159	121,894	448,447
Profit for the period	-	-	-	-	-	-	-	16,987	16,987
Other comprehensive loss	-	-	-	-	(63,486)	-	-	-	(63,486)
Reclassification to profit or loss upon liquidation of subsidiary	-	-	-	3,762	-	-	-	-	3,762
	-	-	-	3,762	(63,486)	-	-	16,987	(42,737)
Transaction with owners:								-	
Shares buy-back by the Company	-	(1,593)	-	-	-	-	-	-	(1,593)
Issuance of shares pursuant to ESOS	19,842	-	-	-	-	-	-	-	19,842
Cancellation of treasury shares	(1,472)	1,593	1,472	-	-	-	-	(1,593)	-
	18,370	-	1,472	-	-	-	-	(1,593)	18,249
As at 31 October 2015	286,592	-	3,555	(1,054)	(5,370)	2,789	159	137,288	423,959

The unaudited interim condensed financial statements should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 January 2016 of the Group.

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)
Interim Condensed Financial Statements for the nine months ended 31 October 2016

Unaudited Interim Condensed Consolidated Statement of Cash Flows
for the nine months ended 31 October 2016

	31-Oct-16	31-Oct-15
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	7,803	18,372
Adjustments to reconcile profit before tax to net cash flows	(8,723)	(25,595)
	(920)	(7,223)
Net decrease in operating assets	2,189	11,740
Net decrease in operating liabilities	(415)	(1,758)
	854	2,759
Interest received from loans, advances and financing	3,407	3,951
Net tax paid	(1,031)	(1,170)
Net cash generated from operating activities	3,230	5,540
Cash flows from investing activities		
Net purchase of securities	(2,147)	(78,614)
(Purchase)/sales of property, plant and equipment	(143)	164
Proceed from disposal of property, plant and equipment	4	-
Proceed from liquidation of subsidiary	153	-
Dividend income received	-	63
Interest received from short-term funds and deposits with financial institutions	514	3,189
Net cash used in investing activities	(1,619)	(75,198)
Cash flows from financing activities		
Purchase of treasury shares	-	(1,593)
Proceeds from issuance of shares	-	19,842
Net cash generated from financing activities	-	18,249
Net increase/(decrease) in cash and cash equivalents	1,611	(51,409)
Effects of foreign exchange rate changes	77	4,253
Cash and cash equivalents at beginning of the period	24,883	152,533
Cash and cash equivalents at end of the period	26,571	105,377
Cash and cash equivalents comprise:		
Cash and short-term funds	26,571	105,377

The unaudited interim condensed financial statements should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 January 2016 of the Group.

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

1 Basis of preparation

This unaudited interim condensed financial statements of the Group has been prepared on a historical cost basis, unless otherwise disclosed in the notes to the financial statements and are in accordance with MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB") and Chapter 9, part K of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim condensed financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 January 2016. The explanatory notes attached to the interim condensed financial statements 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 financial year ended 31 January 2016.

The accounting policies and methods of computation adopted in this interim financial report are consistent with those adopted in the annual financial statements for the financial year ended 31 January 2016, except for the adoption of the following during the current financial period:

MFRS, Amendments to MFRSs and Annual Improvements to MFRSs effective for annual periods commencing on or after 1 January 2016

Amendments to MFRS 10, MFRS 12 and MFRS 128 *Investment Entities: Applying the Consolidation Exception*

Amendments to MFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*

MFRS 14 *Regulatory Deferral Account*

Amendments to MFRS 101 *Disclosure Initiative*

Amendments to MFRS 116 and MFRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*

Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer plants*

Amendments to MFRS 127 *Equity Method in Separate Financial Statements*

Annual Improvements to MFRSs 2012 - 2014 Cycle

The adoption of these Amendments to MFRSs, where relevant, did not have any financial impact on the Group.

The following MFRSs and Amendments to MFRSs have been issued by the MASB but are not yet effective:

Effective for annual periods commencing on or after 1 January 2017

Amendments to MFRS 107 *Disclosure Initiative*

Amendments to MFRS 112 *Recognition of Deferred Tax Assets for Unrealised Losses*

Effective for annual periods commencing on or after 1 January 2018

Amendments to MFRS 2 *Classification and Measurement of Share-based Payment Transactions*

MFRS 9 *Financial Instruments*

MFRS 15 *Revenue from Contracts with Customers*

Clarifications to MFRS 15 *Revenue from Contracts with Customers*

Effective for annual periods commencing on or after 1 January 2019

MFRS 16 *Leases*

1 Basis of preparation (cont'd.)

Deferred to a date to be announced by MASB

Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Adoption of the above standards and interpretations will not have any material impact on the financial statements in the year of initial application, except as discussed below:

MFRS 9 Financial Instruments ("MFRS 9")

The International Accounting Standards Board ("IASB") issued the final version of IFRS 9 *Financial Instruments* which reflects all phases of the financial instruments project and replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but restatement of comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015.

MFRS 9 is issued by the MASB in respect of its application in Malaysia. It is equivalent to IFRS 9 as issued by IASB, including the effective and issuance dates. The areas with expected significant impact from application of MFRS 9 are summarised below:

(i) Classification and measurement

The classification and measurement of financial assets is determined on the basis of the contractual cash flow characteristics and the objective of the business model associated with holding the asset. Key changes include:

- The held-to-maturity ("HTM") and available-for-sale ("AFS") asset categories will be removed;
- A new asset category measured at fair value through other comprehensive income ("FVOCI") is introduced. This applies to debt instruments with contractual cash flow characteristics that are solely payments of principle and interest and held in a model whose objective is achieved by both collecting contractual cash flows and selling financial assets;
- A new asset category for non-traded equity investments measured at FVOCI is introduced; and
- Classification of financial liabilities will remain largely unchanged, other than the fair value gains and losses attributable to changes in 'own credit risk' for financial liabilities designated and measured at fair value through profit or loss to be presented in other comprehensive income.

The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, and may have no impact on the classification and measurement of the Group's financial liabilities.

1 Basis of preparation (cont'd.)

MFRS 9 *Financial Instruments* ("MFRS 9") (cont'd.)

(ii) Impairment

The MFRS 9 impairment requirements are based on an expected credit loss model ("ECL") that replaces the incurred loss model under the current accounting standard. The Group will be generally required to recognise either a 12-month or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. The ECL model will apply to financial assets measured at amortised cost or at FVOCI, irrevocable loan commitments and financial guarantee contracts, which will include loans, advances and financing and debt instruments held by the Group. MFRS 9 will change the Group's current methodology for calculating allowances for impairment, in particular for individual and collective assessment and provisioning.

(iii) Hedge accounting

The requirements for general hedge accounting have been simplified for hedge effectiveness testing and may result in more designations of hedged items for accounting purposes.

The Group is in the process of assessing the financial implications for adopting the new standard.

MFRS 15 *Revenue from Contracts with Customers* ("MFRS 15")

MFRS 15 replaces all existing revenue requirements (MFRS 111 *Construction Contracts*, MFRS 118 *Revenue*, IC 13 *Customer Loyalty Programme s*, IC 15 *Agreements for the Construction of Real Estate*, IC 18 *Transfers of Assets from Customer s* and IC 131 *Revenue – Barter Transactions Involving Advertising Services*) in MFRS and applies to all revenue arising from contracts with customers. It also provides a model for the recognition and measurement of sales of some non-financial assets including disposals of property, equipment and intangible assets.

The standard outlines the principles an entity must apply to measure and recognise revenue. The core principle is that an entity will recognise revenue at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group is in the process of assessing the financial implications for adopting the new standard.

2 Auditors' report on preceding annual financial statements

The auditors' report on the audited annual financial statements for the financial year ended 31 January 2016 was not qualified.

3 Seasonality and cyclicity factors

The operations of the Group were not materially affected by seasonal or cyclical factors.

4 Exceptional items/unusual events

There was no unusual item affecting assets, liabilities, equity, net income, or cash flows in the third quarter ended 31 October 2016.

5 Variation from financial estimates reported in preceding financial period

There were no changes in estimates of amounts reported in the preceding financial period that would have a material effect in the third quarter results.

6 Debt and equity securities

There were no issuances, cancellations, resales and repayments of either debt or equity securities during the nine months ended 31 October 2016.

7 Dividend paid

There was no dividend paid during the nine months ended 31 October 2016.

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:

- (i) Investment holding - general investments and corporate related activities
- (ii) Fund management - unit trust funds and asset management
- (iii) Structured financing - structured lending and financial services related activities
- (iv) Fund managed by a subsidiary - a unit trust fund

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8 Segmental reporting (cont'd.)

3 months ended 31 October 2016	Investment holding RM'000	Fund management RM'000	Fund managed by a subsidiary RM'000	Structured financing RM'000	Inter-segment elimination RM'000	Group total RM'000
Revenue	113	3,191	-	1,358	-	4,662
Inter-segment revenue	-	-	-	-	-	-
	113	3,191	-	1,358	-	4,662
Interest income	40	76	-	1,157	-	1,273
Non-interest income	73	3,115	-	201	-	3,389
Other non-operating income	471	-	-	-	-	471
Gross income	584	3,191	-	1,358	-	5,133
Operating expenses	(1,329)	(2,676)	-	(17)	-	(4,022)
of which:						
- Depreciation of property, plant and equipment	(212)	(105)	-	-	-	(317)
- Depreciation of investment property	(5)	-	-	-	-	(5)
(Loss)/profit before tax	(745)	515	-	1,341	-	1,111
9 months ended 31 October 2016						
Revenue	5,852	9,298	-	3,971	-	19,121
Inter-segment revenue	-	-	-	-	-	-
	5,852	9,298	-	3,971	-	19,121
Interest income	185	234	-	3,451	-	3,870
Non-interest income	5,667	9,064	-	520	-	15,251
Other non-operating income/(loss)	1,185	(7)	-	-	-	1,178
Gross income	7,037	9,291	-	3,971	-	20,299
Operating expenses	(4,263)	(8,176)	(2)	(55)	-	(12,496)
of which:						
- Depreciation of property, plant and equipment	(638)	(332)	-	-	-	(970)
- Depreciation of investment property	(16)	-	-	-	-	(16)
Profit/(loss) before tax	2,774	1,115	(2)	3,916	-	7,803
As at 31 October 2016						
Segment assets	64,337	21,285	313	58,923	-	144,858
Investment in associated company	7,200	-	-	-	-	7,200
Additions to property, plant and equipment	79	64	-	-	-	143
Total assets	71,616	21,349	313	58,923	-	152,201
Total liabilities	1,214	6,749	19	81	-	8,063

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8 Segmental reporting (cont'd.)

9 months ended 31 October 2015	Investment holding RM'000	Fund management RM'000	Fund managed by a subsidiary RM'000	Structured financing RM'000	Inter-segment elimination RM'000	Group total RM'000
Revenue	1,741	8,784	18,762	4,541	-	33,828
Inter-segment revenue	-	168	-	-	(168)	-
	1,741	8,952	18,762	4,541	(168)	33,828
Interest income	915	214	1,963	4,217	-	7,309
Non-interest income	826	8,738	16,799	324	(168)	26,519
Other non-operating (loss)/income	(2,393)	-	387	-	-	(2,006)
Gross (loss)/income	(652)	8,952	19,149	4,541	(168)	31,822
Operating expenses	(4,667)	(8,589)	(337)	(25)	168	(13,450)
of which:						
- Depreciation of property, plant and equipment	(632)	(507)	-	-	-	(1,139)
(Loss)/profit before tax	(5,319)	363	18,812	4,516	-	18,372
As at 31 October 2015						
Segment assets	134,501	15,366	208,016	61,193	-	419,076
Investment in associated company	7,200	-	-	-	-	7,200
Additions to property, plant and equipment	1,191	139	-	-	-	1,330
Total assets	142,892	15,505	208,016	61,193	-	427,606
Total liabilities	1,779	1,188	38	642	-	3,647

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9 Securities available-for-sale

	31-Oct-16	31-Jan-16
	RM'000	RM'000
At fair value		
Quoted shares	3,415	8,121
Unquoted shares	12,788	12,788
Unit trust fund units	8,670	583
	24,873	21,492
Less: Impairment losses on securities	-	(4,165)
	24,873	17,327

10 Loans, advances and financing

	31-Oct-16	31-Jan-16
	RM'000	RM'000
Term loans, representing gross loans, advances and financing	58,618	60,279
Less: Impaired loans	-	-
Total net loans, advances and financing	58,618	60,279

Analysis of gross loans, advances and financing

By residual contractual maturity

Maturity within one year	58,618	60,279
Gross loans, advances and financing	58,618	60,279

By economic purpose

Investments	18,618	20,231
Others	40,000	40,048
Gross loans, advances and financing	58,618	60,279

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10 Loans, advances and financing (cont'd.)

	31-Oct-16	31-Jan-16
	RM'000	RM'000
Analysis of gross loans, advances and financing (cont'd.)		
<u>By interest rate sensitivity</u>		
Fixed rate		
- Term loans	58,618	60,279
Gross loans, advances and financing	58,618	60,279
<u>By type of customer</u>		
Domestic business enterprises	18,618	20,231
Individuals	40,000	40,048
Gross loans, advances and financing	58,618	60,279

Impaired loans

There are no impaired loans during and at the end of the financial period.

11 Trade receivables

	31-Oct-16	31-Jan-16
	RM'000	RM'000
Amount owing by trustees	5,495	6,222

12 Other assets

	31-Oct-16	31-Jan-16
	RM'000	RM'000
Interest receivable	8	59
Deposits	330	340
Tax recoverable	563	545
Other receivables and prepayments	820	611
	1,721	1,555

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13 Investment in associated company

	31-Oct-16	31-Jan-16
	RM'000	RM'000
Unquoted shares, outside Malaysia	-*	*
Advances	7,200	7,200
Total investment in associated company	7,200	7,200

* denotes RM9

14 Trade payables

	31-Oct-16	31-Jan-16
	RM'000	RM'000
Amount owing to trustees	2,334	334

15 Other liabilities

	31-Oct-16	31-Jan-16
	RM'000	RM'000
Accruals and other payables	4,976	7,369
Rental deposits received	683	706
	5,659	8,075

16 Interest income

	Third Quarter Ended		Nine Months Ended	
	31-Oct-16	31-Oct-15	31-Oct-16	31-Oct-15
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	1,157	1,358	3,451	4,219
Short-term funds and deposits with financial institutions	116	1,047	419	3,090
	1,273	2,405	3,870	7,309

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17 Non-interest income

	Third Quarter Ended		Nine Months Ended	
	31-Oct-16 RM'000	31-Oct-15 RM'000	31-Oct-16 RM'000	31-Oct-15 RM'000
<u>Fee income</u>				
Portfolio management fees	3,115	2,905	9,064	8,570
Other fee income	201	139	520	323
	3,316	3,044	9,584	8,893
<u>Investment income</u>				
Net income from securities available-for-sale				
- Income distribution from unit trust fund	67	582	146	827
- Net gain on disposal	6	53	5,521	16,736
- Dividend income	-	-	-	63
	73	635	5,667	17,626
Total non-interest income	3,389	3,679	15,251	26,519

18 Other non-operating income/(loss)

	Third Quarter Ended		Nine Months Ended	
	31-Oct-16 RM'000	31-Oct-15 RM'000	31-Oct-16 RM'000	31-Oct-15 RM'000
Rental income	323	341	955	1,074
(Loss)/gain on disposal of property, plant and equipment	-	-	(7)	169
(Loss)/gain on foreign exchange translation	(5)	104	77	491
Foreign currency translation reserve losses reclassified to profit or loss upon liquidation of subsidiary	-	-	-	(3,762)
Gain on liquidation of subsidiary	153	-	153	-
Others	-	22	-	22
	471	467	1,178	(2,006)

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)
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19 Operating expenses

	Third Quarter Ended		Nine Months Ended	
	31-Oct-16 RM'000	31-Oct-15 RM'000	31-Oct-16 RM'000	31-Oct-15 RM'000
<u>Personnel expenses</u>				
Salaries, allowances and bonus	2,057	1,701	6,310	5,874
Contributions to defined contribution plan	253	254	764	788
Other personnel costs	220	504	756	889
	2,530	2,459	7,830	7,551
<u>Establishment costs</u>				
Depreciation of property, plant and equipment	317	383	970	1,139
Depreciation of investment property	5	-	16	-
Rental of premises	9	35	56	106
Property, plant and equipment written off	-	-	50	-
Other establishment costs	9	12	36	38
	340	430	1,128	1,283
<u>Administrative and general expenses</u>				
Audit fees	28	22	63	72
Building maintenance expenses	293	266	868	742
Legal and professional fees	136	474	435	884
Marketing and communication expenses	307	340	894	1,072
Printing and stationery	17	20	121	120
Rental of network and equipment and telecommunication expenses	71	36	179	118
Insurance, postages and courier	13	30	103	114
Others	287	609	875	1,494
	1,152	1,797	3,538	4,616
Total operating expenses	4,022	4,686	12,496	13,450

20 Valuation of property, plant and equipment

There was no valuation of property, plant and equipment of the Group in the third quarter ended 31 October 2016.

21 Material subsequent event

There were no material events subsequent to 31 October 2016.

22 Changes in the composition of the Group

On 18 February 2016, an application was submitted to the Labuan Financial Services Authority ("LFSA") for the name of Avenue Asset Management Services (Labuan) Ltd ("AAMS") to be struck off the Register of Companies of LFSA. AAMS received a first notice dated 19 October 2016 and a final notice dated 26 November 2016 from LFSA which confirmed that the name of AAMS was struck-off the register on 26 November 2016.

In the current and previous financial year, the Group commenced member's voluntary winding-up of the following dormant wholly-owned subsidiaries.

- a) ECM Libra Capital Markets Sdn Bhd
- b) ECM Libra Securities Sdn Bhd
- c) ECM Libra Capital Sdn Bhd
- d) ECM Libra Holdings Limited
- e) ECM Libra Investments Limited

On 19 September 2016, the Liquidator of ECM Libra Securities Sdn Bhd ("ECMLS") convened the final meeting to conclude the member's voluntary winding-up. A Return by Liquidator Relating to Final Meeting of ECMLS was lodged on 20 September 2016 with the Companies Commission of Malaysia and the Official Receiver, and on the expiration of 3 months from 20 September 2016, ECMLS will be dissolved.

Apart from abovementioned, the member's voluntary winding-up of the other dormant wholly-owned subsidiaries were on-going as at 31 October 2016.

23 Commitments and contingencies

Capital commitments

As at 31 October 2016, the Group has commitments in respect of capital expenditure as follows: -

Authorised and contracted for	RM'000 326
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24 Significant related party transactions

The Group has no significant related party transactions which would have a significant impact on the financial position and business of the Group for the third quarter ended 31 October 2016.

25 Change of financial year end

As announced to Bursa Malaysia Securities Berhad on 5 September 2016, the Board of Directors had resolved to change the financial year end of the Company from 31 January to 31 December. Thus the next set of audited financial statements will be made up from 1 February 2016 to 31 December 2016 covering a period of 11 months. Thereafter, the financial year end of the Company shall be on 31 December for each subsequent year.

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

26 Status of corporate proposals announced

There are no corporate proposals announced but not completed as at 8 December 2016.

27 Performance review on the results of the Group

For the nine months ended 31 October 2016, the Group recorded a profit before tax of RM7.80 million and a profit after tax of RM7.07 million. The income was contributed by portfolio management fees income of RM9.06 million, gain on disposal of securities of RM5.52 million, interest income of RM3.87 million, rental income of RM0.96 million and other income of RM0.89 million; offset by operating expenses of RM12.50 million.

The performance of the respective operating business segments for the nine months ended 31 October 2016 is analysed as follows:

(i) Investment holding

Investment holding reported a profit before tax of RM2.77 million, largely contributed by gain on disposal of securities of RM5.52 million, rental income of RM0.96 million; interest income of RM0.19 million and other income of RM0.37 million; partially offset by operating expenses of RM4.26 million.

(ii) Fund management

Fund management reported a profit before tax of RM1.12 million contributed by portfolio management fee income of RM9.06 million and interest income of RM0.23 million; partially offset by operating expenses of RM8.18 million.

(iii) Structured financing

Structured financing reported a profit before tax of RM3.92 million contributed by interest income of RM3.45 million and fee income of RM0.52 million; partially offset by operating expenses of RM0.05 million.

(iv) Fund managed by a subsidiary

The fund managed by a subsidiary ("Fund") reported a loss before tax of RM2 thousand. In the fourth quarter of the previous financial year ended 31 January 2016, the Fund was substantially liquidated to facilitate the Company's distribution exercise which returned RM286 million in value to shareholders. Consequently, the Fund has minimal remaining assets which represented less than 1% of the total assets of the Group during the nine months ended 31 October 2016.

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

For the third quarter ended 31 October 2016, the Group reported a profit before tax of RM1.11 million compared to RM6.05 million reported for the immediate preceding quarter. The lower profit before tax in the third quarter was mainly due to non-recurrence of gain on disposal of securities of RM5.52 million recorded in previous quarter ended 31 July 2016.

In the third quarter, the Group reported portfolio management fees income of RM3.12 million, interest income of RM1.27 million, rental income of RM0.32 million and other income of RM0.42 million; partially offset by operating expenses of RM4.02 million.

Performance of the respective operating business segments for the third quarter ended 31 October 2016 compared to the immediate preceding quarter is analysed as follows:

(i) Investment holding

Investment holding reported a loss before tax of RM0.75 million in the current quarter ended 31 October 2016 compared to profit before tax of RM4.33 million in the previous quarter ended 31 July 2016. The loss was mainly attributable to lower gross income of RM0.58 million compared to RM6.03 million gross income recorded in the previous quarter contributed by the non-recurrent RM5.52 million gain on disposal of securities. Operating and corporate expenses for the current quarter was RM1.33 million compared to RM1.71 million in the previous quarter.

(ii) Fund management

Fund management reported a higher profit before tax of RM0.52 million in the current quarter ended 31 October 2016 compared to RM0.31 million in the previous quarter ended 31 July 2016. The increase was mainly contributed by higher portfolio management fees of RM3.12 million in the current quarter compared to RM3.00 million in the previous quarter. The operating expenses was also lower at RM2.68 million in the current quarter compared to RM2.76 million in the previous quarter.

(iii) Structured financing

Structured financing reported a slightly lower profit before tax of RM1.34 million in the current quarter ended 31 October 2016 compared to RM1.41 million in the previous quarter ended 31 July 2016. The decrease was mainly due to lower fee income of RM0.20 million in the current quarter compared to RM0.27 million in the previous quarter.

(iv) Fund managed by a subsidiary

Fund managed by a subsidiary ("Fund") reported a loss before tax of less than RM1 thousand in the current quarter ended 31 October 2016 and a loss before tax of RM1 thousand in the previous quarter ended 31 July 2016.

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29 Group's prospects

The fund management business and structured lending activities continue as the main revenue source for the current financial period ending 31 December 2016, whilst the contribution from investment in quoted securities was opportunistic in nature. Meanwhile, the Group would continue to explore potential business opportunities.

30 Profit forecast

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

31 Income tax expense

	Third Quarter Ended		Nine Months Ended	
	31-Oct-16	31-Oct-15	31-Oct-16	31-Oct-15
	RM'000	RM'000	RM'000	RM'000
Income tax:				
Current period's provision	282	397	750	1,346
(Over)/under provision of tax in prior years	(18)	39	(18)	39
	<u>264</u>	<u>436</u>	<u>732</u>	<u>1,385</u>

The Group's effective tax rate for both period ended 31 October 2016 and 31 October 2015 was lower than statutory tax rate due to certain income not subjected to taxation.

32 Group borrowings

The Group has no borrowings and debt securities as at 31 October 2016.

33 Realised and unrealised retained profits

The breakdown of the retained profits of the Group as at 31 October 2016 and 31 January 2016 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, as issued by the Malaysian Institute of Accountants.

	31-Oct-16	31-Jan-16
	RM'000	RM'000
Total retained profits of the Group		
- Realised	104,916	97,970
- Unrealised	294	169
Retained profits as per financial statements	<u>105,210</u>	<u>98,139</u>

The unrealised retained profits of the Group as disclosed above excludes translation gains and losses on monetary items denominated in a currency other than the functional currency, as these translation gains and losses are incurred in the ordinary course of business of the Group, and are hence deemed as realised.

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34 Material litigations

There is no pending material litigation for the Group as at the date of this report.

35 Dividend

No dividend has been proposed for the third quarter ended 31 October 2016.

36 Earnings per share

(a) Basic

The basic earnings per ordinary share is calculated by dividing the net profit for the reporting period by the weighted average number of ordinary shares in issue during the reporting period.

The computation of the weighted average number of ordinary shares in issue is net of treasury shares.

	Third Quarter Ended		Nine Months Ended	
	31-Oct-16	31-Oct-15	31-Oct-16	31-Oct-15
Net profit (RM'000)	847	1,429	7,071	16,987
Weighted average number of ordinary shares in issue ('000)	286,592	281,055	286,592	271,711
Basic earnings per share (sen)	0.30	0.51	2.47	6.25

(b) Diluted

The diluted earnings per ordinary share is calculated by dividing the net profit for the reporting period by the weighted average number of ordinary shares in issue during the reporting period, taking into account the outstanding options under the Employees' Share Option Scheme ("ESOS") as at the reporting period.

	Third Quarter Ended		Nine Months Ended	
	31-Oct-16	31-Oct-15	31-Oct-16	31-Oct-15
Net profit (RM'000)	847	1,429	7,071	16,987
Weighted average number of ordinary shares in issue ('000)	286,592	281,055	286,592	271,711
Effect of options if exercised under ESOS ('000)	-	6	-	6
	286,592	281,061	286,592	271,717
Diluted earnings per share (sen)	0.30	0.51	2.47	6.25

Date: 8 December 2016