

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)**Unaudited Interim Condensed Financial Statements for the first quarter ended 31 March 2018****Unaudited Interim Condensed Consolidated Statement of Financial Position as at 31 March 2018**

	Note	31-Mar-18 RM'000	31-Dec-17 RM'000
ASSETS			
Cash and cash equivalents	9	17,878	20,825
Available-for-sale financial assets	10	-	38,029
Financial assets at fair value through profit or loss	11	16,008	-
Financial assets at fair value through other comprehensive income	12	22,847	-
Loans, advances and financing	13	59,459	59,071
Trade receivables	14	1,589	1,910
Other assets	15	4,851	4,001
Deferred tax assets		250	250
Property, plant and equipment	16	2,498	2,438
Assets classified as held for sale	17	24,438	24,438
TOTAL ASSETS		149,818	150,962
LIABILITIES AND EQUITY			
LIABILITIES			
Trade payables	19	242	1,274
Other liabilities	20	1,901	3,134
Provision for taxation		209	209
Liabilities classified as held for sale	17	759	728
TOTAL LIABILITIES		3,111	5,345
EQUITY			
Share capital		37,946	37,946
Reserves		108,761	107,671
TOTAL EQUITY		146,707	145,617
TOTAL LIABILITIES AND EQUITY		149,818	150,962
Net assets per share (RM)		0.51	0.51

The unaudited interim condensed financial statements should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2017.

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

Unaudited Interim Condensed Financial Statements for the first quarter ended 31 March 2018

**Unaudited Interim Condensed Consolidated Statements of Profit or Loss and
Other Comprehensive Income for the first quarter ended 31 March 2018**

	Note	Individual Period (1 st quarter)			Cumulative Period (3 months)		
		Current quarter 31-Mar-18 RM'000	Preceding year corresponding quarter 31-Mar-17 RM'000	%	Current year to date 31-Mar-18 RM'000	Preceding year corresponding period 31-Mar-17 RM'000	%
Continuing operations							
Revenue		5,172	4,982	3.8	5,172	4,982	3.8
Interest income	21	1,211	1,217	-0.5	1,211	1,217	-0.5
Non-interest income	22	3,961	3,765	5.2	3,961	3,765	5.2
Other non-operating (expenses)/income	23	(119)	133	-189.5	(119)	133	-189.5
Gross income		5,053	5,115		5,053	5,115	
Operating expenses	24	(4,212)	(3,772)	11.7	(4,212)	(3,772)	11.7
Profit before tax		841	1,343		841	1,343	
Income tax expense	38	(239)	(284)	-15.8	(239)	(284)	-15.8
Profit from continuing operations		602	1,059	-43.2	602	1,059	-43.2
Disposal Group held for sale							
Profit/(loss) from Disposal Group held for sale	25	104	(94)	-210.6	104	(94)	-210.6
Profit for the financial period attributable to owners of the Company		706	965	-26.8	706	965	-26.8
Other comprehensive loss:							
Items that will not be reclassified to profit or loss:							
Investments in financial assets		(38)	844	-104.5	(38)	844	-104.5
Total comprehensive income for the financial period attributable to owners of the Company		668	1,809	-63.1	668	1,809	-63.1
Basic earnings/(loss) per ordinary share:							
- from continuing operations	40	0.21	0.37		0.21	0.37	
- from Disposal Group held for sale	40	0.04	(0.03)		0.04	(0.03)	
		0.25	0.34		0.25	0.34	

The unaudited interim condensed financial statements should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2017.

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

Unaudited Interim Condensed Financial Statements for the first quarter ended 31 March 2018

Unaudited Interim Condensed Consolidated Statement of Changes in Equity for the first quarter ended 31 March 2018

	<-----Non-distributable----->			Distributable		Total RM'000
	Share capital RM'000	Capital redemption reserve RM'000	Fair value through other comprehensive income (deficit)/reserve RM'000	General reserve RM'000	Retained profits RM'000	
At 1 January 2018	37,946	-	(156)	2,788	105,039	145,617
Impacts arising from adoption of MFRS 9 (Note 1(a))	-	-	383	-	39	422
	37,946	-	227	2,788	105,078	146,039
Profit for the financial period	-	-	-	-	706	706
Other comprehensive income for the financial period	-	-	(38)	-	-	(38)
Total comprehensive income for the financial period	-	-	(38)	-	706	668
At 31 March 2018	37,946	-	189	2,788	105,784	146,707
At 1 January 2017	34,391	3,555	(590)	2,788	104,165	144,309
Profit for the financial period	-	-	-	-	965	965
Other comprehensive income for the financial period	-	-	844	-	-	844
Total comprehensive income for the financial period	-	-	844	-	965	1,809
Transfer pursuant to the Companies Act, 2016 *	3,555	(3,555)	-	-	-	-
At 31 March 2017	37,946	-	254	2,788	105,130	146,118

* The new Companies Act, 2016, which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, any amount standing to the credit of the capital redemption reserve account of RM3,554,762 becomes part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Companies Act, 2016. Notwithstanding this provision, the Company may within 24 months from the commencement of the Companies Act, 2016, use the amount standing to the credit of its capital redemption reserve account of RM3,554,762 for purposes as set out in Section 618(3) of the Companies Act, 2016. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

The unaudited interim condensed financial statements should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2017.

**Unaudited Interim Condensed Consolidated Statement of Cash Flows
for the first quarter ended 31 March 2018**

	Note	Three Months Ended	
		31-Mar-18 RM'000	31-Mar-17 RM'000
Cash flows from operating activities			
Profit/(loss) before tax:			
- from continuing operations		841	1,343
- from Disposal Group held for sale		104	(94)
		<u>945</u>	<u>1,249</u>
Adjustments to reconcile profit before tax to net cash flows		(1,333)	(1,324)
		<u>(388)</u>	<u>(75)</u>
(Increase)/decrease in operating assets		(298)	180
Decrease in operating liabilities		(2,234)	(902)
		<u>(2,920)</u>	<u>(797)</u>
Interest received from loans, advances and financing		715	1,358
Net tax paid		(477)	(158)
		<u>(2,682)</u>	<u>403</u>
Cash flows from investing activities			
Net (purchase)/disposal of financial assets		(300)	1,751
Purchase of property, plant and equipment		(201)	(100)
Interest received from deposits with financial institutions		115	94
		<u>(386)</u>	<u>1,745</u>
Net (decrease)/increase in cash and cash equivalents		(3,068)	2,148
Effects of foreign exchange rate changes		121	133
Cash and cash equivalents at beginning of the financial period		20,825	22,015
Cash and cash equivalents at end of the financial period	9	<u>17,878</u>	<u>24,296</u>

The unaudited interim condensed financial statements should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2017.

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

1 Basis of preparation

These unaudited interim condensed consolidated financial statements ("Condensed Report") have been prepared in accordance with MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB"), Chapter 9, Part K of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the requirements of the Companies Act, 2016 in Malaysia, where applicable. The Condensed Report, other than for financial assets, has been prepared under the historical cost convention. Financial assets are carried at fair value in accordance to MFRS 9 *Financial Instruments*.

The Condensed Report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017. The explanatory notes attached to the Condensed Report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2017.

The accounting policies and methods of computation adopted in this Condensed Report are consistent with those adopted in the audited annual financial statements for the financial year ended 31 December 2017, except for the following:

Effective for annual periods commencing on or after 1 January 2018

Amendments to MFRS 2 *Classification and Measurement of Share-based Payment Transactions*
Amendments to MFRS 4 *Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*
Amendments to MFRS 140 *Transfers of Investment Property*
Clarifications to MFRS 15 *Revenue from Contracts with Customers*
IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*
MFRS 9 *Financial Instruments*
MFRS 15 *Revenue from Contracts with Customers*
Annual Improvements to MFRS Standards 2014 - 2016 Cycle

The adoption of the above pronouncements, where relevant, did not have any significant effects on the Condensed Report upon their initial application, other than as disclosed below:

(a) MFRS 9 *Financial Instruments* ("MFRS 9")

The Group has adopted the requirements of MFRS 9 on 1 January 2018. MFRS 9 introduces new requirements with impacts mainly relating to classification and measurement of financial instruments, impairment assessment based on the expected credit loss model and hedge accounting. The adoption of MFRS 9 did not have any significant effects on the Condensed Report upon their initial application, except for changes in accounting policies for classification and measurement of financial instruments.

The changes in accounting policies have been applied retrospectively from 1 January 2018. In accordance with the transition requirements, comparatives are not restated. The changes to accounting policies are summarised as follow:

1 Basis of preparation (cont'd.)

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

Classification and measurement

The Group classifies financial assets into three primary measurement categories: Amortised Cost, Fair Value Through Profit or Loss ("FVTPL") and Fair Value Through Other Comprehensive Income ("FVOCI"). The basis of classification depends on the Group's business model and contractual cash flow characteristics of the financial asset.

Financial assets

Financial assets are measured at amortised cost if the assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows which represent solely payments of principal and interest. Financial assets are measured at FVOCI if the assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual cash flows represent solely payments of principal and interest. All other financial assets are classified and measured at FVTPL. On initial recognition of certain equity investments that are not held for trading, the Group has irrevocably elected to present subsequent changes in fair value in Other Comprehensive Income ("OCI"). This election is made on an instrument-by-instrument basis and is irrevocable.

Financial liabilities

As MFRS 9 retains most of the MFRS 139 requirements, there is no change to the classification and measurement of the Group's financial liabilities.

Impact as a result of MFRS 9 adoption:

- (i) Both quoted and unquoted equity instruments which are not held for trading and were previously classified as available-for-sale are now classified and measured at either FVTPL or FVOCI.
- (ii) Unquoted equity instruments which were previously measured at cost are now measured at fair value.

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1 Basis of preparation (cont'd.)

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

Financial effects due to changes in accounting policies

The following table analyses the impact, net of tax, of transition to MFRS 9 on the statement of financial position of the Group:

	Impact of adopting MFRS 9 as at 1 January 2018 RM'000
Available-for-sale financial assets	
Closing balance under MFRS 139 at 31 December 2017	38,029
- Redesignation to Financial Assets at FVOCI	(22,163)
- Redesignation to Financial Assets at FVTPL	(15,866)
Opening balance under MFRS 9 at 1 January 2018	-
Financial Assets at FVOCI	
Closing balance under MFRS 139 at 31 December 2017	-
- Redesignation from available-for-sale financial assets	22,163
- Unrealised gain on unquoted investments	422
Opening balance under MFRS 9 at 1 January 2018	22,585
Financial Assets at FVTPL	
Closing balance under MFRS 139 at 31 December 2017	-
- Redesignation from available-for-sale financial assets	15,866
Opening balance under MFRS 9 at 1 January 2018	15,866
Fair value through other comprehensive income reserve	
Closing balance under MFRS 139 at 31 December 2017	(156)
- Transfer to retained profits	(39)
- Unrealised gain on unquoted investments	422
Opening balance under MFRS 9 at 1 January 2018	227
Retained profits	
Closing balance under MFRS 139 at 31 December 2017	105,039
- Transfer from fair value through other comprehensive income reserve	39
Opening balance under MFRS 9 at 1 January 2018	105,078

1 Basis of preparation (cont'd.)

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

MFRS 15 is effective for annual periods beginning on or after 1 January 2018. MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers.

The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

The main revenue streams of the Group within the scope of MFRS 15 are management fees and performance fees. Management fees are recognised net of any rebates (if any) on a daily basis when the management services are rendered. Performance fees are earned when the returns of a fund exceed the hurdle rate and/or high watermark over a given period. The Group previously recognises performance fees once the performance period elapses. However, in line with MFRS 15, recognition is required prior to the completion of the performance period if it becomes probable that the performance of the fund will continue to exceed the target rate at the end of the performance period. Based on the current market's volatility, the adoption of MFRS 15 did not have any material impact on the recognition of performance fees.

Overall, the adoption of MFRS 15 did not have any significant effects on the Condensed Report upon their initial application.

The following MFRS, amendments to MFRS, IC Interpretation and annual improvements to MFRS have been issued by the MASB but are not yet effective:

Effective for annual periods commencing on or after 1 January 2019

Amendments to MFRS 9 *Prepayment Features with Negative Compensation*
Amendments to MFRS 128 *Long-term Interests in Associates and Joint Ventures*
MFRS 16 *Leases*
IC Interpretation 23 *Uncertainty over Income Tax Treatments*
Annual Improvements to MFRS Standards 2015 - 2017 Cycle
Amendments to MFRS 119 *Plan Amendment, Curtailment or Settlement*

Effective for annual periods commencing on or after 1 January 2020

Amendments to MFRS 2 *Share-based Payment*
Amendment to MFRS 3 *Business Combinations*
Amendments to MFRS 6 *Exploration for and Evaluation of Mineral Resources*
Amendment to MFRS 14 *Regulatory Deferral Accounts*
Amendments to MFRS 101 *Presentation of Financial Statements*
Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*
Amendments to MFRS 134 *Interim Financial Reporting*
Amendments to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*

1 Basis of preparation (cont'd.)

Effective for annual periods commencing on or after 1 January 2020 (cont'd.)

Amendments to MFRS 138 *Intangible Assets*

Amendment to IC Interpretation 12 *Service Concession Arrangements*

Amendment to IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*

Amendment to IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*

Amendment to IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*

Amendment to IC Interpretation 132 *Intangible Assets - Web Site Costs*

Effective for annual periods commencing on or after 1 January 2021

MFRS 17 *Insurance Contracts*

Deferred to a date to be announced by MASB

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

Adoption of the above pronouncements when they become effective in respective financial year are not expected to have any impact to the financial statements upon their initial application.

2 Auditors' report on preceding annual financial statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2017 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 during the current quarter ended 31 March 2018.

5 Variation from financial estimates reported in preceding financial year

There were no changes in estimates of amounts reported in the preceding financial year that would have a material effect in the current quarter ended 31 March 2018.

6 Debt and equity securities

There were no issuances, cancellations, resales and repayments of either debt or equity securities during the current quarter ended 31 March 2018.

7 Dividend paid

There was no dividend paid during the current quarter ended 31 March 2018.

8 Segmental reporting

The Group's reportable operating segments are identified based on business units which are engaged in providing different services and products, as follows:

(a) Investment Holding

For the preceding year corresponding quarter ended 31 March 2017, this reporting segment represents the aggregation of two previous operating segments as follows:

- (i) Investment holding - general investments and corporate related activities
- (ii) Fund managed by a subsidiary - a unit trust fund

These operating segments share similar characteristics as they are engaged in investment holding. Management believes that it is appropriate to aggregate these two operating segments as one reporting segment due to the similarities in the nature of each operating segment.

The Company has liquidated its entire interest in the fund managed by a subsidiary - a unit trust fund in the previous financial year ended 31 December 2017. Consequently, for the current quarter ended 31 March 2018, this reporting segment consists of general investments and corporate related activities only.

- (b) Fund Management - unit trust funds and asset management**
- (c) Structured Financing - structured lending and financial services related activities**
- (d) Disposal Group held for sale**

The Company had in the previous financial year ended 31 December 2017, entered into conditional sale and purchase agreements for the proposed disposal of the east wing and centre wing of Bangunan ECM Libra and the semi-detached residential property ("Disposal Group") for an aggregate cash consideration of RM28,000,000 (as disclosed in Note 30). Consequently, part of Investment Holding segment has been classified as Disposal Group held for sale.

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8 Segmental reporting (cont'd.)

	Continuing operations			Disposal Group held for sale RM'000	Inter- segment elimination RM'000	Group total RM'000
	Investment Holding RM'000	Fund Management RM'000	Structured Financing RM'000			
Three months ended 31 March 2018						
Revenue	178	3,627	1,367	-	-	5,172
Interest income	35	73	1,103	-	-	1,211
Non-interest income	143	3,554	264	-	-	3,961
Other non-operating (expenses)/ income	(121)	-	2	431	-	312
Gross income	57	3,627	1,369	431	-	5,484
Operating expenses of which:	(1,089)	(3,105)	(18)	(327)	-	(4,539)
- Depreciation of property, plant and equipment	(59)	(82)	-	-	-	(141)
(Loss)/profit before tax	(1,032)	522	1,351	104	-	945
As at 31 March 2018						
Segment assets	50,904	14,120	59,733	24,438	-	149,195
Additions to property, plant and equipment	-	201	-	-	-	201
Total assets	50,904	14,321	59,733	24,438	-	149,396
Total liabilities	527	1,600	225	759	-	3,111

8 Segmental reporting (cont'd.)

	Continuing operations					
	Investment holding RM'000	Fund management RM'000	Structured financing RM'000	Disposal Group held for sale RM'000	Inter-segment elimination RM'000	Group total RM'000
Three months ended 31 March 2017						
Revenue	299	3,434	1,249	-	-	4,982
Interest income	28	86	1,103	-	-	1,217
Non-interest income	271	3,348	146	-	-	3,765
Other non-operating income	134	-	-	333	-	467
Gross income	433	3,434	1,249	333	-	5,449
Operating expenses of which:	(907)	(2,847)	(19)	(427)	-	(4,200)
- Depreciation of property, plant and equipment	(68)	(71)	-	(152)	-	(291)
- Depreciation of investment property	-	-	-	(6)	-	(6)
(Loss)/profit before tax	(474)	587	1,230	(94)	-	1,249
As at 31 March 2017						
Segment assets	49,572	17,118	58,894	24,516	-	150,100
Additions to property, plant and equipment	-	100	-	-	-	100
Total assets	49,572	17,218	58,894	24,516	-	150,200
Total liabilities	526	2,744	128	683	-	4,081

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)**Unaudited Interim Condensed Financial Statements for the first quarter ended 31 March 2018****9 Cash and cash equivalents**

	31-Mar-18	31-Dec-17
	RM'000	RM'000
Cash and balances with banks and other financial institutions	3,139	2,777
Money at call and deposit placements maturing within two months	14,739	18,048
	17,878	20,825

10 Available-for-sale financial assets

	31-Mar-18	31-Dec-17
	RM'000	RM'000
At fair value		
Quoted shares in Malaysia	-	1,566
Quoted shares outside Malaysia	-	-
Add: Reversal of impairment loss on securities	-	359
	-	359
Unit trust funds	-	15,866
	-	17,791
At cost		
Unquoted investment in Malaysia	-	13,038
Unquoted investment outside Malaysia	-	7,200
	-	20,238
Total available-for-sale financial assets	-	38,029

The available-for-sale financial assets category was reclassified upon the adoption of MFRS 9. The financial effects of the adoption of MFRS 9 are disclosed in Note 1(a).

11 Financial assets at fair value through profit or loss ("FVTPL")

	31-Mar-18	31-Dec-17
	RM'000	RM'000
At fair value		
Unit trust funds	16,008	-

The financial assets at FVTPL category was introduced upon the adoption of MFRS 9 on 1 January 2018. Comparative figures are not restated in line with the transition requirements under MFRS 9. The financial effects of the adoption of MFRS 9 are disclosed in Note 1(a).

12 Financial assets at fair value through other comprehensive income ("FVOCI")

	31-Mar-18	31-Dec-17
	RM'000	RM'000
At fair value		
In Malaysia		
Quoted shares	1,537	-
Unquoted investment	13,437	-
Outside Malaysia		
Quoted shares	350	-
Unquoted investment	7,523	-
	22,847	-

The financial assets at FVOCI category was introduced upon the adoption of MFRS 9 on 1 January 2018. Comparative figures are not restated in line with the transition requirements under MFRS 9. The financial effects of the adoption of MFRS 9 are discussed in Note 1(a).

13 Loans, advances and financing

	31-Mar-18	31-Dec-17
	RM'000	RM'000
Term loans, representing gross loans, advances and financing	59,459	59,071
<u>Analysis of gross loans, advances and financing</u>		
By residual contractual maturity		
Within one year	59,459	59,071
By economic purpose		
Investments	19,459	19,071
Others	40,000	40,000
Gross loans, advances and financing	59,459	59,071
By interest rate sensitivity		
Fixed rate	59,459	59,071
By type of customer		
Domestic business enterprise	19,459	19,071
Individual	40,000	40,000
Gross loans, advances and financing	59,459	59,071

14 Trade receivables

	31-Mar-18	31-Dec-17
	RM'000	RM'000
Cancellation of units of funds	227	828
Management fee receivables	1,362	1,082
	1,589	1,910

Trade receivables have 30 days credit period and are neither past due nor impaired as at the end of the quarter ended 31 March 2018.

15 Other assets

	31-Mar-18	31-Dec-17
	RM'000	RM'000
Deposits *	3,442	3,437
Tax recoverable	418	180
Other receivables	473	125
Prepayments	518	259
	4,851	4,001

* Deposits included RM3,092,600 cash deposit paid by the Company representing 10% of purchase price upon execution of the conditional sale and purchase agreements in the previous financial year ended 31 December 2017 for proposed acquisition of Tune Hotel Penang, Tune Hotel Kota Kinabalu and the right to operate and maintain Tune Hotel KLIA Aeropolis (as disclosed in Note 30).

16 Property, plant and equipment and investment property

The Group's property, plant and equipment and investment property are stated at cost less accumulated depreciation and accumulated impairment losses, if any. In the previous financial year ended 31 December 2017, property, plant and equipment and the investment property with a carrying amount of RM20,434,804 and RM4,003,646 respectively were classified as Disposal Group held for sale (as disclosed in Note 17).

17 Assets/(liabilities) classified as held for sale

The Company had in the previous financial year ended 31 December 2017, entered into conditional sale and purchase agreements for the proposed disposal of the east wing and centre wing of Bangunan ECM Libra and the semi-detached residential property ("Disposal Group"), for an aggregated cash consideration of RM28,000,000 (as disclosed in Note 30). Consequently, the east wing and centre wing of Bangunan ECM Libra and the semi-detached residential property are presented as a Disposal Group held for sale. The remaining part of Bangunan ECM Libra comprising the west wing and the basement car parks is currently owned by ECM Libra Foundation, a charitable organisation.

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17 Assets/(liabilities) classified as held for sale (cont'd.)

The assets and liabilities of the Disposal Group are as follows:

	31-Mar-18	31-Dec-17
	RM'000	RM'000
Assets classified as held for sale		
Property, plant and equipment	20,434	20,434
Investment property	4,004	4,004
	<u>24,438</u>	<u>24,438</u>
Liabilities classified as held for sale		
Rental deposits received	(759)	(728)
	<u>(759)</u>	<u>(728)</u>

The carrying amount of property, plant and equipment and investment property of the Disposal Group is the same as the carrying amount before reclassification to held for sale. The details are as follows:

	Cost	Accumulated	Total
	RM'000	depreciation	RM'000
		RM'000	RM'000
Property, plant and equipment (Note 16)	25,122	(4,688)	20,434
Investment property (Note 16)	4,032	(28)	4,004
	<u>29,154</u>	<u>(4,716)</u>	<u>24,438</u>

18 Valuation of property, plant and equipment and investment property

There was no valuation of property, plant and equipment of the Group during the current quarter ended 31 March 2018.

19 Trade payables

Trade payables comprise amounts payable to the funds managed by Libra Invest Berhad, a subsidiary of the Company, for the creation of units.

20 Other liabilities

	31-Mar-18	31-Dec-17
	RM'000	RM'000
Accruals and other payables	1,901	3,134
	<u>1,901</u>	<u>3,134</u>

21 Interest income

	Individual Period (1 st quarter)			Cumulative Period (3 months)		
	Current quarter 31-Mar-18 RM'000	Preceding year corresponding quarter 31-Mar-17 RM'000	%	Current year to date 31-Mar-18 RM'000	Preceding year corresponding period 31-Mar-17 RM'000	%
Loans, advances and financing	1,103	1,103	0.0	1,103	1,103	0.0
Short-term funds and deposits with financial institutions	108	114	-5.3	108	114	-5.3
	1,211	1,217		1,211	1,217	

22 Non-interest income

	Individual Period (1 st quarter)			Cumulative Period (3 months)		
	Current quarter 31-Mar-18 RM'000	Preceding year corresponding quarter 31-Mar-17 RM'000	%	Current year to date 31-Mar-18 RM'000	Preceding year corresponding period 31-Mar-17 RM'000	%
Fee income						
Portfolio management fees	3,554	3,348	6.2	3,554	3,348	6.2
Other fee income	264	146	80.8	264	146	80.8
	3,818	3,494		3,818	3,494	
Investment income						
Net gain on disposal of quoted shares in Malaysia	-	170	-100.0	-	170	-100.0
Income distribution from unit trust fund	125	101	23.8	125	101	23.8
Fair value gain on financial assets at fair value through profit or loss	18	-	100.0	18	-	100.0
	143	271		143	271	
Total non-interest income	3,961	3,765		3,961	3,765	

23 Other non-operating expenses

	Individual Period (1st quarter)			Cumulative Period (3 months)		
	Current quarter 31-Mar-18 RM'000	Preceding year corresponding quarter 31-Mar-17 RM'000	%	Current year to date 31-Mar-18 RM'000	Preceding year corresponding period 31-Mar-17 RM'000	%
Net (loss)/gain on foreign exchange differences	(121)	133	-191.0	(121)	133	-191.0
Others	2	-	100.0	2	-	100.0
	(119)	133		(119)	133	

24 Operating expenses

	Individual Period (1st quarter)			Cumulative Period (3 months)		
	Current quarter 31-Mar-18 RM'000	Preceding year corresponding quarter 31-Mar-17 RM'000	%	Current year to date 31-Mar-18 RM'000	Preceding year corresponding period 31-Mar-17 RM'000	%
Personnel expenses	2,914	2,664	9.4	2,914	2,664	9.4
Depreciation of property, plant and equipment	141	139	1.4	141	139	1.4
Rental of premises	48	10	380.0	48	10	380.0
Auditors' remuneration	21	20	5.0	21	20	5.0
Professional fees and expenses	38	74	-48.6	38	74	-48.6
Marketing and communication expenses	528	462	14.3	528	462	14.3
Others	522	403	29.5	522	403	29.5
	4,212	3,772		4,212	3,772	

There were no provision for and write off of receivables, gain or loss on disposal of properties and other exceptional items during the current quarter ended 31 March 2018.

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25 Disposal Group held for sale

The Disposal Group held for sale comprises the east wing and centre wing of Bangunan ECM Libra and the semi-detached residential property (as disclosed in Note 17).

Profit/(loss) attributable to the Disposal Group held for sale is as follow:

	Individual Period			Cumulative Period		
	(1st quarter)		%	(3 months)		%
	Current	Preceding year		Current	Preceding year	
	quarter	corresponding		year to date	corresponding	
	31-Mar-18	31-Mar-17		31-Mar-18	31-Mar-17	
	RM'000	RM'000		RM'000	RM'000	
Results of Disposal Group held for sale						
Rental income	431	334	29.0	431	334	29.0
Expenses	(327)	(428)	-23.6	(327)	(428)	-23.6
Profit/(loss) before tax	104	(94)		104	(94)	
Income tax expense	-	-		-	-	
Profit/(loss) for the financial period	104	(94)		104	(94)	
Included in profit/(loss) before tax are depreciation of:						
- Property, plant and equipment	-	152		-	152	
- Investment property	-	6		-	6	

26 Changes in the composition of the Group

The Group had previously commenced member's voluntary winding-up of a dormant wholly-owned subsidiary, ECM Libra Capital Sdn Bhd. The winding-up process is on-going.

Apart from abovementioned, there were no material changes in the composition of the Group for the current quarter ended 31 March 2018.

27 Commitments and contingencies

Capital commitments

As at 31 March 2018, the Group has commitments in respect of capital expenditure as follows:

	RM'000
Authorised and contracted for computer software	140

28 Significant related party transactions

Save as disclosed in Note 30, the Group has no other significant related party transactions which have significant impact on the financial position and business of the Group for the current quarter ended 31 March 2018.

29 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 liabilities measured at amortised cost ("FL");
- (iii) Financial assets at fair value through other comprehensive income ("FVOCI"); and
- (iv) Financial assets at fair value through profit or loss ("FVTPL").

31-Mar-18	Carrying amount RM'000	FA/ (FL) RM'000	FVOCI RM'000	FVTPL RM'000
Financial assets				
Cash and cash equivalents	17,878	17,878	-	-
Financial assets at fair value through profit or loss	16,008	-	-	16,008
Financial assets at fair value through other comprehensive income	22,847	-	22,847	-
Loans, advances and financing	59,459	59,459	-	-
Trade receivables	1,589	1,589	-	-
Other assets	4,333	4,333	-	-
	122,114	83,259	22,847	16,008
Financial liabilities				
Trade payables	(242)	(242)	-	-
Other liabilities	(1,901)	(1,901)	-	-
	(2,143)	(2,143)	-	-

29 Financial instruments (cont'd.)

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

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

- (i) Loans and receivable ("L&R");
- (ii) Available-for-sale financial assets ("AFS"); and
- (iii) Financial liabilities measured at amortised cost ("FL").

31-Dec-17	Carrying amount RM'000	L&R RM'000	AFS RM'000	FL RM'000
Financial assets				
Cash and cash equivalents	20,825	20,825	-	-
Available-for-sale financial assets	38,029	-	38,029	-
Loans, advances and financing	59,071	59,071	-	-
Trade receivables	1,910	1,910	-	-
Other assets	3,742	3,742	-	-
	<u>123,577</u>	<u>85,548</u>	<u>38,029</u>	<u>-</u>
Financial liabilities				
Trade payables	(1,274)	-	-	(1,274)
Other liabilities	(3,134)	-	-	(3,134)
	<u>(4,408)</u>	<u>-</u>	<u>-</u>	<u>(4,408)</u>

(b) Fair value measurement

The Group classifies financial assets which are measured at fair value according to the following hierarchy, reflecting the significance of inputs used in making the fair value measurements:

Level 1: Quoted (unadjusted) market price in active markets for identical assets and liabilities.

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

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

The carrying amounts of cash and cash equivalents, loans, advances and financing, short-term receivables and payables reasonably approximate their fair values due to the relatively short-term nature of these financial instruments. The following table shows the Group's financial instruments which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy:

29 Financial instruments (cont'd.)

(b) Fair value measurement (cont'd.)

31-Mar-18	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets				
Financial assets at fair value through profit or loss	-	16,008	-	16,008
Financial assets at fair value through other comprehensive income	1,887	-	20,960 *	22,847
	<u>1,887</u>	<u>16,008</u>	<u>20,960</u>	<u>38,855</u>

* Fair value measurement of unquoted investments arising from the adoption of MFRS 9 with effect from 1 January 2018. Comparative figures are not restated in line with the transition requirements under MFRS 9.

31-Dec-17

Financial assets

Available-for-sale financial assets #	1,925	15,866	-	17,791
	<u>1,925</u>	<u>15,866</u>	<u>-</u>	<u>17,791</u>

Excluding the carrying amount of unquoted investments held by the Group of RM20,238,000 which are not carried at fair value.

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the financial period (2017: None).

Determination of Fair Value

For financial assets measured at fair value, where available, quoted and observable market prices in an active market or dealer price quotations are used to measure fair value. These include listed equity securities, prices quoted by independent data providers and independent broker quotations.

Where such quoted and observable market prices are not available, fair values are determined using appropriate valuation techniques, which include the use of mathematical models, such as discounted cash flow models and other valuation techniques. The valuation techniques used incorporate assumptions regarding discount rates, estimates of future cash flows and other factors, as applicable. Changes in these assumptions could materially affect the fair value derived. The Group generally uses widely recognised valuation techniques with market observable inputs, if available, for the determination of fair value, which require minimal management judgment and estimation, due to the low complexity of the financial assets held.

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

30 Status of corporate proposals announced

The Company had on 4 May 2017 announced a corporate proposal and further announcements were made on 21 June 2017, 3 July 2017, 8 August 2017, 30 August 2017, 26 October 2017, 21 November 2017, 24 November 2017, 27 November 2017, 12 December 2017, 21 December 2017, 21 March 2018, 13 April 2018, 3 May 2018, 4 May 2018, 8 May 2018, 16 May 2018 and 18 May 2018 to provide further updates. The corporate proposals comprise the following:

(a) Proposed acquisitions of:

- 50% equity interest in TP Sepang Sdn Bhd ("TPSB"), TP International Pty Ltd, Yummy Kitchen Sdn Bhd and 40.005% equity interest in TP Hotel (Flinders) Trust (together with 40.005% of the rights and benefits to the total advances owing by TP Hotel (Flinders) Trust) from TP Real Estate Holdings Pte Ltd ("TPRE") ("Share Purchase Agreement"); and
- Tune Hotel Penang, Tune Hotel Kota Kinabalu and the rights to operate and maintain Tune Hotel KLIA Aeropolis;

for an aggregated purchase consideration of RM88,600,000 to be satisfied by a combination of RM19 million cash and 193,333,332 new ordinary shares in the Company to be issued ("Consideration Shares") ("Proposed Acquisitions");

- (b) Pursuant to the acquisition of the 50% equity interest in TPSB, the Company will be required to pledge the equity interest acquired and provide a corporate guarantee as may be required by the financier of TPSB in the proportion of the Company's equity interest in TPSB in respect of an existing loan obligation undertaken by TPSB ("Proposed Provision of Financial Assistance");
- (c) Proposed collaboration with Tune Hotels.com (BVI) Limited in respect of the "Tune Hotels.Com" brand;
- (d) Proposed special dividend, subject to the Proposed Disposals (as defined thereafter) becoming unconditional ("Proposed Special Dividend");
- (e) Proposed disposal of the Company's non-core assets, comprising the east wing and centre wing of Bangunan ECM Libra, and the semi-detached residential property ("Semi-D"), for an aggregated cash consideration of RM28,000,000 ("Proposed Disposals"); and
- (f) Proposed diversification of the existing principal activities of the Company to include the business of hotel management and ownership.

(collectively referred to as "Proposed Corporate Exercise").

The Proposed Corporate Exercise was approved by shareholders at the Extraordinary General Meeting held on 12 December 2017.

30 Status of corporate proposals announced (cont'd.)

On 21 March 2018, the Company announced that the parties to the TP Real Estate Holdings Pte Ltd's Share Purchase Agreement, Bangunan ECM Libra Disposal's Sale and Purchase Agreement ("SPA") and Semi-D Disposal SPA entered into three separate variation letters to extend the completion period of the agreements by 60 days from 21 March 2018, or such other date as the parties may mutually agree in writing.

On 13 April 2018, the Company announced that the Board of Directors has resolved to declare a special dividend of RM0.1597 per ordinary share totalling about RM45.80 million. The special dividend is based on the Company's latest available audited consolidated net assets as at 31 December 2017 of RM145.60 million and after taking into consideration the expected gain of RM3.30 million from the Proposed Disposals. The payment of the Special Dividend on 8 May 2018 will result in the Company's audited consolidated net assets as at 31 December 2017 to be adjusted to about RM0.36 per ordinary share.

On 3 May 2018, the Company announced that the parties to the Tune Hotel Penang SPA, the Tune Hotel Kota Kinabalu SPA, and the Tune Hotel KLIA Aeropolis SPA (collectively, the "Tune Hotels SPAs") entered into variation letters to extend the date to fulfil the Tune Hotels SPAs' conditions precedent by 60 days from 5 May 2018 (inclusive), or such longer period as the parties may mutually agree in writing.

On 4 May 2018, the Company announced that pursuant to Paragraph 6.62(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company is required to complete the allotment and issuance of the Consideration Shares within 6 months from the date the listing application was approved by Bursa Securities, which was on 20 November 2017. The Company had on 4 May 2018, made an application to seek an extension of time for the allotment and issuance of the Consideration Shares.

On 8 May 2018, the Company announced that the Proposed Disposals and the Proposed Special Dividend have been completed.

On 16 May 2018, the Company announced that the Proposed Acquisitions from TPRE has been completed via the allotment and issuance of 160,205,555 new ordinary shares in the Company at an issue price of RM0.36 per share to satisfy the consideration of RM57,674,000; the said shares were listed on 17 May 2018. Consequently, the number of issued ordinary shares increased to 446,798,046 shares and the issued share capital increased to RM95,619,860.74.

On 18 May 2018, the Company announced that the Bursa Securities had vide its letter dated 18 May 2018 approved the application for an extension of time for the allotment and issuance of the Consideration Shares until 15 October 2018.

The Proposed Corporate Exercise is still on-going as at the date of this report and involve related parties.

Other than the above, there were no corporate proposals announced but not completed as at 28 May 2018.

31 Performance review on the results of the Group

Performance review of continuing operations and Disposal Group held for sale are presented separately following the proposed disposal of the east wing and centre wing of Bangunan ECM Libra and the semi-detached residential property ("Disposal Group") as disclosed in Note 25.

(a) Continuing operations

For the current quarter ended 31 March 2018, the Group recorded a profit before tax of RM0.84 million and a profit after tax of RM0.60 million. The income was contributed by portfolio management fees income of RM3.55 million, interest income of RM1.21 million and other income of RM0.41 million; offset by operating expenses of RM4.21 million and other non-operating expenses of RM0.12 million.

The performance of the respective operating business segments for the three months ended 31 March 2018 is analysed as follows:

(i) Investment Holding

Investment holding reported a loss before tax of RM1.03 million caused by operating expenses of RM1.09 million.

(ii) Fund Management

Fund management reported a profit before tax of RM0.52 million, contributed by portfolio management fee income of RM3.55 million and interest income of RM0.07 million; offset by operating expenses of RM3.10 million.

(iii) Structured Financing

Structured financing reported a profit before tax of RM1.35 million, contributed by interest income of RM1.10 million and fee income of RM0.27 million; offset by operating expenses of RM0.02 million.

(b) Disposal Group held for sale

For the current quarter ended 31 March 2018, the Disposal Group recorded a profit before tax of RM0.10 million. The rental income of RM0.43 million was offset by operating expenses of RM0.33 million.

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

(a) Continuing operations

For the current quarter ended 31 March 2018, the Group's profit before tax amounted to RM0.84 million and profit after tax was RM0.60 million. The profit before tax was higher by RM1.26 million compared to the immediate preceding quarter ended 31 December 2017 which reported loss before tax of RM0.42 million. The current quarter recorded a profit compared to a loss position reported in the immediate preceding quarter mainly due to lower operating expenses at RM4.21 million for the current quarter ended 31 March 2018 compared to RM5.42 million in the immediate preceding quarter. Operating expenses was higher in the immediate preceding quarter mainly due to corporate exercise expenses of RM0.84 million incurred in the financial quarter ended 31 December 2017.

Performance of the respective operating business segments for the current quarter ended 31 March 2018 compared to the immediate preceding quarter is analysed as follows:

(i) Investment Holding

Investment holding reported a loss before tax of RM1.03 million in the current quarter ended 31 March 2018 compared to loss before tax of RM2.21 million in the immediate preceding quarter ended 31 December 2017. The decrease in loss before tax was mainly due to corporate exercise expenses of RM0.84 million incurred during the immediate preceding quarter ended 31 December 2017.

(ii) Fund Management

Fund management reported a profit before tax of RM0.52 million in the quarter ended 31 March 2018 compared to profit before tax of RM0.62 million in the immediate preceding quarter ended 31 December 2017. The lower profit was mainly caused by lower portfolio management fee of RM3.55 million and higher operating expenses of RM3.11 million for the current quarter compared to portfolio management fee of RM3.60 million and operating expenses of RM3.08 million in the immediate preceding quarter.

(iii) Structured Financing

Structured financing reported a higher profit before tax of RM1.35 million in the current quarter ended 31 March 2018 compared to RM1.26 million in the immediate preceding quarter ended 31 December 2017. The increase mainly due to other fee income increased by RM0.11 million to RM0.26 million in the current quarter compared to RM0.15 million in the immediate preceding quarter.

(b) Disposal Group held for sale

For the current quarter ended 31 March 2018, the Disposal Group reported an increase of RM0.07 million in profit before tax to RM0.10 million compared to profit before tax of RM0.03 million in the immediate preceding quarter; mainly due to lower maintenance work related expenses for Bangunan ECM Libra in quarter ended 31 March 2018.

33 Group's prospects

As disclosed in Note 30 on the Proposed Corporate Exercise, the Group has proposed to diversify the existing business activities of the Group to include the business of hotel management and ownership. This would enable the Group to diversify the revenue and income stream. The Group intends to continue to engage in the existing principal business activities relating to financial services in addition to being involved in the hotel business after completion of the Proposed Corporate Exercise. The Proposed Corporate Exercise is still on-going and expected will contribute to the Group's revenue and income stream for the year ending 31 December 2018.

34 Profit forecast

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

35 Group borrowings

The Group has no borrowings and debt securities as at 31 March 2018.

36 Dividend

The Board of Directors has declared a special dividend of RM0.1597 per ordinary share (1Q 2017: nil) totalling about RM45.80 million in respect of the financial year ending 31 December 2018, which will be paid on 8 May 2018. The entitlement date is on 27 April 2018.

A Depositor shall qualify for the entitlement only in respect of:

- (a) securities transferred into the Depositor's Securities Account before 4.00 p.m. on 27 April 2018 in respect of the transfers;
- (b) securities deposited into the Depositor's Securities Account before 12.30 p.m. on 27 April 2018 in respect of securities exempted from mandatory deposit; and
- (c) securities bought on the Bursa Securities on a cum entitlement basis according to the Rules of the Bursa Securities.

The total dividend for the current financial year ending 31 December 2018 is RM0.1597 per ordinary share.

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37 Material litigations

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

38 Income tax expense

	Individual Period			Cumulative Period		
	(1st quarter)			(3 months)		
	Preceding year	Preceding year		Preceding year	Preceding year	
	Current	corresponding		Current	corresponding	
	quarter	quarter		year to date	period	
	31-Mar-18	31-Mar-17		31-Mar-18	31-Mar-17	
	RM'000	RM'000	%	RM'000	RM'000	%
Income tax						
Current period's provision	239	284	-15.8	239	284	-15.8

The Group's effective tax rate for the current quarter ended 31 March 2018 was higher than the statutory tax rate due to certain expenses were not tax deductible.

39 Material subsequent event

Other than as disclosed in Note 30, on 16 May 2018, the Group announced that the Company has on 16 May 2018 formed a joint venture company, Tune Plato Ventures Sdn Bhd ("JV Company") in equal proportion with Truesource Sdn Bhd, a wholly-owned subsidiary of Plato Capital Limited ("collectively, the Company and Truesource Sdn Bhd are referred to as the "JV Parties") to venture into joint investments of up to RM14 million. Subsequent to the establishment of the JV Company, the JV Parties will participate up to RM7 million each, vide subscription of securities in the JV Company.

The investment of up to RM7 million will be funded from the Company's internally generated funds and there is no liabilities to be assumed arising from this joint venture. The joint venture is not subject to approval of the shareholders of the Company or other relevant authorities.

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40 Earnings/(loss) per ordinary share

(a) Basic earnings/(loss) per ordinary share

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

	Individual Period (1 st quarter)			Cumulative Period (3 months)		
	Current quarter 31-Mar-18	Preceding year corresponding quarter 31-Mar-17	%	Current year to date 31-Mar-18	Preceding year corresponding period 31-Mar-17	%
Profit/(loss) for the financial period attributable to owners of the Company (RM'000):						
- from continuing operations	602	1,059	-43.2	602	1,059	-43.2
- from Disposal Group held for sale	104	(94)	-210.6	104	(94)	-210.6
	706	965		706	965	
Weighted average number of ordinary shares in issue ('000)	286,592	286,592		286,592	286,592	
Basic earnings/(loss) per ordinary share (sen):						
- from continuing operations	0.21	0.37	-43.2	0.21	0.37	-43.2
- from Disposal Group held for sale	0.04	(0.03)	-233.3	0.04	(0.03)	-233.3
	0.25	0.34		0.25	0.34	

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

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

Date: 28 May 2018