

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)**Unaudited Interim Condensed Financial Statements for the third quarter ended 30 September 2018****Unaudited Interim Condensed Consolidated Statement of Financial Position as at 30 September 2018**

	Note	30-Sep-18 RM'000	31-Dec-17 RM'000
ASSETS			
Cash and cash equivalents	9	7,820	20,825
Available-for-sale financial assets	10	-	38,029
Financial assets at fair value through other comprehensive income	11	22,150	-
Loans, advances and financing	12	57,399	59,071
Trade receivables	13	1,035	1,910
Other assets	14	6,275	4,001
Deferred tax assets		245	250
Property, plant and equipment	15	2,684	2,438
Investment in joint ventures		68,161	-
Assets classified as held for sale	16	-	24,438
TOTAL ASSETS		165,769	150,962
LIABILITIES AND EQUITY			
LIABILITIES			
Trade payables	18	20	1,274
Other liabilities	19	1,587	3,134
Provision for taxation		62	209
Liabilities classified as held for sale	16	-	728
TOTAL LIABILITIES		1,669	5,345
EQUITY			
Share capital		95,620	37,946
Reserves		68,480	107,671
TOTAL EQUITY		164,100	145,617
TOTAL LIABILITIES AND EQUITY		165,769	150,962
Net assets per share (RM)		0.37	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.

Unaudited Interim Condensed Consolidated Statements of Profit or Loss and
Other Comprehensive Income for the third quarter ended 30 September 2018

	Note	Individual Period (3 rd quarter)			Cumulative Period (9 months)		
		Current quarter 30-Sep-18 RM'000	Preceding year corresponding quarter 30-Sep-17 RM'000	%	Current year to date 30-Sep-18 RM'000	Preceding year corresponding period 30-Sep-17 RM'000	%
Continuing operations							
Revenue		4,293	5,045	-14.9	14,168	15,045	-5.8
Interest income	20	1,261	1,258	0.2	3,702	3,707	-0.1
Non-interest income	21	3,032	3,787	-19.9	10,466	11,338	-7.7
Other non-operating (expenses)/income	22	(119)	(22)	440.9	492	16	2,975.0
Gross income		4,174	5,023	-16.9	14,660	15,061	-2.7
Operating expenses	23	(4,633)	(4,018)	15.3	(13,150)	(12,517)	5.1
Operating (loss)/profit		(459)	1,005	-145.7	1,510	2,544	-40.6
Share of profit of equity- accounted joint ventures		1,218	-	100.0	1,510	-	100.0
Profit before tax		759	1,005	-24.5	3,020	2,544	18.7
Income tax expense	37	(234)	(358)	-34.6	(637)	(989)	-35.6
Profit from continuing operations		525	647	-18.9	2,383	1,555	53.2
Discontinued operation							
Profit from discontinued operation	24	-	11	-100.0	3,439	(134)	-2,666.4
Profit for the financial period attributable to owners of the Company		525	658	-20.2	5,822	1,421	309.7

Unaudited Interim Condensed Consolidated Statements of Profit or Loss and
Other Comprehensive Income for the third quarter ended 30 September 2018 (cont'd.)

	Individual Period (3 rd quarter)			Cumulative Period (9 months)		
	Current quarter 30-Sep-18 RM'000	Preceding year corresponding quarter 30-Sep-17 RM'000		Current year to date 30-Sep-18 RM'000	Preceding year corresponding period 30-Sep-17 RM'000	
Note			%			%
Other comprehensive income/(loss):						
Items that will not be reclassified to profit or loss:						
Fair value changes of financial assets	(202)	(131)	54.2	128	365	-64.9
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translating foreign operations	206	-	100.0	206	-	100.0
Other comprehensive income for the financial period, net of tax	4	(131)	-103.1	334	365	-8.5
Total comprehensive income for the financial period attributable to owners of the Company	529	527	0.4	6,156	1,786	244.7
Basic earnings/(loss) per ordinary share:	Sen	Sen		Sen	Sen	
- from continuing operations	39	0.12	0.23	0.65	0.54	
- from discontinued operation	39	-	-	0.94	(0.05)	
	0.12	0.23		1.59	0.49	

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 Statements of Profit or Loss and

Other Comprehensive Income for the third quarter ended 30 September 2018 (cont'd.)

	Third quarter 30-Sep-18 RM'000	Immediate preceding quarter 30-Jun-18 RM'000	%
Continuing operations			
Revenue	4,293	4,703	-8.7
Interest income	1,261	1,230	2.5
Non-interest income	3,032	3,473	-12.7
Other non-operating (expenses)/income	(119)	730	-116.3
Gross income	4,174	5,433	-23.2
Operating expenses	(4,633)	(4,305)	7.6
Operating (loss)/profit	(459)	1,128	-140.7
Share of profit of equity-accounted joint ventures	1,218	292	100.0
Profit before tax	759	1,420	-46.5
Income tax expense	(234)	(164)	42.7
Profit from continuing operations	525	1,256	-58.2
Discontinued operation			
Profit from discontinued operation	-	3,335	-100.0
Profit for the financial period attributable to owners of the Company	525	4,591	-88.6

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 third quarter ended 30 September 2018

Unaudited Interim Condensed Consolidated Statement of Changes in Equity for the third quarter ended 30 September 2018

	<-----Non-distributable----->			Distributable		Total RM'000
	Share capital RM'000	Foreign currency translation 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	-	-	-	-	5,822	5,822
Other comprehensive income for the financial period	-	206	128	-	-	334
Total comprehensive income for the financial period	-	206	128	-	5,822	6,156
Transaction with owners:						
Issuance of shares during the financial period	57,674	-	-	-	-	57,674
Dividend paid during the financial period	-	-	-	-	(45,769)	(45,769)
	57,674	-	-	-	(45,769)	11,905
At 30 September 2018	95,620	206	355	2,788	65,131	164,100

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

Unaudited Interim Condensed Financial Statements for the third quarter ended 30 September 2018

Unaudited Interim Condensed Consolidated Statement of Changes in Equity for the third quarter ended 30 September 2018 (cont'd.)

	<-----Non-distributable----->				Distributable		Total RM'000
	Share capital RM'000	Capital redemption reserve RM'000	Foreign currency translation reserve RM'000	Fair value through other comprehensive income (deficit)/reserve RM'000	General reserve RM'000	Retained profits RM'000	
At 1 January 2017	34,391	3,555	-	(590)	2,788	104,165	144,309
Profit for the financial period	-	-	-	-	-	1,421	1,421
Other comprehensive income for the financial period	-	-	-	365	-	-	365
Total comprehensive income for the financial period	-	-	-	365	-	1,421	1,786
Transfer pursuant to the Companies Act, 2016 *	3,555	(3,555)	-	-	-	-	-
At 30 September 2017	37,946	-	-	(225)	2,788	105,586	146,095

* 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 third quarter ended 30 September 2018**

	Note	Nine Months Ended	
		30-Sep-18 RM'000	30-Sep-17 RM'000
Cash flows from operating activities			
Profit/(loss) before tax:			
- from continuing operations		3,020	2,544
- from discontinued operation		3,439	(134)
		<u>6,459</u>	<u>2,410</u>
Adjustments to reconcile profit before tax to net cash flows		(9,243)	(3,252)
		<u>(2,784)</u>	<u>(842)</u>
Decrease/(increase) in operating assets		1,567	(2,514)
Decrease in operating liabilities		(3,529)	(1,033)
		<u>(4,746)</u>	<u>(4,389)</u>
Interest received from loans, advances and financing		3,253	3,141
Net tax paid		(1,189)	(534)
		<u>(2,682)</u>	<u>(1,782)</u>
Cash flows from investing activities			
Net disposal of financial assets		16,833	4,238
Purchase of property, plant and equipment		(1,292)	(137)
Proceed from disposal of property, plant and equipment		262	-
Sale of discontinued operation			
- Proceed from disposal of property, plant and equipment		27,280	-
Investment in joint ventures		(65,717)	-
Interest received from deposits with financial institutions		285	360
		<u>(22,349)</u>	<u>4,461</u>
Cash flows from financing activities			
Dividend paid		(45,769)	-
Proceeds from issuance of shares		57,674	-
		<u>11,905</u>	<u>-</u>
Net cash generated from financing activities			
Net (decrease)/increase in cash and cash equivalents		(13,126)	2,679
Effects of foreign exchange rate changes		121	17
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	7,820	24,711

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.

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	<u>-</u>
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	<u>22,585</u>
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	<u>15,866</u>
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	<u>227</u>
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	<u>105,078</u>

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 119 *Plan Amendment, Curtailment or Settlement*

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

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 significantly affected by any seasonal or cyclical factors.

4 Exceptional items/unusual events

Other than as disclosed in Note 29, there were no other unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial period ended 30 September 2018.

5 Variation from financial estimates reported in preceding financial year

There were no changes in estimates that have had any material effect during the current quarter and financial period ended 30 September 2018.

6 Debt and equity securities

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter and period ended 30 September 2018 other than the following:

6 Debt and equity securities (cont'd.)

On 16 May 2018, the Company issued 160,205,555 new ordinary shares at an issue price of RM0.36 per ordinary share to satisfy the purchase consideration of RM57,674,000 pursuant to the acquisition of 50% equity interest in TP Sepang Sdn Bhd, Yummy Kitchen Sdn Bhd, TP International Pty Ltd 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).

7 Dividend paid

For the financial period ended 30 September 2018, a special single-tier dividend of RM0.1597 per ordinary share amounting to RM45.8 million in respect of the financial year ending 31 December 2018 was paid on 8 May 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 30 September 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 2017. Consequently, for the current quarter ended 30 September 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) Discontinued Operation

In 2017, rental business within the Investment Holding operating segment is presented as Disposal Group held for sale following the Company 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 29).

The sale of the Disposal Group was completed on 8 May 2018. Consequently, rental business related to the Disposal Group is presented as discontinued operation in the current quarter ended 30 September 2018.

8 Segmental reporting (cont'd.)

	Continuing operations					
	Investment Holding RM'000	Fund Management RM'000	Structured Financing RM'000	Discontinued Operation RM'000	Inter- segment elimination RM'000	Group total RM'000
Three months ended 30 September 2018						
Revenue	15	3,065	1,213	-	-	4,293
Interest income	5	57	1,199	-	-	1,261
Non-interest income	10	3,008	14	-	-	3,032
Other non-operating (expenses)/ income	(122)	-	3	-	-	(119)
Gross (expenses)/income	(107)	3,065	1,216	-	-	4,174
Operating expenses of which:	(1,820)	(2,797)	(16)	-	-	(4,633)
- Depreciation of property, plant and equipment	(51)	(81)	-	-	-	(132)
Operating (loss)/profit	(1,927)	268	1,200	-	-	(459)
Share of profit of equity- accounted joint ventures	1,218	-	-	-	-	1,218
(Loss)/profit before tax	(709)	268	1,200	-	-	759
Nine months ended 30 September 2018						
Revenue	282	10,154	3,732	-	-	14,168
Interest income	74	202	3,426	-	-	3,702
Non-interest income	208	9,952	306	-	-	10,466
Other non-operating income	484	-	8	3,963	-	4,455
Gross income	766	10,154	3,740	3,963	-	18,623
Operating expenses of which:	(4,097)	(8,999)	(54)	(524)	-	(13,674)
- Depreciation of property, plant and equipment	(168)	(246)	-	-	-	(414)
Operating (loss)/profit	(3,331)	1,155	3,686	3,439	-	4,949
Share of profit of equity- accounted joint ventures	1,510	-	-	-	-	1,510
(Loss)/profit before tax	(1,821)	1,155	3,686	3,439	-	6,459
As at 30 September 2018						
Segment assets	23,959	14,704	57,653	-	-	96,316
Investment in joint ventures	68,161	-	-	-	-	68,161
Additions to property, plant and equipment	942	350	-	-	-	1,292
Total assets	24,901	15,054	57,653	-	-	165,769
Total liabilities	594	1,000	75	-	-	1,669

8 Segmental reporting (cont'd.)

	Continuing Operations				Inter-segment elimination RM'000	Group total RM'000
	Investment Holding RM'000	Fund Management RM'000	Structured Financing RM'000	Discontinued operation RM'000		
Three months ended 30 September 2017						
Revenue	115	3,689	1,241	-	-	5,045
Interest income	34	97	1,127	-	-	1,258
Non-interest income	81	3,592	114	-	-	3,787
Other non-operating (expenses)/ income	(22)	-	-	336	-	314
Gross income	93	3,689	1,241	336	-	5,359
Operating expenses	(1,258)	(2,743)	(17)	(325)	-	(4,343)
of which:						
- Depreciation of property, plant and equipment	(68)	(73)	-	-	-	(141)
(Loss)/profit before tax	(1,165)	946	1,224	11	-	1,016
Nine months ended 30 September 2017						
Revenue	543	10,751	3,751	-	-	15,045
Interest income	96	266	3,345	-	-	3,707
Non-interest income	447	10,485	406	-	-	11,338
Other non-operating income	16	-	-	994	-	1,010
Gross income	559	10,751	3,751	994	-	16,055
Operating expenses	(4,176)	(8,288)	(53)	(1,128)	-	(13,645)
of which:						
- Depreciation of property, plant and equipment	(202)	(217)	-	(228)	-	(647)
- Depreciation of investment property	-	-	-	(7)	-	(7)
(Loss)/profit before tax	(3,617)	2,463	3,698	(134)	-	2,410
As at 30 September 2017						
Segment assets	47,696	18,301	59,561	24,438	-	149,996
Additions to property, plant and equipment	-	137	-	-	-	137
Total assets	47,696	18,438	59,561	24,438	-	150,133
Total liabilities	460	2,703	192	683	-	4,038

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)**Unaudited Interim Condensed Financial Statements for the third quarter ended 30 September 2018****9 Cash and cash equivalents**

	30-Sep-18	31-Dec-17
	RM'000	RM'000
Cash and balances with banks and other financial institutions	2,493	2,777
Money at call and deposit placements maturing within two months	5,327	18,048
	7,820	20,825

10 Available-for-sale financial assets

	30-Sep-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 on 1 January 2018. The financial effects of the adoption of MFRS 9 are disclosed in Note 1(a).

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

	30-Sep-18	31-Dec-17
	RM'000	RM'000
At fair value		
In Malaysia		
Quoted shares	600	-
Unquoted investment	13,438	-
Outside Malaysia		
Quoted shares	590	-
Unquoted investment	7,522	-
	22,150	-

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 disclosed in Note 1(a).

12 Loans, advances and financing

	30-Sep-18	31-Dec-17
	RM'000	RM'000
Term loans, representing gross loans, advances and financing	57,399	59,071
<u>Analysis of gross loans, advances and financing</u>		
By residual contractual maturity		
Within one year	57,399	59,071
By economic purpose		
Investments	17,399	19,071
Others	40,000	40,000
Gross loans, advances and financing	57,399	59,071
By interest rate sensitivity		
Fixed rate	57,399	59,071
By type of customer		
Domestic business enterprise	17,399	19,071
Individual	40,000	40,000
Gross loans, advances and financing	57,399	59,071

13 Trade receivables

	30-Sep-18	31-Dec-17
	RM'000	RM'000
Cancellation of units of funds	7	828
Management fee receivables	1,028	1,082
	1,035	1,910

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

14 Other assets

	30-Sep-18	31-Dec-17
	RM'000	RM'000
Deposits *	3,441	3,437
Tax recoverable	590	180
Other receivables^	1,885	125
Prepayments	359	259
	6,275	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 29).

^ Included in the other receivables as at 30 September 2018 are retention sum of RM720,000 relating to disposal of east wing and centre wing of Bangunan ECM Libra. Retention sum is unsecured, interest-free and is expected to be collected within one year.

15 Property, plant and equipment

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

16 Disposal Group held for sale

In 2017, rental business within the Investment Holding operating segment is presented as Disposal Group held for sale following the Company 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 29).

16 Disposal Group held for sale (cont'd.)

The sale of the Disposal Group was completed on 8 May 2018. The assets and liabilities of the Disposal Group are as follows:

	30-Sep-18	31-Dec-17
	RM'000	RM'000
Assets classified as held for sale		
Property, plant and equipment	-	20,434
Investment property	-	4,004
	<u>-</u>	<u>24,438</u>
Liabilities classified as held for sale		
Rental deposits received	-	(728)
	<u>-</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 depreciation	Total
	RM'000	RM'000	RM'000
Property, plant and equipment	25,122	(4,688)	20,434
Investment property	4,032	(28)	4,004
	<u>29,154</u>	<u>(4,716)</u>	<u>24,438</u>

17 Valuation of property, plant and equipment

There was no valuation of property, plant and equipment of the Group during the current quarter ended 30 September 2018.

18 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.

19 Other liabilities

	30-Sep-18	31-Dec-17
	RM'000	RM'000
Accruals and other payables	<u>1,587</u>	<u>3,134</u>

20 Interest income

	Individual Period (3rd quarter)			Cumulative Period (9 months)		
	Current quarter 30-Sep-18 RM'000	Preceding year corresponding quarter 30-Sep-17 RM'000	%	Current year to date 30-Sep-18 RM'000	Preceding year corresponding period 30-Sep-17 RM'000	%
Loans, advances and financing	1,199	1,127	6.4	3,426	3,345	2.4
Short-term funds and deposits with financial institutions	62	131	-52.7	276	362	-23.8
	1,261	1,258		3,702	3,707	

21 Non-interest income

	Individual Period (3rd quarter)			Cumulative Period (9 months)		
	Current quarter 30-Sep-18 RM'000	Preceding year corresponding quarter 30-Sep-17 RM'000	%	Current year to date 30-Sep-18 RM'000	Preceding year corresponding period 30-Sep-17 RM'000	%
Fee income						
Portfolio management fees	3,008	3,592	-16.3	9,952	10,485	-5.1
Other fee income	14	113	-87.6	306	406	-24.6
	3,022	3,705		10,258	10,891	
Investment income						
Net gain on disposal of quoted shares in Malaysia	10	-	100.0	10	183	-94.5
Income distribution from unit trust funds	-	82	-100.0	126	264	-52.3
Fair value gain on financial assets at fair value through profit or loss	-	-	-	72	-	100.0
	10	82		208	447	
Total non-interest income	3,032	3,787		10,466	11,338	

22 Other non-operating (expenses)/income

	Individual Period (3 rd quarter)			Cumulative Period (9 months)		
	Current quarter 30-Sep-18 RM'000	Preceding year corresponding quarter 30-Sep-17 RM'000	%	Current year to date 30-Sep-18 RM'000	Preceding year corresponding period 30-Sep-17 RM'000	%
Loss on disposal of property, plant and equipment	(104)	-	100.0	(104)	-	100.0
Net (loss)/gain on foreign exchange differences	-	(22)	-100.0	(121)	16	-856.3
Loss on liquidation of subsidiary	(19)	-	100.0	(19)	-	100.0
Gain on bargain purchase from investment in joint venture	-	-	-	728	-	100.0
Others	4	-	100.0	8	-	100.0
	(119)	(22)		492	16	

23 Operating expenses

	Individual Period (3 rd quarter)			Cumulative Period (9 months)		
	Current quarter 30-Sep-18 RM'000	Preceding year corresponding quarter 30-Sep-17 RM'000	%	Current year to date 30-Sep-18 RM'000	Preceding year corresponding period 30-Sep-17 RM'000	%
Personnel expenses	3,101	2,836	9.3	9,040	8,325	8.6
Depreciation of property, plant and equipment	132	141	-6.4	414	419	-1.2
Rental of premises	191	10	1,810.0	361	29	1,144.8
Property, plant and equipment written off	36	-	100	36	-	100
Auditors' remuneration	20	20	-	62	61	1.6
Professional fees and expenses	212	327	-35.2	392	1,075	-63.5
Marketing and communication expenses	384	347	10.7	1,302	1,172	11.1
Others	557	337	65.3	1,543	1,436	7.5
	4,633	4,018		13,150	12,517	

There were no provision for and write off of receivables, impairment of assets and other exceptional items during the current quarter ended 30 September 2018.

24 Discontinued operation

As disclosed in Note 16, the sale of the Disposal Group was completed on 8 May 2018. Accordingly, rental business related to Disposal Group is presented as discontinued operation during the current quarter ended 30 September 2018.

Profit/(loss) attributable to the discontinued operation is as follow:

	Individual Period (3 rd quarter)			Cumulative Period (9 months)		
	Current quarter 30-Sep-18 RM'000	Preceding year corresponding quarter 30-Sep-17 RM'000	%	Current year to date 30-Sep-18 RM'000	Preceding year corresponding period 30-Sep-17 RM'000	%
Results of discontinued operation						
Rental income	-	336	-100.0	631	994	-36.5
Gain on sale of discontinued operation	-	-		3,332	-	
Expenses	-	(325)	-100.0	(524)	(1,128)	-53.5
(Loss)/profit before tax	-	11		3,439	(134)	
Income tax expense	-	-		-	-	
(Loss)/profit for the financial period	-	11		3,439	(134)	
Included in profit/(loss) before tax are depreciation of:						
- Property, plant and equipment	-	-		-	228	
- Investment property	-	-		-	7	
				30-Sep-18 RM'000	31-Dec-17 RM'000	
Cash flows from discontinued operation						
Net cash from investing activities						
- Proceeded from disposal of property, plant and equipment				27,280	-	

25 Changes in the composition of the Group

There were no material changes in the composition of the Group for the period ended 30 September 2018 except for the following:

On 16 May 2018, the Proposed Acquisitions from TP Real Estate Holdings Pte Ltd was completed in accordance with the terms of the Share Purchase Agreement. Following the completion of the Proposed Acquisitions, the Company owned 50% equity interest in TP Sepang Sdn Bhd, 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).

25 Changes in the composition of the Group (cont'd.)

On 16 May 2018, the Company formed a joint venture company, Tune Plato Ventures Sdn Bhd in equal proportion (50:50) with Truesource Sdn Bhd, a wholly-owned subsidiary of Plato Capital Limited to venture into joint investments of up to RM14 million.

On 7 September 2018, the liquidator of a dormant wholly-owned subsidiary, ECM Libra Capital Sdn Bhd ("ELC") convened the final meeting to conclude the member's voluntary winding-up. A Return by Liquidation Relating to Final Meeting of ELC was lodged on 12 September 2018 with the Companies Commission of Malaysia and the Official Receiver, and on the expiration of 3 months from 12 September 2018, ELC will be dissolved.

26 Commitments and contingencies

As at 30 September 2018, the Group does not have any material commitments and contingencies.

27 Significant related party transactions

Save as disclosed in Note 29, the Group's other significant related party transactions as follows:

	30-Sep-18	31-Dec-17
	RM'000	RM'000
Income/(expenses)		
Rental income from entity related to the director and major shareholder	48	172
Rental expenses charged by entities related to the directors and major shareholders	(338)	-
Loyalty programme expenses charged by an entity related to the director and major shareholders	(8)	(12)
	_____	_____

The Directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business at arm's length.

28 Financial instruments**(a) Categories of financial instruments**

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

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

30-Sep-18	Carrying amount RM'000	FA RM'000	FVOCI RM'000	FL RM'000
Financial assets				
Cash and cash equivalents	7,820	7,820	-	-
Financial assets at fair value through other comprehensive income	22,150	-	22,150	-
Loans, advances and financing	57,399	57,399	-	-
Trade receivables	1,035	1,035	-	-
Other assets	5,916	5,916	-	-
	94,320	72,170	22,150	-
Financial liabilities				
Trade payables	(20)	-	-	(20)
Other liabilities	(1,587)	-	-	(1,587)
	(1,607)	-	-	(1,607)

28 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	-	-
	123,577	85,548	38,029	-
Financial liabilities				
Trade payables	(1,274)	-	-	(1,274)
Other liabilities	(3,134)	-	-	(3,134)
	(4,408)	-	-	(4,408)

(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.

28 Financial instruments (cont'd.)**(b) Fair value measurement (cont'd.)**

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:

30-Sep-18	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets				
Financial assets at fair value through other comprehensive income	1,190	-	20,960 *	22,150

* 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
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Excluding the carrying amount of unquoted investments held by the Group of RM20,238,000 which are not carried at fair value as at 31 December 2017.

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

29 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, 18 May 2018, 2 July 2018, 3 September 2018 and 1 October 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") ("Proposed Acquisitions from TPRE"); and
- Tune Hotel Penang, Tune Hotel Kota Kinabalu ("KK") 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 ("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;
- (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, 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.

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

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 purchase consideration of RM57,674,000.

The Company also announced that on 2 July 2018, the parties to the Tune Hotel KK Sale and Purchase Agreement ("SPA") and the Tune Hotel KLIA Aeropolis SPA entered into variation letters to extend the date to fulfill the respective agreements' conditions precedent by 60 days from 4 July 2018 (inclusive), or such longer period as the parties may mutually agree in writing.

On 1 October 2018, the Company announced that the acquisition of the Tune Hotel Penang under the Tune Hotel Penang SPA has been completed via the allotment and issuance of 33,127,777 new ordinary shares in the Company at an issue price of RM0.36 per share and payment of RM9,074,000 in cash to satisfy the purchase consideration of RM21,000,000.

In addition to the above, the Company also announced that all the conditions precedent under the Tune Hotel KK SPA have been fulfilled and hence the Tune Hotel KK SPA has become unconditional on 1 October 2018.

Regarding the Tune Hotel KLIA Aeropolis SPA, the parties to the agreement had on 1 October 2018 entered into a variation letter to extend the date to fulfil the agreement's conditions precedent by 90 days from 4 October 2018 (inclusive), or such longer period as the parties may mutually agree in writing.

Other than the above, there were no corporate proposals announced but not completed as at 22 November 2018.

30 Operating segments review

Performance review of continuing operations and discontinued operation are presented separately following the disposal of the east wing and centre wing of Bangunan ECM Libra and the semi-detached residential property as disclosed in Note 24.

(a) Q3 FY2018 vs. Q3 FY2017

Continuing operations

For the quarter ended 30 September 2018 ("Q3 FY2018"), the Group reported a profit before tax of RM0.76 million as compared to RM1.01 million reported for the quarter ended 30 September 2017 ("Q2 FY2017"). The lower profit before tax was mainly due to decrease in portfolio management fee income by RM0.58 million. The decrease in profit is also caused by increased in operation expenses by RM0.62 million, offset with share of profit of equity-accounted joint ventures of RM1.22 million.

30 Operating segments review (cont'd.)

(a) Q3 FY2018 vs. Q3 FY2017 (cont'd.)

Continuing operations (cont'd.)

The performance of the respective operating business segments for the Q3 FY2018 as compared to Q3 FY2017 is analysed as follows:

(i) Investment Holding

The Investment Holding recorded a loss before tax of RM0.71 million for Q3 FY2018 as compared to loss before tax of RM1.17 million in Q3 FY2017, resulted from share of profit of equity-accounted joint ventures of RM1.22 million; offset with higher operating expenses of RM1.82 million in Q3 FY2018 as compared to RM1.26 million in Q3 FY2017, mainly due to higher staff related costs.

(ii) Fund Management

The Fund Management recorded a profit before tax of RM0.27 million in Q3 FY2018, compared to RM0.95 million in Q3 FY2017, mainly due to decrease in portfolio management fee income from RM3.59 million in Q3 FY2017 to RM3.01 million in Q3 FY2018.

(iii) Structured Financing

The Structured Financing recorded a profit before tax of RM1.20 million in Q3 FY2018, slight decrease from RM1.22 million in Q3 FY2017.

Discontinued operation

The Discontinued Operation no longer generating income as rental business ceased with effective from 8 May 2018.

(b) 9M FY2018 vs. 9M FY2017

Continuing operations

The profit before tax for the year-to-date ended 30 September 2018 ("9M FY2018") was RM3.02 million, an increase of 19% from RM2.54 million in the year-to-date ended 30 September 2017 ("9M FY2017"). The higher profit before tax was mainly due to gain on bargain purchase from investment in joint venture of RM0.73 million and share of profit of equity-accounted joint ventures of RM1.51 million.

30 Operating segments review (cont'd.)

(b) 9M FY2018 vs. 9M FY2017 (cont'd.)

Continuing operations (cont'd.)

The performance of the respective operating business segments for the 9M FY2018 as compared to 9M FY2017 is analysed as follows:

(i) Investment Holding

The Investment Holding recorded a lower loss before tax of RM1.82 million for 9M FY2018 as compared to loss before tax of RM3.62 million in Q3 FY2017, mainly due to gain on bargain purchase from investment in joint venture of RM0.73 million and share of profit of equity-accounted joint ventures of RM1.51 million recorded in 9M FY2018 .

(ii) Fund Management

The Fund Management recorded a profit before tax of RM1.16 million in 9M FY2018, compared to RM2.46 million in 9M FY2017, mainly due to lower portfolio management fee income and higher operating expenses. Portfolio management fee income decreased by 5% to RM9.95 million in 9M FY2018 compared to RM10.49 million in 9M FY2017. Operating expenses increased by 9% to RM9.00 million in 9M FY2018 compared to RM8.29 million in 9M FY2017, mainly due to higher staff related costs.

(iii) Structured Financing

The Structured Financing recorded a profit before tax of RM3.69 million in 9M FY2018, a slight decrease from RM3.70 million in 9M FY2017.

Discontinued operation

The Discontinued Operation recorded a profit before tax of RM3.44 million in 9M FY2018 as compared to loss before tax of RM0.13 million, mainly contributed by gain on disposal of property, plant and equipment of RM3.33 million in 9M FY2018 upon completion of the sale on 8 May 2018.

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

(a) Continuing operations

For the current quarter ended 30 September 2018 ("Q3 FY2018"), the Group's profit before tax amounted to RM0.76 million and profit after tax was RM0.52 million. The profit before tax was lower by RM0.66 million compared to the immediate preceding quarter ended 30 June 2018 ("Q2 FY2018") which reported profit before tax of RM1.42 million. The decrease in profit was caused by lower portfolio management fee income of RM3.01 million and higher operating expenses of RM4.63 million in Q3 FY2018 compared to portfolio management fee income of RM3.39 million and operating expenses of RM4.31 million in Q2 FY2018, offset with higher share of profit of equity-accounted joint ventures of RM1.22 million in Q3 FY2018 compared to RM0.29 million in Q2 FY2018.

31 Review of performance of current financial quarter against immediate preceding financial quarter (cont'd.)

(a) Continuing operations (cont'd.)

Performance of the respective operating business segments for the Q3 FY2018 compared to the Q2 FY2018 is analysed as follows:

(i) Investment Holding

The Investment Holding reported a loss before tax of RM0.71 million in Q3 FY2018 compared to loss before tax of RM0.08 million in Q2 FY2018, mainly resulted by non-recurring gain on bargain purchase from investment in joint venture of RM0.73 million recorded in Q2 FY2018.

(ii) Fund Management

The Fund Management reported a lower profit before tax of RM0.27 million in Q3 FY2018 compared to profit before tax of RM0.37 million in Q2 FY2018. The lower profit was mainly caused by lower portfolio management fee income of RM3.01 million for the current quarter compared to portfolio management fee income of RM3.39 million in Q2 FY2018.

(iii) Structured Financing

The Structured Financing reported a higher profit before tax of RM1.20 million in Q3 FY2018 compared to RM1.14 million in Q2 FY2018, which was mainly due to higher interest income of RM1.20 million recorded in Q3 FY2018 compared to RM1.12 million in Q2 FY2018.

(b) Discontinued operations

The Discontinued Operation no longer generating income as compared to profit before tax of RM3.34 million in Q2 FY2018 as rental business ceased with effective from 8 May 2018.

32 Group's prospects

As disclosed in Note 29 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.

33 Profit forecast

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

34 Group borrowings

The Group has no borrowings and debt securities as at 30 September 2018.

35 Dividend

No dividend has been proposed for the current quarter ended 30 September 2018.

36 Material litigations

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

37 Income tax expense

	Individual Period (3 rd quarter)			Cumulative Period (9 months)		
	Current quarter 30-Sep-18 RM'000	Preceding year corresponding quarter 30-Sep-17 RM'000	%	Current year to date 30-Sep-18 RM'000	Preceding year corresponding period 30-Sep-17 RM'000	%
Income tax						
Current period's provision	146	358	-59.2	549	989	-44.5
Under provision of income tax in prior years	83	-	100.0	83	-	100.0
	<u>229</u>	<u>358</u>		<u>632</u>	<u>989</u>	
Deferred tax						
Under provision of deferred tax in prior years	5	-	100.0	5	-	100.0
Total income tax expense	<u>234</u>	<u>358</u>		<u>637</u>	<u>989</u>	

The Group's effective tax rate for the current quarter ended 30 September 2018 was lower than the statutory tax rate due to gain on disposal of property, plant and equipment was not subjected to tax.

38 Material subsequent event

Save as detailed below and as disclosed in Note 29, there was no other material event subsequent to 30 September 2018.

On 1 October 2018, the paid-up share capital of the Company was increased from RM95,619,861 to RM107,545,861 following the issuance of 33,127,777 new ordinary shares at an issue price of RM0.36 per ordinary share to satisfy the share portion of the consideration for the acquisition of Tune Hotel Penang as disclosed in Note 29.

39 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 (3 rd quarter)			Cumulative Period (9 months)		
	Current quarter 30-Sep-18	Preceding year corresponding quarter 30-Sep-17	%	Current year to date 30-Sep-18	Preceding year corresponding period 30-Sep-17	%
Profit for the financial period attributable to owners of the Company (RM'000):						
- from continuing operations	525	647	-18.9	2,383	1,555	53.2
- from discontinued operation	-	11	-100.0	3,439	(134)	-2,666.4
	446,798	286,592		367,576	286,592	
Weighted average number of ordinary shares in issue ('000)						
	446,798	286,592		367,576	286,592	
Basic earnings/(loss) per ordinary share (sen):						
- from continuing operations	0.12	0.23	-47.8	0.65	0.54	20.4
- from discontinued operation	-	-	-100.0	0.94	(0.05)	-1,980.0
	0.12	0.23		1.59	0.49	

(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: 22 November 2018