

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

**Condensed Consolidated Statements of Financial Position as at 30 June 2019**

	Note	30-Jun-19 RM'000 (Unaudited)	31-Dec-18 RM'000 (Audited)
<b>ASSETS</b>			
Cash and cash equivalents	9	8,320	13,781
Financial assets at fair value through other comprehensive income	10	21,030	21,353
Financial assets at fair value through profit or loss	11	39,897	-
Assets classified as held for sale	12	30,851	-
Tax recoverable		335	596
Trade and other receivables	13	1,305	5,483
Inventories		119	74
Loans, advances and financing	14	6,738	57,903
Investment in joint ventures		67,066	67,537
Property, plant and equipment	15	32,503	24,744
<b>TOTAL ASSETS</b>		<b>208,164</b>	<b>191,471</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Liabilities classified as held for sale	12	15,070	-
Tax payable		100	123
Deferred tax liabilities		5	109
Trade and other payables		1,397	7,163
Loans and borrowings	16	18,941	9,941
<b>TOTAL LIABILITIES</b>		<b>35,513</b>	<b>17,336</b>
<b>EQUITY</b>			
Share capital		107,546	107,546
Reserves		65,105	66,589
<b>TOTAL EQUITY</b>		<b>172,651</b>	<b>174,135</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>208,164</b>	<b>191,471</b>
Net assets per share (RM)		0.36	0.36

The above unaudited condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

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

**Unaudited Condensed Consolidated Statements of Profit or Loss**  
**for the second quarter and year-to-date ended 30 June 2019**

	Note	Quarter Ended			Year-To-Date Ended		
		30-Jun-19 RM'000	30-Jun-18 RM'000 (Restated)	%	30-Jun-19 RM'000	30-Jun-18 RM'000 (Restated)	%
<b>Continuing operations</b>							
Revenue	17	<b>2,626</b>	1,241	112	<b>5,173</b>	2,786	86
Other income	18	<b>49</b>	730	93	<b>100</b>	611	-84
		<b>2,675</b>	1,971		<b>5,273</b>	3,397	
Operating expenses	19	<b>(3,533)</b>	(1,208)	193	<b>(6,160)</b>	(2,315)	166
Operating (loss)/profit		<b>(858)</b>	763		<b>(887)</b>	1,082	
Interest expense		<b>(245)</b>	-	100	<b>(398)</b>	-	100
Share of (loss)/profit of equity- accounted joint ventures		<b>(339)</b>	292	-216	<b>(213)</b>	292	-173
(Loss)/profit before tax		<b>(1,442)</b>	1,055		<b>(1,498)</b>	1,374	
Income tax expense	20	<b>(46)</b>	(84)	-45	<b>(118)</b>	(222)	-47
(Loss)/profit from continuing operations		<b>(1,488)</b>	971		<b>(1,616)</b>	1,152	
<b>Disposal group held for sale /discontinued operation</b>							
Profit from disposal group held for sale, net of tax	21	<b>313</b>	285	10	<b>714</b>	706	1
Profit from discontinued operation, net of tax	22	<b>-</b>	3,335	-100	<b>-</b>	3,439	-100
Profit from disposal group held for sale/discontinued operation, net of tax		<b>313</b>	3,620		<b>714</b>	4,145	
(Loss)/profit for the period attributable to owners of the Company		<b>(1,175)</b>	4,591	-126	<b>(902)</b>	5,297	-117
		<b>Sen</b>	Sen		<b>Sen</b>	Sen	
Basic earnings/(loss) per ordinary share:							
- from continuing operations	38	<b>(0.31)</b>	0.26		<b>(0.34)</b>	0.35	
- from disposal group held for sale/discontinued operation	38	<b>0.07</b>	0.98		<b>0.15</b>	1.27	
		<b>(0.24)</b>	1.24		<b>(0.19)</b>	1.62	

The above unaudited condensed consolidated statements of profit or loss should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

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

**Unaudited Condensed Consolidated Statements of Comprehensive Income**  
**for the second quarter and year-to-date ended 30 June 2019**

	Quarter Ended			Year-To-Date Ended		
	30-Jun-19 RM'000	30-Jun-18 RM'000	%	30-Jun-19 RM'000	30-Jun-18 RM'000	%
(Loss)/profit for the period	<b>(1,175)</b>	4,591	-126	<b>(902)</b>	5,297	-117
Other comprehensive (loss)/income:						
Items that will not be reclassified to profit or loss:						
Fair value changes on financial assets	<b>(230)</b>	368	-163	<b>(324)</b>	330	-198
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translating investment in foreign assets	<b>33</b>	-	100	<b>(258)</b>	-	100
Other comprehensive (loss)/income for the period	<b>(197)</b>	368		<b>(582)</b>	330	
Total comprehensive (loss)/income attributable to owners of the Company	<b>(1,372)</b>	4,959		<b>(1,484)</b>	5,627	

The above unaudited condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

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

**Unaudited Condensed Consolidated Statements of Profit or Loss**  
**for the second quarter ended 30 June 2019**

	<b>Second quarter</b>	Immediate preceding quarter	
	<b>30-Jun-19</b>	31-Mar-19	
	<b>RM'000</b>	RM'000	%
<b>Continuing operations</b>			
Revenue	2,626	2,547	3
Other income	49	51	-4
	<u>2,675</u>	<u>2,598</u>	
Operating expenses	<u>(3,533)</u>	<u>(2,627)</u>	35
Operating loss	<u>(858)</u>	<u>(29)</u>	
Interest expense	(245)	(153)	60
Share of (loss)/profit of equity-accounted joint ventures	(339)	126	-369
Loss before tax	<u>(1,442)</u>	<u>(56)</u>	
Income tax expense	(46)	(72)	-36
Loss from continuing operations	<u>(1,488)</u>	<u>(128)</u>	
<b>Disposal group held for sale</b>			
Profit from disposal group held for sale, net of tax	313	401	-22
(Loss)/profit for the period attributable to owners of the Company	<u>(1,175)</u>	<u>273</u>	-530

The above unaudited condensed consolidated statements of profit or loss should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

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

**Unaudited Condensed Consolidated Statements of Changes in Equity for the year-to-date ended 30 June 2019**

	<-----Non-distributable----->			Distributable		
	Share capital	Foreign currency translation deficit	Fair value through other comprehensive income deficit	General reserve	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2019</b>	107,546	(447)	(442)	2,788	64,690	174,135
Loss for the period	-	-	-	-	(902)	(902)
Other comprehensive loss for the period	-	(258)	(324)	-	-	(582)
Total comprehensive loss for the period	-	(258)	(324)	-	(902)	(1,484)
<b>At 30 June 2019</b>	<b>107,546</b>	<b>(705)</b>	<b>(766)</b>	<b>2,788</b>	<b>63,788</b>	<b>172,651</b>
<b>At 31 December 2017</b>	37,946	-	(156)	2,788	105,039	145,617
Impacts arising from adoption of MFRS 9	-	-	383	-	39	422
<b>At 1 January 2018, as restated</b>	37,946	-	227	2,788	105,078	146,039
Profit for the period	-	-	-	-	5,297	5,297
Other comprehensive income for the period	-	-	330	-	-	330
Total comprehensive income for the period	-	-	330	-	5,297	5,627
Transaction with owners:						
Issuance of shares during the financial period	57,674	-	-	-	-	57,674
Dividend paid during the period	-	-	-	-	(45,769)	(45,769)
	57,674	-	-	-	(45,769)	11,905
<b>At 30 June 2018</b>	95,620	-	557	2,788	64,606	163,571

The above unaudited condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

**ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)**  
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**Unaudited Condensed Consolidated Statements of Cash Flows**  
**for the year-to-date ended 30 June 2019**

	Note	Year-To-Date-Ended	
		30-Jun-19 RM'000	30-Jun-18 RM'000 (Restated)
<b>Cash flows from operating activities</b>			
(Loss)/profit before tax:			
- from continuing operations		(1,498)	1,374
- from disposal group held for sale	21	812	887
- from discontinued operation	22	-	3,439
		<u>(686)</u>	<u>5,700</u>
Adjustments to reconcile profit before tax to net cash flows		(979)	(5,618)
		<u>(1,665)</u>	<u>82</u>
Decrease in operating assets		50,218	2,322
Increase/(decrease) in operating liabilities		9,171	(2,986)
		<u>57,724</u>	<u>(582)</u>
Interest received		3,115	850
Interest paid		(398)	-
Tax refunded		190	-
Tax paid		(350)	(830)
Net cash generated from/(used in) operating activities		<u>60,281</u>	<u>(562)</u>
<b>Cash flows from investing activities</b>			
Investment in joint ventures		-	(62,718)
Net investment/(disposal) of financial assets		(39,800)	15,762
Purchase of property, plant and equipment		(9,709)	(307)
Sale of discontinued operation			
- Proceed from disposal of property, plant and equipment		-	27,280
Net cash used in investing activities		<u>(49,509)</u>	<u>(19,983)</u>
<b>Cash flows from financing activities</b>			
Dividend paid		-	(45,769)
Drawdown of loans and borrowings		9,000	-
Proceeds from issuance of shares		-	57,674
Net cash generated from financing activities		<u>9,000</u>	<u>11,905</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>19,772</b>	<b>(8,640)</b>
<b>Effects of foreign exchange rate changes</b>		<b>-</b>	<b>121</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>13,781</b>	<b>20,825</b>
<b>Cash and cash equivalents at end of the period</b>		<b>33,553</b>	<b>12,306</b>
Cash and cash equivalents comprise:			
Cash and cash equivalents	9	8,320	12,306
Cash and cash equivalents classified as assets held for sale	12	25,233	-
		<u>33,553</u>	<u>12,306</u>

The above unaudited condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

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

**1 Basis of preparation**

These unaudited condensed consolidated interim financial statements ("Condensed Report") has 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. This 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 2018. 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 year ended 31 December 2018.

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 year ended 31 December 2018, except for the following:

Effective for financial 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

The adoption of the above pronouncements, where relevant, did not have any significant effects on the Condensed Report upon their initial application.

The following standards and amendments to standards have been issued by the MASB but are not yet effective and have not been adopted by the Group:

Effective for financial periods commencing on or after 1 January 2020

Amendment to MFRS 3 *Business Combinations - Definition of a Business*

Amendments to MFRS 101 *Presentation of Financial Statements - Definition of Material*

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

Effective for financial 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 *Consolidated Financial Statements* and MFRS 128 *Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The above pronouncements are either not relevant or do not have any material impact on the financial statements of the Group.

## **2 Auditors' report on preceding annual financial statements**

The auditors' report on the audited annual financial statements for the year ended 31 December 2018 was not qualified.

## **3 Seasonality and cyclical factors**

The operations of the Group were not significantly affected by any seasonal or cyclical factors during the current quarter and year-to-date ended 30 June 2019.

## **4 Exceptional items/unusual events**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and year-to-date ended 30 June 2019.

## **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 year-to-date ended 30 June 2019.

## **6 Debt and equity securities**

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter and year-to-date ended 30 June 2019.

## **7 Dividend paid**

There were no dividend paid during the current quarter and year-to-date ended 30 June 2019.

## **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 - general investments and corporate related activities

Rental business within the Investment Holding operating segment was sold in May 2018 (see Note 22).

- (b) Structured Financing - structured lending and financial services related activities

- (c) Hospitality - operating business of Tune Hotel Penang, Tune Hotel Kota Kinabalu and investment in hospitality related business through joint ventures

- (d) Fund Management - unit trust funds and asset management

ECM Libra Financial Group Berhad had on 28 March 2019 entered into a conditional share purchase agreement with Kenanga Investors Berhad for the proposed disposal of the entire equity interest in Libra Invest Berhad, which is the business unit engaged in fund management. Consequently, Fund Management segment has been classified as disposal group held from sale (see Note 21).



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**8 Segmental reporting (cont'd.)**

	Investment Holding RM'000	Structured Financing RM'000	Hospitality RM'000	Fund Management (Disposal group held for sale) RM'000	Part of Investment Holding (Discontinued) RM'000	Inter-segment elimination RM'000	Group total RM'000
<b>Three months ended 30 June 2019</b>							
Revenue	157	628	1,841	3,153	-	-	5,779
Interest income	60	628	-	84	-	-	772
Non-interest income	97	-	1,841	3,069	-	-	5,007
Other income	-	-	49	49	-	-	98
	157	628	1,890	3,202	-	-	5,877
Operating expenses of which:	(1,829)	(17)	(1,687)	(2,916)	-	-	(6,449)
- Depreciation of property, plant and equipment	(48)	-	(25)	(105)	-	-	(178)
Operating (loss)/profit	(1,672)	611	203	286	-	-	(572)
Interest expense	-	-	(245)	-	-	-	(245)
Share of loss of equity-accounted joint ventures	-	-	(339)	-	-	-	(339)
(Loss)/profit before tax	(1,672)	611	(381)	286	-	-	(1,156)
<b>Three months ended 30 June 2018</b>							
Revenue	89	1,152	-	3,462	-	-	4,703
Interest income	34	1,124	-	72	-	-	1,230
Non-interest income	55	28	-	3,390	-	-	3,473
Other income	727	3	-	-	3,532	-	4,262
	816	1,155	-	3,462	3,532	-	8,965
Operating expenses of which:	(1,188)	(20)	-	(3,097)	(197)	-	(4,502)
- Depreciation of property, plant and equipment	(58)	-	-	(83)	-	-	(141)
Operating (loss)/profit	(372)	1,135	-	365	3,335	-	4,463
Share of profit of equity-accounted joint ventures	-	-	292	-	-	-	292
(Loss)/profit before tax	(372)	1,135	292	365	3,335	-	4,755

**ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)**  
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**8 Segmental reporting (cont'd.)**

	Investment Holding RM'000	Structured Financing RM'000	Hospitality RM'000	Fund Management (Disposal group held for sale) RM'000	Part of Investment Holding (Discontinued) RM'000	Inter-segment elimination RM'000	Group total RM'000
<b>Six months ended 30 June 2019</b>							
Revenue	206	1,800	3,184	6,251	-	(17)	11,424
Interest income	109	1,607	-	171	-	(17)	1,870
Non-interest income	97	193	3,184	6,080	-	-	9,554
Other income	-	6	94	49	-	-	149
	<b>206</b>	<b>1,806</b>	<b>3,278</b>	<b>6,300</b>	<b>-</b>	<b>(17)</b>	<b>11,573</b>
Other operating expenses							
Operating expenses of which:	(3,292)	(38)	(2,830)	(5,488)	-	-	(11,648)
- Depreciation of property, plant and equipment	(96)	-	(49)	(195)	-	-	(340)
Operating (loss)/profit	(3,086)	1,768	448	812	-	(17)	(75)
Interest expense	(17)	-	(398)	-	-	17	(398)
Share of loss of equity-accounted joint ventures	-	-	(213)	-	-	-	(213)
(Loss)/profit before tax	<b>(3,103)</b>	<b>1,768</b>	<b>(163)</b>	<b>812</b>	<b>-</b>	<b>-</b>	<b>(686)</b>
<b>Six months ended 30 June 2018</b>							
Revenue	267	2,519	-	7,089	-	-	9,875
Interest income	69	2,227	-	145	-	-	2,441
Non-interest income	198	292	-	6,944	-	-	7,434
Other income	606	5	-	-	3,963	-	4,574
	873	2,524	-	7,089	3,963	-	14,449
Operating expenses of which:	(2,277)	(38)	-	(6,202)	(524)	-	(9,041)
- Depreciation of property, plant and equipment	(117)	-	-	(165)	-	-	(282)
Operating (loss)/profit	(1,404)	2,486	-	887	3,439	-	5,408
Interest expense	-	-	-	-	-	-	-
Share of profit of equity-accounted joint ventures	-	-	292	-	-	-	292
(Loss)/profit before tax	<b>(1,404)</b>	<b>2,486</b>	<b>292</b>	<b>887</b>	<b>3,439</b>	<b>-</b>	<b>5,700</b>

**ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)**  
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**8 Segmental reporting (cont'd.)**

	Investment Holding RM'000	Structured Financing RM'000	Hospitality RM'000	Fund Management (Disposal group held for sale) RM'000	Inter- segment elimination RM'000	Group total RM'000
<b>Assets and liabilities as at 30 June 2019</b>						
Segment assets	69,747	7,330	23,650	30,662	-	131,389
Investment in joint ventures	-	-	67,066	-	-	67,066
Additions of leased equipment	-	-	-	189	-	189
Additions to property, plant and equipment	-	-	9,520	-	-	9,520
Total assets	<b>69,747</b>	<b>7,330</b>	<b>100,236</b>	<b>30,851</b>	<b>-</b>	<b>208,164</b>
Total liabilities	<b>363</b>	<b>75</b>	<b>20,005</b>	<b>15,070</b>	<b>-</b>	<b>35,513</b>
<b>Assets and liabilities as at 31 December 2018</b>						
Segment assets	23,344	58,171	2,862	16,049	-	100,426
Investment in joint ventures	-	-	67,537	-	-	67,537
Additions to property, plant and equipment	942	-	22,206	360	-	23,508
Total assets	<b>24,286</b>	<b>58,171</b>	<b>92,605</b>	<b>16,409</b>	<b>-</b>	<b>191,471</b>
Total liabilities	<b>1,765</b>	<b>94</b>	<b>11,202</b>	<b>4,275</b>	<b>-</b>	<b>17,336</b>

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**9 Cash and cash equivalents**

	<b>30-Jun-19</b>	31-Dec-18
	<b>RM'000</b>	RM'000
Cash and balances with banks and other financial institutions	<b>532</b>	4,551
Deposit placements maturing within two months	<b>7,788</b>	9,230
	<b>8,320</b>	13,781

**10 Financial assets at fair value through other comprehensive income**

	<b>30-Jun-19</b>	31-Dec-18
	<b>RM'000</b>	RM'000
<b>In Malaysia</b>		
Quoted shares	<b>330</b>	470
Unquoted investment	<b>13,350</b>	13,350
<b>Outside Malaysia</b>		
Quoted shares	<b>-</b>	183
Unquoted investment	<b>7,350</b>	7,350
	<b>21,030</b>	21,353

**11 Financial assets at fair value through profit or loss**

	<b>30-Jun-19</b>	31-Dec-18
	<b>RM'000</b>	RM'000
<b>In Malaysia</b>		
Unit trust funds	<b>39,897</b>	-

**12 Disposal Group held for sale**

Libra Invest Berhad ("LIB") is presented as a disposal group held for sale following the commitment of ECM Libra Financial Group Berhad, on 28 March 2019, to a conditional share purchase agreement for the proposed disposal of the entire equity interest in LIB to Kenanga Investors Berhad.

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**12 Disposal Group held for sale (cont'd.)**

As at 30 June 2019, the assets and liabilities of LIB are as follows:

	Note	30-Jun-19 RM'000
<b>Assets classified as held for sale</b>		
Cash and cash equivalents		25,233
Tax recoverable		211
Other receivables		925
Trade receivables		2,912
Property, plant and equipment	a	1,570
		<u>30,851</u>
<b>Liabilities classified as held for sale</b>		
Other payables		2,710
Trade payables		12,121
Finance lease liabilities		106
Deferred tax liabilities		133
		<u>15,070</u>

**Note a**

Property, plant and equipment held for sale comprise the following:

	30-Jun-19 RM'000
Cost	4,517
Accumulated depreciation	(2,947)
	<u>1,570</u>

**13 Trade and other receivables**

	30-Jun-19 RM'000	31-Dec-18 RM'000
Trade receivables	70	2,019
Other receivables	1,029	3,196
Prepayments	206	268
	<u>1,305</u>	<u>5,483</u>

**ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)**  
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**14 Loans, advances and financing**

	<b>30-Jun-19</b>	31-Dec-18
	<b>RM'000</b>	RM'000
Term loans, representing gross loans, advances and financing	<b>6,738</b>	57,903
<b><u>Analysis of gross loans, advances and financing</u></b>		
<b>By economic purpose</b>		
Investments	<b>6,738</b>	17,903
Others	-	40,000
Gross loans, advances and financing	<b>6,738</b>	57,903
<b>By interest rate sensitivity</b>		
Fixed rate, representing gross loans, advances and financing	<b>6,738</b>	57,903
<b>By type of customer</b>		
Domestic business enterprise	<b>6,738</b>	17,903
Individual	-	40,000
Gross loans, advances and financing	<b>6,738</b>	57,903
<b>By residual contractual maturity</b>		
Within one year, representing gross loans, advances and financing	<b>6,738</b>	57,903

**Allowance for expected credit losses**

There is no movement in the allowance for expected credit losses during the quarter ended 30 June 2019. The Group has not recognised any loss allowance as the loans, advances and financing are supported by collateral such as equity instruments held as securities and other credit enhancement.

**15 Property, plant and equipment**

During the quarter ended 30 June 2019, the Group completed the acquisition of a new property known as Tune Hotel Kota Kinabalu for a cash consideration of RM9.0 million.

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

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**16 Loans and borrowings**

	<b>30-Jun-19</b>	31-Dec-18
	<b>RM'000</b>	RM'000
<b>Long term borrowings</b>		
<b>Secured</b>		
Floating rate term loan	<b>18,941</b>	9,941

The term loan increased by RM9.0 million was attributed to the loan drawdown for the acquisition of Tune Hotel Kota Kinabalu.

The term loan bears interest rate at the bank's base lending rate less 0.75%, which is currently at 5.97% for the second quarter ended 30 June 2019. The remaining maturities of the term loan as at reporting date are as follows:

	<b>30-Jun-19</b>	31-Dec-18
	<b>RM'000</b>	RM'000
On demand or within one year	-	-
More than 1 year and less than 2 years	<b>551</b>	-
More than 2 years and less than 5 years	<b>9,795</b>	2,755
5 to 10 years	<b>8,595</b>	7,186
	<b>18,941</b>	9,941

**17 Revenue**

	<b>Quarter Ended</b>			<b>Year-To-Date-Ended</b>		
	<b>30-Jun-19</b>	30-Jun-18	%	<b>30-Jun-19</b>	30-Jun-18	%
	<b>RM'000</b>	RM'000		<b>RM'000</b>	RM'000	
		(Restated)			(Restated)	
<b>Interest income</b>						
Loans, advances and financing	<b>627</b>	1,124	-44	<b>1,605</b>	2,227	-28
Short-term funds and deposits with financial institutions	<b>61</b>	34	79	<b>94</b>	69	36
	<b>688</b>	1,158		<b>1,699</b>	2,296	
<b>Investment income</b>						
Net gains on financial assets at fair value through profit or loss						
- Income distribution from unit trust funds	<b>97</b>	1	100	<b>97</b>	126	-23
- Net gain on disposal	<b>-</b>	54	-100	<b>-</b>	72	-100
	<b>97</b>	55		<b>97</b>	198	

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**17 Revenue (cont'd.)**

	Quarter Ended			Year-To-Date-Ended		
	30-Jun-19	30-Jun-18	%	30-Jun-19	30-Jun-18	%
	RM'000	RM'000		RM'000	RM'000	
		(Restated)			(Restated)	
<b>Other revenue</b>						
Revenue from hotel operations	1,841	-	100	3,184	-	100
Fee income	-	28	-100	193	292	-34
	<u>1,841</u>	<u>28</u>		<u>3,377</u>	<u>292</u>	
<b>Total revenue</b>	<u>2,626</u>	<u>1,241</u>		<u>5,173</u>	<u>2,786</u>	

**18 Other income**

	Quarter Ended			Year-To-Date-Ended		
	30-Jun-19	30-Jun-18	%	30-Jun-19	30-Jun-18	%
	RM'000	RM'000		RM'000	RM'000	
		(Restated)			(Restated)	
Rental income	43	-	100	76	-	100
Loss on foreign exchange translation	(1)	-	100	-	(121)	-100
Gain on bargain purchase from investment in joint venture	-	728	-100	-	728	-100
Others	7	2	250	24	4	500
	<u>49</u>	<u>730</u>		<u>100</u>	<u>611</u>	

**19 Operating expenses**

	Quarter Ended			Year-To-Date-Ended		
	30-Jun-19	30-Jun-18	%	30-Jun-19	30-Jun-18	%
	RM'000	RM'000		RM'000	RM'000	
		(Restated)			(Restated)	
Personnel expenses	1,505	850	77	2,952	1,644	80
Depreciation of property, plant and equipment	73	58	26	145	117	24
Rental of premises	34	14	143	85	14	507
Water and electricity	219	-	100	378	-	100
General repairs and maintenance	167	-	100	276	-	100
Hotel management expenses	787	-	100	1,279	-	100
Auditors' remuneration	17	14	21	34	28	21
Professional fees and expenses	329	94	250	366	96	281
Others	402	178	126	645	416	55
	<u>3,533</u>	<u>1,208</u>		<u>6,160</u>	<u>2,315</u>	



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**19 Operating expenses (cont'd.)**

The overall increase in operating expenses of RM2.32 million from RM1.21 million to RM3.53 million for the current quarter ended 30 June 2019 and RM3.84 million from RM2.32 million to RM6.16 million for the year-to-date ended 30 June 2019 were attributed largely to the commencement of hospitality business.

There were no provision for or write off of receivables, provision for or write off of inventories, impairment of assets and other exceptional items during the current quarter and year-to-date ended 30 June 2019 except for professional fees and expenses of RM294,000 incurred for the Proposed Disposal of Libra Invest Berhad (as disclosed in Note 31.2).

**20 Income tax expense**

	Quarter Ended			Year-To-Date-Ended		
	30-Jun-19 RM'000	30-Jun-18 RM'000 (Restated)	%	30-Jun-19 RM'000	30-Jun-18 RM'000 (Restated)	%
<b>Continuing operations</b>						
<b>Income tax</b>						
Current period's provision	<b>46</b>	84	-45	<b>118</b>	222	-47
<b>Disposal group held for sale/ discontinued operation</b>						
<b>Income tax</b>						
Current period's provision	<b>(9)</b>	80	-111	<b>116</b>	181	-36
Over provision of income tax in prior years	<b>(46)</b>	-	100	<b>(46)</b>	-	100
<b>Deferred tax</b>						
Relating to origination and reversal of temporary differences	<b>25</b>	-	100	<b>25</b>	-	100
Under provision of deferred tax in prior years	<b>3</b>	-	100	<b>3</b>	-	100
	<b>(27)</b>	<b>80</b>		<b>98</b>	<b>181</b>	
Total income tax expense	<b>19</b>	<b>164</b>		<b>216</b>	<b>403</b>	

The Group's effective tax rate for the current quarter ended 30 June 2019 was higher than the statutory tax rate due to certain expenses were not tax deductible.

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**21 Disposal group held for sale**

On 28 March 2019, ECM Libra Financial Group Berhad entered into a conditional share purchase agreement ("SPA") with Kenanga Investors Berhad for the proposed disposal of the entire equity interest in Libra Invest Berhad for a provisional cash consideration of RM50,070,000, subject to adjustments set out in the SPA.

Libra Invest Berhad, a wholly owned subsidiary, was not a discontinued operation or classified as held for sale as at 30 June 2018 and the comparative consolidated statement of profit or loss has been re-presented to show the disposal group held for sale separately from continuing operations.

Profit attributable to the disposal group held for sale was as follow:

	Quarter Ended			Year-To-Date-Ended		
	30-Jun-19	30-Jun-18		30-Jun-19	30-Jun-18	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	<b>3,153</b>	3,462	-9	<b>6,251</b>	7,089	-12
Other income	<b>49</b>	-	100	<b>49</b>	-	100
	<b>3,202</b>	3,462		<b>6,300</b>	7,089	
Operating expenses	<b>(2,916)</b>	(3,097)	-6	<b>(5,488)</b>	(6,202)	-12
Profit before tax	<b>286</b>	365		<b>812</b>	887	
Income tax expense (Note 20)	<b>27</b>	(80)	-134	<b>(98)</b>	(181)	-46
Profit for the period	<b>313</b>	285		<b>714</b>	706	
Included in profit before tax are:						
- Depreciation of property, plant and equipment	<b>105</b>	83	27	<b>195</b>	165	18

The profit from disposal group held for sale for the year-to-date ended 30 June 2019 of RM714,000 (30 June 2018: RM706,000) is attributable entirely to owners of the Company.

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**22 Discontinued operation**

The sale and purchase agreements for the disposal of 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, were completed on 8 May 2018. Consequently, the rental business in relation to east wing and centre wing of Bangunan ECM Libra was presented as discontinued operation in the previous financial year ended 31 December 2018.

Profit attributable to the discontinued operation was as follow:

	Quarter Ended			Year-To-Date-Ended		
	30-Jun-19 RM'000	30-Jun-18 RM'000	%	30-Jun-19 RM'000	30-Jun-18 RM'000	%
Other income	-	200	-100	-	631	-100
Gain on sale of discontinued operation	-	3,332	-100	-	3,332	-100
Net operating income	-	3,532		-	3,963	
Operating expenses	-	(197)	-100	-	(524)	-100
Profit before tax	-	3,335		-	3,439	
Income tax expense	-	-		-	-	
Profit for the period	-	3,335		-	3,439	

**23 Changes in the composition of the Group**

On 28 March 2019, ECM Libra Financial Group Berhad formed a joint venture, by incorporating a company in Singapore known as Ormond Group Pte Ltd held in equal proportion (50:50) with Plato Capital Limited.

On 28 March 2019, ECM Libra Financial Group Berhad entered into a conditional share purchase agreement with Kenanga Investors Berhad for the proposed disposal of the entire equity interest in Libra Invest Berhad, which is the business unit engaged in fund management, that constituted one of the four reportable operating segments of the Group.

There were no other material changes in the composition of the Group for the quarter ended 30 June 2019.

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**24 Commitments**

	<b>30-Jun-19</b>	31-Dec-18
	<b>RM'000</b>	RM'000
<b>Approved and contracted for</b>		
Proposed acquisition of Tune Hotel Kota Kinabalu	-	8,100
Proposed acquisition of Tune Hotel KLIA Aeropolis	<b>833</b>	833
Rental expenses	<b>187</b>	297
	<hr/>	<hr/>
<b>Joint venture</b>		
Share of capital commitment of the joint venture	-	614
	<hr/>	<hr/>

**25 Related party disclosures**

All related party transactions and balances within the Group had been entered into in the normal course of business and were carried out on normal commercial terms.

**26 Contingent assets and liabilities**

As at 30 June 2019, the Group does not have any contingent assets and liabilities.

**27 Valuation of property, plant and equipment**

There was no valuation of property, plant and equipment of the Group in the current quarter ended 30 June 2019.

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**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");
- (iii) Financial assets at fair value through profit for loss ("FVPL"); and
- (iv) Financial liabilities measured at amortised cost ("FL").

	<b>Carrying amount</b>	<b>FA</b>	<b>FVOCI</b>	<b>FVPL</b>	<b>FL</b>
<b>30-Jun-19</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Financial assets</b>					
Cash and cash equivalents	8,320	8,320	-	-	-
Financial assets at fair value through other comprehensive income	21,030	-	21,030	-	-
Financial assets at fair value through profit or loss	39,897	-	-	39,897	-
Loans, advances and financing	6,738	6,738	-	-	-
Trade and other receivables	1,099	1,099	-	-	-
	<b>77,084</b>	<b>16,157</b>	<b>21,030</b>	<b>39,897</b>	<b>-</b>
<b>Financial liabilities</b>					
Trade and other payables	(1,397)	-	-	-	(1,397)
Loans and borrowings	(18,941)	-	-	-	(18,941)
	<b>(20,338)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20,338)</b>
<b>31-Dec-18</b>					
<b>Financial assets</b>					
Cash and cash equivalents	13,781	13,781	-	-	-
Financial assets at fair value through other comprehensive income	21,353	-	21,353	-	-
Loans, advances and financing	57,903	57,903	-	-	-
Trade and other receivables	5,215	5,215	-	-	-
	<b>98,252</b>	<b>76,899</b>	<b>21,353</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>					
Trade and other payables	(7,163)	-	-	-	(7,163)
Loans and borrowings	(9,941)	-	-	-	(9,941)
	<b>(17,104)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(17,104)</b>

**28 Financial instruments (cont'd.)**

**(b) Financial assets that are carried at fair value**

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.

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 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:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>30-Jun-19</b>				
<b>Financial assets</b>				
Financial assets at fair value				
through other comprehensive income				
- Quoted shares	330	-	-	330
- Unquoted investments	-	-	20,700	20,700
Financial assets at fair value				
through profit or loss				
- Unit trust funds	-	39,897	-	39,897
	<b>330</b>	<b>39,897</b>	<b>20,700</b>	<b>60,927</b>
<b>31-Dec-18</b>				
<b>Financial assets</b>				
Financial assets at fair value				
through other comprehensive income				
- Quoted shares	653	-	-	653
- Unquoted investments	-	-	20,700	20,700
	<b>653</b>	<b>-</b>	<b>20,700</b>	<b>21,353</b>

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the second quarter ended 30 June 2019 (2018: None).

**28 Financial instruments (cont'd.)**

**(b) Financial assets that are carried at fair value (cont'd.)**

**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.

**(c) Financial assets that are not carried at fair value**

The carrying amount of financial assets and financial liabilities at amortised cost are reasonable approximation of their fair values.

**29 Event after the reporting period**

Other than the completion of the Proposed Disposal of Libra Invest Berhad on 8 July 2019 and the Proposed Acquisition of Hospitality Assets as disclosed in Note 31.2 and 31.3 respectively, there was no other material event subsequent to 30 June 2019.

**30 Significant event during the reporting period**

Other than the acquisition of Tune Hotel Kota Kinabalu as disclosed in Note 31.1, there was no other significant event during the quarter and year-to-date ended 30 June 2019.

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

**31 Status of corporate proposals announced**

**31.1 Proposed Tune Hotels Acquisitions**

At the Extraordinary General Meeting of the Company held on 12 December 2017, shareholders approved inter alia the following:

(a) Proposed acquisitions of:

- 50% equity interest in TP Sepang Sdn Bhd (now known as OHG Services Sdn Bhd), TP International Pty Ltd, Yummy Kitchen Sdn Bhd (now known as Ormond Lifestyle Services 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 ("Proposed Tune Hotels Acquisitions");

for an aggregated purchase consideration of RM88.60 million to be satisfied by a combination of RM19.00 million cash and 193,333,332 new ordinary shares in the Company to be issued;

- (b) 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 RM28.00 million ("Proposed Disposals"); and
- (c) Proposed special dividend, subject to the Proposed Disposals becoming unconditional ("Proposed Special Dividend").

The Proposed Acquisitions from TPRE, the acquisition of Tune Hotel Penang, the Proposed Disposals and the Proposed Special Dividend totalling RM45.77 million were completed in previous financial year ended 31 December 2018.

On 29 April 2019, the Company announced that the acquisition of Tune Hotel KK has been completed. As at 29 August 2019, the Tune Hotel KLIA Aeropolis's Sales and Purchase Agreement is still pending completion.

**31.2 Proposed Disposal of Libra Invest Berhad**

On 28 March 2019, the Company (as seller) announced that it entered into a conditional share purchase agreement ("SPA") with Kenanga Investors Berhad (as purchaser) in relation to the proposed disposal of 6,500,000 ordinary shares representing 100% equity interest in Libra Invest Berhad ("Sale Shares") for a provisional cash consideration of RM50.07 million, subject to adjustments and upon the terms and conditions as set out in the share purchase agreement ("Proposed Disposal").



### **31 Status of corporate proposals announced (cont'd)**

#### **31.2 Proposed Disposal of Libra Invest Berhad (cont'd.)**

Libra Invest Berhad is a fund management company licensed under the Capital Markets and Services Act, 2007. The Proposed Disposal is subject to:

- (a) approval by shareholders of the Company;
- (b) the approval of the Securities Commission Malaysia; and
- (c) the approval of Bank Negara Malaysia for the purchase of the Sale Shares by Kenanga Investors Berhad.

On 11 April 2019, an application in relation to the Proposed Disposal was submitted to the Securities Commission Malaysia. On 3 June 2019, the Company announced that the Securities Commission Malaysia has, vide its letter dated 31 May 2019, approved the said application, subject to the condition that the proposed change of shareholder shall not:

- (a) adversely affect the soundness of Libra Invest Berhad's business; and
- (b) adversely affect the interest of the clients of Libra Invest Berhad.

On 27 June 2019, the Company announced that following the shareholder's approval on 27 June 2019, all conditions precedent of the SPA have been fulfilled and hence, the SPA has become unconditional.

On 8 July 2019, the Company announced that completion of the SPA has occurred in accordance with the terms of the SPA, and the balance of the provisional disposal consideration of RM45.27 million was paid by purchaser on even date. Following the completion, Libra Invest Berhad ceased to be a subsidiary of the Company. The adjustment relating to the provisional cash consideration amounted to RM0.55 million and was paid by the purchaser on 27 August 2019.

#### **31.3 Proposed Acquisition of Hospitality Assets**

On 8 August 2019, the Company announced that ECML Hotels Sdn Bhd, a wholly-owned subsidiary of the Company, had on even date entered into a conditional sale and purchase agreement ("SPA") with Tune Hotels Sdn Bhd for the proposed acquisition of:

- (a) a piece of land together with a 7-storey limited-service hotel known as "Tune Hotel @ Danga Bay" comprising 218 hotel rooms;
- (b) two pieces of land in Bandar Kuala Lumpur together with an existing structure which is being re-developed into two hotels to be known as "The Chow Kit", an Ormond hotel comprising 113 hotel rooms and "MoMo's Kuala Lumpur" comprising 99 hotel rooms and one piece of vacant land; and
- (c) hospitality businesses (as defined therein)

for a total cash consideration of RM62.04 million upon the terms and conditions as set out in the SPA. (collectively referred to as "Proposed Acquisition of Hospitality Assets")

**31 Status of corporate proposals announced (cont'd)**

**31.3 Proposed Acquisition of Hospitality Assets (cont'd.)**

The Proposed Acquisition of Hospitality Assets is subject to the approvals being obtained from:

- (a) the non-interested shareholders of the Company at an extraordinary general meeting to be convened; and
- (b) any other relevant authorities or parties, if required

Other than the above, there are no corporate proposals announced but not completed as at 29 August 2019.

**32 Operating segments review**

Performance review of continuing operations and disposal group held for sale/discontinued operation are presented separately following the proposed disposal of Libra Invest Berhad and disposal of the east wing and centre wing of Bangunan ECM Libra and the semi-detached residential property as disclosed in Note 21 and Note 22.

**Q2 FY2019 vs. Q2 FY2018**

**(a) Continuing operations**

Loss before tax for the quarter ended 30 June 2019 ("Q2 FY2019") was RM1.44 million, a decrease of RM2.50 million from a profit before tax of RM1.06 million in the previous corresponding quarter ended 30 June 2018 ("Q2 FY2018").

The decrease in profit was mainly due to non-recurring gain on bargain purchase from investment in joint venture of RM0.73 million in Q2 FY2018, increase in share of loss of equity-accounted joint ventures by RM0.63 million and interest expense of RM0.25 million.

Furthermore, the decrease was also caused by lower interest income from loans, advances and financing by RM0.50 million in Q2 FY2019 due to lower loan portfolio and professional fees of RM0.29 million incurred for the proposed disposal of Libra Invest Berhad (as disclosed in Note 31.2) in Q2 FY2019.

Other comprehensive loss of the Group for Q2 FY2019 was RM0.20 million, higher loss of RM0.57 million when compared to other comprehensive income of RM0.37 million in Q2 FY2018. This was mainly due to fair value loss resulted from a drop in the market value of quoted shares.

**32 Operating segments review (cont'd.)**

**Q2 FY2019 vs. Q2 FY2018 (cont'd.)**

**(a) Continuing operations (cont'd.)**

The performance of the respective operating business segments for the Q2 FY2019 as compared to Q2 FY2018 is analysed as follows:

**(i) Investment Holding**

Loss before tax from Investment Holding segment increased by RM1.30 million to RM1.67 million loss in Q2 FY2019 compared to RM0.37 million loss in Q2 FY2018, mainly due to non-recurring gain on bargain purchase from investment in joint venture of RM0.73 million in Q2 FY2018 and professional fees of RM0.29 million incurred for the proposed disposal of Libra Invest Berhad.

**(ii) Structured Financing**

Gross loans, advances and financing portfolio decreased by RM50.19 million to RM6.74 million as at 30 June 2019 from RM56.93 million as at 30 June 2018 has resulted in a drop in profit before tax from RM1.14 million in Q2 FY2018 to RM0.61 million in Q2 FY2019.

**(iii) Hospitality**

Hospitality segment commenced following the completion of the acquisitions from TPRE, acquisition of Tune Hotel Penang and Tune Hotel Kota Kinabalu as disclosed in Note 31.1. In Q2 FY2019, Hospitality segment recorded a loss before tax of RM0.38 million as compared to a profit before tax of RM0.29 million in Q2 FY2018 mainly due to interest expense of RM0.25 million and share of loss of equity-accounted joint ventures of RM0.34 million in Q2 FY2019 from a share of profit of RM0.29 million.

**(b) Disposal group held for sale/discontinued operation**

Profit attributable to Fund Management segment was classified under disposal group held for sale following the commitment of ECM Libra Financial Group Berhad, on 28 March 2019, to a conditional share purchase agreement for the proposed disposal of the entire equity interest in Libra Invest Berhad.

Profit before tax decreased by RM0.07 million to RM0.29 million in Q2 FY2019 from RM0.37 million in Q2 FY2018, which was mainly due to lower portfolio management fee income by RM0.32 million, offset with lower operating expenses by RM0.18 million.

The rental business, which was part of the Investment Holding segment and classified as discontinued operation, ceased to generate income following the completion of disposal of the east wing and centre wing of Bangunan ECM Libra on 8 May 2018.

**32 Operating segments review (cont'd.)**

**6M FY2019 vs. 6M FY2018**

**(a) Continuing operations**

Loss before tax for the year-to-date ended 30 June 2019 ("6M FY2019") was RM1.50 million, a decrease of RM2.87 million from a profit before tax of RM1.37 million in the preceding year-to-date ended 30 June 2018 ("6M FY2018").

The decrease in profit was mainly due to a non-recurring gain on bargain purchase from investment in joint venture of RM0.73 million in 6M FY2018, increase in share of loss of equity-accounted joint ventures by RM0.50 million and interest expense of RM0.40 million.

Furthermore, the decrease was also caused by lower interest income from loans, advances and financing by RM0.62 million in 6M FY2019 due to lower loan portfolio and professional fees of RM0.29 million incurred for the proposed disposal of Libra Invest Berhad (as disclosed in Note 31.2) in 6M FY2019.

Other comprehensive loss of the Group for 6M FY2019 was RM0.58 million, higher loss of RM0.91 million when compared to other comprehensive income of RM0.33 million in 6M FY2018. This was mainly due to fair value loss resulted from a drop in the market value of quoted shares of RM0.65 million and foreign exchange losses on investment in financial assets of RM0.26 million.

The performance of the respective operating business segments for the 6M FY2019 as compared to 6M FY2018 is analysed as follows:

**(i) Investment Holding**

The Investment Holding segment recorded a loss before tax of RM3.10 million for 6M FY2019 as compared to a loss before tax of RM1.40 million in 6M FY2018, the higher loss was mainly due to increase in operating expenses of RM1.02 million resulted from higher staff related costs and the non-recurring gain on bargain purchase from investment in joint venture of RM0.73 million in 6M FY2018.

**(ii) Structured Financing**

Gross loan, advances and financing portfolio decreased by RM50.19 million to RM6.74 million as at 30 June 2019 from RM56.93 million as at 30 June 2018 has resulted in a drop in the profit before tax from RM2.49 million in 6M FY2018 to RM1.77 million in 6M FY2019.

**(iii) Hospitality**

Hospitality segment commenced following the completion of the acquisitions from TPRE, acquisition of Tune Hotel Penang and Tune Hotel Kota Kinabalu as disclosed in Note 31.1. In 6M FY2019, Hospitality segment recorded a loss before tax of RM0.16 million from a profit before tax of RM0.29 million in 6M FY2018 mainly due to interest expense of RM0.40 million and share of loss of equity-accounted joint ventures of RM0.21 million in 6M FY2019 from a share of profit of RM0.29 million.

**32 Operating segments review (cont'd.)**

**6M FY2019 vs. 6M FY2018 (cont'd.)**

**(b) Disposal group held for sale/discontinued operation**

Profit attributable to Fund Management segment was classified under disposal group held for sale following the commitment of ECM Libra Financial Group Berhad, on 28 March 2019, to a conditional share purchase agreement for the proposed disposal of the entire equity interest in Libra Invest Berhad.

Profit before tax decreased by RM0.07 million to RM0.81 million in 6M FY2019 from RM0.88 million in 6M FY2018.

The rental business, which was part of the Investment Holding segment and classified as discontinued operation, ceased to generate income following the completion of disposal of the east wing and centre wing of Bangunan ECM Libra on 8 May 2018.

**33 Review of performance of current financial quarter against immediate preceding financial quarter**

**(a) Continuing operations**

Loss before tax for the quarter ended 30 June 2019 ("Q2 FY2019") was RM1.44 million, an increase of RM1.38 million compared to loss before tax of RM0.06 million in the preceding quarter ended 31 March 2019 ("Q1 FY2019").

The increase in loss before tax was mainly due to lower profit before tax from Structured Financing segment of RM0.55 million caused by lower loan portfolio and a higher share of loss of equity-accounted joint ventures of RM0.34 million in Q2 FY2019 from a share of profit of RM0.13 million in Q1 FY2019.

Performance of the respective operating business segments for Q2 FY2019 compared to Q1 FY2019 is analysed as follows:

**(i) Investment Holding**

The Investment Holding segment reported a loss before tax of RM1.67 million in Q2 FY2019 compared to a loss before tax of RM1.43 million in Q1 FY2019, mainly due to professional fees of RM0.29 million incurred for the proposed disposal of Libra Invest Berhad (as disclosed in Note 31.2) in Q2 FY2019.

**(ii) Structured Financing**

Gross loans, advances and financing portfolio decreased by RM40 million to RM6.74 million as at 30 June 2019 from RM46.74 million as at 31 March 2019 has resulted in a decrease in the profit before tax from RM1.16 million in Q1 FY2019 to RM0.61 million in Q2 FY2019.

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

**(a) Continuing operations (cont'd.)**

**(iii) Hospitality**

Hospitality segment recorded a loss before tax of RM0.38 million in Q2 FY2019 as compared to a profit before tax of RM0.22 million in Q1 FY2019 mainly due to the decrease in share of profit of equity-accounted joint ventures by RM0.47 million.

**(b) Disposal group held for sale/discontinued operation**

Profit before tax decreased by RM0.24 million to RM0.29 million in Q2 FY2019 from RM0.53 million in Q1 FY2019, mainly due to higher operating expenses of RM2.91 million in Q2 FY2019 as compared to RM2.58 million in Q1 FY2019 caused by higher staff related costs.

**34 Group's prospects**

The Group has diversified the existing business activities to include hospitality related business through acquisitions from TPRE, acquisition of Tune Hotel Penang and Tune Hotel Kota Kinabalu as disclosed in Note 31.1 and the Proposed Acquisition of Hospitality Assets as disclosed in Note 31.3. The disposal of Libra Invest Berhad completed on 8 July 2019 has resulted in cessation of income stream from fund management. The proceeds from the disposal of Libra Invest Berhad would be reinvested into the hospitality related business and other business opportunities to be identified.

**35 Profit forecast**

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

**36 Dividend**

No dividend has been proposed for the current quarter ended 30 June 2019.

**37 Material litigations**

The Group does not have any material litigation which would materially and adversely affect the financial position of the Group.

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**38 Earnings/(loss) per ordinary share**

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

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

	Quarter Ended			Year-To-Date-Ended		
	30-Jun-19	30-Jun-18 (Restated)	%	30-Jun-19	30-Jun-18 (Restated)	%
(Loss)/profit for the period attributable to owners of the Company (RM'000):						
- from continuing operations	<b>(1,488)</b>	971	(253)	<b>(1,616)</b>	1,152	(240)
- from disposal group held for sale/discontinued operation	<b>313</b>	3,620	(91)	<b>714</b>	4,145	(83)
Weighted average number of ordinary shares in issue ('000)	<b>479,926</b>	367,576		<b>479,926</b>	327,308	
Basic earnings/(loss) per ordinary share (sen):						
- from continuing operations	<b>(0.31)</b>	0.26		<b>(0.34)</b>	0.35	
- from disposal group held for sale/discontinued operation	<b>0.07</b>	0.98		<b>0.15</b>	1.27	
	<b>(0.24)</b>	1.24		<b>(0.19)</b>	1.62	

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

The diluted earnings/(loss) per ordinary share for the current quarter and year-to-date ended 30 June 2019 was not presented as there is no potential dilutive ordinary share.

**Date: 29 August 2019**