

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)**Audited Condensed Consolidated Financial Statements for the quarter and year ended 31 December 2018****Audited Condensed Consolidated Statement of Financial Position as at 31 December 2018**

	Note	31-Dec-18 RM'000	31-Dec-17 RM'000
ASSETS			
Cash and cash equivalents	9	13,781	20,825
Available-for-sale financial assets	10	-	38,029
Financial assets at fair value through other comprehensive income	11	21,353	-
Assets classified as held for sale	12	-	24,438
Tax recoverable		596	180
Other assets		3,464	3,821
Trade receivables	13	2,019	1,910
Inventories		74	-
Loans, advances and financing	14	57,903	59,071
Deferred tax assets		-	250
Investment in joint ventures		67,537	-
Property, plant and equipment	15	24,744	2,438
TOTAL ASSETS		191,471	150,962
LIABILITIES AND EQUITY			
LIABILITIES			
Liabilities classified as held for sale	12	-	728
Tax payable		123	209
Other liabilities		5,065	3,134
Trade payables		2,098	1,274
Deferred tax liabilities		109	-
Loans and borrowings	16	9,941	-
TOTAL LIABILITIES		17,336	5,345
EQUITY			
Share capital		107,546	37,946
Reserves		66,589	107,671
TOTAL EQUITY		174,135	145,617
TOTAL LIABILITIES AND EQUITY		191,471	150,962
Net assets per share (RM)		0.36	0.51

The above audited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

**Audited Condensed Consolidated Statements of Profit or Loss
for the quarter and year ended 31 December 2018**

	Note	Quarter ended		%	Year ended		%
		31-Dec-18 RM'000	31-Dec-17 RM'000		31-Dec-18 RM'000	31-Dec-17 RM'000	
Continuing operations							
Revenue	17	5,428	5,163	5	19,596	20,208	-3
Other income/(expenses)	18	46	(165)	128	557	(149)	474
Operating costs		(688)	(595)	16	(1,827)	(1,719)	6
Net operating income		4,786	4,403		18,326	18,340	
Other operating expenses	19	(4,876)	(4,822)	1	(16,906)	(16,215)	4
Operating (loss)/profit		(90)	(419)		1,420	2,125	
Interest expense		(160)	-	100	(160)	-	100
Share of profit of equity- accounted joint ventures		35	-	100	1,545	-	100
(Loss)/profit before tax		(215)	(419)		2,805	2,125	
Income tax expense	20	(471)	(166)	184	(1,108)	(1,155)	-4
(Loss)/profit from continuing operations		(686)	(585)		1,697	970	
Discontinued operation							
Profit/(loss) from discontinued operation	21	-	38	-100	3,439	(96)	-3682
(Loss)/profit for the period/ year attributable to owners of the Company		(686)	(547)	25	5,136	874	488
Basic (loss)/earnings per ordinary share:		Sen	Sen		Sen	Sen	
- from continuing operations	34	(0.14)	(0.20)		0.43	0.34	
- from discontinued operation	34	-	0.01		0.87	(0.03)	
		(0.14)	(0.19)		1.30	0.31	

The above audited condensed consolidated statement of profit or loss should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

**Audited Condensed Consolidated Statements of Comprehensive Income
for the quarter and year ended 31 December 2018 (cont'd.)**

	Quarter ended			Year ended			
	Note	31-Dec-18 RM'000	31-Dec-17 RM'000	%	31-Dec-18 RM'000	31-Dec-17 RM'000	%
(Loss)/profit for the period/year		(686)	(547)	25	5,136	874	488
Other comprehensive (loss)/income:							
Items that will not be reclassified to profit or loss:							
Fair value changes of financial assets		(375)	69	-643	(247)	434	-157
Items that may be reclassified subsequently to profit or loss:							
Exchange differences on translating foreign operations		(653)	-	100	(447)	-	100
Other comprehensive (loss)/income for the period/year		(1,028)	69		(694)	434	
Total comprehensive (loss)/income for the period/year attributable to owners of the Company		(1,714)	(478)		4,442	1,308	

The above audited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)**Audited Condensed Consolidated Financial Statements for the quarter and year ended 31 December 2018****Audited Condensed Consolidated Statements of Profit or Loss for the quarter ended 31 December 2018**

	Fourth quarter 31-Dec-18 RM'000	Immediate preceding quarter 30-Sep-18 RM'000	%
Continuing operations			
Revenue	5,428	4,293	26
Other income/(expenses)	46	(119)	139
Operating costs	(688)	(357)	93
Net operating income	4,786	3,817	
Other operating expenses	(4,876)	(4,276)	14
Operating loss	(90)	(459)	
Interest expense	(160)	-	100
Share of profit of equity-accounted joint ventures	35	1,218	-97
(Loss)/profit before tax	(215)	759	
Income tax expense	(471)	(234)	101
(Loss)/profit from continuing operations	(686)	525	
Discontinued operation			
Profit from discontinued operation	-	-	0
(Loss)/profit for the period attributable to owners of the Company	(686)	525	-231

The above audited condensed consolidated statement of profit or loss should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

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

Audited Condensed Consolidated Financial Statements for the quarter and year ended 31 December 2018

Audited Condensed Consolidated Statement of Changes in Equity for the year ended 31 December 2018

	<-----Non-distributable----->			Distributable		Total RM'000
	Share capital RM'000	Foreign currency translation deficit RM'000	Fair value through other comprehensive income deficit 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 and MFRS 15 (Note 1(c))	-		(39)	-	284	245
	37,946	-	(195)	2,788	105,323	145,862
Profit for the year	-	-	-	-	5,136	5,136
Other comprehensive loss for the year	-	(447)	(247)	-	-	(694)
Total comprehensive (loss)/income for the year	-	(447)	(247)	-	5,136	4,442
Transaction with owners:						
Issuance of shares during the year	69,600	-	-	-	-	69,600
Dividend paid during the year	-	-	-	-	(45,769)	(45,769)
	69,600	-	-	-	(45,769)	23,831
At 31 December 2018	107,546	(447)	(442)	2,788	64,690	174,135

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

Audited Condensed Consolidated Financial Statements for the quarter and year ended 31 December 2018

Audited Condensed Consolidated Statement of Changes in Equity for the year ended 31 December 2018 (cont'd.)

	<-----Non-distributable----->				Distributable		Total RM'000
	Share capital RM'000	Capital redemption reserve RM'000	Foreign currency translation reserve RM'000	Available-for- sale revaluation deficit 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 year	-	-	-	-	-	874	874
Other comprehensive income for the year	-	-	-	434	-	-	434
Total comprehensive income for the year	-	-	-	434	-	874	1,308
Transfer pursuant to the Companies Act, 2016 *	3,555	(3,555)	-	-	-	-	-
At 31 December 2017	37,946	-	-	(156)	2,788	105,039	145,617

* 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 above audited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

Audited Condensed Consolidated Statement of Cash Flows for the year ended 31 December 2018

	Note	Year ended	
		31-Dec-18 RM'000	31-Dec-17 RM'000
Cash flows from operating activities			
Profit/(loss) before tax:			
- from continuing operations		2,805	2,125
- from discontinued operation		3,439	(96)
		6,244	2,029
Adjustments to reconcile profit before tax to net cash flows		(9,914)	(4,648)
		(3,670)	(2,619)
Decrease in operating assets		2,303	444
Increase in operating liabilities		2,027	317
		660	(1,858)
Interest received		4,430	4,789
Interest paid		(219)	-
Net tax paid		(1,297)	(869)
Net cash generated from operating activities		3,574	2,062
Cash flows from investing activities			
Deposit for proposed acquisitions		-	(3,093)
Dividend received		-	28
Investment in joint ventures		(65,718)	-
Net disposal of financial assets		16,637	202
Purchase of property, plant and equipment		(23,508)	(240)
Proceed from disposal of property, plant and equipment		261	-
Sale of discontinued operation			
- Proceed from disposal of property, plant and equipment		28,000	-
Net cash used in investing activities		(44,328)	(3,103)
Cash flows from financing activities			
Dividend paid		(45,769)	-
Proceeds from loans and borrowings		10,000	-
Proceeds from issuance of shares		69,600	-
Net cash generated from financing activities		33,831	-
Net decrease in cash and cash equivalents		(6,923)	(1,041)
Effects of foreign exchange rate changes		(121)	(149)
Cash and cash equivalents at beginning of the year		20,825	22,015
Cash and cash equivalents at end of the year	9	13,781	20,825

The above audited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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 audited condensed consolidated 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. 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 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 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 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 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 follows:

1 Basis of preparation (cont'd.)

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

(i) Classification and measurement

Financial assets

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 the contractual cash flow characteristics of the financial asset.

The classification and measurement requirements of MFRS 9 did not have a significant impact on the Group. The following are the changes in the classification and measurement of the Group's financial assets:

- Items previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are now classified and measured as financial assets at amortised cost.
- Equity investments in non-listed companies previously classified as available-for-sale ("AFS") financial assets are now classified and measured as FVOCI. They were previously measured at cost less impairment under MFRS 139 *Financial Instruments: Recognition and Measurement* ("MFRS 139"). The Group elected to classify irrevocably its non-listed equity investments under this category as it intends to hold these investments for the foreseeable future. There were no impairment losses recognised in profit or loss for these investments in prior periods.
- The Group continued measuring at fair value all investments in quoted shares and unit trust funds previously held at fair value under MFRS 9. Investments in quoted shares and unit trust funds previously classified as AFS financial assets are now classified and measured as FVOCI and FVTPL respectively.

As a result of the change in classification of the Group's investment in unit trust funds, the AFS reserve of RM 39,000 related to the investments that were previously presented under accumulated other comprehensive income, was reclassified to retained earnings as at 1 January 2018.

Financial liabilities

The Group has not designated any financial liabilities as FVTPL. There are no changes in classification and measurement for the Group's financial liabilities.

1 Basis of preparation (cont'd.)

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

(ii) Impairment

MFRS 9 requires the Group to record expected credit losses ("ECLs") on all of its loans and receivables, either on a 12-month or lifetime basis. 12-month ECLs are the portion of ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as "Stage 1 financial instruments". Lifetime ECLs result from all possible default events over the expected life of the financial instrument. Financial instruments deemed low credit risk are classified as Stage 1. Financial instruments with significant deterioration in credit risk are transferred to Stage 2 or Stage 3. There is a rebuttable presumption that credit risk significantly increases if contractual payments are past due resulting in a transfer between stages. This presumption can only be rebutted if there is reasonable and supportable information demonstrating that credit risk has not increased since initial recognition.

The Group holds receivables with no financing component, deposits with maturities less than 12 months and loans at amortised cost. For the financial year ended 31 December 2018, the Group applied the simplified approach to measuring ECLs on deposits and receivables, whilst measuring the ECLs on loans using the general approach. The Group's approach to modelling ECLs reflects probability-weighted outcomes, the time value of money and other reasonable and supportable assumptions based on information that is available without undue cost or effort at the reporting date about past events, current conditions and other forward looking factors.

Previously, under MFRS 139, the Group's impairment policy were as follows:

Trade and other receivables and other financial assets carried at amortised cost

Trade receivables were carried at anticipated realisable values. Impaired accounts were written off after taking into consideration the realisable values of collaterals, if any, when in the judgment of the management, there was no prospect of recovery.

Individual impairment assessment allowances for receivables were made for accounts which were considered doubtful or which were classified as impaired, net of interest-in-suspense and after taking into consideration any collateral held by the Group. Collective impairment assessment allowances were made based on historical loss experience. When an account was classified as impaired, interest was suspended and was recognised on a cash basis for trade receivables. Interest-in-suspense formed part of the individual impairment assessment allowances.

Other receivables and other financial assets were carried at anticipated realisable values. Impaired accounts were written off after taking into consideration the realisable values of collaterals, if any, when in the opinion of the management, there was no prospect of recovery. An estimate was made for the impairment allowance based on review of all outstanding amounts as at the reporting date.

1 Basis of preparation (cont'd.)

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

(ii) Impairment (cont'd.)

AFS financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market were considerations to determine whether there was objective evidence that investment securities classified as AFS financial assets were impaired.

If an AFS financial asset was impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, was transferred from other comprehensive income to profit or loss.

Impairment losses on AFS equity investments were not reversed through profit or loss in the subsequent financial periods. Increase in fair value, if any, subsequent to impairment loss was recognised in other comprehensive income.

For AFS debt investments, impairment losses were subsequently reversed through profit or loss if an increase in the fair value of the investment could be objectively related to an event occurring after the recognition of the impairment loss in profit or loss, to the extent that the asset's carrying amount did not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed.

No impairment allowance was recognised in accordance with MFRS 139 or any expected credit loss allowance determined in accordance with MFRS 9.

(iii) Hedge accounting

The Group has not applied hedge accounting under MFRS139 nor will it apply hedge accounting under MFRS 9.

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

MFRS 15 supersedes MFRS 111 Construction Contracts, MFRS 118 Revenue and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. MFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

MFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures.

1 Basis of preparation (cont'd.)

(b) MFRS 15 Revenue from Contracts with Customers ("MFRS 15") (cont'd.)

The Group adopted MFRS 15 using the modified retrospective method of adoption. Under the modified retrospective method, the Group recognised the cumulative effect of initial application on 1 January 2018.

Impact as a result of MFRS 15 adoption:

Performance fees are earned when the returns of a fund exceed the hurdle rate and/or high watermark over a given period. Prior to the adoption of MFRS 15, the Group recognised revenue from performance fees once the performance period elapsed. If revenue could not be reliably measured, the Group deferred recognition of revenue until the uncertainty was resolved. Under 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 as and when fund management services are rendered.

For all other revenue streams, revenue continue to be recognised on the similar basis as prior to the introduction of MFRS15 on 1 January 2018. Management fees are recognised daily upon rendering fund management services. The fees are measured as a percentage of the net asset value of the funds. Sales charges are recognised upon completion of the processing of sales transactions. Distribution and dividend income in respect of distributions by units trust funds, realised income on disposal of quoted financial equity instruments and unquoted financial equity instruments is recognised when the Group's right to receive payment is established. Hotel revenue in owned and leased properties includes rooms revenue and food and beverage sales, which is recognised when the rooms are occupied and food and beverages are sold.

(c) Financial effects due to changes in accounting policies

The following table analyses the impact, net of tax, of transition to MFRS 9 and MFRS 15 on the statement of financial position of the Group:

	Impact of adopting MFRS 9 and MFRS 15 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	-

1 Basis of preparation (cont'd.)

(c) Financial effects due to changes in accounting policies (cont'd.)

	Impact of adopting MFRS 9 and MFRS 15 RM'000
Financial Assets at FVOCI	
Closing balance under MFRS 139 at 31 December 2017	-
- Redesignation from available-for-sale financial assets	22,163
Opening balance under MFRS 9 at 1 January 2018	22,163
Financial Assets at FVTPL	
Closing balance under MFRS 139 at 31 December 2017	-
- Redesignation from available-for-sale financial assets	15,866
Opening balance under MFRS 9 at 1 January 2018	15,866
Fair value through other comprehensive income deficit	
Closing balance under MFRS 139 at 31 December 2017	(156)
- Transfer to retained profits	(39)
Opening balance under MFRS 9 at 1 January 2018	(195)
Tax payable	
Closing balance under MFRS 118 at 31 December 2017	209
- In respect of recognition of cumulative effect of initial application of MFRS 15	46
Opening balance under MFRS 15 at 1 January 2018	255
Retained profits	
Closing balance under MFRS 139 and MFRS 118 at 31 December 2017	105,039
- Transfer from fair value through other comprehensive income deficit	39
- Recognition of cumulative effect of initial application of MFRS 15, net of tax	245
Opening balance under MFRS 9 and MFRS 15 at 1 January 2018	105,323

1 Basis of preparation (cont'd.)

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*

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

MFRS 16 Leases ("MFRS 16")

MFRS 16 supersedes MFRS 117 *Leases* ("MFRS 117") and its related interpretations. Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. MFRS 16 introduces a single accounting model for a lessee and eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet).

1 Basis of preparation (cont'd.)

MFRS 16 Leases ("MFRS 16") (cont'd.)

(i) Lessee

At the commencement date of a lease, a lessee will recognise a lease liability to make lease payments and an asset representing the "right-to-use" of the underlying asset during the lease term. Subsequently, the "right-of-use" asset is depreciated in accordance with the principle in MFRS 116 *Property, Plant and Equipment* and the lease liability is accreted over time with interest expense recognised in the profit or loss.

(ii) Lessor

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

The Group will elect to use the exemptions proposed by the standard on lease contracts for which the lease term ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value. The Group has leases of certain office equipment (i.e., computers, printing and photocopying machines) that are considered of low value.

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

2 Auditors' report on preceding annual financial statements

The auditors' report on the audited annual financial statements for the year ended 31 December 2017 was not qualified.

3 Seasonality and cyclical 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 26, there were no other unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and year ended 31 December 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 year ended 31 December 2018.

6 Debt and equity securities

During the financial year ended 31 December 2018, the share capital of the Company increased from RM37,945,861 as at 31 December 2017 to RM107,545,861 as at 31 December 2018 via:

- (a) Issuance of 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) on 16 May 2018; and
- (b) Issuance of 33,127,777 new ordinary shares at an issue price of RM0.36 to satisfy the share portion of the consideration of RM11,926,000 pursuant to the acquisition of Tune Hotel Penang on 1 October 2018.

The issued ordinary shares of the Company as at 31 December 2018 is 479,925,823 units (2017: 286,592,491 units).

Other than the above, there were no issuances, repurchases and repayments of debt and equity securities during the current quarter and year ended 31 December 2018.

7 Dividend paid

For the financial year ended 31 December 2018, a special single-tier dividend of RM0.1597 per ordinary share amounting to RM45.8 million in respect of the financial year ended 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 - general investments and corporate related activities
- (b) Fund Management - unit trust funds and asset management
- (c) Structured Financing - structured lending and financial services related activities
- (d) Hotel Operation

On 1 October 2018, following the completion of the acquisition of the Tune Hotel Penang under the Tune Hotel Penang SPA (as disclosed in Note 26), operating business of Tune Hotel Penang is presented as Hotel Operation segment.

- (e) Discontinued Operation

In 2017, the rental business within the Investment Holding operating segment was 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 26). The sale of the Disposal Group was completed on 8 May 2018 and consequently, rental business is presented as Discontinued Operation segment.

8 Segmental reporting (cont'd.)

<-----Continuing operations----->

	Investment Holding RM'000	Fund Management RM'000	Structured Financing RM'000	Hotel Operation RM'000	Discontinued Operation RM'000	Inter- segment elimination RM'000	Group total RM'000
Three months ended 31 December 2018							
Revenue	94	2,298	1,602	1,434	-	-	5,428
Other (expenses)/income	(6)	-	16	36	-	-	46
Operating costs	-	(341)	-	(347)	-	-	(688)
Net operating income	88	1,957	1,618	1,123	-	-	4,786
Other operating expenses of which:	(2,999)	(1,047)	(17)	(813)	-	-	(4,876)
- Depreciation of property, plant and equipment	(48)	(80)	-	(24)	-	-	(152)
Operating (loss)/profit	(2,911)	910	1,601	310	-	-	(90)
Interest expense	-	-	-	(160)	-	-	(160)
Share of profit of equity- accounted joint ventures	35	-	-	-	-	-	35
(Loss)/profit before tax	(2,876)	910	1,601	150	-	-	(215)

Twelve months ended 31 December 2018

Revenue	376	12,452	5,334	1,434	-	-	19,596
Other income	497	-	24	36	3,963	-	4,520
Operating costs	-	(1,480)	-	(347)	-	-	(1,827)
Net operating income	873	10,972	5,358	1,123	3,963	-	22,289
Other operating expenses of which:	(7,115)	(8,907)	(71)	(813)	(524)	-	(17,430)
- Depreciation of property, plant and equipment	(216)	(326)	-	(24)	-	-	(566)
Operating (loss)/profit	(6,242)	2,065	5,287	310	3,439	-	4,859
Interest expense	-	-	-	(160)	-	-	(160)
Share of profit of equity- accounted joint ventures	1,545	-	-	-	-	-	1,545
(Loss)/profit before tax	(4,697)	2,065	5,287	150	3,439	-	6,244

As at 31 December 2018

Segment assets	23,344	16,049	58,171	2,862	-	-	100,426
Investment in joint ventures	67,537	-	-	-	-	-	67,537
Additions to property, plant and equipment	942	360	-	22,206	-	-	23,508
Total assets	91,823	16,409	58,171	25,068	-	-	191,471
Total liabilities	1,765	4,275	94	11,202	-	-	17,336

8 Segmental reporting (cont'd.)

	<-----Continuing operations----->						
	Investment Holding RM'000	Fund Management RM'000	Structured Financing RM'000	Hotel Operation RM'000	Disposal Group held for sale RM'000	Inter- segment elimination RM'000	Group total RM'000
Three months ended 31 December 2017							
Revenue	194	3,695	1,274	-	-	-	5,163
Other (expenses)/income	(165)	-	-	-	336	-	171
Operating costs	-	(595)	-	-	-	-	(595)
Net operating income	29	3,100	1,274	-	336	-	4,739
Other operating expenses							
of which:	(2,319)	(2,485)	(18)	-	(298)	-	(5,120)
- Depreciation of property, plant and equipment	(44)	(80)	-	-	-	-	(124)
(Loss)/profit before tax	(2,290)	615	1,256	-	38	-	(381)
Twelve months ended 31 December 2017							
Revenue	737	14,446	5,025	-	-	-	20,208
Other (expenses)/income	(149)	-	-	-	1,330	-	1,181
Operating costs	-	(1,719)	-	-	-	-	(1,719)
Net operating income	588	12,727	5,025	-	1,330	-	19,670
Other operating expenses							
of which:	(6,495)	(9,649)	(71)	-	(1,426)	-	(17,641)
- Depreciation of property, plant and equipment	(246)	(297)	-	-	(228)	-	(771)
- Depreciation of investment property	-	-	-	-	(7)	-	(7)
(Loss)/profit before tax	(5,907)	3,078	4,954	-	(96)	-	2,029
As at 31 December 2017							
Segment assets	51,650	15,271	59,363	-	24,438	-	150,722
Additions to property, plant and equipment	-	240	-	-	-	-	240
Total assets	51,650	15,511	59,363	-	24,438	-	150,962
Total liabilities	1,250	3,143	224	-	728	-	5,345

9 Cash and cash equivalents

	31-Dec-18	31-Dec-17
	RM'000	RM'000
Cash and balances with banks and other financial institutions	4,551	2,777
Money at call and deposit placements maturing within two months	9,230	18,048
	13,781	20,825

10 Available-for-sale financial assets

	31-Dec-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(c).

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

	31-Dec-18	31-Dec-17
	RM'000	RM'000
At fair value		
In Malaysia		
Quoted shares	470	-
Unquoted investment	13,350	-
Outside Malaysia		
Quoted shares	183	-
Unquoted investment	7,350	-
	21,353	-

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(c).

12 Disposal Group held for sale

In 2017, the rental business within the Investment Holding operating segment was 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 RM28.0 million (as disclosed in Note 26).

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

	31-Dec-18	31-Dec-17
	RM'000	RM'000
Assets classified as held for sale		
Property, plant and equipment	-	20,434
Investment property	-	4,004
	-	24,438

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

The liabilities of the Disposal Group are as follows:

	31-Dec-18	31-Dec-17
	RM'000	RM'000
Liabilities classified as held for sale		
Rental deposits received	-	(728)

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>

13 Trade receivables

	31-Dec-18	31-Dec-17
	RM'000	RM'000
Trade receivables	2,019	1,910
Less: Allowance for Expected Credit Losses	-	-
Less: Allowance for impairment	-	-
	<u>2,019</u>	<u>1,910</u>

Trade receivables of the Group are neither past due nor impaired during the financial year ended 31 December 2018. The Group has no significant concentration of credit risk that may arise from exposures to a single clearing participant or counterparty.

14 Loans, advances and financing

	31-Dec-18	31-Dec-17
	RM'000	RM'000
Term loans, representing gross loans, advances and financing	57,903	59,071
Less: Allowance for Expected Credit Losses	-	-
Less: Allowance for impairment	-	-
Net loans, advances and financing	<u>57,903</u>	<u>59,071</u>

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

	31-Dec-18	31-Dec-17
	RM'000	RM'000
<u>Analysis of gross loans, advances and financing</u>		
By residual contractual maturity		
Within one year, representing gross loans, advances and financing	57,903	59,071
By economic purpose		
Investments	17,903	19,071
Others	40,000	40,000
Gross loans, advances and financing	57,903	59,071
By interest rate sensitivity		
Fixed rate	57,903	59,071
By type of customer		
Domestic business enterprise	17,903	19,071
Individual	40,000	40,000
Gross loans, advances and financing	57,903	59,071

15 Property, plant and equipment

During the quarter ended 31 December 2018, the Group acquired a piece of land together with a building (known as Tune Hotel Penang) with purchase consideration of RM21.0 million (as disclosed in Note 26).

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

16 Loans and borrowings

	31-Dec-18	31-Dec-17
	RM'000	RM'000
Long term borrowings		
Secured		
Term Loan	9,941	-

During the quarter and for the year ended 31 December 2018, term loan increased by RM9.94 million as compared to corresponding period in the immediate preceding year as the loan drawdown was applied towards financing the Group's acquisition of Tune Hotel Penang (as disclosed in Note 26). The term loan bear interest rate of BLR* - 0.75%, which is currently at 6.22% per annum.

* BLR - Refers to the Bank's Base Lending Rate, prescribed by the Bank from time to time, currently at 6.97% per annum.

17 Revenue

	Quarter ended			Year ended		
	31-Dec-18 RM'000	31-Dec-17 RM'000	%	31-Dec-18 RM'000	31-Dec-17 RM'000	%
Interest income						
Loans, advances and financing	1,235	1,128	10	4,661	4,473	4
Short-term deposits and placements with financial institutions	163	132	24	439	494	-11
	<u>1,398</u>	<u>1,260</u>		<u>5,100</u>	<u>4,967</u>	
Fee income						
Portfolio management fees	2,233	3,596	-38	12,185	14,081	-14
Other fee income	367	146	151	673	552	22
	<u>2,600</u>	<u>3,742</u>		<u>12,858</u>	<u>14,633</u>	
Investment income						
Net gain on disposal of quoted shares in Malaysia	-	-	-	10	183	-95
Income distribution from unit trust funds	-	133	-100	126	397	-68
Fair value gain on financial assets at fair value through profit or loss	-	-	-	72	-	100
Dividend income from quoted shares in Malaysia	-	28	-100	-	28	-100
	<u>-</u>	<u>161</u>		<u>208</u>	<u>608</u>	
Revenue from hotel operations	1,430	-	100	1,430	-	100
	<u>5,428</u>	<u>5,163</u>		<u>19,596</u>	<u>20,208</u>	

18 Other income/(expenses)

	Quarter ended			Year ended		
	31-Dec-18 RM'000	31-Dec-17 RM'000	%	31-Dec-18 RM'000	31-Dec-17 RM'000	%
Rental income	30	-	100	30	-	100
Loss on disposal of property, plant and equipment	-	-	-	(104)	-	100
Loss on foreign exchange differences	-	(165)	-100	(121)	(149)	-19
Gain on bargain purchase from investment in joint venture	(7)	-	100	721	-	100
Others	23	-	100	31	-	100
	46	(165)		557	(149)	

19 Other operating expenses

	Quarter ended			Year ended		
	31-Dec-18 RM'000	31-Dec-17 RM'000	%	31-Dec-18 RM'000	31-Dec-17 RM'000	%
Personnel expenses	3,524	3,264	8	12,564	11,589	8
Depreciation of property, plant and equipment	152	124	23	566	543	4
Rental of premises	188	9	1,989	549	38	1,345
Property, plant and equipment written off	5	-	100	41	-	100
Auditors' remuneration						
- statutory audit	34	22	55	96	83	16
- regulatory-related services	5	5	-	5	5	-
- other services	28	166	-83	28	166	-83
Professional fees and expenses	(35)	674	-105	357	1,749	-80
Others	975	558	75	2,700	2,042	32
	4,876	4,822		16,906	16,215	

There were no provision for and write off of receivables, impairment of assets and other exceptional items during the current quarter and year ended 31 December 2018.

20 Income tax expense

	Quarter ended			Year ended		
	31-Dec-18 RM'000	31-Dec-17 RM'000	%	31-Dec-18 RM'000	31-Dec-17 RM'000	%
Income tax						
Current period's provision	118	371	-68	667	1,360	-51
Under provision of income tax in prior years	(1)	-	100	82	-	100
	117	371		749	1,360	
Deferred tax						
Relating to origination and reversal of temporary differences	399	(205)	-295	399	(205)	-295
Under provision of deferred tax in prior years	(45)	-	100	(40)	-	100
	354	(205)		359	(205)	
Total income tax expense	471	166		1,108	1,155	

The Group's effective tax rate for the current year ended 31 December 2018 was lower than the statutory tax rate due to gain on disposal of property, plant and equipment was not subjected to tax.

21 Discontinued operation

As disclosed in Note 12, 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 financial year ended 31 December 2018.

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

	Quarter ended			Year ended		
	31-Dec-18 RM'000	31-Dec-17 RM'000	%	31-Dec-18 RM'000	31-Dec-17 RM'000	%
Rental income	-	336	-100	631	1,330	-53
Gain on sale of discontinued operation	-	-	-	3,562	-	100
Property, plant and equipment written off	-	-	-	(230)	-	100
Other operating expenses	-	(298)	-100	(524)	(1,426)	-63
Profit/(loss) before tax	-	38		3,439	(96)	
Income tax expense	-	-		-	-	
Profit/(loss) for the period/year	-	38		3,439	(96)	

21 Discontinued operation (cont'd.)

	31-Dec-18	31-Dec-17
	RM'000	RM'000
Cash flows from discontinued operation		
Net cash from investing activities		
- Proceed from disposal of property, plant and equipment	28,000	-

22 Changes in the composition of the Group

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).

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 ELC has dissolved during the year.

On 16 November 2018, the Company incorporated a wholly-owned subsidiary known as Ormond Group Sdn. Bhd. ("Ormond Group") in Malaysia with an issued share capital of RM10 comprising 10 ordinary shares of RM1. Ormond Group is currently dormant.

There were no other material changes in the composition of the Group for the year ended 31 December 2018.

23 Commitments and contingencies

As at 31 December 2018, the Group does not have any material commitments and contingencies.

24 Significant related party transactions

Save as disclosed in Note 26, the Group's other significant related party transactions are as follows:

	31-Dec-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	(575)	-
Loyalty programme expenses charged by an entity related to the director and major shareholders	(10)	(12)
	_____	_____

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

25 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").

	<-----MFRS 9 measurement category----->			
31-Dec-18	Carrying amount	FA	FVOCI	FL
	RM'000	RM'000	RM'000	RM'000
Financial assets				
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 receivables	2,019	2,019	-	-
Other assets	3,196	3,196	-	-
	98,252	76,899	21,353	-
Financial liabilities				
Trade payables	(2,098)	-	-	(2,098)
Other liabilities	(5,065)	-	-	(5,065)
	(7,163)	-	-	(7,163)

25 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	<-----MFRS 139 measurement category----->			
	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.

25 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:

31-Dec-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	653	-	20,700*	21,353

* 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 year (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

26 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, 1 October 2018 and 27 December 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.

26 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.

On 1 October 2018, the Company announced that the acquisition of the Tune Hotel Penang under the Tune Hotel Penang Sale and Purchase Agreement ("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.

On 27 December 2018, the Company announced that the parties to the Tune Hotel KK SPA and Tune Hotel KLIA Aeropolis SPA have entered into the following variation letters in respect of the following:

- (a) Regarding the Tune Hotel KK SPA, the parties to the agreement had mutually agreed to extend the completion date to 28 February 2019 in order to provide additional time for the outstanding obligations to be fulfilled.
- (b) Regarding the Tune Hotel KLIA Aeropolis SPA, the parties to the agreement had mutually agreed to extend the date to fulfil the agreement's conditions precedent by 60 days from 3 January 2019 (inclusive), or such longer period as the parties may mutually agree in writing. The extension is to provide additional time to fulfil several conditions precedent of the Tune Hotel KLIA Aeropolis SPA which are still not met as at the date of this announcement.

Other than the above, there were no corporate proposals announced but not completed as at 14 February 2019.

27 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 21.

(a) Q4 FY2018 vs. Q4 FY2017

Continuing operations

For the quarter ended 31 December 2018 ("Q4 FY2018"), the Group reported a loss before tax of RM0.22 million, a decrease of RM0.20 million compared to loss before tax of RM0.42 million for the quarter ended 31 December 2017 ("Q4 FY2017"). The decrease was mainly due to profit from a new operating segment, which is hotel operation segment of RM0.15 million.

The performance of the respective operating business segments for the Q4 FY2018 as compared to Q4 FY2017 is analysed as follows:

(i) Investment Holding

The Investment Holding recorded a loss before tax of RM2.88 million in Q4 FY2018, an increase of RM0.59 million compared to loss before tax of RM2.29 million in Q4 FY2017 as a result of lower revenue and higher staff related costs in Q4 FY2018.

The revenue of investment holding for Q4 FY2018 was RM0.09 million, representing an decrease of RM0.10 million compared to RM0.19 million in Q4 FY2017 as a result of no income distribution from unit trust funds in Q4 FY2018 upon liquidation of the said funds in May 2018.

(ii) Fund Management

The Fund Management recorded a profit before tax of RM0.91 million in Q4 FY2018, compared to RM0.62 million in Q4 FY2017, increased by RM0.29 million due to lower operating costs.

(iii) Structured Financing

The Structured Financing recorded a profit before tax of RM1.60 million in Q4 FY2018, compared to RM1.26 million in Q4 FY2017, mainly due to increase in the interest income from a loan customer.

(iv) Hotel Operation

On 1 October 2018, following the completion of the acquisition of Tune Hotel Penang under the Tune Hotel Penang SPA (as disclosed in Note 26), operating business of Tune Hotel Penang is presented as Hotel Operation segment and has recorded a profit before tax of RM0.15 million in Q4 FY2018.

Discontinued operation

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

27 Operating segments review (cont'd.)

(b) FY2018 vs. FY2017

Continuing operations

The profit before tax for the financial year ended 31 December 2018 ("FY2018") was RM2.81 million, an increase of RM0.68 million from RM2.13 million for the financial year ended 31 December 2017 ("FY2017"). The higher profit before tax was mainly due to share of profit of equity-accounted joint ventures of RM1.55 million.

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

(i) Investment Holding

The Investment Holding recorded a lower loss before tax of RM4.70 million for FY2018 as compared to loss before tax of RM5.91 million in FY2017, mainly due to share of profit of equity-accounted joint ventures of RM1.55 million in FY2018.

(ii) Fund Management

The Fund Management recorded a lower profit before tax of RM2.07 million in FY2018 as compared to RM3.08 million in FY2017, mainly due to lower portfolio management fee income. Portfolio management fee income decreased by 14% to RM12.19 million in FY2018 compared to RM14.08 million in FY2017.

(iii) Structured Financing

The Structured Financing recorded a profit before tax of RM5.29 million in FY2018 compared to RM4.95 million in FY2017 mainly due to increase in the interest income from a loan customer.

(iv) Hotel Operation

On 1 October 2018, following the completion of the acquisition of the Tune Hotel Penang under the Tune Hotel Penang SPA (as disclosed in Note 26), operating business of Tune Hotel Penang is presented as Hotel Operation segment and has recorded a profit before tax of RM0.15 million in FY2018.

Discontinued operation

The Discontinued Operation recorded a profit before tax of RM3.44 million in FY2018 as compared to loss before tax of RM0.10 million in FY2017, mainly contributed by net gain on disposal of property, plant and equipment of RM3.33 million in FY2018 upon completion of the sale on 8 May 2018.

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

(a) Continuing operations

For the current quarter ended 31 December 2018 ("Q4 FY2018"), the Group's loss before tax amounted to RM0.22 million and loss after tax was RM0.69 million. The loss before tax of RM0.22 million as compared to profit before tax of RM0.76 million in the immediate preceding quarter ended 30 September 2018 ("Q3 FY2018"), was mainly due to decrease in share of profit of equity-accounted joint ventures from RM1.22 million in Q3 FY2018 to RM0.03 million in Q4 FY2018.

Performance of the respective operating business segments for the Q4 FY2018 compared to the Q3 FY2018 is analysed as follows:

(i) Investment Holding

The Investment Holding reported a loss before tax of RM2.88 million in Q4 FY2018 compared to loss before tax of RM0.71 million in Q3 FY2018, mainly due to decrease in share of profit of equity-accounted joint ventures from RM1.22 million in Q3 FY2018 to RM0.03 million in Q4 FY2018 and higher staff related cost in Q4 FY2018.

(ii) Fund Management

The Fund Management reported a higher profit before tax of RM0.91 million in Q4 FY2018 compared to profit before tax of RM0.27 million in Q3 FY2018. The higher profit was mainly resulted from lower operating costs in Q4 FY2018.

(iii) Structured Financing

The Structured Financing reported a higher profit before tax of RM1.60 million in Q4 FY2018 compared to RM1.20 million in Q3 FY2018, which was mainly due to increase in the interest income from a loan customer.

(iv) Hotel Operation

On 1 October 2018, following the completion of the acquisition of the Tune Hotel Penang under the Tune Hotel Penang SPA (as disclosed in Note 26), operating business of Tune Hotel Penang is presented as Hotel Operation segment and has recorded a profit before tax of RM0.15 million in Q4 FY2018.

(b) Discontinued operations

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

29 Group's prospects

As disclosed in Note 26 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.

30 Profit forecast

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

31 Valuation of property, plant and equipment

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

32 Dividend

No dividend has been proposed for the current quarter ended 31 December 2018.

33 Material litigations

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

34 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/year by the weighted average number of ordinary shares in issue during the reporting period/year.

	Quarter ended			Year ended		
	31-Dec-18	31-Dec-17	%	31-Dec-18	31-Dec-17	%
(Loss)/profit for the financial period attributable to owners of the Company (RM'000):						
- from continuing operations	(686)	(585)	17	1,697	970	75
- from discontinued operation	-	38	(100)	3,439	(96)	(3,682)
	<u>(686)</u>	<u>(547)</u>		<u>1,697</u>	<u>874</u>	
Weighted average number of ordinary shares in issue ('000)	479,926	286,592		395,894	286,592	
	<u>479,926</u>	<u>286,592</u>		<u>395,894</u>	<u>286,592</u>	
Basic (loss)/earnings per ordinary share (sen):						
- from continuing operations	(0.14)	(0.20)		0.43	0.34	
- from discontinued operation	-	0.01		0.87	(0.03)	
	<u>(0.14)</u>	<u>(0.19)</u>		<u>1.30</u>	<u>0.31</u>	

(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: 14 February 2019