ECM Libra Group Berhad
(formerly known as ECM Libra Financial Group Berhad)
(Incorporated in Malaysia)

9. Investment in joint ventures (cont'd.)

2018 Group	OHG Services Sdn. Bhd. RM'000	Ormond Lifestyle Services Sdn. Bhd. RM'000	TP International Pty Ltd RM'000	TP Hotel (Flinders) Trust RM'000	Tune Plato Ventures Sdn. Bhd. Group RM'000	Total RM'000
Included in the equity are:						
Cash and cash equivalents	3,914	1,339	20	12,654	2,979	20,906
Current financial liabilities (excluding trade and other payables and provisions)	(6,597)	(155)	-	-	-	(6,752)
Non-current financial liabilities (excluding trade and other payables and provisions)	(20,984)	(4)	-	-	-	(20,988)
Summarised statement of comprehensive income						
Profit/(loss), representing total comprehensive income/(loss) for the year	6,821	1,280	(133)	(1,373)	(597)	5,998
Included in the total comprehensive income/(loss) are:						
Revenue	36,861	6,846	-	-	-	43,707
Depreciation and amortisation	(4,894)	(93)	-	(1)	(22)	(5,010)
Interest income	121	8	-	241	35	405
Interest expense	(2,364)	-	-	-	-	(2,364)
Income tax expense	(2,535)	(484)	-	-	-	(3,019)
Group's share of results for year ended 31 December						
Group's share of profit or loss	1,798	402	(40)	(316)	(299)	1,545
Capital commitment						
Share of capital commitment of joint venture	-	-	-	-	1,454	1,454

ECM Libra Group Berhad
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10. Property, plant and equipment

Group	Note	Land RM'000	Buildings RM'000	Office renovations RM'000	Furniture and fittings and office equipment RM'000	Computers RM'000	Motor vehicles RM'000	Work-in progress RM'000	Total RM'000
Cost									
At 1 January 2019		17,308	4,748	137	944	3,616	957	140	27,850
Acquisition	33(a)	-	9,808	-	-	-	-	-	9,808
Other additions		-	-	-	193	100	-	13	306
Transfer to disposal group	22(c)	-	-	(137)	(934)	(3,580)	(15)	-	(4,666)
At 31 December 2019		17,308	14,556	-	203	136	942	153	33,298
Accumulated depreciation									
At 1 January 2019		-	24	13	546	2,430	93	-	3,106
Charge during the financial year	18,22(a)	-	226	7	86	142	189	-	650
Transfer to disposal group	22(c)	-	-	(20)	(590)	(2,521)	(15)	-	(3,146)
At 31 December 2019		-	250	-	42	51	267	-	610
Net carrying amount									
At 31 December 2019		17,308	14,306	-	161	85	675	153	32,688

10. Property, plant and equipment (cont'd.)

Group	Note	Land RM'000	Buildings RM'000	Office renovations RM'000	Furniture and fittings and office equipment RM'000	Computers RM'000	Motor vehicles RM'000	Work-in progress RM'000	Total RM'000
Cost									
At 1 January 2018		-	-	44	1,761	4,899	1,168	-	7,872
Acquisitions	33(b)(iii)	17,308	3,692	-	-	-	-	-	21,000
Other additions		-	1,056	93	59	218	942	140	2,508
Disposals		-	-	-	-	-	(1,153)	-	(1,153)
Write-offs		-	-	-	(876)	(1,501)	-	-	(2,377)
At 31 December 2018		17,308	4,748	137	944	3,616	957	140	27,850
Accumulated depreciation									
At 1 January 2018		-	-	-	1,053	3,713	668	-	5,434
Charge during the financial year	18,22(a)	-	24	13	98	218	213	-	566
Disposals		-	-	-	-	-	(788)	-	(788)
Write-offs		-	-	-	(605)	(1,501)	-	-	(2,106)
At 31 December 2018		-	24	13	546	2,430	93	-	3,106
Net carrying amount									
At 31 December 2018		17,308	4,724	124	398	1,186	864	140	24,744

Security

As at 31 December 2019, land and buildings with a carrying amount of RM31,614,000 (2018: RM22,032,000) are subject to a first legal charge to secure bank loans granted to the Group (see Note 13).

10. Property, plant and equipment (cont'd.)

Company	Note	Furniture and fittings and office equipment RM'000	Computers RM'000	Motor vehicles RM'000	Total RM'000
Cost					
At 1 January 2019		-	36	942	978
Additions		53	32	-	85
At 31 December 2019		53	68	942	1,063
Accumulated depreciation					
At 1 January 2019		-	34	78	112
Charge during the financial year	18	4	11	189	204
At 31 December 2019		4	45	267	316
Net carrying amount					
At 31 December 2019		49	23	675	747
Cost					
At 1 January 2018		373	36	1,153	1,562
Additions		-	-	942	942
Disposals		-	-	(1,153)	(1,153)
Write-offs		(373)	-	-	(373)
At 31 December 2018		-	36	942	978
Accumulated depreciation					
At 1 January 2018		143	32	653	828
Charge during the financial year	18	-	2	213	215
Disposals		-	-	(788)	(788)
Write-offs		(143)	-	-	(143)
At 31 December 2018		-	34	78	112
Net carrying amount					
At 31 December 2018		-	2	864	866

11. Deferred tax liabilities

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
At beginning of the financial year		(109)	250	(5)	134
Recognised in profit or loss					
- Relating to origination and reversal of temporary differences	21	(44)	(399)	(19)	(153)
- (Over)/Under provision of deferred tax in prior financial years	21	(2)	40	1	14
		(46)	(359)	(18)	(139)
Included in discontinued operation	22(c)	133	-	-	-
At end of the financial year		(22)	(109)	(23)	(5)
Presented, after appropriate offsetting, as follows:					
Deferred tax assets		-	-	-	-
Deferred tax liabilities		(22)	(109)	(23)	(5)
		(22)	(109)	(23)	(5)

All movements in deferred tax assets and liabilities have been recognised in profit or loss. The components and movements of deferred tax assets and liabilities as at the end of the year are as follows:

Group	Note	Provisions RM'000	Other temporary difference RM'000	Net deferred tax assets/ (liabilities) RM'000
2019				
At beginning of the financial year		19	(128)	(109)
Recognised in profit or loss		(19)	(27)	(46)
Included in discontinued operation	22(c)	-	133	133
At end of the financial year		-	(22)	(22)

11. Deferred tax liabilities (cont'd.)

Group	Provisions RM'000	Other temporary difference RM'000	Net deferred tax assets/ (liabilities) RM'000
2018			
At beginning of the financial year	398	(148)	250
Recognised in profit or loss	(379)	20	(359)
At end of the financial year	19	(128)	(109)
Company			
2019			
At beginning of the financial year	-	(5)	(5)
Recognised in profit or loss	-	(18)	(18)
At end of the financial year	-	(23)	(23)
2018			
At beginning of the financial year	168	(34)	134
Recognised in profit or loss	(168)	29	(139)
At end of the financial year	-	(5)	(5)

12. Trade and other payables

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Trade payables		3,101	2,098	-	-
Advances from a subsidiary	12.1	-	-	-	2,000
Amount due to a subsidiary	12.1	-	-	-	933
Other payables		2,774	5,065	523	1,761
		5,875	7,163	523	4,694

12.1 In the previous financial year ended 31 December 2018, advances from a subsidiary are unsecured, subject to average interest rate at 5.21% per annum and repayable on demand.

The amount due to a subsidiary is unsecured, interest free and repayable on demand.

13. Loans and borrowings

	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Floating rate term loan	18,947	9,941	-	-

The term loan bears interest of 5.97% (2018: 6.22%) per annum and the movement is as follows:

	Note	Group 2019 RM'000	Group 2018 RM'000
At beginning of the financial year		9,941	-
Drawdown of loans and borrowings	33(a)	9,000	10,000
Transaction costs		6	(59)
At end of the financial year		18,947	9,941

The term loan is secured by:

(i) a first legal charge over the land and buildings of the Group as disclosed in Note 10;

(ii) a deed of assignment on all rights and title, interest and benefits of the designated Sale And Purchase Agreement of Tune Hotel Kota Kinabalu;

(iii) a specific debenture over the land and buildings of the Group together with present and future fixtures and fittings on the land and buildings; and

(iv) a corporate guarantee from the Company.

The remaining maturities as at reporting date are as follows:

	Group 2019 RM'000	Group 2018 RM'000
On demand or within one year	-	-
More than 1 year and less than 2 years	551	-
More than 2 years and less than 5 years	7,295	2,755
5 - 10 years	11,101	7,186
	18,947	9,941

14. Share capital

Group and Company	Number of shares 2019 units '000	Amount 2019 RM'000	Number of shares 2018 units '000	Amount 2018 RM'000
Issued and fully paid-up:				
At beginning of the financial year	479,926	107,546	286,592	37,946
Issued during the financial year	-	-	193,334	69,600
At end of the financial year	479,926	107,546	479,926	107,546

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

15. Reserves

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Non-distributable					
Fair value through other comprehensive income deficit	15.1	(1,823)	(442)	(1,605)	(224)
Foreign currency translation deficit	15.2	(1,010)	(447)	-	-
General reserve	15.3	-	2,788	-	2,746
		(2,833)	1,899	(1,605)	2,522

15.1 Fair value through other comprehensive income deficit represents unrealised losses arising from changes in the fair value of financial assets recognised through other comprehensive income.

15.2 Foreign currency translation deficit comprises foreign currency translation losses arising from the translation of the financial statements of foreign operations.

15.3 General reserve represents exercised Employees' Share Options in the previous financial year.

16. Revenue

	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Hospitality income				
Room rental income	7,441	1,424	-	-
Sales of food and beverages	545	1	-	-
Add-on revenue	20	5	-	-
	8,006	1,430	-	-
Interest income				
Loans, advances and financing	1,894	4,661	-	-
Short-term funds and deposits with financial institutions	476	172	466	168
Amount owing by subsidiaries	-	-	1,571	2,890
	2,370	4,833	2,037	3,058
Investment income				
Net gain on financial assets at fair value through profit or loss				
- Change in fair value	356	126	356	126
- Gain on disposal	802	72	802	72
	1,158	198	1,158	198
Net gain/(loss) on financial assets at fair value through other comprehensive income				
- Gain/(loss) on disposal	-	10	-	(2)
	1,158	208	1,158	196
Others	209	673	227	673
Total revenue	11,743	7,144	3,422	3,927

17. Other income/(expenses)

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Rental income		145	30	-	-
Loss on disposal of property, plant and equipment		-	(104)	-	(104)
Loss on foreign exchange translation		(5)	(121)	(588)	(592)
Gain on liquidation of a subsidiary		-	-	-	3
Gain on bargain purchase	33(a),9	808	721	-	-
Others		79	31	68	-
		1,027	557	(520)	(693)

18. Operating expenses

	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Hospitality management expenses				
Cost of ancillary services*	2,513	347	-	-
Other expenses	738	137	-	-
	3,251	484	-	-
Personnel expenses				
Short-term employee benefits	5,730	5,173	4,688	4,982
Defined contribution plan	719	520	606	506
Other personnel costs	666	401	494	391
	7,115	6,094	5,788	5,879

* Costs relate to the provision of room rental, sales of food and beverages and laundry services.

18. Operating expenses (cont'd.)

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Administrative expenses					
Auditors' remuneration					
- statutory audit		106	69	50	50
- regulatory-related services		5	5	5	5
Depreciation of property, plant and equipment*	10	474	240	204	215
Depreciation of right-of-use assets	35	185	-	185	-
Rental of premises		-	119	-	119
Expected credit losses	6	43	-	-	-
Electricity and water charges		820	150	7	5
Legal and professional fees		1,537	148	1,027	139
Others		2,025	1,037	648	682
		5,195	1,768	2,126	1,215
Total operating expenses		15,561	8,346	7,914	7,094

* Excluding depreciation incurred by Libra Invest Berhad as disclosed in Note 22(a).

Included in the personnel expenses are Directors' remuneration of RM2,822,000 (2018: RM2,498,000) and RM2,812,000 (2018: RM2,441,000) of the Group and of the Company respectively.

19. Interest expense

	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Interest expense on lease liabilities	32	-	32	-
Other finance costs*	985	160	17	75
	1,017	160	49	75

* Included in the other finance costs of the Group are interest paid for the floating rate term loan of RM970,000 (2018: RM160,000) as disclosed in Note 13.

20. Directors' remuneration

Forms of remuneration in aggregate for all Directors for the financial year are as follows:

2019	Group Salaries RM'000	Group Director Fees RM'000	Group Other emoluments[1] RM'000	Group Total RM'000	Company Salaries RM'000	Company Director Fees RM'000	Company Other emoluments[1] RM'000	Company Total RM'000
Executive Directors								
Dato' Seri Kalimullah bin Masheerul Hassan	900	-	135	1,035	900	-	135	1,035
Dato' Lim Kian Onn	1,320	-	198	1,518	1,320	-	198	1,518
	2,220	-	333	2,553	2,220	-	333	2,553
Non-executive Directors								
Datuk Kamarudin bin Md Ali	-	53	30	83	-	53	25	78
Dato' Othman bin Abdullah	-	48	15	63	-	48	15	63
En Mahadzir bin Azizan	-	50	31	81	-	50	26	76
Mr Gareth Lim Tze Xiang	-	33	9	42	-	33	9	42
	-	184	85	269	-	184	75	259
Total Directors' remuneration	2,220	184	418	2,822	2,220	184	408	2,812

1 "Other emoluments" represents the Company's contribution to the Employees Provident Fund for Executive Directors and other allowances of the Non-Executive Directors.

20. Directors' remuneration (cont'd.)

2018	Group					Company				
	Salaries RM'000	Bonus RM'000	Director Fees RM'000	Other emoluments[1] RM'000	Total RM'000	Salaries RM'000	Bonus RM'000	Director Fees RM'000	Other emoluments[1] RM'000	Total RM'000
Executive Directors										
Dato' Seri Kalimullah bin Masheerul Hassan *	325	88	23	101	537	325	88	23	101	537
Dato' Lim Kian Onn	1,200	300	-	225	1,725	1,200	300	-	225	1,725
	1,525	388	23	326	2,262	1,525	388	23	326	2,262
Non-executive Directors										
Datuk Kamarudin bin Md Ali	-	-	73	17	90	-	-	53	9	62
Dato' Othman bin Abdullah	-	-	48	9	57	-	-	48	9	57
En Mahadzir bin Azizan	-	-	70	18	88	-	-	50	10	60
Mr Gareth Lim Tze Xiang	-	-	33	5	38	-	-	33	5	38
	-	-	224	49	273	-	-	184	33	217
Total Directors' remuneration	1,525	388	247	375	2,535	1,525	388	207	359	2,479
Directors of subsidiaries	876	150	20	154	1,200					

* Redesignated from Non-Executive Director to Executive Director on 16 June 2018.

1 "Other emoluments" represents the Company's contribution to the Employees Provident Fund, benefits-in-kind of the Executive Directors and meeting allowances of the Non-Executive Directors.

21. Income tax expense

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Recognised in profit or loss				
Income tax expense:				
- on continuing operations	195	734	18	231
- on discontinued operation (Note 22(a))	98	374	-	-
Total income tax expense	293	1,108	18	231

Major components of income tax expense include:

	Group 2019	Group 2018	Company 2019	Company 2018
Current tax expense				
Current financial year's provision	293	667	-	-
(Over)/under provision of income tax in prior financial years	(46)	82	-	92
	247	749	-	92
Deferred tax expense (Note 11)				
Relating to origination and reversal of temporary differences	44	399	19	153
Under/(over) provision of deferred tax in prior financial years	2	(40)	(1)	(14)
	46	359	18	139
Total income tax expense	293	1,108	18	231

Reconciliation of tax expense

	Group 2019	Group 2018	Company 2019	Company 2018
Profit/(loss) before tax:				
- from continuing operations	(5,020)	740	(5,061)	(3,935)
- from discontinued operation	35,647	5,504	38,376	(577)
	30,627	6,244	33,315	(4,512)
Tax at Malaysian statutory rate of 24% (2018: 24%)	7,350	1,498	7,996	(1,083)
Tax effects of:				
Non-allowable expenses	1,243	700	869	779
Non-taxable income	(8,898)	(1,633)	(9,488)	-
Current losses for which no deferred tax assets was recognised (a)	630	491	630	447
Deferred tax assets not recognised on unabsorbed capital allowance (b)	12	10	12	10
(Over)/under provision of income tax in prior financial years				
- income tax	(46)	82	-	92
- deferred tax	2	(40)	(1)	(14)
	293	1,108	18	231

21. Income tax expense (cont'd.)

(a) Current losses for which no deferred tax assets was recognised:

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Unused tax losses for which no deferred tax asset has been recognised	2,625	2,046	2,625	1,863
Potential tax benefit at Malaysian statutory rate of 24% (2018: 24%)	630	491	630	447

(b) Deferred tax assets not recognised on unabsorbed capital allowance:

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Temporary differences relating to capital allowances for deferred tax asset not recognised:				
- Unabsorbed capital allowances	50	42	50	42
Unrecognised deferred tax asset relating to the above temporary differences at Malaysian statutory rate of 24% (2018: 24%)	12	10	12	10

The unused tax losses and unabsorbed capital allowances of the Group and of the Company were incurred by entities within the Group that are not likely to generate taxable income in the next 12 months since they do not conduct separate profit generating operations outside of investment holding or are dormant.

22. Discontinued operations

(a) On 28 March 2019, the Company entered into a conditional share purchase agreement with Kenanga Investors Berhad for the disposal of the entire equity interest in Libra Invest Berhad. The sale was completed on 8 July 2019.

The results of Libra Invest Berhad were not classified as results from a discontinued operations or classified as held for sale as at 31 December 2018 as the final commitment to dispose Libra Invest Berhad only occurred during the financial year. For presentation purpose, the comparative consolidated statement of profit or loss and other comprehensive income has been re-presented to show the discontinued operation separately from continuing operations for the financial year then ended 31 December 2018.

Profit attributable to the discontinued operation was as follows:

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Revenue		6,251	12,452	-	-
Other income		49	-	-	-
Gain on disposal of discontinued operation		35,000	-	38,541	-
Operating expenses		(5,653)	(10,387)	(165)	-
Profit before tax		35,647	2,065	38,376	-
Income tax expense	21	(98)	(374)	-	-
Profit for the year		35,549	1,691	38,376	-
Included in the operating expenses are:					
- Property, plant and equipment written-off		-	(41)	-	-
- Depreciation of property, plant and equipment	10	(176)	(326)	-	-

The gain on disposal of the discontinued operation is attributable entirely to the gain on disposed interest in Libra Invest Berhad.

22. Discontinued operations (cont'd.)

(b) The net cash flows generated from discontinued operation are as follows:

	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Net cash generated from investing activities	25,548	-	50,781	-

(c) The major classes of assets and liabilities of Libra Invest Berhad and effect on disposal on the financial position of the Group and the Company are, as follows:

Group	**Note**	**2019 RM'000**
Cash and cash equivalents		25,233
Trade and other receivables		4,098
Property, plant and equipment	10	1,520
Trade and other payables		(14,937)
Deferred tax liabilities	11	(133)
Net assets		15,781
Gain on disposal of discontinued operation		35,000
Fair value of consideration received, satisfied in cash		50,781
Cash and cash equivalents of subsidiaries disposed of		(25,233)
Net cash inflow		25,548
Company		
Fair value of consideration received, satisfied in cash		50,781
Cost of investment	8	(12,240)
Gain on disposal of discontinued operation		38,541

22. Discontinued operations (cont'd.)

(d) Comparative financial information

Since the conditional share purchase agreement was entered into and completed during the financial year ended 31 December 2019, the operations of Libra Invest Berhad were not disclosed as a disposal group in the previous financial year. For the purpose of presentation, the comparative consolidated statement of profit or loss and other comprehensive income has been re-presented for the financial year then ended 31 December 2018.

		31 December 2018		
Group	**Note**	**As previously disclosed RM'000**	**Re-classification RM'000**	**Total RM'000**
Continuing operations				
Revenue		19,596	(12,452)	7,144
Other income		557	-	557
		20,153	(12,452)	7,701
Operating expenses		(18,733)	10,387	(8,346)
Operating profit/(loss)		1,420	(2,065)	(645)
Interest expense		(160)	-	(160)
Share of profit of equity-accounted joint ventures		1,545	-	1,545
Profit before tax		2,805	(2,065)	740
Income tax expense		(1,108)	374	(734)
Profit from continuing operations		1,697	(1,691)	6
Discontinued operation				
Profit from disposal of a subsidiary, net of tax	22(a)	-	1,691	1,691
Profit from discontinued operation, net of tax	22(e)	3,439	-	3,439
Profit from discontinued operation, net of tax		3,439	1,691	5,130
Profit for the year		5,136	-	5,136

22. Discontinued operations (cont'd.)

(e) Discontinued operation in the previous financial year - Disposal of property, plant and equipment

The disposal of the East and Centre wings of Bangunan ECM Libra and the semi-detached resident property, for an aggregated cash consideration of RM28,000,000, were completed on 8 May 2018. Consequently, the rental business within the Investment Holding segment was presented as discontinued operation in the previous financial year ended 31 December 2018.

Profit/(loss) attributable to the discontinued operation for the previous financial year was as follows:

	Group 2018 RM'000	**Company 2018 RM'000**
Rental income	631	740
Gain/(loss) on disposal of discontinued operation	3,562	(563)
Property, plant and equipment written-off	(230)	(230)
Other operating expenses	(524)	(524)
Profit/(loss) before tax	3,439	(577)
Income tax expense	-	-
Profit/(loss) for the year	3,439	(577)

23. Earnings/(loss) per ordinary share

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

The basic earnings/(loss) per ordinary share is calculated by dividing the Group's profit/(loss) for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2019	**2018**
Profit/(loss) for the financial year attributable to owners of the Company (RM'000):		
- from continuing operations	(5,215)	6
- from discontinued operation	35,549	5,130
Weighted average number of ordinary shares in issue (units '000)	479,926	395,894
Basic earnings/(loss) per ordinary share (sen):		
- from continuing operations	(1.09)	-
- from discontinued operation	7.41	1.30
	6.32	1.30

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

The Group has no dilution in its earnings per ordinary share in the current and previous financial year as there are no dilutive potential ordinary shares.

24. Dividends

For the current financial year ended 31 December 2019, the Directors do not recommend the payment of any dividend.

For the previous financial year ended 31 December 2018, a special single-tier dividend of RM0.1597 per ordinary share amounting to RM45,768,758 in respect of the financial year ended 31 December 2018 was paid on 8 May 2018.

25. Commitments

	Note	Group 2019 RM'000	Group 2018 RM'000
Approved and contracted for			
Proposed acquisition of Tune Hotel Kota Kinabalu	33	-	8,100
Proposed acquisition of Tune Hotel KLIA Aeropolis	34	833	833
Proposed acquisition of Tune Hotel Danga Bay	32	16,450	-
Proposed acquisition of the Chow Kit, an Ormond Hotel and MoMo's Kuala Lumpur	32	45,590	-
Property, plant and equipment		7,017	-
Joint venture			
Share of capital commitment of joint venture		405	1,454

26. Contingent liabilities

The Company has provided a corporate guarantee to a bank for a RM19,000,000 (2018: RM10,000,000) loan (see Note 13) taken by a subsidiary.

27. Significant related party transactions

(a) Related parties and relationships

The related parties of, and their relationships (other than those disclosed in Note 6 and Note 12) with the Group and the Company are as follows:

Related parties	Relationships
Key management personnel	All Directors of the Company and members of management committee who make critical decisions in relation to the strategic direction of the Group and of the Company.
Related parties of key management personnel (deemed as related to the Group)	Close family members and dependents of key management personnel and entities that are controlled or significantly influenced by, or for which significant voting power in such entities reside with, directly or indirectly, by key management personnel or its close family members.

27. Significant related party transactions (cont'd.)

(b) Significant related party transactions and balances

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and the Company are shown below. The balances related to the below transactions are shown in Notes 6 and 12.

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Income/(expenses):					
Interest income from subsidiaries		-	-	1,571	2,890
Rental income from:					
- related parties		-	48	-	48
- a subsidiary		-	-	-	109
Interest expense charged by a subsidiary		-	-	-	(75)
Rental expenses charged by a related party		-	(575)	-	(119)
Loan administrative income received from a subsidiary		75	-	50	-
Payment of lease liability charged by a related party		(204)	-	(204)	-
Intercompany loan:					
Loan from a subsidiary	27.1	-	-	-	-2,933
Loan to subsidiaries	27.2	-	-	3,428	62,040
Advances to subsidiaries		-	-	20,027	600

27.1 During the financial year, the Company has fully repaid the loan from Libra Invest Berhad.

27.2 During the financial year, ECM Libra Partners Sdn Bhd has repaid the loan amounting to RM51,189,000 to the Company.

27. Significant related party transactions (cont'd.)

(c) Compensation of Directors and key management personnel

The remuneration of Directors and other members of key management for the financial year was as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Fees and meeting allowances	269	316	259	260
Short-term employee benefits	2,220	4,861	2,220	2,768
Defined contribution plan	333	698	333	398
	2,822	5,875	2,812	3,426

Included in the total compensation of Directors and key management personnel are:

	Note	Group		Company	
		2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Directors' remuneration	20	2,822	2,535	2,812	2,479

28. 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 has been sold in May 2018, and this segment is presented as discontinued operation.

(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

The Company 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. The sale was completed on 8 July 2019. Consequently, Fund Management segment is presented as discontinued operation.

28. Segmental reporting (cont'd.)

2019 Group	<------- Continuing operations -------> Investment holding RM'000	Structured financing RM'000	Hospitality RM'000	Sub-total RM'000	<- Discontinued operation -> Fund management RM'000	Investment holding RM'000	Total RM'000
Revenue	1,606	2,131	8,006	11,743	6,251	-	17,994
Other income	68	11	948	1,027	35,049	-	36,076
	1,674	2,142	8,954	12,770	41,300	-	54,070
Operating expenses of which:	(7,920)	(87)	(7,554)	(15,561)	(5,653)	-	(21,214)
- Depreciation of property, plant and equipment	(204)	-	(270)	(474)	(176)	-	(650)
- Depreciation of right-of-use assets	(185)	-	-	(185)	-	-	(185)
Operating (loss)/profit	(6,246)	2,055	1,400	(2,791)	35,647	-	32,856
Interest expense	(32)	-	(985)	(1,017)	-	-	(1,017)
Share of loss of equity-accounted joint ventures	-	-	(1,212)	(1,212)	-	-	(1,212)
(Loss)/profit before tax	(6,278)	2,055	(797)	(5,020)	35,647	-	30,627
Segment assets	96,936	7,464	47,679	152,079	-	-	152,079
Investment in joint ventures	-	-	65,762	65,762	-	-	65,762
Acquisition of property, plant and equipment	85	-	10,029	10,114	-	-	10,114
Total assets	97,021	7,464	123,470	227,955	-	-	227,955
Total liabilities	1,006	17	24,407	25,430	-	-	25,430

ECM Libra Group Berhad
(formerly known as ECM Libra Financial Group Berhad)
(Incorporated in Malaysia)

28. Segmental reporting (cont'd.)

2018 Group	<------- Continuing operations ------->				<- Discontinued operation ->		
	Investment holding RM'000	Structured financing RM'000	Hospitality RM'000	Sub-total RM'000	Fund management RM'000	Investment holding RM'000	Total RM'000
Revenue	376	5,334	1,434	7,144	12,452	-	19,596
Other income	497	24	36	557	-	3,963	4,520
	873	5,358	1,470	7,701	12,452	3,963	24,116
Operating expenses of which:	(7,115)	(71)	(1,160)	(8,346)	(10,387)	(524)	(19,257)
- Depreciation of property, plant and equipment	(216)	-	(24)	(240)	(326)	-	(566)
Operating (loss)/profit	(6,242)	5,287	310	(645)	2,065	3,439	4,859
Interest expense	-	-	(160)	(160)	-	-	(160)
Share of profit of equity-accounted joint ventures	-	-	1,545	1,545	-	-	1,545
(Loss)/profit before tax	(6,242)	5,287	1,695	740	2,065	3,439	6,244
Segment assets	23,344	58,171	2,862	84,377	16,049	-	100,426
Investment in joint ventures	-	-	67,537	67,537	-	-	67,537
Acquisition of property, plant and equipment	942	-	22,206	23,148	360	-	23,508
Total assets	24,286	58,171	92,605	175,062	16,409	-	191,471
Total liabilities	1,765	94	11,202	13,061	4,275	-	17,336

29. Financial instruments

29.1 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 or loss ("FVTPL"); and
(iv) Financial liabilities measured at amortised cost ("FL").

Group	Carrying amount RM'000	FA/ (FL) RM'000	FVTPL RM'000	FVOCI RM'000
2019				
Financial assets				
Cash and cash equivalents	55,988	55,988	-	-
Financial assets at fair value through profit or loss	20,958	-	20,958	-
Financial assets at fair value through other comprehensive income	20,423	-	-	20,423
Loans, advances and financing	5,738	5,738	-	-
Trade and other receivables excluding prepayments	25,618	25,618	-	-
	128,725	87,344	20,958	20,423
Financial liabilities				
Trade and other payables	(5,875)	(5,875)	-	-
Loans and borrowings	(18,947)	(18,947)	-	-
Lease liabilities	(537)	(537)	-	-
	(25,359)	(25,359)	-	-
2018				
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 and other receivables excluding prepayments	5,215	5,215	-	-
	98,252	76,899	-	21,353

29. Financial instruments (cont'd.)

29.1 Categories of financial instruments (cont'd.)

Group	Carrying amount RM'000	FA/ (FL) RM'000	FVTPL RM'000	FVOCI RM'000
2018				
Financial liabilities				
Trade and other payables	(7,163)	(7,163)	-	-
Loans and borrowings	(9,941)	(9,941)	-	-
	(17,104)	(17,104)	-	-
Company				
2019				
Financial assets				
Cash and cash equivalents	53,858	53,858	-	-
Financial assets at fair value through profit or loss	20,958	-	20,958	-
Financial assets at fair value through other comprehensive income	20,423	-	-	20,423
Trade and other receivables excluding prepayments	23,908	23,908	-	-
	119,147	77,766	20,958	20,423
Financial liabilities				
Trade and other payables	(523)	(523)	-	-
Lease liabilities	(459)	(459)	-	-
	(982)	(982)	-	-
2018				
Financial assets				
Cash and cash equivalents	874	874	-	-
Financial assets at fair value through other comprehensive income	21,353	-	-	21,353
Trade and other receivables excluding prepayments	63,481	63,481	-	-
	85,708	64,355	-	21,353
Financial liabilities				
Trade and other payables	(4,694)	(4,694)	-	-

29. Financial instruments (cont'd.)

29.2 Determination of fair value

Fair value is the price that would be received for the sale of an asset or paid to transfer a liability in an orderly transaction between market participants in the principal or most advantageous market at the measurement date.

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 ("DCF") 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 and the Company generally use 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.

The comparison method seeks to determine the value of property by comparing and adopting as a yardstick, recent transaction and prices involving other similar properties in the vicinity. Due consideration is given for such factors including property type, location, plot size and permitted/licensed uses of the property. The comparison method of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property. The yardstick applied by the Group and the Company is the price per square foot.

The significant unobservable input is the adjustment of the price per square foot for factors specific to the properties of the joint ventures and subsidiaries within the Group and the Company. The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as the starting point for valuation. Although this input is a subjective judgement, management considers that the overall valuation would not be materially affected by reasonably possible alternative assumptions.

29. Financial instruments (cont'd.)

29.2 Determination of fair value (cont'd.)

Fair value measurement (cont'd.)

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

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

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

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

The carrying amounts of cash and cash equivalents, loans, advances and financing, amount owing by subsidiaries, short-term receivables and payables reasonably approximate their fair values due to the relatively short-term nature of these financial instruments. For floating rate bank loans, the carrying value is generally a reasonable estimate of fair value.

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:

Group and Company 2019	**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				
- Quoted shares	251	-	-	251
- Unquoted investments	-	-	20,172	20,172
Financial assets at fair value through profit or loss				
- Unit trust fund	-	20,958	-	20,958
	251	20,958	20,172	41,381

29. Financial instruments (cont'd.)

29.2 Determination of fair value (cont'd.)

Fair value measurement (cont'd.)

Group and Company 2018	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				
- Quoted shares	653	-	-	653
- Unquoted investments	-	-	20,700	20,700
	653	-	20,700	21,353

Transfers between Level 1 and Level 2 fair values

There were no transfer between Level 1 and Level 2 of the fair value hierarchy during the financial year (2018: no transfer in either directions).

Level 3 fair value

The following table shows a reconciliation of Level 3 fair values:

Group and Company	2019 RM'000	2018 RM'000
Unquoted investments		
At beginning of the financial year	20,700	20,238
Impacts arising from adoption of MFRS 9	-	
Purchases	451	300
Fair value (loss)/gain recognised in other comprehensive income	(979)	162
At end of the financial year	20,172	20,700

The fair value of unquoted equity investments have been estimated using comparison method for investments that derive the significant majority of their value from underlying property holdings and DCF techniques for all other investments.

29. Financial instruments (cont'd.)

29.2 Determination of fair value (cont'd.)

Fair value measurement (cont'd.)

The DCF model under income approach incorporates the following unobservable inputs: the forecast cash flows, the cost of capital, long term growth rates and long term operating margins. Whereas, the most significant input into the comparison method is price per square foot.

The table below illustrates the impact on the fair value arising from the key unobservable inputs.

Sensitivity analysis

Group and Company	**Other comprehensive income**	
2019	**Increase RM'000**	**Decrease RM'000**
Cost of capital (0.01% movement)	(4)	4
Long term growth rate (0.01% movement)	3	(3)
Long term operating margin (0.01% movement)	10	(10)
Price per square foot (0.01% movement)	3	(3)
2018		
Cost of capital (0.01% movement)	(43)	43
Long term growth rate (0.01% movement)	32	(32)
Long term operating margin (0.01% movement)	18	(18)

The estimated fair value would increase/(decrease) if the long term growth rate, long term operating margin or price per square foot is higher/(lower). The estimated fair value would (decrease)/increase if the cost of capital were higher/(lower).

30. Financial risk management objectives and policies

The Group and the Company are exposed to a variety of financial risks, which include credit risk, market risk and liquidity risk.

30. Financial risk management objectives and policies (cont'd.)

The Board of Directors is responsible for managing the Group's and the Company's financial risks and has appointed the Board of Audit and Risk Management Committee ("BARMC") to oversee the effectiveness of the Group's and the Company's risk management policies and processes.

The Group's and the Company's overall risk management is carried out through internal control processes and is being separately set out below to reflect the substantial component of the Group's and the Company's financial risks.

Credit risk

Credit risk is the risk of a financial loss if a customer, borrower or counterparty to a financial instrument fails to meet its contractual financial obligations.

The Group's exposure to credit risk arises principally from its operating activities (primarily trade and other receivables) and from its lending activities. The Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantee given to bank for credit facilities granted to a subsidiary.

(a) Trade receivables and contract assets

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. At each reporting date, the Group assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statement of financial position.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

Recognition and measurement of impairment loss

Trade receivables are non-interest bearing and are on 30 days terms. Other credit terms are assessed and approved on a case-by case basis.

30. Financial risk management objectives and policies (cont'd.)

Credit risk (cont'd.)

(a) Trade receivables and contract assets

The allowance for impairment loss is measured by the Group using lifetime expected credit losses ("ECLs"). Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 6.

(b) Loans, advances and financing

The Group manages credit risk arising from loans, advances and financing by undertaking credit evaluation to minimise such risk.

- Lending to individuals

  The credit granting to individuals is individually underwritten, which amongst others, includes the assessment of the historical repayment track record, the current repayment capacity of the customers, types of facilities and collaterals offered. The credit approving authority has the responsibility to ensure that credit risk is properly assessed and all crucial credit information of the customers, types of facilities and collaterals offered are included in the loan application.

- Lending to corporate customers

  Credit granting to corporate customers is individually underwritten. Credit officers identify and assess the credit risks of the corporate customers, taking into consideration their financial and business profiles, industry and economic factors, or other credit supports.

As at the end of the reporting period, the maximum exposure to credit risk arising from loans, advances and financing are represented by the carrying amounts in the statement of financial position.

Recognition and measurement of impairment loss

The Group uses three categories of internal credit risk ratings for loans, advances and financing which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings reflect 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.

30. Financial risk management objectives and policies (cont'd.)

Credit risk (cont'd.)

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

Recognition and measurement of impairment loss (cont'd.)

As at the end of the reporting period, the maximum exposure to credit risk arising from loans, advances and financing is represented by their carrying amounts in the statement of financial position. An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans, advances and financing, is as follows:

Group	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount as at 1 January 2018	-	59,071	-	59,071
Interest income	-	4,661	-	4,661
Repayments	-	(5,829)	-	(5,829)
At 31 December 2018/ 1 January 2019	-	57,903	-	57,903
Interest income	-	1,894	-	1,894
Repayments	-	(54,059)	-	(54,059)
Transfer to Stage 3	-	(5,738)	5,738	-
At 31 December 2019	-	-	5,738	5,738

(i) Expected credit losses

For all loans, advances and financing that were considered individually significant, the Group assessed on a case-by-case basis at each reporting date whether there has been a significant increase in credit risk. Loans that experience a significant increase in credit risk are transferred from Stage 1 to either Stage 2 or Stage 3. The criteria that the Group use to determine that there was objective evidence of impairment include:

- The principal or interest or both was past due for more than 90 days or 3 months; and/or
- The amount was past due or the outstanding amount has been in excess of the approved limit for 90 days or 3 months or less, whereby the facility or borrower exhibits credit quality weaknesses arising from the Group's internal credit risk assessment.

At the reporting date, all loans are classified as Stage 3 (2018: Stage 2).

30. Financial risk management objectives and policies (cont'd.)

Credit risk (cont'd.)

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

Recognition and measurement of impairment loss (cont'd.)

(ii) The credit risk of financial assets of the Group is mitigated by the collateral held against the financial assets. At the reporting date, the value of the collateral held by the Group exceeds the carrying amount of the loans, advances and financing.

(iii) Repossessed collateral

These are assets obtained by taking possession of collateral held as security against loans, advances and financing.

Repossessed collaterals are sold as soon as practicable. Repossessed collaterals are recognised in other assets on the statements of financial position. At the reporting date, there was no repossessed collateral.

(c) Inter-company loans and advances

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment loss

Generally, the Company considers loans and advances to subsidiaries have low credit risk. The Company assumes that there is significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

30. Financial risk management objectives and policies (cont'd.)

Credit risk (cont'd.)

(c) Inter-company loans and advances

Recognition and measurement of impairment loss (cont'd.)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans to subsidiaries, is as follows:

Company	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount as at 1 January 2018	53,700	-	-	53,700
Loan to a subsidiary	11,266	-	-	11,266
Interest income	2,890	-	-	2,890
Repayments	(5,216)	-	-	(5,216)
At 31 December 2018/ 1 January 2019	62,640	-	-	62,640
Advances to subsidiaries	19,775	-	-	19,775
Interest income	1,571	-	-	1,571
Conversion of loan to shares in a subsidiary	(7,500)	-	-	(7,500)
Repayments	(53,031)	-	-	(53,031)
At 31 December 2019	23,455	-	-	23,455

The Company considers a subsidiary's loan and advance to be credit impaired when the subsidiary is unlikely to repay its loan or advance to the Company in full or the subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these loans and advances individually using internal information available. At the reporting date, there is no allowance for impairment in respect of subsidiaries' loans and advances.

(d) Financial guarantees

The Company provides unsecured financial guarantee to a commercial bank in respect of banking facilities granted to a subsidiary. The Company monitors the ability of the subsidiary to service its loan regularly.

The maximum exposure to credit risk amounts to RM19,000,000 (2018: RM10,000,000) representing the outstanding banking facilities of the subsidiary as at the end of the reporting period. The financial guarantee is provided as credit enhancements to the subsidiary's secured loan.

30. Financial risk management objectives and policies (cont'd.)

Credit risk (cont'd.)

(d) Financial guarantees (cont'd.)

Recognition and measurement of impairment loss

The Company assumes that there is significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when the subsidiary is unlikely to repay its credit obligation to the bank in full or the subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available. At the reporting date, there was no allowance for impairment in respect of financial guarantees.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices that will affect the Group's and the Company's financial position or cash flows.

(a) Equity price risk

Equity price risk arises from the Group's and the Company's investments in equity securities.

Management of the Group monitors the equity investments on a portfolio basis. All buy and sell decisions are approved by the Board of Directors of the Group.

A 10% (2018: 10%) strengthening in FTSE Bursa Malaysia KLCI ("FBMKLCI") at the end of the reporting period with all other variables held constant and assuming the Group's and the Company's quoted equity investments moved in correlation with the FBMKLCI, would have increased the Group's and the Company's equity by RM25,000 (2018: RM65,000) for quoted equity investments classified as financial assets at fair value through other comprehensive income. A 10% (2018: 10%) weakening in FBMKLCI would have had an equal but opposite effect on equity. A 1% (2018: nil) increase in the unit price of the unit trust fund would have increased the Group's and the Company's profit by RM200,000 (2018: nil). A 1% decrease in the unit price of the unit trust fund would have had an equal but opposite effect on profit.

30. Financial risk management objectives and policies (cont'd.)

Market risk (cont'd.)

(b) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities.

The Group's and the Company's exposure to interest rate risk is mainly confined to short-term placements with financial institutions. The Group and the Company mitigate interest rate risk exposure by way of maintaining deposits on short-term basis.

The Group is also exposed to interest rate through loans, advances and financing provided to its customers and variable rate borrowings obtained from the Bank. The Company is also exposed to interest rate risk through loans and advances to subsidiaries, ECML Hotels Sdn. Bhd. and ECM Libra Partners Sdn. Bhd. and advances from a subsidiary, Libra Invest Berhad.

The interest rate profile of the Group's and the Company's interest-bearing financial instruments, based on the carrying amounts as at the end of the reporting period was:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Fixed rate instruments				
Loans, advances and financing	5,738	57,903	-	-
Deposit placements with licensed financial institutions	54,114	9,230	53,701	730
	59,852	67,133	53,701	730
Floating rate instruments				
Loans to subsidiaries	-	-	3,428	62,040
Advances from a subsidiary	-	-	-	(2,000)
Loans and borrowings	(18,947)	(9,941)	-	-
Lease liabilities	(537)	-	(459)	-
	(19,484)	(9,941)	2,969	60,040

30. Financial risk management objectives and policies (cont'd.)

Market risk (cont'd.)

(b) Interest rate risk (cont'd.)

A 25 basis point increase in interest rates based on currently observable market environment with all other variables held constant, would have the following effect on the Group's and the Company's profit after tax and equity:

	Group		Company	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Increase in profit after tax				
Fixed rate instruments	114	125	102	1
Floating rate instruments	(37)	(19)	6	114
	77	106	108	115

An equivalent decrease in interest rates shown above would result in an equivalent, but opposite impact. The projection assumes a constant financial position and that all positions run to maturity.

(c) Foreign currency risk

The Group and the Company are exposed to foreign currency risk on investment in joint ventures and financial assets (quoted shares outside Malaysia) that are denominated in a currency other than RM. The currencies giving rise to this risk are primarily Australian Dollar ("AUD") and Great Britain Pound ("GBP").

The Group and the Company do not hedge its foreign currency risk. The Group's and the Company's exposure to foreign currency risk, based on the carrying amounts as at the end of the reporting period was:

Group and Company	Denominated in AUD		Denominated in GBP	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Advances owing by joint venture company	30,513	31,101	-	-
Financial assets at fair value through other comprehensive income	-	-	-	183
Net exposure	30,513	31,101	-	183

30. Financial risk management objectives and policies (cont'd.)

Market risk (cont'd.)

(c) Foreign currency risk (cont'd.)

A 10% strengthening of RM against the above currencies at the end of the reporting period would have decreased the Group's and the Company's profit after tax and equity by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group and the Company considered to be reasonably possible at the end of the reporting period with all other variables remained constant.

Group and Company	Denominated in AUD 2019 RM'000	Denominated in AUD 2018 RM'000	Denominated in GBP 2019 RM'000	Denominated in GBP 2018 RM'000
Decrease in profit after tax	2,319	2,364	-	14

A 10% weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

30. Financial risk management objectives and policies (cont'd.)

Liquidity risk (cont'd.)

Liquidity risk is managed on a projected cash flows basis and funds management including the maintenance of a portfolio of highly liquid assets that can be easily liquidated as buffer against any unforeseen interruption to cash flows. The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments.

Group	Carrying amount RM'000	Contractual interest	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2019							
Trade and other payables	5,875	-	5,875	5,788	87	-	-
Loans and borrowings	18,947	5.97%	23,784	204	1,036	10,067	12,477
Lease liabilities	537	5.97% - 12.25%	577	276	216	85	-
	25,359		30,236	6,268	1,339	10,152	12,477
2018							
Trade and other payables	7,163	-	7,163	7,123	40	-	-
Loans and borrowings	9,941	6.22%	12,359	-	-	3,973	8,386
	17,104		19,522	7,123	40	3,973	8,386
Company							
2019							
Trade and other payables	523	-	523	523	-	-	-
Lease liabilities	459	5.97%	493	204	204	85	-
	982		1,016	727	204	85	-
2018							
Trade and other payables	4,694	-	4,694	4,694	-	-	-

31. Capital risk management

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as going concern in order to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or buy-back shares from the open market to be held as treasury shares and cancellation of treasury shares.

32. Significant events during the financial year

The Company had on 8 August 2019 announced that ECML Hotels Sdn Bhd, a wholly-owned subsidiary of the Company, had entered into a conditional sale and purchase agreement ("SPA") with OMT Hotels Sdn Bhd (formerly known as 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 (collectively referred to as "KL Property"), and

(c) hospitality businesses,

for total cash consideration of RM62,040,000 upon the terms and conditions as set out in the SPA and to assume the remaining costs and expenses estimated to be approximately RM26,340,000 for the renovation works on the KL Property (collectively referred to as "Proposed Acquisition of Hospitality Assts").

At the Extraordinary General Meeting of the Company held on 3 December 2019, the shareholders had approved the Proposed Acquisition of Hospitality Assets.

The Proposed Acquisition of Hospitality Assets is currently on-going.

33. Business combinations

(a) On 29 April 2019, the Company acquired Tune Hotel Kota Kinabalu with an existing hotel operating business for RM9,000,000 which was financed through loans and borrowings (Note 13).

The investment is consistent with the Group's and the Company's effort to further expand its business into the travel and hospitality industry.

The fair values of the identifiable assets and liabilities as at the date of acquisition were:

2019 Group	**Note**	**Tune Hotel Kota Kinabalu RM'000**
Identifiable assets acquired and liabilities assumed		
Property, plant and equipment, representing total identifiable net assets at fair value	10	9,808
Gain on bargain purchase arising on acquisition	17	(808)
Purchase consideration, financed through loans and borrowings	13	9,000

The net assets recognised were based on independent valuation performed by external property valuers on 29 April 2019.

(b) In the previous financial year ended 31 December 2018, the Company acquired the following:

(i) 50% equity interest in TP Sepang Sdn. Bhd. (now known as OHG Services Sdn. Bhd.), Yummy Kitchen Sdn. Bhd. (now known as Ormond Lifestyle Services 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) via 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 total purchase consideration of RM57,674,000;

(ii) acquired 50% equity interest in Tune Plato Ventures Sdn. Bhd. for cash consideration of RM6,000,000; and

(iii) Tune Hotel Penang with existing hotel operating business via 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 through loans and borrowings to satisfy the purchase consideration of RM21,000,000 (Note 10).

33. Business combinations (cont'd.)

The fair values of the identifiable assets and liabilities as at the date of acquisition were:

2018 Group	Note	OHG Services Sdn. Bhd. RM'000	Ormond Lifestyle Services Sdn. Bhd. RM'000	TP International Pty Ltd RM'000	TP Hotel (Flinders) Trust RM'000	Tune Plato Ventures Sdn. Bhd. RM'000	Tune Hotel Penang RM'000 (Note 10)
Identifiable assets acquired and liabilities assumed							
Property, plant and equipment		4,739	271	-	59,943	-	21,000
Intangible assets		54,400	-	-	-	-	-
Cash and cash equivalents		5,923	934	19	14,506	12,000	-
Trade and other receivables		4,366	627	2	2,514	-	-
Inventories		117	148	-	-	-	-
Trade and other payables		(4,561)	(510)	(221)	(296)	-	-
Deferred tax liability		(2,650)	(14)	-	-	-	-
Loans and borrowings		(33,234)	-	-	-	-	-
Shareholders' advances		-	-	-	(78,920)	-	-
Total identifiable net assets		29,100	1,456	(200)	(2,253)	12,000	21,000
Group's share in equity (%)		50%	50%	50%	40.005%	50%	100%
Group's share in equity		14,550	728	(100)	(901)	6,000	21,000
Advances owing by joint venture company		-	-	-	31,572	-	-
Fair valuation on net assets at date of acquisition							
- Intangible assets	33.1	9,531	-	-	-	-	-
- Freehold land		-	-	-	1,538	-	-
Goodwill arising on acquisition	33.2	-	-	100	3,421	-	-
Gain on bargain purchase arising on acquisition		-	(721)	-	-	-	-
Purchase consideration transferred		24,081	7	-	35,630	6,000	21,000

ECM Libra Group Berhad
(formerly known as ECM Libra Financial Group Berhad)
(Incorporated in Malaysia)

33. Business combinations (cont'd.)

The fair values of the identifiable assets and liabilities as at the date of acquisition were: (cont'd.)

2018 Group	OHG Services Sdn. Bhd. RM'000	Ormond Lifestyle Services Sdn. Bhd. RM'000	TP International Pty Ltd RM'000	TP Hotel (Flinders) Trust RM'000	Tune Plato Ventures Sdn. Bhd. RM'000	Tune Hotel Penang RM'000 (Note 10)
Purchase consideration						
Issuance of shares	24,009	-	-	33,665	-	11,926
Cash considerations	72	7	-	1,965	6,000	-
Loans and borrowings	-	-	-	-	-	9,074
Total consideration	24,081	7	-	35,630	6,000	21,000

33. Business combinations (cont'd.)

33.1 Fair valuation of net assets - intangible assets

Fair valuation of net assets for intangible assets comprises the fair value of an identified intangible asset, which is prepaid lease of RM9,531,000. The prepaid lease is related to the concession agreement entered into by TP Sepang Sdn. Bhd. ("TP Sepang") with Malaysia Airports (Properties) Sdn. Bhd. ("MAP") for the design, construction, operation management and maintenance of limited services hotel at the Kuala Lumpur International Airport for a period of 21 years and 11 months from 1 March 2012 to 31 January 2034 (the "Concession Agreement").

In accordance with the Concession Agreement, MAP granted TP Sepang the right and authority to:

(i) design, construct, build, operate, maintain and manage the hotel on a built-operate-transfer model

(ii) provide hotel services

(iii) construct a link bridge connecting to the airport site complex

(iv) use the concession area for permitted use.

(collectively, the " Hotel Operation Rights ("HOR") ")

The costs associated with acquisition of the HOR were borne by TP Sepang and these amounts were capitalised as "Prepaid lease". HOR represents consideration paid for the rights to design, construct and operate a hotel which have been granted to TP Sepang.

33.2 Goodwill arising on acquisition

The goodwill of RM3,521,000 comprises the value of expected synergies arising from the acquisition, which is not separately recognised. No separately identifiable intangible assets were identified since the entities are still in the gestation/start-up phase of their respective operating life-cycles and have not entered into arrangements/activities/operations that could give rise to any. Therefore, it does not meet the criteria for recognition as a separately identifiable intangible asset.

34. Subsequent events

(i) On 2 January 2020, the sale and purchase agreement dated 4 May 2017 between the Company and Tune Hotels Sdn Bhd (now known as OMT Hotels Sdn Bhd) for the acquisition of the rights to operate and maintain the Tune Hotel KLIA Aeropolis for a cash consideration of RM926,000 has been completed. As at 31 December 2019, the company had paid RM92,600 as a deposit in respect of the purchase consideration.

(ii) With widespread concerns about the ongoing COVID-2019 outbreak, the demand for travel by both leisure and corporate segments were impacted subsequent to the year ended 31 December 2019. This may affect the financial performance of the hotels owned and operated by a subsidiary and certain joint ventures of the Group after the reporting period, as disclosed in Notes 8 and 9 respectively. The estimate of the financial impact cannot be reasonably determined at this juncture.

35. Significant changes in accounting policies

During the year, the Group and the Company adopted MFRS 16 *Leases* ("MFRS 16").

Effects of adopting MFRS 16

The Group and the Company adopted the requirements of MFRS 16 on 1 January 2019 using the modified retrospective approach, with the cumulative effect of adopting MFRS 16, if any, being recognised in equity as an adjustment to the opening balance of retained profits for the current year. Prior periods have not been restated - i.e. it is presented, as previously reported under MFRS 117 *Leases* ("MFRS 117") and IC Interpretation 4 *Determining Whether an Arrangement contains a Lease* ("IC Interpretation 4"). Accordingly, the financial statements of the previous year are not comparable.

(i) Recognition of leases at 1 January 2019, previously recognised under MFRS 117

On adoption of MFRS 16, the Group and the Company elected not to reassess whether a contract is, or contains lease at the date of initial application as described in Note 2.2. Instead, for contracts entered into before the transition date, the Group and the Company relied on the previous assessment made in accordance with MFRS 117 and IC Interpretation 4. Therefore, the definition of a lease under MFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

The Group and the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group and the Company. Under MFRS 16 at 1 January 2019, the Group and the Company recognised right-of-use assets ("ROU") and lease liabilities in respect of the all the Group and the Company's leases that did not qualify for any exemption from the application of MFRS 16.

35. Significant changes in accounting policies (cont'd.)

Effects of adopting MFRS 16 (cont'd.)

(ii) Measurement of leases at 1 January 2019, previously measured under MFRS 117

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group and the Company's incremental borrowing rate as offered by active creditors of the Group and the Company as at 1 January 2019. The cost of ROU includes the amount of lease liabilities recognised at the commencement date.

The Group and the Company elected the following transition practical expedients on a lease-by-lease basis for measurement purposes at first-time application of the standard:

- Relying on previous impairment assessments on whether leases are onerous as an alternative to performing an impairment review - there were no onerous contracts as at 1 January 2019;
- Elected not to recognise the associated ROU and lease liabilities for lease contracts with remaining lease term not exceeding twelve months at the date of initial application;
- Initial direct costs are excluded from the measurement of the ROU at the date of initial application;
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease; and
- The Group and the Company elected to expense any variable lease payments, as established in the terms to any lease contract, when they are incurred.

(iii) Impacts on financial statements

The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 for the Group and the Company is 5.97%.

The following table presents the reconciliation of lease liabilities as of 1 January 2019:

Group and Company	**RM'000**
Assets	
Operating lease commitments as at 31 December 2018	697
Weighted average incremental borrowing rate as at 1 January 2019	5.97%
Discounted operating lease commitments as at 1 January 2019	631

35. Significant changes in accounting policies (cont'd.)

Effects of adopting MFRS 16 (cont'd.)

(iii) Impacts on financial statements (cont'd.)

The recognised right-of-use assets relate to the following type of assets:

Group and Company	**RM'000**
Rental of office premise	631

The financial effects due to the changes in accounting policies have been adjusted to the statements of financial position of the Group and the Company as at 1 January 2019. There are no changes to the comparatives in the statements of profit or loss and statements of cash flows of the Group and the Company.

The table below summarises the effects upon adoption of MFRS 16 as at 1 January 2019 and the movements during the year ended 31 December 2019:

	Group		**Company**	
	Right-of-use assets RM'000	**Lease liabilities RM'000**	**Right-of-use assets RM'000**	**Lease liabilities RM'000**
At 31 December 2018	-	-	-	-
Additions	631	(709)	631	(631)
As restated at 1 January 2019	631	(709)	631	(631)
Depreciation of right-of-use assets	(185)	-	(185)	-
Interest expense	-	(32)	-	(32)
Payment	-	204	-	204
At 31 December 2019	446	(537)	446	(459)

The following table sets out the amount recognised in profit or loss:

		Group		**Company**	
	Note	**2019 RM'000**	**2018 RM'000**	**2019 RM'000**	**2018 RM'000**
Depreciation of right-of-use assets					
- Rental of office premise	18	(185)	-	(185)	-

35. Significant changes in accounting policies (cont'd.)

Effects of adopting MFRS 16 (cont'd.)

(iii) Impacts on financial statements (cont'd.)

The following table sets out the amount recognised in profit or loss (cont'd.):

		Group		Company	
		2019	2018	2019	2018
	Note	RM'000	RM'000	RM'000	RM'000
Interest expense on lease liabilities	19	(32)	-	(32)	-
Expenses relating to leases with a remaining term of twelve months or less from the date of application of MFRS 16 not recognised in the measurement of lease liabilities		9	-	1	-
Rental expense on operating leases		-	119	-	119