

ECM LIBRA GROUP BERHAD (Company No. 200501031433) (713570-K)
(formerly known as ECM Libra Financial Group Berhad)
Condensed Interim Consolidated Financial Statements

Condensed Consolidated Statements of Financial Position as at 30 September 2020

	Note	30-Sep-20 RM'000 (Unaudited)	31-Dec-19 RM'000 (Audited)
ASSETS			
Cash and cash equivalents	9	17,259	55,988
Financial assets at fair value through profit or loss	10	-	20,958
Financial assets at fair value through other comprehensive income	11	20,776	20,423
Tax recoverable		99	87
Trade and other receivables	12	4,774	25,852
Inventories		145	13
Loans, advances and financing	13	5,861	5,738
Investment in joint ventures		63,272	65,762
Right-of-use assets		1,052	446
Property, plant and equipment	14	122,103	32,688
TOTAL ASSETS		235,341	227,955
LIABILITIES AND EQUITY			
LIABILITIES			
Tax payable		56	49
Deferred tax liabilities		22	22
Trade and other payables		4,897	5,875
Lease liabilities		1,255	537
Loans and borrowings	15	39,628	18,947
TOTAL LIABILITIES		45,858	25,430
EQUITY			
Share capital		107,546	107,546
Retained earnings		83,904	97,812
Reserves		(1,967)	(2,833)
TOTAL EQUITY		189,483	202,525
TOTAL LIABILITIES AND EQUITY		235,341	227,955
Net assets per share (RM)		0.39	0.42

The above unaudited condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements.

ECM LIBRA GROUP BERHAD (Company No. 200501031433) (713570-K)
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Unaudited Condensed Consolidated Statements of Profit or Loss
for the third quarter and year-to-date ended 30 September 2020

	Note	Quarter Ended		Year-to-Date Ended	
		30-Sep-20 RM'000	30-Sep-19 RM'000	30-Sep-20 RM'000	30-Sep-19 RM'000
Continuing operations					
Revenue	16	2,808	3,327	9,047	8,500
Other income	17	177	114	479	214
		2,985	3,441	9,526	8,714
Operating expenses	18	(9,344)	(4,820)	(18,860)	(10,980)
Operating loss		(6,359)	(1,379)	(9,334)	(2,266)
Interest expense		(500)	(291)	(1,044)	(689)
Share of (losses)/profit of equity-accounted joint ventures		(695)	709	(3,452)	496
Loss before tax		(7,554)	(961)	(13,830)	(2,459)
Income tax expense	19	(25)	(29)	(78)	(147)
Loss from continuing operations		(7,579)	(990)	(13,908)	(2,606)
Discontinued operation					
Profit from discontinued operation, net of tax	20	-	34,835	-	35,549
(Loss)/profit for the period attributable to owners of the Company		(7,579)	33,845	(13,908)	32,943
		Sen	Sen	Sen	Sen
Basic (loss)/earnings per ordinary share:					
- from continuing operations	36	(1.58)	(0.21)	(2.90)	(0.54)
- from discontinued operation	36	-	7.26	-	7.41
		(1.58)	7.05	(2.90)	6.87

The above unaudited condensed consolidated statements of profit or loss should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements.

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Unaudited Condensed Consolidated Statements of Comprehensive Income
for the third quarter and year-to-date ended 30 September 2020

	Quarter Ended		Year-to-Date Ended	
	30-Sep-20 RM'000	30-Sep-19 RM'000	30-Sep-20 RM'000	30-Sep-19 RM'000
(Loss)/profit for the period	(7,579)	33,845	(13,908)	32,943
Other comprehensive income/(loss):				
Items that will not be subsequently reclassified to profit or loss:				
Fair value changes on financial assets	(4)	(63)	(96)	(387)
Items that may be subsequently reclassified to profit or loss:				
Exchange differences on translating investment in foreign assets	266	(740)	962	(998)
Other comprehensive income/(loss) for the period	262	(803)	866	(1,385)
Total comprehensive (loss)/income attributable to owners of the Company	(7,317)	33,042	(13,042)	31,558

The above unaudited condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements.

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Unaudited Condensed Consolidated Statements of Changes in Equity for the year-to-date ended 30 September 2020

	<-----Non-distributable----->			Distributable		
	Fair value changes through					
	Share capital	Foreign currency translation	comprehensive other income	General reserve	Retained earnings	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	107,546	(1,010)	(1,823)	-	97,812	202,525
Loss for the period	-	-	-	-	(13,908)	(13,908)
Other comprehensive income/(loss) for the period	-	962	(96)	-	-	866
Total comprehensive income/(loss) for the period	-	962	(96)	-	(13,908)	(13,042)
At 30 September 2020	107,546	(48)	(1,919)	-	83,904	189,483
At 1 January 2019	107,546	(447)	(442)	2,788	64,690	174,135
Loss for the period	-	-	-	-	32,943	32,943
Other comprehensive loss for the period	-	(998)	(387)	-	-	(1,385)
Total comprehensive loss for the period	-	(998)	(387)	-	32,943	31,558
Transfer upon disposal of a subsidiary	-	-	-	(42)	42	-
At 30 September 2019	107,546	(1,445)	(829)	2,746	97,675	205,693

The above unaudited condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements.

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Unaudited Condensed Consolidated Statements of Cash Flows
for the year-to-date ended 30 September 2020

	Note	Year-To-Date Ended	
		30-Sep-20 RM'000	30-Sep-19 RM'000
Cash flows from operating activities			
(Loss)/profit before tax:			
- from continuing operations		(13,830)	(2,459)
- from discontinued operation	20	-	35,647
		<u>(13,830)</u>	<u>33,188</u>
Adjustments to reconcile loss before tax to net cash flows		4,622	(37,068)
		<u>(9,208)</u>	<u>(3,880)</u>
Decrease in operating assets		20,750	36,999
(Decrease)/increase in operating liabilities		(978)	8,645
		<u>10,564</u>	<u>41,764</u>
Interest received		916	3,217
Interest paid		(510)	(689)
Tax refunded		-	190
Tax paid		(83)	(446)
Net cash generated from operating activities		<u>10,887</u>	<u>44,036</u>
Cash flows from investing activities			
Investment in joint ventures		-	(236)
Net disposal/(investment) of financial assets		20,637	(80,000)
Purchase of property, plant and equipment		(90,335)	(9,701)
Disposal of discontinued operation:			
- Proceeds from disposal of a subsidiary		-	25,548
Net cash used in investing activities		<u>(69,698)</u>	<u>(64,389)</u>
Cash flows from financing activities			
Drawdown of loans and borrowings		20,208	9,000
Payment of lease liabilities		(126)	-
Net cash generated from financing activities		<u>20,082</u>	<u>9,000</u>
Net decrease in cash and cash equivalents		(38,729)	(11,353)
Cash and cash equivalents at beginning of the period		55,988	13,781
Cash and cash equivalents at end of the period		17,259	2,428

The above unaudited condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements.

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

1 Basis of preparation

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

The Condensed Report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019. The explanatory notes attached to the Condensed Report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2019.

The accounting policies adopted in the preparation of the Condensed Report are consistent with those adopted in the preparation of the Group's audited financial statements for the year ended 31 December 2019, except for the adoption of the following accounting standards:

Effective for financial periods commencing on or after 1 January 2020

Amendments to MFRS 2 *Share-based Payment*

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

Amendments to MFRS 6 *Exploration for and Evaluation of Mineral Resources*

Amendment to MFRS 9 *Financial Instruments*, MFRS 139 *Financial Instruments: Recognition and Measurement* and MFRS 7 *Financial Instruments: Disclosures - Interest Rate Benchmark Reform*

Amendment to MFRS 14 *Regulatory Deferral Accounts*

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

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

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*

Amendments to References to the Conceptual Framework in MFRS Standards

The adoption of the above new standards, amendments to published standards and interpretation, where relevant, did not have any significant impact on the financial results of the Group.

Standards issued but not yet effective

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

Effective for financial periods commencing on or after 1 June 2020

Amendment to MFRS 16 *Leases - Covid-19-Related Rent Concessions*

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1 Basis of preparation (cont'd.)

Standards issued but not yet effective (cont'd.)

Effective for financial periods commencing on or after 1 January 2021

MFRS 17 Insurance Contracts

Effective for financial periods commencing on or after 1 January 2022

Amendments to MFRS 3 Business Combinations - Reference to the Conceptual Framework

Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current

Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract

Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRS Standards 2018 - 2020"

Deferred to a date to be announced by MASB

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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

2 Auditors' report on preceding annual financial statements

The auditors' report on the audited annual financial statements for the year ended 31 December 2019 was not qualified.

3 Seasonality and cyclicity factors

The operations of the Group were not significantly affected by any seasonal or cyclical factors during the current quarter and year-to-date ended 30 September 2020.

4 Exceptional items/unusual events

Save as disclosed in Note 29, there were no other unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and year-to-date ended 30 September 2020.

5 Variation from financial estimates reported in preceding financial year

There were no changes in estimates that have had any material effect during the current quarter and year-to-date ended 30 September 2020.

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6 Debt and equity securities

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter and year-to-date ended 30 September 2020.

7 Dividend paid

There were no dividend paid during the current quarter and year-to-date ended 30 September 2020.

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) Structured Financing - structured lending and financial services related activities
- (c) Hospitality - management and operations of hotels and restaurant and investment in hospitality related business through joint ventures
- (d) Fund Management - unit trust funds and asset management

In the previous financial year ended 31 December 2019, the Company 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.

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8 Segmental reporting (cont'd.)

	< ---- Continuing operations ---->				Discontinued	Group total RM'000
	Investment Holding RM'000	Structured Financing RM'000	Hospitality RM'000	Sub-total RM'000	Fund Management RM'000	
Three months' results ended 30 September 2020						
Revenue	80	133	2,595	2,808	-	2,808
Interest income	80	131	-	211	-	211
Non-interest income	-	2	2,595	2,597	-	2,597
Other (expenses)/income	-	-	177	177	-	177
	80	133	2,772	2,985	-	2,985
Operating expenses of which:	(464)	(27)	(8,853)	(9,344)	-	(9,344)
- Depreciation of property, plant and equipment	(51)	-	(577)	(628)	-	(628)
- Depreciation of right-of-use assets	(46)	-	(77)	(123)	-	(123)
Operating (loss)/profit	(384)	106	(6,081)	(6,359)	-	(6,359)
Interest expense	(5)	-	(495)	(500)	-	(500)
Share of losses of equity- accounted joint ventures	-	-	(695)	(695)	-	(695)
(Loss)/profit before tax	(389)	106	(7,271)	(7,554)	-	(7,554)

Three months' results ended 30 September 2019

Revenue	769	172	2,386	3,327	-	3,327
Interest income	90	149	-	239	-	239
Non-interest income	679	23	2,386	3,088	-	3,088
Other income	69	-	45	114	35,000	35,114
	838	172	2,431	3,441	35,000	38,441
Operating expenses of which:	(2,772)	(24)	(2,024)	(4,820)	(165)	(4,985)
- Depreciation of property, plant and equipment	(53)	-	(29)	(82)	-	(82)
Operating (loss)/profit	(1,934)	148	407	(1,379)	34,835	33,456
Interest expense	-	-	(291)	(291)	-	(291)
Share of profit of equity- accounted joint ventures	-	-	709	709	-	709
(Loss)/profit before tax	(1,934)	148	825	(961)	34,835	33,874

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8 Segmental reporting (cont'd.)

	< ---- Continuing operations ---->				Discontinued	Group
	Investment Holding	Structured Financing	Hospitality	Sub-total	operation-Fund Management	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Nine months' results ended 30 September 2020						
Revenue	690	429	7,928	9,047	-	9,047
Interest income	562	396	-	958	-	958
Non-interest income	128	33	7,928	8,089	-	8,089
Other (expenses)/income	(4)	-	483	479	-	479
	686	429	8,411	9,526	-	9,526
Operating expenses of which:	(1,763)	(76)	(17,021)	(18,860)	-	(18,860)
- Depreciation of property, plant and equipment	(157)	-	(759)	(916)	-	(916)
- Depreciation of right-of-use assets	(138)	-	(155)	(293)	-	(293)
Operating (loss)/profit	(1,077)	353	(8,610)	(9,334)	-	(9,334)
Interest expense	(17)	-	(1,027)	(1,044)	-	(1,044)
Share of losses of equity-accounted joint ventures	-	-	(3,452)	(3,452)	-	(3,452)
(Loss)/profit before tax	(1,094)	353	(13,089)	(13,830)	-	(13,830)

Nine months' results ended 30 September 2019

Revenue	958	1,972	5,570	8,500	6,251	14,751
Interest income	182	1,756	-	1,938	171	2,109
Non-interest income	776	216	5,570	6,562	6,080	12,642
Other income	69	6	139	214	35,049	35,263
	1,027	1,978	5,709	8,714	41,300	50,014
Operating expenses of which:	(6,064)	(62)	(4,854)	(10,980)	(5,653)	(16,633)
- Depreciation of property, plant and equipment	(149)	-	(78)	(227)	(195)	(422)
Operating (loss)/profit	(5,037)	1,916	855	(2,266)	35,647	33,381
Interest expense	-	-	(689)	(689)	-	(689)
Share of profit of equity-accounted joint ventures	-	-	496	496	-	496
(Loss)/profit before tax	(5,037)	1,916	662	(2,459)	35,647	33,188

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8 Segmental reporting (cont'd.)

	Investment Holding RM'000	Structured Financing RM'000	Hospitality RM'000	Group total RM'000
Assets and liabilities as at 30 September 2020				
Segment assets	36,766	7,719	37,249	81,734
Investment in joint ventures	-	-	63,272	63,272
Additions to property, plant and equipment	1	-	90,334	90,335
Total assets	36,767	7,719	190,855	235,341
Total liabilities	587	1,021	44,250	45,858
Assets and liabilities as at 31 December 2019				
Segment assets	96,936	7,464	47,679	152,079
Investment in joint ventures	-	-	65,762	65,762
Additions to property, plant and equipment	85	-	10,029	10,114
Total assets	97,021	7,464	123,470	227,955
Total liabilities	1,006	17	24,407	25,430

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9 Cash and cash equivalents

	30-Sep-20 RM'000	31-Dec-19 RM'000
Cash and balances with banks and other financial institutions	1,880	1,874
Deposit placements with licensed financial institutions maturing within three months	15,379	54,114
	<u>17,259</u>	<u>55,988</u>

10 Financial assets at fair value through profit or loss

	30-Sep-20 RM'000	31-Dec-19 RM'000
In Malaysia		
Unit trust fund	-	20,958
	<u>-</u>	<u>20,958</u>

11 Financial assets at fair value through other comprehensive income

	30-Sep-20 RM'000	31-Dec-19 RM'000
In Malaysia		
Quoted shares	155	251
Unquoted investment	14,238	13,789
Outside Malaysia		
Unquoted investment	6,383	6,383
	<u>20,776</u>	<u>20,423</u>

12 Trade and other receivables

	30-Sep-20 RM'000	31-Dec-19 RM'000
Trade receivables	799	182
Other receivables	3,346	25,479
Prepayments	686	234
Less: Allowance for expected credit losses	(57)	(43)
	<u>4,774</u>	<u>25,852</u>

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13 Loans, advances and financing

	30-Sep-20	31-Dec-19
	RM'000	RM'000
Term loans, representing gross loans, advances and financing	5,861	5,738
<u>Analysis of gross loans, advances and financing</u>		
By economic purpose		
Investments, representing gross loans, advances and financing	5,861	5,738
By interest rate sensitivity		
Fixed rate, representing gross loans, advances and financing	5,861	5,738
By type of customer		
Domestic business enterprise, representing gross loans, advances and financing	5,861	5,738
By residual contractual maturity		
Within one year, representing gross loans, advances and financing	5,861	5,738

Allowance for expected credit losses

There is no movement in the allowance for expected credit losses during the quarter ended 30 September 2020 (2019: no movement). The Group has not recognised any loss allowance as the loans, advances and financing are supported by collateral such as equity instruments and other credit enhancement.

14 Property, plant and equipment

The increase in property, plant and equipment are related to the acquisition of properties known as Tune Hotel KLIA Aeropolis, Tune Hotel Danga Bay, the Chow Kit, an Ormond Hotel and Momo's Kuala Lumpur as disclosed in Note 29.

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

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15 Loans and borrowings

	30-Sep-20	31-Dec-19
	RM'000	RM'000
Secured		
Long term - Loan	19,420	18,947
Short term - Revolving credit	20,208	-
	39,628	18,947
	5.04%	5.97%

The Group entered into an agreement for revolving credit facility of up to RM40,000,000. RM20,207,710 was drawn down during the current year-to-date ended 30 September to part finance the Proposed Acquisition of Hospitality Assets as disclosed in Note 29.

16 Revenue

	Quarter Ended		Year-to-Date Ended	
	30-Sep-20	30-Sep-19	30-Sep-20	30-Sep-19
	RM'000	RM'000	RM'000	RM'000
Hospitality income	2,371	2,386	7,704	5,570
Interest income				
Loans, advances and financing	123	144	366	1,749
Short-term funds and deposits with financial institutions	89	95	593	189
	212	239	959	1,938
Investment income				
Net gains on financial assets at fair value through profit or loss	-	679	128	776
	-	679	128	776
Others	225	23	256	216
Total revenue	2,808	3,327	9,047	8,500

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17 Other income

	Quarter Ended		Year-to-Date Ended	
	30-Sep-20	30-Sep-19	30-Sep-20	30-Sep-19
	RM'000	RM'000	RM'000	RM'000
Rental income	59	34	177	110
Loss on disposal of property, plant and equipment	-	-	(4)	-
Loss on foreign exchange translation	(7)	(2)	(10)	(2)
Others	125	82	316	106
	177	114	479	214

18 Operating expenses

	Quarter Ended		Year-to-Date Ended	
	30-Sep-20	30-Sep-19	30-Sep-20	30-Sep-19
	RM'000	RM'000	RM'000	RM'000
Hospitality management expenses	395	956	2,648	2,235
Personnel expenses	1,955	2,567	5,400	5,519
Depreciation of property, plant and equipment	628	82	916	227
Depreciation of right-of-use assets	123	-	293	-
Rental of premises	3	68	72	153
Water and electricity	252	251	822	629
General repair and maintenance	807	484	807	484
Auditors' remuneration	43	50	77	84
Professional fees and expenses	82	264	693	630
Pre-operating expenses	1,939	-	1,939	-
Stamping expenses	2,484	-	2,484	-
Others	633	98	2,695	1,019
	9,344	4,820	18,860	10,980

Save as disclosed above, there were no other provision for or write off of receivables or inventories, impairment of assets and other exceptional items during the current quarter and year-to-date ended 30 September 2020.

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19 Income tax expense

	Quarter Ended		Year-to-Date Ended	
	30-Sep-20	30-Sep-19	30-Sep-20	30-Sep-19
	RM'000	RM'000	RM'000	RM'000
Recognised in profit or loss				
Income tax expense:				
- on continuing operations	25	29	78	147
- on discontinued operation (Note 20)	-	-	-	98
Total income tax expense, representing current period's provision	25	29	78	245

The Group's effective tax rate for the current quarter and year-to-date ended 30 September 2020 was higher than the statutory tax rate due to taxable profit in certain subsidiary.

20 Discontinued operation

The discontinued operation in previous year was in relation to the disposal of the entire equity interest in Libra Invest Berhad to Kenanga Investors Berhad.

Profit attributable to the discontinued operation was as follows:

	Quarter Ended		Year-to-Date Ended	
	30-Sep-20	30-Sep-19	30-Sep-20	30-Sep-19
	RM'000	RM'000	RM'000	RM'000
Revenue	-	-	-	6,251
Other income	-	-	-	49
	-	-	-	6,300
Gain on sale of discounted operation	-	35,000	-	35,000
Operating expenses	-	(165)	-	(5,653)
Profit before tax	-	34,835	-	35,647
Income tax expense (Note 19)	-	-	-	(98)
Profit for the period	-	34,835	-	35,549
Included in operating expenses are:				
- Depreciation of property, plant and equipment	-	(19)	-	176

21 Changes in the composition of the Group

There were no material changes in the composition of the Group for the current quarter and year-to-date ended 30 September 2020.

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22 Commitments

	30-Sep-20	31-Dec-19
	RM'000	RM'000
Approved and contracted for		
Proposed acquisition of Tune Hotel KLIA Aeropolis	-	833
Proposed acquisition of Tune Hotel Danga Bay	-	16,450
Proposed acquisition of The Chow Kit, an Ormond hotel and Momo's Kuala Lumpur	-	45,590
Property, plant and equipment	-	7,017
	<hr/>	<hr/>

23 Related party disclosures

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

24 Contingent assets and liabilities

As at 30 September 2020, the Group does not have any contingent assets and liabilities.

25 Valuation of property, plant and equipment

There were no valuation of property, plant and equipment of the Group during the quarter and year-to-date ended 30 September 2020.

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26 Financial instruments

(a) Categories of financial instruments

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

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

	Carrying amount	FA	FVOCI	FVTPL	FL
30-Sep-20	RM'000	RM'000	RM'000	RM'000	RM'000
Financial assets					
Cash and cash equivalents	17,259	17,259	-	-	-
Financial assets at fair value through other comprehensive income	20,776	-	20,776	-	-
Loans, advances and financing	5,861	5,861	-	-	-
Trade and other receivables	4,088	4,088	-	-	-
	47,984	27,208	20,776	-	-
Financial liabilities					
Trade and other payables	(4,897)	-	-	-	(4,897)
Loans and borrowings	(39,628)	-	-	-	(39,628)
Lease liabilities	(1,255)	-	-	-	(1,255)
	(45,780)	-	-	-	(45,780)
31-Dec-19					
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	25,618	25,618	-	-	-
	128,725	87,344	20,423	20,958	-
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)

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26 Financial instruments (cont'd.)

(b) Financial assets that are carried at fair value

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

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

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

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

The following table shows the Group's financial instruments which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
30-Sep-20				
Financial assets				
Financial assets at fair value through other comprehensive income				
- Quoted shares	155	-	-	155
- Unquoted investments	-	-	20,621	20,621
	<u>155</u>	<u>-</u>	<u>20,621</u>	<u>20,776</u>
31-Dec-19				
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
	<u>251</u>	<u>20,958</u>	<u>20,172</u>	<u>41,381</u>

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the quarter and year-to-date ended 30 September 2020 (2019: no transfer in either direction).

26 Financial instruments (cont'd.)

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

Determination of Fair Value

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

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

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

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

27 Event after the reporting period

There was no material event subsequent to 30 September 2020.

28 Significant events during the financial period

Other than the completion of the Proposed Acquisition of Hospitality Assets disclosed in Note 29, there were no significant event during the financial quarter and year-to-date ended 30 September 2020.

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

29 Status of corporate proposals announced

Proposed Acquisition of Hospitality Assets

On 8 August 2019, the Company announced that ECML Hotels Sdn Bhd, a wholly-owned subsidiary of the Company, had on even date entered into a conditional sale and purchase agreement (“SPA”) with 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; and
- (c) hospitality businesses (as defined therein)

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

The Proposed Acquisition of Hospitality Assets was completed on 2 September 2020.

Other than the above, there are no corporate proposals announced but not completed as at 25 November 2020.

30 Operating segments review on continuing operations

(a) Q3 FY2020 vs. Q3 FY2019

The Group recorded a loss before tax of RM7.55 million for the quarter ended 30 September 2020 ("Q3 FY2020") from a loss before tax of RM0.96 million a year ago ("Q3 FY2019"). The increase in losses was attributed largely to losses in the Hospitality segment which was impacted by the effect of the Covid-19 pandemic.

Other comprehensive income in Q3 FY2020 recorded an income of RM0.26 million, mainly on foreign currency translation gain on investment denominated in foreign currencies.

Review of segmental performance:

(i) Investment Holding

The Investment Holding segment narrowed its loss before tax from RM1.93 million in Q3 FY2019 to RM0.39 million in Q3 FY2020, attributed to on-going cost reduction measures.

30 Operating segments review on continuing operations (cont'd.)

(a) Q3 FY2020 vs. Q3 FY2019 (cont'd.)

(ii) Structured Financing

The Structured Financing segment recorded a lower profit before tax of RM0.11 million in Q3 FY2020 from RM0.15 million profit before tax in Q3 FY2019. The lower profit is in line with the lower gross loans, advances and financing portfolio in Q3 FY2020 of RM5.86 million when compared to Q3 FY2019 of RM6.88 million.

(iii) Hospitality

The Hospitality segment recorded losses of RM7.27 million in Q3 FY2020 as compared to profit of RM0.83 million in Q3 FY2019. The increase in losses reflects the difficult operating conditions in light of the Covid-19 pandemic, stamping and acquisition transaction fees of RM2.48 million and pre-operating expenses of RM1.94 million incurred for Proposed Acquisition of Hospitality Assets as disclosed in Note 29.

(b) 9M FY2020 vs. 9M FY2019

Loss before tax for the year-to-date ended 30 September 2020 ("9M FY2020") was RM13.83 million, an increase of RM11.37 million from a loss before tax of RM2.46 million in the preceding year-to-date ended 30 September 2019 ("9M FY2019"). The increase in losses was attributed largely to losses in the Hospitality segment which was impacted by the Covid-19 pandemic.

Other comprehensive income in 9M FY2020 recorded an income of RM0.87 million, mainly on foreign currency translation gain on investment denominated in foreign currencies.

Review of segmental performance:

(i) Investment Holding

The Investment Holding segment narrowed its loss before tax from RM5.04 million in 9M FY2019 to RM1.09 million in 9M FY2020, attributed to on-going cost reduction measures.

(ii) Structured Financing

The Structured Financing segment recorded a lower profit before tax of RM0.35 million in 9M FY2020 from RM1.92 million profit before tax in 9M FY2019. The lower profit is in line with the lower gross loans, advances and financing portfolio.

(iii) Hospitality

The Hospitality segment recorded losses of RM13.09 million in 9M FY2020 as compared to profit of RM0.66 million in 9M FY2019. The increase in losses reflects the difficult operating conditions in light of the Covid-19 pandemic, stamping and acquisition transaction fees of RM2.89 million and pre-operating expenses of RM1.94 million incurred for Proposed Acquisition of Hospitality Assets as disclosed in Note 29.

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

	Current quarter	Immediate
	30-Sep-20	preceding quarter
	RM'000	30-Jun-20
		RM'000
Revenue	2,808	1,460
Other income	177	73
	2,985	1,533
Operating expenses	(9,344)	(3,840)
Operating loss	(6,359)	(2,307)
Interest expense	(500)	(264)
Share of losses of equity-accounted joint ventures	(695)	(1,574)
Loss before tax	(7,554)	(4,145)
Income tax expense	(25)	(26)
Loss for the period attributable to owners of the Company	(7,579)	(4,171)

The losses recorded was attributed largely to the continued losses in the Hospitality segment which was impacted by the effect of the Covid-19 pandemic. The demand for hotel stays by both leisure and business segments were severely impacted in view of the suspension of air services and the closure of national borders regionally and the Government of Malaysia's mandated restriction of movement.

32 Group's prospects

The Group's hospitality business has been, and continues to be impacted by the effect of the Covid-19 pandemic. The Group is deferring all non-essential capital expenditure and continues to optimise costs to manage the uncertain operating conditions.

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33 Profit forecast

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

34 Dividend

No dividend has been proposed for the current quarter and year-to-date ended 30 September 2020.

35 Material litigations

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

36 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/(loss) for the reporting period by the weighted average number of ordinary shares in issue during the reporting period.

	Quarter Ended		Year-to-Date Ended	
	30-Sep-20	30-Sep-19	30-Sep-20	30-Sep-19
(Loss)/profit for the period attributable to owners of the Company (RM'000):				
- from continuing operations	(7,579)	(990)	(13,908)	(2,606)
- from discontinued operation	-	34,835	-	35,549
	479,926	479,926	479,926	479,926
Weighted average number of ordinary shares in issue ('000)				
	479,926	479,926	479,926	479,926
Basic earnings/(loss) per ordinary share (sen):				
- from continuing operations	(1.58)	(0.21)	(2.90)	(0.54)
- from discontinued operation	-	7.26	-	7.41
	(1.58)	7.05	(2.90)	6.87

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

The diluted earnings/(loss) per ordinary share for the current quarter and year-to-date ended 30 September 2020 was not presented as there is no potential dilutive ordinary share.

By order of the Board
25 November 2020