

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)
Interim Financial Statements for the period ended 31 October 2011

Unaudited Condensed Consolidated Statement of Financial Position
As at 31 October 2011

		31-Oct-11	31-Jan-11
ASSETS	<u>Note</u>	RM'000	RM'000
Cash and short-term funds		337,546	394,897
Deposits with financial institutions	9	65,463	21,489
Securities held-for-trading	10	294,131	353,818
Securities available-for-sale	11	559,655	519,479
Securities held-to-maturity	12	195,000	70,000
Derivative financial assets		8,729	9,552
Loans, advances and financing	13	538,057	649,880
Trade receivables	14	471,557	485,318
Other assets	15	18,270	21,760
Statutory deposit with Bank Negara Malaysia		32,892	8,834
Investment in associated company		18,886	19,757
Deferred tax assets		-	11,687
Property, plant and equipment		49,764	42,451
Intangible assets		284,500	284,500
TOTAL ASSETS		<u>2,874,450</u>	<u>2,893,422</u>
LIABILITIES AND EQUITY			
LIABILITIES			
Deposits from customers	16	1,048,636	1,046,806
Deposits and placements of banks and other financial institutions	17	166,410	201,008
Derivative financial liabilities	11	58	-
Trade payables	18	595,861	577,837
Other liabilities	19	54,399	73,865
Provision for taxation		4,850	42
Deferred tax liabilities		2,423	958
TOTAL LIABILITIES		<u>1,872,637</u>	<u>1,900,516</u>
EQUITY			
Share capital		830,902	830,902
Reserves		172,490	169,890
Less: Treasury shares, at cost	6	(1,579)	(7,886)
TOTAL EQUITY		<u>1,001,813</u>	<u>992,906</u>
TOTAL LIABILITIES AND EQUITY		<u>2,874,450</u>	<u>2,893,422</u>
Net assets per share (RM)		1.21	1.21

The interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended 31 January 2011 of the Group.

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)
Interim Financial Statements for the period ended 31 October 2011

Unaudited Condensed Consolidated Statement of Comprehensive Income
for the third quarter ended 31 October 2011

	Current quarter ended 31-Oct-11	Corresponding quarter ended 31-Oct-10	Current year to date 31-Oct-11	Corresponding year to date 31-Oct-10
Note	RM'000	RM'000	RM'000	RM'000
Revenue	45,653	43,291	138,106	111,148
Interest income	20 20,528	16,582	61,945	46,506
Interest expense	21 (11,451)	(9,646)	(34,756)	(24,878)
Net interest income	9,077	6,936	27,189	21,628
Non-interest income	22 25,125	26,709	76,161	64,642
Other non-operating income	23 386	215	1,591	713
Net income	34,588	33,860	104,941	86,983
Operating expenses	24 (22,240)	(19,466)	(63,721)	(52,343)
Operating profit	12,348	14,394	41,220	34,640
Share of loss of an associated company	(871)	(153)	(871)	(966)
(Allowance for)/writeback of losses on loans, advance and financing	25 (430)	(51)	1,730	(2,917)
(Allowance for)/writeback of impairment allowance for bad and doubtful debts	26 (351)	18	6,411	329
Writeback of/(provision for) impairment loss	27 127	(4,752)	1,083	(4,752)
Profit before tax	10,823	9,456	49,573	26,334
Income tax expense	38 (9,108)	(2,395)	(18,917)	(6,965)
Profit after tax	1,715	7,061	30,656	19,369
Other comprehensive income:				
Net (loss)/gain on available-for-sale financial assets	(6,695)	19,943	7,500	16,964
Currency translation differences	26	(30)	-	(88)
Income tax relating to components of other comprehensive income	964	(4,986)	(1,875)	(4,241)
Other comprehensive income for the period, net of tax	(5,705)	14,927	5,625	12,635
Total comprehensive income for the period	(3,990)	21,988	36,281	32,004
Earnings per share ("EPS"):	Sen	Sen	Sen	Sen
- basic / diluted *	0.21	0.87	3.74	2.39

* Outstanding Employee Share Options Scheme ("ESOS") have been excluded from the computation of fully diluted earnings per RM1 ordinary shares as the average market price of the ordinary shares is currently below the exercise price of the options.

The interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended 31 January 2011 of the Group.

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)
Interim Financial Statements for the period ended 31 October 2011

Unaudited Condensed Consolidated Statement of Changes in Equity
for the financial period ended 31 October 2011

	<-----Non-distributable----->							Distributable		Total RM'000
	Share capital RM'000	Treasury shares RM'000	Merger reserve RM'000	Foreign currency translation reserve RM'000	Available for sale revaluation reserve RM'000	Equity compensation reserve RM'000	Statutory reserve RM'000	General reserve RM'000	Retained profits RM'000	
As at 1 February 2011	830,902	(7,886)	26,561	(3,295)	718	3,526	65,720	159	76,501	992,906
Total comprehensive income	-	-	-	-	5,625	-	-	-	30,656	36,281
Transactions with owners:										
Share buy-back by the Company	-	(12,170)	-	-	-	-	-	-	-	(12,170)
Cash dividend paid	-	-	-	-	-	-	-	-	(15,204)	(15,204)
Share dividend	-	18,477	-	-	-	-	-	-	(18,477)	-
	-	6,307	-	-	-	-	-	-	(33,681)	(27,374)
As at 31 October 2011	830,902	(1,579)	26,561	(3,295)	6,343	3,526	65,720	159	73,476	1,001,813
As at 1 February 2010	830,902	(11,380)	26,561	(2,355)	12,191	3,846	33,934	159	70,822	964,680
Total comprehensive income	-	-	-	(88)	12,723	-	-	-	19,369	32,004
Transactions with owners:										
Share buy-back by the Company	-	(5,710)	-	-	-	-	-	-	-	(5,710)
Cash dividend paid	-	-	-	-	-	-	-	-	(18,542)	(18,542)
Share dividend	-	9,204	-	-	-	-	-	-	(9,204)	-
	-	3,494	-	-	-	-	-	-	(27,746)	(24,252)
As at 31 October 2010	830,902	(7,886)	26,561	(2,443)	24,914	3,846	33,934	159	62,445	972,432

The interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended 31 January 2011 of the Group.

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)
Interim Financial Statements for the period ended 31 October 2011

Unaudited Condensed Consolidated Statement of Cash Flow
for the financial period ended 31 October 2011

	9 months ended	
	31-Oct-11	31-Oct-10
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	49,573	26,334
Adjustment for non-cash items	10,784	15,829
Operating profit before working capital changes	<u>60,357</u>	42,163
Net decrease/(increase) in operating assets	128,335	(536,639)
Net (decrease)/increase in operating liabilities	(31,655)	179,718
Cash generated from/(used in) operations	<u>157,037</u>	(314,758)
Net tax paid	(126)	(319)
Net generated from/(used in) operating activities	<u>156,911</u>	<u>(315,077)</u>
Cash flows from investing activities		
Dividend received	384	1,754
Net (purchase)/sale of securities	(147,044)	163,692
Purchase of treasury shares	(12,170)	(5,710)
Net purchase of property, plant and equipment	(13,733)	(7,058)
Net cash (used in)/generated from investing activities	<u>(172,563)</u>	<u>152,678</u>
Cash flows from financing activities		
Dividend paid	(15,204)	(18,542)
Repayment of short term borrowings	-	(111)
Interest paid	(37,189)	(24,878)
Net cash used in financing activities	<u>(52,393)</u>	<u>(43,531)</u>
Net decrease in cash and cash equivalents	(68,045)	(205,930)
Effects of foreign exchange rate changes	-	2,388
Cash and cash equivalents at beginning of the period	219,319	479,033
Cash and cash equivalents at end of the period	<u>151,274</u>	<u>275,491</u>
Cash and cash equivalents comprise:		
Cash and short-term funds	337,546	416,731
Less: Monies held in trust	(186,272)	(141,240)
	<u>151,274</u>	<u>275,491</u>

The interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended 31 January 2011 of the Group.

Part A: Explanatory notes pursuant to Financial Reporting Standards ("FRS") 134

1 Basis of preparation

This unaudited quarterly financial report of the Group has been prepared on a historical cost basis, unless otherwise disclosed in the notes to the financial statements and are in accordance with the Companies Act, 1965 and FRS 134 "Interim Financial Reporting" in Malaysia as modified by Bank Negara Malaysia ("BNM")'s Guidelines.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 January 2011.

The accounting policies and methods of computation adopted in this interim financial report are consistent with those adopted in the annual financial statements for the year ended 31 January 2011, except for the adoption of the following Financial Reporting Standards ("FRS"), Amendments to FRSS, IC Interpretations and Technical Release ("TR"):

Amendments to FRS 132 Financial Instruments: Presentation - Classification of Rights Issues
FRS 1 First-time Adoption of Financial Reporting Standards
FRS 3 Business Combinations
FRS 127 Consolidated and Separate Financial Statements
IC Interpretation 12 Service Concession Arrangements
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17 Distributions of Non-cash Assets to Owners
Amendments to FRS 2 Share-based Payment
Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138 Intangible Assets
IC Interpretation 18 Transfers of Assets from Customers
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives
IC Interpretation 4 Determining Whether an Arrangement contains a Lease
Amendments to FRS 1 Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
and Additional Exemptions for First-time Adopters
Amendments to FRS 7 Improving Disclosures about Financial Instruments
TR i-4 Shariah Compliant Sale Contracts
Amendments to FRSS contained in the document entitled "Improvements to FRSS (2010)"

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1 Basis of preparation (cont'd.)

The adoption of the other FRSs, Amendments to FRSs, IC Interpretations and Technical Release above generally did not have any material impact on the financial results of the Group, as they mainly deal with accounting policies affecting transactions which do not form part of the Group's normal business operations or transactions.

The Group has not adopted the following revised FRSs, IC Interpretations and Amendments to FRSs issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective.

Effective for annual periods commencing on or after 1 July 2011:

IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments

Amendments to IC Interpretation 14 Prepayments of a Minimum Funding Requirement

Effective for annual periods commencing on or after 1 January 2012:

FRS 124 Related Party Disclosures

IC Interpretation 15 Agreements for the Construction of Real Estate

Amendments to IC Interpretation 15 Agreements for Construction of Real Estate

2 Audit report of preceding annual financial statements

The auditors' report on the Financial Statements for the year ended 31 January 2011 of the Company was not subjected to any qualification.

3 Seasonality and cyclical factors

The operations of the Group were not materially affected either by seasonal or cyclical factors.

4 Exceptional items/unusual events

There was no unusual item affecting assets, liabilities, equity, net income, or cash flows during the third quarter ended 31 October 2011.

5 Variation from financial estimates reported in preceding financial year

There were no changes in estimates of amounts reported in the preceding financial year that would have a material effect in the current quarter results.

6 Debt and equity securities

As at 31 October 2011, the total shares bought back, all of which are held as treasury shares, amounted to 2,082,862 shares. There was no issuance, cancellation, resale and repayment of either debt or equity securities during the quarter under review.

7 Dividend paid

There was no dividend paid during the quarter ended 31 October 2011.

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:

- (i) Stockbroking - stockbroking, share margin financing and dealing in securities
- (ii) Investment banking and structured financing - corporate finance advisory, equity capital markets services, debt capital markets and structured lending activities
- (iii) Treasury and capital market operations - treasury activities including money market operations, foreign exchange and proprietary investments
- (iv) Fund management - unit trust funds and asset management
- (v) Others - not significant to be individually disclosed

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8 Segmental reporting (cont'd.)

9 months ended 31 October 2011	Stockbroking RM'000	Investment banking and Structured financing RM'000	Treasury and Capital market operations RM'000	Fund management RM'000	Others RM'000	Total RM'000	Inter- segment elimination RM'000	Group total RM'000
Revenue from external customers	44,540	35,915	47,846	8,687	1,118	138,106	-	138,106
Inter-segment revenue	-	-	37,682	-	152	37,834	(37,834)	-
	44,540	35,915	85,528	8,687	1,270	175,940	(37,834)	138,106
Net interest income	2,136	16,001	8,621	198	233	27,189	-	27,189
Non-interest income	38,105	7,303	21,310	8,489	954	76,161	-	76,161
Other non-operating income	207	59	1,162	-	163	1,591	-	1,591
Net income	40,448	23,363	31,093	8,687	1,350	104,941	-	104,941
Operating expenses	(35,328)	(3,344)	(14,949)	(6,125)	(3,975)	(63,721)	-	(63,721)
Operating profit/(loss)	5,120	20,019	16,144	2,562	(2,625)	41,220	-	41,220
Writeback of losses on loans, advances and financing	(215)	1,895	-	-	50	1,730	-	1,730
(Allowance for)/writeback of impairment allowance for bad and doubtful debts	38	(83)	6,456	-	-	6,411	-	6,411
Writeback of/(allowance for) impairment loss	-	-	1,170	(87)	-	1,083	-	1,083
Profit/(loss) by segments	4,943	21,831	23,770	2,475	(2,575)	50,444	-	50,444
Share of loss of an associated company								(871)
Profit before tax								49,573
Segment assets	578,670	429,498	1,511,902	14,943	74,381	2,609,394	(38,330)	2,571,064
Investment in associated company								18,886
Intangible assets								284,500
Total assets								2,874,450

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8 Segmental reporting (cont'd.)

9 months ended 31 October 2010	Stockbroking RM'000	Investment banking and Structured financing RM'000	Treasury and Capital market operations RM'000	Fund management RM'000	Others RM'000	Total RM'000	Inter- segment elimination RM'000	Group total RM'000
Revenue from external customers	34,816	29,302	38,184	8,040	806	111,148	-	111,148
Inter-segment revenue	-	-	17,611	-	41	17,652	(17,652)	-
	34,816	29,302	55,795	8,040	847	128,800	(17,652)	111,148
Net interest income	1,423	15,605	4,310	170	120	21,628	-	21,628
Non-interest income	30,647	4,749	20,709	7,870	667	64,642	-	64,642
Other non-operating income	416	25	243	21	8	713	-	713
Net income	32,486	20,379	25,262	8,061	795	86,983	-	86,983
Operating expenses	(31,597)	(4,558)	(8,934)	(5,447)	(1,807)	(52,343)	-	(52,343)
Operating profit	889	15,821	16,328	2,614	(1,012)	34,640	-	34,640
Writeback of/(allowance for) losses on loans, advances and financing	(105)	(2,808)	-	-	(4)	(2,917)	-	(2,917)
Writeback of impairment allowance for bad and doubtful debts	309	-	18	-	2	329	-	329
Writeback of impairment loss	-	-	(4,752)	-	-	(4,752)	-	(4,752)
(Loss)/profit by segments	1,093	13,013	11,594	2,614	(1,014)	27,300	-	27,300
Share of loss of an associated company								(966)
Profit before tax								26,334
Segment assets	532,924	430,743	1,431,403	30,335	69,995	2,495,400	(37,726)	2,457,674
Investment in associated company								18,506
Intangible assets								284,500
Total assets								2,760,680

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9 Deposits with financial institutions

	31-Oct-11	31-Jan-11
	RM'000	RM'000
Licensed banks	463	1,489
Licensed investment banks	65,000	20,000
	65,463	21,489

Included in deposits with financial institutions are monies held in trust for clients and dealers' representatives as follows:

Money at call and deposits placements maturing more one month	636	636
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10 Securities held-for-trading

	31-Oct-11	31-Jan-11
	RM'000	RM'000
At fair value		
Bankers' acceptances	291,730	304,060
Bank Negara Malaysia Notes	-	49,758
Quoted shares	2,401	-
	294,131	353,818

11 Securities available-for-sale

	31-Oct-11	31-Jan-11
	RM'000	RM'000
At fair value		
Malaysian Government Securities	191,635	70,973
Malaysian Government Investment Issuance	57,753	-
Cagamas bonds	40,082	60,014
Bank Negara Malaysia Notes	-	149,498
Quoted shares	133,554	46,247
Unquoted securities		
- Private debt securities	138,052	195,251
- Shares	2,200	2,200
	563,276	524,183
Less: Impairment loss on securities	(3,621)	(4,704)
	559,655	519,479

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11 Securities available-for-sale (cont'd.)

The balance of securities that were reclassified out from held-for-trading to available-for-sale during a previous financial year:

	31-Oct-11	31-Jan-11
	RM'000	RM'000
Carrying value as at beginning of financial period/year	3,926	49,282
Disposal of securities	-	(47,215)
Loss on revaluation		
- recognised in available-for-sale revaluation reserves	(1,041)	(1,082)
Deferred tax under-recognised	-	2,941
Carrying value as at end of financial period/year	2,885	3,926

12 Securities held-to-maturity

	31-Oct-11	31-Jan-11
	RM'000	RM'000
At cost		
Negotiable instruments of deposit	195,000	70,000

13 Loans, advances and financing

	31-Oct-11	31-Jan-11
	RM'000	RM'000
Share margin financing	348,354	319,135
Term loans	190,055	276,004
Revolving credit	8,094	5,882
Bridging loans	-	59,035
Gross loans, advances and financing	546,503	660,056
Less: Collective assessment allowance	(8,446)	(10,176)
Total net loans, advances and financing	538,057	649,880

Analysis of gross loans, advances and financing

<u>By residual contractual maturity</u>		
Maturity within one year	499,504	660,056
More than one year to three years	46,999	-
Gross loans, advances and financing	546,503	660,056

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

	31-Oct-11	31-Jan-11
	RM'000	RM'000
<u>By economic purpose</u>		
Purchase of securities	392,098	473,531
Working capital	79,356	111,469
Others	75,049	75,056
Gross loans, advances and financing	546,503	660,056
<u>By interest rate sensitivity</u>		
Fixed rate		
- Share margin financing, term loans, revolving credit and bridging loans	546,503	660,056
Gross loans, advances and financing	546,503	660,056
<u>By type of customer</u>		
Domestic business enterprises	408,394	377,112
Individuals	118,347	240,128
Domestic non-bank financial institutions	19,762	42,816
Gross loans, advances and financing	546,503	660,056
(i) Movements in Impaired loans		
Balance at beginning of financial period/year	-	-
Classified as impaired during the period/year	-	-
Recovered during the period/year	-	-
Balance at end of financial period/year	-	-
(ii) Movements in allowance for losses on loans and financing		
Collective assessment allowance		
Balance at beginning of financial period/year	10,176	5,117
(Writeback of)/allowance made during the period/year	(1,730)	5,059
Balance at end of financial period/year	8,446	10,176
As % of gross loans, advances and financing less individual assessment allowance	1.5%	1.5%
Individual assessment allowance		

As at 31 October 2011, there is no individual assessment allowance made as there is no impaired loans during and at the end of the period.

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14 Trade receivables

	31-Oct-11	31-Jan-11
	RM'000	RM'000
Amount owing by clients	145,135	217,143
Amount owing by brokers	325,424	265,989
	470,559	483,132
Less: Impairment allowance for bad and doubtful receivables		
Individual assessment allowance	(1,080)	(1,010)
	469,479	482,122
Amount owing by trustees	2,078	3,196
	471,557	485,318

15 Other assets

	31-Oct-11	31-Jan-11
	RM'000	RM'000
Interest receivable	3,557	3,813
Deposits	6,378	5,066
Tax recoverable	2,369	5,636
Other receivables and prepayments	8,346	9,696
	20,650	24,211
Less: Individual assessment allowance	(2,380)	(2,451)
	18,270	21,760

16 Deposits from customers

	31-Oct-11	31-Jan-11
	RM'000	RM'000
<u>By type of deposits</u>		
Short-term deposits	1,040,461	1,043,290
Negotiable instruments of deposit	8,175	3,516
	1,048,636	1,046,806

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16 Deposits from customers (cont'd.)

	31-Oct-11	31-Jan-11
	RM'000	RM'000
<u>By type of customers</u>		
Government and statutory bodies	111,000	70,000
Domestic business enterprises	215,315	173,913
Individuals	22,853	22,133
Non-bank financial institutions	699,468	780,760
	1,048,636	1,046,806
Maturity structure of short-term deposits and negotiable instruments of deposit are as follows:		
Due within six months	1,042,254	1,007,513
More than six months to one year	6,382	39,293
	1,048,636	1,046,806

17 Deposits and placements of banks and other financial institutions

	31-Oct-11	31-Jan-11
	RM'000	RM'000
Licensed banks	156,530	201,008
Licensed investment banks	9,880	-
	166,410	201,008

18 Trade payables

	31-Oct-11	31-Jan-11
	RM'000	RM'000
Amount owing to clients	188,542	178,563
Amount owing to brokers	236,407	248,295
Client's trust monies	169,935	149,742
Amount owing to trustees	977	1,237
	595,861	577,837

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19 Other liabilities

	31-Oct-11	31-Jan-11
	RM'000	RM'000
Interest payables	2,119	4,552
Accruals and deposits received	8,535	14,196
Remisiers' and dealers' trust accounts	21,089	19,531
Other payables	22,656	35,586
	54,399	73,865

20 Interest income

	Current	Corresponding	Current	Corresponding
	quarter ended	quarter ended	year to date	year to date
	31-Oct-11	31-Oct-10	31-Oct-11	31-Oct-10
	RM'000	RM'000	RM'000	RM'000
Loans and advances	11,021	10,421	34,170	27,933
Stockbroking clients	112	38	276	363
Short-term funds and deposits with financial institutions	3,701	2,789	9,803	8,136
Securities:				
- available-for-sale	3,605	2,690	11,021	8,715
- held-to-maturity	1,274	123	3,433	567
Others	41	2	98	4
	19,754	16,063	58,801	45,718
Accretion of discounts less amortisation of premiums	774	519	3,144	788
	20,528	16,582	61,945	46,506

21 Interest expense

	Current	Corresponding	Current	Corresponding
	quarter ended	quarter ended	year to date	year to date
	31-Oct-11	31-Oct-10	31-Oct-11	31-Oct-10
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	10,008	9,019	32,098	22,560
Deposits from banks and other financial institutions	1,374	626	2,552	2,310
Others	69	1	106	8
	11,451	9,646	34,756	24,878

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22 Non-interest income

	Current quarter ended 31-Oct-11 RM'000	Corresponding quarter ended 31-Oct-10 RM'000	Current year to date 31-Oct-11 RM'000	Corresponding year to date 31-Oct-10 RM'000
Fee income				
- Fees on loans and advances	1,288	857	4,892	3,388
- Corporate advisory fees	712	350	1,706	570
- Net brokerage fee	11,993	12,547	36,860	29,606
- Portfolio management fees	2,594	2,483	7,897	7,760
- Other fee income	190	946	1,683	2,341
	16,777	17,183	53,038	43,665
Investment and trading income				
Net gain arising from securities held-for-trading				
- Net gain on disposal	3,367	3,390	9,802	9,964
- Unrealised (loss)/gain on revaluation	(533)	238	(354)	893
- Gross dividend income	14	29	19	29
	2,848	3,657	9,467	10,886
Net gain arising from securities available-for-sale				
- Net gain on disposal	3,355	4,565	9,321	6,034
- Gross dividend income	267	434	717	1,817
	3,622	4,999	10,038	7,851
Net gain arising from derivatives				
- Net gain on disposal	387	-	1,938	-
- Loss on revaluation	1,989	(1)	348	(110)
	2,376	(1)	2,286	(110)
(Loss)/gain on foreign exchange transactions	(498)	871	1,332	2,350
Total non-interest income	25,125	26,709	76,161	64,642

23 Other non-operating income

	Current quarter ended 31-Oct-11 RM'000	Corresponding quarter ended 31-Oct-10 RM'000	Current year to date 31-Oct-11 RM'000	Corresponding year to date 31-Oct-10 RM'000
Rental income	77	52	188	162
Gain/(loss) on disposal of property, plant and equipment	70	1	161	(14)
(Loss)/gain on foreign exchange translations	(28)	70	(5)	128
Others	267	92	1,247	437
	386	215	1,591	713

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24 Operating expenses

	Current quarter ended 31-Oct-11 RM'000	Corresponding quarter ended 31-Oct-10 RM'000	Current year to date 31-Oct-11 RM'000	Corresponding year to date 31-Oct-10 RM'000
<u>Personnel expenses</u>				
Salaries, allowance and bonus	9,345	9,407	26,328	24,084
Contributions to defined contribution plan	1,281	1,386	3,684	3,323
Other personnel costs	1,074	708	3,361	2,691
	11,700	11,501	33,373	30,098
<u>Establishment costs</u>				
Depreciation of property, plant and equipment	1,352	1,033	3,729	3,074
Amortisation of computer software	157	129	391	329
Property, plant and equipment written off	13	56	13	333
Rental of premises	1,203	972	3,550	2,840
Rental of network and equipment	1,144	1,078	3,322	2,967
Other establishment costs	1,055	725	2,571	2,119
	4,924	3,993	13,576	11,662
<u>Marketing and communication expenses</u>				
Advertising expenses	127	87	318	532
Entertainment	430	358	963	663
Other marketing expenses	163	108	399	356
	720	553	1,680	1,551
<u>Administrative and general expenses</u>				
Audit fees	53	(96)	152	154
Legal and professional fees	858	58	3,026	400
Printing and stationery	203	153	651	445
Insurance, postages and courier	231	202	801	687
Electricity and water charges	339	246	907	731
Telecommunication expenses	188	163	532	502
Travelling and accommodation	263	74	620	259
Others	2,761	2,619	8,403	5,854
	4,896	3,419	15,092	9,032
Total operating expenses	22,240	19,466	63,721	52,343

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**25 Allowance for/(writeback of) losses
on loans, advance and financing**

	Current quarter ended 31-Oct-11 RM'000	Corresponding quarter ended 31-Oct-10 RM'000	Current year to date 31-Oct-11 RM'000	Corresponding year to date 31-Oct-10 RM'000
Collective assessment allowance				
- Allowance made/(writeback) during the financial period	430	51	(1,730)	2,917

**26 Allowance for/(writeback of) impairment
allowance for bad and doubtful debts**

	Current quarter ended 31-Oct-11 RM'000	Corresponding quarter ended 31-Oct-10 RM'000	Current year to date 31-Oct-11 RM'000	Corresponding year to date 31-Oct-10 RM'000
Individual assessment allowance				
- Allowance made during the financial period	(51)	-	100	18
- Allowance writeback during the financial period	(154)	10	(154)	(29)
	(205)	10	(54)	(11)
Collective assessment allowance				
- Allowance made during the financial period	-	-	-	(259)
	-	-	-	(259)
Bad debts:				
- Recovered	(7)	(28)	(6,920)	(59)
- Written off	563	-	563	-
	556	(28)	(6,357)	(59)
	351	(18)	(6,411)	(329)

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27 (Writeback of)/provision for impairment loss

	Current quarter ended 31-Oct-11 RM'000	Corresponding quarter ended 31-Oct-10 RM'000	Current year to date 31-Oct-11 RM'000	Corresponding year to date 31-Oct-10 RM'000
(Writeback of)/provision for impairment loss:				
- Private debt securities:				
• Available-for-sale	(127)	4,752	(1,083)	4,752
	<u>(127)</u>	<u>4,752</u>	<u>(1,083)</u>	<u>4,752</u>

28 Capital adequacy

The following is the computation of the capital adequacy ratio of ECM Libra Investment Bank Berhad ("the Bank"), the investment banking subsidiary of the Group.

(a) Risk weighted capital ratios and Tier I and Tier II capital

	31-Oct-11 RM'000	31-Jan-11 RM'000
<u>Tier I Capital</u>		
Paid-up share capital	513,000	513,000
Retained profit	69,055	69,055
Statutory reserve	65,720	65,720
Other reserves	612	612
	<u>648,387</u>	<u>648,387</u>
Less: Deferred tax assets *	(10,765)	(10,765)
Total Tier I capital (a)	<u>637,622</u>	<u>637,622</u>
<u>Tier II Capital</u>		
Collective assessment allowance for bad and doubtful debts and financing	8,446	10,176
Total Tier II capital (b)	<u>8,446</u>	<u>10,176</u>
Capital base (a) + (b)	<u>646,068</u>	<u>647,798</u>
Total risk-weighted assets	<u>1,188,144</u>	<u>779,192</u>

* excludes deferred tax on AFS reserve.

Core capital ratio	53.67%	81.83%
Risk weighted capital ratio	54.38%	83.14%

The capital adequacy ratios of the Bank are computed in accordance with BNM's revised Risk-Weighted Capital Adequacy Framework (RWCAF-Basel II). The Bank have adopted the Standardised Approach for Credit Risk and Market Risk and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy requirement is 8.0% (2011: 8.0%) for the risk-weighted capital ratio.

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28 Capital adequacy (cont'd.)

(b) The breakdown of risk-weighted assets (RWA) by each major risk category is as follows:

	31-Oct-11	31-Jan-11
	RM'000	RM'000
Credit risk	503,080	401,250
Market risk	434,234	182,207
Operational risk	250,830	195,735
Total RWA	1,188,144	779,192

29 Valuation of property, plant and equipment

There was no valuation of property, plant and equipment of the Group in the quarter under review.

30 Material subsequent event

There were no material events subsequent to 31 October 2011.

31 Changes in the composition of the Group

There are no changes in the composition of the Group during the quarter under review.

32 Commitments and contingencies

(a) Capital commitments

As at 31 October 2011, the Group has commitments in respect of capital expenditure as follows: -

Authorised and contracted for	RM'000
	2,520

32 Commitments and contingencies (cont'd.)

(b) Other commitments and contingencies

In the normal course of business, the Group makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions.

The risk-weighted exposures of the Group are as follows:

	Nominal Amount RM'000	Credit Equivalent Amount * RM'000	Risk Weighted Amount RM'000
<u>As at 31 October 2011</u>			
Commitments to extend credits with maturity of less than 1 year:			
- margin facilities	469,151	93,830	65,742
- term loan facilities	60,853	12,171	30,194
Foreign exchange related contracts	101,883	2,169	434
	<u>631,887</u>	<u>108,170</u>	<u>96,370</u>
<u>As at 31 January 2011</u>			
Commitments to extend credits with maturity of less than 1 year:			
- margin facilities	269,365	53,873	46,872
- term loan facilities	47,828	9,566	9,566
	<u>317,193</u>	<u>63,439</u>	<u>56,438</u>

* The credit equivalent amount is arrived at using the credit conversion factors as specified by BNM.

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

33 Status of corporate proposals announced

There are no corporate proposals announced but not completed as at 31 October 2011.

34 Performance review on the results of the Group

For the current quarter under review, the Group recorded a profit before tax of RM10.8 million. This is largely contributed by net brokerage income of RM12.0 million, fee income of RM4.8 million, net gain from trading and investment securities of RM8.8 million, net interest income of RM9.1 million, partially offset by operating expenses of RM22.2 million and share of loss of an associated company of RM0.9 million.

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

For the financial quarter under review, the Group achieved a profit before tax of RM10.8 million as compared to the RM19.7 million registered for the immediate preceding quarter.

For the current quarter, the Group reported an impairment allowance for bad and doubtful debts of RM0.4 million in the current quarter as compared to a writeback of impairment allowance of RM5.0 million in the last quarter as well as an impairment allowance for losses on loans and advances of RM0.4 million in the current quarter as compared to a writeback of impairment allowance of RM1.2 million in the previous quarter. The Group also reported a share of loss in an associated company of RM0.9 million in the current quarter.

36 Group's prospects

The Group's fundamentals and financial position remain strong and is expected to show satisfactory performance in the current financial year.

37 Profit forecast

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

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38 Income tax expense

	Current quarter ended 31-Oct-11 RM'000	Corresponding quarter ended 31-Oct-10 RM'000	Current year to date 31-Oct-11 RM'000	Corresponding year to date 31-Oct-10 RM'000
Income tax:				
Current period provision	1,066	219	1,515	716
Under provision of tax in prior years	-	(47)	64	(47)
	1,066	172	1,579	669
Deferred taxation:				
Current period transfer from deferred tax	1,298	2,223	10,594	6,296
Overprovision of prior years	6,744	-	6,744	-
	9,108	2,395	18,917	6,965

39 Sale of unquoted investments and properties

There was no sale of unquoted investments and property during the quarter under review, other than those held by the investment bank subsidiary in the ordinary course of business.

40 Quoted securities

There are no investments in quoted securities as at 31 October 2011, other than those held by subsidiaries in their ordinary course of business.

41 Group borrowings

The Group has no borrowings and debt securities as at 31 October 2011.

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42 Derivative financial instruments

Details of derivative financial instruments outstanding as at 31 October 2011 are as follows:

- i) Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts and maturity analysis.

	Notional amount RM'000	Fair value asset RM'000	Fair value liabilities RM'000
<u>As at 31 October 2011</u>			
Equity related contracts - options			
- less than one year	72,654	-	-
Embedded derivatives			
- one year to three years	124,075	6,630	-
Foreign currency derivatives			
- less than one year	101,883	2,099	58
	298,612	8,729	58
<u>As at 31 January 2011</u>			
Equity related contracts - options			
- less than one year	55,244	1,693	-
Embedded derivatives			
- one year to three years	147,075	7,859	-
	202,319	9,552	-

- ii) The financial risks associated with derivatives are as follows:

Market risk

Market risk on derivatives is the potential loss to the value of these contracts due to changes in price of the underlying items such as equities, interest rates, foreign exchange, credit spreads or other indices. The notional or contractual amounts provide only the volume of transactions outstanding at the reporting date and do not represent the amounts at risk. Exposure to market risk may be reduced through offsetting items from on and off-balance sheet positions.

Credit risk

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the Group has a gain in a contract. As at 31 October 2011, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts was RM298,612,000 (31 January 2011: RM202,319,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity risk

Liquidity risk is defined as the risk of the Group encountering difficulties in fulfilling its current or future payment obligations in full at the maturity date of derivatives.

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42 Derivative financial instruments (cont'd.)

- iii) There have been no changes since the end of the previous financial year in respect of the following:
- a) The types of derivative financial contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts;
 - b) The risk management policies in place for mitigating and controlling the risks associated with these financial derivative contracts; and
 - c) The related accounting policies.

43 Realised and unrealised retained profits

The breakdown of the retained profits of the Group as at 31 October 2011 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Securities dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Current year to date 31-Oct-11 RM'000	Previous year ended 31-Jan-11 RM'000
Total retained profits of the Group		
- Realised	80,317	62,676
- Unrealised	(8,271)	12,337
	72,046	75,013
Total share of retained profits from associate		
- Realised	(491)	380
	71,555	75,393
Add: Consolidation adjustments	1,921	1,108
Retained profits as per financial statements	73,476	76,501

The unrealised retained profits of the Group as disclosed above excludes translation gains and losses on monetary items denominated in a currency other than the functional currency and foreign exchange contracts, as these translation gains and losses are incurred in the ordinary course of business of the Group, and are hence deemed as realised.

44 Material litigations

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

45 Dividend

No dividend has been proposed for the quarter ended 31 October 2011.

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46 Earnings per share

	Current quarter ended 31-Oct-11	Corresponding quarter ended 31-Oct-10	Current year to date 31-Oct-11	Corresponding year to date 31-Oct-10
Net profit (RM'000)	1,715	7,061	30,656	19,369
Weighted average number of ordinary shares in issue ('000)	828,819	815,594	820,646	811,035
Basic/diluted* earnings per share (sen)	0.21	0.87	3.74	2.39

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

* Outstanding ESOS have been excluded from the computation of fully diluted earnings per RM1 ordinary shares as the average market price of the ordinary shares is currently below the exercise price of the options.

Date : 14 December 2011