ecmlibra

Laporan Tahunan 2009 Annual Report

ECM Libra Financial Group Berhad (713570-K)

contents

corporate information

DIRECTORS

Dato' Seri Kalimullah bin Masheerul Hassan (Executive Chairman & Chief Executive Officer)
Dato' Ab. Halim bin Mohyiddin (Vice Chairman)
Mr Lim Kian Onn (Managing Director)
Datuk Kamarudin bin Md Ali
Dato' Othman bin Abdullah
En Mahadzir bin Azizan
Mr Lum Sing Fai

SECRETARY

Ms Wong Seong Cho

AUDITORS

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WEBSITE

www.ecmlibra.com

LISTING

Main Board of Bursa Malaysia Securities Berhad

directors' profile

Dato' Seri Kalimullah bin Masheerul Hassan

Executive Chairman & Chief Executive Officer/Non-Independent

Dato' Seri Kalimullah bin Masheerul Hassan, a Malaysian, aged 51, began a career in journalism in 1979 and moved on to the corporate sector in 1995. He has gained vast corporate experience, having held key positions in various Malaysian listed corporations. In September 2002, Dato' Seri Kalimullah was appointed as chairman of the national news agency, Bernama, for a two-year term by DYMM Yang di-Pertuan Agong but resigned to take on his position as Group Chief-in-Editor in The News Straits Times Press (M) Bhd ("NSTP") on 1 January 2004. He left as Group Editor-in-Chief on 31 December 2005 upon expiry of his contract and returned to his financial services business. He was appointed Deputy Chairman of NSTP on 1 January 2006 and resigned on 31 December 2008. Dato' Seri Kalimullah was appointed by the Federal Government as a member of the National Unity Advisory Panel on 1 January 2005 for a two-year term. He was re-appointed for another two-year term on 1 January 2007.

Dato' Seri Kalimullah was appointed Chairman of the Board of Directors ("Board") of ECM Libra Financial Group Berhad ("ECMLFG" or "Company") on 16 June 2006 and re-designated the Executive Chairman & Chief Executive Officer with effect from 1 May 2007. He attended five (5) Board meetings held during the financial year ended 31 January 2009.

Dato' Seri Kalimullah is also the Chairman of Ekowood International Berhad and a director of Multimedia Development Corporation Sdn Bhd, ECM Libra Foundation and ECM Libra Investment Bank Berhad ("ECMLIB"), a wholly-owned subsidiary of ECMLFG. He is also a member of the National Information Technology Council chaired by the Prime Minister. He has no family relationship with the other directors or major shareholders of ECMLFG, no conflict of interest with ECMLFG and has no conviction for offences within the past ten years.

Dato' Ab. Halim bin Mohyiddin

Vice Chairman/Independent Non-Executive

Dato' Ab. Halim bin Mohyiddin, a Malaysian, aged 63, serves on the Board of Amway (Malaysia) Holdings Berhad, Bank Pembangunan Malaysia Berhad Group, Digi.Com Berhad, HeiTech Padu Berhad, Idaman Unggul Berhad, KNM Group Berhad, MCM Technologies Berhad, Kumpulan Perangsang Selangor Berhad, Utusan Melayu Malaysia Berhad, Idris Hydraulic (Malaysia) Berhad, BI Credit & Leasing Berhad and AMDB Berhad.

Dato' Ab. Halim graduated with a Bachelor of Economics (Accounting) degree from University of Malaya in 1971 and thereafter joined Universiti Kebangsaan Malaysia as a Faculty member of the Faculty of Economics. He obtained his Masters of Business Administration degree from University of Alberta, Canada in 1973.

Dato' Ab. Halim retired from KPMG Malaysia in October 2001, a firm he joined in 1977 and had his early accounting training in both Malaysia and United States of America. He was made partner of the firm in 1985. At the time of his retirement, he was the partner in-charge of the Assurance and Financial Advisory Services Divisions of the firm and was also looking after the Secured e-Commerce Practice of the firm.

Dato' Ab. Halim was appointed Vice Chairman of ECMLFG on 26 March 2007. He attended four (4) Board Meetings of ECMLFG held during the financial year ended 31 January 2009. He was also appointed a member of the Board Nomination Committee and Board Remuneration Committee of ECMLFG on 6 February 2008. He has no family relationship with the other directors or major shareholders of ECMLFG, no conflict of interest with ECMLFG and has no conviction for offences within the past ten years.

Mr Lim Kian Onn

Managing Director/Non-Independent

Mr Lim Kian Onn, a Malaysian, aged 52, is a member of the Institute of Chartered Accountants in England & Wales and the Malaysian Institute of Accountants. He served his articleship with KMG Thomson McLintock in London for four years, then joined Andersen Consulting from 1981 to 1984 as a senior consultant. Between 1984 and 1993, he was with Hong Leong Group, Malaysia as a Senior Manager in the Finance Division and subsequently as an Executive Director in the stockbroking arm responsible for corporate finance, research and institutional sales. Mr Lim founded the Libra Capital Group in 1994 and co-founded the ECM Libra Group in 2002.

Mr Lim was appointed to the Board of ECMLFG on 16 June 2006 and re-designated Managing Director with effect from 1 May 2007. He attended all six (6) Board meetings held during the financial year ended 31 January 2009.

Mr Lim is also the non-executive Chairman of Plato Capital Limited, a company incorporated in Singapore and listed on the Stock Exchange of Singapore and a director of ECM Libra Foundation. He was appointed Acting CEO/Executive Director of ECMLIB on 6 February 2008 and re-designated the Non-Executive Director with effect from 22 August 2008. He has no family relationship with the other directors or major shareholders of ECMLFG, no conflict of interest with ECMLFG and has no conviction for offences within the past ten years.

Datuk Kamarudin bin Md Ali

Independent Non-Executive

Datuk Kamarudin bin Md Ali, a Malaysian, aged 59, is a retired police commissioner and also an Associate of the Royal College of Defense Studies UK. He holds a Masters in Science (Engineering) from University of Birmingham, UK and Bachelor of Science (Honours) (Mechanical Engineering) from University of Strathclyde, Glasgow, Scotland. Datuk Kamarudin retired from the Royal Malaysia Police ("RMP") on 4 May 2006 with more than 30 years experience specializing in mechanical engineering and with extensive knowledge and skills in logistic & finance management, manpower development, strategic planning, training and development, recruitment and selection, career development and crime prevention, gained through wide range of command posts and managerial capacities held during his tenure of office in RMP. He is actively involved in NGOs and is noted for his contribution in the Malaysian Crime Prevention Foundation of which he is one of the three Vice Chairmen.

Datuk Kamarudin was appointed to the Board of ECMLFG on 16 June 2006. He is the Chairman of the Board Audit & Risk Management Committee and a member of the Board Nomination Committee of ECMLFG. He attended all six (6) Board meetings held during the financial year ended 31 January 2009.

Datuk Kamarudin is also a director of Ann Joo Resources Berhad, Masterskill Education Group Berhad, Avenue Invest Berhad and ECMLIB. He has no family relationship with the other directors or major shareholders of ECMLFG, no conflict of interest with ECMLFG and has no conviction for offences within the past ten years.

En Mahadzir bin Azizan

Independent Non-Executive

En Mahadzir bin Azizan, a Malaysian, aged 60, is a Barrister-At-Law from Lincoln's Inn, London, United Kingdom and was called to the English Bar in 1978.

En Mahadzir has held key positions both in private and public sector. After graduation, he joined the Judicial and Legal Service of the Malaysian Government as a Deputy Public Prosecutor and Federal Counsel and subsequently ventured into the private sector and served Malaysian International Shipping Corporation Berhad and Island & Peninsular Berhad, the property arm of Permodalan Nasional Berhad. Whilst in the private sector, he also served as Ahli Majlis MARA, Director of Amanah Raya Berhad and Tabung Haji group of companies, as well as various other directorships in government linked companies.

En Mahadzir was appointed to the Board of ECMLFG on 16 June 2006. He attended all six (6) Board meetings held during the financial year ended 31 January 2009. He is the Chairman of the Board Remuneration Committee, a member of the Board Audit & Risk Management Committee and Board Nomination Committee of ECMLFG.

En Mahadzir is also a director of Syarikat Takaful Malaysia Berhad, Avenue Invest Berhad and ECMLIB. He has no family relationship with the other directors or major shareholders of ECMLFG, no conflict of interest with ECMLFG and has no conviction for offences within the past ten years.

Dato' Othman bin Abdullah

Independent Non-Executive

Dato' Othman bin Abdullah, a Malaysian, aged 60, is an accountant by profession with extensive financial knowledge and skills. He began his career in 1977 as Treasury Accountant at the Accountant General's Department and held various positions in the Department. He was seconded to Sabah Electricity Board as Deputy General Manager (Finance) from 1987 to 1993 and subsequently was transferred back to the Department and was appointed as Accountant General of Malaysia from 2003 to 2005.

Dato' Othman was appointed to the Board of ECMLFG on 16 June 2006. He attended all six (6) Board meetings held during the financial year ended 31 January 2009. He is the Chairman of the Board Nomination Committee and a member of the Board Audit & Risk Management Committee of ECMLFG.

Dato' Othman is also a director of Syarikat Perumahan Negara Berhad and ECMLIB. He has no family relationship with the other directors or major shareholders of ECMLFG, no conflict of interest with ECMLFG and has no conviction for offences within the past ten years.

Mr Lum Sing Fai

Non-Independent Non-Executive

Mr Lum Sing Fai, a Malaysian, aged 45, is the Managing Director of Capital Markets for AmcorpGroup Berhad.

Mr Lum, a graduate of University of Malaya with a Bachelor of Economics (Honours) in Business Administration, has over 20 years of extensive experience in banking and finance. As Managing Director of the Capital Markets division of AmcorpGroup Berhad, he has successfully led a broad range of financial service endeavours during his 14 years tenure.

Prior to joining Amcorp, Mr Lum was attached to Southern Bank Berhad from 1987 to 1994 working in various capacities from operations to corporate banking. He also sits on the Board of the companies within the AmcorpGroup Berhad.

Mr Lum was appointed to the Board of ECMLFG on 6 February 2008. He attended all six (6) Board meetings held during the financial year ended 31 January 2009. He is a member of the Board Nomination Committee and Board Remuneration Committee of ECMLFG.

Mr Lum is also a director of ECMLIB. He has no family relationship with the other directors or major shareholders of ECMLFG, no conflict of interest with ECMLFG and has no conviction for offences within the past ten years.

board audit & risk management committee report

Constitution

The Board Audit & Risk Management Committee ("BARMC") was established on 28 June 2006 by the Board of Directors ("Board").

Composition

The members of the BARMC during the financial year ended 31 January 2009 were:

Chairman: Datuk Kamarudin bin Md Ali
(Independent Non-Executive Director)

Members: Dato' Othman bin Abdullah
(Independent Non-Executive Director)

En Mahadzir bin Azizan
(Independent Non-Executive Director)

Terms of Reference

(i) To review the following and report the same to the Board:-

(a) nominate and recommend a person or persons as external auditors, and review the audit fees;

(b) with the external auditor, the audit plan;

(c) with the external auditor, his evaluation of the system of internal accounting controls;

(d) with the external auditor, his audit report;

(e) the assistance given by the employees of the Group and the Company to the external auditor;

(f) the quarterly results and year-end financial statements of the Group and the Company, focusing particularly on :-

- changes in accounting policies and practices
- significant adjustments arising from the audit
- significant and unusual events
- the going concern assumption
- compliance with accounting standards and other legal requirements;

(g) the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work; and

(h) the findings of the Internal Audit Department on internal audits undertaken and management's response and ensure that appropriate action is taken.

(ii) To consider any related party transaction and conflict of interest situation that may arise within the Company or Group.

(iii) To review and monitor the adequacy and integrity of internal control systems, including risk management and management information systems.

(iv) To consider any other function or duty as may be agreed to by the BARMC and the Board.

board audit & risk management committee report
continued

Authority

BARMC is authorised by the Board to investigate any matter within its terms of reference. It shall have full and unrestricted access to any information pertaining to the Group and shall have the resources it requires to perform its duties. All employees are directed to co-operate with any request made by the BARMC.

BARMC is authorised by the Board to obtain independent legal or other external independent professional advice, if it considers necessary.

BARMC is authorised by the Board to obtain information on any resignation of internal audit staff members. It is further authorised to provide the resigning staff member an opportunity to submit his reasons for resigning. BARMC is authorised by the Board to approve any appointment or termination of senior staff members of the internal audit function.

Meetings

Meetings shall be held not less than four (4) times in a financial year. The external auditors may request a meeting if they consider that one is necessary. BARMC shall meet with the external auditor without executive board members present, at least twice in a financial year. Minutes of each meeting shall be distributed to each member of the Board.

Two (2) members, who shall be independent and non-executive directors, shall constitute a quorum for meetings.

The Company Secretary shall be the secretary of the BARMC.

The Head of Finance, Head of Internal Audit, Head of Compliance and a representative of the external auditor shall normally attend the meetings. Other Board members, employees and external independent professional advisers may attend the meetings upon the invitation of the BARMC.

Activities

During the financial year ended 31 January 2009, four (4) BARMC meetings were held and attended by all BARMC members.

BARMC reviewed the quarterly financial statements and audited financial statements of the Group prior to submission to Bank Negara Malaysia for approval and subsequent release to Bursa Malaysia Securities Berhad ("Bursa Malaysia"). In reviewing the quarterly financial statements and audited financial statements of the Group, BARMC ensured fair and transparent reporting and prompt publication of the said statements.

BARMC also reviewed the external auditor's scope of work and audit plan for the Group, considered significant changes in statutory and accounting requirements and auditing issues, reviewed the management letter and management's response and discussed applicable accounting and auditing standards. BARMC also reviewed and approved the resource requirements of the internal audit function, the risk based strategic internal audit plan, audit programmes, and reviewed the audit findings/recommendations.

The key activities of BARMC during the financial year under review were mainly as follows:

(i) Internal Audit

BARMC reviewed periodic reports, provided by Group Internal Audit to the BARMC, reporting on the outcome of the operations and systems audits conducted, effectiveness of the system of internal controls implemented and highlighting key control issues impacting the operations of the Group. In discharging its role, Group Internal Audit:

- evaluates whether the Group is in compliance with policies and procedures, applicable laws, guidelines and directives issued by regulatory bodies;
- assesses the adequacy and effectiveness of systems and controls, (i.e accounting and operational control), giving opinion on the effectiveness of the said controls, reliability and integrity of information and assurance that adequate controls are in place to safeguard assets.
- assists the management to review and strengthen the controls features to prevent recurrence of fraud, errors, lapses and omissions and other significant control weaknesses.

board audit & risk management committee report
continued

(i) Internal Audit (continued)

These enabled the BARMC to execute its oversight function and form an opinion on the adequacy of measures undertaken by management.

The internal audit functions are organised on a Group basis whilst the department is established at ECM Libra Investment Bank Berhad ("ECMLIB"). In carrying out its duties, Group Internal Audit relied on the International Standards for the Professional Practice of Internal Auditing, Rules of Bursa Malaysia Securities Berhad (Rule 510.2), Securities Commission and BNM Guidelines On Internal Audit (GP10) as authoritative guidelines for internal auditing procedures.

(ii) Risk Management

BARMC oversees the establishment of a robust risk management system and sets risk appetite limits through Group Risk Management. Group Risk Management provides the central resource for developing tools and methodologies for the identification, assessment, quantification, aggregation, monitoring and control of the risks taken by the Group as a whole.

(iii) Compliance

BARMC reviewed the reports of Group Compliance on compliance work done for the Stockbroking, Fund Management and Unit Trust operations, including Anti-Money Laundering and Counter Financing Terrorism matters.

In connection with the Employees' Share Option Scheme of the Group, the BARMC also verified that allocation of options was in compliance with approved criteria.

corporate governance statement

The Board of Directors ("Board") of ECM Libra Financial Group Berhad ("ECMLFG" or "Company") is committed to manage the ECMLFG Group in line with corporate governance practices as proposed in the Malaysian Code on Corporate Governance ("Code"). The Board firmly believes that corporate accountability complements business practices that will facilitate the achievement of the Company's goals and objectives.

In preparing this statement, the Board is pleased to report, that save as set out below, the Group has applied the principles set out in Part 1 of the Code and has complied with the best practices set out in Part 2 of the Code throughout the financial year ended 31 January 2009.

A. DIRECTORS

(i) The Board

The Company is led by a proactive Board with a blend of good management and entrepreneurial skills, supported by independent Directors who bring to the Board their different fields of training and experiences.

The Board is primarily entrusted with the responsibility of setting the goals and the direction of the Group. It also oversees the conduct of the Group's businesses, ensuring various control systems are in place as well as regularly evaluating such systems to ensure its integrity. The controls are necessary to minimise the risks associated with the businesses of the Group.

In order to ensure that the ECMLFG Group is efficiently managed, the Board meets on a quarterly basis and additionally as and when required, with a formal schedule of matters specifically reserved for its deliberation and decision. During the financial year under review, six (6) Board meetings were held and all the Directors have complied with the requirements in respect of Board meeting attendance as provided in the Articles of Association. All Directors attended the said meetings except for Dato' Seri Kalimullah bin Masheerul Hassan and Dato' Ab. Halim bin Mohyiddin who attended five (5) and four (4) Board meetings respectively during the financial year ended 31 January 2009.

The Board collectively reviews and considers all corporate proposals prior to their implementation. Corporate proposals are put to vote after careful deliberation. The Chairman of the meeting shall have a second or casting vote in the event of a tie in votes for or against any particular proposal, except when only two Directors are competent to vote on the question in issue.

The Board is updated on ECMLFG Group's affairs at Board meetings. The Directors are encouraged to obtain information on the Group's activities by consultation with senior management at anytime. This is to ensure and enable the Board members to discharge their duties and responsibilities competently and in an informed manner.

(ii) Board Balance

For the financial year ended 31 January 2009, the Board comprised seven (7) Directors, five (5) of whom are non-executive. Of the non-executive Directors, four (4) are independent. There is a clear division of responsibilities at the head of the Company to ensure a balance of authority and power. The wide spectrum of knowledge, skills and experience of the Board members gives added strength to the leadership which is necessary for the effective stewardship of the Group.

The Board recognises the importance and contribution of its independent non-executive Directors. They represent the element of objectivity, impartiality and independent judgement of the Board. This ensures that there is adequate check and balance at the Board level. The four (4) independent Directors of the Company provide the Board with vast and varied exposure, expertise and broad business and commercial experiences.

A. DIRECTORS (continued)

(ii) Board Balance (continued)

The Executive Chairman & Chief Executive Officer leads the Board and together with the Managing Director, are responsible for the strategic direction of the Group while the Managing Director provides direction in the implementation of business plans and strategies.

The Board has identified Datuk Kamarudin bin Md Ali, the Chairman of the Board Audit & Risk Management Committee, as the independent non-executive Director to whom concerns may be conveyed, who would bring the same to the attention of the Board.

A brief profile of the Directors is set out on pages 4 to 7 of this Annual Report.

(iii) Supply of information

Board members are provided with the notice, setting out the agenda and subsequently the comprehensive Board papers in a timely manner prior to Board meetings. This is to ensure and enable the members of the Board to discharge their duties and responsibilities competently and in a well-informed manner. All members of the Board have access to the advice and services of the Company Secretary, and where necessary, independent professional advisers. They also have unlimited access to all information with regard to the activities of the ECMLFG Group.

(iv) Appointments to the Board

The Board Nomination Committee, which was set up on 27 September 2006 comprised four (4) independent non-executive Directors and one (1) non-independent non-executive Director during the financial year ended 31 January 2009. The Committee is responsible for proposing and recommending new nominees to the Board as well as Directors to fill seats on Board committees; assessing, on an annual basis, the effectiveness of the Board, the Board committees and the contribution of each individual Director; and annual review of the required mix of skills, experiences and other qualities which non-executive Directors should bring to the Board.

The members of the Board Nomination Committee during the financial year ended 31 January 2009 comprised:

- Dato' Othman bin Abdullah (Chairman)
- Datuk Kamarudin bin Md Ali
- En Mahadzir bin Azizan
- Dato' Ab. Halim bin Mohyiddin
- Mr Lum Sing Fai.

(v) Re-election

The Articles of Association of the Company provide that at least one-third of the Directors are subject to retirement by rotation at each Annual General Meeting and that all Directors shall retire at least once in every three years. The Articles of Association also provide that a Director who is appointed by the Board in the course of the year shall be subject to re-election at the next Annual General Meeting to be held following his appointment.

Directors over seventy years of age are required to submit themselves for re-appointment annually in accordance with Section 129 (6) of the Companies Act, 1965.

A. DIRECTORS (continued)

(vi) Directors' Training

All Directors of the Company have completed the Mandatory Accreditation Programme. The Company does not have a formal training programme for new Directors but they receive briefings and updates on the Group businesses, operations, risk management, internal controls, finance and any new or changes to the companies and other relevant legislation, rules and regulations. The Directors are encouraged to attend briefings and seminars to keep abreast with latest developments in the industry and to enhance their skills and knowledge. During the financial year under review, the management of ECM Libra Investment Bank Berhad conducted a familiarization/training session for the Directors to equip and inform the Directors of their duties and responsibilities under the regulatory framework of a bank holding company.

B. DIRECTORS' REMUNERATION

The Board Remuneration Committee, which was set up on 27 September 2006, comprised two (2) independent non-executive Directors and one (1) non-independent non-executive Director during the financial year ended 31 January 2009. The members of the Committee were:

- En Mahadzir bin Azizan (Chairman)
- Dato' Ab. Halim bin Mohyiddin
- Mr Lum Sing Fai.

The Committee is responsible for recommending to the Board the remuneration of executive Directors and key senior management officers of ECMLFG Group. Directors do not participate in discussion and voting on decisions regarding their own remuneration. The aggregate annual Directors' fees as recommended by the Board must be approved by shareholders at the Annual General Meeting.

ECMLFG has an established framework to evaluate performance and reward for executive Directors and all employees. Remuneration packages for the executive Directors and employees are formulated to be competitive, with emphasis being placed on performance, which aims to attract, motivate and retain all levels of staff to manage the ECMLFG Group. For non-executive Directors, the level of remuneration would commensurate with the experience and level of responsibilities undertaken by them.

The details of the remuneration of the Directors of ECMLFG are set out in the audited financial statements on pages 74 & 75 of this Annual Report.

C. SHAREHOLDERS

The Board places emphasis on timely and equitable dissemination of information to shareholders on ECMLFG Group's performance. Pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), timely announcements are made to the public in regard to the Group's corporate proposals, financial results and other requisite matters. The Company's Annual General Meeting serves as a forum for dialogue with shareholders. At the Annual General Meeting, shareholders are encouraged to participate in the question and answer session. The status of all resolutions proposed at the Annual General Meeting is submitted to Bursa Securities at the end of the meeting day.

Apart from contacts at general meetings, there is no formal programme or schedule of meetings with investors, shareholders, stakeholders and the public generally. However, the management has the option of calling for meetings with investors/analysts if it is deemed necessary. Thus far, the management is of the opinion that this arrangement has been satisfactory to all parties.

D. ACCOUNTABILITY AND AUDIT

(i) Financial Reporting

The Board is responsible to present a balanced and comprehensive assessment of the ECMLFG Group's financial position to shareholders by means of the annual and quarterly reports and other published information. In this regard, the Board is responsible for the preparation of financial statements that present a fair and balanced report of the financial state of affairs of the ECMLFG Group.

(ii) Internal Control

The Statement on Internal Control as set out below provides an overview of the state of internal controls within the Group.

(iii) Relationship with Auditors

The Company, through the Board Audit & Risk Management Committee ("BARMC"), has an appropriate and transparent relationship with the external auditors. Key features underlying the relationship of the BARMC with the external auditors are included in the BARMC Report as set out on page 9 of this Annual Report.

E. STATEMENT ON INTERNAL CONTROL

Responsibility

The Board is responsible for the Group's system of internal control and for reviewing its adequacy and integrity. The Board recognises that the Group's system of internal control is designed to manage and not eliminate the risk of failure to achieve the Group's objectives. Hence, it can only provide reasonable and not absolute assurance against material misstatement of management and financial information or against financial losses and fraud.

Key Processes

There is an on-going process for identifying, evaluating and managing the significant risks faced by the Group throughout the financial year, and the said process is reviewed by the Board and accords with the Statement on Internal Control: Guidance for Directors of Public Listed Companies.

The Board has appointed the BARMC comprising independent Directors to examine the effectiveness of the Group's risk management policies, processes and infrastructure which are established to manage various types of risks and to ensure an effective internal audit function. This is accomplished through the review of the work of the Group Risk Management Department, Group Compliance Department and the Group Internal Audit Department, which focus on areas of priority identified through risk assessment and in accordance with the plans approved by the BARMC. Group Risk Management covers credit risk management, market risk management and operational risk management, and the department is headed by the Head of Risk Management. While business/operating units have the primary responsibility for managing specific risks assumed by them, Group Risk Management provides the central resource for developing tools and methodologies for the identification, assessment, quantification, aggregation, monitoring and control of the risks taken by the Group as a whole.

In carrying out its responsibilities, the BARMC relies on the support of Group Compliance Department and Group Internal Audit Department in providing assurance on the adequacy of internal controls. Group Compliance Department provides BARMC periodic reports on compliance with relevant regulatory and statutory requirements, whilst Group Internal Audit Department provides BARMC with periodic reports highlighting any non-compliance as well as recommendations and management action plans to improve the system of internal controls.

E. STATEMENT ON INTERNAL CONTROL (continued)

Key Processes (continued)

The framework of the Group's system of internal control and key procedures include:

- A management structure with clearly defined lines of responsibility and appropriate levels of delegation.
- Key functions such as finance, credit control, treasury, human resources and legal matters are controlled centrally.
- The management determines the applicability of risk monitoring and reporting procedures and is responsible for the identification and evaluation of significant risks applicable to their areas of business together with the design and operation of suitable internal controls.
- Clear definitions of limits of authority and responsibilities have been approved by the Board and subject to regular reviews and enhancements.
- Policies and procedures with embedded internal controls are documented in a series of Policies and Procedures, which are subjected to annual review for updating of any changes in operational processes or regulatory requirements. Business and Support units in the Group must ensure compliance with the policies and procedures.
- Corporate values, which emphasise ethical behaviour and quality services, are set out in the Group's Employee Handbook.

On a yearly basis, all the business units within the Group draw up their business plans and budgets for the Board's approval and the performance is tracked on a monthly basis.

An associated company has not been dealt with as part of the Group for purposes of applying this guidance. However, as the associated company operates within a highly regulated business environment and through periodic reporting to the Group, the Board believes that the risk management practices of this associated company have been effectively carried out by its own Board and management.

F. DIRECTORS' RESPONSIBILITY IN FINANCIAL REPORTING

The Board is required by the Listing Requirements of Bursa Securities to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the results and cashflows for the year then ended. The Directors are satisfied that in preparing the financial statements of the Group for the financial year ended 31 January 2009, the Group has adopted and applied consistently appropriate accounting policies, supported by reasonable and prudent judgements and estimates. The Directors also consider that all applicable approved accounting standards in Malaysia have been followed and the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Company maintains sufficient accounting records that disclose with reasonable accuracy the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

The Directors also have general responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Group and the Company, and taking reasonable steps for the prevention and detection of fraud and other irregularities.

chairman's statement

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and audited Financial Statements for the financial year ended 31 January 2009.

The Group has experienced challenging times in recent months, particularly in the latter half of the financial year as the impact of the global financial crisis dampened the performance of Bursa Malaysia and the ensuing capital market activities.

Financial and Business Review

The Group registered revenue of RM74.2 million for the current financial year as compared to the RM157.6 million recorded in the previous financial year.

On the back of increased deposits taking and treasury activities, net interest income increased by 12.4% from RM26.0 million for financial year ended 31 January 2008 to RM29.2 million for the current financial year.

However, amidst the lackluster turnover and trading performance of Bursa Malaysia, our brokerage income stream suffered a drop of 60.8% with net brokerage of RM26.4 million achieved for current financial year as compared to RM67.4 million for the last financial year. Investment and trading activities recorded a loss of RM14.8 million mainly due to revaluation loss of trading securities of RM12.4 million. These were partly offset by reduction in operating expenses of RM13.9 million.

The Group has made an impairment loss of RM24.0 million on its investment in associated company to better reflect the fair value of the investment. Consequently, the Group made a loss before tax of RM20.2 million as compared to a profit before tax of RM80.7 million for the previous financial year.

Notwithstanding that, a deferred tax asset arising from unutilized tax losses from its investment banking subsidiary recognized in the current financial year has resulted in a net tax credit of RM25.3 million being recorded. As a result, the Group's profit after tax for the financial year ended 31 January 2009 is RM5.1 million, representing an earnings per share of 0.62 sen.

Challenging times ahead

We are no doubt in for even more challenging times ahead. Deterioration in the global economy is expected to continue with the Malaysian economy facing the risk of a contraction in 2009. The business environment is expected to be very challenging with scarce revenue opportunity in an intensified competitive market place. Nevertheless, we at ECM Libra Financial Group believe that in crisis there are opportunities.

Current year strategies

We have identified key areas of focus for the coming financial year and will concentrate to build capabilities and long-term sustainable businesses in these areas.

We will continue to increase our customer deposits taking to build our asset base through prudent lending and investment activities.

The Group will also step up efforts to improve its operational efficiency through increasing the productivity of its employees and maintaining cost efficiency in the running of the Group's business.

I am confident that all these will position the Group to be ready when the market turns around.

chairman's statement continued

Corporate Social Responsibility

The Group, in conjunction with ECM Libra Foundation, set up and funded by its three founding partners, continued its activities and assistance in the field of education for the unfortunate and less privileged children. For the year under review, we continued to mainly support building of hostels for the remote areas of Sabah and upgrading/expanding current infrastructure of schools around Peninsular Malaysia and sponsored participation in training programmes.

The Group encourages its employees to embrace CSR which saw its employees at both head office and branches "adopt" homes where we help the children improve their literacy skills. We are driven by our belief that education is the key to breaking the poverty cycle in life and reading and writing are the first steps towards that journey in life. In Kuala Lumpur, the staff work with the children from Rumah Kanak-Kanak Tengku Budriah in Cheras, a home to over 200 children.

Away from schools, the Group/ECM Libra Foundation teamed up with the Lawn Tennis Association of Malaysia and pledged RM1million over the next four years to sponsor a junior tennis motivational tournament programme which aims to revive interest in the sport among school children and more importantly, to kick start programmes that will provide the means for young Malaysians of all income levels to be afforded the training and facilities that could help produce better players in the future. The programme culminates in the Youth Tennis Championship and the first championship was held from 14 - 20 December 2008 and the winners were teams from KL (Boys under 16) and Sarawak (Girls under 16) and the Selangor teams won both Boys & Girls under 13 categories.

Dividends

The Board of Directors has recommended the payment of a final single tier dividend of 2 sen per ordinary share. The proposed dividend is subject to the approval by the shareholders at the forthcoming Annual General Meeting of the Company.

Appreciation

I would like to express our heartfelt gratitude to all our staff for their commitment and teamwork in this challenging business environment. We would also like to thank our shareholders for their trust, confidence and continued support in us.

Dato' Seri Kalimullah bin Masheerul Hassan
Chairman

31 March 2009

notice of annual general meeting

NOTICE IS HEREBY GIVEN that the Fourth Annual General Meeting of ECM Libra Financial Group Berhad ("Company") will be held at the Ballroom, Mezzanine Floor, Hotel Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur on Wednesday, 20 May 2009 at 10.00 a.m. in order: -

AGENDA

1. to receive the audited financial statements together with the reports of the Directors and Auditors thereon for the financial year ended 31 January 2009;
2. to declare a final single tier dividend of 2 sen per ordinary share for the financial year ended 31 January 2009 to be paid on 3 June 2009 to shareholders registered in the Record of Depositors on 25 May 2009;
3. to approve the payment of Directors' fees of RM230,000.00 to be divided amongst the Directors in such manner as the Directors may determine;
4. to re-elect the following Directors retiring pursuant to the Company's Articles of Association:-
   i) Dato' Othman bin Abdullah; and
   ii) Mr Lim Kian Onn;
5. to re-appoint Messrs Ernst & Young as Auditors of the Company and authorise the Directors to fix their remuneration;

AS SPECIAL BUSINESS

To consider and if thought fit, pass the following ordinary resolutions:-

6. **Authority To Directors To Issue Shares**

"**THAT** pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued capital of the Company for the time being and the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company";

7. **Proposed Renewal Of Authority To Directors For The Purchase Of Own Shares**

"**THAT** subject to the Companies Act, 1965 ("Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association and the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authority, the Directors of the Company be and are hereby authorised to make purchases of ordinary shares of RM1.00 each in the Company's issued and paid-up share capital on Bursa Securities subject further to the following:-

(a) the maximum number of shares which may be purchased and/or held by the Company shall be equivalent to ten percent (10%) of the issued and paid-up share capital of the Company ("Shares") for the time being;

(b) the maximum fund to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the retained profits and/or the share premium account of the Company; and

(c) the authority conferred by the resolution as set out in paragraphs (a) and (b) above will commence upon the passing of this resolution, until the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting is required by law to be held unless revoked or varied by Ordinary Resolution of the shareholders of the Company in general meeting but so as not to prejudice the completion of a purchase made before such expiry date;

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the Shares;

notice of annual general meeting continued

AND the Directors of the Company be and are hereby authorised to deal with any Shares so purchased and any existing treasury shares ("Said Shares") in the following manner:-

(a) cancel the Said Shares;

(b) retain the Said Shares as treasury shares;

(c) retain part of the Said Shares as treasury shares and cancel the remainder;

(d) distribute all or part of the Said Shares as dividends to shareholders and/or resell on Bursa Securities and/or cancel all or part of them;

or in any other manner as may be prescribed by the Act, rules, regulations and orders made pursuant to the Act and the Listing Requirements of Bursa Securities and any other relevant authority for the time being in force AND THAT the authority to deal with the Said Shares shall continue to be valid until all the Said Shares have been dealt with by the Directors of the Company";

8. to consider any other business of which due notice shall have been given.

FURTHER NOTICE IS HEREBY GIVEN that a depositor shall qualify for entitlement to the final dividend only in respect of:-

(a) shares transferred into depositor's securities account before 4.00 p.m. on 25 May 2009 in respect of ordinary transfers; and

(b) shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

By Order of the Board

WONG SEONG CHO
Secretary

Kuala Lumpur
28 April 2009

NOTES:

1. A member entitled to attend and vote at the above meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company. A member who is an authorized nominee may appoint at least one (1) proxy in respect of each securities account it holds.

2. The Form of Proxy must be deposited at the Registered Office of the Company at 8A Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time and date of the meeting or adjourned meeting.

Explanatory note on special business

1. Ordinary Resolution on authority to Directors to issue shares
   The ordinary resolution, if passed, will give authority to the Directors of the Company to issue shares of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

2. Ordinary Resolution on Proposed Renewal of Share Buy-Back Authority
   The ordinary resolution, if passed, will give authority to the Directors of the Company to make purchases of shares in the Company through Bursa Securities up to ten percent of the issued and paid-up share capital of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

statement accompanying notice of annual general meeting

(Pursuant to Paragraph 8.28(2) of the Listing Requirements of Bursa Malaysia Securities Berhad)

1. **Directors who are standing for re-election at the Fourth Annual General Meeting of the Company pursuant to the Company's Articles of Association**

   Pursuant to Article 103 of the Company's Articles of Association

   Dato' Othman bin Abdullah
   Mr Lim Kian Onn

2. **Further details of individuals who are standing for re-election as Directors**

   (i) Directors' profile on pages 5 & 6.

   (ii) Details of interest in the securities of the Company, if any, are disclosed in the Directors' Interests on page 23.

financial statements

directors' report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 January 2009.

Principal Activities

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiary companies are set out in Note 12 to the financial statements.

There have been no significant changes in the nature of these activities during the year other than the commencement of investment bank operations of the Company's wholly-owned subsidiary company, ECM Libra Investment Bank Berhad, on 6 February 2008.

Significant Events

Significant event is disclosed in Note 42 to the financial statements.

Results

	Group RM '000	Company RM '000
Net profit for the year	5,104	6,405

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

Dividends

The dividend paid by the Company since the end of the previous financial year is as follows:

	RM'000
In respect of the financial year ended 31 January 2008:	
Final dividend of 3.0 sen paid on 30 June 2008:	
- Franked dividend of 2.28 sen, less income tax at 26%	14,012
- Single tier dividend of 0.72 sen	5,980
Debts payable to Inland Revenue Board	2,101
	22,093

At the forthcoming Annual General Meeting, a final single tier dividend of 2 sen per ordinary share of RM1.00 each, in respect of the financial year ended 31 January 2009, amounting to a net dividend payable of approximately RM16,380,323 will be proposed for shareholders' approval. This is computed based on the issued and paid-up capital as at 31 January 2009, excluding treasury shares held by the Company of 11,885,800 ordinary shares of RM1.00 each, to be paid to shareholders whose names appear in the Record of Depositors on a date to be determined by the Directors. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 January 2010.

Share Buy-Back

During the financial year, the Company bought back 11,885,800 units of its issued shares ("ECM Shares") from the open market to enhance the value of the Company and in the best interests of the Company and its shareholders. The total consideration paid for the share buy-back of ECM Shares by the Company during the financial year, including transaction costs, was RM6,188,000 and was financed by internally generated funds. The ECM Shares bought back are held as treasury shares in accordance with Section 67A Subsection 3(A)(b) of the Companies Act, 1965. None of the treasury shares held were resold or cancelled during the financial year. Further information is disclosed in Note 24 to the financial statements.

Directors

The directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Seri Kalimullah bin Masheerul Hassan
Dato' Ab Halim bin Mohyiddin
Mr Lim Kian Onn
Datuk Kamarudin bin Md Ali
Dato' Othman bin Abdullah
En Mahadzir bin Azizan
Mr Lum Sing Fai

In accordance with Article 103 of the Articles of Association of the Company, Dato' Othman bin Abdullah and Mr Lim Kian Onn will retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Directors' Interest

The directors holding office at the end of the financial year who had beneficial interests in the ordinary shares/options of the Company and/or related corporations during the financial year ended 31 January 2009, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

	Shareholdings in which Directors have interests Number of ordinary shares / options *			
	As at 1.2.2008	**Acquired**	**Sold**	**As at 31.1.2009**
Direct interest in ECM Libra Financial Group Berhad ("ECMLFG")				
Dato' Seri Kalimullah bin Masheerul Hassan	29,000,000*	-	-	29,000,000*
Dato' Ab Halim bin Mohyiddin	200,000*	-	-	200,000*
Mr Lim Kian Onn	76,456,000	-	-	76,456,000
	29,000,000*	-	-	29,000,000*
Datuk Kamarudin bin Md Ali	200,000*	-	-	200,000*
En Mahadzir bin Azizan	200,000*	-	-	200,000*
Dato' Othman bin Abdullah	200,000*	-	-	200,000*
Indirect interest in ECMLFG				
Dato' Seri Kalimullah bin Masheerul Hassan	35,000,000	-	-	35,000,000

*The options over ordinary shares were granted pursuant to the Company's Employees Share Option Scheme ("ESOS") as disclosed in Note 22.

Directors' Benefits

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial statements or the fixed salary of a full time employee of the Company or of a related company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for Mr Lim Kian Onn who may be deemed to derive a benefit by virtue of those transactions, contracts and agreements for the acquisition and/or disposal of stocks and shares and/or the provision of services including but not limited to management and consultancy services, tenancies and/or the provision of treasury functions and the conduct of normal stockbroking business between the Company and its related corporations or corporations in which Mr Lim Kian Onn is deemed to have interests.

There were no arrangements during and at the end of the financial year which had the object of enabling the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate other than the share options granted pursuant to the Employees Share Option Scheme.

Employees Share Option Scheme

The Company's Employees Share Option Scheme ("ESOS") is governed by the bye-laws approved by the shareholders at an Extraordinary General Meeting held on 1 December 2005. The ESOS was implemented on 4 January 2008 and will be in force for a period of ten (10) years.

The names of option holders, other than directors, who had been granted options as at the end of the financial year are Mr Martin Chu Leong Meng (2 million options) and En Shahin Farouque bin Jammal Ahmad (1 million options).

The main features of the ESOS are, inter alia, as follows:

(i) Eligible employees are those employees of the Group who had been in service for at least one year on the date of offer. The maximum allowable allotments for the directors had been approved by the shareholders of the Company in a general meeting. The Board of Directors may from time to time at its discretion select and identify suitable eligible employees to be offered options.

(ii) The aggregate number of shares to be issued under the ESOS shall not exceed 15% of the total issued and paid-up ordinary share capital of the Company for the time being.

(iii) The ESOS shall be in force for a period of 10 years from 4 January 2008.

(iv) The option price shall not be at a discount of more than ten percent (10%) (or such discount as the relevant authorities shall permit) from the 5-day weighted average market price of the shares of the Company preceding the date of offer and shall in no event be less than the par value of the shares of the Company of RM1.00.

(v) An option holder may, in a particular year, exercise up to such maximum number of shares in the option certificate as determined by the Board of Directors or as specified in the option certificate.

As at 31 January 2009, there was no issuance of new shares arising from the exercise of options pursuant to the ESOS.

Other Statutory Information

(I) As at the end of the financial year

(a) Before the income statements and balance sheets of the Group and the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and financing and the making of provision for doubtful debts and financing and had satisfied themselves that all known bad debts and financing had been written off and that adequate provision had been made for doubtful debts and financing; and

(ii) to ensure that any current assets, other than debts and financing, which were unlikely to realise their book values as shown in the accounting records in the ordinary course of business had been written down to their estimated realisable values.

(b) In the opinion of directors, the result of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

(II) From the end of the financial year to the date of this report

(a) The directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts and financing or the amount of the provision for doubtful debts and financing inadequate to any material extent;

(ii) which would render the values attributed to current assets in the financial statements misleading; and

(iii) which had arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

(b) In the opinion of the directors:

(i) the results of the operations of the Group and the Company for the financial year ended 31 January 2009 are not likely to be substantially affected by any item, transaction or event of a material and unusual nature which had arisen in the interval between the end of the financial year and the date of this report; and

(ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and the Company to meet their obligations as and when they fall due.

(III) As at the date of this report

(a) There are no charges on the assets of the Group and the Company which had arisen since the end of the financial year to secure the liabilities of any other person.

(b) There are no contingent liabilities which had arisen since the end of the financial year.

(c) The directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements misleading.

directors' report continued

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors.

Dato' Seri Kalimullah bin Masheerul Hassan

Lim Kian Onn

31 March 2009

statement by directors

(Pursuant to Section 169(15) of the Companies Act, 1965)

We, Dato' Seri Kalimullah bin Masheerul Hassan and Lim Kian Onn, being two of the directors of ECM Libra Financial Group Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 30 to 92 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia as modified by Bank Negara Malaysia's Guidelines so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2009 and of its results and its cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors.

Dato' Seri Kalimullah bin Masheerul Hassan

Lim Kian Onn

31 March 2009

statutory declaration

(Pursuant to Section 169(16) of the Companies Act, 1965)

I, Martin Chu Leong Meng, being the person primarily responsible for the financial management of ECM Libra Financial Group Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 30 to 92 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Martin Chu Leong Meng at
Kuala Lumpur in the Federal Territory
on 31 March 2009

Martin Chu Leong Meng

Before me,

Kathirvelayudham a/l Palaniappan
Commissioner for Oaths
31 March 2009

auditors' report

Independent auditors' report to the members of ECM Libra Financial Group Berhad

(Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of ECM Libra Financial Group Berhad, which comprise the balance sheets as at 31 January 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 30 to 92.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards as modified by Bank Negara Malaysia's Guidelines and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2009 and of its financial performance and cash flows for the year then ended.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 12 to the financial statements.

Report on other legal and regulatory requirements (continued)

(c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the accounts of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Gloria Goh Ewe Gim
No. 1685/04/09(J)
Chartered Accountant

Kuala Lumpur, Malaysia
31 March 2009

balance sheets
as at 31 Jan 2009

		Group		Company	
	Note	2009	2008	2009	2008
		RM'000	RM'000	RM'000	RM'000
			(restated)		
ASSETS					
Cash and bank balances	3	**752,806**	367,074	**27,152**	25
Deposits with licensed financial institutions	4	**115,847**	3,198	**907**	-
Securities held-for-trading	5	**8,813**	-	**-**	-
Securities available-for-sale	6	**265,279**	184,455	**-**	-
Securities held-to-maturity	7	**92,200**	2,200	**-**	-
Loans, advances and financing	8	**247,830**	172,223	**-**	-
Trade receivables	9	**123,914**	404,110	**-**	-
Other assets	10	**17,071**	19,328	**504**	304
Statutory deposit with Bank Negara Malaysia	11	**1,413**	-	**-**	-
Investment in subsidiary companies	12	**-**	-	**887,922**	887,922
Investment in associated company	13	**21,173**	43,280	**-**	-
Amount owing by subsidiary companies	14	**-**	-	**10,258**	60,070
Deferred tax assets	15	**36,216**	10,000	**60**	-
Property, plant and equipment	16	**32,904**	54,509	**18,271**	41,227
Intangible assets	17	**284,500**	284,500	**-**	-
Total assets		**1,999,966**	1,544,877	**945,074**	989,548

The accompanying notes form an integral part of the financial statements.

balance sheets continued
as at 31 Jan 2009

	Note	Group		Company	
		2009	2008	2009	2008
		RM'000	RM'000 (restated)	RM'000	RM'000
EQUITY AND LIABILITIES					
Liabilities					
Deposits from customers	18	**557,489**	-	**-**	-
Deposits and placements of banks and other financial institutions	19	**296,004**	-	**-**	-
Trade payables	20	**195,037**	521,290	**-**	-
Other liabilities	21	**57,114**	74,422	**3,300**	3,703
Provision for taxation		**29**	990	**-**	43
Amount owing to subsidiary companies	14	**-**	-	**79,792**	102,799
Hire purchase payable		**444**	777	**444**	777
Deferred tax liabilities	15	**51**	168	**-**	-
Total liabilities		**1,106,168**	597,647	**83,536**	107,322
Equity					
Share capital	22	**830,902**	830,902	**830,902**	830,902
Reserves	23	**69,084**	116,328	**36,824**	51,324
Less: Treasury shares, at cost	24	**(6,188)**	-	**(6,188)**	-
Total equity		**893,798**	947,230	**861,538**	882,226
Total equity and liabilities		**1,999,966**	1,544,877	**945,074**	989,548

The accompanying notes form an integral part of the financial statements.
Certain comparative figures have been restated arising from the application of the Revised Guidelines on Financial Reporting for Licensed Institutions issued by Bank Negara Malaysia (BNM/GP8) as well as to conform with current financial year's presentation.

income statements
for the year ended 31 Jan 2009

	Note	Group		Company	
		2009 RM'000	2008 RM'000 (restated)	2009 RM'000	2008 RM'000 (restated)
Revenue		**74,182**	157,553	**12,849**	59,869
Interest income	25	**36,469**	28,363	**1,146**	2,126
Interest expense	26	**(7,266)**	(2,377)	**(31)**	(38)
Net interest income		**29,203**	25,986	**1,115**	2 ,088
Non-interest income	27	**37,713**	129,190	**11,703**	57,743
Other non-operating income	28	**4,936**	5,269	**1,792**	77
Net income		**71,852**	160,445	**14,610**	59,908
Operating expenses	29	**(69,020)**	(82,961)	**(6,413)**	(5,761)
Operating profit		**2,832**	77,484	**8,197**	54,147
Share of (loss)/profit of an associated company		**(1,992)**	3,255	**-**	-
Allowance for losses on loans, advances and financing	31	**(1,506)**	(984)	**-**	-
Writeback of bad and doubtful debts	32	**18**	541	**-**	-
(Allowance)/writeback of impairment loss	33	**(19,555)**	393	**-**	-
(Loss)/profit before tax		**(20,203)**	80,689	**8,197**	54,147
Income tax expense	34	**25,307**	1,744	**(1,792)**	(4,562)
Profit after tax		**5,104**	82,433	**6,405**	49,585
Earnings per share ("EPS"):		**Sen**	Sen	**Sen**	Sen
- basic	35	**0.62**	9.92	**0.78**	5.97
- diluted	35	**0.62**	9.92	**0.78**	5.97

The accompanying notes form an integral part of the financial statements.
Certain comparative figures have been restated arising from the application of the Revised Guidelines on Financial Reporting for Licensed Institutions issued by Bank Negara Malaysia (BNM/GP8) as well as to conform with current financial year's presentation.

statements of changes in equity

for the year ended 31 Jan 2009

					<---------------------- Non-Distributable		---------------------->		<--- Distributable --->		
	Note	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	Total RM'000
Group											
Balance as at 1 February 2008											
- as previously reported		830,902	-	26,561	(6,718)	-	2,075	-	159	84,207	937,186
- effects of adoption of BNM/GP8	43	-	-	-	-	10,044	-	-	-	-	10,044
As restated		830,902	-	26,561	(6,718)	10,044	2,075	-	159	84,207	947,230
Net fair value changes in securities available-for-sale		-	-	-	-	(36,938)	-	-	-	-	(36,938)
Arising from share options granted during the year		-	-	-	-	-	1,898	-	-	-	1,898
Share buyback by the Company	24	-	(6,188)	-	-	-	-	-	-	-	(6,188)
Net profit for the financial year		-	-	-	-	-	-	-	-	5,104	5,104
Transfer to statutory reserve	23	-	-	-	-	-	-	14,759	-	(14,759)	-
Dividends paid	36	-	-	-	-	-	-	-	-	(22,093)	(22,093)
Currency translation differences		-	-	-	4 ,785	-	-	-	-	-	4,785
Balance as at 31 January 2009		**830,902**	**(6,188)**	**26,561**	**(1,933)**	**(26,894)**	**3,973**	**14,759**	**159**	**52,459**	**893,798**

				<---------------------- Non-Distributable		---------------------->		<--- Distributable --->		
	Note	Share Capital 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	Total RM'000
Group										
Balance as at 1 February 2007										
- as previously reported		830,902	26,561	(2,047)	-	-	-	159	5,723	861,298
- effects of adoption of BNM/GP8	43	-	-	-	1,179	-	-	-	2,117	3,296
As restated		830,902	26,561	(2,047)	1,179	-	-	159	7,840	864,594

The accompanying notes form an integral part of the financial statements.
Certain comparative figures have been restated arising from the application of the Revised Guidelines on Financial Reporting for Licensed Institutions issued by Bank Negara Malaysia (BNM/GP8) as well as to conform with current financial year's presentation.

statements of changes in equity continued
for the year ended 31 Jan 2009

	Note	Share Capital RM'000	Merger Reserve RM'000	<--- Non-Distributable ---> Foreign Currency Translation Reserve RM'000	Available-for-Sale Revaluation Reserve RM'000	Equity Compensation Reserve RM'000	Statutory Reserve RM'000	<--- Distributable ---> General Reserve RM'000	Retained Profits RM'000	Total RM'000
Group (continued)										
Net fair value changes in securities available-for-sale		-	-	-	8,865	-	-	-	-	8,865
Arising from share options granted during the year		-	-	-	-	2,075	-	-	-	2,075
Net profit for the financial year		-	-	-	-	-	-	-	82,433	82,433
Dividends paid	36	-	-	-	-	-	-	-	(6,066)	(6,066)
Currency translation differences		-	-	(4,671)	-	-	-	-	-	(4,671)
Balance as at 31 January 2008		**830,902**	**26,561**	**(6,718)**	**10,044**	**2,075**	**-**	**159**	**84,207**	**947,230**

	Note	Share capital RM'000	Treasury Shares RM'000	Non-Distributable Equity Compensation Reserve RM'000	Distributable Retained Profits RM'000	Total RM'000
Company						
Balance as at 1 February 2008		830,902	-	1,495	49,829	882,226
Arising from share options granted during the year		-	-	1,188	-	1,188
Share buyback by the Company	24	-	(6,188)	-	-	(6,188)
Net profit for the financial year		-	-	-	6,405	6,405
Dividends paid	36	-	-	-	(22,093)	(22,093)
Balance as at 31 January 2009		**830,902**	**(6,188)**	**2 ,683**	**34,141**	**861,538**
Company						
Balance as at 1 February 2007		830,902	-	-	6,310	837,212
Arising from share options granted during the year		-	-	1,495	-	1,495
Net profit for the financial year		-	-	-	49,585	49,585
Dividends paid	36	-	-	-	(6,066)	(6,066)
Balance as at 31 January 2008		**830,902**	**-**	**1,495**	**49,829**	**882,226**

The accompanying notes form an integral part of the financial statements.
Certain comparative figures have been restated arising from the application of the Revised Guidelines on Financial Reporting for Licensed Institutions issued by Bank Negara Malaysia (BNM/GP8) as well as to conform with current financial year's presentation.

cash flow statements

for the year ended 31 Jan 2009

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM'000	**RM'000**	**RM'000**	**RM'000**
		(restated)		**(restated)**
CASH FLOW FROM OPERATING ACTIVITIES				
(Loss)/profit before taxation	**(20,203)**	80,689	**8,197**	54,147
Adjustments for:				
Allowance/(writeback) of impairment loss on investments	**19,555**	(393)	**-**	-
Depreciation of property, plant and equipment	**5,915**	6,214	**932**	372
Depreciation of investment properties	**-**	12	**-**	-
Exchange translation loss/(gain)	**303**	(2,051)	**-**	-
Interest expense	**7,266**	2,377	**31**	38
Property, plant and equipment written off	**478**	318	**3**	-
Share of results of an associated company	**1,992**	(3,255)	**-**	-
(Gain)/loss on disposal of:				
- securities held-for-trading	**(213)**	(9,134)	**-**	-
- securities available-for-sale	**2,889**	(12,961)	**-**	-
- securities held-to-maturity	**(240)**	2,600	**-**	-
- associated company	**-**	(941)	**-**	(499)
Net unrealised loss/(gain) on revaluation of				
- securities held-for-trading	**12,406**	(6,450)	**-**	-
Dividend income	**(4,346)**	(612)	**(11,703)**	(57,244)
Cost arising from Employees Share Option Scheme	**1,898**	2,075	**1,188**	1,495
Allowance for losses on loans, advances and financing	**1,506**	984	**-**	-
Writeback of bad and doubtful debts	**(18)**	(541)	**-**	-
(Gain)/loss on disposal of property, plant and equipment	**(3,553)**	(667)	**191**	-
Operating profit/(loss) before working capital changes	**25,635**	58,264	**(1,161)**	(1,691)
(Increase)/decrease in operating assets:				
Securities held-for-trading	**(73,997)**	101,760	**-**	-
Deposits with licensed financial institutions	**(112,649)**	44,921	**(907)**	-
Loan, advances and financing	**(77,113)**	(157,923)	**-**	-
Trade receivables	**280,214**	624,297	**(2,030)**	(105)
Other assets	**(2,048)**	12,349	**-**	-
Deposits and money held in trust/pledged	**75,712**	(68,717)	**-**	-
Balance carried forward	**115,754**	614,951	**(4,098)**	(1,796)

The accompanying notes form an integral part of the financial statements.

cash flow statements continued
for the year ended 31 Jan 2009

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000 (restated)	RM'000	RM'000 (restated)
CASH FLOW FROM OPERATING ACTIVITIES (continued)				
Balance brought forward	**115,754**	614,951	**(4,098)**	(1,796)
(Decrease)/increase in operating liabilities:				
Deposits from customers	**557,489**	-	**-**	-
Deposits and placements of banks and other financial institutions	**296,004**	-	**-**	-
Trade payables	**(326,253)**	(351,617)	**-**	-
Other liabilities	**(19,407)**	(18,835)	**(2,504)**	3,740
Amount owing by/to subsidiary companies	-	-	**26,805**	88,511
Cash generated from operations	**623,587**	244,499	**20,203**	90,455
Tax recovered	**3,704**	1,468	**-**	-
Tax paid	**(2,802)**	(4,166)	**(65)**	(464)
Net cash generated from operating activities	**624,489**	241,801	**20,138**	89,991
CASH FLOW FROM INVESTING ACTIVITIES				
Dividend received	**4,346**	612	**11,703**	52,629
Purchase of property, plant and equipment	**(3,395)**	(3,633)	**(130)**	(41,599)
Payment to Bank Negara Malaysia for merchant bank licence	**-**	(42,500)	**-**	-
Purchase of treasury shares	**(6,188)**	-	**(6,188)**	-
Capital injection to a subsidiary company	**-**	-	**-**	(109,930)
Proceeds from disposal of:				
- associated company	**-**	4,417	**-**	4,417
- securities available-for-sale	**(63,260)**	(28,651)	**-**	-
- securities held-to-maturity	**(89,760)**	1,400	**-**	-
- property, plant and equipment	**22,160**	402	**21,960**	-
- investment property	**-**	1,497	**-**	-
Net cash (used in)/generated from investing activities	**(136,097)**	(66,456)	**27,345**	(94,483)

The accompanying notes form an integral part of the financial statements.

for the year ended 31 Jan 2009

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
		(restated)		(restated)
CASH FLOW FROM FINANCING ACTIVITIES				
Short term borrowings repaid	**(333)**	(100,222)	**(333)**	(222)
Dividends paid	**(19,992)**	(6,066)	**(19,992)**	(6,066)
Interest paid	**(7,266)**	(2,377)	**(31)**	(38)
Net cash used in financing activities	**(27,591)**	(108,665)	**(20,356)**	(6,326)
Net increase/(decrease) in cash and in cash and cash equivalents	**460,801**	66,680	**27,127**	(10,818)
Effects of foreign exchange differences	**643**	(174)	**-**	-
Cash and cash equivalents at beginning of year	**186,460**	119,954	**25**	10,843
Cash and cash equivalents at end of year	**647,904**	186,460	**27,152**	25
Cash and cash equivalents comprise:				
Cash and short term funds	**752,806**	367,074	**27,152**	25
Monies held in trust	**(104,902)**	(180,614)	**-**	-
	647,904	186,460	**27,152**	25

The accompanying notes form an integral part of the financial statements.
Certain comparative figures have been restated arising from the application of the Revised Guidelines on Financial Reporting for Licensed Institutions issued by Bank Negara Malaysia (BNM/GP8) as well as to conform with current financial year's presentation.

notes to the financial statements

1. CORPORATE INFORMATION

The Company is a public limited company incorporated in Malaysia and listed on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The principal place of business of the Company is located at 8A Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur.

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiary companies are set out in Note 12.

There have been no significant changes in the nature of these activities during the year other than the commencement of investment bank operations of the Company's wholly-owned subsidiary company, ECM Libra Investment Bank Berhad, on 6 February 2008.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements of the Group and of the Company have been prepared on a historical cost basis, unless otherwise disclosed in the notes to the financial statements and are in accordance with the Financial Reporting Standards ("FRSs") in Malaysia as modified by Bank Negara Malaysia's ("BNM") Guidelines and the Companies Act, 1965.

Certain comparative figures in the financial statements have been restated arising from the adoption of the Revised Guidelines on Financial Reporting for Licensed Institutions issued by BNM ('BNM/GP8') as well as to conform with current financial year's presentation. The effects of changes in accounting policies are as disclosed in Note 43.

The accounting policies adopted are consistent with those of the previous year except that the Group adopted BNM/GP8 and those FRSs, amendment to FRSs and interpretations issued by Malaysian Accounting Standards Board ("MASB") that are effective for financial period beginning on or after 1 July 2007 as described in Note 2(c)(i).

BNM had in October 2008 issued a circular setting out the circumstances in which banking institutions are allowed to reclassify financial instruments currently held in the securities held-for-trading portfolio into the securities available-for-sale and securities held-to-maturity portfolios. This concession is only effective for the period from 1 July 2008 to 31 December 2009. As at 31 January 2009, the Group adopted this concession and the effects arising from this adoption are disclosed in Note 6.

(b) Changes in Accounting Policies and Effects Arising from Adoption of New and Revised FRSs

During the financial year, the Group revised its significant accounting policies in line with the adoption of the BNM/GP8.

The adoption of BNM/GP8 resulted in the changes in the recognition and measurement of securities,disclosures and presentation of the financial statements. Previously, securities were classified as either "marketable securities" or "other non-current investments". Marketable securities reperesent quoted securites and fixed income securities which are carried at the lower of cost and market value, determined on a portfolio basis. Other non-current investments consist of long term investments in quoted, unquoted shares and unit trusts which are stated at cost less impairment loss.

Based on the BNM/GP8, securities held by the Group are classified into categories as stated in Note 2(h). Securities held-for-trading ("HFT") and available-for-sale ("AFS") are measured at fair value, with changes in fair value recognised in income statement and equity respectively. Securities held-to-maturity ("HTM") are measured at amortised cost using effective interest method. Impairment losses arising from securities AFS and securities HTM are recognised in the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Changes in Accounting Policies and Effects Arising from Adoption of New and Revised FRSs

(i) Revised FRSs, amendments to FRSs and interpretations adopted in the current financial year

On 1 February 2008, the Group and the Company adopted the following FRSs, amendments to FRSs and interpretations which are mandatory for financial periods beginning on or after 1 July 2007.

FRSs, amendment to FRSs and interpretations

FRS 107: Cash Flow Statements

FRS 111: Construction Contracts

FRS 112: Income Taxes

FRS 118: Revenue

FRS 120: Accounting for Government Grants and Disclosure of Government Assistance

FRS 134: Interim Financial Reporting

FRS 137: Provision, Contingent Liabilities and Contingent Assets

Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates

– Net Investment in a Foreign Operation

IC Interpretation 1: Changes in Existing Decommissioning, Restoration and Similar Liabilities

IC Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments

IC Interpretation 5: Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

IC Interpretation 6: Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment

IC Interpretation 7: Applying the Restatement Approach under FRS 129 – Financial Report in Hyperinflationary Economies

IC Interpretation 8: Scope of FRS 2

The revised FRSs, amendment to FRSs and interpretations are either not applicable to the Group and the Company or the adoption did not result in significant changes in accounting policies of the Group and the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Changes in Accounting Policies and Effects Arising from Adoption of New and Revised FRSs (continued)

(ii) Standards and interpretations issued but not yet effective

At the date of authorisation of the financial statements, the following new FRSs and interpretations were issued but not yet effective and have not been applied by the Group and the Company:

FRSs, amendment to FRSs and interpretations	Effective for financial periods beginning on or after
FRS 7: Financial Instruments : Disclosures	1 January 2010
FRS 8: Operating Segments	1 July 2009
FRS 139: Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9: Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10: Interim Financial Reporting and impairment	1 January 2010

The new FRSs and Interpretations above are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application except for the changes in disclosures arising from the adoption of FRS 7 and FRS 8.

The Group is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

(d) Subsidiaries and Basis of Consolidation

(i) Subsidiaries

Subsidiary are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses, if any. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the income statement.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Purchase method of consolidation

Acquisitions of subsidiaries are generally accounted for using the purchase method unless they qualify under the merger principles of accounting as explained below. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Subsidiaries and Basis of Consolidation (continued)

(ii) Basis of consolidation (continued)

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in the income statement.

Merger principles of accounting

Business combinations involving entities under common control are accounted for using merger principles of accounting. When the merger principles of accounting is adopted, the difference between the cost of investment in the Company's records and the shareholders' equity of the subsidiaries is treated as a merger reserve or a merger deficit.

The merger principles of accounting was adopted by the Group in respect of the acquisition of Avenue Capital Resources Berhad ("ACRB") and its subsidiaries pursuant to the ACRB reorganisation exercise in the previous financial years.

(e) Associates

Associates are entities in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in an associate is carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the consolidated profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes. In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Intangible Assets

(i) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Merchant bank licence

This represents contribution to BNM for a merchant bank licence to transform ECM Libra Investment Bank Berhad, the Universal Broker subsidiary into an Investment Bank. The merchant bank licence has indefinite useful life and is stated at cost less accumulated impairment losses.

Merchant bank licence is not amortised but tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired. Any impairment loss is recognised in income statement.

(g) Property, Plant and Equipment and Depreciation

Property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Work-in-progress comprises the renovation work of buildings which have not been completed and therefore it is not depreciated.

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

	%
Land and buildings	2
Furniture and fittings and office equipment	10 - 20
Computers	20 - 25
Motor vehicles	20

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument. Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

The accounting policies for financial instruments recognised on the balance sheet are disclosed in the individual policy statements associated with each item.

(i) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(ii) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances and deposit placements maturing less than one month held for the purpose of meeting short term commitments and readily convertible into cash without significant risk of changes in value.

(iii) Securities portfolio

Investments in securities of the Group are classified according to the following categories at initial recognition depending on the purpose for which the securities were acquired.

a. Securities HFT

Securities HFT are securities acquired or incurred principally for the purpose of selling or repurchasing in the near term or is part of a portfolio of identified securities that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also classified as HFT unless they are designated as hedges. Securities HFT are stated at fair value at initial recognition. Any gain or loss arising from a change in fair value or arising from derecognition of such securities is recognised in the income statement.

b. Securities HTM

Securities HTM are securities with fixed or determinable payments and fixed maturities that the Group and the Company have the positive intent and ability to hold to maturity. Securities HTM are stated at amortised cost using the effective interest method. Any gain or loss is recognised in the income statement when the securities are derecognised or impaired and through the amortisation process.

If more than an insignificant amount of the securities HTM portfolio is sold or reclassified before maturity (other than under those conditions specified in BNM/GP8) during the current financial year or the last two preceding financial years, the entire category would be tainted and reclassified as securities AFS at fair value. The difference between the carrying value and fair value of the securities at the date of reclassification is recognised directly in equity.

c. Securities AFS

Securities AFS are securities that are not classified as securities HFT or securities HTM. These securities are initially stated at fair value except for investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, which will be stated at cost.

Any gain or loss arising from the change in fair value is recognised directly in equity through the statement of changes in equity except for impairment losses and foreign exchange gains or losses. When securities AFS are derecognised, the cumulative gains or loss previously recognised in equity shall be transferred to the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial Instruments (contd.)

(iv) Loans, advances and financing

Loans, advances and financing are carried at their outstanding principal and interest, net of interest-insuspense, general and specific allowances for losses on loans, advances and financing.

Specific allowance is made for bad and doubtful debts, which have been individually reviewed and specifically identified as bad, doubtful or substandard. A general allowance based on a percentage of the loans, advances and financing portfolio, net of interest-in-suspense and specific allowance for bad and doubtful debts, is also made to cover possible losses, which are not specifically identified.

Any uncollectible loans or portion of loans classified as bad are written off after taking into consideration the realisable value of collateral, if any, when in the judgement of the management, there is no prospect of recovery.

The investment banking subsidiary's allowances for non-performing loans, advances and financing are computed in conformity with the minimum requirements of the Guidelines on the Suspension of Interest on Non-Performing Loan and Provision for Bad and Doubtful Debts issued by BNM (BNM/GP3) and Rule 1104 of the Rules of Bursa Malaysia.

The allowances for bad and doubtful debts of the money-lending subsidiary follow the general guidelines as set out in BNM/GP3 in so far as it relates to the parameters for periods of default and provisioning rates. In addition, where there are indications of deteriorating financial conditions of the borrowers, a loan account may be classified as non-performing and allowance for bad and doubtful debts will be made at management's discretion.

(v) Receivables

Trade receivables relating to the stockbroking activities are carried at anticipated realisable values. Bad debts are written off when identified. When an account is classified as non-performing, interest is suspended and is subsequently recognised on a cash basis.

In accordance with the Rules of Bursa Malaysia, clients' accounts are classified as non-performing under the following circumstances:

Types of account	Criteria for classification as non-performing
Contra Losses	When the account remains outstanding for 16 calendar days or more from the date of contra transaction.
Overdue purchase contracts	When the account remains outstanding from T+3 market days onwards.
Margin accounts	When the value of collateral has fallen below 130% of the outstanding balance.

- **Specific allowance**

  Specific allowances for bad and doubtful receivables are made for accounts which have been classified as non-performing, net of interest-in-suspense and taking into consideration any collateral held and the deposit of dealers' representatives and all amounts due to the Group, in accordance with the Rules of Bursa Malaysia.

- **General allowance**

  General allowances are made to cover possible losses which have not been specifically identified based on a certain percentage of its total trade receivables, after deducting specific allowances and interest-in-suspense. General allowances are made based on a certain percentage of trade receivables (excluding outstanding purchase contracts which are not due for payment), net of interest-in-suspense and specific allowances already made.

Other trade and non-trade receivables are carried at anticipated realisable values. Allowance for doubtful debts is made based on estimates of possible losses which may arise from non-collection of certain receivable accounts while debts considered to be uncollectible are written off.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial Instruments (contd.)

(vi) Payables

Trade and other payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(i) Provisions for Liabilities

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(j) Impairment of Assets

The carrying amounts of assets, except for deferred tax assets, are reviewed at each balance sheet date to determine whether there are any indications of impairment. If any such indications exist, the asset's recoverable amount is estimated to determine the amount of impairment loss. The policies on impairment of assets are summarised as follows:

(i) Securities AFS

For securities AFS in which there is objective evidence of impairment, the cumulative impairment loss that had been recognised directly in equity shall be transferred from equity to the income statement, even though the securities have not been derecognised. The cumulative impairment loss is measured as the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss previously recognised in the income statement.

Impairment losses on investments in equity instruments classified as AFS recognised are not reversed subsequent to its recognition. Reversals of impairment losses on debt instruments classified as AFS are recognised in the income statement if the increase in fair value can be objectively related to an event occurring after the recognition of the impairment loss in the income statement.

(ii) Securities HTM

For securities carried at amortised cost in which there is an objective evidence of impairment, impairment loss is measured as the difference between the securities' carrying amount and the present value of the estimated future cash flows discounted at the securities' original effective interest rate. The amount of the impairment loss is recognised in the income statement.

Subsequent reversals in the impairment loss is recognised when the decrease can be objectively related to an event occurring after the impairment was recognised, to the extent that the securities' carrying amount does not exceed its amortised cost if no impairment had been recognised. The reversal is recognised in the income statement.

For securities carried at cost, impairment loss is measured as the difference between the securities' carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for similar securities. The amount of impairment loss is recognised in the income statement and such impairment losses are not reversed subsequent to its recognition.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Impairment of Assets (continued)

(iii) Goodwill and merchant bank licence

For these intangible assets, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises. Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

(iv) Other assets

Other assets such as property, plant and equipment, computer software and investments in subsidiaries and associates are reviewed for objective indications of impairment at each balance sheet date or whenever there is any indication that these assets may be impaired. Where such indications exist, impairment loss is determined as the excess of the asset's carrying value over its recoverable amount (greater of value in use or fair value less costs to sell) and is recognised in the income statement. The carrying amount is increased to its revised recoverable amount, provided that the amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

(k) Revenue and Income Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Gross brokerage fee is recognised upon the execution of trade on behalf of clients, computed based on a pre-determined percentage of the contract value.

(ii) Margin income comprise margin interest income and rollover fees. Margin interest income is recognised on an accrual basis except where such margin account is considered non-performing in accordance with Schedule 7A of the Rules of Bursa Malaysia, in which case recognition of such interest is suspended. Subsequent to suspension, interest is recognised upon receipt until all arrears have been paid. Rollover fees are recognised on an accrual basis. Rollover fees from non-performing margin accounts will be suspended until the accounts are reclassified as performing.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Revenue and Income Recognition (continued)

(iii) Gains or losses on disposal of investments are recognised upon confirmation of transactions by the stockbrokers.

(iv) Unit trust and fund management fees are recognised on an accrual basis.

(v) Underwriting, advisory, arrangement and placement fees are recognised as and when services are performed.

(vi) Other revenue earned by the Group are recognised on the following bases:

Dividend income	-	when the right to receive payment is established.
Management fee and rental income	-	accrual basis by reference to the agreements entered.
Other interest income	-	on an accrual basis using the effective interest method unless collectibility is in doubt, in which case they are recognised on receipt basis.

(l) Foreign Currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency. All values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the Company's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in the income statement for the period.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in the income statement for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;
- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date. Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

(n) Employee Benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Post-employment benefits - defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund (“EPF”).

(iii) Share-based compensation

The Company's Employee Share Options Scheme ("ESOS"), an equity-settled, share-based compensation plan, allows the staff of the Group and directors of the companies to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the equity compensation reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium, or until the option expires, upon which it will be transferred directly to retained profit.

The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Treasury Shares

Treasury shares are shares repurchased and accounted for using the treasury stock method. The treasury shares are measured and carried at the cost of purchase which comprise the amount of the consideration paid and direct attributable costs.

The carrying amount of the treasury shares is offset against equity. The excess of the carrying amount over the share premium account is considered as a reduction of any other reserves. The treasury shares can either be distributed as share dividends or reissued by resale in the open market. Where treasury shares are distributed as shares dividends, the cost of the treasury shares is accounted for as a reduction of the share premium and/or distributable reserves in accordance with subsection 3D of Section 67 of the Companies Act, 1965. Where treasury shares are resold in the open market, no gain or loss is recognised and the differences between the sales considerations and the carrying amount of the treasury shares is recorded as a movement in equity.

Cancellation of treasury shares is dealt with in accordance with Section 67A of the Companies Act, 1965. The issued and paid-up share capital of the Company is diminished by the shares cancelled and the same amount of which is transferred to the Capital Redemption Reserve.

(p) Significant Accounting Estimates and Judgements

Preparation of the financial statements involved making certain estimates, assumptions concerning the future judgements. They affect the accounting policies applied, amounts of assets, liabilities, income and expenses reported and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Changes in these estimates and assumptions by management may have an effect on the balances as reported in financial statements.

(i) Impairment of goodwill and other intangible assets

The Group determines whether goodwill and other intangible assets are impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill and other intangible assets are allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(ii) Classification of investments

The Group classify and account for its securities portfolio as follows:

- Securities HFT, to be stated at fair value with gain or loss recognised in the income statement.
- Securities AFS, to be stated at fair value or cost (where fair value cannot be determined with reasonable certainty) less any impairment loss. Gain or losses are recognised in equity and impairment losses are recognised in the income statement.
- Securities HTM, to be stated at amortised cost, less any impairment losses. Amortisation and impairment loss are recognised in the income statement.

(iii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available in the respective entity within the Group against which the losses and capital allowances can be utilised. Significant management judgement, which will be reviewed periodically, is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Significant Accounting Estimates and Judgements (continued)

(iv) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

In the current financial year, the Group tenanted out a portion of its freehold building to a third party whilst another portion is used by certain subsidiaries of the Group as their principal place of business. The Group has not classified this portion as investment property as the portions tenanted to external parties cannot be sold separately and the portions used by the Group in the supply of goods and services is not an insignificant portion. Accordingly, this property is still classified as property, plant and equipment in the financial statements of the Group as at the end of the current financial year.

(v) Provision for ESOS-related costs

The Group and the Company made certain provisions for ESOS-related costs which are calculated using a binomial model. The fair value of equity-settled share options granted is estimated as at the date of grant using the binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the assumption inputs to the model used:

	<------------------------ As at		------------------------>
	22 August 2008	**7 April 2008**	**25 January 2008**
Share price (RM)	0.525	0.670	0.815
Exercise price (RM)	1.00	1.00	1.00
Expected volatility (%)	38.82%	40.00%	32.08%
Risk free interest rate (%)	3.75%	3.67%	3.50%
Dividend pay out (RM)	0.00	0.00	0.02
Average dividend yield (%)	0.00%	0.00%	1.50%
Historical dividend yield (%)	1.00%	1.00%	1.00%
Expected future dividend yield (%)	0.00%	0.00%	2.00%

Actual volatility in the future may differ from the expected volatility, nonetheless the expected volatility reflects the Group's best estimate of future volatility over the remaining option period.

3. CASH AND SHORT TERM FUNDS

	Group		Company	
	2009 RM'000	2008 RM'000 (restated)	2009 RM'000	2008 RM'000
Cash and balances with banks and other financial institutions	**12,899**	88,237	**112**	25
Money at call and deposits placements maturing within one month	**739,907**	278,837	**27,040**	-
	752,806	367,074	**27,152**	**25**
Included in cash and short term funds are monies held in trust for clients and dealer's representatives as follows:				
Money at call and deposits placements maturing within one month	**104,902**	180,614	-	-
	104,902	180,614	**-**	**-**

4. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

	Group		Company	
	2009 RM'000	2008 RM'000 (restated)	2009 RM'000	2008 RM'000
Licensed banks	**75,847**	3,198	**907**	-
Bank Negara Malaysia	**40,000**	-	**-**	-
	115,847	3,198	**907**	**-**

5. SECURITIES HELD-FOR-TRADING

	Group	
	2009 RM'000	2008 RM'000
At fair value		
Bankers' acceptance	**8,813**	**-**

6. SECURITIES AVAILABLE-FOR-SALE

	Group 2009 RM'000	2008 RM'000 (restated)
At fair value		
Cagamas bonds	**10,353**	-
Quoted Securities		
- Shares	**97,932**	110,957
- Warrant	**-**	1 ,400
- Unit trust	**-**	89
Unquoted Securities		
- Private debt securities	**157,554**	76,969
	265,839	189,415
Less: Impairment loss on securities	**(560)**	(4,960)
	265,279	184,455

During the current year, the following securities were reclassified out from held-for-trading to available-for-sale:

	2009 RM'000
Purchase of securities	**52,991**
Loss on revaluation	
- recognised in the income statement	**(12,531)**
- recognised in AFS revaluation reserves	**(8,078)**
Carrying value as at end of financial year	**32,382**

7. SECURITIES HELD-TO-MATURITY

	Group 2009 RM'000	Group 2008 RM'000 (restated)
At amortised cost		
Negotiable instruments of deposit	**90,000**	-
At cost		
Unquoted securities		
- Shares	**2,200**	2 ,200
	92,200	2,200

8. LOANS, ADVANCES AND FINANCING

	Group 2009 RM'000	Group 2008 RM'000 (restated)
Share margin financing	**118,456**	149,278
Term loans	**133,422**	25,487
Gross loans, advances and financing	**251,878**	174,765
Less: General allowance	**(4,048)**	(2,542)
Total net loans, advances and financing	**247,830**	172,223

Analysis of gross loans, advances and financing

	Group 2009 RM'000	Group 2008 RM'000 (restated)
By Economic Purpose		
Purchase of securities	**226,251**	153,896
Working capital	**25,082**	20,090
Personal uses	**545**	779
Gross loans, advances and financing	**251,878**	174,765

8. LOANS, ADVANCES AND FINANCING (continued)

Analysis of gross loans, advances and financing (continued)

	Group 2009 RM'000	Group 2008 RM'000 (restated)
By Interest Rate Sensitivity		
Fixed rate		
- Other fixed rate loans/financing	**251,878**	174,765
Gross loans, advances and financing	**251,878**	174,765
By Type of Customer		
Domestic business enterprises	**90,706**	92,265
Individuals	**161,172**	82,500
Gross loans, advances and financing	**251,878**	174,765
(i) Movements in non-performing loans ("NPLs"), advances and financing		
Balance at beginning of financial year	**-**	-
Classified as non-performing during the year	**29,204**	-
Recovered during the year	**(29,204)**	-
At end of financial year	**-**	-
Specific allowance	-	-
Net non-performing loans, advances and financing	**-**	-
(ii) Movements in allowance for losses on loans and financing		
General allowance		
Balance at beginning of financial year	**2,542**	1,558
Allowance made during the year	**1,506**	984
Balance at end of financial year	**4,048**	2,542
As % of gross loans, advances and financing less specific allowance	**1.6%**	1.5%

8. LOANS, ADVANCES AND FINANCING (continued)

(ii) Movements in allowance for losses on loans and financing (continued)

	Group 2009 RM'000	Group 2008 RM'000 (restated)
Specific allowance		
Balance at beginning of financial year	**-**	-
Allowance made during the year	**3,837**	67
Amount written back during the year	**(3,837)**	(67)
Balance at end of financial year	**-**	-

9. TRADE RECEIVABLES

	Group 2009 RM'000	Group 2008 RM'000 (restated)
Amount owing by clients	**62,702**	218,453
Amount owing by brokers	**60,684**	183,847
	123,386	402,300
Less: Allowance for bad and doubtful receivables		
General allowance	**(115)**	(232)
Specific allowance	**(251)**	(271)
Interest-in-suspense	**(933)**	(726)
	122,087	401,071
Amount owing by trustees	**1,827**	3,039
	123,914	404,110

The trade settlement for the amounts owing by clients and brokers is 3 market days according to the Fixed Delivery and Settlement System ("FDSS") trading rules of Bursa Malaysia.

9. TRADE RECEIVABLES (continued)

Movements in the allowance for bad and doubtful receivables and interest-in-suspense accounts are as follows:

	Group 2009 RM'000	Group 2008 RM'000 (restated)
(a) Specific Allowance:		
Balance at beginning of year	**271**	1,102
Allowance made during the year	**623**	630
Allowance no longer required	**(643)**	(853)
Amount written off	**-**	(608)
Balance at end of year	**251**	271
(b) General Allowance:		
Balance at beginning of year	**232**	3,231
Allowance written back during the year	**(117)**	(2,999)
Balance at end of year	**115**	232
(c) Interest-in-suspense:		
Balance at beginning of year	**726**	944
Suspended during the year	**9,602**	465
Written back	**(9,395)**	(683)
Balance at end of year	**933**	726

The classification of non-performing accounts in accordance with Rule 1104.1, Schedule 7A of the Rules of Bursa Malaysia is as follows:

	Group 2009 RM'000	Group 2008 RM'000 (restated)
Non-performing accounts, classified as doubtful	**146**	126
Non-performing accounts, classified as bad	**4,909**	1,242
Total non-performing accounts	**5,055**	1,368

10. OTHER ASSETS

	Group 2009 RM'000	Group 2008 RM'000 (restated)	Company 2009 RM'000	Company 2008 RM'000
Interest receivable	**2,907**	2,609	**54**	19
Deposits	**4,619**	5,126	**5**	82
Tax recoverable	**6,260**	8,087	**388**	180
Other receivable and prepayments	**3,285**	3,506	**57**	23
	17,071	19,328	**504**	304

11. STATUTORY DEPOSIT WITH BANK NEGARA MALAYSIA

Group

The non-interest bearing statutory deposit is to be maintained by the investment banking subsidiary with BNM in compliance with Section 37(1)(c) of the Central Bank of Malaysia Act, 1958 (revised 1994), the amount is determined as a set percentage of total eligible liabilities. As at the balance sheet date, the statutory deposit maintained with BNM is RM1,413,000 (2008: RMNil).

12. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2009 RM'000	Company 2008 RM'000
Unquoted shares in local corporations, at cost	**887,922**	887,922

The subsidiary companies, all incorporated in Malaysia except as otherwise indicated, are as follows:

Name of Company	Effective Percentage of Ownership 2009 %	Effective Percentage of Ownership 2008 %	Principal Activities
ECM Libra Investment Bank Berhad and its subsidiaries:	**100**	100	Stockbroking, underwriting, placement and provision of advisory services
- ECML Nominees (Tempatan) Sdn. Bhd.	**100**	100	Provision of nominees services for local clients

12. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Name of Company	Effective Percentage of Ownership 2009 %	2008 %	Principal Activities
- ECML Nominees (Asing) Sdn. Bhd.	**100**	100	Provision of nominees services for foreign clients
- Avenue Kestrel Sdn. Bhd.	**100**	100	Dormant
Avenue Invest Berhad and its subsidiary:	**100**	100	Provision of unit trust and asset management services
- Avenue Asset Management Services (Labuan) Ltd.	**100**	100	Provision of portfolio management services
Avenue Sevices Sdn. Bhd.	**100**	100	Provision of management services
ECM Libra Holdings Limited and its subsidiaries:	**100**	100	Investment holding and provision of advisory services
- ECM Libra Investment Bank Limited and its subsidiary:	**100**	100	Provision of offshore investment banking and related financial services
- ECM Libra Investments Limited (Incorporated in British Virgin Islands)	**100**	100	Investment holding and provison of financial services
- ECM Libra Securities Limited* (Incorporated in Hong Kong)	**100**	100	In members' voluntary liquidation
ECM Libra Capital Sdn. Bhd.	**100**	100	Provision of investment research services
ECM Libra Partners Sdn. Bhd.	**100**	100	Provision of credit services
ECM Libra Capital Markets Sdn. Bhd.	**100**	100	Provison of fund management services
Avenue Capital Resources Berhad and its subsidiary:	**100**	100	Investment holding and provision of management services
- Ultimate Acres Sdn. Bhd.	**100**	100	Dormant
ACRB Capital Sdn. Bhd.	**100**	100	Dormant

* Audited by firm other than Ernst & Young.

12. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Name of Company	Effective Percentage of Ownership 2009	2008	Principal Activities
	%	%	
ECM Libra Securities Sdn. Bhd. and its subsidiaries:	**100**	100	Dormant
- ECM Libra Securities Nominees (Tempatan) Sdn. Bhd.	**100**	100	Dormant
- ECM Libra Securities Nominees (Asing) Sdn. Bhd.	**100**	100	Dormant
- ECM Libra Securities Nominees Sdn. Bhd.	**100**	100	Dormant
- ECM Libra Securities Portfolio Managment Sdn. Bhd.	**100**	100	Dormant

13. INVESTMENT IN AN ASSOCIATED COMPANY

	Group 2009 RM'000	2008 RM'000
Quoted shares, outside Malaysia	**43,544**	39,492
Share in post acquisition results	**1,796**	3,788
	45,340	43,280
Less: Impairment loss	**(24,167)**	-
Net	**21,173**	43,280
Quoted shares, outside Malaysia		
At market value	**19,369**	18,622
At fair value	**21,173**	21,459

The carrying value of the Group's quoted investment in an associated company exceeded the market value by approximately RM1,804,000 (2008: RM24,658,000). Based on the directors' valuation, the carrying value of the Group's investment in associated company is supported by its recoverable amount.

13. INVESTMENT IN AN ASSOCIATED COMPANY (continued)

Details of the associated company are as follows:

Name of Company	Principal Activities	Year end	Effective Percentage of Ownership 2009 %	2008 %
Westcomb Financial Group Limited (Incorporated in Singapore)	Investment holding	31 December	24	24

The following amounts represent the assets, liabilities, revenue and expenses of the associated company of the Group remaining as at year end:

	Group 2009 RM'000	2008 RM'000
Property, plant and equipment	**264**	428
Intangible assets	**-**	2,974
Investments	**112**	216
Securities available-for-sale	**60**	-
Current assets	**107,202**	163,031
Current liabilities	**(20,366)**	(74,724)
Long term liabilities	**(389)**	(895)
Net assets	**86,883**	91,030
Revenue	**20,023**	48,286
Expenses	**(27,898)**	(32,011)
(Loss)/profit before taxation	**(7,875)**	16,275
Income tax expense	**(300)**	(2,923)
Net (loss)/profit for the year	**(8,175)**	13,352

14. AMOUNT OWING BY/(TO) SUBSIDIARY COMPANIES

	Company 2009 RM'000	Company 2008 RM'000
Amount owing by subsidiary companies	**10,258**	60,070
Amount owing to subsidiary companies	**(79,792)**	(102,799)

The amounts owing by/to subsidiary companies mainly represent payments made on behalf and unsecured advances, which are interest free with no fixed terms of repayment except for an amount owed by a subsidiary company totalling RM28,840,000 which bore interest ranging from 3.5% to 4.5% per annum in the previous financial year.

15. DEFERRED TAX ASSETS/(LIABILITIES)

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
At beginning of the financial year	**9,832**	4,567	**-**	-
Recognised in the income statement (Note 34)	**26,333**	5,265	**60**	-
At end of the financial year	**36,165**	9,832	**60**	**-**
Presented after appropriate offsetting as follows:				
Deferred tax assets	**36,216**	10,000	**60**	-
Deferred tax liabilities	**(51)**	(168)	**-**	-
	36,165	9,832	**60**	**-**

All movement in deferred tax assets and liabilities have been recognised in the income statement. The components of deferred tax liabilities and assets as at the end of the financial year are as follows:

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Accelerated capital allowance	**(1,806)**	(168)	**-**	-
Unutilised tax losses	**36,331**	10,000	**-**	-
Provisions	**1,640**	-	**60**	-
	36,165	9,832	**60**	**-**

15. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

Deferred tax assets have not been recognised in respect of the following items:

	Group 2009 RM'000	Group 2008 RM'000
Unused tax losses	**31,728**	169,800
Excess of capital allowances over depreciation of property, plant and equipment	**479**	(464)
Other temporary differences	**178**	32
Net deferred tax asset	**32,385**	169,368

The unutilised tax losses and unabsorbed capital allowances of the Group are available indefinitely for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authority.

16. PROPERTY, PLANT AND EQUIPMENT

Group	Work-In -Progress RM'000	Freehold land and building RM'000	Furniture and fittings and office equipment RM'000	Computers RM'000	Motor vehicles RM'000	Total RM'000
Cost						
At 1 February 2008	-	41,929	23,784	22,948	3,944	92,605
Additions	126	-	548	2,340	381	3,395
Write-offs	-	-	(1,042)	(292)	-	(1,334)
Disposals	-	(19,952)	(3)	(664)	(576)	(21,195)
At 31 January 2009	**126**	**21,977**	**23,287**	**24,332**	**3,749**	**73,471**
Accumulated depreciation						
At 1 February 2008	-	3,475	14,836	18,041	1,744	38,096
Charge during the year	-	638	1,905	2,806	566	5,915
Write-offs	-	-	(584)	(272)	-	(856)
Disposals	-	(1,495)	(3)	(664)	(426)	(2,588)
At 31 January 2009	**-**	**2,618**	**16,154**	**19,911**	**1,884**	**40,567**
Net carrying amount						
At 31 January 2009	**126**	**19,359**	**7,133**	**4,421**	**1,865**	**32,904**

16. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Work-In -Progress RM'000	Freehold land and building RM'000	Furniture and fittings and office equipment RM'000	Computers RM'000	Motor vehicles RM'000	Total RM'000
Cost						
At 1 February 2007	-	42,557	23,299	21,603	3,840	91,299
Reclassification	-	(633)	(189)	821	1	-
Additions	-	5	1,002	1,034	1,592	3,633
Write-offs	-	-	(328)	(425)	-	(753)
Disposals	-	-	-	(85)	(1,489)	(1,574)
At 31 January 2008	-	41,929	23,784	22,948	3,944	92,605
Accumulated depreciation						
At 1 February 2007	-	2,740	13,447	15,181	1,943	33,311
Reclassification	-	(68)	(367)	434	1	-
Charge during the year	-	803	1,912	2,790	709	6,214
Write-offs	-	-	(156)	(279)	-	(435)
Disposals	-	-	-	(85)	(909)	(994)
At 31 January 2008	-	3,475	14,836	18,041	1,744	38,096
Net carrying amount						
At 31 January 2008	-	38,454	8,948	4,907	2,200	54,509

16. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Work-In -Progress RM'000	Freehold land and building RM'000	Furniture and fittings and office equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost					
At 1 February 2008	-	40,005	2	1,592	41,599
Additions	126	-	4	-	130
Write-offs	-	-	(4)	-	(4)
Disposals	-	(22,488)	-	-	(22,488)
At 31 January 2009	**126**	**17,517**	**2**	**1,592**	**19,237**
Accumulated depreciation					
At 1 February 2008	-	133	-	239	372
Charge during the year	-	613	1	318	932
Write-offs	-	-	(1)	-	(1)
Disposals	-	(337)	-	-	(337)
At 31 January 2009	**-**	**409**	**-**	**557**	**966**
Net carrying amount					
At 31 January 2009	**126**	**17,108**	**2**	**1,035**	**18,271**
Cost					
At 1 February 2007	-	-	-	-	-
Additions	-	40,005	2	1,592	41,599
At 31 January 2008	-	40,005	2	1,592	41,599
Accumulated depreciation					
At 1 February 2007	-	-	-	-	-
Charge during the year	-	133	-	239	372
At 31 January 2008	-	133	-	239	372
Net carrying amount					
At 31 January 2008	-	39,872	2	1,353	41,227

17. INTANGIBLE ASSETS

Group	Goodwill RM'000	Merchant Bank Licence RM'000	Total RM'000
2009			
Cost/Net Carrying Amount			
At 1 February 2008 / 31 January 2009	232,000	52,500	284,500
2008			
Cost/Net Carrying Amount			
At 1 February 2007	232,000	-	232,000
Additions	-	52,500	52,500
At 31 January 2008	232,000	52,500	284,500

The merchant bank licence represents contribution by the investment bank subsidiary to Bank Negara Malaysia to carry on merchant banking business and is considered to have indefinite useful life, which is not amortised and is assessed for impairment annually.

During the financial year, the Group assessed the recoverable amount of goodwill and merchant bank licence, and determined that the goodwill associated with the acquisition of operating subsidiaries of the Company and the merchant bank licence are sustainable based on the value in use after taking into consideration of future effect of the merged operation and a discount factor of 6.15% (2008: 6.76%) per annum.

The following key assumptions were used by management in assessing the recoverable amount of goodwill and merchant bank licence:

(i) The basis used to determine the value-in-use was based on a profit budget approved by management after taken into consideration the growth rate on the budgeted profit.

(ii) The growth rate used are based on market expectation over a period.

With regard to the assessment of value-in-use, management believes that no reasonable possible change in any of the above key assumptions would cause the carrying values to materially exceed its recoverable amounts.

18. DEPOSITS FROM CUSTOMERS

	Group 2009 RM'000	Group 2008 RM'000
By type of deposits		
Short-term deposits	**541,539**	-
Negotiable instruments of deposit	**15,950**	-
	557,489	-

18. DEPOSITS FROM CUSTOMERS (continued)

	Group 2009 RM'000	2008 RM'000
By type of customers		
Government and statutory bodies	**64,670**	-
Business enterprises	**432,985**	-
Individuals	**59,834**	-
	557,489	-

19. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group 2009 RM'000	2008 RM'000
Licensed banks	**248,004**	-
Licensed investment banks	**48,000**	-
	296,004	-

20. TRADE PAYABLES

	Group 2009 RM'000	2008 RM'000
Amount owing to clients	**47,804**	131,217
Amount owing to brokers	**57,754**	221,982
Client's trust monies	**87,208**	165,525
Amount owing to trustees	**2,271**	2,566
	195,037	521,290

The trade credit term for non-margin clients and brokers is 3 market days according to FDSS trading rules of Bursa Malaysia.

21. OTHER LIABILITIES

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Interest payables	**1,588**	27,186	**-**	-
Accruals and deposits received	**16,272**	6,319	**3,139**	3,703
Remisiers' and dealers' trust accounts	**12,592**	16,372	**-**	-
Other payables	**26,662**	24,545	**161**	-
	57,114	74,422	**3,300**	3,703

22. SHARE CAPITAL

Group	Number of Ordinary Shares of RM1 Each 2009 RM'000	Number of Ordinary Shares of RM1 Each 2008 RM'000	Amount 2009 RM'000	Amount 2008 RM'000
Authorised:				
At beginning/end of year	**1,500,000**	1,500,000	**1,500,000**	1,500,000
Issued and fully paid-up:				
At beginning/end of year	**830,902**	830,902	**830,902**	830,902
Company				
Authorised:				
At beginning/end of year	**1,500,000**	1,500,000	**1,500,000**	1,500,000
Issued and fully paid-up:				
At beginning/end of year	**830,902**	830,902	**830,902**	830,902

The Company's Employees Share Option Scheme ("ESOS") is governed by the bye-laws approved by the shareholders at an Extraordinary General Meeting held on 1 December 2005. The ESOS was implemented on 4 January 2008 and will be in force for a period of ten (10) years.

The main features of the ESOS are, inter alia, as follows:

(i) Eligible employees are those employees of the Group who had been in service for at least one year on the date of offer. The maximum allowable allotments for the directors had been approved by the shareholders of the Company in a general meeting. The Board of Directors may from time to time at its discretion select and identify suitable eligible employees to be offered options.

(ii) The aggregate number of shares to be issued under the ESOS shall not exceed 15% of the total issued and paid-up ordinary share capital of the Company for the time being.

22. SHARE CAPITAL (continued)

(iii) The ESOS shall be in force for a period of 10 years from 4 January 2008.

(iv) The option price shall not be at a discount of more than ten percent (10%) (or such discount as the relevant authorities shall permit) from the 5-day weighted average market price of the shares of the Company preceding the date of offer and shall in no event be less than the par value of the shares of the Company of RM1.00.

(v) An option holder may, in a particular year, exercise up to such maximum number of shares in the option certificate as determined by the Board of Directors or as specified in the option certificate.

As at 31 January 2009, there was no issuance of new shares arising from the exercise of options pursuant to the ESOS.

A summary of the movements in the number of ESOS granted to employees and directors of the Group are as follows:

	2009 Number of share options '000	**2008 Number of share options '000**
At 1 February	**75,094**	-
Granted	**3,000**	75,094
Forfeited	**(2,572)**	-
At 31 January	**75,522**	75,094

23. RESERVES

	Group		**Company**	
	2009 RM'000	**2008 RM'000 (restated)**	**2009 RM'000**	**2008 RM'000**
Non-distributable:				
Merger reserves (a)	**26,561**	26,561	**-**	-
Foreign currency translation reserve	**(1,933)**	(6,718)	**-**	-
Equity compensation reserve (b)	**3,973**	2,075	**2,683**	1,495
Available-for-sale revaluation reserve (c)	**(26,894)**	10,044	**-**	-
Statutory reserve (d)	**14,759**	-	**-**	-
Distributable:				
Retained profits (f)	**52,459**	84,207	**34,141**	49,829
General reserve (e)	**159**	159	**-**	-
	69,084	116,328	**36,824**	51,324

23. RESERVES (continued)

(a) Merger reserve arose upon taking over of the listing status of a subsidiary company where the results and the financial position of the Group have been combined under the merger principles of accounting, as described in the accounting policies.

(b) Equity compensation reserve arose from the granting of share options to directors of the Company and senior management personnel.

(c) Available-for-sale revaluation reserve represents unrealised gains or losses arising from changes in fair values of securities classified as available-for-sale.

(d) The statutory reserves are maintained in compliance with Section 36 of the Banking and Financial Institutions Act, 1989 and are not distributable as cash dividends.

(e) General reserve arose from the redemption of redeemable non-convertible preference shares in a subsidiary company.

(f) Prior to the year of assessment 2008, Malaysian companies adopt the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

As at 31 January 2009, the 108 balance of the Company is nil. The Company may distribute dividends out of its entire retained profits under the single tier system.

24. TREASURY SHARES

The shareholders of the Company approved, at the Extraordinary General Meeting held on 31 January 2008, the Company to buy back its own shares of up to 10% of the total issued and paid-up share capital of the Company at any point in time, in accordance with Section 67A of the Companies Act, 1965.

The directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the share buyback can be applied in the best interests of the Company and its shareholders.

24. TREASURY SHARES (continued)

Details of shares repurchased by the Company from the open market are as follows:

	No. of Shares '000	Cost RM'000	Average Price* RM
At beginning of the financial year	-	-	-
Shares repurchased during the financial year:			
April 2008	380	267	0.70
June 2008	1,715	895	0.52
July 2008	7,979	4,293	0.54
October 2008	10	4	0.40
December 2008	1,762	713	0.40
January 2009	40	16	0.40
	11,886	6,188	0.52
At end of the financial year	11,886	6,188	0.52

* Average price includes stamp duty, brokerage and clearing fees.

The share buyback transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

The Company may distribute the treasury shares as dividend to the shareholders or resell in the market in accordance with the Rules of Bursa Malaysia or cancel the shares in accordance with Section 67A of the Companies Act, 1965.

None of the treasury shares held were resold or cancelled during the financial year. Treasury shares have no rights to voting, dividends and participation in other distribution.

25. INTEREST INCOME

	Group		Company	
	2009 RM'000	**2008 RM'000 (restated)**	**2009 RM'000**	**2008 RM'000 (restated)**
Loans and advances:				
- Interest income from performing loans	**8,312**	1,599	**-**	-
Margin financing	**10,648**	10,828	**-**	-
Stockbroking clients	**821**	960	**-**	-

25. INTEREST INCOME (continued)

	Group 2009 RM'000	Group 2008 RM'000 (restated)	Company 2009 RM'000	Company 2008 RM'000 (restated)
Short-term funds and deposits with financial institutions	**10,257**	8,882	**858**	1,331
Securities:				
- Held-for-trading	**-**	1,041	**-**	-
- Available-for-sale	**6,118**	4,838	**-**	-
- Held-to-maturity	**18**	-	**-**	-
Others	**177**	49	**288**	795
	36,351	28,197	**1,146**	2,126
Amortisation of premiums less accretion of discounts	**118**	166	**-**	-
	36,469	28,363	**1,146**	2,126

26. INTEREST EXPENSE

	Group 2009 RM'000	Group 2008 RM'000 (restated)	Company 2009 RM'000	Company 2008 RM'000 (restated)
Deposits from customers	**6,177**	-	**-**	-
Deposits from banks and other financial institutions	**1,067**	-	**-**	-
Others	**22**	2,377	**31**	38
	7,266	2,377	**31**	38

27. NON-INTEREST INCOME

	Group		Company	
	2009 RM'000	2008 RM'000 (restated)	2009 RM'000	2008 RM'000 (restated)
Fee income				
- Fees on loans and advances	**4,493**	2,206	**-**	-
- Corporate advisory fees	**3,135**	4,805	**-**	-
- Underwriting commissions	**-**	78	**-**	-
- Net brokerage fee	**26,430**	67,438	**-**	-
- Portfolio management fees	**9,978**	13,939	**-**	-
- Other fee income	**4,173**	13,226	**-**	-
	48,209	101,692	**-**	-
Investment and trading income				
- Gain/(loss) from sale of securities				
• held-for-trading	**213**	9,134	**-**	-
• available-for-sale	**(2,889)**	12,961	**-**	-
• held-to-maturity	**240**	(2,600)	**-**	-
- (Loss)/gain on revaluation of				
• securities held-for-trading	**(12,406)**	6,450	**-**	-
- Gain on disposal of an associated company	**-**	941	**-**	499
	(14,842)	26,886	**-**	499
Gross dividend income				
- Subsidiaries:	**-**	-	**11,703**	57,244
- Securities:				
• available-for-sale	**4,346**	612	**-**	-
	4,346	612	**11,703**	57,244
Total non-interest income	**37,713**	129,190	**11,703**	57,743

28. OTHER NON-OPERATING INCOME

	Group		Company	
	2009 RM'000	2008 RM'000 (restated)	2009 RM'000	2008 RM'000 (restated)
Rental income	**466**	652	**1,301**	77
Gain/(loss) on disposal of property, plant and equipment	**3,553**	667	**(191)**	-
(Loss)/gain on revaluation of foreign exchange translation	**(303)**	2,051	**-**	-
Others	**1,220**	1,899	**682**	-
	4,936	5,269	**1,792**	77

29. OPERATING EXPENSES

	Group		Company	
	2009 RM'000	2008 RM'000 (restated)	2009 RM'000	2008 RM'000 (restated)
Personnel expenses				
Salaries, allowance and bonus	**33,213**	34,908	**2,087**	2,568
Contributions to defined contribution plan	**3,642**	3,004	**246**	170
Cost arising from Employees Share Option Scheme	**1,898**	2,075	**1,188**	1,495
Other personnel costs	**2,497**	-	**52**	17
	41,250	39,987	**3,573**	4,250
Establishment costs				
Depreciation of property, plant and equipment	**5,915**	6,214	**932**	372
Depreciation of investment properties	**-**	12	**-**	-
Property, plant and equipment written off	**478**	318	**3**	-
Rental of premises	**3,314**	3,568	**22**	25
Rental of network and equipment	**3,538**	4,286	**-**	-
Other establishment costs	**2,750**	4,198	**-**	1
	15,995	18,596	**957**	398

29. OPERATING EXPENSES (continued)

	Group		Company	
	2009 RM'000	2008 RM'000 (restated)	2009 RM'000	2008 RM'000 (restated)
Marketing and communication expenses				
Advertising expenses	**376**	37	**-**	17
Entertainment	**532**	2,682	**-**	27
Other marketing expenses	**702**	1,350	**-**	-
	1,610	4,069	**-**	44
Administrative and general expenses				
Audit fees	**237**	286	**28**	33
Legal and professional fees	**758**	2,733	**97**	(194)
Printing and stationery	**768**	1,383	**-**	193
Insurance, postages and courier	**804**	1,136	**151**	159
Electricity and water charges	**887**	1,324	**1**	2
Telecommunication expenses	**1,138**	1,904	**25**	58
Travelling and accomodation	**390**	410	**47**	81
Others	**5,183**	11,133	**1,534**	737
	10,165	20,309	**1,883**	1,069
Total operating expenses	**69,020**	82,961	**6,413**	5,761

30. DIRECTORS' REMUNERATION

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Executive Directors and CEO				
Fees	**145**	90	**80**	90
Salary and other remuneration, including meeting allowance	**2,902**	1,657	**2,053**	1,657
Bonuses	**1,600**	800	**800**	800

30. DIRECTORS' REMUNERATION (continued)

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Non-executive Directors				
Fees	**455**	205	**220**	205
Other remuneration	**165**	53	**53**	35
	5,267	2,805	**3,206**	2,787
Estimated monetary value of benefits-in-kind received by directors	**-**	-	**-**	-

The total remuneration of the directors of the Company for the financial year fall within the following bands:

	Number of director	
	2009 RM'000	2008 RM'000
Executive directors:		
RM50,000 to RM950,000	**-**	-
RM950,001 to RM1,000,000	**-**	1
RM1,000,001 to RM1,500,000	**-**	-
RM1,500,001 to RM1,550,000	**-**	1
RM1,550,001- RM2,250,000	**-**	-
RM2,250,001- RM2,300,000	**1**	-
RM2,300,001- RM2,350,000	**1**	-
Non-executive directors:		
Below RM50,000	**1**	3
RM50,001 to RM100,000	**1**	2
RM100,001 - RM150,000	**1**	-
RM150,001 - RM200,000	**2**	-

31. ALLOWANCE FOR LOSSES ON LOANS, ADVANCES AND FINANCING

	Group 2009 RM'000	Group 2008 RM'000 (restated)
General allowance on loans, advances and financing		
- Allowance made	**1,506**	984
	1,506	984
Specific allowance on loans, advances and financing		
- Allowance made	**3,837**	67
- Amount written back	**(3,837)**	(67)
	-	-
	1,506	984

32. WRITEBACK FOR BAD AND DOUBTFUL DEBTS

	Group 2009 RM'000	Group 2008 RM'000 (restated)
General allowance		
- Amount written back	**(117)**	(2,999)
	(117)	(2,999)
Specific allowance		
- Allowance made	**909**	3,408
- Amount written back	**(1,307)**	(853)
	(398)	2,555
Bad debts:		
- Recovered	**(94)**	(97)
- Write off	**591**	-
	497	(97)
	(18)	(541)

33. (ALLOWANCE)/WRITEBACK OF IMPAIRMENT LOSS

	Group	
	2009 RM'000	2008 RM'000 (restated)
(Allowance for)/writeback of impairment loss:		
- Securities:		
• Available-for-sale	**4,400**	(2,407)
• Held-to-maturity	**-**	2,800
- Associated company	**(23,955)**	-
	(19,555)	393

34. INCOME TAX EXPENSE

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Income tax:				
- Current year's provision	**645**	3,240	**1,885**	4,658
- Real property gains tax	**-**	29	**-**	-
- Under/(over) provision of tax in prior years	**381**	252	**(33)**	(96)
	1,026	3,521	**1,852**	4,562
Deferred taxation:				
- Relating to origination and reversal of temporary differences (Note 15)	**(26,333)**	(5,265)	**(60)**	-
	(25,307)	(1,744)	**1,792**	4,562

Income tax is calculated at the Malaysian statutory tax rate of 25% (2008: 26%) of the estimated assessable profit for the year. In the prior year, certain subsidiaries of the Company being Malaysian resident companies with paid-up capital of RM2.5 million or less qualified for the preferential tax rates under Paragraph 2A, Schedule 1 of the Income Tax Act, 1967 as follows:

On the first RM500,000 of chargeable income : 20%

In excess of RM500,000 of chargeable income : 26%

34. INCOME TAX EXPENSE (continued)

However, pursuant to Paragraph 2B, Schedule 1 of the Income Tax Act, 1967 that was introduced with effect from the year of assessment 2009, these subsidiaries no longer qualify for the above preferential tax rates.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
(Loss)/profit before taxation	**(20,203)**	80,689	**8,197**	54,147
Tax at the rate of 25% (2008: 26%)	**(5,051)**	20,979	**2,049**	14,078
Tax effects of:				
Income subject to tax rate of 20%	**-**	(28)	**-**	-
Non-allowable expenses	**8,980**	20,273	**723**	1,109
Non-taxable income	**(2,786)**	(16,978)	**(887)**	(10,529)
Under/(over) provision in prior years				
- tax expenses	**381**	252	**(33)**	(96)
- deferred tax	**(85)**	-	**-**	-
Real property gains tax	**-**	29	**-**	-
Deferred tax not recognised on temporary differences	**(907)**	(1,037)	**-**	-
Deferred tax recognised				
- on unabsorbed tax losses	**(26,156)**	(5,000)	**-**	-
- on provision	**(60)**	-	**(60)**	-
Utilisation of deferred tax assets previously not recognised	**(8)**	(20,415)	**-**	-
Effect of changes in tax rate on opening balance of deferred tax	**385**	181	**-**	-
	(25,307)	(1,744)	**1,792**	4,562

35. EARNINGS PER ORDINARY SHARE

The basic and diluted earnings per ordinary share is calculated by dividing the Group's profit after taxation of RM5,104,000 (2008: RM82,433,000) by the weighted average number of ordinary shares in issue during the year of 824,850,000 (2008: 830,902,000).

For the financial year ended 31 January 2009, outstanding ESOS have been excluded from the computation of fully diluted earnings per RM1 ordinary shares as their conversion to ordinary shares would be anti-dilutive.

36. DIVIDENDS

	Dividend in respect of Year		Dividend recognised in Year	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Final dividend for 2007:				
- Franked dividend of 1 sen, less income tax at 27%, on 830,902,000 ordinary shares	**6,066**	-	**6,066**	-
Final dividend for 2008:				
- Franked dividend of 2.28 sen, less income tax at 26%, on 830,522,000 ordinary shares	-	14,012	-	14,012
- Single tier dividend of 0.72 sen, on 830,522,000 ordinary shares	-	5,980	-	5,980
Debts payable to Inland Revenue Board	-	2,101	-	2,101
	6,066	22,093	**6,066**	22,093

At the forthcoming Annual General Meeting, a final single tier dividend of 2 sen per ordinary share of RM1.00 each, in respect of the financial year ended 31 January 2009, amounting to a net dividend payable of approximately RM16,380,323 will be proposed for shareholders' approval. This is computed based on the issued and paid-up capital as at 31 January 2009, excluding treasury shares held by the Company of 11,885,800 ordinary shares of RM1.00 each, to be paid to shareholders whose names appear in the Record of Depositors on a date to be determined by the Directors. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 January 2010.

37. CAPITAL ADEQUACY

The following is the computation of the capital adequacy ratio of ECM Libra Investment Bank Berhad, the investment banking subsidiary of the Group:

	2009 RM'000	2008 RM'000
Tier 1 Capital		
Paid-up share capital	**513,000**	513,000
Retained profit	**69,055**	54,133
Statutory reserve	**14,759**	-
Other reserves	**1,053**	507
	597,867	567,640
Less: Deferred tax assets	**(36,156)**	(10,000)
Total Tier 1 capital (a)	**561,711**	557,640
Tier 2 Capital		
General allowance for bad and doubtful debts and financing	**4,040**	2,542
Total Tier 2 capital (b)	**4,040**	2,542
Total capital base (a) + (b)	**565,751**	560,182
Total risk-weighted assets	**766,582**	949,404

	2009	2008
Core capital ratio	**73.27%**	58.73%
Risk weighted capital ratio	**73.80%**	59.00%

Breakdown of risk-weighted assets by various categories is as follows:

	2009		2008	
	Principal RM'000	Risk-weighted RM'000	Principal RM'000	Risk-weighted RM'000
Credit risk	**1,604,928**	**401,452**	1,220,488	475,245
Market risk	**113,879**	**225,805**	112,356	224,712
Operational risk	**139,325**	**139,325**	249,447	249,447
	1,858,132	**766,582**	1,582,291	949,404

With effect from 1 February 2008, the capital adequacy ratio is computed in accordance with Bank Negara Malaysia's revised Risk-Weighted Capital Adequacy Framework: Standardised Approach for Credit Risk and Market Risk and Basic Indicator Approach for Operational Risk (Basel II).

38. COMMITMENTS

	Group 2009 RM'000	Group 2008 RM'000
Capital Commitments		
Approved and contracted for:		
Purchase of property, plant and equipment	**259**	418
Non-cancellation operating lease commitments		
Future minimum rentals payable		
Not later than 1 year	**225**	2,418
Later than 1 year and not later than 5 years	**4,505**	3,438
	4,730	5,856

Other Commitments

	Nominal amount RM'000	Credit equivalent amount RM'000	Risk-weighted amount RM'000
As at 31 January 2009			
Commitments to extend credits with maturity of less than 1 year:			
- margin facilities	189,830	37,966	37,966
- term loans facilities	4,549	909	882
Equity-related contracts	21,168	7,134	7,134
	215,547	46,009	45,982
As at 31 January 2008			
Commitments to extend credits with maturity of less than 1 year:			
- margin facilities	163,198	32,640	32,640
- term loans facilities	7,253	1,451	1,434
	170,451	34,091	34,074

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

39. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Related parties and relationships

The related parties of, and their relationship (other than those disclosed in Note 12 and Note 13 to the financial statements) with the Group and the Company are as follows:

Relationship	Related parties
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 dependants of key management personnel and entities that are controlled or significantly influenced by, or for which significant voting power in such entity reside with, directly, or indirectly by key management personnel or its close family members.

(b) Significant related party transactions and balances

In addition to the transactions detailed elsewhere in the financial statements, set out below are the Group's and the Company's other significant related party transactions and balances:

	Group		Company	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Income				
Interest income from subsidiaries	**-**	-	**1,141**	1,867
Dividend income from subsidiaries	**-**	-	**11,703**	57,244
Brokerage fee income from a Director	**-**	42	**-**	-
Rental income from subsidiaries	**-**	-	**933**	35
Gain/(loss) on disposal of property, plant and equipment from a related party	**3,503**	-	**(191)**	-
Expenditure				
Interest on deposits and placements to related parties	**405**	-	**-**	-
Adviser fee charged by a subsidiary	**-**	-	**40**	-
Rental expenses charged by a related party	**111**	-	**-**	-
Project management fee charged by a related party	**333**	439	**-**	-
Other				
Proceed from disposal of property, plant and equipment to a related party	**21,960**	-	**21,960**	-
Amount due from				
Advance due from a subsidiary	**-**	-	**-**	28,840
Fixed deposits placed with a subsidiary	**-**	-	**27,947**	-
Interest receivable from a subsidiary	**-**	-	**54**	19

39. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(b) Significant related party transactions and balances (continued)

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Amount due to				
Deposits from key management personnel	**750**	-	**-**	-
Deposits from other related parties	**32,431**	-	**-**	-
Interest payable to other related parties	**61**	-	**-**	-

The directors of the Company are of the opinion that the above transactions had been entered into in the normal course of business and had been established under terms that are no less favourable than those arranged with independent third parties.

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Fees and meeting allowances	**917**	685	**353**	348
Short-term employee benefits	**8,552**	5,640	**2,547**	3,628
Defined contribution plan	**1,062**	669	**306**	412
Share-based payment	**1,898**	2,075	**1,188**	1,495
	12,429	9,069	**4,394**	5,883

Included in the total key management personnel are:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Directors' remuneration (Note 30)	**5,267**	2,805	**3,206**	2,787

40. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The operations of the Group are subject to a variety of financial risks, including interest rate risk, credit risk, liquidity risk, cash flow risk and price risk. The Group has formulated a financial risk management framework whose principal objective is to minimise the Group's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group.

(b) Credit risk

Credit risk is the potential loss of revenue and principal losses in the form of specific provisions as a result of partial or total default or debts and/or margin financing.

Experienced key personnel are appointed to high level management committees to establish overall credit risk limits, margin financing assessment, collateral and prudent lending policies.

The Group is exposed to credit risk mainly from trade receivables. The Group extends credit to its clients upon careful evaluation of the clients so as to limit high credit concentration in a client or clients from a particular market.

(c) Liquidity risk

Liquidity risk relates to the ability to maintain sufficient liquid assets to meet its financial commitments and obligations when they fall due at a reasonable cost. Liquidity risk is controlled through the Capital Adequacy Requirements of Bursa Malaysia and the Group's liquidity risk management policy.

(d) Cash flow risk

The Group reviews its cash flow position regularly to manage its exposure to fluctuations in future cash flows associated with its monetary financial instruments.

(e) Price risk

The proprietary position of private debt securities and equities were subjected to price risk. Such positions were marked-to-market daily and the price risk were controlled by investing in high quality stocks and highly rated private debt securities as well as cut losses should the prices expected to decline substantially. For those instruments held to maturity, adequate provisions were made when there is impairment in value.

40. FINANCIAL INSTRUMENTS (continued)

(f) Interest rate risk

The tables below summarise the Group's exposure to interest rate risks. The assets and liabilities at carrying amount are categorised by the earlier of contractual repricing or maturity dates as follows:

Group	<-------------------------- Non-trading book				---------------------------->				
As at 31 January 2009	Up to 1 months RM'000	>1-3 months RM'000	> 3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	Non-interest Sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
ASSETS									
Cash and bank balances	739,907	-	-	-	-	12,899	-	752,806	2.82
Deposits with licensed financial institutions	-	115,354	493	-	-	-	-	115,847	2.55
Securities held-for-trading	-	-	-	-	-	-	8,813	8,813	-
Securities available-for-sale	-	-	24,266	105,220	37,861	-	97,932	265,279	5.33
Securities held-to-maturity	-	90,000	-	-	-	2,200	-	92,200	2.58
Loan, advances and financing									
- Performing	128,559	117,028	6,291	-	-	(4,048)*	-	247,830	8.75
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	1,413	-	1,413	-
Other assets ^	-	-	-	-	-	515,778	-	515,778	-
TOTAL ASSETS	868,466	322,382	31,050	105,220	37,861	528,242	106,745	1,999,966	
LIABILITIES AND EQUITY									
Liabilities									
Deposits from customers	385,356	99,918	72,215	-	-	-	-	557,489	2.85
Deposits and placements of banks and other financial institutions	251,004	28,000	17,000	-	-	-	-	296,004	2.99
Other liabilities #	-	-	-	-	-	252,675	-	252,675	-
TOTAL LIABILITIES	636,360	127,918	89,215	-	-	252,675	-	1,106,168	
Shareholders' funds	-	-	-	-	-	893,798	-	893,798	
TOTAL EQUITY AND LIABILITIES	636,360	127,918	89,215	-	-	1,146,473	-	1,999,966	
On-balance sheet interest sensitivity gap	232,106	194,464	(58,165)	105,220	37,861	(618,231)	106,745	-	
Off-balance sheet interest sensitivity gap	-	-	-	-	-	-	-	-	
Total interest sensitivity gap	232,106	194,464	(58,165)	105,220	37,861	(618,231)	106,745	-	

^ Other assets include trade receivables, other assets, investment in associated company, property, plant and equipment, intangible assets, deferred tax assets.

* The negative balance represents general allowance for loans, advances and financing.

Other liabilities include trade payables, other liabilities, provision for taxation, hire purchase payables and deferred tax liabilities.

40. FINANCIAL INSTRUMENTS (continued)

(f) Interest rate risk (continued)

Group

As at 31 January 2008	<---------- Non-trading book					---------->			
	Up to 1 months RM'000	>1-3 months RM'000	> 3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	Non-interest Sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
ASSETS									
Cash and bank balances	278,837	-	-	-	-	88,237	-	367,074	3.47
Deposits with licensed financial institutions	-	-	3,198	-	-	-	-	3,198	3.65
Securities available-for-sale	-	-	-	60,015	11,994	89	112,357	184,455	6.30
Securities held-to-maturity	-	-	-	-	-	2,200	-	2,200	-
Loan, advances and financing									
- Performing	174,765	-	-	-	-	(2,542)*	-	172,223	8.35
Other assets ^	-	-	-	-	-	815,727	-	815,727	-
TOTAL ASSETS	453,602	-	3,198	60,015	11,994	903,711	112,357	1,544,877	
LIABILITIES AND EQUITY									
Liabilities									
Other liabilities #	-	-	-	-	-	597,647	-	597,647	-
TOTAL LIABILITIES	-	-	-	-	-	597,647	-	597,647	
Shareholders' funds	-	-	-	-	-	947,230	-	947,230	
TOTAL EQUITY AND LIABILITIES	-	-	-	-	-	1,544,877	-	1,544,877	
On-balance sheet interest sensitivity gap	453,602	-	3,198	60,015	11,994	(641,166)	112,357	-	
Off-balance sheet interest sensitivity gap	-	-	-	-	-	-	-	-	
Total interest sensitivity gap	453,602	-	3,198	60,015	11,994	(641,166)	112,357	-	

^ Other assets include trade receivables, other assets, investment in associated company, property, plant and equipment, intangible assets, deferred tax assets.

* The negative balance represents general allowance for loans, advances and financing.

Other liabilities include trade payables, other liabilities, provision for taxation, hire purchase payables and deferred tax liabilities.

40. FINANCIAL INSTRUMENTS (continued)

(g) Fair value of financial assets and financial liabilities

The carrying amounts of financial assets and liabilities of the Group and of the Company at the balance sheet date approximate their fair values except for the following:

	Note	Group Carrying amount RM'000	Group Fair value RM'000	Company Carrying amount RM'000	Company Fair value RM'000
2009					
Financial Assets					
Investment in associated company					
- quoted		**21,173**	21,173	**-**	-
Amounts owing by subsidiary companies		**-**	-	**10,258**	*
Financial Liabilities					
Amounts owing to subsidiary companies		**-**	-	**79,792**	*
2008					
Financial Assets					
Investment in associated company					
- quoted		**43,280**	21,459	**-**	-
Amounts owing by subsidiary companies		**-**	-	**60,070**	*
Financial Liabilities					
Amounts owing to subsidiary companies		**-**	-	**102,799**	*

* It is not practicable within the constraints of timeliness and cost to estimate the fair value of the amounts owing from/to subsidiary companies principally due to the lack of fixed repayment terms. However, the Group does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

The methods and assumptions used by management to determine fair values of financial instruments other than those whose carrying amounts reasonably approximate their fair values are as follows:

(i) Securities held-for-trading, securities available-for-sale and securities held-to-maturity

The fair value of these financial assets is determined by reference to stock exchange quoted market prices at the close of business on the balance sheet date.

(ii) Cash and cash equivalents, trade, loan and other receivables, trade and other payables, and borrowings

The carrying amounts approximate fair value because of the short maturity of these instruments.

41. SEGMENTAL REPORTING

Business segments

The Group is organised into the following operating divisions:

(a) Financial services which include stockbroking activities, investment banking activities, asset management, unit trusts management, credit services and custodian services; and,

(b) Investment holdings which include provision of management services, investment in associated companies and investments.

No geographical segmental information is provided as the Group operates principally in Malaysia.

Group	**Financial services RM'000**	**Investment holdings RM'000**	**Eliminations RM'000**	**Consolidated RM'000**
2009				
Revenue	94,442	16,255	(36,515)	74,182
Results				
Segment results	2,818	11,287	(11,273)	2,832
Share of loss of associated companies				(1,992)
Allowance for losses on loans, advances and financing				(1,506)
Writeback of bad and doubtful debts				18
Allowance of impairment loss				(19,555)
Profit before tax				(20,203)
Income tax expense				25,307
Net profit for the year				5,104

	Financial services RM'000	**Investment holdings RM'000**	**Consolidated RM'000**
Assets			
Segment assets	1,752,617	226,176	1,978,793
Investment in associated company	21,173	-	21,173
Consolidated total assets			1,999,966
Liabilities			
Segment liabilities	1,016,370	89,798	1,106,168

41. SEGMENTAL REPORTING (continued)

	Financial services RM'000	Investment holdings RM'000	Consolidated RM'000
Other information			
Capital additions	3 ,264	131	3,395
Depreciation of:			
- property, plant and equipment	4 ,807	1,108	5,915

Group	Financial services RM'000	Investment holdings RM'000	Eliminations RM'000	Consolidated RM'000
2008				
Revenue	148,915	78,721	(70,083)	157,553
Results				
Segment results	78,511	74,146	(75,173)	77,484
Share of profits of associated companies				3,255
Allowance for losses on loans, advances and financing				(984)
Writeback of bad and doubtful debts				541
Writeback of impairment loss				393
Profit before tax				80,689
Income tax expense				1,744
Net profit for the year				82,433

	Financial services RM'000	Investment holdings RM'000	Consolidated RM'000
Assets			
Segment assets	1,242,729	258,868	1,501,597
Investment in associated companies	43,280	-	43,280
Consolidated total assets			1,544,877
Liabilities			
Segment liabilities	513,146	84,501	597,647

41. SEGMENTAL REPORTING (continued)

	Financial services RM'000	Investment holdings RM'000	Consolidated RM'000
Other information			
Capital additions	2,039	1,594	3,633
Depreciation of:			
- property, plant and equipment	5,702	512	6,214
- investment properties	-	12	12

42. SIGNIFICANT EVENT

On 6 February 2008, ECM Libra Investment Bank Berhad ("ECMLIB"), a wholly-owed subsidiary, was granted a merchant bank licence by the Minister of Finance to allow ECMLIB to carry on merchant banking business.

43. COMPARATIVES

The presentation and classification of items in the current year's financial statements are consistent with the previous financial year except for the following comparative figures which have been restated or reclassified to conform with the adoption of BNM/GP8 and current year's presentation:

Group	As Previously reported RM'000	Adjustment RM'000	As restated RM'000
Balance sheet as at 31 January 2008			
Inventories	89	(89)	-
Marketable securities	164,095	(164,095)	-
Other investments	12,304	(12,304)	-
Trade receivables	550,845	(146,735)	404,110
Loans, advances and financing	25,352	146,871	172,223
Cash and bank balances	219,840	147,234	367,074
Deposits with licensed financial institutions	150,432	(147,234)	3,198
Securities available-for-sale	-	184,455	184,455

43. COMPARATIVES (continued)

Group	As Previously reported RM'000	Adjustment RM'000	As restated RM'000
Balance sheet as at 31 January 2008 (continued)			
Securities held-to-maturity	-	2,200	2,200
Other assets	19,423	(95)	19,328
Retained profits	(84,044)	(163)	(84,207)
Available-for-sale revaluation reserve	-	(10,044)	(10,044)
Income statement for the financial year ended 31 January 2008			
Revenue	205,052	(47,499)	157,553
Direct costs	(44,990)	44,990	-
Net revenue	160,062	(160,062)	-
Other operating income	7,140	(7,140)	-
Administrative expense	(12,506)	12,506	-
Other operating expenses	(80,936)	80,936	-
Operating profit	73,760	(73,760)	-
Loss on disposal of investments	(1,184)	1,184	-
Finance costs	(2,399)	2,399	-
Gross interest income	-	28,363	28,363
Non-interest income	-	129,190	129,190
Other non-operating income	-	5,269	5,269
Interest expense	-	(2,377)	(2,377)
Operating expenses	-	(82,961)	(82,961)
Allowance for losses on loans and financing	-	(984)	(984)
Writeback of bad and doubtful debts	-	541	541
Allowance for impairment loss	9,211	(8,818)	393
Profit before tax	82,643	(1,954)	80,689
Profit after tax	84,387	(1,954)	82,433

43. COMPARATIVES (continued)

Company	As Previously reported RM'000	Adjustment RM'000	As restated RM'000
Income statement for the financial year ended 31 January 2008			
Revenue	59,447	422	59,869
Direct costs	(100)	100	-
Net revenue	59,347	(59,347)	-
Administrative expense	(1,020)	1,020	-
Other operating expenses	(4,641)	4,641	-
Operating profit	53,686	(53,686)	-
Gain on disposal of investments	499	(499)	-
Finance costs	(38)	38	-
Gross interest income	-	2,126	2,126
Non-interest income	-	57,743	57,743
Other non-operating income	-	77	77
Interest expense	-	(38)	(38)
Operating expenses	-	(5,761)	(5,761)

other information

1. MATERIAL CONTRACT

There were no other material contracts including contracts relating to loans (not being contracts entered into in the ordinary course of business) of the Company and its subsidiaries, involving Directors' and major shareholders' interests, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

2. NON-AUDIT FEES

The amount of non-audit fees paid and payable by the Company and its subsidiaries to the external auditors for the financial year ended 31 January 2009 was RM49,893.

3. ANALYSIS OF SHAREHOLDERS AS AT 31 MARCH 2009

Authorised share capital	:	RM1,500,000,000.00
Issued & paid-up capital	:	RM830,901,953.00
Adjusted issued & paid up capital (after deducting treasury shares pursuant to Section 67A of the Companies Act, 1965)	:	RM818,345,853.00
Class of shares	:	Ordinary Shares of RM1.00
Voting rights		
- on show of hands	:	1 vote
- on a poll	:	1 vote for each share held

Distribution schedule of shareholdings:

Size of Holdings	No. of Shareholders	%	No. of Shares	%
Less than 100	2,787	10.61	130,474	0.01
100 - 1,000	6,529	24.85	3,754,778	0.46
1,001 - 10,000	12,248	46.63	55,719,450	6.81
10,001 - 100,000	4,194	15.97	129,915,395	15.88
100,001 - less than 5% of issued shares	506	1.93	360,207,325	44.02
5% and above of issued shares	4	0.01	268,618,431	32.82
	26,268	100.00	818,345,853	100.00

3. ANALYSIS OF SHAREHOLDERS AS AT 31 MARCH 2009 (continued)

Thirty Largest Shareholders:

Name of Shareholders	No. of Shares	%
1. Amsec Nominees (Tempatan) Sdn Bhd - Fulcrum Asset Management Sdn Bhd for Equity Vision Sdn Bhd	92,019,819	11.24
2. Lim Kian Onn	76,456,000	9.34
3. Citigroup Nominees (Asing) Sdn Bhd - Exempt AN for Citibank NA, Singapore (Julius Baer)	51,548,400	6.30
4. CIMB Group Nominees (Tempatan) Sdn Bhd - AmcorpGroup Berhad for Hikkaya Jaya Sdn Bhd	48,594,212	5.94
5. CIMB Group Nominees (Tempatan) Sdn Bhd - AmcorpGroup Berhad for Equity Vision Sdn Bhd	36,000,000	4.40
6. ECML Nominees (Tempatan) Sdn Bhd - ECM Libra Capital Markets Sdn Bhd for ECM Libra Holdings Sdn Bhd	35,000,000	4.28
7. Multi-Purpose Holdings Berhad	17,223,484	2.10
8. Sumberama Sdn Bhd	16,926,400	2.07
9. CIMB Group Nominees (Tempatan) Sdn Bhd - AmcorpGroup Berhad for Arab-Malaysian (CSL) Sdn Bhd	12,940,072	1.58
10. Lim Su Tong @ Lim Chee Tong	10,700,000	1.31
11. Citigroup Nominees (Tempatan) Sdn Bhd - Exempt AN for OCBC Securities Private Limited	9,177,480	1.12
12. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Gooi Seong Gum	8,500,000	1.04
13. BH Builders Sdn Bhd	8,200,400	1.00
14. HSBC Nominees (Asing) Sdn Bhd - Exempt AN for Credit Suisse	7,304,200	0.89
15 Citigroup Nominees (Asing) Sdn Bhd - UBS AG Singapore for EastAsia International Group Limited	6,764,200	0.83
16. Multi-Purpose Insurans Bhd	6,618,000	0.81
17. Citigroup Nominees (Asing) Sdn Bhd - CBNY for DFA Emerging Markets Fund	6,220,730	0.76
18. Citigroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Gooi Seong Heen	4,300,000	0.53
19. Loo Geok Eng	3,850,000	0.47
20. Chow Soi Wah	3,849,300	0.47

3. ANALYSIS OF SHAREHOLDERS AS AT 31 MARCH 2009 (continued)

Thirty Largest Shareholders (continued):

Name of Shareholders	No. of Shares	%
21. Citigroup Nominees (Asing) Sdn Bhd Exempt AN for OCBC Securities Private Limited	3,406,140	0.42
22. ABB Nominee (Tempatan) Sdn Bhd - Affin Bank Berhad (Loan Recovery)	3,320,506	0.41
23. Soo Ngik Gee @ Soo Yeh Joo	3,176,100	0.39
24. Sharikat Kim Loong Sendirian Berhad	3,000,000	0.37
25. Cartaban Nominees (Asing) Sdn Bhd - SSBT Fund J728 for SPDR S&P emerging Asia Pacific ETF	2,761,900	0.34
26. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Gooi Seong Heen	2,550,000	0.31
27. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Gooi Seong Lim	2,500,000	0.31
28. Tan Chee Sing	2,456,800	0.30
29. Quek Leng Chan	2,380,000	0.29
30. ECML Nominees (Tempatan) Sdn Bhd - ECM Libra Foundation	2,253,000	0.28

Substantial Shareholders:

	Direct Interest		Deemed Interest	
Name of Shareholders	**No. of shares**	**%**	**No. of Shares**	**%**
Mr Lim Kian Onn	76,456,000	9.34 (3)	-	-
Hikkaya Jaya Sdn Bhd	48,594,212	5.94 (3)	-	-
Equity Vision Sdn Bhd	128,019,819	15.64 (3)	-	-
Tan Sri Dato' Azman Hashim	-	-	189,554,103(1)	23.16 (3)
AmcorpGroup Berhad	-	-	61,534,284(2)	7.52 (3)
Clear Goal Sdn Bhd	-	-	61,534,284(2)	7.52 (3)

Note:

(1) Deemed interest of 23.16% by virtue of Section 6A of the Companies Act, 1965 held through Hikkaya Jaya Sdn Bhd (48,594,212), Arab-Malaysian (CSL) Sdn Bhd (12,940,072) and Equity Vision Sdn Bhd (128,019,819)

(2) Deemed interest of 7.52% by virtue of Section 6A of the Companies Act, 1965 held through Hikkaya Jaya Sdn Bhd (48,594,212) and Arab-Malaysian (CSL) Sdn Bhd (12,940,072)

(3) The percentage shareholding as shown is calculated on the Adjusted Issued & Paid-Up Capital

4. DIRECTORS' INTERESTS AS AT 31 MARCH 2009

Subsequent to the financial year ended 31 January 2009, there was no change to the directors' interests in the shares of the Company and/or its related corporations.

5. SHARE BUY-BACK SCHEDULE FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2009

The details of shares repurchased by the Company from the open market are as follows:

	Number of Shares	Lowest Price (RM)	Highest Price (RM)	Average Price* (RM)	Total Consideration (RM)
At beginning of the financial year	-	-	-	-	-
Shares repurchased during the financial year:					
April 2008	380,000	0.70	0.70	0.70	267,144.81
June 2008	1,714,700	0.51	0.53	0.52	894,568.47
July 2008	7,978,600	0.515	0.57	0.54	4,293,419.52
October 2008	10,000	0.37	0.375	0.38	3,792.13
December 2008	1,762,500	0.39	0.41	0.40	713,249.14
January 2009	40,000	0.40	0.40	0.40	16,116.80
At end of the financial year	**11,885,800**	**-**	**-**	**0.52**	**6,188,290.87**

*Average price includes stamp duty, brokerage and clearing fees.

6. LIST OF PROPERTIES

Location & Description	Description/ Existing Use	Tenure	Built up Area Sq. ft	Age of Property (years)	Net Book Value RM'000	Date of Acquisition
1. 111, Jalan Macalister 10400 Penang	Land and office premises	Freehold	28,201	12	6,433	27.08.1997
2. Unit 6-01, Level 06 Wisma Pantai premises 12200 Butterworth Penang	Investment property	Freehold	1,285	15	171	24.12.2001
3. Block C6, Unit 64 Parcel 64-G, 64-1, 64-2 No. 2831 Chinatown Bandar Baru Prai Penang	Investment property	Freehold	3,373	13	429	24.12.2001
4. Bangunan Avenue Centre & East Wings 8 Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur	Building	Freehold	48,115	13	17,108	08.09.2004

7. REVALUATION POLICY ON LANDED PROPERTIES

The Group has not adopted a policy of regular revaluation on landed properties.

8. ADMINISTRATIVE SANCTION IMPOSED

A supervisor's Capital Markets and Services Representative's Licence was suspended by the Securities Commission for six months due to failure to carry out supervisory duties over a licensed representative in the investment banking subsidiary which had resulted in unauthorised transactions.

ecmlibra

ECM Libra Financial Group Berhad (713570-K)
(Incorporated in Malaysia)

FORM OF PROXY

I/We____(NRIC No./Co. No.)____________________

of ____being a member/members of ECM Libra Financial Group Berhad hereby appoint______________________________(NRIC No.)____________________

of____

or failing him/her______________________________(NRIC No.)____________________

of____

or failing him/her, the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Fourth Annual General Meeting of the Company to be held at the Ballroom, Mezzanine Floor, Hotel Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur on Wednesday, 20 May 2009 at 10.00 a.m. and at any adjournment thereof.

My/Our proxy/proxies is/are to vote either on show of hands or on a poll as indicated below with an "X" :

	RESOLUTIONS	FOR	AGAINST
1.	To receive the audited financial statements and reports		
2.	To declare a final single tier dividend of 2 sen per ordinary share		
3.	To approve the payment of Directors' fees		
4.	To re-elect the following as Directors:		
	4.1 Dato' Othman bin Abdullah		
	4.2 Mr Lim Kian Onn		
5.	To re-appoint Messrs Ernst & Young as Auditors of the Company and authorise the Directors to fix their remuneration		
6.	To approve the ordinary resolution pursuant to Section 132D of the Companies Act, 1965		
7.	To approve the Proposed Renewal of Share Buy-Back Authority		

Dated this __________ day of __________________ 2009

________________________________ Number of shares held

________________________________ Signature of Member(s)

Notes

1. If you wish to appoint other person(s) to be your proxy, delete the words "the Chairman of the meeting" and insert the name(s) and address(es) of the person(s) desired in the space so provided.
2. If there is no indication as to how you wish your vote(s) to be cast, the proxy will vote or abstain at his/her discretion.
3. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company.
4. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting provided that where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member appoints more than one (1) proxy to attend the same meeting, the member shall specify the proportion of his shareholdings to be represented by each proxy.
5. In the case where a member is a corporation, this Form of Proxy must be executed under its Common Seal or under the hand of its Attorney.
6. All Forms of Proxy must be duly executed and deposited at the Registered Office of the Company at 8A Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time and date for holding the meeting or adjourned meeting.

AFFIX
STAMP

Company Secretary
ECM Libra Financial Group Berhad (713570-K)
8A Floor, Wisma Genting,
Jalan Sultan Ismail,
50250 Kuala Lumpur.