ecmlibra

Laporan Tahunan 2018 Annual Report

ECM Libra Financial Group Berhad (713570-K)

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corporate information

DIRECTORS

Dato' Seri Kalimullah bin Masheerul Hassan (Executive Chairman)
Mr Lim Kian Onn (Managing Director)
Datuk Kamarudin bin Md Ali
Dato' Othman bin Abdullah
En Mahadzir bin Azizan
Mr Gareth Lim Tze Xiang

SECRETARIES

Ms Ong Lei Hua
Ms Jasmindar Kaur A/P Sarban Singh

AUDITORS

Messrs Ernst & Young
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Tel : 03-7495 8000
Fax : 03-2095 9076

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 03-2783 9299
Fax : 03-2783 9222

REGISTERED OFFICE

2nd Floor, West Wing, Bangunan ECM Libra
8 Jalan Damansara Endah
Damansara Heights
50490 Kuala Lumpur
Tel : 03-2089 1888
Fax : 03-2096 1188

BUSINESS ADDRESS

Ground Floor, East Wing, Bangunan ECM Libra
8 Jalan Damansara Endah
Damansara Heights
50490 Kuala Lumpur
Tel : 03-2089 1888
Fax : 03-2096 1188

WEBSITE

www.ecmlibra.com

LISTING

Main Market of Bursa Malaysia Securities Berhad

directors' profile

Dato' Seri Kalimullah bin Masheerul Hassan

Executive Chairman/Non-Independent

Dato' Seri Kalimullah bin Masheerul Hassan, a Malaysian, male, aged 61, began his 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 Editor-in-Chief 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. He was appointed by the Minister of Education as a Trustee of Yayasan Tunku Abdul Rahman with effect from 1 November 2018 for a three-year term.

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. He was re-designated Executive Chairman & Chief Executive Officer with effect from 1 May 2007, a position he held till 5 February 2010. On 6 February 2010, he was re-designated Chairman of the Company, a non-executive position he held till 15 June 2018. On 16 June 2018, he was re-designated Executive Chairman of the Company. He attended all four Board meetings held during the financial year ended 31 December 2018.

Dato' Seri Kalimullah is also a director of Avarga Limited (formerly known as UPP Holdings Limited), a company listed on the Stock Exchange of Singapore and a trustee of ECM Libra Foundation. He is a major shareholder of ECMLFG and has no family relationship with the other directors or major shareholders of ECMLFG and no conflict of interest with ECMLFG. He has never had any conviction for any offences and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2018.

Mr Lim Kian Onn

Managing Director/Non-Independent

Mr Lim Kian Onn, a Malaysian, male, aged 62, 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 and was a consultant with Andersen Consulting from 1981 to 1984. Between 1984 and 1993, he was with Hong Leong Group, Malaysia 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, a position he held till 5 August 2010. On 6 August 2010, he was re-designated Non-Executive Director of the Company. Mr Lim was subsequently re-designated Managing Director of ECMLFG with effect from 16 July 2015. He attended all four Board meetings held during the financial year ended 31 December 2018. He is a member of the Board Remuneration Committee of ECMLFG.

Mr Lim is also the non-executive Chairman of Plato Capital Limited, a company listed on the Stock Exchange of Singapore, a director of AirAsia X Berhad and a trustee of ECM Libra Foundation. He has substantial interest in ECMLFG. He is the father of Mr Gareth Lim Tze Xiang who is also a director of ECMLFG. He has no conflict of interest with ECMLFG, no conviction for offences within the past five years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2018.

Datuk Kamarudin bin Md Ali

Independent Non-Executive

Datuk Kamarudin bin Md Ali, a Malaysian, male, aged 68, is a retired police commissioner. He holds a Masters in Science (Engineering) from University of Birmingham, United Kingdom and Bachelor of Science (Honours) (Mechanical Engineering) from University of Strathclyde, Glasgow, Scotland and attended specialized courses at the Royal College of Defense Studies, United Kingdom and University of Pittsburgh in the United States. Datuk Kamarudin retired from the Royal Malaysia Police ("RMP") on 4 May 2006 with more than 30 years' experience with extensive knowledge and skills in logistics and financial management, manpower development, strategic planning, training and crime suppression and prevention, gained through a wide range of command posts and managerial capacities held during his tenure in the RMP. He is actively involved in NGOs and is noted for his contribution to the Malaysian Crime Prevention Foundation.

Datuk Kamarudin was appointed to the Board of ECMLFG on 16 June 2006. He attended all four Board meetings held during the financial year ended 31 December 2018. He is the Chairman of the Board Audit & Risk Management Committee and a member of the Board Nomination Committee of ECMLFG.

Datuk Kamarudin is also a director of Ann Joo Resources Berhad, Gabungan AQRS Berhad and Libra Invest Berhad. 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 five years. He has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2018.

En Mahadzir bin Azizan

Independent Non-Executive

En Mahadzir bin Azizan, a Malaysian, male, aged 70, is a Barrister-At-Law from Lincoln's Inn, London, United Kingdom and was called to the English Bar in 1978.

After graduation, En Mahadzir 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 four Board meetings held during the financial year ended 31 December 2018. 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 Keluarga Berhad (formerly known as Syarikat Takaful Malaysia Berhad), Syarikat Takaful Malaysia Am Berhad, RCE Capital Berhad and Libra Invest Berhad. 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 five years. He has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2018.

directors' profile continued

Dato' Othman bin Abdullah

Independent Non-Executive

Dato' Othman bin Abdullah, a Malaysian, male, aged 70, 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 four Board meetings held during the financial year ended 31 December 2018. 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 Takaful Malaysia Keluarga Berhad (formerly known as Syarikat Takaful Malaysia Berhad). 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 five years. He has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2018.

Mr Gareth Lim Tze Xiang

Non-Independent Non-Executive

Mr Gareth Lim Tze Xiang, a Malaysian, male, aged 36, holds a Bachelor of Arts Degree in Economics from St. Catharine's College at the University of Cambridge.

Mr Gareth Lim is presently the Chief Executive Officer of Plato Capital Limited Group ("Plato Group"). He joined the Plato Group in September 2009 as Head of Investments, responsible for the formulation and implementation of the Group's overall investment strategy. Mr Gareth Lim began his career as part of Morgan Stanley's mergers and acquisitions practice in Singapore. Prior to joining the Plato Group, Mr Gareth Lim was a pioneer member of the management teams at Tune Hotels, Southeast Asia's leading chain of limited service hotels, and AirAsia X, the world's then only low cost, long haul carrier, where he was responsible for the establishment and development of each company.

Mr Gareth Lim was appointed to the Board of ECMLFG on 4 July 2016. He attended all four Board meetings held during the financial year ended 31 December 2018. He is a member of the Board Nomination Committee of ECMLFG.

Mr Gareth Lim is an alternate director of Plato Capital Limited, a company listed on the Stock Exchange of Singapore. He is the son of Mr Lim Kian Onn who is the Managing Director of ECMLFG with substantial interest in ECMLFG. He has no conflict of interest with ECMLFG, no conviction for offences within the past five years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2018.

key senior management's profile

Dato' Seri Kalimullah bin Masheerul Hassan

Executive Chairman

Details of Dato' Seri Kalimullah bin Masheerul Hassan are disclosed in the Directors' profile on page 4.

Mr Lim Kian Onn

Managing Director

Details of Mr Lim Kian Onn are disclosed in the Directors' profile on page 4.

Ms Ong Lei Hua

Company Secretary of ECM Libra Financial Group Berhad
Executive Director and Chief Executive Officer of Libra Invest Berhad, a wholly-owned subsidiary of ECM Libra Financial Group Berhad

Ms Ong Lei Hua, a Malaysian, female, aged 46, is a Chartered Accountant of the Malaysian Institute of Accountants (MIA) and a fellow member of the Association of Chartered Certified Accountants (ACCA).

Ms Ong has more than 20 years of experience in the fields of accounting and finance. She started her career with a leading audit firm in Malaysia and was with the audit firm for 4 years. She has been with ECM Libra Financial Group Berhad ("ECMLFG") Group for more than 18 years, of which 12 years was with Libra Invest Berhad, being part of the senior management team and responsible for the overall back office function of Libra Invest Berhad.

She was appointed as the Executive Director and Chief Executive Officer of Libra Invest Berhad on 12 December 2018 and 19 December 2018 respectively. She was appointed as the Company Secretary of ECMLFG on 28 February 2019. She has no directorship in any other public companies and listed issuers. She has no family relationship with any directors or major shareholders of ECMLFG, no conflict of interest with ECMLFG and has no conviction for offences within the past five years. She has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2018.

key senior management's profile continued

Mr Lee Wei Chung

Executive Director/Chief Investment Officer of Libra Invest Berhad, a wholly-owned subsidiary of ECM Libra Financial Group Berhad

Mr Lee Wei Chung, a Malaysian, male, aged 47, holds a Bachelor of Arts in Social Studies with Honours in Economics from University of Exeter, United Kingdom, a Master of Science in the Social Sciences in International Banking and Financial Studies from University of Southampton, United Kingdom and he is also a holder of the Chartered Financial Analyst designation.

Mr Lee has more than 23 years of working experience in buy and sells sides of the financial services industry. A former portfolio manager for a family office and later general manager of investment in Amanah Raya-JMF Asset Management, he has also taken roles as equity analyst and was the equity sales specialist as well as the head of dealing of Macquarie Capital Malaysia.

Mr Lee joined Libra Invest Berhad as the Co-Chief Investment Officer, Equity on 3 December 2012 and was appointed as the Executive Director and Chief Executive Officer ("CEO") of Libra Invest Berhad on 28 December 2015 and 19 February 2016 respectively. He subsequently relinquished his position as the CEO of Libra Invest Berhad and assumed the position of Chief Investment Officer of Libra Invest Berhad on 18 September 2018. He has no directorship in any other public companies and listed issuers. He has no family relationship with any directors or major shareholders of ECMLFG, no conflict of interest with ECMLFG and has no conviction for offences within the past five years. He has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2018.

Ms Joy-Marina Choong Wai Kwin

Head of Fixed Income of Libra Invest Berhad, a wholly-owned subsidiary of ECM Libra Financial Group Berhad

Ms Joy-Marina Choong Wai Kwin, a Malaysian, female, aged 42, holds a Bachelor of Business (Economics and Finance) from RMIT University, Australia.

Ms Choong began her career as an executive trainee with Hong Leong Bank Berhad, before subsequently joining the wholesale credit division, where she gained 11 years of working experience in the field of credit management, recovery and corporate debt restructuring. She joined Libra Invest Berhad in 2010, where she gained 8 years of experience in managing bond and money market funds, as well as private fixed income client accounts. She currently holds a Capital Markets Services Representative's License.

Ms Choong was appointed as the Head of Fixed Income of Libra Invest Berhad on 1 August 2018. She has no directorship in public companies and listed issuers. She has no family relationship with any directors or major shareholders of ECMLFG, no conflict of interest with ECMLFG and has no conviction for offences within the past five years. She has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2018.

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 December 2018 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 of BARMC

The terms of reference of BARMC include the following and are available on the website of the Company at www.ecmlibra.com:

(i) to review and approve the internal and statutory audit plans and the audit reports, and evaluate internal controls, including risk management and compliance matters;

(ii) to review the quarterly interim financial statements and year-end financial statements of the Group and the Company;

(iii) to consider related party transactions and conflict of interest situations that may arise within the companies in the Group; and

(iv) to review the appointment/re-appointment of the external auditors and their fees, and the scope, competency and resources of the internal audit function.

Meetings

The BARMC meets at least four (4) times in each financial year and additional meetings may be called at any time as and when necessary. During the financial year ended 31 December 2018, four (4) meetings were held and attended by all the BARMC members.

Summary of Work

The summary of work of the BARMC in the discharge of its duties and functions for the financial year ended 31 December 2018 is as below:

1. Financial Reporting

The BARMC reviewed the interim financial statements and year-end financial statements of the Company and Group prior to tabling to the Board for approval and its subsequent release to Bursa Malaysia Securities Berhad ("Bursa Securities"). In reviewing the interim financial statements and year-end financial statements of the Company and Group, the BARMC ensured true and fair reporting, reliability of financial information of the Company and Group, compliance with relevant provisions of the Companies Act 2016, applicable financial reporting standards in Malaysia and Main Market Listing Requirements of Bursa Securities and prompt publication of the said financial statements.

Summary of Work (continued)

2. **External Audit**

The BARMC deliberated with the external auditors on their scope of work and audit plan for the Group for the financial year ended 31 December 2018 covering, amongst others, areas of audit emphasis, audit timeline, responsibilities of auditors, directors and management. Financial reporting developments including the relevant new and amended major financial reporting standards which took effect in the current financial year or would take effect after the financial year and their implication on the financial reporting of the Group were also discussed. The BARMC noted the new financial reporting standards, i.e. MFRS 9 Financial Instruments ("MFRS 9") and MFRS 15 Revenue from Contracts with Customers which took effect from 1 January 2018, that were adopted during the financial year would not have any material effect on the financial performance and financial position, other than the reclassification in accordance with MFRS 9, of the Company and Group for the financial year ended 31 December 2018. The external auditors have given their written assurance confirming that they are independent in accordance with the By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants in relation to their audit of the financial statements of the Company and Group for the financial year ended 31 December 2018.

The BARMC discussed with the external auditors their audit results for the year-end financial statements of the Company and Group. The BARMC reviewed the audit fees of the external auditors for recommendation to the Board for approval.

With the feedback provided by management, the BARMC assessed the performance, suitability and independence of the external auditors for their re-appointment by taking into consideration the criteria set out in the External Auditors Assessment Policy which includes adequacy of resources of external auditors to undertake their audit, the level and quality of service provided by the external audit team, communication between the external auditors and management as well as the competence, knowledge, experience and independence of advice provided by the engagement partner. The external auditors had met the criteria and following the assessment, the BARMC recommended the re-appointment of the external auditors to the Board and for the Board to recommend the same to the shareholders for approval at the annual general meeting.

The BARMC assessed the appointment of the external auditors for non-audit services based on the criteria set out in the External Auditors Assessment Policy and reviewed fees and scope for the non-audit services provided by the external auditors prior to its recommendation to the Board for approval.

The BARMC confirmed the total amount of remuneration of external auditors for the financial year for the audit and non-audit services rendered by the external auditors for disclosure in the Annual Report of the Company.

The external auditors could meet freely, regularly and on a confidential basis with the BARMC. During the financial year, the BARMC had two private sessions with the external auditors on 20 February 2018 and 22 November 2018 without the presence of the other Directors or management. There were no major issues raised by the external auditors that needed to be brought to the attention of the Board.

3. **Internal Audit**

The BARMC reviewed and approved the internal audit plan for the financial year proposed by the independent outsourced internal auditors ("Internal Auditors") and ensured adequate scope and coverage of internal audit on activities and operations of the Group. The BARMC also assessed if adequate time and resources were allocated by the Internal Auditors to perform the audit.

The BARMC reviewed the internal audit report on the Internal Auditors' audit findings and recommendations, the assessment on the adequacy and effectiveness of internal controls implemented, and the corresponding responses of management. The BARMC ensured that actions taken by management to address the audit findings were satisfactory and within the agreed timeline.

board audit & risk management committee report
continued

Summary of Work (continued)

4. Related Party Transaction

The BARMC reviewed the related party transactions entered into by the Group on a quarterly basis to ensure that these transactions were carried out in the normal course of business and transacted at arms' length basis.

The BARMC reviewed the proposed joint venture for investment in the travel and hospitality industry via a joint venture company, Tune Plato Ventures Sdn Bhd, as it was a related party transaction. The BARMC considered all aspects of the joint venture including the rationale, prospects and risk factors associated with the joint venture and opined that the joint venture was in the best interest of the Company and at arms' length transaction that was not detrimental to the interest of minority shareholders of the Company. The BARMC recommended to the Board to grant approval for the Company to undertake the joint venture.

The BARMC reviewed the tenancies of the Group for renting office space in Bangunan ECM Libra as the tenancies were related party transactions. The BARMC noted the Group would be paying the same rental rate for the office space as other tenants of Bangunan ECM Libra and on the terms and conditions no less favourable than other tenants of Bangunan ECM Libra. The BARMC opined that the tenancies were at arm's length and were not detrimental to the interest of minority shareholders of the Company. The BARMC recommended the tenancies to the Board for approval.

5. Risk Management

The BARMC oversees the establishment of a robust risk management framework. During the financial year, the BARMC reviewed, on a quarterly basis, the risk management reports that covered the review and management of risks in the day-to-day business operation and activities of the Group including the newly acquired hotel businesses, so as to ensure that the key risks encountered by the Group were properly managed and mitigated.

6. Compliance

The BARMC reviewed, on a quarterly basis, the reports of the Compliance and Risk Management Department on compliance status of the Fund Management and Collective Investment Schemes, and Anti-Money Laundering, Anti-Terrorism Financing & Proliferation Financing related matters, so as to ensure the activities of the Group operated within and fully complied with the relevant regulations and laws.

7. Other Duties

(i) The BARMC reviewed the Board Audit & Risk Management Committee Report and Statement on Risk Management & Internal Control to ensure adherence to the relevant reporting requirements prior to its recommendation to the Board for approval for inclusion in the Annual Report of the Company.

(ii) The BARMC reviewed the updated terms of reference of the BARMC and noted the updates that were made to comply with the Main Market Listing Requirements of Bursa Securities and to adopt the relevant practices as recommended in the Malaysian Code on Corporate Governance. The BARMC recommended the updated terms of reference of the BARMC to the Board for approval.

(iii) The BARMC reviewed the Data Protection Policy and Information Security Policy and agreed that no changes or updates were required. The BARMC recommended the same to the Board for concurrence.

(iv) The BARMC reviewed the amendments and updates made to the Compliance Manual, Risk Management Framework, Risk Management Procedures Manual, Policies and Procedures on Anti-Money Laundering, Anti-Terrorism Financing & Proliferation Financing, Policies and Procedures on Management of Cyber Risk presented by management before its recommendation to the Board for approval.

(v) The BARMC reviewed the External Auditors Assessment Policy which sets out the guidelines and procedures for assessment of the external auditors. The BARMC agreed that no updates were required to be made to the said policy and it would remain relevant and appropriate and fit for its purpose. The BARMC recommended the same to the Board for concurrence.

Summary of Work (continued)

7. Other Duties (continued)

(vi) The BARMC reviewed the report of Internal Auditors on compliance of Libra Invest Berhad ("LIB") with the Guidelines on Management of Cyber Risk based on the results of assessment carried out on the policies and controls of LIB that were in place to manage LIB's cyber threats and risks and effectiveness of said policies and controls, prior to its recommendation to the Board of LIB for approval for submission to the Securities Commission Malaysia.

(vii) The BARMC reviewed the report of Internal Auditors on the results of annual compliance due diligence conducted on marketing and distribution activities relating to unit trust funds of LIB, as required by the Federation of Investment Managers Malaysia prior to its recommendation to the Board of LIB for approval.

(viii) The BARMC reviewed the report of Compliance and Risk Management Department on the results of annual compliance review conducted on LIB in the areas and according to the compliance review procedures as set out in the Compliance Programme of LIB, and recommended the said report for adoption by the Board of LIB.

For the financial year under review, the members of BARMC conducted assessment on the performance of individual members and the BARMC as a whole to ensure that the BARMC and its members have discharged their responsibilities effectively. The results of assessment were tabled to the BARMC for notation and subsequently to the Board Nomination Committee and the Board for review.

The Chairman of BARMC reported to the Board significant matters deliberated at the BARMC meetings and key recommendation of the BARMC, after each BARMC meeting, for the Board's consideration and approval. The minutes of the BARMC meetings and circular resolutions passed by the BARMC were tabled to the Board for notation.

Internal Audit Function

The internal audit function of the Group has been outsourced to an independent internal audit service provider who reports directly to the BARMC. During the financial year ended 31 December 2018, the Internal Auditors presented to and obtained approval from the BARMC on the internal audit plan.

Following previous year internal audit review conducted on the area of anti-money laundering and counter financing of terrorism, the internal audit for this financial year was focused on revisiting some portions of the past auditable areas from years 2014 to 2017. The past auditable areas included Fund Management, Operations-Unit Trust, Human Resources, Finance and Accounts and Information Technology General Control. In discharging their role, the Internal Auditors:

- mapped out the business processes on the scope defined and documented the workflow of key business activities from input to output process;

- performed a system of controls evaluation on high-risk areas within the business processes and identified business risks, benchmarked the existing control system and identified design inadequacy, implementation lapses and process improvements; and

- reviewed the overall control environment whether there was a significant amount of implementation lapses.

The Internal Auditors reported to the BARMC on the outcome of the audits conducted and their recommendations, the assessment on adequacy and effectiveness of the internal controls implemented and the action taken by management to implement improvements where applicable.

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

The total fees incurred for the internal audit function for the Group during the financial year was RM78,952.

This Report was approved by the Board on 27 February 2019.

corporate governance overview statement

The Board of Directors ("Board") of ECM Libra Financial Group Berhad ("ECMLFG" or "Company") is committed to manage the Company and its subsidiaries ("ECMLFG Group" or "Group") in line with corporate governance practices as set out in the Malaysian Code on Corporate Governance ("Code"). The Board 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 the Group has applied the principles and complied with the practices as set out in the Code except as otherwise stated. The detailed application by ECMLFG for each practice as set out in the Code during the financial year ended 31 December 2018 is disclosed in the Corporate Governance Report which is available on the Company's website, www.ecmlibra.com, at the dedicated section on Investor Relations.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS

I Board Responsibility

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 diverse fields of training and experiences.

The Board is primarily entrusted with the responsibility of setting the goals, strategies and the business and organisational policies 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 Board is guided by its Board Charter which is made available on the Company's website at www.ecmlibra.com. The Board Charter sets out the functions, roles and responsibilities of the Board. The Board Charter is reviewed at least once a year and updated as and when necessary to align with changes in the regulatory requirements and circumstances, needs of the Company and business environment.

In formulating the goals and strategies of the Group, the Board is mindful of the importance of business sustainability and ensures that particular attention is given to promote sustainability.

The Board has established three Board Committees to assist in the discharge of its duties and each Board Committee has its own specific terms of reference. Each Board Committee undertakes in-depth deliberation of the issues delegated to it before tabling its recommendations to the Board.

The Board Committees are:

1. Board Audit & Risk Management Committee;
2. Board Nomination Committee; and
3. Board Remuneration Committee.

The terms of reference of the Board Committees are set out in the Appendices I, II and III of the Board Charter.

The positions of Chairman and Managing Director of ECMLFG are held by different individuals to ensure there is a balance of power and authority. The Chairman of the Board leads the Directors in the performance of the Board's responsibilities and oversight of management whilst the responsibility of managing the Group's business activities is delegated to the Managing Director. The Managing Director is accountable to the Board and is responsible for growing the Group's overall business and providing direction in the implementation of strategies, policies and business plans approved by the Board. All matters not specifically reserved to the Board and necessary for the day-to-day operations of the Group are delegated to the Managing Director and management. The responsibilities of the Chairman and the Managing Directors are set out in the Board Charter.

To ensure that 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, four (4) Board meetings were held and attended by all the Directors. All the Directors had complied with the requirements in respect of Board meeting attendance as required under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ["Listing Requirements of Bursa Securities"].

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

I **Board Responsibility** (continued)

The Board collectively reviews and considers all corporate proposals prior to their implementation. Corporate proposals are put to vote after careful deliberation. The Directors are updated on ECMLFG Group's affairs at Board meetings. The Board members have unlimited access to all information with regard to the activities of ECMLFG Group during deliberations at the Board meetings as well as through regular interaction with senior management who are obliged to provide the Board with complete, well-focused and adequate information in a timely manner. The Directors are encouraged to obtain information on the Group's activities at any time by consultation with senior management. Where necessary, the Board shall also have access to advice of independent professional advisers at the expense of the Company. The Board will discuss and collectively decide on seeking such independent advice when the need arises. These enable the Board members to discharge their duties and responsibilities competently and in an informed manner.

The Board members are provided with the notice, setting out the agenda and the comprehensive Board papers at least four (4) days prior to Board meetings. Board papers are the key source of information for Directors before the meeting and senior management are obliged to provide sufficient, accurate and relevant supporting information in the Board papers. The Chairman with the assistance of the Company Secretaries will ensure the integrity of the information provided and the timeliness of Board papers. Any late provision of Board papers are discouraged by the Board, particularly if it involves complex matters. Upon conclusion of the meeting, the minutes are circulated in a timely manner prior to the next meeting.

All members of the Board have access to the advice and support of suitably qualified and competent Company Secretaries. The Company Secretaries play an important advisory role and are a source of information and advice to the Board on issues relating to procedural and statutory requirements affecting the Company and Group. The Company Secretaries update the Board on material changes in law and table the regulatory development at the Board meeting for Board's notation.

The Directors are aware of their responsibilities and will devote sufficient time to discharge such responsibilities. Each member of the Board holds not more than five (5) directorships in public listed companies in accordance with the Listing Requirements of Bursa Securities. The Directors will inform the Board on their new appointment as Director in other companies. These ensure that their commitment, resources and time are focused on the affairs of the Company and enable them to discharge their responsibilities effectively. The meeting schedule for the ensuing financial year will be provided to the Directors in advance before the end of the current financial year so that the Directors are able to plan ahead and ensure sufficient time will be devoted to discharge their duties and responsibilities.

All Directors of the Company have completed the Mandatory Accreditation Programme. The Directors receive briefings and updates on the Group's businesses, operations, risk management, internal controls, finance and relevant legislation, rules and regulations. The Directors are encouraged to attend courses, briefings and seminars to keep themselves abreast with latest developments in the industry, regulatory updates or changes and to enhance their skills and knowledge. The Board Nomination Committee oversees continuing education programmes covering areas that could strengthen Directors' contribution to the Board. During the financial year, the Directors were regularly kept informed of available training programmes related to corporate governance, risk management and internal control, regulatory development as well as business trends; and arrangements were made by the Company Secretaries for the Directors to attend the training programmes selected by them.

During the financial year under review, individual Board members have participated in the following training courses, briefings or seminars to keep themselves updated on latest developments and to enhance their knowledge:

Director	Course Name
Dato' Seri Kalimullah bin Masheerul Hassan	Anti-Money Laundering, Terrorism Financing & Proliferation Financing
	Cyber Risk Awareness
Mr Lim Kian Onn	Anti-Money Laundering, Terrorism Financing & Proliferation Financing
	Cyber Risk Awareness

corporate governance overview statement
continued

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

I **Board Responsibility** (continued)

Director	Course Name
Datuk Kamarudin bin Md Ali	Corporate Liability Bill
	Anti-Money Laundering, Terrorism Financing & Proliferation Financing
	Gearing Up for Corporate Liability
	Business Transformation Challenges – Shaping High Performance Organization
	Cyber Risk Awareness
	Breakfast Series: Companies of the Future – The Role for Boards
Dato' Othman bin Abdullah	Anti-Money Laundering, Terrorism Financing & Proliferation Financing
	MIA International Accountants Conference 2018
	Cyber Risk Awareness
En Mahadzir bin Azizan	Tax Workshop – Capital Statement
	Anti-Money Laundering, Terrorism Financing & Proliferation Financing
	Cyber Risk Awareness
	Post Budget 2019 Review Seminar
	Compliance Management Strategy During Conflict of Interest
	Combating Money Laundering and Fraud in a Digital Economy
	Cryptocurrency & Its Implications on Money Laundering Activities
Mr Gareth Lim Tze Xiang	International Hotel Investment Forum 2018
	Anti-Money Laundering, Terrorism Financing & Proliferation Financing
	Lodging Roundtable 2018: Hospitality Network
	Cyber Risk Awareness

The Board members have also devoted time in non-structured continuing professional development through reading articles relating to topics relevant to the business of the Group.

The Board sets the Group's core values and adopts proper standards to ensure that the Group operates with integrity and complies with the relevant rules and regulations. The Board observes the codes as set out in the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia and the requirements under the Companies Act 2016 which provide guidance on the standards of conduct and prudent business practices as well as standards of ethical behaviour. The salient points of the Code of Ethics for Company Directors are highlighted below:

1. Should ensure at all times that the Company is properly managed and effectively controlled;
2. Should stay abreast of the affairs of the Company and be kept informed of the Company's compliance with the relevant legislation and contractual requirements;
3. Should disclose immediately all contractual interests whether directly or indirectly with the Company;
4. Should at all times act with utmost good faith towards the Company in any transaction and to act honestly and responsibly in the exercise of his powers in discharging his duties; and

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

I Board Responsibility (continued)

5. Relationship with shareholders, employees, creditors and customers

    (i) should be conscious of the interest of shareholders, employees, creditors and customers of the Company;
    (ii) should at all times promote professionalism and improve the competency of management and employees; and
    (iii) should ensure adequate safety measures and provide proper protection to workers and employees at the workplace.

The conduct of the Board is also governed by the Articles of Association of the Company and the relevant laws and regulations in Malaysia.

The Board has approved a Code of Conduct to be observed by all employees of the Group, incorporating a Code of Ethics and a Code of Practice on the Prevention and Eradication of Sexual Harassment in the Workplace. The said code is published on the intranet of the Group and it is accessible to the employees of the Group. The Board has put in place the Whistle Blowing Policy to enable the Group to take necessary measures so as to minimise, discourage, detect and prevent any form of unlawful, unethical, non-compliance and questionable practices within the Group. The Board has entrusted the Board Audit & Risk Management Committee ("BARMC") to be responsible for overseeing the application of the Whistle Blowing Policy which is accessible to the employees via intranet of the Group. The employees are encouraged to report in good faith if they are aware of any wrongdoing, malpractice or corporate misdeed has been, is being, or is likely to be committed within the Group. They are guided by the Whistle Blowing Policy when relaying any information in relation to the abovementioned either in writing or through oral communication to designated persons stated in the said policy. Upon receipt of report made by employees together with available evidence which have been verified accordingly, the BARMC would evaluate and make decision to determine the process that is to be initiated thereafter.

II Board Composition

For the financial year ended 31 December 2018, the Board comprised six (6) Directors, three (3) of whom are independent. The Board composition comprising 50% Independent Directors and all Directors hold positions in a non-executive capacity except for Dato' Seri Kalimullah bin Masheerul Hassan and Mr Lim Kian Onn who hold the position of Executive Chairman and Managing Director respectively. The Board has exercised its judgement that the current composition of the Board with six (6) members fairly reflects the investment in the Company by all the shareholders and is appropriate to protect the interest of all the shareholders. Based on the Register of Depositors as at 31 December 2018, the 29.73% equity interests of public shareholders other than major shareholders are represented by three (3) Independent Directors constituting 50% of the Board members whilst the remaining 50% of the Board members who are non-independent represent the 47.32% interests of a few major shareholders of the Company. The Board is of the view that the current composition is suitable to reflect and protect the interests of all the shareholders. The Board has identified Datuk Kamarudin bin Md Ali, the Chairman of the BARMC, as the Independent Non-Executive Director to whom concerns may be conveyed, who would bring the same to the attention of the Board.

There is a clear division of responsibilities between the Executive Chairman and the Managing Director and the presence of independent oversight by the Independent Directors to ensure a balance of authority and power within the Board. 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 judgment of the Board. This ensures that there is adequate check and balance at the Board. The three (3) Independent Directors of the Company provide the Board with vast and varied management exposure, expertise and broad business and commercial experiences.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

II Board Composition (continued)

The Board is of the view that a Director's independence should not be determined solely based on the tenure of service and the continued tenure of directorship brings considerable stability to the Board. The Company benefits from Directors who have, over time, gained valuable insight into the Group. The ability and effectiveness of an Independent Director is dependent on his calibre, qualification, experience, integrity and objectivity in discharging his responsibilities in good faith in the best interest of the Company and to safeguard the interests of the shareholders of the Company. Amongst various matters taken into consideration, the Board seeks to strike an appropriate balance between tenure of service, continuity of experience and the merit of refreshing the Board. In Year 2015, the Board after careful consideration, approved the Policy on Tenure of Independent Directors which sets a cap of twelve (12) years for the tenure of Independent Directors. Upon completion of twelve (12) years, such Directors can be re-designated as Non-Independent Directors. The Board had sought and obtained approval of the shareholders at the Tenth Annual General Meeting of the Company held on 28 May 2015 for Datuk Kamarudin bin Md Ali, Dato' Othman bin Abdullah and En Mahadzir bin Azizan, who had served as Independent Non-Executive Directors of the Company for a cumulative term nearest to nine (9) years, to continue to serve in the same capacity until their tenure reach twelve (12) years, provided always the criteria for assessment of their independence are met and subject to the provision on Director's retirement in accordance with the Articles of Association of the Company.

At the Thirteenth Annual General Meeting of the Company held on 25 April 2018, Datuk Kamarudin bin Md Ali, Dato' Othman bin Abdullah and En Mahadzir bin Azizan had served as Independent Non-Executive Directors of the Company for nearest to twelve year. After taking into consideration the on-going corporate exercise involving acquisition of interest and hotels as approved by the shareholders on 12 December 2017, the Board had sought and obtained approval of the shareholders at the Thirteenth Annual General Meeting through a two-tier voting process on the continuation of Datuk Kamarudin bin Md Ali, Dato' Othman bin Abdullah and En Mahadzir bin Azizan as Independent Non-Executive Directors of the Company until the conclusion of the Fourteenth Annual General Meeting. Upon conclusion of the Fourteenth Annual General Meeting, they may continue to service on the Board subject to re-designation as Non-Independent Directors.

The Board Nomination Committee ("BNC"), set up on 27 September 2006, comprised three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director as at 31 December 2018. The BNC during the financial year ended 31 December 2018 comprised:

- Dato' Othman bin Abdullah (Chairman)
- Datuk Kamarudin bin Md Ali
- En Mahadzir bin Azizan
- Mr Gareth Lim Tze Xiang

The BNC is responsible for assessing and recommending new nominees to the Board, re-appointment of retiring Directors as well as Directors to fill seats on Board Committees; assessing the effectiveness of the Board and the Board Committees; and to review the required mix of skills, experience and other qualities which Directors should bring to the Board. The BNC is responsible to assess the independence of Independent Directors based on the criteria established by the BNC in line with the Listing Requirements of Bursa Securities, the Company's Policy on Tenure of Independent Directors and as suggested in Exhibit 8 of the Corporate Governance Guide: Towards Boardroom Excellence (2nd Edition) issued by Bursa Securities. The BNC is also responsible to assess and recommend to the Board the appointment of Chief Executive Officer, oversee the succession of Board members and Chief Executive Officer and evaluate the performance of the Managing Director and other key senior management of the Group. The BNC facilitates board induction and oversees continuing education programmes to be provided to Board members in areas that would strengthen their contribution to the Board.

The terms of reference of BNC is reviewed at least once a year and updated as appropriate to reflect changes to regulations and the Company's circumstances that may impact upon the responsibilities of the BNC.

The BNC is chaired by an Independent Director. The Chairman of the BNC leads in recruitment of candidates for Board members and key senior management and leads the annual assessment of the effectiveness of the Board and Board Committees as well as the performance of individual Directors. The Chairman of the BNC reports to the Board its proceedings after each meeting on all matters within its duties and responsibilities.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

II Board Composition (continued)

A summary of the main activities undertaken by the BNC in the discharge of its duties for the financial year ended 31 December 2018 is as follows:

1. Evaluated the performance of the Board and Board Committees with regard to their structure, operations and role and responsibilities;
2. Assessed the qualification, level of time commitment, skills and experience of individual Directors;
3. Assessed the independence of Independent Directors;
4. Assessed the re-appointment of retiring Directors at the annual general meeting;
5. Reviewed the appointment and re-designation of Executive Chairman;
6. Reviewed the appointment of Director and Chief Executive Officer of the main subsidiary;
7. Review the renewal of service contract of the Managing Director;
8. Assessed the performance of key senior management;
9. Reviewed the terms of reference of the BNC; and
10. Made available to the Directors relevant training programme on a regular basis.

The assessment on the effectiveness of the Board and the Board Committees is undertaken annually via Evaluation Form comprising questions related to Board's structure, Board's operations, Board's roles and responsibilities, Board Chairman's role and responsibilities and Board Committees of the Company. The Evaluation Form is to be completed by each BNC member and kept by the Company Secretaries. The findings from the Evaluation Form are compiled and tabled to the BNC for discussion. Subsequently, relevant report with views and recommendations of the BNC would be prepared and presented to the Board for consideration. The effectiveness of the Board and Board Committees is assessed in the areas of composition, mix of skills and experience, administration and process of meeting, quality of decision making, contribution and commitment.

In annual assessment of individual Directors by the BNC, the skills and experience of individual Directors are reviewed to ensure the composition of the Board is appropriate with a good mix of skills and core competencies in order to discharge its duties and responsibilities and to meet the business needs of the Group. The level of time commitment of individual Directors to discharge their responsibilities are assessed based on the record of their attendance at the Board and Board Committee meetings held during the financial year, the number of directorships in public listed companies held by them and their participation in continuing training programme and/or non-structured continuing professional development through reading articles relating to topics relevant to the business of the Group. In the case of Independent Directors, their independence is assessed annually by the BNC based on the criteria established by the BNC in line with the Listing Requirements of Bursa Securities, the Company's Policy on Tenure of Independent Directors and as suggested in Exhibit 8 of the Corporate Governance Guide: Towards Boardroom Excellence (2nd Edition) issued by Bursa Securities. The assessment is undertaken to ensure that Independent Directors are able to continue to provide independent view to the deliberation and decision making of the Board and Board Committee meetings and act in the best interest of the Company. The BNC would deliberate on the outcome of the annual assessment on individual Directors and independence of Independent Directors and present the outcome with their views and recommendations, to the Board for consideration.

For appointment of new Directors, selection of candidates is facilitated through recommendations from the Directors or external parties including the Company's contacts in related industries, and finance, legal and accounting professions. In assessing the suitability of a new Director appointment, the BNC takes into consideration a candidate's skills, knowledge, experience, competency and other relevant factors as may be determined by the BNC which would contribute to the Board's mixed of skills. Capabilities, integrity, reputation, time commitment of a candidate to discharge his duties and responsibilities and contribution that a candidate would bring to the Board and to the Group and other appropriate character and requisite quality of that person would also be taken into account by the BNC in the assessment of appointment of new Director. Bankruptcy search would be conducted on the candidate as part of the suitability assessment. In case of appointment of new Independent Directors, independence of a candidate is assessed based on the criteria established by the BNC. A candidate that has been assessed fit and proper for the appointment to the Board would be recommended by the BNC to the Board for approval.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

II Board Composition (continued)

The consent of retiring Directors for their re-election at annual general meeting would be obtained and bankruptcy search would be conducted on them before the BNC reviews on the re-election of retiring Directors. In considering re-election of retiring Directors, due regard would be given to a Director's skill, experience, contribution at Board and Board Committee meetings and time he has devoted to discharge his duties. With the consent given by the retiring Directors for their re-election at annual general meeting, the BNC would recommend the re-appointment of retiring Directors to the Board if the results of annual assessment and bankruptcy search conducted on them and their performance and attendance at the Board and Board Committee meetings are satisfactory.

The Board aims to maintain a diversity of expertise, skills, competency, personalities and attributes among the Directors so as to provide a comprehensive range of perspectives and experiences, resulting in improved decision making. The Board members are persons of high calibre and integrity and are able to devote sufficient time to discharge their duties. The number of Board members fairly reflects the investment in the Company by all the shareholders and is suitable to protect the interest of all the shareholders. Whilst the Directors recognise the contribution that women could bring to the Board, it has not established a specific target for the appointment of women candidates in its recruitment of Directors. The Board supports a policy of non-discrimination on the basis of gender, ethnicity and age for the Board and the workforce. The Board will only set aside specific targets in relation to gender and ethnicity and age diversity if the situation so requires and if it is in the best interest of the Company.

Currently the Board comprised all male members who are aged between 36 and 70, of which 67% are Bumiputera and 33% are Chinese. The Group's workforce comprised 56.8% female and 43.2% male, of which 46.6% are Bumiputera, 48.9% are Chinese and 4.5% are Indian. The Group has a fair mix of employees in various age groups with 25.0% of employees below the age of 30, 29.6% between the age of 30 and 39, 31.8% between the age of 40 to 49 and 13.6% above the age of 50. The Board is of the view that the current workforce composition reflects adequate diversity in terms of gender, ethnicity and age; obviating the need to set specific diversity policy targets.

The BNC assesses the performance of the Executive Chairman, Managing Director and other key senior management of the Group annually based on their contribution, commitment and achievement of targets set in the business plan approved by the Board. The BNC has evaluated the performance of the Executive Chairman, Managing Director and key senior management of the Group for the financial year under review and ascertained that they are fit and proper to manage the business of the Group; and the Board was informed of this accordingly.

For the financial year under review, the BNC has assessed the performance of the Board and the Board Committees and reviewed the skill and experience of individual Directors, and is satisfied with its current composition and that expectations have been met. The BNC has assessed independence of Independent Directors based on the criteria set in the annual assessment of their independence and is satisfied with the results of the assessment. The BNC has considered the skills, experience, contribution and level of time commitment of the Directors who are subject to retirement by rotation at the forthcoming Fourteenth Annual General Meeting and assessed that the retiring Directors are fit and proper persons for re-election as Directors of the Company. There was no new appointment to the Board during the financial year.

III Remuneration

The Board Remuneration Committee ("BRC"), set up on 27 September 2006, comprised one (1) Independent Non-Executive Director and one (1) Non-Independent Executive Director as at 31 December 2018 and the members were as follows:

- En Mahadzir bin Azizan (Chairman)
- Mr Lim Kian Onn

The BRC is responsible for assessing and recommending to the Board the remuneration of Directors and key senior management, and the payment of performance bonus and salary increments for employees of the Group. The Directors abstain in the discussion and voting on decisions regarding their own remuneration.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

III Remuneration (continued)

ECMLFG has an established framework that entails annual performance review against Key Performance Indicator (KPI) to evaluate performance and determine reward for Executive Directors and all employees of the Group. Remuneration packages for the Executive Directors and employees are formulated to be competitive, with emphasis being placed on performance of the Group as well as the individual, experience and scope of responsibilities and aims to attract, motivate and retain the right staff to manage ECMLFG Group. The remuneration of Executive Directors consists of salary, defined contribution plan and other benefits.

For Non-Executive Directors, the level of remuneration would commensurate with the experience and level of responsibilities undertaken by them. The remuneration of Non-Executive Directors comprises annual Directors' fees, an allowance of RM1,000 for every Board and Board Committee meeting attended, medical coverage and other claimable benefits. The remuneration of Non-Executive Directors shall be reviewed annually by the BRC and the Board and subject to the approval of the shareholders at the annual general meeting.

The terms of reference of BRC is reviewed at least once a year and updated as appropriate to reflect changes to regulations and the Company's circumstances that may impact upon the responsibilities of the BRC. During the financial year, the Board formalised and confirmed the Remuneration Policy for Directors and Senior Management Staff after the review and recommendation of the BRC.

The details of the remuneration of the Directors of ECMLFG received/receivable from the Company and Group for the financial year ended 31 December 2018 are set out below:

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

Notes:

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

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

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

III Remuneration (continued)

The remuneration of the senior management of ECMLFG (not including Executive Directors) for the financial year ended 31 December 2018 is set out below:

Range of Remuneration	Senior Management
RM300,000 to RM350,000	1
RM350,001 to RM550,000	-
RM550,001 to RM600,000	1
Total	**2**

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I Audit Committee

The Board Audit & Risk Management Committee ("BARMC") of the Company comprises solely Independent Directors since it was established on 28 June 2006. The position of Chairman for the Board and the BARMC are held by two different Directors. There are separations of roles and responsibilities between both the Chairmen to avoid any impairment in objectivity of the Board and BARMC. None of the members of the BARMC is a former key audit partner. A Director who is a former key audit partner will only be appointed to the BARMC after he has passed the two (2) year cooling-off period. To be in line with the Code, the terms of reference of the BARMC have included all the above terms.

The Company, through the BARMC, has an appropriate and transparent relationship with the external auditors. The BARMC undertakes an annual assessment of the suitability and independence of the Group's external auditors according to the guidelines and procedures set out in the External Auditors Assessment Policy before recommending their re-appointment to the Board and shareholders for approval. The BARMC with the feedback provided by management assesses the external auditors via evaluation form comprising various questions which structured to test on the suitability and independence of external auditors. In undertaking the assessment, due consideration is given to the adequacy of resources of the external auditors to manage and undertake the audit, the level and quality of service provided by the external audit team, communication between the external auditors and management as well as the competence, knowledge, experience and independence of advice provided by the engagement partner. Based on the results of the evaluation, the BARMC considers and recommends the re-appointment of external auditors to the Board for consideration. The contracts for provision of non-audit services will not be entered into with the external auditors if there is a conflict of interest and the task to be performed required the services of internal auditors. The appointment of the external auditors for provision of non-audit services must be assessed and reviewed by the BARMC according to the principles and criteria set out in the External Auditors Assessment Policy before recommending to the Board for approval. The BARMC will ensure the provision of non-audit services by the external auditors do not interfere with the exercise of independent judgement of the external auditors and shall not be in conflict with their duties as statutory auditors.

During the financial year, the BARMC assessed the suitability and independence of external auditors and recommended the re-appointment of external auditors to the Board for endorsement. Based on the recommendation from the BARMC, the Board assessed and deliberated the suitability and independence of external auditors and was satisfied that the external auditors had met the criteria and recommended their re-appointment for approval of shareholders at the Thirteenth Annual General Meeting held on 25 April 2018. Their tenure of appointment shall lapse at the conclusion of the Fourteenth Annual General Meeting to be held on 27 June 2019.

The members of the BARMC are kept abreast with the relevant development in accounting standards, practices and rules by the Chief Financial Officer and external auditors. All members of the BARMC are financially literate and are able to understand matters under the purview of the BARMC including the financial reporting process.

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT (continued)

II Risk Management and Internal Control Framework

The Statement on Risk Management & Internal Control as set out on pages 24 to 26 provides an overview of the management of risks and state of internal controls within the Group and the features of the risk management and internal control framework and the adequacy and effectiveness of this framework.

The internal audit function of the Group has been outsourced to an independent internal audit service provider ("Internal Auditors") who reports directly to the BARMC. The BARMC relies on the support of the Internal Auditors to ensure the internal audit function is effective and able to function independently. During the financial year, the BARMC reviewed and approved the internal audit plan. Based on the approved internal audit plan, the Internal Auditors scheduled and conducted internal audit reviews and subsequently provided the BARMC with reports highlighting outcome of the review and their recommendations; as well as reporting on management action taken to redress any lapses.

The internal audit personnel are not related to any of the Directors of the Company and have no conflict of interest with ECMLFG.

PRINCIPAL C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I Communication with Stakeholders

The Company is committed to provide all stakeholders with timely and equitable access to material information that is comprehensive and accurate to ensure its compliance with the disclosure requirements as set out in the Listing Requirements of Bursa Securities and other applicable laws. In line with this commitment and for transparency and accountability, material corporate disclosures are deliberated by the Board before being released to the public.

The Company's website, www.ecmlibra.com, serves as the main mean of communication of the Company to reach its shareholders and general public. To maintain transparency and to promote the timely dissemination of corporate disclosures, all information made public to Bursa Securities, such as the Company's Annual Report, the quarterly financial results, all corporate announcements and circular to shareholders together with the Board Charter, the Code of Ethics for Company Directors, the terms of reference of Board Committees and other corporate information are made available on the Company's website at the dedicated section on Investor Relations. The Company would also publish summary of the key matters discussed at the general meeting as soon as practicable on the Company's website.

The management has the option of calling for meetings with investors/analysts if it is deemed necessary. Thus far, the Board is of the opinion that this arrangement has been satisfactory to all parties. Besides that, the Board has identified the Company Secretaries as the liaison person of the Company whom shareholders can refer to if they require any assistance on matters affecting their interests. The contact details of the Company Secretaries are published on the website of the Company.

II Conduct of General Meetings

The Company's annual general meeting serves as the main forum for dialogue with shareholders. The Board took cognizance of the Code which states that notice for an annual general meeting should be given to shareholders at least twenty-eight (28) days prior to the meeting. Hence, the notice of annual general meeting of the Company is sent out together with the annual report to the shareholders at least 28 days before the date of the annual general meeting. The notice of annual general meeting is advertised in the press and made public to Bursa Securities and published on the website of the Company. The Board with the assistance of the Company Secretaries ensures the notice of annual general meeting to shareholders contains sufficient information related to the resolutions to be discussed and decided at the annual general meeting.

PRINCIPAL C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

II **Conduct of General Meetings** (continued)

The date for annual general meeting is made available to the Directors in advance before the end of the financial year which allows the Directors to plan ahead with their schedule. The attendance of the whole Board at the annual general meeting will provide an opportunity for shareholders to communicate with each Director and for the Board to clarify and elaborate any issues raised by the shareholders at the meeting. The Board includes the Chairmen of the Board & Audit Risk Management Committee, Board Nomination Committee and Board Remuneration Committee will also be at the annual general meeting to answer any questions from shareholders on the respective committees' activities. Hence, the shareholders will have sufficient information to exercise their rights at the meeting.

Shareholders are encouraged to attend the annual general meeting, to communicate with the Board, to participate in the question and answer session and to vote on all resolutions set out in the notice of meeting. Shareholders who are unable to attend the annual general meeting are encouraged to appoint not more than two proxies to attend, speak and vote on their behalf. For the convenience of shareholders, the Company will arrange its annual general meeting in area which is accessible by public transport. With sufficient notice of annual general meeting given to shareholders, shareholders who are unable to attend the meeting will have sufficient time to appoint their proxies to attend, speak and vote on their behalf.

This Statement was approved by the Board on 27 February 2019.

statement on risk management & internal control

Responsibility

The Board of Directors ("Board") is responsible for managing the risks of the Group and its system of internal control as well as reviewing its adequacy and integrity. The Board recognises that the Group's system of risk management & internal control is designed to manage and minimise the risk of failure to achieve the Group's objectives. Hence, it is able to only provide a reasonable and not absolute assurance against a material misstatement of management and financial information or against financial losses and fraud. This on-going process has been in place during the financial year under review and up to the date of approval of the Statement on Risk Management & Internal Control for inclusion in the Annual Report.

Key Processes

There is an on-going process for identifying, evaluating and managing the significant risks faced by the Group, and the said process is reviewed by the Board and accords with the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

The Board has appointed the Board Audit & Risk Management Committee ("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 Compliance and Risk Management Department and the independent outsourced internal auditors ("Internal Auditors") who undertake the internal audit function for the Group. The focus is on areas of priority identified through risk assessment and in accordance with the plans approved by the BARMC. In the process of risk identification and evaluation, a "bottom-up" approach is adopted. Specific risks are identified by the respective business/operating units and self-assessed with the support from the Compliance and Risk Management Department in the identification, evaluation and quantification, monitoring and management of such risks undertaken by the Group as a whole. The regular risk assessment exercise using the bottom-up approach promotes risk awareness and facilitates the effective control and management of potential risks for the Group, as risk identification, evaluation and mitigation are reported to the Compliance and Risk Management Department for review and reporting to top management and the BARMC, for high-level direction and management, where applicable.

The Compliance and Risk Management Department undertakes the risk management function of the Group and reports to the BARMC. The Compliance and Risk Management Department covers regulatory compliance risk, operational risk, financial risk and legal risk. In addition, group risk management also encompass cyber risk, in collaboration with the Information Technology Department. The BARMC reviews the Risk Management Framework and Risk Management Procedure Manual applicable to the Group before recommending to the Board for approval. The Risk Management Framework and Risk Management Procedure Manual are subject to review annually, or as and when there are any material changes in the regulatory requirements. The Risk Management Framework outlines the approach and management structure in the Group towards the management of risk. It further provides for a general framework in the methodologies and processes adopted by the Group in identifying, monitoring and reporting risk. Likewise, the Risk Management Procedure Manual lays out the procedures in the Group's approach towards risk management. The Risk Management Framework encompasses the following:

1. Identifying the full spectrum of risks including potential risks; segregation of controllable from uncontrollable risks and identifying causes for the risk occurrences;

2. Assessing risk severity and probability, and combining estimates of severity and probability in the context of existing control measures;

3. Comparing the risk exposures to the entity's risk appetite and identifying those risk exposures that are deemed as unacceptable;

4. Identifying risk mitigation actions; instituting an on-going review of risk and controlling its effectiveness as the business and environment changes, with tighter monitoring in areas of greatest change and risk, and assessing the quality and appropriateness of mitigation actions; and

5. Providing timely exception and periodic reports to facilitate informed risk management decisions.

The BARMC reviews periodic reports from the Compliance and Risk Management Department on risk management related to business and activities of the Group to ensure proper management of risks and appropriate measures are taken on a timely basis to mitigate any identified weaknesses in the control environment.

statement on risk management & internal control continued

Key Processes (continued)

In carrying out its responsibilities, the BARMC relies on the support of the Compliance and Risk Management Department and the Internal Auditors who report directly to the BARMC, in providing assurance on the adequacy and effectiveness of internal controls. The Compliance and Risk Management Department provides the BARMC with periodic reports pertaining to compliance with internal risk management policies and parameters as well as compliance with relevant regulatory and statutory requirements. The Internal Auditors conduct internal audit reviews and provide the BARMC with reports highlighting the outcome of the review on the adequacy and effectiveness of internal controls; as well as reporting on management action taken to redress lapses, if any, and to enhance the system of internal control.

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 to govern the Group's business activities to be consistent with the Group's overall business objective and risk appetite and subjected to adequate risk management and internal controls;

- clear definitions of limits of authority to cover inter alia the day-to-day operations, credit limit, investment and capital expenditure. The limits of authority have been approved by the Board and put in place to ensure control procedures and limits are implemented and complied with;

- key functions such as finance, credit control, human resources and legal matters are controlled centrally. Internal control measures such as segregation of duties, independent checks, segmented system access controls and multi-tier authorisation processes are put in place to ensure these key functions are operating within the control environment;

- 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 and operation together with the design and operation of suitable internal controls. The business and support units each undertakes periodic self-assessment to identify and assess the effectiveness of the controls put in place for all material activities, processes and systems to manage the risks identified. The undertaking of self-assessment serves as an early warning tool to drive appropriate management action before the risks materialise into losses;

- policies and procedures with embedded internal controls are documented in a series of Policies and Procedures that are subjected to periodic review for updating of any changes in operational processes or regulatory requirements. The business and support units in the Group are guided by the Policies and Procedures in performing their duties to ensure compliance with internal controls and relevant laws and regulations;

- corporate values, which emphasise on ethical behaviour and quality services, are formalised into a Code of Conduct as set out in the Group's Employee Handbook and the Board Charter. The Code of Conduct provides guidance to the Directors and employees of the Group on expected moral and ethical behaviour in carrying out their duties;

- updates relating to regulatory requirements/guidelines from Bursa Malaysia Securities Berhad, Securities Commission Malaysia and other regulatory bodies are disseminated to the relevant employees of the Group on a timely manner to ensure compliance of the activities of the Group with the relevant regulatory requirements; and

- the requirement of periodical declaration of compliance by employees of the Group to meet the statutory compliance.

The Group has put in place a Whistle Blowing Policy that governs reporting and investigations of allegations of suspected improper/unethical activities, violations of the laws, regulations, internal policies, procedures, guidelines and code of ethics as well as whistle blower protection. The Whistle Blowing Policy is incorporated in the Employee Handbook accessible to the employees of the Group. The BARMC has been entrusted by the Board to be responsible for overseeing the application of the Whistle Blowing Policy for the Group.

On a yearly basis, all the business units within the Group draw up their business plan and budget for the Board's approval and their performance are tracked on a monthly basis as part of the overall management of the business risk.

statement on risk management & internal control continued

Key Processes (continued)

As required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement on Risk Management & Internal Control for inclusion in the Annual Report. Based on their limited assurance review, nothing has come to their attention that causes them to believe that the Statement on Risk Management & Internal Control is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement on Risk Management & Internal Control factually inaccurate.

The Board confirms that there is an on-going process that has been in place throughout the financial year ended 31 December 2018 for identifying, evaluating and managing significant risks faced by the Group. The Board has reviewed the adequacy and effectiveness of the risk management and internal control system within the Group for the financial year with the support of the Compliance and Risk Management Department and Internal Auditors. From the review, no significant control weaknesses that have resulted in any material loss to the Group were identified during the financial year under review. The Board has received assurance from the Managing Director and Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

The Board is of the view that the Group's risk management and internal control system is adequate and sufficient after taking into consideration of the on-going processes in place for identifying, evaluating and managing significant risks faced by the Group and the assurance from the management; and after taking into account of any material development up to the date of approval of this Statement on Risk Management & Internal Control for inclusion in the Annual Report. The Board opines that the risk management and internal control system provides reasonable assurance that the structure and operation of controls are appropriate for the activities of the Group so as to safeguard the assets and the interests of stakeholders of the Group, and for the Group to achieve its objectives.

This Statement was approved by the Board on 27 February 2019.

chairman's statement

Dear Shareholders,

On behalf of the Board of Directors, I have the pleasure to present you the annual report and the audited financial statements for the year ended 31 December 2018.

Financial and Business Review

The Group reported profit after tax of RM5.1 million in the current financial year as compared to RM0.8 million in the preceding financial year. Group revenue and profit have been diversified to include that of the hotel business whilst our fund management business, structured financing and investment income continue to contribute to the Group.

The Corporate Exercises announced in the preceding financial year of 2017 was mostly completed during the current financial year. These include the acquisitions of 50% equity interest in TP Sepang Sdn Bhd (the operator of Tune Hotel KLIA2), Yummy Kitchen Sdn Bhd, TP International Pty Ltd and 40.005% equity interest in TP Hotel (Flinders) Trust, and the acquisition of Tune Hotel Penang. As communicated to the shareholders through the Circular to Shareholders dated 27 November 2017, the Corporate Exercises enables our Group to diversify our revenue and earnings stream into the hotel business which has potential for growth, while leveraging on the existing and established hospitality franchise of the "Tune Hotels.Com" brand. The results of these new businesses are being consolidated in the current financial year.

The acquisitions of Tune Hotel Kota Kinabalu and Tune Hotel KLIA Aeropolis, the last leg of the Corporate Exercises, are scheduled to be completed in 2019.

The disposal of the Company's non-core assets, comprising the east and centre wing of Bangunan ECM Libra completed in May 2018 had yield a gain of RM3.3 million which is classified as discontinued operations in the current financial year.

Corporate Social Responsibility

ECM Libra Foundation ("Foundation") spearheads the philanthropic works of the Group. Since inception in October 2004, the Foundation has given out close to RM35million in donations, sponsored projects and scholarships.

The Foundation was established with the belief that access to good education is pivotal to a nation's success. The Foundation has since then stoically trudged on with our commitment to help underprivileged and under-served Malaysians with an equal opportunity to succeed. Project by project, partnership by partnership we stayed the course in helping individuals and institutions, with the hope of making a difference to the lives of the individuals and their families and in turn help with nation building.

Starting with our pre-school and primary level programmes, we sponsored multi-year tuition programmes, such as English, Bahasa Malaysia and Mathematics tuition working with several partners such as Yayasan LaSallian Kuching ("YLK") and Universiti Tunku Abdul Rahman. The Foundation believes that by helping these children through their primary years will help to lay a foundation for better grasp of the languages and mathematics which in turn ensures that they will face lesser challenges when they step up their secondary school days. Similarly through Livingstone's English Enrichment Programme, the Foundation also reached out to those students in the Remove classes, some of whom had obtained only single digit marks for their English and Bahasa Malaysia's examinations, to help them catch-up and succeed in their secondary education.

Apart from that, the Foundation sponsored programmes that cast a safety net for those who were at risk of dropping out of school through partners like Goodkids and Global Peace. Through them, the Foundation supported programmes for those secondary school children who were previously labeled as "at risk" and "not-teachable". Here, the children have been given the space they needed to understand that everyone has their strengths and education can be fun. Most, if not all of the children were struggling with insufficient attention, love and care and almost all of them changed their behaviors after going through these programmes. Their teachers testified that these children have re-engaged and changed for the better.

This year in Kuching, Sarawak, the Foundation sponsored two new projects namely the Educators' Retreat and Young Changemaker's Camp ("YCC") for the teachers and youths from the YLK's tuition programmes. It is notable that teachers or facilitators need training or refresher courses to rekindle their passion for teaching too. Having being in the profession for a long time, it is inevitable that they have either lost touch with the latest pedagogy skills or simply feeling jaded. For the youths, through the YCC, it was a gathering of previous primary level tuition students whereby they learned how to build relationships and become moral leaders as they progress through secondary school.

Corporate Social Responsibility (continued)

Moving further up the education ladder, the Foundation partnered with Closing the Gap to sponsor children from the underprivileged and underserved communities for this new programme aimed at opening their eyes to a variety of options at the tertiary education level and to enhance their skills in communication and writing to have an equal footing to compete for the scholarships at college or university level. Without this mentoring effort, almost none of the children from these communities even dare think about tertiary education, or getting scholarships. The Foundation has now indeed taken the first baby step to close the gap for children from these communities by helping them win scholarships for tertiary education.

Finally, taking our efforts up to the ministry level, the Foundation worked with Edvolution Enterprise which is based in Penang to help the Pejabat Pendidikan Daerah ("PPD") officers from the Education Ministry through the Teachers Empowerment for School Transformation ("TEST") programme. The objective of TEST is aimed at equipping the PPD officers with new skills in assisting school to initiate and run change projects. This programme currently targets 14 schools as a pilot project and it is hoped that with success through this pilot, the programme can be adopted by other schools thereby transforming our schools step by step.

The Foundation is comforted by the fact that its work has impacted many lives. Apart from the work within the education fraternities, the Foundation continued to give out study loans. Many former students who would otherwise have no means to complete their tertiary education, have expressed their deepest gratitude to the Foundation having completed their courses. Most of them, if not all, are gainfully employed and contributing to the economy of the country and correspondingly are able to help their families out of the poverty cycle.

The Foundation continues to sponsor projects that develop soft skills that are crucial for success such as youth leadership camps specifically for the underprivileged and underserved communities. These camps have given them the opportunity to develop leadership skills and an insight of what is required from them to succeed in their individual vocations later in their lives.

2018 saw for the first time, the employees of the Group come together to work with National Austism Society of Malaysia ("NASOM"), Kuala Lumpur's Overseas Union Garden Centre, to raise funds for NASOM. About 100 of the Group's employees and their family members whose participation fees were paid by the Foundation came together on a beautiful Saturday morning on 27th October at the Kiara Park to join our autistic friends for a fun charity walk. The event started with morning exercises led by the staffs, and ended with the staffs entertaining everybody with a very special puppet dance routine show.

It has been a fulfilling year for both the Group and the Foundation's management and staff, for being able to continue to do our part for the community.

Dividends

On 8 May 2018, a special single-tier dividend of RM0.1597 per ordinary share amounting to a total dividend of RM45.8 million was paid, in respect of the financial year ended 31 December 2018.

Appreciation

On behalf of the Board of Directors, I would like to thank the management team and employees, including the team from the new businesses acquired during the year, for their dedication, commitments and passion throughout the year. We appreciate the strong partnerships the Group has developed over the years with our business associates, customers, suppliers, and shareholders. With their continuous support, we will not be able to achieve our milestones.

Dato' Seri Kalimullah bin Masheerul Hassan
Executive Chairman

management discussion and analysis

Overview

ECM Libra Financial Group Berhad ("ECMLFG") is an investment holding company and together with its subsidiaries, the Group has four core operating segments as follows:

- Investment holding and general investments under ECMLFG;
- Fund management under Libra Invest Berhad ("LIB");
- Structured financing under ECM Libra Partners Sdn Bhd ("ELP"); and
- Hotel operation under ECML Hotels Sdn Bhd ("ECML Hotels").

Update of Corporate Exercise

On 8 May 2018, the proposed disposal of ECMLFG's non-core assets, comprising the east wing and centre wing of Bangunan ECM Libra and the semi-detached residential property ("Disposal Group"), for an aggregated cash consideration of RM28.0 million had completed ("Proposed Disposal"). On the same day, ECMLFG had paid a special single-tier dividend of RM0.1597 per ordinary shares amounting to RM45.8 million in total in respect of the financial year ended 31 December 2018 ("FY18"). The dividend was paid by the cash consideration from the Proposed Disposal and liquidation of financial assets.

On 16 May 2018, the proposed acquisitions of 50% equity interest in TP Sepang Sdn Bhd, TP International Pty Ltd, Yummy Kitchen Sdn Bhd and 40.005% equity interest in TP Hotel (Flinders) Trust (together with 40.005% of the rights and benefits to the total advances owing by TP Hotel (Flinders) Trust) from TP Real Estate Holdings Pte Ltd ("TPRE") had completed via the allotment and issuance of 160,205,555 new ordinary shares in ECMLFG at an issue price of RM0.36 per share to satisfy the purchase consideration of RM57.7 million. Investment in joint ventures had therefore increased during the year as a result.

On 1 October 2018, the acquisition of Tune Hotel Penang had also completed via the allotment and issuance of 33,127,777 new ordinary shares in ECMLFG at the same issue price of RM0.36 per share and payment of approximately RM9.1 million from bank borrowings to satisfy the purchase consideration of RM21.0 million. The property, plant and equipment had increased due to the capitalisation of Tune Hotel Penang acquired.

The proposed acquisitions of Tune Hotel Kota Kinabalu and the rights to operate and maintain Tune Hotel KLIA Aeropolis are still on-going.

Financial Review

The Group's profit before tax from continuing operations increased by 33.3% in FY18 to RM2.8 million (2017: RM2.1 million) whilst profit after tax increased by 70.0% to RM1.7 million (2017: RM1.0 million), mainly due to share of profit of equity-accounted joint venture companies of RM1.5 million in FY18 following the completion of the acquisition of shares from TPRE mentioned above.

Upon the completion of the Proposed Disposal on 8 May 2018, rental business related to the Disposal Group is presented as discontinued operation in FY18. Discontinued operation recorded a profit before tax of RM3.4 million in FY18, mainly contributed by net gain on sale of the properties of RM3.3 million.

Correspondingly, return on equity and return on assets increased to 3.0% and 2.7% respectively in FY18 from both at 0.6% in the financial year ended 31 December 2017 ("FY17"), and basic earnings per ordinary share improved to 1.30 sen in FY18 from 0.31 sen in FY17.

The Group's cash and cash equivalents decreased by 33.7% to RM13.8 million as at 31 December 2018 from RM20.8 million as at 31 December 2017. The decreased was mainly due to ECMLFG's invested RM6.0 million in a joint venture company, Tune Plato Ventures Sdn Bhd, in FY18.

Financial Review (continued)

The Corporate Exercise involving the acquisition of shares and assets in the hotel business was financed by share capital increased and bank borrowings. In FY18, the Group obtained a secured term loan of RM10.0 million to finance the acquisition of Tune Hotel Penang. The loan is repayable in the next 10 years.

The Group has adopted the requirement of the Malaysian Financial Reporting Standard MFRS 9 *Financial Instruments* ("MFRS 9") on 1 January 2018. Conversely, financial assets previously classified as available-for-sale financial assets has been reclassified to financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss in accordance with MFRS 9.

Continuing Operations Business Segments Review

(i) Investment holding

Investment holding's loss before tax decreased by 20.3% to RM4.7 million in FY18 (2017: RM5.9 million), mainly contributed by share of profit of equity-accounted joint venture companies of RM1.5 million in FY18.

(ii) Fund management

Fund management is operated by LIB, which undertakes the regulated activities of fund management and the distribution of unit trust funds. LIB assists investors in achieving their medium to long-term financial goals through three main core values i.e. performance base culture, personalised client services, integrity and ethics. Fund management continued to be one of the Group's main revenue source and generated total income of RM12.5 million in FY18, representing 63.8% of the Group's revenue (2017: RM14.5 million or 71.8%). In FY18, fund management recorded a lower profit before tax of RM2.1 million compared to RM3.1 million in FY17, mainly due to decrease in portfolio management fee income by 13.5% to RM12.2 million in FY18 from RM14.1 million in FY17.

As at 31 December 2018, LIB managed about RM5.4 billion of assets through unit trust funds, wholesale funds, as well as portfolios of private accounts on behalf of high net worth individuals, corporations and institutional clients. The funds performances are tracked against their respective benchmarks as well as peers' group through Lippers Ranking. As at 31 December 2018, 6 of LIB's unit trust funds were in the first and second quartiles of the Lippers 1-Year Fund Ranking Table.

In recognition of its fund performance, Libra BondExtra Fund and Libra AsnitaBond Fund were honoured this year as the Best Malaysia Bond Fund and Best Malaysia Bond (Syariah) Fund respectively at the 2018 Morningstar Awards.

(iii) Structured financing

Structured financing recorded a profit before tax of RM5.3 million in FY18 compared to RM5.0 million in FY17, emanating from higher interest income. Credit quality of gross loans, advances and financing remained sound, with no allowance for expected credit losses or impairment required.

(iv) Hotel operation

On 1 October 2018, following the completion of the acquisition of Tune Hotel Penang, operating business of Tune Hotel Penang is presented as hotel operation segment and has recorded a profit before tax of RM0.15 million in FY18. The Tune Hotel Penang achieved an average room occupancy of 66% during the year.

Prospects

Following the completion of the Corporate Exercise described above, the Group has diversified its existing business activities to include the business of hotel management and ownership. In prior years, the financial performance of the Group was exposed to the fluctuation of the financial market. The completion of the Corporate Exercise enables the Group to diversify its revenue and earnings stream into the hotel business which has potential for growth, while leveraging on the existing and established hotel brand.

Dividends

Since the end of the previous financial year, ECMLFG paid a special single-tier dividend of RM0.1597 per ordinary share totalling RM45.8 million in respect of the financial year ended 31 December 2018 on 8 May 2018. The Board is not proposing any final dividend for the financial year ended 31 December 2018.

sustainability statement

This Sustainability Statement issued by ECM Libra Financial Group Berhad ("the Company") provides an overview of our sustainability practices of the Company and its subsidiaries (together referred to as "the Group") for the financial year ended 31 December 2018.

The Board of Directors ("Board") is pleased to demonstrate our commitment to create long-term sustainable value and business growth for all internal and external stakeholders. We instill the principles of sustainability into our strategies, policies and procedures and we integrate economic, environmental, social and governance considerations into our decision making.

SUSTAINABILITY GOVERNANCE STRUCTURE

The Group and the Company's sustainability strategy are determined by the Board who provides oversight of the corporate sustainability performance. The Board is assisted by its Board of Audit and Risk Management Committee ("BARMC"). Sustainability governance is also driven at the management level by the Executive Committee ("EXCO") members, chaired by the Managing Director. The EXCO meets on a monthly basis to discuss material issues and strategies pertaining to the Company and the Group.

STAKEHOLDERS' ENGAGEMENT

We acknowledge the importance of our stakeholders to our continued success and business sustainability. We believed that sustainability can only be achieved with the involvements of our stakeholders. We strive to improve our stakeholders' engagement approach via various communication channels as follows:

Stakeholders	Mode of communication
Customers	- Face-to-face interaction - Communication through Investor Care Department - Feedback through website, e-mail and social media - Events such as investment talks, career fair
Shareholders and investors	- Quarterly reports, Annual Report, media releases - Annual General Meeting - Website
Management	- Monthly business performance meeting - Meetings
Employees	- Internal and external staff trainings - Internal emails - Annual performance appraisal - Staff gatherings and other engagement channels
Community	- Company website - Events such as investment talks, career fair - Media releases and interviews
Government and regulators	- Meetings and events - Advice from professionals such as lawyer, external auditor, tax agent and etc.

MATERIAL SUSTAINABILITY MATTERS

We conducted a materiality assessment exercise to identify sustainability issues affecting our business and stakeholders.

The assessment comprised three steps:

1. We identified potential sustainability issues by referencing to the list of material sustainability matters identified by the Group and the Company.
2. We prioritized material issues based on our assessment of the impact of the issues to the business and the level of concern to our stakeholders.
3. The material sustainability matters were then validated by EXCO and BARMC.

The material issues identified are as follows:

Material Matters	Definition of Material Matters
Customer experience	Efforts taken to enhance the products and services for customers, including improvement efforts taken to meet the customers' preferences and needs.
Cyber security and data privacy	Initiatives taken to protect the Group and the Company from unauthorized access or attacks that are aimed for exploitation of information.
Employee experience	Employee benefits, rewards and recognition based on their contribution, which can influence the Group's and the Company's ability to attract and retain talent.
Managing the environmental footprint	Energy management to minimize environmental impact from the Group's and the Company's operations such as energy efficiency.
Good governance	Level of compliance to local regulations and other core operational regulations that help indicate the ability of management to ensure that operations conform to certain performance parameters.

MANAGEMENT OF SUSTAINABILITY MATTERS

i. Customer experience

We recognise that in order to grow sustainably, we need to ensure our customers are satisfied, not only with our products but also services. We place high priority on customer engagement with various customer feedback channels and works toward providing flexible and innovative solutions.

We award eligible customers for their loyalty through BIG points and redeem it for free Air-Asia flight tickets and/or any other merchandise. We provide timely update on investment positions or holding by providing monthly statements, details of income distributions, annual statement or report, unaudited half yearly interim report and audited annual report to our customers of our fund management business.

ii. Cyber security and data privacy

As the world becomes more digitised, we recognise there is an increasing threat of important data being accessed via unauthorised means. We continuously strive to ensure the confidentiality and protection of customers' and stakeholders' information and documents based on the requirements under the Personal Data Protection Act, 2010.

We implemented file encryption protection on all documents that contained information of our customers and also stakeholders. We installed antivirus on each workstation to prevent an uninvited threat and constantly send out alerts to staff on security threats.

MANAGEMENT OF SUSTAINABILITY MATTERS (continued)

iii. Employee experience

We recognise that employees are the key driver of an organization to ensure sustainable business growth. To achieve talent attraction and retention, we provide fair and equal opportunity based on qualification, skills and competency of employees. We are also committed to protect and respect human rights of employees in accordance with relevant laws and regulations as well as ensuring the employees safety and well-being.

We believe that the level of compensation is one of the key aspects to all employees. We open equal opportunity to all new hires regardless of gender and age group. For existing employees, the management reviews the remuneration and staff benefits at least on annual basis based on employees' job performance and reference to the market rate aiming to create a productive and motivated workforce.

We also introduced whistle-blowing policy that serves to provide a platform to employees to report in good faith and in confidence, without fear of reprisals and concerns, on any improper conduct within the Group.

Enhancing the skills of an employee is important towards sustainability and growth of a business enterprise. Our approach to develop our talent is to build a strong culture of learning and continuously improving their skills through on-the-job and off-the-job training in achieving high job performance, skills enhancement as well as supporting their career development.

iv. Managing the environmental footprint

We are concerned about environmental issues such as pollution and climate change which affects everyone's quality of life today and in the future. We believe in playing our part in minimising as far as possible our environmental footprint by adopting a responsible approach in terms of resource use.

We encourage our employees to conserve electricity wherever possible to promote energy conservation and efficiency. We promote eco-friendly practices in workplace such as using recycled paper and place recycle bins to promote recycling of paper, bottles, cans and other office supplies.

v. Good governance

Good governance is essential to ensure that the operations of the Group and the Company are managed in a manner where all stakeholders are treated fairly. A Risk Management Framework has been established and is monitored by the Compliance and Risk Management Department which reports to be BARMC. In addition, all employees shall observe and adhere to the highest standard of professional conduct. The Code of Conduct is available on the Company's internal public folder.

directors' responsibility statement for the audited financial statements

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year to 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 December 2018, the Group had adopted and applied consistently appropriate accounting policies, supported by reasonable and prudent judgments and estimates. The Directors also consider that all applicable approved accounting standards in Malaysia had been followed and the financial statements had been prepared on a going concern basis and in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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 2016.

The Directors also have general responsibility for taking such steps that are reasonably expected of 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.

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financial statements

directors' report

The Directors hereby submit their report and the audited financial statements of the Group and the Company for the financial year ended 31 December 2018.

Principal activities

The principal activities of the Company are investment holding and provision of management services. The principal activities and other information relating to the subsidiaries and joint ventures are disclosed in Note 10 and Note 11 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit/(loss) for the financial year attributable to owners of the Company	5,136	(4,743)

Reserves and provisions

Other than as disclosed in Note 17 to the financial statements, there were no other material transfers to or from reserves or provisions during the financial year.

Dividend

Since the end of the previous financial year, the Company paid a special single-tier dividend of RM0.1597 per ordinary share totaling RM45,768,758 in respect of the financial year ended 31 December 2018 on 8 May 2018.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 December 2018.

Directors

The Directors of the Company in office since the beginning of the financial year to the date of this report are:

Dato' Seri Kalimullah bin Masheerul Hassan
Mr Lim Kian Onn
Datuk Kamarudin bin Md Ali
Dato' Othman bin Abdullah
En Mahadzir bin Azizan
Mr Gareth Lim Tze Xiang

Directors of the subsidiaries

The directors of the subsidiaries (excluding Directors who are also Directors of the Company) since the beginning of the financial year to the date of the report are:

En Khairudin bin Ibrahim
Mr Lee Wei Chung
Ms Ong Lei Hua
Mr Ng Cheong Seng
Mr Koh Eu-Jin (resigned on 15 January 2018)
Madam Chan Soon Lee (ceased as director of a subsidiary dissolved during the year)

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors shown in the accounts or the fixed salary of a full time employee of the Company or of its related corporations as disclosed in Note 22 to the financial statements) 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 Dato' Seri Kalimullah bin Masheerul Hassan and Mr Lim Kian Onn who may be deemed to derive a benefit by virtue of those transactions, contracts and agreements for the provision of services including but not limited to management services and tenancies, made by the Company and its related corporations with Dato' Seri Kalimullah bin Masheerul Hassan and Mr Lim Kian Onn and corporations in which Dato' Seri Kalimullah bin Masheerul Hassan and Mr Lim Kian Onn are deemed to have interests.

There were no arrangements during and at the end of the financial year which had the object of enabling 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.

Directors' interests

The Directors and directors of the subsidiaries at the end of the financial year who had beneficial interests in the ordinary shares of the Company and/or its related corporations during the financial year ended 31 December 2018, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016, are as follows:

	Number of ordinary shares			
	As at 1.1.2018	**Acquired**	**Sold**	**As at 31.12.2018**
Direct interest in the Company				
Dato' Seri Kalimullah bin Masheerul Hassan	**39,356,640**	26,797,722	-	**66,154,362**
Mr Lim Kian Onn	**2,674,200**	27,895,325	-	**30,569,525**
Datuk Kamarudin bin Md Ali	**50,000**	-	-	**50,000**
Ms Ong Lei Hua	**12,900**	-	-	**12,900**
Indirect interest in the Company				
Mr Lim Kian Onn	**130,387,186**	-	-	**130,387,186**

Mr Lim Kian Onn, by virtue of his interests in the Company and pursuant to Section 8(4) of the Companies Act, 2016, is deemed to have interests in the shares of all the subsidiaries of the Company to the extent that the Company has an interest.

Other than as disclosed above, none of the other Directors and directors of the subsidiaries at the end of the financial year had any interest in the shares of the Company and its related corporations during the financial year.

Issue of shares and debentures

During the financial year, the Company issued:

a) 160,205,555 new ordinary shares of RM0.36 each to satisfy the purchase consideration of RM57,674,000 to fund the Company's acquisition of 50% equity interest in TP Sepang Sdn Bhd, Yummy Kitchen Sdn Bhd, TP International Pty Ltd and 40.005% equity interest in TP Hotel (Flinders) Trust (together with 40.005% of the rights and benefits to the total advances owing by TP Hotel (Flinders) Trust); and

b) 33,127,777 new ordinary shares of RM0.36 each to satisfy the share portion of the consideration of RM11,926,000 to fund the Company's acquisition of Tune Hotel Penang.

There were no other changes in the issued and paid-up capital of the Company during the financial year.

The Company did not issue any debentures during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Indemnity and insurance costs

During the financial year, Directors and Officers of the Group and the Company are covered under a Directors and Officers Liability Insurance in respect of liabilities arising from acts committed in their respective capacity as, inter alia, Directors and Officers of the Group and of the Company subject to the terms of the policy. The total amount of indemnity coverage and insurance premium paid during the year, for the Directors and Officers of the Group and of the Company are RM50,000,000 and RM88,000 respectively.

Directors' remuneration

The Directors' remuneration are disclosed in Note 22 to the financial statements.

Other statutory information

(I) At the end of the financial year:

(a) Before the financial statements of the Group and of the Company were prepared, 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 allowance for doubtful debts and financing and satisfied themselves that there were no known bad debts and financing and that no allowance for doubtful debts and financing is required; and

(ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

(b) In the opinion of the Directors, except for those disclosed in the financial statements, the results of the operations of the Group and of the Company during the financial year had not been 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 it necessary to write off any bad debts and financing or to make any allowance for doubtful debts and financing in respect of the financial statements of the Group and of the Company;

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

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

Other statutory information (continued)

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

(b) In the opinion of the Directors:

(i) except for those disclosed in the financial statements, the results of the Group's and the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred 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 of the Company to meet their obligations when they fall due.

(III) At the date of this report:

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

(b) There are no contingent liabilities which has 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.

Auditors' remuneration

The remuneration of the auditors is as disclosed in Note 21 to the financial statements.

To the extent permitted by law, the Group and the Company have agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment was made to indemnify Ernst & Young during or since the end of the financial year.

Auditors

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

This report was approved by the Board of Directors on 13 February 2019. Signed on behalf of the Board in accordance with a resolution of the Directors.

Dato' Seri Kalimullah bin Masheerul Hassan

Lim Kian Onn

Kuala Lumpur, Malaysia
13 February 2019

statement by directors

Pursuant to Section 251(2) of the Companies Act, 2016

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 48 to 129 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 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 December 2018 and of their results and their cash flows for the financial 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

Kuala Lumpur, Malaysia
13 February 2019

statutory declaration

Pursuant to Section 251(1)(b) of the Companies Act, 2016

I, Ng Cheong Seng, being the officer 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 48 to 129 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 Ng Cheong Seng at
Kuala Lumpur in the Federal Territory
on 13 February 2019.

Ng Cheong Seng

Before me,

Mohan A.S. Maniam
Commissioner for Oaths

13 February 2019

Independent auditors' report

to the members of ECM Libra Financial Group Berhad
(Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of ECM Libra Financial Group Berhad, which comprise the statements of financial position as at 31 December 2018 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 48 to 129.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial period. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter mentioned below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements of the Group and of the Company. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

(a) Valuation of unquoted equity investments

The Group and the Company classifies its investments in unquoted equity instruments as Fair Value Through Other Comprehensive Income ("FVOCI") as disclosed in Note 5 to the financial statements. In estimating the fair value of these investments, the Group and the Company generally use the Discounted Cash Flow ("DCF") model which takes into consideration key assumptions such as the forecast cashflows, long term growth rates, cost of capital and long term operating margins of the underlying companies in which the Group and the Company have invested in. These assumptions are judgmental in nature and, accordingly, we consider this to be an area of audit focus. The assumptions and areas of judgement are outlined in Note 31.2 to the financial statements.

Report on the audit of the financial statements (continued)

Key audit matters (continued)

(a) Valuation of unquoted equity investments (continued)

Our audit procedures focused on the valuations performed by management, which included amongst others the following procedures:

- We obtained an understanding of the methodology adopted by management in estimating the fair value of these investments and whether such methodology is consistent with those used in the industry;

- As part of our evaluations of the fair values of these investments, we had discussions with management to obtain an understanding of the related underlying data used as input to the valuation models; and

- We also assessed whether the discount rate used to determine the present value of the cash flows reflects the relevant rate of return that the investors expect to derive.

(b) Investment in joint ventures

The Group and the Company acquired several investments and business ventures during the year and these have been classified as investments in joint ventures as disclosed in Notes 11 and 34 to the financial statements. In relation to these new investments and business ventures, we focused on the following:

(i) the identification of underlying intangible assets or bargain purchased options, if any, resulting from these acquisitions on the date of acquisitions. The identification of such intangible assets and bargain purchased options would be dependent on valuation of the underlying identifiable tangible assets and liabilities of the joint ventures acquired and is therefore judgmental in nature. Due to the subjective nature of the valuation, we consider this to be an area of audit focus; and

(ii) potential impairment assessment of the joint ventures as at the reporting date. The losses reported by some of these joint ventures or the lack of an active principal activity during the year indicate that the carrying amount of the investments in these joint ventures may be impaired. Accordingly, the Group and the Company performed an impairment test on those investments which demonstrated an indication of impairment by estimating the recoverable amount of such investment using the value-in-use ("VIU") methodology. Estimating the VIU involves estimating the future cashflows that may be derived from these investments and discounting them at an appropriate rate. Such impairment reviews are judgmental in nature, in particular, the assumptions on the cashflows and growth rate, gross profit margin, terminal growth rate and discount rate. Accordingly, we identify this area as a matter requiring audit focus. The Group and the Company's impairment policy for joint ventures is disclosed in Note 2.4(ii) to the financial statements.

In addressing these areas of audit focus:

- We obtained an understanding of the methodology adopted by management in estimating the cash flows to be derived from these investments in joint ventures and assessed whether such methodology is consistent with those used in the industry;

- We evaluated management's assumptions on the key inputs used in the valuation methodology, including the future cashflows and growth rates estimated by these investments, market values of underlying properties held by these joint ventures, and the estimated margins of these joint ventures, on the acquisition date and as at the reporting date; and

- We also assessed the discount rate used to determine the present value of the cash flows that it reflects the rate of return that investors would expect from similar investments.

Report on the audit of the financial statements (continued)

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the audit and risk management committee of the board report, corporate governance statement, chairman's statement, management discussion and analysis, the Director's report and the other information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.

to the members of ECM Libra Financial Group Berhad
(Incorporated in Malaysia)

Report on the audit of the financial statements (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 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

Yeo Beng Yean
No. 03013/10/2020 J
Chartered Accountant

Kuala Lumpur, Malaysia
13 February 2019

statements of financial position

as at 31 December 2018

	Note	Group 2018 RM'000	Group 2017 RM'000	Company 2018 RM'000	Company 2017 RM'000
Assets					
Cash and cash equivalents	3	**13,781**	20,825	**874**	9,308
Available-for-sale financial assets	4	**-**	38,029	**-**	38,029
Financial assets at fair value through other comprehensive income	5	**21,353**	-	**21,353**	-
Assets classified as held for sale	6	**-**	24,438	**-**	27,778
Tax recoverable		**596**	180	**261**	49
Trade and other receivables	7	**5,483**	5,731	**63,573**	57,051
Inventories		**74**	-	**-**	-
Loans, advances and financing	8	**57,903**	59,071	**-**	-
Deferred tax assets	9	**-**	250	**-**	134
Investment in subsidiaries	10	**-**	-	**15,669**	13,171
Investment in joint ventures	11	**67,537**	-	**65,247**	-
Property, plant and equipment	12	**24,744**	2,438	**866**	734
Total assets		**191,471**	150,962	**167,843**	146,254
Liabilities and equity					
Liabilities					
Liabilities classified as held for sale	6	**-**	728	**-**	728
Provision for taxation		**123**	209	**-**	-
Deferred tax liabilities	9	**109**	-	**5**	-
Trade and other payables	14	**7,163**	4,408	**4,694**	1,235
Loans and borrowings	15	**9,941**	-	**-**	-
Total liabilities		**17,336**	5,345	**4,699**	1,963
Equity attributable to owners of the Company					
Share capital	16	**107,546**	37,946	**107,546**	37,946
Reserves	17	**66,589**	107,671	**55,598**	106,345
Total equity		**174,135**	145,617	**163,144**	144,291
Total liabilities and equity		**191,471**	150,962	**167,843**	146,254

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

statements of profit or loss

for the financial year ended 31 December 2018

		Group		Company	
	Note	2018	2017	2018	2017
		RM'000	RM'000	RM'000	RM'000
Continuing operations					
Revenue	18	**19,596**	20,208	**3,927**	7,990
Other income/(expenses)	19	**557**	(149)	**(693)**	(149)
Operating costs	20	**(1,827)**	(1,719)	**-**	-
Net operating income		**18,326**	18,340	**3,234**	7,841
Other operating expenses	21	**(16,906)**	(16,215)	**(7,094)**	(6,474)
Operating profit/(loss)		**1,420**	2,125	**(3,860)**	1,367
Interest expense		**(160)**	-	**(75)**	-
Share of profit of equity-accounted joint ventures		**1,545**	-	**-**	-
Profit/(loss) before tax		**2,805**	2,125	**(3,935)**	1,367
Income tax expense	23	**(1,108)**	(1,155)	**(231)**	(315)
Profit/(loss) from continuing operations		**1,697**	970	**(4,166)**	1,052
Discontinued operation					
Profit/(loss) from discontinued operation	24	**3,439**	(96)	**(577)**	386
Profit/(loss) for the year		**5,136**	874	**(4,743)**	1,438
Attributable to owners of the Company		**5,136**	874	**(4,743)**	1,438

		Sen	Sen
Basic earnings/(loss) per ordinary share:			
- from continuing operations	25	**0.43**	0.34
- from discontinued operation	25	**0.87**	(0.03)
		1.30	0.31

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

statements of comprehensive income

for the financial year ended 31 December 2018

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit/(loss) for the year	**5,136**	874	**(4,743)**	1,438
Other comprehensive (loss)/income:				
Items that will not be reclassified subsequently to profit or loss:				
Fair value changes on financial assets	**(247)**	434	**(235)**	455
Share of other comprehensive income of joint ventures	**-**	-	**-**	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	**(447)**	-	**-**	-
Other comprehensive (loss)/income for the year, net of tax	**(694)**	434	**(235)**	455
Total comprehensive income/(loss) for the year, net of tax	**4,442**	1,308	**(4,978)**	1,893
Attributable to owners of the Company	**4,442**	1,308	**(4,978)**	1,893

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

statements of changes in equity

for the financial year ended 31 December 2018

Group	Share capital RM'000	← Non-distributable Foreign currency translation deficit RM'000	Available-for-sale revaluation deficit RM'000	Fair value through other comprehensive income deficit RM'000	General reserve RM'000 →	Distributable Retained profits RM'000	Total equity RM'000
At 31 December 2017	**37,946**	**-**	**(156)**	**-**	**2,788**	**105,039**	**145,617**
Impacts arising from adoption of MFRS 9 and MFRS 15 (Note 2.2(c))	**-**	**-**	**156**	**(195)**	**-**	**284**	**245**
At 1 January 2018, as restated	**37,946**	**-**	**-**	**(195)**	**2,788**	**105,323**	**145,862**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**5,136**	**5,136**
Other comprehensive loss	**-**	**(447)**	**-**	**(247)**	**-**	**-**	**(694)**
Total comprehensive (loss)/income	**-**	**(447)**	**-**	**(247)**	**-**	**5,136**	**4,442**
Transactions with owners:							
Issuance of shares (Note 16)	**69,600**	**-**	**-**	**-**	**-**	**-**	**69,600**
Dividend paid (Note 26)	**-**	**-**	**-**	**-**	**-**	**(45,769)**	**(45,769)**
	69,600	**-**	**-**	**-**	**-**	**(45,769)**	**23,831**
At 31 December 2018	**107,546**	**(447)**	**-**	**(442)**	**2,788**	**64,690**	**174,135**

Group	Share capital RM'000	← Non-distributable Capital redemption reserve RM'000	Available-for-sale revaluation deficit RM'000	General reserve RM'000 →	Distributable Retained profits RM'000	Total equity RM'000
At 1 January 2017	34,391	3,555	(590)	2,788	104,165	144,309
Profit for the year	-	-	-	-	874	874
Other comprehensive income	-	-	434	-	-	434
Total comprehensive income	-	-	434	-	874	1,308
Transactions with owners:						
Transfer pursuant to the Companies Act, 2016 *	3,555	(3,555)	-	-	-	-
	3,555	(3,555)	-	-	-	-
At 31 December 2017	37,946	-	(156)	2,788	105,039	145,617

* The new Companies Act, 2016, which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amount standing to the credit of the capital redemption reserve account of RM3,554,762 becomes part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Companies Act, 2016. Notwithstanding this provision, the Company may within 24 months from the commencement of the Companies Act, 2016, use the amount standing to the credit of its capital redemption reserve account of RM3,554,762 for purposes as set out in Section 618(3) of the Companies Act, 2016. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

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

for the financial year ended 31 December 2018

Company	Share capital RM'000	Available-for-sale revaluation reserve RM'000	Fair value through other comprehensive income deficit RM'000	General reserve RM'000	Retained profits RM'000	Total equity RM'000
	← Non-distributable			→	Distributable	
At 31 December 2017	**37,946**	**50**	**-**	**2,746**	**103,549**	**144,291**
Impacts arising from adoption of MFRS 9 and MFRS 15 (Note 2.2(c))	**-**	**(50)**	**11**	**-**	**39**	**-**
At 1 January 2018, as restated	**37,946**	**-**	**11**	**2,746**	**103,588**	**144,291**
Loss for the year	**-**	**-**	**-**	**-**	**(4,743)**	**(4,743)**
Other comprehensive loss	**-**	**-**	**(235)**	**-**	**-**	**(235)**
Total comprehensive loss	**-**	**-**	**(235)**	**-**	**(4,743)**	**(4,978)**
Transactions with owners:						
Issuance of shares (Note 16)	**69,600**	**-**	**-**	**-**	**-**	**69,600**
Dividend paid (Note 26)	**-**	**-**	**-**	**-**	**(45,769)**	**(45,769)**
	69,600	**-**	**-**	**-**	**(45,769)**	**23,831**
At 31 December 2018	**107,546**	**-**	**(224)**	**2,746**	**53,076**	**163,144**

Company	Share capital RM'000	Capital redemption reserve RM'000	Available-for-sale revaluation reserve RM'000	General reserve RM'000	Retained profits RM'000	Total equity RM'000
		← Non-distributable		→	Distributable	
At 1 January 2017	34,391	3,555	(405)	2,746	102,111	142,398
Profit for the year	-	-	-	-	1,438	1,438
Other comprehensive income	-	-	455	-	-	455
Total comprehensive income	-	-	455	-	1,438	1,893
Transactions with owners:						
Transfer pursuant to the Companies Act, 2016 *	3,555	(3,555)	-	-	-	-
	3,555	(3,555)	-	-	-	-
At 31 December 2017	37,946	-	50	2,746	103,549	144,291

* The new Companies Act, 2016, which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, any amount standing to the credit of the capital redemption reserve account of RM3,554,762 becomes part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Companies Act, 2016. Notwithstanding this provision, the Company may within 24 months from the commencement of the Companies Act, 2016, use the amount standing to the credit of its capital redemption reserve account of RM3,554,762 for purposes as set out in Section 618(3) of the Companies Act, 2016. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

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

statements of cash flows

for the financial year ended 31 December 2018

	Note	Group		Company	
		2018	2017	2018	2017
		RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities					
Profit/(loss) before tax:					
- from continuing operations		**2,805**	2,125	**(3,935)**	1,367
- from discontinued operation		**3,439**	(96)	**(577)**	386
Adjustments for:					
Depreciation of property, plant and equipment	12	**566**	771	**215**	400
Depreciation of investment property	13	**-**	7	**-**	7
Dividend income	18	**-**	(28)	**-**	(3,928)
Fair value gain on financial assets at fair value through profit or loss	18	**(72)**	-	**(72)**	-
Gain on bargain purchase from investment in joint venture	19	**(721)**	-	**-**	-
Gain on liquidation of subsidiaries	19	**-**	-	**(3)**	-
(Gain)/loss on sale of discontinued operation	24	**(3,562)**	-	**563**	-
Income distribution from unit trust funds	18	**(126)**	(397)	**(126)**	(397)
Interest expense		**160**	-	**75**	-
Interest income	18	**(5,100)**	(4,967)	**(3,058)**	(2,951)
Loss on disposal of property, plant and equipment	19	**104**	-	**104**	-
Loss on foreign exchange translation	19	**121**	149	**592**	149
Net (gain)/loss on disposal of quoted shares in Malaysia	18	**(10)**	(183)	**2**	(162)
Property, plant and equipment written-off	21	**41**	-	**-**	-
Property, plant and equipment written-off in respect of discontinued operation	24	**230**	-	**230**	-
Share of profit of equity-accounted joint ventures		**(1,545)**	-	**-**	-
Operating loss before changes in working capital, balance carried forward		**(3,670)**	(2,619)	**(5,990)**	(5,129)

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

	Note	Group 2018 RM'000	Group 2017 RM'000	Company 2018 RM'000	Company 2017 RM'000
Cash flows from operating activities (continued)					
Balance brought forward		**(3,670)**	(2,619)	**(5,990)**	(5,129)
(Increase)/decrease in operating assets:					
Inventories		**(74)**	-	**-**	-
Loans, advances and financing		**1,845**	-	**-**	-
Trade and other receivables		**532**	444	**2,266**	1,640
(Decrease)/increase in operating liabilities:					
Liabilities classified as held for sale		**(728)**	-	**(728)**	-
Trade and other payables		**2,755**	317	**1,432**	97
Cash generated from/(used in) operations		**660**	(1,858)	**(3,020)**	(3,392)
Interest received		**4,430**	4,789	**2,610**	3,318
Interest paid		**(219)**	-	**(48)**	-
Tax refunded		**1**	33	**-**	-
Tax paid		**(1,298)**	(902)	**(304)**	(202)
Net cash generated from/(used in) operating activities		**3,574**	2,062	**(762)**	(276)
Cash flows from investing activities					
Deposits for proposed acquisition		**-**	(3,093)	**-**	(3,093)
Dividend received	18	**-**	28	**-**	3,928
Increase in investments in subsidiaries		**-**	-	**(2,500)**	-
Investment in joint ventures	(a)	**(8,044)**	-	**(8,044)**	-
Net disposal of financial assets		**16,637**	202	**16,637**	202
Purchase of property, plant and equipment	(b)	**(11,582)**	(240)	**(942)**	-
Proceeds from disposal of property, plant and equipment		**261**	-	**261**	-
Proceeds from liquidation of a subsidiary		**-**	-	**5**	13
Sale of discontinued operation					
- Proceeds from disposal of property, plant and equipment		**28,000**	-	**28,000**	-
- Compensation for loss of commercial value of assets classified as held for disposal of a subsidiary		**-**	-	**(785)**	-
Net cash (used in)/generated from investing activities		**25,272**	(3,103)	**32,632**	1,050

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

statements of cash flows continued

for the financial year ended 31 December 2018

	Note	Group 2018 RM'000	Group 2017 RM'000	Company 2018 RM'000	Company 2017 RM'000
Cash flows from financing activities					
Dividend paid		**(45,769)**	-	**(45,769)**	-
Drawdown of loans and borrowings		**10,000**	-	**-**	-
Proceeds from loan from subsidiaries		**-**	-	**2,806**	-
Repayment of loan from a subsidiary		**-**	-	**2,780**	-
Net cash generated from financing activities		**(35,769)**	-	**(40,183)**	-
Net (decrease)/increase in cash and cash equivalents		**(6,923)**	(1,041)	**(8,313)**	774
Effects of foreign exchange differences		**(121)**	(149)	**(121)**	(149)
Cash and cash equivalents at beginning of the financial year		**20,825**	22,015	**9,308**	8,683
Cash and cash equivalents at end of the financial year	3	**13,781**	20,825	**874**	9,308
(a) Investment in joint ventures comprises:					
Cost of investment	34	**65,718**	-	**65,718**	-
Satisfied by issuance of shares *		**(57,674)**	-	**(57,674)**	-
Net cash outflow		**8,044**	-	**8,044**	-
(b) Purchase of property, plant and equipment comprises:					
Cost of investment	12	**23,508**	-	**25,508**	-
Satisfied by issuance of shares *		**(11,926)**	-	**(11,926)**	-
Net cash outflow		**11,582**	-	**13,582**	-
* Total issuance of shares		**(69,600)**	-	**(69,600)**	-

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

notes to the financial statements

1. CORPORATE INFORMATION

The Company is a public limited company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). The principal place of business of the Company is located at Ground Floor, East Wing, Bangunan ECM Libra, 8 Jalan Damansara Endah, Damansara Heights, 50490 Kuala Lumpur.

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 10.

The financial statements of the Company and its subsidiaries (together referred to as "the Group") were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 13 February 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements have been prepared on a historical cost basis, except for equity financial assets that have been measured at fair value.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2018, the Group and the Company adopted the following accounting standards, amendments and interpretations effective for annual periods beginning on or after 1 January 2018:

Amendments to MFRS 2 *Classification and Measurement of Share-based Payment Transactions*
Amendments to MFRS 4 *Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*
Amendments to MFRS 140 *Transfers of Investment Property*
Clarifications to MFRS 15 *Revenue from Contracts with Customers*
IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*
MFRS 9 *Financial Instruments*
MFRS 15 *Revenue from Contracts with Customers*
Annual Improvements to MFRS Standards 2014 - 2016 Cycle

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in accounting policies (continued)

The adoption of the above accounting standards, amendments and interpretations, where relevant, did not have any significant effect on the financial performance or position of the Group and the Company, other than as disclosed below:

(a) MFRS 9 *Financial Instruments*

The Group and the Company have adopted the requirements of MFRS 9 *Financial Instruments* ("MFRS 9") on 1 January 2018. MFRS 9 introduces new requirements to the classification, measurement and impairment of financial instruments. MFRS 9 also introduces new requirements for hedge accounting.

The changes in accounting policies have been applied retrospectively from 1 January 2018. In accordance with the transition requirements, comparatives are not restated. The changes to accounting policies are summarised as follows:

(i) Classification and measurement

<u>Financial assets</u>

The Group and the Company classify financial assets into three primary measurement categories: Amortised Cost, Fair Value Through Profit or Loss ("FVTPL") and Fair Value Through Other Comprehensive Income ("FVOCI"). The basis of classification depends on the Group's and the Company's business model and the contractual cash flow characteristics of the financial asset.

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

- Items previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are now classified and measured as financial assets at amortised cost.

- Equity investments in non-listed companies previously classified as available-for-sale ("AFS") financial assets are now classified and measured as FVOCI. They were previously measured at cost less impairment under MFRS 139. The Group and the Company elected to classify irrevocably its non-listed equity investments under this category as it intends to hold these investments for the foreseeable future. There were no impairment losses recognised in profit or loss for these investments in prior periods.

- Under MFRS 9, the Group and the Company continued measuring at fair value all investments in quoted shares and unit trust funds previously held at fair value under MFRS 139. Investments in quoted shares and unit trust funds previously classified as AFS financial assets are now classified and measured at FVOCI and FVTPL respectively.

As a result of the changes in classification of the Group's and the Company's investment in unit trust funds, the AFS reserve of RM39,000 related to those investments that were previously presented under accumulated other comprehensive income, was reclassified to retained earnings as at 1 January 2018 are disclosed in Note 2.2(c).

<u>Financial liabilities</u>

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in accounting policies (continued)

(a) MFRS 9 *Financial Instruments* (continued)

(ii) Impairment

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

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

The Group and the Company determined that no impairment allowance required in accordance with MFRS 139 for the previous financial year ended 31 December 2017 or any expected credit loss allowance now required in accordance with MFRS 9 for the financial year ended 31 December 2018. For the financial year ended 31 December 2018, all financial assets are classified at Stage 1 with the exception of those as disclosed in Note 32(a).

(iii) Hedge accounting

The Group and the Company have not applied hedge accounting under MFRS 139 nor will it apply hedge accounting under MFRS 9 as there was no hedging instruments.

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in accounting policies (continued)

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

Impact as a result of MFRS 15 adoption:

Performance fees are earned when the returns of a fund exceed the hurdle rate and/or high watermark over a given period. Prior to the adoption of MFRS 15, the Group recognised performance fees as and when the Group became entitled to receive payment. If performance fees could not be reliably measured or the right to receive payment could not be firmly established, the Group deferred recognition of the performance fees until the uncertainty was resolved. Under MFRS 15, recognition is required prior to the completion of the performance period if it becomes probable that the performance of the fund will continue to exceed the target rate as and when fund management services are rendered.

For all other revenue streams, revenue continues to be recognised on a similar basis as prior to the introduction of MFRS 15 on 1 January 2018. Management fees are recognised daily upon rendering fund management services. The fees are measured as a percentage of the net asset value of the funds. Sales charges are recognised upon completion of the processing of sales transactions in the fund management business. In respect of distribution and dividend income arising from unit trust funds or equity instruments, and realised income on disposal of unquoted and quoted financial equity instruments, revenue is recognised when the Group's and the Company's right to receive payment is established. Hotel revenue in owned and leased properties includes rooms revenue and food and beverage sales, which is recognised when the rooms are occupied and food and beverages are sold.

(c) Financial effects due to changes in accounting policies

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

	Group RM'000	Company RM'000
Available-for-sale financial assets		
Closing balance under MFRS 139 at 31 December 2017	38,029	38,029
- Redesignation to financial assets at FVOCI	(22,163)	(22,163)
- Redesignation to financial assets at FVTPL	(15,866)	(15,866)
Opening balance under MFRS 9 at 1 January 2018	**-**	**-**
Financial Assets at FVOCI		
Closing balance under MFRS 139 at 31 December 2017	-	-
- Redesignation from available-for-sale financial assets	22,163	22,163
Opening balance under MFRS 9 at 1 January 2018	**22,163**	**22,163**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in accounting policies (continued)

(c) Financial effects due to changes in accounting policies (continued)

	Group RM'000	Company RM'000
Financial Assets at FVTPL		
Closing balance under MFRS 139 at 31 December 2017	-	-
- Redesignation from available-for-sale financial assets	15,866	15,866
Opening balance under MFRS 9 at 1 January 2018	**15,866**	**15,866**
Available-for-sale revaluation (deficit)/reserve		
Closing balance under MFRS 139 at 31 December 2017	(156)	50
- Redesignation to fair value through other comprehensive income (deficit)/reserve	156	(50)
Opening balance under MFRS 9 at 1 January 2018	**-**	**-**
Fair value through other comprehensive income (deficit)/reserve		
Closing balance under MFRS 139 at 31 December 2017	-	-
- Redesignation from available-for-sale revaluation (deficit)/reserve	(156)	50
- Transfer to retained profits	(39)	(39)
Opening balance under MFRS 9 at 1 January 2018	**(195)**	**11**
Tax payable		
Closing balance under MFRS 118 at 31 December 2017	209	-
- In respect of recognition of cumulative effect of initial application of MFRS 15	46	-
Opening balance under MFRS 15 at 1 January 2018	**255**	**-**
Retained profits		
Closing balance under MFRS 139 and MFRS 118 at 31 December 2017	105,039	103,549
- Transfer from fair value through other comprehensive income reserve	39	39
- Recognition of cumulative effect of initial application of MFRS 15	245	-
Opening balance under MFRS 9 and MFRS 15 at 1 January 2018	**105,323**	**103,588**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Standards issued but not yet effective

The following are accounting standards, amendments and interpretations issued by the Malaysian Accounting Standards Board ("MASB"), but not yet effective, up to the date of issuance of the Group's and the Company's financial statements:

Description	**Effective for annual periods beginning on or after**
Amendments to MFRS 9 *Prepayment Features with Negative Compensation*	1 January 2019
Amendments to MFRS 119 *Plan Amendment, Curtailment or Settlement*	1 January 2019
Amendments to MFRS 128 *Long-term Interests in Associates and Joint Ventures*	1 January 2019
IC Interpretation 23 *Uncertainty over Income Tax Treatments*	1 January 2019
MFRS 16 *Leases*	1 January 2019
Annual Improvements to MFRS Standards 2015 - 2017 Cycle	1 January 2019
Amendments to MFRS 2 *Share-based Payment*	1 January 2020
Amendments to MFRS 3 *Business Combinations*	1 January 2020
Amendments to MFRS 6 *Exploration for and Evaluation of Mineral Resources*	1 January 2020
Amendments to MFRS 14 *Regulatory Deferral Accounts*	1 January 2020
Amendments to MFRS 101 *Presentation of Financial Statements*	1 January 2020
Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*	1 January 2020
Amendments to MFRS 134 *Interim Financial Reporting*	1 January 2020
Amendments to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*	1 January 2020
Amendments to MFRS 138 *Intangible Assets*	1 January 2020
Amendments to IC Interpretation 12 *Service Concession Arrangements*	1 January 2020
Amendments to IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*	1 January 2020
Amendments to IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*	1 January 2020
Amendments to IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*	1 January 2020
Amendments to IC Interpretation 132 *Intangible Assets - Web Site Costs*	1 January 2020
MFRS 17 *Insurance Contracts*	1 January 2021
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be announced by MASB

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Standards issued but not yet effective (continued)

The Group and the Company will adopt the abovementioned standards, amendments and interpretations, if applicable, when they become effective in the respective financial year. These pronouncements are not expected to have any impact to the financial statements of the Group and the Company upon their initial application, except as disclosed below:

MFRS 16 *Leases* ("MFRS 16")

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

(i) Lessee

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

(ii) Lessor

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

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

The Group and the Company are currently in the process of assessing the financial implications for adopting the new standard.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2018. The financial statements of the Company's subsidiaries are prepared for the same reporting date as the Company, using consistent accounting policies for transactions and events in similar circumstances.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its investment with the investee; and
- The ability to use its power over the investee to affect its returns.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Basis of consolidation (continued)

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over the investee, including:

- The contractual arrangement(s) with the other vote holders of the investee

- Rights arising from other contractual arrangements

- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

(i) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at fair value at the acquisition date, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with MFRS 9. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Basis of consolidation (continued)

(i) Business combinations and goodwill (continued)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit ("CGU") and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(ii) Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its joint venture are accounted for using the equity method.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Basis of consolidation (continued)

(ii) Investment in joint ventures (continued)

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss within "Share of profit of equity-accounted joint ventures" in the statement of profit or loss.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(iii) Investment in subsidiaries and joint ventures

In the Company's separate financial statements, investments in subsidiaries and joint ventures are carried at cost less any accumulated impairment losses. On disposal of investments in subsidiaries and joint ventures, the difference between disposal proceeds and the carrying amount of investments are recognised in the statement of profit or loss.

2.5 Foreign currencies

(i) Functional and presentation currencies

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(ii) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Foreign currencies (continued)

(iii) Operations denominated in functional currencies other than RM

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in a joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

2.6 Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

Current financial year

A financial asset or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

Previous financial year

Financial instrument was recognised initially, at its fair value plus or minus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that were directly attributable to the acquisition or issue of the financial instrument.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Current financial year

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

Current financial year (continued)

(a) Amortised cost

The amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2.13(i)) where the effective interest rate is applied to the amortised cost.

(b) Fair value through other comprehensive income

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

(c) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as financial assets at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment (see Note 2.13(i)).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

Previous financial year

In the previous financial year, financial assets of the Group and the Company were classified and measured under MFRS 139 as follows:

(a) Loans and receivables

Loans and receivables category comprised debt instruments that were not quoted in an active market, trade and other receivables and cash and cash equivalents.

Financial assets categorised as loans and receivables were subsequently measured at amortised cost using the effective interest method.

(b) Available-for-sale financial assets

Available-for-sale category comprised investments in equity and debt instruments that were not held for trading.

Investments in equity instruments that did not have a quoted market price in an active market and whose fair value could not be reliably measured were measured at cost. Other financial assets categorised as available-for-sale were subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which were recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income was reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method was recognised in profit or loss.

All financial assets, except for those measured at fair value through profit or loss, were subject to impairment assessment (see Note 2.13(i)).

Financial liabilities

Current financial year

The Group and the Company have not designated any financial liabilities as fair value through profit or loss. Financial liabilities that are not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Previous financial year

In the previous financial year, financial liabilities of the Group and the Company were subsequently measured at amortised cost other than those categorised as fair value through profit or loss. The Group and the Company has not designated any financial liabilities as fair value through profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Financial instruments (continued)

(iii) Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

Trade date accounting refers to:

- the recognition of an asset to be received and the liability to pay for it on the trade date, and
- derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Settlement date accounting refers to:

- the recognition of an asset on the day it is received by the Group or the Company, and
- derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group or the Company.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group or the Company applies settlement date accounting unless otherwise stated for the specific class of asset.

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(v) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

Building and office renovation	2% - 10%
Furniture and fittings and office equipment	10% - 25%
Computers	10% - 33 1/3%
Motor vehicles	20%

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period, and adjusted as appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Investment property

An investment property is a property which is owned or held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is stated at cost less accumulated depreciation and any accumulated impairment losses. Freehold land is not depreciated. Freehold building is depreciated on a straight-line basis over the estimated useful lives, at the annual rate of 2%. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

The residual values, useful lives and depreciation methods are reviewed at each financial year end, and adjusted prospectively, if appropriate.

Investment property is derecognised either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds, if any, and the net carrying amount of the asset is recognised in profit or loss in the financial year of derecognition.

2.9 Intangible assets

(i) Goodwill

Goodwill arising on business combinations is measured at cost less any accumulated impairment losses. In respect of equity-accounted joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted joint ventures.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

(iii) Amortisation

Intangible assets with definite useful lives are amortised on a straight line basis and tested for impairment annually and whenever there is an indication that they may be impaired.

2.10 Inventories

Inventories are measured at the lower of cost and net realisable value, with cost being determined on the first-in, first-out basis. Cost includes actual cost of materials and incidentals in bringing stocks into store.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.11 Non-current assets and disposal groups held for sale

The Group and the Company classify non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Non-current assets and disposal groups held for sale (continued)

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sale will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and investment property are not depreciated once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;

- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks, cash on hand and deposit placements with a maturity of less than two months held for the purpose of meeting short-term commitments, and are readily convertible to known amount of cash, which are subject to an insignificant risk of changes in value, and excluding monies held in trust for clients.

2.13 Impairment

(i) Financial assets

Current financial year

The Group and the Company recognise loss allowances for ECLs on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables. ECLs are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime ECL, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at their 12-month ECL. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to the lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Impairment (continued)

(i) Financial assets (continued)

Current financial year (continued)

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of the asset, while 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group and the Company are exposed to credit risk.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

Previous financial year

(a) Trade and other receivables and other financial assets carried at amortised cost

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

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

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

(b) Available-for-sale financial assets

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Impairment (continued)

(i) Financial assets (continued)

Previous financial year (continued)

(b) Available-for-sale financial assets (continued)

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

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

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

(ii) Other assets

The carrying amounts of other assets (except for inventories, deferred tax asset and non-current assets (or disposal groups) classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. 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 or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Impairment (continued)

(ii) Other assets (continued)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

2.14 Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(iii) Distributions of assets to owners of the Company

The Group measures a liability to distribute assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at each reporting period and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

2.15 Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group and the Company have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans

The Group and the Company participate in the national pension schemes as defined by the laws of the countries in which it has operations. The companies in the Group make contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. The Group's and the Company's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Employee benefits (continued)

(iii) Cash-settled share-based payment transactions

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in profit or loss. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability.

2.16 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in profit or loss.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic benefits will be required to settle the obligation, the provision is reversed.

2.17 Revenue and other income

(i) Revenue

Revenue of the Group and the Company comprise interest income, gains or losses on disposal of investments, dividend income and revenue arising from contracts with customers.

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer or when the services are rendered at an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services. The Group and the Company have concluded that it is the principal in its revenue arrangements because it controls the goods or services before transferring them to the customer.

Revenue is recognised on the following basis:

- Interest income is recognised on accrual basis using the effective interest method.

- Portfolio management fees such as management fees and performance fees are recognised upon rendering of fund management services or if it becomes probable that the performance of the fund will continue to exceed the target rate as and when fund management services are rendered.

- Other fees such as arrangement fees are recognised as and when services are performed.

- Gains or losses on disposal of investments are recognised upon execution of the transaction or trade by the stockbroker.

- Dividend and distribution income are recognised when the rights to receive payment is established.

- Revenue from hotel operations, ie. room rental and other related services, is recognised when services are performed.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Revenue and other income (continued)

(ii) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease.

2.18 Borrowing costs

After initial recognition, interest-bearing loans ans borrowings are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as interest expense in the statement of profit or loss.

2.19 Income tax

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities and any adjustment to tax payable in respect of the previous financial years. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the financial year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Income tax (continued)

(ii) Deferred tax (continued)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.20 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 30, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.21 Contingencies

(i) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(ii) Contingent assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statements of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

2.22 Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Fair value measurements (continued)

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

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

Refers to instruments which are regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, and those prices which represent actual and regularly occurring market transactions in an arm's length basis. Such financial instruments include actively traded government securities, listed derivatives and cash products traded on exchange.

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

Refers to inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices). Examples of Level 2 financial instruments include over-the-counter ("OTC") derivatives, corporate and other government bonds, illiquid equities and consumer loans and financing with homogeneous or similar features in the market.

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

Refers to instruments where fair value is measured using significant unobservable market data. The valuation technique is consistent with the Level 2. The chosen valuation technique incorporates the Group's and the Company's own assumptions and data. Examples of Level 3 instruments include corporate bonds in illiquid markets, private equity investments and loans and financing priced primarily based on internal credit assessment.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

2.23 Significant accounting judgments and estimates

The preparation of the financial statements in conformity with MFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In the process of applying the Group's and the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(i) 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 entities within the Group against which the losses and capital allowances can be utilised. Significant management judgment 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. The carrying amount of the Group's and the Company's deferred tax assets and liabilities are as disclosed in Note 9.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Significant accounting judgments and estimates (continued)

(ii) Fair value measurement of financial instruments

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

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow ("DCF") model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

(iii) Impairment losses on financial assets

The adoption of MFRS 9 has fundamentally changed the Group and the Company's impairment method by replacing MFRS 139's incurred loss approach with a forward-looking ECLs approach. From 1 January 2018, the Group and the Company have been recording the allowance for ECLs for all financial assets measured at amortised cost which include loans, advances and financing.

The ECLs allowance is based on the credit losses expected to arise over the life of the asset, unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' ECLs.

The measurement of expected loss will involve increased complexity and judgement that includes:

(a) Determining a significant increase in credit risk since initial recognition

The assessment of significant deterioration since initial recognition is the key in establishing the point of switching between the requirement to measure an allowance based on 12-month ECLs and one that is based on lifetime ECLs. The quantitative and qualitative assessments are required to estimate the significant increase in credit risk by comparing the risk of a default occurring on the financial assets as at reporting date with the risk of default occurring on the financial assets as at the date of initial recognition. The Group and the Company will be required to apply a three-stage approach based on the change in credit quality since initial recognition.

3-stage approach	**Stage 1 Performing**	**Stage 2 Under-performing**	**Stage 3 Non-performing**
ECL approach	12-month ECL	Lifetime ECL	Lifetime ECL
Criterion	No significance increase in credit risk	Credit risk increased significantly	Credit-impaired
Interest revenue based on	Gross carrying amount	Gross carrying amount	Net carrying amount

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Significant accounting judgments and estimates (continued)

(iii) Impairment losses on financial assets (continued)

(b) ECL measurement

The measurement of impairment losses both under MFRS 9 and MFRS 139 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and assessment of significant increase in credit risk. These estimates are driven by a number of factors, which can result in different levels of allowances.

There are three main components to measure ECLs which are a Probability of Default model ("PD"), a Loss Given Default model ("LGD") and the Exposure at Default model ("EAD").

MFRS 9 does not distinguish between individual assessment and collective assessment. Accordingly, the Group and the Company have decided to measure the impairment on an individual basis.

From 1 January 2018, all loans, advances and financing are assessed individually. The Group and the Company's ECLs calculations are outputs of impairment models with a number of underlying assumptions regarding the choice of variable inputs and their inter-dependencies. Elements of the ECLs models that are considered accounting judgements and estimates include:

- Criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECLs basis;
- Development of ECL models, including the various formulas and the choice of inputs;
- Determination of associations between macroeconomic scenarios and economic inputs and the effect on PD, LGD and EAD; and
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

The impairment loss on loans, advances and financing is disclosed in more detail in Note 8.

(iv) Fair value measurement of the newly acquired assets in accordance with MFRS 128 *Investments in Associates and Joint Ventures*

The highest and best use established the valuation premise used to measure the fair value of the assets at date of acquisition. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure the fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In the absence of quoted prices in active markets, the fair value of these assets is measured using valuation techniques including the DCF model. The inputs to these model are taken from observable markets where possible but where this is not feasible, a degree of judgement is required in establishing fair value. Judgement include considerations of inputs such as liquidity risk, credit risk and volatility changes in assumptions relating to these factors could affect the reported fair value of these assets.

3. CASH AND CASH EQUIVALENTS

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash and balances with banks and other financial institutions	**4,551**	2,777	**144**	260
Money at call and deposit placements maturing within two months	**9,230**	18,048	**730**	9,048
	13,781	20,825	**874**	9,308
Weighted average effective interest rate (%)	**3.52%**	2.39%	**3.20%**	1.36%
Weighted average maturity period (days)	**19**	12	**1**	6

Money at call and deposit placements maturing within two months comprise fixed deposits placed with licensed financial institutions.

4. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At fair value				
Quoted shares in Malaysia	-	1,566	-	1,566
Quoted shares outside Malaysia	-	-	-	-
Add: Reversal of impairment loss on securities	-	359	-	359
Unit trust funds	-	15,866	-	15,866
	-	17,791	-	17,791
At cost				
Unquoted investment in Malaysia	-	13,038	-	13,038
Unquoted investment outside Malaysia	-	7,200	-	7,200
	-	20,238	-	20,238
Total available-for-sale financial assets	-	38,029	-	38,029

The available-for-sale financial assets category was redesignated upon the adoption of MFRS 9. The financial effects of the adoption of MFRS 9 are disclosed in Note 2.2(c).

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group		Company	
At fair value	**2018**	**2017**	**2018**	**2017**
	RM'000	**RM'000**	**RM'000**	**RM'000**
In Malaysia				
Quoted shares	**470**	-	**470**	-
Unquoted investment	**13,350**	-	**13,350**	-
Outside Malaysia				
Quoted shares	**183**	-	**183**	-
Unquoted investment	**7,350**	-	**7,350**	-
	21,353	-	**21,353**	-

At 1 January 2018, the Group and the Company designated the investments above as financial assets as at fair value through other comprehensive income because these financial assets represent investments that the Group and the Company intend to hold for long-term strategic purposes. In the previous financial year ended 31 December 2017, these investments were classified as available-for-sale financial assets (see Note 4).

6. DISPOSAL GROUP HELD FOR SALE

In the previous financial year ended 31 December 2017, the rental business within the Investment Holding operating segment was presented as a Disposal Group held for sale following the Company entering into conditional sale and purchase agreements for the proposed disposals of the east wing and centre wing of Bangunan ECM Libra and the semi-detached residential property ("Disposal Group") for an aggregated cash consideration of RM28,000,000.

The sale of the Disposal Group was completed on 8 May 2018. The assets and liabilities of the Disposal Group comprised:

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Assets classified as held for sale				
Property, plant and equipment	**-**	20,434	**-**	23,774
Investment property	**-**	4,004	**-**	4,004
	-	24,438	**-**	27,778
Liabilities classified as held for sale				
Rental deposits received	**-**	(728)	**-**	(728)

6. DISPOSAL GROUP HELD FOR SALE (continued)

The carrying amount of property, plant and equipment and investment property of the Disposal Group was the same as the carrying amount before it was reclassified to held for sale in the previous financial year ended 31 December 2017.

Group	Cost	Accumulated depreciation	Total
	RM'000	RM'000	RM'000
Property, plant and equipment (Note 12)	25,122	(4,688)	20,434
Investment property (Note 13)	4,032	(28)	4,004
	29,154	(4,716)	24,438
Company			
Property, plant and equipment (Note 12)	28,540	(4,766)	23,774
Investment property (Note 13)	4,032	(28)	4,004
	32,572	(4,794)	27,778

7. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2018	2017	2018	2017
		RM'000	RM'000	RM'000	RM'000
Trade receivables	7.1	**2,019**	1,910	**-**	-
Loans to subsidiaries	7.2	**-**	-	**62,494**	53,700
Amount due from a subsidiary	7.2	**-**	-	**146**	4
Other receivables		**3,196**	3,562	**841**	3,242
Prepayments		**268**	259	**92**	105
Less: Allowance for expected credit losses	7.3	**-**	-	**-**	-
Less: Allowance for impairment	7.3	**-**	-	**-**	-
		5,483	5,731	**63,573**	57,051

7. TRADE AND OTHER RECEIVABLES (continued)

7.1 Trade receivables are non-interest bearing and are on 14 days terms. Other credit terms are assessed and approved on a case-by-case basis.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to group of debtors.

The trade receivables are unsecured, interest-free and repayable on demand.

7.2 Loans to subsidiaries are unsecured, subject to average interest rate at 5.21% (2017: 5.21%) per annum and repayable on demand.

Amount due from a subsidiary is unsecured, interest free and repayable on demand.

7.3 There is no movement in the allowance for expected credit losses during the financial year ended 31 December 2018 and allowance for impairment in the previous financial year ended 31 December 2017. Refer to Note 2.2(a)(i).

8. LOANS, ADVANCES AND FINANCING

		Group	
	Note	2018 RM'000	2017 RM'000
Term loans, representing gross loans, advances and financing		**57,903**	59,071
Less: Allowance for expected credit losses	8.5	**-**	-
Less: Allowance for impairment	8.5	**-**	-
Net loans, advances and financing		**57,903**	59,071
<u>Analysis of gross loans, advances and financing</u>			
8.1 By economic purpose			
Investments		**17,903**	19,071
Others		**40,000**	40,000
Gross loans, advances and financing		**57,903**	59,071
8.2 By interest rate sensitivity			
Fixed rate, representing gross loans, advances and financing		**57,903**	59,071

8. LOANS, ADVANCES AND FINANCING (continued)

	Group 2018 RM'000	Group 2017 RM'000
Analysis of gross loans, advances and financing (continued)		
8.3 By type of customer		
Domestic business enterprise	**17,903**	19,071
Individual	**40,000**	40,000
Gross loans, advances and financing	**57,903**	59,071
8.4 By residual contractual maturity		
Within one year, representing gross loans, advances and financing	**57,903**	59,071

8.5 Allowance for expected credit losses/impairment

There is no movement in the allowance for expected credit losses during the year ended 31 December 2018 and allowance for impairment in the previous year ended 31 December 2017. The Group has not recognised any loss allowance as the loans, advances and financing are supported by collateral such as equity instruments held as securities and other credit enhancement.

9. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
At beginning of the financial year	**250**	45	**134**	(47)
Recognised in profit or loss (Note 23)				
- Relating to origination and reversal of temporary differences	**(399)**	205	**(153)**	181
- Under provision of deferred tax in prior financial years	**40**	-	**14**	-
	(359)	205	**(139)**	181
At end of the financial year	**(109)**	250	**(5)**	134
Presented, after appropriate offsetting, as follows:				
Deferred tax assets	**-**	250	**-**	134
Deferred tax liabilities	**(109)**	-	**(5)**	-
	(109)	250	**(5)**	134

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

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

Group	Provisions	Other temporary difference	Net deferred tax assets/ (liabilities)
	RM'000	RM'000	RM'000
2018			
At beginning of the financial year	**398**	**(148)**	**250**
Recognised in profit or loss	**(379)**	**20**	**(359)**
At end of the financial year	**19**	**(128)**	**(109)**
2017			
At beginning of the financial year	278	(233)	45
Recognised in profit or loss	120	85	205
At end of the financial year	398	(148)	250
Company			
2018			
At beginning of the financial year	**168**	**(34)**	**134**
Recognised in profit or loss	**(168)**	**29**	**(139)**
At end of the financial year	**-**	**(5)**	**(5)**
2017			
At beginning of the financial year	78	(125)	(47)
Recognised in profit or loss	90	91	181
At end of the financial year	168	(34)	134

10. INVESTMENT IN SUBSIDIARIES

	Company 2018 RM'000	Company 2017 RM'000
At cost		
Unquoted shares in Malaysia	**15,669**	13,746
Less: Impairment loss	**-**	(575)
	15,669	13,171

Details of the subsidiaries, all incorporated in Malaysia, are as follows:

Name of Company	Effective Percentage of Ownership 2018 %	Effective Percentage of Ownership 2017 %	Principal Activities
Libra Invest Berhad	**100**	100	Provision of unit trust and asset management services
ECM Libra Partners Sdn. Bhd.	**100**	100	Provision of credit services
ECM Libra Capital Sdn. Bhd.	**-**	100	Dissolved during the financial year
ECML Hotels Sdn. Bhd.	**100**	100	Business of operating hotels
Ormond Group Sdn. Bhd. *	**100**	-	Dormant

* Ormond Group Sdn. Bhd. was incorporated on 16 November 2018 in Malaysia with an issued share capital of RM10 comprising 10 ordinary shares.

11. INVESTMENT IN JOINT VENTURES

	Group 2018 RM'000	Company 2018 RM'000
At cost		
Unquoted shares in Malaysia	**30,088**	**30,088**
Unquoted shares outside Malaysia	**35,630**	**35,630**
Cost of investment	**65,718**	**65,718**
Gain on bargain purchase (Note 19 and 34)	**721**	**-**
Carrying amount of investment	**66,439**	**65,718**
Share of post-acquisition reserves	**1,545**	**-**
Exchange differences	**(447)**	**(471)**
	67,537	**65,247**

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

Details of the joint ventures are as follows:

Name of Company	Principal place of business	Effective Percentage of Ownership 2018 %	2017 %	Principal Activities
TP Sepang Sdn. Bhd.	Malaysia	**50**	-	Construct, manage and operate a hotel
Yummy Kitchen Sdn. Bhd.	Malaysia	**50**	-	Operate restaurant, food caterer and food specialist businesses
TP International Pty Ltd ATF TP Hotel (Flinders) Trust	Australia	**50**	-	Trustee for TP Hotel (Flinders) Trust
TP Hotel (Flinders) Trust	Australia	**40.005**	-	Property investments holding
Tune Plato Ventures Sdn. Bhd. ^	Malaysia	**50**	-	Investment holding

^ On 16 May 2018, the Company formed a joint venture company, Tune Plato Ventures Sdn. Bhd. in Malaysia with an issued share capital of RM2 comprising 2 ordinary shares.

11. INVESTMENT IN JOINT VENTURES (continued)

Name of Company	Principal place of business	Effective Percentage of Ownership 2018 %	2017 %	Principal Activities
Held through Tune Plato Ventures Sdn. Bhd. and/or its subsidiaries:				
- Tune Plato Subhome Sdn. Bhd.	Malaysia	**50**	-	Investment holding
- Prompt Business Sdn. Bhd.	Malaysia	**30**	-	Investment holding
- Asiana Ventures Sdn. Bhd.	Malaysia	**25.5**	-	Investment holding
- Subhome Management Sdn. Bhd. *	Malaysia	**25**	-	Property management
- Firma Atasan Sdn. Bhd. *	Malaysia	**15**	-	Developer

* Not audited by member firms of Ernst & Young.

The Group's interest in the joint ventures is accounted for using the equity method in the consolidated financial statements. All entities prepared accounts in accordance with International Financial Reporting Standards. The functional currency of TP International Pty Ltd and TP Hotel (Flinders) Trust is Australian Dollars. The functional currency of all other entities is Ringgit Malaysia.

11. INVESTMENT IN JOINT VENTURES (continued)

The following table summarises the information of the Group's joint ventures, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in joint ventures:

2018 Group	TP Sepang Sdn. Bhd.	Yummy Kitchen Sdn. Bhd.	TP International Pty Ltd	TP Hotel (Flinders) Trust	Tune Plato Ventures Sdn. Bhd. Group	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Summarised statement of financial position						
Non-current assets	57,031	266	-	59,542	18,552	135,391
Current assets	9,266	2,721	23	15,383	2,215	29,608
Non-current liabilities	(20,984)	(4)	-	-	-	(20,988)
Current liabilities	(11,857)	(723)	(298)	(77,915)	(7,214)	(98,007)
Non-controlling interests	-	-	-	-	(2,150)	(2,150)
Equity	33,456	2,260	(275)	(2,990)	11,403	43,854
Group's share in equity (%)	50%	50%	50%	40.005%	50%	
Group's share in equity	16,728	1,130	(138)	(1,196)	5,702	22,226
Advances owing by joint venture company	-	-	-	31,101	-	31,101
Fair valuation on net assets at date of acquisition	9,151	-	-	1,538	-	10,689
Goodwill	-	-	100	3,421	-	3,521
Carrying amount in the statement of financial position	25,879	1,130	(38)	34,864	5,702	67,537

(a) Included in the fair valuation on net assets at date of acquisition is the fair value of an identified intangible asset, which is prepaid lease of RM9,531,000 and freehold land of RM1,538,000. The prepaid lease is related to a concession agreement as disclosed in Note 34 and is amortised on a straight-line basis over the remaining concession period, commencing from the date of acquisition on 16 May 2018 to 31 January 2034. The amortisation charge for the financial year ended 31 December 2018 is RM380,000 (2017: Nil). Freehold land is not depreciated.

11. INVESTMENT IN JOINT VENTURES (continued)

2018 Group	TP Sepang Sdn. Bhd. RM'000	Yummy Kitchen Sdn. Bhd. RM'000	TP International Pty Ltd RM'000	TP Hotel (Flinders) Trust RM'000	Tune Plato Ventures Sdn. Bhd. Group RM'000	Total RM'000
Included in the equity are:						
Cash and cash equivalents	**3,914**	**1,339**	**20**	**12,654**	**2,979**	**20,906**
Current financial liabilities (excluding trade and other payables and provisions)	**(6,597)**	**(155)**	**-**	**-**	**-**	**(6,752)**
Non-current financial liabilities (excluding trade and other payables and provisions)	**(20,984)**	**(4)**	**-**	**-**	**-**	**(20,988)**
Summarised statement of comprehensive income						
Profit/(loss), representing total comprehensive income/(loss) for the year	**6,821**	**1,280**	**(133)**	**(1,373)**	**(597)**	**5,998**
Included in the total comprehensive income/(loss) are:						
Revenue	**36,861**	**6,846**	**-**	**-**	**-**	**43,707**
Depreciation and amortisation	**(4,894)**	**(93)**	**-**	**(1)**	**(22)**	**(5,010)**
Interest income	**121**	**8**	**-**	**241**	**35**	**405**
Interest expense	**(2,364)**	**-**	**-**	**-**	**-**	**(2,364)**
Income tax expense	**(2,535)**	**(484)**	**-**	**-**	**-**	**(3,019)**
Group's share of results for year ended 31 December						
Group's share of profit or loss	**1,798**	**402**	**(40)**	**(316)**	**(299)**	**1,545**
Capital commitment						
Share of capital commitment of joint venture	**-**	**-**	**-**	**-**	**614**	**614**

12. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land	Building and office renovation	Furniture and fittings and office equipment	Computers	Motor vehicles	Work-in progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost							
At 1 January 2018	-	44	1,761	4,899	1,168	-	7,872
Acquisitions through business combinations (Note 34)	17,308	3,692	-	-	-	-	21,000
Other additions	-	1,149	59	218	942	140	2,508
Disposals	-	-	-	-	(1,153)	-	(1,153)
Write-offs	-	-	(876)	(1,501)	-	-	(2,377)
At 31 December 2018	17,308	4,885	944	3,616	957	140	27,850
Accumulated depreciation							
At 1 January 2018	-	-	1,053	3,713	668	-	5,434
Charge during the financial year	-	37	98	218	213	-	566
Disposals	-	-	-	-	(788)	-	(788)
Write-offs	-	-	(605)	(1,501)	-	-	(2,106)
At 31 December 2018	-	37	546	2,430	93	-	3,106
Net carrying amount							
At 31 December 2018	17,308	4,848	398	1,186	864	140	24,744

Land and building

As at 31 December 2018, freehold land and buildings with a carrying amount of RM22,032,000 (2017: Nil) are subject to a first legal charge to secure the Group's bank loans (see Note 15).

12. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Freehold land	Building and office renovation	Furniture and fittings and office equipment	Computers	Motor vehicles	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost						
At 1 January 2017	10,074	15,048	1,748	4,716	1,168	32,754
Additions	-	44	13	183	-	240
Transfer to Disposal Group held for sale (Note 6)	(10,074)	(15,048)	-	-	-	(25,122)
At 31 December 2017	-	44	1,761	4,899	1,168	7,872
Accumulated depreciation						
At 1 January 2017	-	4,458	943	3,513	437	9,351
Charge during the financial year	-	230	110	200	231	771
Transfer to Disposal Group held for sale (Note 6)	-	(4,688)	-	-	-	(4,688)
At 31 December 2017	-	-	1,053	3,713	668	5,434
Net carrying amount						
At 31 December 2017	-	44	708	1,186	500	2,438

12. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Furniture and fittings and office equipment	Computers	Motor vehicles	Total
	RM'000	RM'000	RM'000	RM'000
Cost				
At 1 January 2018	**373**	**36**	**1,153**	**1,562**
Additions	**-**	**-**	**942**	**942**
Disposals	**-**	**-**	**(1,153)**	**(1,153)**
Write-offs	**(373)**	**-**	**-**	**(373)**
At 31 December 2018	**-**	**36**	**942**	**978**
Accumulated depreciation				
At 1 January 2018	**143**	**32**	**653**	**828**
Charge during the financial year	**-**	**2**	**213**	**215**
Disposals	**-**	**-**	**(788)**	**(788)**
Write-offs	**(143)**	**-**	**-**	**(143)**
At 31 December 2018	**-**	**34**	**78**	**112**
Net carrying amount				
At 31 December 2018	**-**	**2**	**864**	**866**

12. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Freehold land	Building and office renovation	Furniture and fittings and office equipment	Computers	Motor vehicles	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost						
At 1 January 2017	10,074	18,466	373	36	1,153	30,102
Transfer to Disposal Group held for sale (Note 6)	(10,074)	(18,466)	-	-	-	(28,540)
At 31 December 2017	-	-	373	36	1,153	1,562
Accumulated depreciation						
At 1 January 2017	-	4,612	131	29	422	5,194
Charge during the financial year	-	154	12	3	231	400
Transfer to Disposal Group held for sale (Note 6)	-	(4,766)	-	-	-	(4,766)
At 31 December 2017	-	-	143	32	653	828
Net carrying amount						
At 31 December 2017	-	-	230	4	500	734

13. INVESTMENT PROPERTY

Group and Company *	Freehold land RM'000	Building RM'000	Total RM'000
Cost			
At 1 January 2017	2,982	1,050	4,032
Transfer to Disposal Group held for sale (Note 6)	(2,982)	(1,050)	(4,032)
At 31 December 2017	-	-	-
Accumulated depreciation			
At 1 January 2017	-	21	21
Charge during the financial year	-	7	7
Transfer to Disposal Group held for sale (Note 6)	-	(28)	(28)
At 31 December 2017	-	-	-
Net carrying amount			
At 31 December 2017	-	-	-

* The Group and the Company did not carry any investment properties or enter into any new transactions during the financial year ended 2018.

14. TRADE AND OTHER PAYABLES

	Note	Group 2018 RM'000	Group 2017 RM'000	Company 2018 RM'000	Company 2017 RM'000
Trade payables		**2,098**	1,274	**-**	-
Advances from a subsidiary	14.1	**-**	-	**2,000**	-
Amount due to a subsidiary	14.1	**-**	-	**933**	-
Other payables		**5,065**	3,134	**1,761**	1,235
		7,163	4,408	**4,694**	1,235

14.1 Advances from a subsidiary are unsecured, subject to average interest rate at 5.21% (2017: Nil) per annum and repayable on demand.

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

15. LOANS AND BORROWINGS

	Group	
	2018	2017
	RM'000	RM'000
Floating rate term loan	**9,941**	-

The 10 years term loan bears interest rate at the bank's base lending rate less 0.75%, which is at 6.22% for the year ended 31 December 2018 (2017: Nil). The remaining maturities of the term loan as at reporting date are as follows:

	Group	
	2018	2017
	RM'000	RM'000
On demand or within one year	**-**	-
More than 1 year and less than 2 years	**-**	-
More than 2 years and less than 5 years	**2,755**	-
5 - 10 years	**7,186**	-
	9,941	-

The term loan is secured by:

(i) a first legal charge over the land and buildings of the Group as disclosed in Note 12;

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

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

(iv) a corporate guarantee from the Company.

16. SHARE CAPITAL

Group and Company	Number of shares 2018 units '000	Amount 2018 RM'000	Number of shares 2017 units '000	Amount 2017 RM'000
Issued and fully paid-up:				
At beginning of the financial year	**286,592**	**37,946**	286,592	34,391
Issuance during the financial year	**193,334**	**69,600**	-	-
Transfer from capital redemption reserve account in accordance with Section 618(2) of Companies Act, 2016	**-**	**-**	-	3,555
At end of the financial year	**479,926**	**107,546**	286,592	37,946

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

In accordance with Section 618(2) of Companies Act, 2016, any amount standing to the credit of the capital redemption reserve account has became part of the Company's share capital. The Company had 24 months upon the commencement of Companies Act, 2016 on 31 January 2017 to utilise the credit in accordance with Section 618(3) of Companies Act, 2016 on or before 30 January 2019. As at the date of issuance of the financial statements, the Company did not utilise the capital redemption reserve amounting to RM3,554,762.

17. RESERVES

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Non-distributable					
AFS revaluation (deficit)/reserve	17.1	**-**	(156)	**-**	50
Fair value through other comprehensive income deficit	17.2	**(442)**	-	**(224)**	-
Foreign currency translation deficit	17.3	**(447)**	-	**-**	-
General reserve	17.4	**2,788**	2,788	**2,746**	2,746
Distributable					
Retained profits		**64,690**	105,039	**53,076**	103,549
		66,589	107,671	**55,598**	106,345

17. RESERVES (continued)

17.1 AFS revaluation (deficit)/reserve represents unrealised (losses)/gain arising from changes in fair values of securities classified as AFS.

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

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

17.4 General reserve represents exercised Employees' Share Options in the previous financial years.

18. REVENUE

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Interest income				
Loans, advances and financing	**4,661**	4,473	**-**	-
Short-term funds and deposits with financial institutions	**439**	494	**168**	129
Amount owing by a subsidiary	**-**	-	**2,890**	2,822
	5,100	4,967	**3,058**	2,951
Fee income				
Portfolio management fees	**12,185**	14,081	**-**	-
Other fee income	**673**	552	**673**	552
	12,858	14,633	**673**	552

18. REVENUE (continued)

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Investment income				
Net gains on available-for-sale financial assets:				
- Gains on disposal of quoted shares in Malaysia	**-**	183	**-**	162
- Income distribution from unit trust funds	**-**	397	**-**	397
- Dividend income from quoted shares in Malaysia	**-**	28	**-**	28
Net gains/(losses) on financial assets at fair value through other comprehensive income				
- Gain on disposal of quoted shares in Malaysia	**10**	-	**(2)**	-
Net gains on financial assets at fair value through profit or loss				
- Income distribution from unit trust funds	**126**	-	**126**	-
- Fair value gains	**72**	-	**72**	-
Dividend income from a subsidiary	**-**	-	**-**	3,900
	208	608	**196**	4,487
Revenue from hotel operations	**1,430**	-	**-**	-
Total revenue	**19,596**	20,208	**3,927**	7,990

19. OTHER INCOME/(EXPENSES)

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Rental income	**30**	-	**-**	-
Loss on disposal of property, plant and equipment	**(104)**	-	**(104)**	-
Loss on foreign exchange translation	**(121)**	(149)	**(592)**	(149)
Gain on liquidation of subsidiaries	**-**	-	**3**	-
Gain on bargain purchase from investment in joint venture (Note 11 and 34)	**721**	-	**-**	-
Others	**31**	-	**-**	-
	557	(149)	**(693)**	(149)

20. OPERATING COSTS

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Cost of ancillary services of hotel operation	**347**	-	**-**	-
Fund management operating costs	**1,480**	1,719	**-**	-
	1,827	1,719	**-**	-

21. OTHER OPERATING EXPENSES

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Personnel expenses				
Short-term employee benefits	**10,426**	9,385	**4,982**	2,941
Defined contribution plan	**1,245**	1,146	**506**	357
Other personnel costs	**893**	1,058	**391**	418
	12,564	11,589	**5,879**	3,716
Establishment costs				
Depreciation of property, plant and equipment	**566**	543	**215**	246
Rental of premises	**549**	38	**119**	-
Property, plant and equipment written-off	**41**	-	**-**	-
Other establishment costs	**46**	44	**-**	-
	1,202	625	**334**	246
Marketing and communication expenses				
Advertising expenses	**68**	11	**-**	-
Entertainment	**52**	47	**28**	30
Other marketing expenses	**277**	255	**-**	-
	397	313	**28**	30

21. OTHER OPERATING EXPENSES (continued)

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Administrative and general expenses				
Auditors' remuneration				
- statutory audit	**96**	83	**50**	50
- regulatory-related services	**5**	5	**5**	5
- other services	**28**	166	**-**	138
Electricity and water charges	**213**	70	**5**	-
Insurance, postages and courier	**109**	148	**45**	99
Legal and professional fees	**357**	1,749	**139**	1,523
Printing and stationeries	**108**	107	**62**	56
Rental of network and telecommunication expenses	**186**	225	**32**	50
Travelling and accommodation	**128**	237	**62**	105
Repair and maintenance	**675**	441	**38**	-
Others	**838**	457	**415**	456
	2,743	3,688	**853**	2,482
Total operating expenses	**16,906**	16,215	**7,094**	6,474

Included in the personnel expenses are Directors' remuneration of RM2,498,000 (2017: RM1,450,000) and RM2,441,000 (2017: RM1,392,000) of the Group and of the Company respectively.

22. DIRECTORS' REMUNERATION

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

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

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

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

22. DIRECTORS' REMUNERATION (continued)

	Group					Company				
2017	Salaries	Bonus	Director Fees	Other emoluments[1]	Total	Salaries	Bonus	Director Fees	Other emoluments[1]	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Executive Director										
Mr Lim Kian Onn	724	241	-	145	1,110	724	241	-	145	1,110
Non-Executive Directors										
Dato' Seri Kalimullah bin Masheerul Hassan	-	-	50	44	94	-	-	50	44	94
Datuk Kamarudin bin Md Ali	-	-	72	21	93	-	-	52	12	64
Dato' Othman bin Abdullah	-	-	48	12	60	-	-	48	12	60
En Mahadzir bin Azizan	-	-	70	22	92	-	-	50	13	63
Mr Gareth Lim Tze Xiang	-	-	32	7	39	-	-	32	7	39
	-	-	272	106	378	-	-	232	88	320
Total Directors' remuneration	724	241	272	251	1,488	724	241	232	233	1,430
Directors of subsidiaries	528	44	20	95	687					

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

23. INCOME TAX EXPENSE

	Group		Company	
	2018	2017	**2018**	2017
	RM'000	RM'000	**RM'000**	RM'000
Income tax				
Current financial year's provision	**667**	1,360	**-**	496
Under provision of income tax in prior financial years	**82**	-	**92**	-
	749	1,360	**92**	496
Deferred tax (Note 9)				
Relating to origination and reversal of temporary differences	**399**	(205)	**153**	(181)
Under provision of deferred tax in prior financial years	**(40)**	-	**(14)**	-
	359	(205)	**139**	(181)
Total income tax expense	**1,108**	1,155	**231**	315

A reconciliation of income tax expense applicable to profit before tax 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	
	2018	2017	**2018**	2017
	RM'000	RM'000	**RM'000**	RM'000
Profit/(loss) before tax:				
- from continuing operations	**2,805**	2,125	**(3,935)**	1,367
- from Disposal Group held for sale	**3,439**	(96)	**(577)**	386
	6,244	2,029	**(4,512)**	1,753
Tax at Malaysian statutory rate of 24% (2017: 24%)	**1,498**	487	**(1,083)**	421
Tax effects of:				
Non-allowable expenses	**700**	1,033	**779**	971
Non-taxable income	**(1,633)**	(365)	**-**	(1,077)
Current losses for which no deferred tax assets was recognised	**491**	-	**447**	-
Deferred tax assets not recognised on unabsorbed capital allowance	**10**	-	**10**	-
Under provision of income tax in prior financial years				
- income tax	**82**	-	**92**	-
- deferred tax	**(40)**	-	**(14)**	-
	1,108	1,155	**231**	315

24. DISCONTINUED OPERATION

As disclosed in Note 6, the sale of Disposal Group was completed on 8 May 2018. Accordingly, the rental business related to the Disposal Group is presented as discontinued operation.

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

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Rental income	**631**	1,330	**740**	1,737
Gain/(loss) on sale of discontinued operation	**3,562**	-	**(563)**	-
Property, plant and equipment written-off	**(230)**	-	**(230)**	-
Other operating expenses	**(524)**	(1,426)	**(524)**	(1,351)
Profit/(loss) before tax	**3,439**	(96)	**(577)**	386
Income tax expense	**-**	-	**-**	-
Profit/(loss) for the financial year	**3,439**	(96)	**(577)**	386
Included in profit/(loss) before tax are depreciation of:				
- Property, plant and equipment	**-**	228	**-**	154
- Investment property	**-**	7	**-**	7
Cash flows from discontinued operation				
Net cash from investing activities				
- Proceed from disposal of property, plant and equipment	**28,000**	-	**28,000**	-
- Compensation for loss of commercial value of assets classified as held for disposal of a subsidiary	**-**	-	**(785)**	-

25. EARNINGS/(LOSS) PER ORDINARY SHARE

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

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

	Group	
	2018	**2017**
Profit/(loss) for the financial year attributable to owners of the Company (RM'000):		
- from continuing operations	**1,697**	970
- from discontinued operation	**3,439**	(96)
Weighted average number of ordinary shares in issue (units '000)	**395,894**	286,592
	Sen	**Sen**
Basic earnings/(loss) per ordinary share:		
- from continuing operations	**0.43**	0.34
- from discontinued operation	**0.87**	(0.03)
	1.30	0.31

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

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

26. DIVIDENDS

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

The Directors do not recommend the payment of any other dividend for the current financial year ended 31 December 2018.

27. COMMITMENTS

	Group	
	2018	**2017**
	RM'000	**RM'000**
Approved and contracted for		
Computer software	**-**	131
Proposed acquisition of Tune Hotel Kota Kinabalu	**8,100**	8,100
Proposed acquisition of Tune Hotel KLIA Aeropolis	**833**	833
Rental expenses	**297**	-
Joint venture		
Share of capital commitment of the joint venture	**614**	-

28. CONTINGENT LIABILITIES

The Company has provided a corporate guarantee to a bank for a RM10,000,000 loan (see Note 15) taken by a subsidiary.

29. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Related parties and relationships

The related parties of, and their relationships (other than those disclosed in Notes 7 and 14) with the Group and the Company are as follows:

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

29. SIGNIFICANT RELATED PARTY TRANSACTIONS

(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:

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Income/(expenses):				
Interest income from a subsidiary	**-**	-	**2,890**	2,822
Rental income from:				
- related parties	**48**	172	**48**	172
- a subsidiary	**-**	-	**109**	407
Dividend income from a subsidiary	**-**	-	**-**	3,900
Interest expense charged by a subsidiary	**-**	-	**(75)**	-
Rental expenses charged by a related parties	**(575)**	-	**(119)**	-
Loyalty programme expenses charged by a related party	**(10)**	(12)	**-**	-

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

(c) Compensation of Directors and key management personnel

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

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Fees and meeting allowances	**316**	378	**260**	320
Short-term employee benefits	**4,861**	3,658	**2,768**	2,616
Defined contribution plan	**698**	515	**398**	359
	5,875	4,551	**3,426**	3,295

29. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(c) Compensation of Directors and key management personnel (continued)

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

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Directors' remuneration (Note 22)	**2,535**	1,488	**2,479**	1,430

30. SEGMENTAL REPORTING

Business segments

The Group's reportable operating segments are identified based on business units which are engaged in providing different services and products, as follows:

(a) Investment Holding - general investments and corporate related activities.

(b) Fund Management - unit trust funds and asset management.

(c) Structured Financing - structured lending and financial services related activities.

(d) Hotel Operation

On 1 October 2018, following the completion of the acquisition of the Tune Hotel Penang under the Tune Hotel Penang SPA, operating business of Tune Hotel Penang is presented as Hotel Operation segment.

(e) Discontinued Operation

In the previous year ended 31 December 2017, the rental business within the Investment Holding operating segment was presented as Disposal Group held for sale following the Company entered into conditional sale and purchase agreements for the proposed disposal of the east wing and centre wing of Bangunan ECM Libra and the semi-detached residential property ("Disposal Group"), for an aggregated cash consideration of RM28,000,000. The sale of the Disposal Group was completed on 8 May 2018 and consequently, rental business is presented as Discontinued Operation segment.

30. SEGMENTAL REPORTING (continued)

Business segments (continued)

2018 Group	Continuing operations Investment holding RM'000	Fund management RM'000	Structured financing RM'000	Hotel operation RM'000	Discontinued operation RM'000	Group total RM'000
Revenue	376	12,452	5,334	1,434	-	19,596
Other income	497	-	24	36	3,963	4,520
Operating costs	-	(1,480)	-	(347)	-	(1,827)
Net operating income	873	10,972	5,358	1,123	3,963	22,289
Other operating expenses of which:	(7,115)	(8,907)	(71)	(813)	(524)	(17,430)
- Depreciation of property, plant and equipment	(216)	(326)	-	(24)	-	(566)
Operating (loss)/profit	(6,242)	2,065	5,287	310	3,439	4,859
Interest expense	-	-	-	(160)	-	(160)
Share of profit of equity-accounted joint ventures	1,545	-	-	-	-	1,545
(Loss)/profit before tax	(4,697)	2,065	5,287	150	3,439	6,244
Segment assets	23,344	16,049	58,171	2,862	-	100,426
Investment in joint ventures	67,537	-	-	-	-	67,537
Additions to property, plant and equipment	942	360	-	22,206	-	23,508
Total assets	91,823	16,409	58,171	25,068	-	191,471
Total liabilities	1,765	4,275	94	11,202	-	17,336

30. SEGMENTAL REPORTING (continued)

Business segments (continued)

2017 Group	Continuing operations Investment holding RM'000	Fund management RM'000	Structured financing RM'000	Disposal Group held for sale RM'000	Group total RM'000
Revenue	737	14,446	5,025	-	20,208
Other (expenses)/income	(149)	-	-	1,330	1,181
Operating costs	-	(1,719)	-	-	(1,719)
Net operating income	588	12,727	5,025	1,330	19,670
Other operating expenses of which:	(6,495)	(9,649)	(71)	(1,426)	(17,641)
- Depreciation of property, plant and equipment	(246)	(297)	-	(228)	(771)
- Depreciation of investment property	-	-	-	(7)	(7)
(Loss)/profit before tax	(5,907)	3,078	4,954	(96)	2,029
Segment assets	51,650	15,271	59,363	24,438	150,722
Additions to property, plant and equipment	-	240	-	-	240
Total assets	51,650	15,511	59,363	24,438	150,962
Total liabilities	1,250	3,143	224	728	5,345

31. FINANCIAL INSTRUMENTS

31.1 Categories of financial instruments

The table below provides an analysis of financial instruments as at 31 December 2018 categorised as follows:

(i) Financial assets measured at amortised cost ("FA")

(ii) Financial assets at fair value through other comprehensive income ("FVOCI"); and

(iii) Financial liabilities measured at amortised cost ("FL").

		MFRS 9 measurement categories	
2018 **Group**	**Carrying amount** **RM'000**	**FA/ (FL)** **RM'000**	**FVOCI** **RM'000**
Financial assets			
Cash and cash equivalents	**13,781**	**13,781**	**-**
Financial assets at fair value through other comprehensive income	**21,353**	**-**	**21,353**
Loans, advances and financing	**57,903**	**57,903**	**-**
Trade and other receivables (excluding prepayments)	**5,215**	**5,215**	**-**
	98,252	**76,899**	**21,353**
Financial liabilities			
Trade and other payables	**(7,163)**	**(7,163)**	**-**
Loans and borrowings	**(9,941)**	**(9,941)**	**-**
	(17,104)	**(17,104)**	**-**
Company			
Financial assets			
Cash and cash equivalents	**874**	**874**	**-**
Financial assets at fair value through other comprehensive income	**21,353**	**-**	**21,353**
Trade and other receivables (excluding prepayments)	**63,481**	**63,481**	**-**
	85,708	**64,355**	**21,353**
Financial liabilities			
Trade and other payables	**(4,694)**	**(4,694)**	**-**

31. FINANCIAL INSTRUMENTS (continued)

31.1 Categories of financial instruments (continued)

The table below provides an analysis of financial instruments as at 31 December 2017 categorised as follows:

(i) Loans and receivables ("L&R");

(ii) Available-for-sale financial assets ("AFS"); and

(iii) Financial liabilities measured at amortised cost ("FL").

	MFRS 139 measurement categories		
2017 **Group**	**Carrying amount**	**L&R/ (FL)**	**AFS**
	RM'000	**RM'000**	**RM'000**
Financial assets			
Cash and cash equivalents	20,825	20,825	-
Available-for-sale financial assets	38,029	-	38,029
Loans, advances and financing	59,071	59,071	-
Trade and other receivables (excluding prepayments)	5,652	5,652	-
	123,577	85,548	38,029
Financial liabilities			
Trade and other payables	(4,408)	(4,408)	-
Company			
Financial assets			
Cash and cash equivalents	9,308	9,308	-
Available-for-sale financial assets	38,029	-	38,029
Trade and other receivables (excluding prepayments)	56,995	56,995	-
	104,332	66,303	38,029
Financial liabilities			
Trade and other payables	(1,235)	(1,235)	-

31. FINANCIAL INSTRUMENTS (continued)

31.2 Determination of fair value

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

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

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

Fair value measurement

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

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

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

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

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

31. FINANCIAL INSTRUMENTS (continued)

31.2 Determination of fair value (continued)

Fair value measurement (continued)

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

	Group and Company				
	Fair value of financial instruments carried at fair value				Carrying amount
	Level 1	Level 2	Level 3	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000
2018					
Financial assets					
Financial assets at fair value through other comprehensive income					
- Quoted shares	**653**	**-**	**-**	**653**	**653**
- Unquoted investments	**-**	**-**	**20,700***	**20,700**	**20,700**
	653	**-**	**20,700**	**21,353**	**21,353**
2017					
Financial assets					
Available-for-sale financial assets #					
- Quoted shares	1,925	-	-	1,925	1,925
- Unit trust funds	-	15,866	-	15,866	15,866
	1,925	15,866	-	17,791	17,791

* Fair value measurement of unquoted investments arising from the adoption of MFRS 9 with effect from 1 January 2018. Comparative figures are not restated in line with the transition requirements under MFRS 9.

\# Excluding the carrying amount of unquoted investments held by the Group and the Company of RM20,238,000 which are not carried at fair value and were stated at cost less any impairment loss as at 31 December 2017.

Transfers between Level 1 and Level 2 fair values

There were no transfer between Level 1 and Level 2 of the fair value hierarchy during the financial year (2017: no transfer in either directions).

31. FINANCIAL INSTRUMENTS (continued)

31.2 Determination of fair value (continued)

Fair value measurement (continued)

Level 3 fair value

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

Group and Company	2018 RM'000	2017 RM'000
Unquoted investments		
At 1 January	-	-
Impacts arising from adoption of MFRS 9	20,238	-
Purchases	300	
Gains and losses recognised in other comprehensive income	162	-
At 31 December	20,700	-

The fair value of unquoted equity investments have been estimated using DCF techniques. The DCF model incorporates the following unobservable inputs: the forecast cash flows, the cost of capital, long term growth rates and long term operating margins. The task below illustrates the impact on the fair value arising from the key unobservable inputs.

The estimated fair value would increase/decrease if the cost of capital were lower/higher. The estimated fair value would increase/decrease if long term growth rate or long term operating rate were higher/lower.

Sensitivity analysis

	Other comprehensive income	
2018	**Increase** **RM'000**	**Decrease** **RM'000**
Cost of capital (0.01% movement)	(43)	43
Long term growth rate (0.01% movement)	32	(32)
Long term operating margin (0.01% movement)	18	(18)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

Credit risk

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

The Group's exposure to credit risk arises principally from its lending activities. Credit risk is the risk of loss arising from the actual or perceived declining credit quality and actual default of an obligor, counterparty or customer.

The Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantee given to bank for credit facilities granted to a subsidiary.

(a) Loans, advances and financing

Risk management approach

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

- Lending to individuals

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

- Lending to corporate customers

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

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

(a) Loans, advances and financing (continued)

Recognition and measurement of impairment loss

The Group uses three categories of internal credit risk ratings for loans, advances and financing which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings reflect probability-weighted outcomes, the time value of money and other reasonable and supportable assumptions based on information that is available without undue cost or effort at the reporting date about past events, current conditions and other forward looking factors.

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

Group 2018	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount as at 1 January 2018 upon adoption of MFRS 9	-	**59,071**	-	**59,071**
Interest income	-	**4,661**	-	**4,661**
Assets repaid	-	**(5,829)**	-	**(5,829)**
At 31 December 2018	-	**57,903**	-	**57,903**

(i) Expected credit losses

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

- The principal or interest or both was past due for more than 90 days or 3 months; and/or

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

At the reporting date, all loans are classified as Stage 2.

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

(iii) Repossessed collateral

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

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

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

(a) Loans, advances and financing (continued)

Comparative information under MFRS 139, Financial Instruments: Recognition and Measurement

As at 31 December 2017, the maximum exposure to credit risk arising from loans, advances and financing were represented by the carrying amount in the statement of financial position. The gross loans, advances and financing were analysed as follows:

Group	**2017** **RM'000**
Neither past due nor impaired	58,500
Past due but not impaired	571
Impaired	-
	59,071

(i) Neither past due nor impaired

Gross loans, advances and financing which were neither past due nor impaired were analysed as follows:

Group	**2017** **RM'000**
Domestic business enterprise	18,500
Individual	40,000
	58,500

(ii) Past due but not impaired

Past due but not impaired loans were loans or interest on loans where the customer failed to make a payment when contractually due, and includes loans, advances and financing or part thereof which were due one or more days after the contractual due date but less than three (3) months.

Gross loans, advances and financing which were past due but not impaired were analysed as follows:

Group	**2017** **RM'000**
Domestic business enterprise	571

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

(a) Loans, advances and financing (continued)

Comparative information under MFRS 139, Financial Instruments: Recognition and Measurement (continued)

(iii) Impaired

For all loans, advances and financing that were considered individually significant, the Group assessed on a case-by-case basis at each reporting date whether there was any objective evidence that a loan, advance and financing was impaired. The criteria that the Group use to determine that there was objective evidence of impairment include:

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

There were no impaired loans, advances and financing in the previous financial year ended 31 December 2017.

(b) Inter-company loans and advances

Risk management approach

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

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

Recognition and measurement of impairment loss

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

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

Company **2018**	**Stage 1** **RM'000**	**Stage 2** **RM'000**	**Stage 3** **RM'000**	**Total** **RM'000**
Gross carrying amount as at 1 January 2018 upon adoption of MFRS 9	**53,700**	-	-	**53,700**
Loan to a subsidiary	**11,120**	-	-	**11,120**
Interest income	**2,890**	-	-	**2,890**
Assets repaid	**(5,216)**	-	-	**(5,216)**
At 31 December 2018	**62,494**	-	-	**62,494**

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

(b) Inter-company loans and advances (continued)

Recognition and measurement of impairment loss (continued)

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

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

In the previous financial year ended 31 December 2017, there was no allowance for impairment losses of inter-company loans and advances.

(c) Financial guarantees

Risk management approach

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

The maximum exposure to credit risk amounts to RM10,000,000 (2017: Nil) representing the outstanding banking facilities of the subsidiary as at the end of the reporting period. The financial guarantee is provided as credit enhancements to the subsidiary's secured loan.

Recognition and measurement of impairment loss

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

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

Market risk

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

(a) Equity price risk

Market risk on equities is the potential loss in the value of the investment in shares and interest-in-shares due to the changes in market price.

The Group and the Company through the fund managers of Libra Invest Berhad, a subsidiary of the Company, monitors and manages equity price risk exposure via regular stock review and portfolio rebalancing.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

(a) Equity price risk (continued)

A 10% (2017: 10%) strengthening in FTSE Bursa Malaysia KLCI ("FBMKLCI") at the end of the reporting period with all other variables held constant and assuming the Group's and the Company's quoted equity investments moved in correlation with the FBMKLCI, would have increased the Group's and the Company's equity by RM65,000 (2017: RM193,000) for quoted equity investments classified as financial assets at fair value through other comprehensive income (2017: available-for-sale financial assets). A 10% (2017: 10%) weakening in FBMKLCI would have had an equal but opposite effect on equity.

(b) Interest rate risk

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

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

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

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

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Fixed rate instruments				
Financial assets	**67,133**	77,119	**730**	9,048
Floating rate instruments				
Financial assets	**-**	-	**62,494**	53,700
Financial liabilities	**(9,941)**	-	**(2,000)**	-
	(9,941)	-	**60,494**	53,700

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

(b) Interest rate risk (continued)

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

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Increase in profit after tax				
Fixed rate instruments	**125**	147	**1**	16
Floating rate instruments	**(19)**	-	**115**	104
	106	147	**116**	120

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

(c) Foreign currency risk

The Group and the Company are exposed to foreign currency risk on short-term placements with financial institutions and financial assets (quoted shares outside Malaysia) that are denominated in a currency other than RM. The currencies giving rise to this risk are primarily Singapore Dollar ("SGD") and Great Britain Pound ("GBP").

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

	Denominated in SGD		Denominated in GBP	
Group and Company	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Cash and cash equivalents	**-**	6,346	**-**	-
Available-for-sale financial assets	**-**	-	**-**	359
Financial assets at fair value through other comprehensive income	**-**	-	**183**	-
Net exposure	**-**	6,346	**183**	359

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

(c) Foreign currency risk (continued)

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

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Decrease in profit after tax	**-**	482	**14**	27

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

Liquidity risk

Liquidity risk is the risk that the Group and the Company are unable to maintain sufficient liquid assets to meet its financial commitments and obligations when they fall due or securing the funding requirements at excessive cost.

Liquidity risk is managed on a projected cash flows basis and funds management including the maintenance of a portfolio of highly liquid assets that can be easily liquidated as buffer against any unforeseen interruption to cash flows.

The following tables show the contractual undiscounted cash flows payable for financial liabilities and off-balance sheet commitments by remaining contractual maturities. The contractual maturity profile does not necessarily reflect the behavioural cash flows.

Group	Up to 7 days	> 7 days - 1 month	> 1 - 3 months	> 3 - 6 months	> 6 - 12 months	> 1 year	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2018							
Financial liabilities							
Trade and other payables	**2,136**	**1,908**	**2,686**	**393**	**-**	**40**	**7,163**
Loans and borrowings	**-**	**-**	**-**	**-**	**-**	**9,941**	**9,941**
	2,136	**1,908**	**2,686**	**393**	**-**	**9,981**	**17,104**
2017							
Financial liabilities							
Trade and other payables	1,785	363	1,827	415	18	-	4,408

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

Company	Up to 7 days	> 7 days - 1 month	> 1 - 3 months	> 3 - 6 months	> 6 - 12 months	> 1 year	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2018							
Financial liabilities							
Trade and other payables	**-**	**9**	**4,416**	**269**	**-**	**-**	**4,694**
2017							
Financial liabilities							
Trade and other payables	-	69	868	298	-	-	1,235

33. CAPITAL RISK MANAGEMENT

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

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

34. ACQUISITION AND INVESTMENT IN JOINT VENTURES DURING THE YEAR

On 16 May 2018, the Company acquired 50% equity interest in TP Sepang Sdn. Bhd., Yummy Kitchen Sdn. Bhd., TP International Pty Ltd and 40.005% equity interest in TP Hotel (Flinders) Trust (together with 40.005% of the rights and benefits to the total advances owing by TP Hotel (Flinders) Trust) via allotment and issuance of 160,205,555 new ordinary shares in the Company at an issue price of RM0.36 per share to satisfy the total purchase consideration of RM57,674,000.

On 16 May 2018, the Company acquired 50% equity interest in Tune Plato Ventures Sdn. Bhd. for cash consideration of RM6,000,000.

On 1 October 2018, the Company acquired Tune Hotel Penang with existing hotel operating business via allotment and issuance of 33,127,777 new ordinary shares in the Company at an issue price of RM0.36 per share and payment of RM9,074,000 through loans and borrowings (see Note 15) to satisfy the purchase consideration of RM21,000,000.

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

34. ACQUISITION AND INVESTMENT IN JOINT VENTURES DURING THE YEAR (continued)

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

2018 Group	Note	TP Sepang Sdn. Bhd. RM'000	Yummy Kitchen Sdn. Bhd. RM'000	TP International Pty Ltd RM'000	TP Hotel (Flinders) Trust RM'000	Tune Plato Ventures Sdn. Bhd. RM'000	Tune Hotel Penang RM'000 (Note 12)
Identifiable assets acquired and liabilities assumed							
Property, plant and equipment		**4,739**	**271**	**-**	**59,943**	**-**	**21,000**
Intangible assets		**54,400**	**-**	**-**	**-**	**-**	**-**
Cash and cash equivalents		**5,923**	**934**	**19**	**14,506**	**12,000**	**-**
Trade and other receivables		**4,366**	**627**	**2**	**2,514**	**-**	**-**
Inventories		**117**	**148**	**-**	**-**	**-**	**-**
Trade and other payables		**(4,561)**	**(510)**	**(221)**	**(296)**	**-**	**-**
Deferred tax liability		**(2,650)**	**(14)**	**-**	**-**	**-**	**-**
Loans and borrowings		**(33,234)**	**-**	**-**	**-**	**-**	**-**
Shareholders' advances		**-**	**-**	**-**	**(78,920)**	**-**	**-**
Total identifiable net assets		**29,100**	**1,456**	**(200)**	**(2,253)**	**12,000**	**21,000**
Group's share in equity (%)		**50%**	**50%**	**50%**	**40.005%**	**50%**	**100%**
Group's share in equity		**14,550**	**728**	**(100)**	**(901)**	**6,000**	**21,000**
Advances owing by joint venture company		**-**	**-**	**-**	**31,572**	**-**	**-**
Fair valuation on net assets at date of acquisition							
- Intangible assets	34.1	**9,531**	**-**	**-**	**-**	**-**	**-**
- Freehold land		**-**	**-**	**-**	**1,538**	**-**	**-**
Goodwill arising on acquisition	34.2	**-**	**-**	**100**	**3,421**	**-**	**-**
Gain on bargain purchase arising on acquisition	11 & 19	**-**	**(721)**	**-**	**-**	**-**	**-**
Purchase consideration transferred		**24,081**	**7**	**-**	**35,630**	**6,000**	**21,000**

34. ACQUISITION AND INVESTMENT IN JOINT VENTURES DURING THE YEAR (continued)

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

2018 Group	Note	TP Sepang Sdn. Bhd. RM'000	Yummy Kitchen Sdn. Bhd. RM'000	TP International Pty Ltd RM'000	TP Hotel (Flinders) Trust RM'000	Tune Plato Ventures Sdn. Bhd. RM'000	Tune Hotel Penang RM'000 (Note 12)
Purchase consideration							
Issuance of shares	16	**24,009**	-	-	**33,665**	-	**11,926**
Cash considerations		**72**	**7**	-	**1,965**	**6,000**	-
Loans and borrowings		-	-	-	-	-	**9,074**
Total consideration		**24,081**	**7**	-	**35,630**	**6,000**	**21,000**

34.1 Fair valuation of net assets - intangible assets

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

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

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

(ii) provide hotel services

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

(iv) use the concession area for permitted use.

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

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

34.2 Goodwill arising on acquisition

The goodwill of RM3,521,000 comprises the value of expected synergies arising from the acquisition, which is not separately recognised. No separately identifiable intangible assets were identified since the entities are still in the gestation/start-up phase of their respective operating life-cycles and have not entered into arrangements/activities/operations that could give rise to any. Therefore, it does not meet the criteria for recognition as separately identifiable intangible asset under MFRS 138 *Intangible Assets*. None of the goodwill recognised is expected to be deductible for income tax purposes.

other information

1. MATERIAL CONTRACTS

The following material contracts which involved the Directors' and major shareholders' interests, entered into by the Company and being part of the corporate proposal approved by the shareholders at the Extraordinary General Meeting held on 12 December 2017 are still subsisting at the end of the financial year ended 31 December 2018:

(i) Sale and Purchase Agreement dated 4 May 2017 supplemented by the supplemental letter dated 26 October 2017 and varied by the variation letters dated 3 May 2018, 2 July 2018, 3 September 2018, 27 December 2018 and 27 February 2019 between the Company and Tune Hotels Sdn Bhd for the acquisition of Tune Hotel Kota Kinabalu, together with existing tenancies for a cash consideration of RM9,000,000; and

(ii) Sale and Purchase Agreement dated 4 May 2017 supplemented by the supplemental letter dated 26 October 2017 and varied by the variation letters dated 3 May 2018, 2 July 2018, 3 September 2018, 1 October 2018, 27 December 2018 and 27 February 2019 between the Company and Tune Hotels Sdn Bhd for the acquisition of the rights to operate and maintain Tune Hotel KLIA Aeropolis, together with existing tenancies for a cash consideration of RM926,000.

(collectively referred to as "Proposed Tune Hotels Acquisitions")

Interests of Directors and major shareholders

Tune Hotels Sdn Bhd is a wholly-owned subsidiary of Tune Hotels Real Estate Holdings Limited, which in turn a wholly-owned subsidiary of Tune Hotels.Com Limited ("THCL"). Mr Lim Kian Onn and Dato' Seri Kalimullah bin Masheerul Hassan, being the Directors and shareholders of the Company, are also directors and shareholders of THCL. Accordingly, Mr Lim Kian Onn and Dato' Seri Kalimullah bin Masheerul Hassan are deemed interested in the Proposed Tune Hotels Acquisitions.

Mr Gareth Lim Tze Xiang, being a Director of the Company, is deemed interested in the Proposed Tune Hotels Acquisitions, by virtue of him being the son of Mr Lim Kian Onn.

Truesource Pte Ltd, one of the Company's major shareholders, is deemed interested in the Proposed Tune Hotels Acquisitions by virtue of it being a wholly-owned subsidiary of Plato Capital Limited, which is ultimately controlled by Mr Lim Kian Onn.

Garynma MY Capital Limited, one of the Company's major shareholders, is deemed interested in the Proposed Tune Hotels Acquisitions by virtue of Mr Lim Kian Onn having a deemed interest in it.

Apart from the abovementioned material contracts, there were no other material contracts including contracts relating to loans (not being contracts entered into in the ordinary course of business) which had been entered into by 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. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid and payable by the Company and the Group to the external auditors for the financial year ended 31 December 2018 are as follows:

	Company (RM)	Group (RM)
Statutory audit fees	50,000	95,800
Non-audit fees		
- Review of Statement on Risk Management & Internal Control	5,000	5,000
- Agreed upon Procedures - Client Assets Requirements under the Capital Markets and Services Act, 2007 and Guidelines on Compliance Function for Fund Management Companies	-	28,000
Total	55,000	128,800

3. ANALYSIS OF SHAREHOLDERS AS AT 29 MARCH 2019

Total no. of issued shares : 479,925,823
Class of shares : Ordinary shares
Voting rights
- on show of hands : 1 vote
- on a poll : 1 vote for each share held

Distribution schedule of shareholdings:

Size of holdings	Number of shareholders	%	Number of shares	%
Less than 100	5,351	41.03	158,049	0.03
100 – 1,000	4,041	30.99	1,573,941	0.33
1,001 – 10,000	2,892	22.18	9,488,938	1.98
10,001 – 100,000	677	5.19	18,791,276	3.92
100,001 – less than 5% of issued shares	73	0.56	88,378,465	18.41
5% and above of issued shares	6	0.05	361,535,154	75.33
Total	13,040	100.00	479,925,823	100.00

3. ANALYSIS OF SHAREHOLDERS AS AT 29 MARCH 2019 (continued)

Thirty largest shareholders:

	Name of shareholders	Number of shares	%
1.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tune Group Sdn Bhd	110,150,480	22.95
2.	HSBC Nominees (Asing) Sdn Bhd - exempt an for Bank Julius Baer & Co Ltd	103,065,314	21.48
3.	Kenanga Nominees (Asing) Sdn Bhd - Truesource Pte Ltd	56,694,973	11.81
4.	Amsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account – AmBank (M) Berhad for Kalimullah bin Masheerul Hassan	39,166,300	8.16
5.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lim Kian Onn	26,283,025	5.48
6.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Kalimullah bin Masheerul Hassan	26,175,062	5.45
7.	Orix Corporation	17,633,812	3.67
8.	Maybank Securities Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Ching Ching	11,666,200	2.43
9.	Tan Han Chuan	6,801,600	1.42
10.	Tune Strategic Investments Limited	5,662,202	1.18
11.	Tune Hotels Employee Holdings Sdn Bhd	4,809,221	1.00
12.	Lim Kian Onn	4,286,500	0.89
13.	HSBC Nominees (Asing) Sdn Bhd - exempt an for JPMorgan Chase Bank, National Association	4,000,000	0.83
14.	Kenanga Nominees (Tempatan) Sdn Bhd - Libra Invest Berhad for ECM Libra Foundation	3,699,255	0.77
15.	Cimsec Nominees (Tempatan) Sdn Bhd - exempt an for CGS-CIMB Securities (Singapore) Pte Ltd	3,674,948	0.77
16.	Lim Su Tong @ Lim Chee Tong	3,636,270	0.76
17.	Teo Kwee Hock	2,634,100	0.55
18.	Sumberama Sdn Bhd	1,500,000	0.31
19.	Quek Siow Leng	1,437,163	0.30
20.	Tassapon Bijleveld	1,180,827	0.25
21.	UOB Kay Hian Nominees (Asing) Sdn Bhd - exempt an for UOB Kay Hian Pte Ltd	1,037,869	0.22
22.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Teo Siew Lai	1,000,000	0.21
23.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Kalimullah bin Masheerul Hassan	813,000	0.17

3. ANALYSIS OF SHAREHOLDERS AS AT 29 MARCH 2019 (continued)

Thirty largest shareholders (continued):

Name of shareholders		Number of shares	%
24.	Citigroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Leong Chin Chye	650,000	0.14
25.	Tan Swan Po @ Dolly Tan	554,933	0.12
26.	Cimsec Nominees (Tempatan) Sdn Bhd - CIMB Bank for Yong Loy Huat	500,000	0.10
27.	RHB Capital Nominees (Tempatan) Sdn Bhd - Yong Loy Huat	500,000	0.10
28.	Detik Jalur Sdn Bhd	485,430	0.10
29.	Sendjaja Widjaja	448,714	0.09
30.	Citigroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Vijaya Alphonsus Rajadurai	415,500	0.09

Note: The analysis of shareholders is based on the Record of Depositors of the Company as at 29 March 2019 and does not take into account shares transacted but pending settlement through Bursa Malaysia Securities Berhad.

Substantial shareholders as per Register of Substantial Shareholders of the Company as at 29 March 2019:

	Direct interest		Deemed interest	
Name of substantial shareholders	**Number of shares**	**%**	**Number of shares**	**%**
Mr Lim Kian Onn	30,569,525	6.37	130,387,186 (1)	27.17
Dato' Seri Kalimullah bin Masheerul Hassan	66,154,362	13.78	-	-
Truesource Pte Ltd	56,694,973	11.81	-	-
Plato Capital Limited	-	-	56,694,973 (2)	11.81
Garynma MY Capital Limited	72,255,050	15.06	-	-
Garynma MY Holdings Limited	-	-	72,255,050 (3)	15.06
Julius Baer Trust Company (Singapore) Limited	-	-	72,255,050 (4)	15.06
Tune Group Sdn Bhd	110,150,480	22.95	-	-
Tan Sri Dr Anthony Francis Fernandes	-	-	110,150,480 (5)	22.95
Datuk Kamarudin bin Meranun	-	-	110,150,480 (5)	22.95

Notes:

(1) Deemed interest of 27.17% by virtue of his interest in Plato Capital Limited and his interest via Garynma Trust which holds all the shares in Garynma MY Holdings Limited pursuant to Section 8(4) of the Companies Act 2016 and his spouse's shareholding pursuant to Section 59(11)(c) of the Companies Act 2016.

(2) Deemed interest of 11.81% by virtue of Plato Capital Limited, being the holding company of Truesource Pte Ltd pursuant to Section 8(4) of the Companies Act 2016.

(3) Deemed interest of 15.06% by virtue of Garynma MY Holdings Limited, being the holding company of Garynma MY Capital Limited pursuant to Section 8(4) of the Companies Act 2016.

(4) Deemed interest of 15.06% by virtue of Julius Baer Trust Company (Singapore) Limited, being the trustee of Garynma Trust which holds all the shares in Garynma MY Holdings Limited pursuant to Section 8(4) of the Companies Act 2016.

(5) Deemed interest of 22.95% by virture of his interest in Tune Group Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016.

4. DIRECTORS' INTERESTS IN THE COMPANY AND/OR ITS RELATED CORPORATIONS AS AT 29 MARCH 2019

Other than as disclosed below, none of the other Directors of the Company has any interest in the Company and/or its related corporations:

	Direct interest		Deemed interest	
Name of directors	**Number of shares**	**%**	**Number of shares**	**%**
Dato' Seri Kalimullah bin Masheerul Hassan	66,154,362	13.78	-	-
Mr Lim Kian Onn	30,569,525	6.37	130,387,186[(1)]	27.17
Datuk Kamarudin bin Md Ali	50,000	0.01	-	-

Note:

(1) Deemed interest of 27.17% by virtue of his interest in Plato Capital Limited and his interest via Garynma Trust which holds all the shares in Garynma MY Holdings Limited pursuant to Section 8(4) of the Companies Act 2016 and his spouse's shareholding pursuant to Section 59(11)(c) of the Companies Act 2016.

Mr Lim Kian Onn, by virtue of his interests in the Company and pursuant to Section 8(4)(c) of the Companies Act 2016, is deemed to have interests in the shares of all the subsidiaries of the Company to the extent that the Company has an interest.

5. LIST OF PROPERTIES AS AT 31 DECEMBER 2018

Location	Description/ Existing use	Tenure	Land area	Age of building (years)	Net book value (RM'000)	Date of acquisition
Lot 348 Seksyen 15, Geran 11256 Lot 426 Seksyen 15, Geran 63526 Bandar Georgetown Daerah Timor Laut Pulau Pinang	Land with building for hotel use	Freehold	2,053.4429 square meters	10	22,032	1.10.2018

notice of annual general meeting

NOTICE IS HEREBY GIVEN that the Fourteenth Annual General Meeting of ECM Libra Financial Group Berhad ("Company") will be held at MAKAN at Tune Hotel KLIA2, Lot Pt 13, Jalan KLIA 2/2, 64000 KLIA, Selangor on Thursday, 27 June 2019 at 2.30 p.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 December 2018. **Please refer to explanatory note 1**

2. To approve the payment of Directors' fees of RM265,240 in respect of financial year ended 31 December 2018 to be divided amongst the Directors in such manner as the Directors may determine. **Resolution 1**

3. To approve the payment of Directors' remuneration (excluding Directors' fees) up to an amount of RM150,000 payable to the Non-Executive Directors from 28 June 2019 until the next Annual General Meeting of the Company. **Resolution 2**

4. To re-elect the following Directors who retire pursuant to Article 103 of the Company's Articles of Association:

    (a) En Mahadzir bin Azizan; and **Resolution 3**
    (b) Mr Gareth Lim Tze Xiang. **Resolution 4**

5. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**

AS SPECIAL BUSINESS

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

6. **Ordinary Resolutions on Continuation in Office as Independent Non-Executive Directors**

    (a) "**THAT** approval be and is hereby given to Datuk Kamarudin bin Md Ali, who has served as Independent Non-Executive Director of the Company for a cumulative term nearest to thirteen (13) years, to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company."; **Resolution 6**

    (b) "**THAT** approval be and is hereby given to Dato' Othman bin Abdullah, who has served as Independent Non-Executive Director of the Company for a cumulative term nearest to thirteen (13) years, to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company."; and **Resolution 7**

(c) "**THAT** subject to the passing of the Resolution 3, approval be and is hereby given to En Mahadzir bin Azizan, who has served as Independent Non-Executive Director of the Company for a cumulative term nearest to thirteen (13) years, to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company." **Resolution 8**

7. **Ordinary Resolution on Authority to Directors to Issue Shares**

"**THAT** pursuant to Sections 75 and 76 of the Companies Act 2016 and subject always to the approval of the relevant authorities, 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 to be issued pursuant to this resolution during the preceding twelve (12) months does not exceed ten percent (10%) of the total number of issued shares 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." **Resolution 9**

8. **Special Resolution on Proposed Adoption of the New Constitution of the Company**

"**THAT** the new Constitution as set out in Appendix A be and is hereby adopted as the Constitution of the Company in place of the existing Memorandum and Articles of Association ("Proposed New Constitution") with immediate effect AND THAT the Directors be and are hereby authorised to give full effect and to do all acts and things as may be required for or in connection with the Proposed New Constitution." **Resolution 10**

9. To consider any other business of which due notice shall have been given.

By Order of the Board

ONG LEI HUA (MIA 17493)
JASMINDAR KAUR A/P SARBAN SINGH (MAICSA 7002687)
Secretaries

Kuala Lumpur
29 April 2019

NOTES:

1. Only a depositor whose name appears in the Record of Depositors of the Company as at 20 June 2019 shall be regarded as a member entitled to attend, speak and vote, and appoint a proxy to attend, speak and vote on his/her behalf, at the Fourteenth Annual General Meeting ("14th AGM").

2. A member entitled to attend and vote at the 14th AGM is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy(ies).

3. Where a member appoints more than one (1) proxy to attend the 14th AGM, the member shall specify the proportion of his/her shareholdings to be represented by each proxy.

4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of a duly authorised officer or attorney of the corporation.

5. The Form of Proxy must be deposited at the Registered Office of the Company at 2nd Floor, West Wing, Bangunan ECM Libra, 8 Jalan Damansara Endah, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.

6. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms pursuant to the Personal Data Protection Act 2010 set out below:

   By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 14th AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company or its Share Registrar for the purpose of the processing and administration of proxies and representatives appointed for the 14th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 14th AGM (including any adjournment thereof), and in order for the Company or its Share Registrar to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company or its Share Registrar, the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company or its Share Registrar of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of 14th AGM will be put to vote by way of poll.

Explanatory notes

1. **To receive the audited financial statements together with the reports of the Directors and Auditors thereon for the financial year ended 31 December 2018**

   This agenda item is meant for discussion only as under the provision of Section 340(1) of the Companies Act 2016, the audited financial statements do not require a formal approval of the members and hence, this item will not be put forward for voting.

2. **Resolution 1 on payment of Directors' fees of RM265,240 in respect of financial year ended 31 December 2018 to be divided amongst the Directors**

   The Directors' fees of RM265,240 in respect of financial year ended 31 December 2018 includes fees of RM60,000 payable to the Non-Executive Directors of Libra Invest Berhad ("LIB"), the main subsidiary of the Company.

3. **Resolution 2 on payment of Directors' remuneration (excluding Directors' fees) up to an amount of RM150,000 payable to the Non-Executive Directors from 28 June 2019 until the next Annual General Meeting of the Company**

   The current Directors' remuneration (excluding Directors' fees) payable to the Non-Executive Directors for both the Company and LIB comprises meeting allowances, medical coverage and other claimable benefits.

   The estimated meeting allowances payable to the Non-Executive Directors from 28 June 2019 until the next Annual General Meeting of the Company are calculated based on the number of scheduled meetings for Board of Directors ("Board") and Board Committees of the Company and LIB and the number of Non-Executive Directors involved in these meetings.

   The Board will seek approval of the members at the next Annual General Meeting of the Company in the event the Directors' remuneration (excluding Directors' fees) proposed is insufficient due to an increase in the number of the Board and Board Committees meetings and/or increase in the Board size and/or revision to the existing Directors' remuneration structure.

4. **Resolution 3 on re-election of En Mahadzir bin Azizan who retires pursuant to the Company's Articles of Association**

   The Board Nomination Committee and the Board have conducted an assessment on the independence of En Mahadzir bin Azizan and are satisfied that En Mahadzir bin Azizan has met the criteria set in the assessment.

5. **Resolutions 6, 7 and 8 on continuation in office as Independent Non-Executive Directors**

   The Board would like to seek members' approval for the ordinary resolutions to enable Datuk Kamarudin bin Md Ali, Dato' Othman bin Abdullah and En Mahadzir bin Azizan to continue serving as Independent Non-Executive Directors of the Company until the conclusion of the next Annual General Meeting of the Company, despite the Company's Policy on Tenure of Independent Directors setting a cap on the tenure of Independent Directors to a cumulative period of twelve (12) years. In this Annual General Meeting of the Company, all of the said Independent Non-Executive Directors would have served the Company nearest to thirteen (13) years since 2006.

   The Board is recommending and supporting the resolutions for their continuing in office as Independent Non-Executive Directors, based on the following justifications that the three Directors:

   i. have met the criteria set in the annual assessment of their independence in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;

   ii. have vast experience gained at senior management level in their past career. Their financial management, accounting and legal background have provided support to enable the Board to discharge its duties effectively and in a competent manner;

   iii. have acted in the best interest of the Company by providing independent view to the deliberations and decision making of the Board and Board Committees;

   iv. understand the Group and its businesses, the industry and challenges and therefore are able to contribute to the development of the Group;

v. are able to devote time and commitment to attend to the functions and duties as independent director, including attendance and informed participation at Board and Board Committee meetings; and

vi. have confirmed that notwithstanding the thirteen (13) year tenure, they can and will remain objective and independent in expressing their opinions and in participating in the decision making and act in the best interest of the Company.

The ordinary resolutions, if passed, will allow Datuk Kamarudin bin Md Ali, Dato' Othman bin Abdullah and En Mahadzir bin Azizan to continue serving as Independent Non-Executive Directors of the Company until the conclusion of the next Annual General Meeting of the Company.

In line with Practice 4.2 of the Malaysian Code on Corporate Governance ("MCCG"), the approval of members will be sought through a two-tier voting process as described in the Guidance to Practice 4.2 of the said MCCG.

6. **Resolution 9 on authority to Directors to issue shares**

The ordinary resolution, if passed, will give a renewed mandate to the Directors to issue shares in the Company from time to time provided that the aggregate number of shares to be issued pursuant to this resolution during the preceding twelve (12) months does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being ("Renewed Mandate"). The Renewed Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 25 April 2018 and which will lapse at the conclusion of the 14th AGM.

In circumstances where an expansion/diversification plan requires the issue of new shares, the Renewed Mandate will enable the Directors to take prompt action and to avoid delay and cost in convening general meetings to approve such issue of shares.

7. **Resolution 10 on proposed adoption of the new Constitution of the Company**

The special resolution, if passed, will bring the Constitution of the Company in line with the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The proposed new Constitution as set out in Appendix A despatched together with the Annual Report 2018 of the Company shall take effect once the Resolution 10 has been passed by a majority of not less than seventy-five per centum (75%) of such members who are entitled to vote and do vote in person or by proxy at the 14th AGM.

statement accompanying notice of annual general meeting

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Details of persons who are standing for election as Directors

No individual is seeking election as a Director at the Fourteenth Annual General Meeting of the Company.

2. Resolution 9 on authority to Directors to issue shares

Further details of the authority to Directors to issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are stated in the explanatory notes of the Notice of Annual General Meeting as set out on page 139.

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

Name	Address	NRIC No.	Proportion of shareholdings to be represented by proxy (%)

and/or

Name	Address	NRIC No.	Proportion of shareholdings to be represented by proxy (%)

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 Fourteenth Annual General Meeting ("14th AGM") of the Company to be held at MAKAN at Tune Hotel KLIA2, Lot Pt 13, Jalan KLIA 2/2, 64000 KLIA, Selangor on Thursday, 27 June 2019 at 2.30 p.m. and at any adjournment thereof.

My/Our proxy/proxies is/are to vote as indicated below with an "X":

NO.	RESOLUTIONS	FOR	AGAINST
1.	To approve the payment of Directors' fees		
2.	To approve the payment of Directors' remuneration (excluding Directors' fees)		
	To re-elect the following as Directors:		
3.	(a) En Mahadzir bin Azizan		
4.	(b) Mr Gareth Lim Tze Xiang		
5.	To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration		
	To approve the continuation in office of the following as Independent Non-Executive Directors:		
6.	(a) Datuk Kamarudin bin Md Ali		
7.	(b) Dato' Othman bin Abdullah		
8.	(c) En Mahadzir bin Azizan		
9.	To approve the authority to Directors to issue shares		
10.	To approve the proposed adoption of the new Constitution of the Company		

Dated this _________day of ____________________2019

Number of shares held

____
Signature(s)/Common Seal of Member(s)

Please refer to next page on the notes.

Notes:

1. Only a depositor whose name appears in the Record of Depositors of the Company as at 20 June 2019 shall be regarded as a member entitled to attend, speak and vote, and appoint a proxy to attend, speak and vote on his/her behalf, at the 14th AGM.
2. A member entitled to attend and vote at the 14th AGM is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy(ies).
3. Where a member appoints more than one (1) proxy to attend the 14th AGM, the member shall specify the proportion of his/her shareholdings to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of a duly authorised officer or attorney of the corporation.
5. The Form of Proxy must be deposited at the Registered Office of the Company at 2nd Floor, West Wing, Bangunan ECM Libra, 8 Jalan Damansara Endah, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.
6. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms pursuant to the Personal Data Protection Act 2010 set out in the Notice of 14th AGM dated 29 April 2019.
7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of 14th AGM will be put to vote by way of poll.

AFFIX
STAMP

Company Secretary
ECM Libra Financial Group Berhad (713570-K)
2nd Floor, West Wing, Bangunan ECM Libra,
8 Jalan Damansara Endah,
Damansara Heights,
50490 Kuala Lumpur.