

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)
Interim Financial Statements for the period ended 31 July 2015

Unaudited Condensed Consolidated Statement of Financial Position
As at 31 July 2015

		31-Jul-15	31-Jan-15
		RM'000	RM'000
ASSETS	<u>Note</u>		
Cash and short-term funds	9	112,992	152,533
Securities available-for-sale	10	191,746	193,430
Loans, advances and financing	11	80,250	72,000
Trade receivables	12	2,087	1,809
Other assets	13	3,523	2,492
Investment in associated company	14	7,200	7,200
Deferred tax assets		254	244
Property, plant and equipment		24,132	23,756
TOTAL ASSETS		<u>422,184</u>	<u>453,464</u>
LIABILITIES AND EQUITY			
LIABILITIES			
Trade payables	15	1,216	1,055
Other liabilities	16	3,705	3,870
Provision for taxation		454	92
TOTAL LIABILITIES		<u>5,375</u>	<u>5,017</u>
EQUITY			
Share capital		269,197	268,222
Reserves		147,612	180,225
TOTAL EQUITY		<u>416,809</u>	<u>448,447</u>
TOTAL LIABILITIES AND EQUITY		<u>422,184</u>	<u>453,464</u>
Net assets per share (RM)		1.56	1.67

The interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended 31 January 2015 of the Group.

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)
Interim Financial Statements for the period ended 31 July 2015

Unaudited Condensed Consolidated Statement of Comprehensive Income
for the second quarter ended 31 July 2015

	Current quarter ended 31-Jul-15	Corresponding quarter ended 31-Jul-14	Current year to date 31-Jul-15	Corresponding year to date 31-Jul-14
Note	RM'000	RM'000	RM'000	RM'000
Revenue	22,169	5,639	27,305	11,667
Interest income	17 2,489	1,983	4,904	3,576
Non-interest income	18 19,680	3,656	22,401	8,091
Other non-operating (loss)/income	19 (3,002)	615	(2,473)	955
Net income	19,167	6,254	24,832	12,622
Operating expenses	20 (4,501)	(3,674)	(8,325)	(7,126)
Profit before tax	14,666	2,580	16,507	5,496
Income tax expense	30 (608)	(495)	(949)	(853)
Profit for the period	14,058	2,085	15,558	4,643
Other comprehensive income:				
Net (loss)/gain on available-for-sale financial assets	(30,755)	45,732	(50,363)	78,199
Currency translation differences	(4)	(51)	12	(79)
Foreign currency translation reserve losses reclassified to profit or loss upon liquidation of subsidiary	3,762	-	3,762	-
Income tax relating to components of other comprehensive income	12	(589)	11	(934)
Other comprehensive (loss)/income for the period, net of tax	(26,985)	45,092	(46,578)	77,186
Total comprehensive (loss)/income for the period	(12,927)	47,177	(31,020)	81,829
Earnings per share ("EPS"):				
- basic	35 5.27	Sen 0.78	5.83	Sen 1.73
- diluted	35 4.91	Sen 0.72	5.44	Sen 1.61

The interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended 31 January 2015 of the Group.

ECM LIBRA FINANCIAL GROUP BERHAD (Company No. 713570-K)
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Unaudited Condensed Consolidated Statement of Changes in Equity
for the financial period ended 31 July 2015

	<-----Non-distributable----->						Distributable		Total RM'000
	Share capital RM'000	Treasury shares RM'000	Capital redemption reserve RM'000	Foreign currency translation reserve RM'000	Available-for- sale revaluation reserve RM'000	Equity compensation reserve RM'000	General reserve RM'000	Retained profits RM'000	
As at 1 February 2015	268,222	-	2,083	(4,816)	58,116	2,789	159	121,894	448,447
Profit for the period	-	-	-	-	-	-	-	15,558	15,558
Other comprehensive income	-	-	-	12	(50,352)	-	-	-	(50,340)
Reclassification to profit or loss upon liquidation of subsidiary	-	-	-	3,762	-	-	-	-	3,762
	-	-	-	3,774	(50,352)	-	-	15,558	(31,020)
Transaction with owners:									
Shares buy-back by the Group	-	(1,593)	-	-	-	-	-	-	(1,593)
Issuance of shares pursuant to ESOS	975	-	-	-	-	-	-	-	975
	975	(1,593)	-	-	-	-	-	-	(618)
As at 31 July 2015	269,197	(1,593)	2,083	(1,042)	7,764	2,789	159	137,452	416,809
As at 1 February 2014	268,222	-	2,083	(5,007)	18,244	2,737	159	93,664	380,102
Profit for the period	-	-	-	-	-	-	-	4,643	4,643
Other comprehensive income	-	-	-	(79)	77,265	-	-	-	77,186
	-	-	-	(79)	77,265	-	-	4,643	81,829
Transaction with owners:									
ESOS granted during the period	-	-	-	-	-	53	-	-	53
	-	-	-	-	-	53	-	-	53
As at 31 July 2014	268,222	-	2,083	(5,086)	95,509	2,790	159	98,307	461,984

The interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended 31 January 2015 of the Group.

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Unaudited Condensed Consolidated Statement of Cash Flow
for the financial period ended 31 July 2015

	6 months ended	
	31-Jul-15	31-Jul-14
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	16,507	5,496
Adjustment for non-cash items	(21,695)	(4,252)
Operating (loss)/profit before working capital changes	<u>(5,188)</u>	1,244
Net (increase)/decrease in operating assets	(9,416)	6,694
Net decrease in operating liabilities	(4)	(2,522)
Cash (used in)/generated from operations	<u>(14,608)</u>	5,416
Net tax paid	(635)	(528)
Net cash (used in)/generated from operating activities	<u>(15,243)</u>	4,888
Cash flows from investing activities		
Net (purchase)/sales of securities	(31,750)	21,958
Net purchase of property, plant and equipment	(963)	(113)
Interest income received	4,809	3,571
Dividend income received	63	-
Net cash (used in)/generated from investing activities	<u>(27,841)</u>	25,416
Cash flows from financing activities		
Purchase of treasury shares	(1,593)	-
Proceeds from issuance of shares	975	-
Net cash used in financing activities	<u>(618)</u>	-
Net (decrease)/increase in cash and cash equivalents	(43,702)	30,304
Effects of foreign exchange rate changes	4,161	(86)
Cash and cash equivalents at beginning of the period	152,533	30,579
Cash and cash equivalents at end of the period	<u>112,992</u>	<u>60,797</u>
Cash and cash equivalents comprise:		
Cash and short-term funds	<u>112,992</u>	<u>60,797</u>

The interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended 31 January 2015 of the Group.

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

1 Basis of preparation

This unaudited interim financial statements of the Group has been prepared on a historical cost basis, unless otherwise disclosed in the notes to the financial statements and are in accordance with MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB") and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements are in compliance with IAS 34 *Interim Financial Reporting*.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 January 2015. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 January 2015.

The accounting policies and methods of computation adopted in this interim financial report are consistent with those adopted in the annual financial statements for the year ended 31 January 2015.

The following MFRS and IC Interpretations have been issued by the MASB and are not yet effective:

Effective for annual periods commencing on or after 1 January 2016

Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Amendments to MFRS 10, MFRS 12 and MFRS 128 *Investment Entities: Applying the Consolidation Exception*

Amendments to MFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*

MFRS 14 *Regulatory Deferral Account*

Amendments to MFRS 101 *Disclosure Initiative*

Amendments to MFRS 116 and MFRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*

Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer plants*

Amendments to MFRS 127 *Equity Method in Separate Financial Statements*

Annual Improvements to MFRS 2012 - 2014 Cycle

Effective for annual periods commencing on or after 1 January 2017

MFRS 15 *Revenue from Contracts with Customers*

Effective for annual periods commencing on or after 1 January 2018

MFRS 9 *Financial Instruments*

1 Basis of preparation (cont'd.)

Adoption of the above standards and interpretations will not have any material impact on the financial statements in the period of initial application, except as discussed below:

MFRS 9 Financial Instruments ("MFRS 9")

In July 2014, the IASB issued the final version of IFRS Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but restatement of comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015.

MFRS 9 is issued by the MASB in respect of its application in Malaysia. It is equivalent to IFRS 9 as issued by IASB, including the effective and issuance dates. The areas with expected significant impact from application of MFRS 9 are summarized below:

(i) Classification and measurement

The classification and measurement of financial assets is determined on the basis of the contractual cash flow characteristics and the objective of the business model associated with holding the asset. Key changes include:

- The held-to-maturity ("HTM") and available-for-sale ("AFS") asset categories will be removed;
- A new asset category measured at fair value through other comprehensive income ("FVOCI") is introduced. This applies to debt instruments with contractual cash flow characteristics that are solely payments of principle and interest and held in a model whose objective is achieved by both collecting contractual cash flows and selling financial assets;
- A new asset category for non-traded equity investments measured at FVOCI is introduced; and
- Classification of financial liabilities will remain largely unchanged, other than the fair value gains and losses attributable to changes in 'own credit risk' for financial liabilities designated and measured at fair value through profit or loss to be presented in other comprehensive income.

The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, and may have no impact on the classification and measurement of the Group's financial liabilities.

1 Basis of preparation (cont'd.)

MFRS 9 (cont'd.)

(ii) Impairment

The MFRS 9 impairment requirements are based on an expected credit loss model (“ECL”) that replaces the incurred loss model under the current accounting standard. The Group will be generally required to recognise either a 12-month or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. The ECL model will apply to financial assets measured at amortised cost or at FVOCI, irrevocable loan commitments and financial guarantee contracts, which will include loans, advances and financing and debt instruments held by the Group. MFRS 9 will change the Group’s current methodology for calculating allowances for impairment, in particular for individual and collective assessment and provisioning.

(iii) Hedge accounting

The requirements for general hedge accounting have been simplified for hedge effectiveness testing and may result in more designations of hedged items for accounting purposes.

The Group is in the process of assessing the financial implications for adopting the new standard.

MFRS 15 Revenue from Contracts with Customers (“MFRS 15”)

MFRS 15 replaces all existing revenue requirements (MFRS 111 *Construction Contracts*, MFRS 118 *Revenue*, IC 13 *Customer Loyalty Programmes*, IC 15 *Agreements for the Construction of Real Estate*, IC 18 *Transfers of Assets from Customers* and IC 131 *Revenue – Barter Transactions Involving Advertising Services*) in MFRS and applies to all revenue arising from contracts with customers. It also provides a model for the recognition and measurement of sales of some non-financial assets including disposals of property, equipment and intangible assets.

The standard outlines the principles an entity must apply to measure and recognise revenue. The core principle is that an entity will recognise revenue at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group is in the process of assessing the financial implications for adopting the new standard.

2 Audit report of preceding annual financial statements

The auditors’ report on the Financial Statements for the year ended 31 January 2015 of the Group was not subjected to any qualification.

3 Seasonality and cyclicity factors

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

4 Exceptional items/unusual events

There was no unusual item affecting assets, liabilities, equity, net income, or cash flows during the second quarter ended 31 July 2015.

5 Variation from financial estimates reported in preceding financial period

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

6 Debt and equity securities

Save as detailed below, there were no other issuance, cancellation, resale and repayment of either debt or equity securities during the period under review during the period ended 31 July 2015:

(i) Shares buy back

The total number of shares bought back, all of which were held as treasury shares as at 31 July 2015 amounted to 1,471,900 shares, at an average price per share of RM1.0822. None of the treasury shares were resold or cancelled to-date.

(ii) Issuance of ordinary shares pursuant to ESOS

The issued and paid-up share capital was increased from 268,222,091 ordinary shares of RM1.00 each to 269,196,591 ordinary shares of RM1.00 each as at 31 July 2015 via issuance of 974,500 new ordinary shares of RM1.00 each arising from exercise of ESOS pursuant to the ESOS.

7 Dividend paid

There was no dividend paid during the 6 months ended 31 July 2015.

8 Segmental reporting

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

- (i) Investment holding and capital market operations - general investments and capital market related operations
- (ii) Fund management - unit trust funds and asset management
- (iii) Fund managed by a subsidiary - a unit trust fund
- (iv) Corporate advisory and structured financing - corporate advisory, structured lending and financial services related activities

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8 Segmental reporting (cont'd.)

3 months ended 31 July 2015	Investment holding and capital market operations RM'000	Fund management RM'000	Fund managed by a subsidiary RM'000	Corporate advisory and structured financing RM'000	Inter- segment elimination RM'000	Group total RM'000
Revenue	553	2,739	17,319	1,558	-	22,169
Inter-segment revenue	-	56	-	-	(56)	-
	553	2,795	17,319	1,558	(56)	22,169
Interest income	371	71	572	1,475	-	2,489
Non-interest income	183	2,723	16,747	83	(56)	19,680
Other non-operating (loss)/income	(3,389)	-	387	-	-	(3,002)
Net income	(2,835)	2,794	17,706	1,558	(56)	19,167
Operating expenses	(1,701)	(2,755)	(97)	(4)	56	(4,501)
(Loss)/profit before tax	(4,536)	39	17,609	1,554	-	14,666
6 months ended 31 July 2015						
Revenue	1,084	5,368	17,808	3,045	-	27,305
Inter-segment revenue	-	116	-	-	(116)	-
	1,084	5,484	17,808	3,045	(116)	27,305
Interest income	840	142	1,061	2,861	-	4,904
Non-interest income	245	5,342	16,747	183	(116)	22,401
Other non-operating (loss)/income	(2,860)	-	387	-	-	(2,473)
Net income	(1,775)	5,484	18,195	3,044	(116)	24,832
Operating expenses	(3,059)	(5,122)	(246)	(14)	116	(8,325)
(Loss)/profit before tax	(4,834)	362	17,949	3,030	-	16,507
Segment assets	96,050	16,668	220,349	81,917	-	414,984
Investment in an associated company						7,200
Total assets						422,184

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8 Segmental reporting (cont'd.)

6 months ended 31 July 2014	Investment holding and capital market operations RM'000	Fund management RM'000	Fund managed by a subsidiary RM'000	Corporate advisory and structured financing RM'000	Inter- segment elimination RM'000	Group total RM'000
Revenue	1,748	5,281	1,827	2,811	-	11,667
Inter-segment revenue	-	112	-	-	(112)	-
	1,748	5,393	1,827	2,811	(112)	11,667
Interest income	1,274	108	353	1,841	-	3,576
Non-interest income	476	5,171	1,474	970	-	8,091
Other non-operating income	955	-	-	-	-	955
Net income	2,705	5,279	1,827	2,811	-	12,622
Operating expenses	(2,551)	(4,484)	(71)	(20)	-	(7,126)
Profit before tax	154	795	1,756	2,791	-	5,496
Segment assets	113,252	15,383	266,396	64,524	-	459,555
Investment in associated company						7,200
Total assets						466,755

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9 Cash and short-term funds

	31-Jul-15	31-Jan-15
	RM'000	RM'000
Cash	22,743	84,436
Cash belonging to a fund managed by a subsidiary	90,249	68,097
	112,992	152,533

10 Securities available-for-sale

	31-Jul-15	31-Jan-15
	RM'000	RM'000
At fair value		
Quoted shares	133,230	158,657
Unquoted shares	12,788	-
Unit trust funds	48,914	37,959
	194,932	196,616
Less: Allowance for impairment loss on securities	(3,186)	(3,186)
	191,746	193,430

11 Loans, advances and financing

	31-Jul-15	31-Jan-15
	RM'000	RM'000
Term loans, representing gross loans, advances and financing	80,250	72,000
Less: Collective assessment allowance	-	-
Total net loans, advances and financing	80,250	72,000

Analysis of gross loans, advances and financing

By residual contractual maturity

Maturity within one year	80,250	72,000
Gross loans, advances and financing	80,250	72,000

By economic purpose

Investments	20,250	20,000
Working capital	20,000	20,000
Others	40,000	32,000
Gross loans, advances and financing	80,250	72,000

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

	31-Jul-15	31-Jan-15
	RM'000	RM'000
Analysis of gross loans, advances and financing (cont'd.)		
<u>By interest rate sensitivity</u>		
Fixed rate		
- Term loans and revolving credit	80,250	72,000
Gross loans, advances and financing	80,250	72,000
<u>By type of customer</u>		
Domestic business enterprises	40,250	40,000
Individuals	40,000	32,000
Gross loans, advances and financing	80,250	72,000

Individual assessment allowance

There is no individual assessment allowance made as there are no impaired loans during and at the end of the period.

12 Trade receivables

	31-Jul-15	31-Jan-15
	RM'000	RM'000
Amount owing by trustees	2,087	1,809

13 Other assets

	31-Jul-15	31-Jan-15
	RM'000	RM'000
Interest receivable	219	124
Deposits	788	419
Tax recoverable	508	460
Other receivables and prepayments	2,008	1,489
	3,523	2,492

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14 Investment in associated company

	31-Jul-15	31-Jan-15
	RM'000	RM'000
Unquoted shares, outside Malaysia	-*	-
Advances	7,200	7,200
Total investment in associated company	7,200	7,200

* denotes RM9

15 Trade payables

	31-Jul-15	31-Jan-15
	RM'000	RM'000
Amount owing to trustees	1,216	1,055

16 Other liabilities

	31-Jul-15	31-Jan-15
	RM'000	RM'000
Accruals and redemption of units of funds	1,569	2,887
Other payables	2,136	983
	3,705	3,870

17 Interest income

	Current		Current	
	quarter	Corresponding	year to date	Corresponding
	ended	quarter ended	31-Jul-15	year to date
	31-Jul-15	31-Jul-14	31-Jul-15	31-Jul-14
	RM'000	RM'000	RM'000	RM'000
Loans and advances	1,475	1,063	2,861	1,841
Short-term funds and deposits with financial institutions	1,014	318	2,043	551
Securities held-to-maturity	-	602	-	1,184
	2,489	1,983	4,904	3,576

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18 Non-interest income

	Current quarter ended 31-Jul-15 RM'000	Corresponding quarter ended 31-Jul-14 RM'000	Current year to date 31-Jul-15 RM'000	Corresponding year to date 31-Jul-14 RM'000
Fee income				
- Fees on loans and advances	-	181	-	357
- Portfolio management fees	2,611	2,466	5,149	4,826
- Other fee income	140	427	261	1,316
	2,751	3,074	5,410	6,499
Investment and trading income				
Net gain arising from securities held-for-trading				
- Unrealised gain on revaluation	-	-	-	9,846
	-	-	-	9,846
Net gain arising from securities available-for-sale				
- Income distribution from fund	183	59	245	118
	183	59	245	118
Net gain arising from securities available-for-sale of fund managed by a subsidiary				
- Net gain on disposal	16,683	502	16,683	1,453
- Dividend income	63	21	63	21
	16,746	523	16,746	1,474
Net loss arising from derivatives				
- Unrealised loss on revaluation	-	-	-	(9,846)
	-	-	-	(9,846)
Total non-interest income	19,680	3,656	22,401	8,091

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19 Other non-operating (loss)/income

	Current quarter ended 31-Jul-15 RM'000	Corresponding quarter ended 31-Jul-14 RM'000	Current year to date 31-Jul-15 RM'000	Corresponding year to date 31-Jul-14 RM'000
Rental income	359	345	733	688
Gain on disposal of motor vehicles	-	-	169	-
Gain /(loss) on foreign exchange translation	401	(4)	387	(7)
Foreign currency translation reserve losses reclassified to profit or loss upon liquidation of subsidiary (refer Note)	(3,762)	-	(3,762)	-
Others	-	274	-	274
	(3,002)	615	(2,473)	955

Note:

Upon completion of liquidation of ECML Ltd (formerly known as ECM Libra Investment Bank Limited), a dormant wholly-owned subsidiary, the cumulative amount of the exchange differences recognised in other comprehensive income and accumulated as foreign currency translation reserve in equity was reclassified to profit or loss. (Refer Note 23)

20 Operating expenses

	Current quarter ended 31-Jul-15 RM'000	Corresponding quarter ended 31-Jul-14 RM'000	Current year to date 31-Jul-15 RM'000	Corresponding year to date 31-Jul-14 RM'000
<u>Personnel expenses</u>				
Salaries, allowance and bonus	2,225	1,726	4,173	3,422
Contributions to defined contribution plan	274	232	534	464
Other personnel costs	97	302	385	507
	2,596	2,260	5,092	4,393
<u>Establishment costs</u>				
Depreciation of property, plant and equipment	384	417	756	836
Rental of premises	35	36	71	80
Other establishment costs	13	16	26	33
	432	469	853	949
<u>Marketing and communication expenses</u>				
Advertising expenses	28	37	81	43
Entertainment	16	15	36	32
Other marketing expenses	118	104	176	187
	162	156	293	262

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20 Operating expenses (cont'd.)

	Current quarter ended 31-Jul-15 RM'000	Corresponding quarter ended 31-Jul-14 RM'000	Current year to date 31-Jul-15 RM'000	Corresponding year to date 31-Jul-14 RM'000
<u>Administrative and general expenses</u>				
Audit fees	22	20	50	42
Building maintenance expenses	254	221	476	418
Legal and professional fees	338	87	410	214
Printing and stationery	71	62	100	81
Rental of network and equipment and telecommunication expenses	43	53	82	116
Insurance, postages and courier	44	31	84	59
Others	539	315	885	592
	1,311	789	2,087	1,522
Total operating expenses	4,501	3,674	8,325	7,126

21 Valuation of property, plant and equipment

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

22 Material subsequent event

There were no material events subsequent to 31 July 2015.

23 Changes in the composition of the Group/Liquidation of subsidiary

In the previous financial year, the Group commenced member's voluntary winding-up of the following dormant wholly-owned subsidiaries:

- a) ECM Libra Securities Nominees (Asing) Sdn Bhd
- b) ECM Libra Securities Nominees (Tempatan) Sdn Bhd
- c) ECM Libra Capital Markets Sdn Bhd
- d) Avenue Capital Resources Berhad
- e) ECML Ltd (formerly known as ECM Libra Investment Bank Limited)
- f) ECM Libra Securities Sdn Bhd

On 30 July 2015, the Liquidator of ECML Ltd (formerly known as ECM Libra Investment Bank Limited) had convened the Final Meeting to conclude the member's voluntary winding-up of ECML Ltd.

The Return by Liquidator Relating to Final Meeting of ECML Ltd has been lodged on 31 July 2015 with the Labuan Financial Services Authority ("LFSA") and ECML Ltd shall be dissolved effective from 29 October 2015 as per letter from LFSA dated 31 July 2015.

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23 Changes in the composition of the Group/Liquidation of subsidiary (cont'd.)

On 31 July 2015, upon completion of liquidation of ECML Ltd, the foreign currency exchange losses recognised in other comprehensive income and accumulated as foreign currency translation reserve in equity was reclassified to profit or loss in the consolidated income statement and said reclassification has no adverse impact on the group net assets position. (Refer Note 19)

The member's voluntary winding-up of the remaining 5 subsidiaries is still on-going.

24 Commitments and contingencies

Capital commitments

As at 31 July 2015, the Group has commitments in respect of capital expenditure as follows: -

Authorised and contracted for	RM'000 3,883
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Part B – Additional information required by the listing requirements of Bursa Malaysia

25 Status of corporate proposals announced

On 1 June 2015, the Company announced a proposal to undertake a distribution exercise to its entitled shareholders of up to approximately RM320.10 million by way of cash distribution or a combination of cash and distribution-in-specie of ordinary shares and/or warrants of Eastern & Oriental Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad, to be implemented in the following manner:

- (i) A proposed share capital reduction by the Company equivalent to approximately RM234.74 million (based on the Company's then issued and paid-up share capital less treasury shares), or equivalent to RM0.88 per ordinary share in the Company ("ECMLFG Shares") of par value RM1.00 each (the "Proposed Capital Reduction"); and
- (ii) The remaining amount of up to RM85.36 million or equivalent up to RM0.32 per ECMLFG Share held by way of a proposed special dividend (the "Proposed Special Dividend").

(The Proposed Capital Reduction and the Proposed Special Dividend shall be collectively defined hereon, as the "Proposed Distribution").

In conjunction with the above, the Company announced that it also proposed to undertake the following:

- (i) A proposed share split involving the subdivision of ECMLFG Shares after the completion of the Proposed Distribution (as defined below), to facilitate the Proposed Share Consolidation (as defined below) ("Proposed Share Split");
- (ii) A proposed consolidation of ECMLFG Shares after the Proposed Share Split resulting in the Company having a reduced issued and paid-up share capital taking into account the Proposed Distribution ("Proposed Share Consolidation"); and
- (iii) A proposed amendment to the Company's memorandum of association and articles of association to facilitate the implementation of the Proposed Share Split and Proposed Share Consolidation ("Proposed Amendment").

On 22 June 2015, the Company further announced that after consultation with Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company is not able to undertake the Proposed Share Split and Proposed Share Consolidation under the relevant Main Market Listing Requirements of Bursa Securities. For avoidance of doubt, not proceeding with the aforementioned proposals will not have any effect on the Proposed Distribution which shall continue to be proposed for implementation subject to obtaining the relevant approvals required.

The Proposed Distribution and the Proposed Amendment are therefore subject to the following approvals:

- (i) the approval of the shareholders for the Proposed Distribution and the Proposed Amendment at an extraordinary general meeting to be convened;
- (ii) any other relevant authorities' approval or consent, if required.

25 Status of corporate proposals announced (cont'd.)

The Proposed Distribution and the Proposed Amendment is conditional on each other. Barring unforeseen circumstances, the Proposals are expected to be completed in the fourth quarter of the Company's financial year ending 31 January 2016.

Other than the above, there were no other corporate proposals announced but not completed at the date of this report.

26 Performance review on the results of the Group

For the six month period ended 31 July 2015, the Group recorded a profit before tax of RM16.51 million and a profit after tax of RM15.56 million. This was mainly contributed by gain on disposal of securities available-for-sale of RM16.68 million, portfolio management fees income of RM5.15 million, interest income of RM4.90 million, rental income of RM0.73 million, gain on disposal of motor vehicles of RM0.17 million, loan and other fee income of RM0.26 million, dividend income of RM0.06 million and investment income of RM0.24 million; partially offset by operating expenses of RM8.32 million and foreign currency translation reserve losses reclassified to profit or loss upon liquidation of subsidiary of RM3.76 million.

The performance of the respective operating business segments for the six month period ended 31 July 2015 is analysed as follows:

(i) Investment holding and capital market operations

Investment holding and capital market operations reported a loss before tax of RM4.83 million for the period ended 31 July 2015. Income for the period generated from interest income of RM0.84 million, rental income of RM0.73 million, gain on disposal of motor vehicles of RM0.17 million and investment income of RM0.24 million. Income is offset by operating and corporate expenses of RM3.06 million and foreign currency translation reserve losses reclassified to profit or loss upon liquidation of subsidiary of RM3.76 million.

(ii) Fund management

Fund management reported a profit before tax of RM0.36 million for the period ended 31 July 2015, largely contributed by fee income of RM5.34 million and interest income of RM0.14 million; partially offset by operating expenses of RM5.12 million.

(iii) Corporate advisory and structured finance

Corporate advisory and structured finance reported a profit before tax of RM3.03 million for the period ended 31 July 2015, largely contributed by interest income of RM2.86 million and loan fee income totalling RM0.18 million.

(iv) Fund managed by a subsidiary

The fund managed by a subsidiary reported a profit before tax of RM17.95 million for the period ended 31 July 2015, largely contributed by gain on disposal of securities available-for-sale of RM16.68 million, interest income of RM1.06 million, foreign currency translation gains of RM0.39 million and dividend income of RM0.06 million; partially offset by operating expenses of RM0.24 million.

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

For the financial quarter under review, the Group achieved a profit before tax of RM14.67 million compared to RM1.84 million reported for the immediate preceding quarter.

In the current quarter, the Group reported gain on disposal of securities available-for-sale of RM16.68 million, portfolio management fees income of RM2.61 million, loan and other fee income of RM0.14 million, interest income of RM2.49 million, investment income of RM0.18 million, dividend income of RM0.06 million and rental income of RM0.36 million; partially offset by operating expenses of RM4.50 million and foreign currency translation reserve losses reclassified to profit or loss upon liquidation of subsidiary of RM3.76 million.

The increase in profit before tax in the current quarter was mainly due to gain on disposal of securities available-for-sale of RM16.68 million.

Performance of the respective operating business segments for the current quarter ended 31 July 2015 is analysed as follows:

(i) Investment holding and capital market operations

Investment holding and capital market operations reported a higher loss before tax of RM4.54 million in the current quarter ended 31 July 2015 compared to RM0.30 million in the previous quarter ended 30 April 2015. The higher losses is mainly contributed by foreign currency translation reserve losses reclassified to profit or loss upon liquidation of subsidiary of RM3.76 million and higher operating expenses incurred in the current quarter of RM1.70 million compared to RM1.36 million in the previous quarter.

(ii) Fund management

Fund management reported a lower profit before tax of RM0.04 million in the current quarter ended 31 July 2015 compared to RM0.32 million in the previous quarter ended 30 April 2015. The decrease is contributed by higher operating expenses of RM2.76 million in the current quarter compared to RM2.37 million in the previous quarter; partially offset by higher portfolio management and other fee income of RM2.61 million in the current quarter compared to RM2.56 million in the previous quarter.

(iii) Corporate advisory and structured finance

Corporate advisory and structured financing reported a higher profit before tax of RM1.55 million in the current quarter ended 31 July 2015 compared to RM1.48 million in the previous quarter ended 30 April 2015. The increase is contributed by higher interest income from loans of RM1.47 million in the current quarter compared to RM1.39 million in the previous quarter.

(iv) Fund managed by a subsidiary

Profit before tax for the current quarter ended 31 July 2015 was higher at RM17.61 million compared to RM0.40 million in the previous quarter ended 30 April 2015 mainly due to gain on disposal of securities available-for-sale of RM16.68 million recorded in the current quarter.

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28 Group's prospects

The Proposed Distribution, as outlined in Note 25 will result in, *inter alia*, the redemption of the Group's loan portfolio and redemption and realisation of investments held by Libra Strategic Opportunity Fund ("LSOF"), a fund managed by a subsidiary. Upon completion of the Proposed Distribution, the Group will cease to derive income from loans and LSOF as well as interest income on the existing cash reserves proposed to be distributed under the Proposed Distribution.

The redemption and realisation of investments in LSOF may result in a one-off gain or loss to the Group. However, the actual effects on the Group's consolidated earnings can only be determined later subject to the market value of the investments held by LSOF upon realisation.

The Proposals are expected to be completed in the fourth quarter of 2015 and the Proposed Distribution would reduce the consolidated earnings of the Group for the financial year ending 31 January 2016 given that the earnings base will be reduced to the anticipated earnings from the Group's fund management business. Any expected gain (or losses) from the Company's remaining private equity investments after the Proposals would only be realised upon disposal as the Company does not equity account these investments.

29 Profit forecast

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

30 Income tax expense

	Current quarter ended 31-Jul-15 RM'000	Corresponding quarter ended 31-Jul-14 RM'000	Current year to date 31-Jul-15 RM'000	Corresponding year to date 31-Jul-14 RM'000
Income tax:				
Current period's provision	608	491	949	849
Under provision of tax in prior years	-	4	-	4
	608	495	949	853

The Group's effective tax rate for the period ended 31 July 2015 was lower than statutory tax rate due to certain income not subjected to taxation.

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31 Group borrowings

The Group has no borrowings and debt securities as at 31 July 2015.

32 Realised and unrealised retained profits

The breakdown of the retained profits of the Group as at 31 July 2015 and 31 January 2015 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, as issued by the Malaysian Institute of Accountants.

	31-Jul-15	31-Jan-15
	RM'000	RM'000
Total retained profits of the Group		
- Realised	193,059	142,760
- Unrealised	-	(1,508)
	193,059	141,252
Less: Consolidation adjustments	(55,607)	(19,358)
Retained profits as per financial statements	137,452	121,894

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

33 Material litigations

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

34 Dividend

No dividend has been proposed for the quarter ended 31 July 2015.

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35 Earnings per share

(a) Basic

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

The computation of the weighted average number of ordinary shares in issue is net of treasury shares.

	Current quarter ended 31-Jul-15	Corresponding quarter ended 31-Jul-14	Current year to date 31-Jul-15	Corresponding year to date 31-Jul-14
Net profit (RM'000)	14,058	2,085	15,558	4,643
Weighted average number of ordinary shares in issue ('000)	266,997	268,222	266,961	268,222
Basic earnings per share (sen)	5.27	0.78	5.83	1.73

(b) Diluted

The diluted earnings per ordinary share is calculated by dividing the net profit for the reporting period by the weighted average number of ordinary shares in issue during the reporting period, taking into account the outstanding options under the Employee Share Option Scheme ("ESOS") as at 31 July 2015.

	Current quarter ended 31-Jul-15	Corresponding quarter ended 31-Jul-14	Current year to date 31-Jul-15	Corresponding year to date 31-Jul-14
Net profit (RM'000)	14,058	2,085	15,558	4,643
Weighted average number of ordinary shares in issue ('000)	266,997	268,222	266,961	268,222
Effect of options if exercised under ESOS	19,601	19,848	19,294	19,848
	286,598	288,070	286,255	288,070
Diluted earnings per share (sen)	4.91	0.72	5.44	1.61

Date: 20 August 2015