THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in doubt as to the next course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

ecmlibra

ECM LIBRA FINANCIAL GROUP BERHAD

(Company No. 713570-K)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED DISPOSAL OF 100% EQUITY INTEREST IN LIBRA INVEST BERHAD TO KENANGA INVESTORS BERHAD FOR A PROVISIONAL CASH CONSIDERATION OF RM50.07 MILLION, SUBJECT TO ADJUSTMENTS SET OUT IN THE SHARE PURCHASE AGREEMENT ("PROPOSED DISPOSAL")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser for the Proposed Disposal

MERCURY SECURITIES SDN BHD

(Company No. 113193-W)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting ("**EGM**") of ECM Libra Financial Group Berhad together with the Form of Proxy are set out in this Circular.

If you decide to appoint a proxy or proxies for the EGM, you must complete the Form of Proxy for the EGM strictly in accordance with the instructions contained therein and lodge the Form of Proxy at our registered office 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 EGM or at any adjournment thereof. The lodging of the Form of Proxy for the EGM will not preclude you from attending and voting in person at the EGM should you subsequently decide to do so.

Date of Record of Depositors for the purpose of determining members' entitlement to attend, vote and speak at the EGM	:	Thursday, 20 June 2019
Last date and time for lodging the Form of Proxy	:	Tuesday, 25 June 2019 at 3.15 p.m
Date and time of EGM	:	Thursday, 27 June 2019 at 3.15 p.m., or immediately after the conclusion or adjournment *(as the case may be)* of our 14th Annual General Meeting, which will be held at the same venue and on the same day at 2.30 p.m.
Venue of the EGM		MAKAN at Tune Hotel KLIA2, Lot Pt 13, Jalan KLIA 2/2, 64000 KLIA, Selangor

This Circular is dated 12 June 2019

Except where the context otherwise requires or defined herein, the following definitions shall apply throughout this Circular:-

Act	:	Companies Act, 2016
AUM	:	Assets under management
Base Amount	:	Base amount of RM15.07 million which is equivalent to the audited NA of Libra Invest as at 31 December 2018
BNM	:	Bank Negara Malaysia
Board	:	Board of Directors
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
Closing NA	:	Unaudited NA of Libra Invest as at the last day of the month immediately preceding the completion of the SPA
CMSA	:	Capital Markets and Services Act, 2007
CMSL	:	Capital Markets Services Licence issued by the SC
Conditions Precedent	:	Conditions precedent as set out in Section 2.1.3 of this Circular
Differential NA	:	Difference between the Base Amount and the Closing NA
Differential NA Adjustment	:	Adjustment to the Base Amount for an amount equivalent to the Differential NA to reflect the latest unaudited NA of Libra Invest
Directors	:	Directors of our Company
Disposal Consideration	:	Cash consideration payable by the Purchaser to ECMLFG pursuant to the Proposed Disposal which shall be the Provisional Disposal Consideration adjusted by the Premium Adjustment and Differential NA Adjustment
ECMLFG or our Company	:	ECM Libra Financial Group Berhad (713570-K)
ECMLFG Group or our Group	:	ECMLFG and its subsidiaries
EGM	:	Extraordinary general meeting
EPS	:	Earnings per share
FPE	:	Financial period ended
FYE	:	Financial year ended / ending
Libra Invest	:	Libra Invest Berhad (361207-D)
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	23 May 2019, being the latest practicable date prior to printing of this Circular
Mercury Securities or Principal Adviser	:	Mercury Securities Sdn Bhd (113193-W)

NA	:	Net assets
PAT	:	Profit after tax
PBT	:	Profit before tax
PER	:	Price-to-earnings ratio, computed based on market capitalisation divided by PAT attributable to owners of an entity
Premium	:	Premium of RM35.00 million
Premium Adjustment	:	Premium Addition or Premium Deduction, as the case may be, as set out in Section 2.1.2 of this Circular
Proposed Disposal	:	Proposed disposal of 100% equity interest in Libra Invest to the Purchaser for the Disposal Consideration upon the terms and conditions as set out in the SPA
Provisional Disposal Consideration	:	Provisional cash consideration of RM50.07 million payable by the Purchaser to ECMLFG pursuant to the Proposed Disposal, determined based on the Base Amount plus the Premium
Purchaser	:	Kenanga Investors Berhad (353563-P), the purchaser in relation to the Proposed Disposal
Reference Value	:	Reference value of RM2,481,560,000, being the total value of the Relevant AUM of Libra Invest as at 28 February 2019, computed without taking into account the accrued interest and charges in respect of the private mandate accounts of Libra Invest for February 2019
Relevant AUM	:	AUM of Libra Invest excluding the AUM in respect of Libra Shariah Liquidity Fund and Libra Shariah Liquidity Fund 3
Sale Shares	:	all shares representing 100% equity interest in Libra Invest, which as at the LPD comprise 6,500,000 ordinary shares
SC	:	Securities Commission Malaysia
SPA	:	Conditional share purchase agreement dated 28 March 2019 entered into between ECMLFG and the Purchaser in relation to the Proposed Disposal
x	:	times multiple in the context of valuation multiples such as PER

All references to "**our company**" or "**ECMLFG**" in this Circular are to ECM Libra Financial Group Berhad and references to "**our Group**" or "**ECMLFG Group**" are to our Company and its subsidiaries, collectively.

All references to "**you**" in this Circular are to the shareholders of our Company.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated. Any discrepancies in the tables between amounts stated and the totals in this Circular are due to rounding. "RM" and "sen" refer to Ringgit Malaysia and sen respectively.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our Company's plans and objectives will be achieved.

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LETTER TO THE SHAREHOLDERS OF OUR COMPANY IN RELATION TO THE PROPOSED DISPOSAL CONTAINING:-

ECM LIBRA FINANCIAL GROUP BERHAD

(Company No. 713570-K)
(Incorporated in Malaysia)

Registered office:

2nd Floor, West Wing
Bangunan ECM Libra
8 Jalan Damansara Endah
Damansara Heights
50490 Kuala Lumpur

12 June 2019

Board of Directors

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

To: Our shareholders

Dear Sir / Madam,

PROPOSED DISPOSAL OF 100% EQUITY INTEREST IN LIBRA INVEST BERHAD TO KENANGA INVESTORS BERHAD FOR A PROVISIONAL CASH CONSIDERATION OF RM50.07 MILLION, SUBJECT TO ADJUSTMENTS SET OUT IN THE SHARE PURCHASE AGREEMENT

1. INTRODUCTION

On 28 March 2019, Mercury Securities, on behalf of our Board, announced that we had on even date entered into the SPA with the Purchaser in relation to the Proposed Disposal.

On 3 June 2019, Mercury Securities, on behalf of our Board, announced that the SC has, vide its letter dated 31 May 2019, approved the sale of the Sale Shares, subject to the conditions as set out in Section 6 of this Circular.

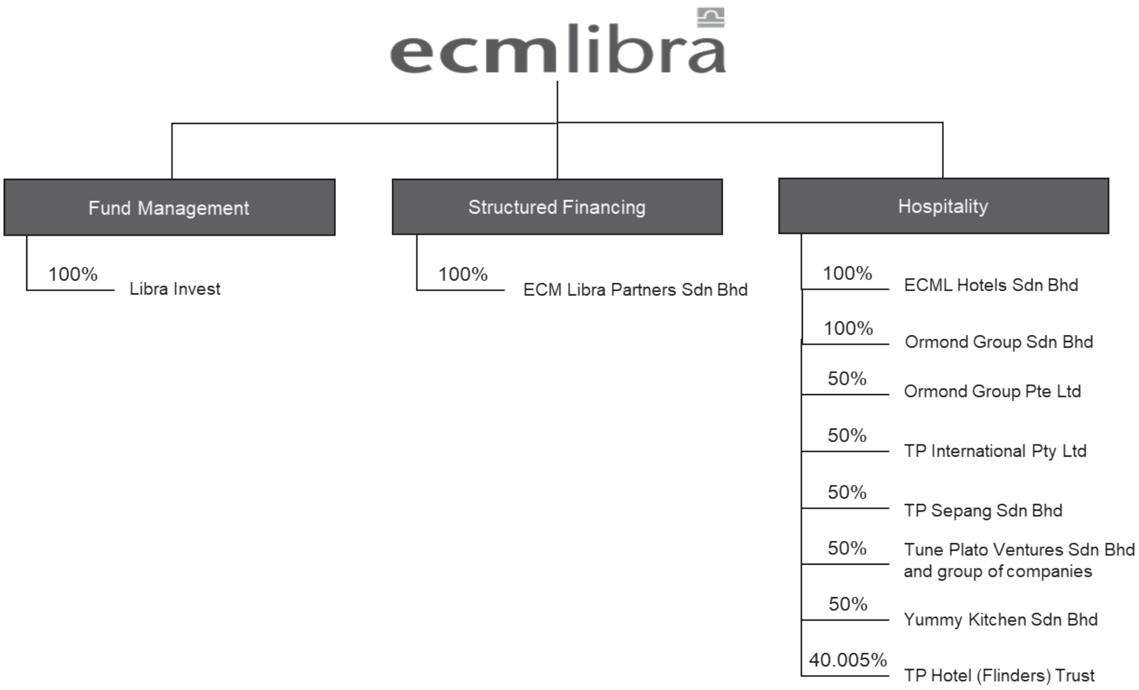
THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSED DISPOSAL AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED DISPOSAL WHICH WILL BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED DISPOSAL.

2. DETAILS OF THE PROPOSED DISPOSAL

The Proposed Disposal entails our Company disposing of 100% equity interest in Libra Invest to the Purchaser for the Provisional Disposal Consideration of RM50.07 million, subject to the Premium Adjustment and Differential NA Adjustment and upon the terms and conditions as set out in the SPA.

Libra Invest is currently a wholly-owned subsidiary of ECMLFG, as shown in our Group's corporate structure below:-



Libra Invest is a fund management company licensed under the CMSA. The company is principally engaged in the management of unit trust funds and the provision of fund management services.

As at the LPD, Libra Invest has an issued share capital of RM6,500,000 comprising 6,500,000 ordinary shares, which are wholly held by ECMLFG. As at the LPD, the directors of Libra Invest *(all Malaysians)* are as follows:-

Name		**Designation**
(i)	Datuk Kamarudin bin Md Ali	Independent Non-Executive Chairman
(ii)	Khairudin bin Ibrahim	Independent Non-Executive Director
(iii)	Mahadzir bin Azizan	Independent Non-Executive Director
(iv)	Lee Wei Chung	Executive Director
(v)	Ong Lei Hua	Executive Director

The contributions of Libra Invest to our Group in terms of total assets, revenue and PAT attributable to owners of the Company for the 3-month FPE 31 March 2019 and the FYE 31 December 2018 are as follows:-

3-month FPE 31 March 2019

	Unaudited		
	As at 31 March 2019	For the 3-month FPE 31 March 2019	
At group level	**Total assets (RM'000)**	**Revenue (RM'000)**	**PAT attributable to owners of the Company (RM'000)**
Libra Invest	16,926	3,098	401
ECMLFG Group	187,006	11,526[1]	273
Percentage of contribution (%)	**9.1**	**26.9**	**146.9**

FYE 31 December 2018

	Audited		
	As at 31 December 2018	For the FYE 31 December 2018	
At group level	**Total assets (RM'000)**	**Revenue (RM'000)**	**PAT attributable to owners of the Company (RM'000)**
Libra Invest	16,409	12,452	1,658
ECMLFG Group	191,471	32,884[1]	5,136
Percentage of contribution (%)	**8.6**	**37.9**	**32.3**

Pursuant to the Proposed Disposal, the control of Libra Invest will be transferred from our Company to the Purchaser. Accordingly, upon the loss of control, Libra Invest will cease to be a subsidiary of ECMLFG and its financials will be deconsolidated from our Group's financial performance and position.

Please refer to Appendix I of this Circular for more information on Libra Invest.

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[1] For the purpose of computing the percentage of contribution, the revenue of the ECMLFG Group shown in the table is inclusive of ECMLFG's share of revenue from its joint ventures.

2.1 Salient terms of the SPA

2.1.1 Agreement to sell the Sale Shares

On and subject to the terms of the SPA, ECMLFG agrees to sell and the Purchaser agrees to purchase the Sale Shares free from any encumbrances and together with all rights and advantages attaching to them as at the completion of the sale and purchase of the Sale Shares which shall be (i) a date that falls on the 10^{th} business day following (a) the date on which the last Condition Precedent is satisfied or waived ("**Unconditional Date**") or (b) the date of the parties' agreement in relation to the Premium Adjustment *(if applicable)*, as the case may be, or (ii) such other date as may be mutually agreed in writing by the parties ("**Completion Date**") for the Disposal Consideration.

ECMLFG shall retain the trade name "Libra", the corresponding logo or trade mark, and all domain names bearing or including the name "Libra" subject to the Purchaser having the right to use and enjoy *(and wherever applicable, including administrator's right)* the said intellectual properties free of charge for a period of 12 months after the Completion Date for the purposes of facilitating the transition or integration of the operations and businesses of Libra Invest to and with the Purchaser. Such right granted to the Purchaser shall not prevent or restrict ECMLFG from using the said intellectual properties.

The Purchaser undertakes to expeditiously do all things necessary, including changing the name of Libra Invest after the Completion Date so that the Purchaser shall cease to use and enjoy the abovementioned intellectual properties as soon as practicable. The Purchaser agrees to indemnify ECMLFG against any losses which ECMLFG may incur as a result of the Purchaser's unauthorised use of the said intellectual properties after the expiry of the said 12 months' period.

2.1.2 Consideration

The Provisional Disposal Consideration for the Sale Shares shall be RM50.07 million, determined based on the Base Amount plus the Premium, and is subject to the Premium Adjustment and Differential NA Adjustment.

The Provisional Disposal Consideration shall be payable in cash by the Purchaser in the following manner:-

(i) a deposit of RM4.80 million ("**Deposit**") to an escrow agent upon execution of the SPA *(to be deposited and held in an interest-bearing account with a reputable licensed bank in Malaysia)* and the parties shall cause the escrow agent to pay the Deposit *(together with all interest thereon)* to ECMLFG on the Completion Date; and

(ii) the balance of the Provisional Disposal Consideration to ECMLFG on the Completion Date.

The Purchaser shall be entitled to deduct any amount equivalent to the aggregate indebtedness owing to Libra Invest by any member of the ECMLFG Group on the Completion Date, for the purposes of settling any such indebtedness in full.

Premium Adjustment

As at the close of business on the Unconditional Date, if the Relevant AUM[2] is:-

(i) lower than the Reference Value by 30% or more, the Purchaser may elect by notice in writing to ECMLFG to:-

(a) terminate the SPA and the parties shall forthwith cause the escrow agent to pay the Deposit (*together with all interest thereon*) in full to the Purchaser, and thereupon neither party shall have any claim against the other under it, save for any claim arising from antecedent breaches of the SPA;

(b) proceed to completion of the SPA; or

(c) agree with ECMLFG an amount to be deducted from the Premium ("**Premium Deduction**"). The parties shall act in good faith and use their reasonable endeavours to agree on the Premium Deduction in writing by a date not later than 5 business days following the Unconditional Date, or another date to be mutually agreed by the parties in writing; or

(ii) higher than the Reference Value by 30% or more, ECMLFG may elect by notice in writing to the Purchaser to:-

(a) terminate the SPA and the parties shall forthwith cause the escrow agent to pay the Deposit (*together with all interest thereon*) in full to the Purchaser, and thereupon neither party shall have any claim against the other under it, save for any claim arising from antecedent breaches of the SPA;

(b) proceed to completion of the SPA; or

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2 The Relevant AUM means the AUM of Libra Invest, excluding the AUM in respect of Libra Shariah Liquidity Fund and Libra Shariah Liquidity Fund 3. These funds are excluded from the computation of the Relevant AUM as these funds are wholesale money market funds which have high fluctuation in AUM in their ordinary course of business.

For the purposes of determining the Relevant AUM as at the close of business on the Unconditional Date, the following shall be excluded:-

(i) all and any AUM for which notice has been given to or by any client of Libra Invest to terminate the engagement of or mandate to Libra Invest or to withdraw any such AUM from Libra Invest, on or before the close of business of the Unconditional Date, notwithstanding that the termination or withdrawal may only take effect after the Unconditional Date; and

(ii) the accrued interest and charges in respect of the private mandate accounts of Libra Invest for the month in which the Unconditional Date falls on.

For information purposes only, private mandate accounts refer to clients' accounts that are managed by Libra Invest based on the specific mandate stated in their respective investment management agreement *(instead of trust deeds as in the case of unit trust funds)*. The computation of the Relevant AUM excludes accrued interest and charges in respect of the private mandate accounts for the month in which the Unconditional Date falls on as these amounts are not expected to be material relative to the Reference Value.

(c) agree with the Purchaser an amount to be added to the Premium ("**Premium Addition**"). The parties shall act in good faith and use their reasonable endeavours to agree on the Premium Addition in writing by a date not later than 5 business days following the Unconditional Date, or another date to be mutually agreed by the parties in writing.

If the parties reach an agreement on the Premium Deduction or the Premium Addition, as the case may be, the parties shall proceed to completion of the SPA on a date that falls on the 10th business day following the date of the said parties' agreement, on which date such Premium Deduction or Premium Addition will be adjusted against the balance consideration payable.

However, if the parties are unable to agree to the Premium Deduction or the Premium Addition, as the case may be, the Purchaser *(in the case of the Premium Deduction)* or ECMLFG *(in the case of the Premium Addition)* shall be entitled to terminate the SPA and upon such termination, the parties shall forthwith cause the escrow agent to pay the Deposit (*together with all interest thereon*) in full to the Purchaser, and thereupon neither party shall have any claim against the other under it, save for any claim arising from antecedent breaches of the SPA.

For the avoidance of doubt, there is currently no fixed basis or formula to determine the Premium Adjustment. The Premium Adjustment *(if any)* shall be agreed between the parties based on further discussions and negotiations.

Differential NA Adjustment

ECMLFG shall within 10 business days after the Completion Date deliver to the Purchaser a certified true copy of the management accounts of Libra Invest as at the last day of the month immediately preceding the Completion Date ("**Closing Management Accounts**"). ECMLFG and the Purchaser shall as soon as reasonably practicable but no later than 10 business days following receipt of the Closing Management Accounts by the Purchaser, agree on the Differential NA Adjustment, failing which, cause the reporting accountant appointed to determine and issue a statement ("**Adjustment Statement**") to certify the Closing NA and Differential NA and deliver the Adjustment Statement to ECMLFG and the Purchaser within 10 business days of the appointment of the reporting accountant.

The amount equivalent to the Differential NA Adjustment shall be payable by ECMLFG or the Purchaser, as the case may be, to the other party within 5 business days following the date of the parties' agreement on the Differential NA Adjustment or the date of the Adjustment Statement.

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2.1.3 Conditions Precedent

The Proposed Disposal is conditional upon satisfaction or waiver of the following conditions precedent ("**Conditions Precedent**") within 6 months from the date of the SPA or such other date as may be agreed in writing by the parties ("**Cut-off Date**"):-

(i) the passing at a general meeting of ECMLFG of the requisite resolutions approving the Proposed Disposal in accordance with the Act and the Listing Requirements;

(ii) the approval of the SC for the sale and purchase of the Sale Shares pursuant to the CMSA and the relevant guidelines issued by the SC; and

(iii) the approval of BNM for the purchase of the Sale Shares by the Purchaser pursuant to the Financial Services Act, 2013 and the relevant guidelines issued by BNM.

If the Conditions Precedent are not satisfied or waived on or before the Cut-off Date, either party may, in its sole discretion, terminate the SPA and the parties shall forthwith cause the escrow agent to pay the Deposit *(together with all interest thereon)* in full to the Purchaser, and thereupon, neither party shall have any claim against the other under it, save for any claim arising from antecedent breaches of the SPA.

2.1.4 Confirmatory due diligence

Prior to the Completion Date, the Purchaser shall be entitled to carry out a confirmatory due diligence on Libra Invest based on the scope agreed by the parties and in relation to facts and matters occurring or arising between the date of the SPA and the Completion Date, for the purposes of assessing the accuracy of the relevant ECMLFG's warranties as specified in the schedule to the SPA ("**Relevant Warranties**[3]") ("**Confirmatory Due Diligence**").

If the Purchaser, in the course of the Confirmatory Due Diligence, identifies any matter, event or circumstance that results or may result in any of the ECMLFG's warranties being untrue, inaccurate or misleading in any material respect, the parties shall discuss in good faith to address such matter, event or circumstance to the satisfaction of the Purchaser.

In the event the parties shall fail to reach an agreement within 5 business days *(or such other period as may be agreed by the parties)* from the date on which a party notifies the other party of any such matter, event or circumstance, the Purchaser may terminate the SPA and in which case, the parties shall forthwith cause the escrow agent to pay the Deposit *(together with all interest thereon)* in full to the Purchaser, and thereupon, neither party shall have any claim against the other under it, save for any claim arising from antecedent breaches of the SPA.

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[3] The Relevant Warranties are ECMLFG's warranties in respect of Libra Invest's accounts, financial arrangements, contractual arrangements, compliance, litigation, taxation and management accounts.

2.1.5 Breach of obligations for completion of SPA

If ECMLFG fails to comply with any of its obligations for completion of the SPA by the Completion Date, the Purchaser shall be entitled by written notice to the other to:-

(i) terminate the SPA without liability on its part and

(a) the parties shall cause the escrow agent to pay the Deposit *(together with all interest thereon)* in full to the Purchaser; and

(b) ECMLFG shall pay a cash sum equivalent to the Deposit as liquidated damages to the Purchaser,

and thereupon, the Purchaser shall have no further claims *(including any claim for specific performance)* against ECMLFG;

(ii) effect the completion of the SPA so far as practicable having regard to the defaults which have occurred; or

(iii) fix another new date for completion of the SPA.

If the Purchaser fails to comply with any of its obligations for completion of the SPA by the Completion Date, ECMLFG shall be entitled by written notice to the other to:-

(i) terminate the SPA without liability on its part and the parties shall cause the escrow agent to pay the Deposit *(together with all interest thereon)* in full to ECMLFG and thereupon, ECMLFG shall have no further claims *(including any claim for specific performance)* against the Purchaser;

(ii) effect the completion of the SPA so far as practicable having regard to the defaults which have occurred; or

(iii) fix another new date for completion of the SPA.

2.1.6 Termination

At any time prior to the completion of the SPA:-

<u>Termination by ECMLFG</u>

If the Purchaser is in a default or breach of its warranties as set out in the SPA in a material respect, ECMLFG shall be entitled to give a notice in writing to the Purchaser specifying such default or breach and requiring the Purchaser to remedy or make good of such default or breach within 14 days from the date of such notice. If the Purchaser fails, neglects or refuses to remedy or make good of such default or breach within the said 14 days' period, the SPA shall be terminated without any requirement or need of further notice and the parties shall cause the escrow agent to pay the Deposit *(together with all interest thereon)* in full to ECMLFG and thereupon, ECMLFG shall have no further claims *(including any claim for specific performance)* against the Purchaser.

Termination by the Purchaser

If ECMLFG is in a default or breach of its undertakings, covenants, representations, warranties as set out in the SPA *(excluding the warranties as specified in the schedule to the SPA (which include the Relevant Warranties)*[4]*)* or otherwise obligations[5] in the SPA in a material respect, the Purchaser shall be entitled to give a notice in writing to ECMLFG specifying such default or breach and requiring ECMLFG to remedy or make good of such default or breach within 14 days from the date of such notice. If ECMLFG fails, neglects or refuses to remedy or make good of such default or breach within the said 14 days' period, the SPA shall be terminated without any requirement or need of further notice and:-

(i) the parties shall cause the escrow agent to pay the Deposit *(together with all interest thereon)* in full to the Purchaser; and

(ii) ECMLFG shall pay a cash sum equivalent to the Deposit as liquidated damages to the Purchaser,

and thereupon, the Purchaser shall have no further claims *(including any claim for specific performance)* against ECMLFG.

If ECMLFG is in a default or breach of any of the warranties as specified in the schedule to the SPA *(which include the Relevant Warranties)*[4] in a material respect, the Purchaser shall be entitled to give a notice in writing to ECMLFG specifying such default or breach and requiring ECMLFG to remedy or make good of such default or breach within 14 days from the date of such notice. If ECMLFG fails, neglects or refuses to remedy or make good of such default or breach within the said 14 days' period, the Purchaser may, in its sole discretion, terminate the SPA and in which case, the parties shall forthwith cause the escrow agent to pay the Deposit *(together with all interest thereon)* in full to the Purchaser and thereupon, neither party shall have any claim against the other under it, save for any claim arising from antecedent breaches of the SPA.

2.1.7 Restrictive covenants

ECMLFG covenants with and undertakes to the Purchaser that no member of the ECMLFG Group will in any Relevant Capacity, without the prior written consent of the Purchaser, during the Restricted Period:-

(i) directly or indirectly carry on, be engaged in or be economically interested in any business which is of the same or similar type to the business of Libra Invest as now carried on or which is or is likely to be in competition with the business of Libra Invest as now carried on;

(ii) canvass or solicit, or attempt to canvass or solicit, the custom of any person, firm or company who has within 2 years prior to completion of the SPA been a client of Libra Invest; or

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4 The warranties as specified in the schedule to the SPA relate to ECMLFG's warranties which are usual and customary in such a sale transaction, including amongst others, warranties in respect of Libra Invest's legal and financial affairs, assets, businesses and operations. Further, prior to the Completion Date, the Purchaser is entitled to carry out the Confirmatory Due Diligence for the purposes of assessing the accuracy of the Relevant Warranties. Accordingly, a default or breach of any of these warranties shall not entitle the Purchaser to charge any liquidated damages on ECMLFG.

5 As the seller, ECMLFG has a much wider obligation under the SPA and this termination clause provides an express termination right to the Purchaser in the event ECMLFG breaches its undertakings, covenants, representations, warranties *(excluding the warranties as specified in the schedule to the SPA)* and other obligations of ECMLFG under the SPA in a material respect.

(iii) save for the personnel to be identified by ECMLFG and notified to the Purchaser and who shall be transferred to ECMLFG prior to completion of the SPA without any cost or liability to Libra Invest, induce or solicit for, or seek to induce or solicit for, any person who is at the date of the SPA or who during the Restricted Period becomes an employee of Libra Invest to terminate his employment with Libra Invest.

The restrictions above shall not operate to prohibit any member of the ECMLFG Group from (i) holding or being interested in up to 5% of the outstanding issued share capital of a company listed on any recognised stock exchange; or (ii) fulfilling any obligation pursuant to the SPA and any agreement to be entered into pursuant to the SPA.

For the purposes of this paragraph,

"**Relevant Capacity**" shall mean for its own account or in any other manner and whether through the medium of any company or entity controlled by it *(for which purpose there shall be aggregated with its shareholding or ability to exercise control over the shares held or control exercised by any person connected with ECMLFG)*. A person is deemed to be connected with ECMLFG if it is (i) a corporation controlled by, controlling or under the common control of any member of the ECMLFG Group or (ii) a person who is acting in concert with or is accustomed to act in accordance with the instructions or directions of any member of the ECMLFG Group whether pursuant to an agreement, understanding or otherwise; and

"**Restricted Period**" shall mean:

(i) for the purposes of paragraphs 2.1.7(i) and 2.1.7(ii) above, 5 years commencing on the Completion Date; and

(ii) for the purposes of paragraph 2.1.7(iii) above, 2 years commencing on the Completion Date.

2.2 Basis and justification for the Disposal Consideration

The Disposal Consideration was arrived at on a willing buyer-willing seller basis after taking into consideration, amongst others, the following:-

(i) audited NA of Libra Invest as at 31 December 2018 of RM15.07 million used in determining the Provisional Disposal Consideration;

(ii) Premium *(which was arrived at on a negotiated basis)*, Premium Adjustment and Differential NA Adjustment;

(iii) cost of investment in 100% equity interest in Libra Invest of RM12.24 million based on our Company's audited financial statements for the FYE 31 December 2018; and

(iv) audited PAT of Libra Invest of RM1.66 million for the FYE 31 December 2018.

In justifying the Disposal Consideration, our Board has taken into consideration, amongst others, the following:-

(i) rationale of the Proposed Disposal as set out in Section 3 of this Circular;

(ii) Premium Adjustment for variance in Reference Value by 30% or more;

(iii) Differential NA Adjustment to reflect the Closing NA; and

(iv) valuation multiples implied by the Provisional Disposal Consideration as compared to those implied by precedent transactions involving the acquisition or disposal of asset management companies by banking / financial services groups listed on Bursa Securities ("**Precedent Transactions**")[6]. The Precedent Transactions were selected based on the principal activities of the acquiree companies, which are broadly similar to the principal activities of Libra Invest but may not be directly comparable to Libra Invest in terms of, amongst others, the composition of business activities, scale of operations, type of financial products offered, client and asset base, track record, financial performance, risk profile and future prospects. The details of the Precedent Transactions are as follows:-

Date of agreement	**Details of Precedent Transaction**	**Consideration (RM'million)**	**PER[(a)] (x)**	**Premium-to-earnings[(a)(b)] (x)**	**Price-to-AUM ratio[(a)] (%)**	**Premium-to-AUM ratio[(a)(b)] (%)**
11.01.2018	Disposal by CIMB Group Sdn Bhd of:- (i) 20% equity interest in CIMB-Principal Asset Management Berhad to Principal International (Asia) Limited; and (ii) 10% equity interest in CIMB-Principal Islamic Asset Management Sdn Bhd to Principal Finance Services Inc.	470.29	25.02	20.44	4.04	3.30
13.12.2017	Acquisition by Maybank Asset Management Group Berhad of 100% equity interest in Amanah Mutual Berhad from Amanah Saham Nasional Berhad	16.12	9.78	not applicable *(at a discount)*	not available[(c)]	not available[(c)]
13.12.2017	Acquisition by Maybank Asset Management Group Berhad of 100% equity interest in Singapore Unit Trusts Limited from PNB International Limited	34.88	14.77	not applicable *(at a discount)*	not available[(c)]	not available[(c)]

6 Our Board takes cognisance that there is no standalone asset management company listed on Bursa Securities *(as asset management companies are mostly part of a wider banking / financial services group)* that may be adopted as comparable companies for the purpose of evaluating the Provisional Disposal Consideration. Accordingly, in assessing the Provisional Disposal Consideration, our Board has instead considered the Precedent Transactions to provide an indication of the prevailing market expectations in relation to the valuation of Libra Invest.

Date of agreement	Details of Precedent Transaction	Consideration (RM'million)	PER[a] (x)	Premium-to-earnings[a][b] (x)	Price-to-AUM ratio[a] (%)	Premium-to-AUM ratio[a][b] (%)
13.12.2017	Subscription by Permodalan Nasional Berhad of new ordinary shares in Maybank Asset Management Group Berhad *(representing 20% of the enlarged total number of ordinary shares)*	50.00	not applicable *(loss-making)*	not applicable *(loss-making)*	0.64 *(based on AUM on 31.12.2017)*	0.06 *(based on AUM on 31.12.2017)*
19.09.2014	Acquisition by Affin Hwang Asset Management Berhad of 100% equity interest in Asian Islamic Investment Management Sdn Bhd from Nikko Asset Management Asia Limited and Affin Hwang Investment Bank Berhad	23.00	4.15	1.61	1.48 *(based on AUM on 31.03.2014)*	0.57 *(based on AUM on 31.03.2014)*
14.08.2014	Acquisition by Hwang Investment Management Berhad of 100% equity interest in AFFIN Fund Management Berhad from AFFIN Investment Bank Berhad	55.00	5.63	4.23	2.97 *(based on AUM on 31.12.2013)*	2.23 *(based on AUM on 31.12.2013)*
23.07.2014	Acquisition by CIMB-Principal Asset Management Company Limited of 100% equity interest in Finansa Asset Management Limited from Finansa Public Company Limited	22.00 *(then equivalent to 225 million Thai bahts)*	not available[c]	not available[c]	0.62 *(based on AUM on 30.06.2014)*	not available[c]
04.07.2014	Disposal by Apex Equity Holdings Berhad of 57% equity interest in Apex Investment Services Berhad to various purchasers i.e. Med-Bumikar Mara Sdn Bhd, Clement Chew Kuan Hock, Ng Seng Leong and Law Chee Kheong	11.10	17.21	2.51	not available[c]	not available[c]

Date of agreement	Details of Precedent Transaction	Consideration (RM'million)	PER[(a)(c)] (x)	Premium-to-earnings[(b)(c)] (x)	Price-to-AUM ratio[(b)] (%)	Premium-to-AUM ratio[(b)] (%)
22.01.2014	Acquisition by AFFIN Holdings Berhad of:-					
	(i) 70% equity interest in Hwang Investment Management Berhad from Hwang-DBS (Malaysia) Berhad and Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar; and	257.93	11.74	9.67	1.81 *(based on AUM on 31.01.2013)*	1.46 *(based on AUM on 31.01.2013)*
	(ii) 49% equity interest in Asian Islamic Investment Management Sdn Bhd from Hwang-DBS (Malaysia) Berhad	4.07	5.81	0.02		
High			**25.02**	**20.44**	**4.04**	**3.30**
Average			**11.75**	**6.41**	**1.93**	**1.52**
Low			**4.15**	**0.02**	**0.62**	**0.06**
Libra Invest *(computed based on the Provisional Disposal Consideration, PAT, net tangible assets and AUM for the FYE 31 December 2018)*			**29.47**	**20.60**	**0.93** *(based on AUM on 31.12.2018)*	**0.65** *(based on AUM on 31.12.2018)*

(Sources: Bloomberg, audited financial statements of the respective companies as extracted from Companies Commission of Malaysia, press releases and announcements on Bursa Securities)

Notes:-

(a) *The PER, premium-to-earnings multiple, price-to-AUM ratio and premium-to-AUM ratio are computed based on:-*

(i) *the financial information (i.e. PAT including any adjustments, net tangible assets and AUM) of the acquiree company as referred to in the press releases and announcements on Bursa Securities; or*

(ii) *if item (i) is not available, the latest audited financial statements of the acquiree company prior to the date of agreement.*

For the purpose of computing PER and premium-to earnings multiple, the PAT (where required) is translated based on the middle exchange rate as at 5.00 p.m. sourced from Bank Negara Malaysia's website and to the extent of information available, adjustments are made to exclude one-off income and/or expenses such as write-off / impairment of assets and gain or loss on disposal of assets.

(b) *The premium is based on consideration less net tangible assets of the acquiree company.*

(c) *These valuation multiples could not be computed due to unavailability of public information on PAT, net tangible assets and/or AUM of the acquiree company.*

The Provisional Disposal Consideration represents:-

(i) a PER of $29.47x$ and a premium-to-earnings multiple of $20.60x$, both of which are higher than those implied by the Precedent Transactions; and

(ii) a price-to-AUM ratio of 0.93% and a premium-to-AUM ratio of 0.65%, both of which are within the range of multiples implied by the Precedent Transactions.

2.3 Cost of investment

Libra Invest was acquired by our Company pursuant to the merger between Avenue Capital Resources Berhad and ECM Libra Berhad which was completed on 16 June 2006. Based on our Company's audited financial statements for the FYE 31 December 2018, our cost of investment in Libra Invest is RM12.24 million.

2.4 Information on the Purchaser

Kenanga Investors Berhad was incorporated in Malaysia on 2 August 1995 as a public limited company under the name of Utama SSSB Trust Management Berhad. It changed its name to CMS Trust Management Berhad on 19 June 2000 before assuming its present name on 13 October 2010.

The company is principally engaged in the promotion and management of collective investment schemes and management of investment funds.

As at the LPD, Kenanga Investors Berhad has in issue 13,465,300 ordinary shares and 5,000,000 redeemable preference shares, all of which are held by Kenanga Investment Bank Berhad.

As at the LPD, the directors of Kenanga Investors Berhad are as follows:-
(i) Datuk Syed Ahmad Alwee Alsree;
(ii) Syed Zafilen Bin Syed Alwee;
(iii) Peter John Rayner;
(iv) Imran Devindran Bin Abdullah;
(v) Ismitz Matthew De Alwis; and
(vi) Norazian Binti Ahmad Tajuddin.

They do not have any direct and indirect shareholding in the company.

2.5 Liabilities to be assumed by the Purchaser

Save for those as stated in the financial statements of Libra Invest, there are no liabilities *(including any contingent liabilities and guarantees)* to be assumed by the Purchaser.

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2.6 Proposed utilisation of proceeds

The Provisional Disposal Consideration arising from the Proposed Disposal of RM50.07 million are intended to be utilised as follows:-

Purpose	Estimated timeframe for utilisation from completion of the Proposed Disposal	RM'million	%
Reinvestment into hospitality business[(a)]	Within 36 months	49.63	99.12
Estimated expenses for the Proposed Disposal[(b)]	Within 3 months	0.44	0.88
Total		**50.07**	**100.00**

<u>Notes:-</u>

(a) *Majority of the proceeds arising from the Proposed Disposal is intended to be reinvested into our Group's hospitality business. Such reinvestment may be in the form of capital expenditure and/or future investments within our Group's hospitality business. This is in line with our Group's diversification into the hospitality industry as set out in the circular to shareholders of the Company dated 27 November 2017, whereby the future plans for our hospitality business include the renovation and refurbishment of the Tune Hotel Penang, the Tune Hotel Kota Kinabalu and the Tune Hotel KLIA Aeropolis, as well as the development of the property at Flinders Lane, Melbourne, Victoria, Australia, in which our Group has a 40.005% interest. For information purposes, the acquisition of the Tune Hotel KLIA Aeropolis is pending completion as at the LPD.*

Further, our Group will from time to time identify and evaluate potential business opportunities and/or corporate proposals involving the businesses of our Group which may include acquisitions of strategic investments and/or assets as well as joint ventures or partnerships in the hospitality industry. In the event that the reinvestment of the entire or part of the proceeds into our hospitality business does not materialise, our Group intends to allocate such proceeds for investment in our private equity business and/or business related to the education sector. The proceeds arising from the Proposed Disposal will provide our Group with the necessary funds to capitalise on such opportunities and/or proposals as and when they arise. As at the LPD, our Group has not determined any such investment to be made. In the event that our Group proposes to undertake such investment, an announcement will be made to Bursa Securities in accordance with the provisions of the Listing Requirements and where required, we will convene an extraordinary general meeting to seek shareholders' approval.

As the actual utilisation of proceeds will depend on the requisite quantum and timing of development and/or future investments as well as our Group's operating needs, the breakdown of proposed utilisation of proceeds cannot be determined at this juncture.

(b) *This comprises professional fees, fees payable to authorities, printing, advertising and other miscellaneous expenses related to the Proposed Disposal. If the actual expenses are higher than the amount allocated, the deficit will be funded out of amount allocated for reinvestment into hospitality business. On the other hand, if the actual expenses are lower than the amount allocated, the excess will be reallocated towards reinvestment into hospitality business.*

Any excess / (shortfall) of proceeds as a result of the Premium Adjustment and/or Differential NA Adjustment will be adjusted against the allocation for reinvestment into hospitality business.

Pending the utilisation of proceeds for the abovementioned purposes, the proceeds will be placed in interest-bearing deposits with licensed financial institutions and/or short-term money market instruments.

3. RATIONALE OF THE PROPOSED DISPOSAL

The Proposed Disposal provides an avenue for ECMLFG to unlock and realise the value of our investment in Libra Invest at an attractive premium. As set out in Section 2.2 of this Circular, the Provisional Disposal Consideration represents a PER of 29.47x and a premium-to-earnings multiple of 20.60x, both of which are higher than those implied by the Precedent Transactions. Arising from the Proposed Disposal, our Group is expected to recognise a pro forma gain on disposal of RM35.00 million based on the Provisional Disposal Consideration and subject to the Premium Adjustment and Differential NA Adjustment *(before deducting estimated expenses in relation to the Proposed Disposal of RM0.44 million)*.

Further, since the FYE 31 January 2013, after the disposal of our investment banking business, our Group has experienced fluctuations in our revenue and earnings, partly due to exposure to fluctuations of the financial markets. This can also be observed in the audited historical financial performance of Libra Invest for the past 3 financial periods as follows:-

	Audited		
	FYE 31 December 2018 (RM'000)	**FYE 31 December 2017 (RM'000)**	**11-month FPE 31 December 2016 (RM'000)**
Revenue	12,185	14,081	11,210
PBT	2,031	2,584	1,282

On 12 December 2017, the shareholders of ECMLFG have approved the proposed diversification of our Group's business to include hotel ownership and management. The said business diversification is expected to benefit our Group in the following manner:-

(i) providing a new revenue and earnings stream to mitigate volatility of our Group's financial performance; and

(ii) apart from deriving the economic benefits from operating the hotels, our Group may also benefit from capital appreciation from long term increase in the property values.

The intended reinvestment of Disposal Consideration into our Group's hospitality business *(see Section 2.6 of this Circular for further details of proposed utilisation of proceeds)* is in line with and a continuation of our Group's business diversification initiative and accordingly, is expected to also contribute towards our Group's attainment of the abovementioned benefits.

The contributions of hospitality business to our Group in terms of revenue and PAT attributable to owners of the Company for the FYE 31 December 2018 are as follows:-

	Audited	
	For the FYE 31 December 2018	
At group level	**Revenue (RM'000)**	**PAT attributable to owners of the Company (RM'000)**
Hospitality business	14,722	1,651
ECMLFG Group	32,884[7]	5,136
Percentage of contribution (%)	**44.8**	**32.1**

7 For the purpose of computing the percentage of contribution, the revenue of the ECMLFG Group shown in the table is inclusive of ECMLFG's share of revenue from its joint ventures.

4. RISK FACTOR IN RELATION TO THE PROPOSED DISPOSAL

The risk factor in relation to the Proposed Disposal is set out below:-

Loss of contribution from Libra Invest

Pursuant to the Proposed Disposal, the control of Libra Invest will be transferred from our Company to the Purchaser. Accordingly, upon the loss of control, Libra Invest will cease to be a subsidiary of ECMLFG and its financials will be deconsolidated from our Group's financial performance and position.

As set out in Sections 2.6 and 3 of this Circular, the proceeds arising from the Proposed Disposal are intended to be channelled towards growing our Group's hospitality business. However, there is no assurance that our Group will be able to generate the desired return from our hospitality business.

This risk is mitigated by:-

(i) our Group leveraging upon the "Tune Hotels.Com" franchise's existing and established hospitality management, operations and support services, infrastructure, branding as well as customer awareness and loyalty;

(ii) through common interests in certain hotel ownership and operation, our Group is able to leverage upon the expertise of Plato Capital Limited which has experience in investing, developing and monetising overseas hotel properties;

(iii) our Group developing our own expertise and experience in hospitality management and operations with the benefits of collaboration with "Tune Hotels.Com" franchise owner and the leverage upon the expertise of Plato Capital Limited to develop new hotel brand to expand into different segment of the hospitality business; and

(iv) the strategic / prime locations of the hotel properties *(in which our Group has interest)* in Malaysia and Australia, both reputed as popular tourist destinations, supported by the respective government's concerted efforts to improve and encourage tourism.

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5. EFFECTS OF THE PROPOSED DISPOSAL

5.1 Issued share capital and substantial shareholders' shareholdings

The Proposed Disposal will not have any effect on the issued share capital and substantial shareholders' shareholdings of our Company as it does not involve any issuance of new shares by our Company.

5.2 NA, NA per share and gearing

For illustrative purposes, assuming that the Proposed Disposal had been effected at the end of the FYE 31 December 2018, the pro forma effects of the Proposed Disposal on the NA, NA per share and gearing of our Group are as follows:-

	Audited as at 31 December 2018 (RM'000)	**Pro forma after the Proposed Disposal (RM'000)**
Share capital	107,546	107,546
Retained earnings	64,690	99,250[(a)]
Other reserves	1,899	1,899
Total equity / NA	**174,135**	**208,695**
Borrowings	9,941	9,941
No. of ordinary shares ('000)	479,926	479,926
NA per share (RM)	0.36	0.43
Gearing (times)	0.06	0.05

Note:-

(a) After accounting for the pro forma gain arising from the Proposed Disposal of RM35.00 million and the estimated expenses in relation to the Proposed Disposal of RM0.44 million. The pro forma gain on disposal of the entire equity interest in Libra Invest is calculated based on the Provisional Disposal Consideration of RM50.07 million (subject to the Premium Adjustment and Differential NA Adjustment) less the audited NA of Libra Invest as at 31 December 2018 of RM15.07 million, assuming that the Proposed Disposal had been effected at the end of the FYE 31 December 2018.

5.3 Earnings and EPS

As the Proposed Disposal is tentatively anticipated to be completed in the 3rd quarter of 2019, our Group is expected to recognise a pro forma gain on disposal of approximately RM35.00 million *(before deducting estimated expenses in relation to the Proposed Disposal of RM0.44 million)* for the FYE 31 December 2019, computed as the difference between (i) the Provisional Disposal Consideration of RM50.07 million *(subject to the Premium Adjustment and Differential NA Adjustment)* and (ii) the audited NA of Libra Invest as at 31 December 2018 of RM15.07 million.

On the other hand, upon the loss of control, Libra Invest will cease to be a subsidiary of ECMLFG and its financials will be deconsolidated from our Group's financial performance and position.

For illustrative purposes, assuming that the Proposed Disposal had been effected at the beginning of the FYE 31 December 2018, the pro forma effects of the Proposed Disposal on the earnings and EPS of ECMLFG are as follows:-

	Amount (RM'000)	Basic EPS[(a)] (sen)
PAT attributable to owners of our Company for the FYE 31 December 2018	5,136	1.30
Less: Deconsolidation of PAT of Libra Invest for the FYE 31 December 2018	(1,658)	(0.42)
Pro forma PAT attributable to owners of our Company for the FYE 31 December 2018 before accounting for the one-off pro forma gain arising from the Proposed Disposal and related estimated expenses	**3,478**	**0.88**
Add: One-off pro forma gain arising from the Proposed Disposal assuming effected at the beginning of the FYE 31 December 2018[(b)]	36,658	9.26
Less: Estimated expenses in relation to the Proposed Disposal	(440)	(0.11)
Pro forma PAT attributable to owners of our Company for the FYE 31 December 2018	**39,696**	**10.03**

Notes:-

(a) Computed based on the weighted average number of ECMLFG's shares in issue of 395,893,952 for the FYE 31 December 2018.

(b) Assuming that the Proposed Disposal had been effected at the beginning of the FYE 31 December 2018, the pro forma gain arising from the Proposed Disposal is approximately RM36.66 million, calculated based on the Provisional Disposal Consideration of RM50.07 million (subject to the Premium Adjustment and Differential NA Adjustment) less the audited NA of Libra Invest as at 31 December 2017 (and after the impact arising from adoption of Malaysian Financial Reporting Standard 15) of RM13.41 million.

5.4 Convertible securities

As at the LPD, our Company does not have any outstanding convertible securities.

6. APPROVALS REQUIRED

The Proposed Disposal is subject to the approvals being obtained from:-

(i) the shareholders of our Company at an EGM to be convened in relation to the Proposed Disposal;

(ii) the SC for the sale and purchase of the Sale Shares as it will result in the change in the controller[8] of Libra Invest, which was obtained by Libra Invest and Kenanga Investors Berhad vide the SC's letters dated 31 May 2019.

[8] A controller means a person who:-
(a) is entitled to exercise, or control the exercise of, not less than 15% of the votes attached to the voting shares in the CMSL holder;
(b) has the power to appoint or cause to be appointed a majority of the directors of the CMSL holder; or
(c) has the power to make or cause to be made, decisions in respect of the business or administration of such CMSL holder, and to give effect to such decisions or cause them to be given effect to.

The approvals obtained from the SC are subject to the following conditions:-

Approval for Libra Invest
The proposed change of shareholder shall not:-

(a) adversely affect the soundness of Libra Invest's business; and

(b) adversely affect the interest of the clients of Libra Invest.

Approval for Kenanga Investors Berhad
1. Kenanga Investors Berhad is to fulfil the representations made and ensure that the acquisition is managed effectively and does not adversely affect the clients of the licensed entities; and

2. Kenanga Investors Berhad is to ensure that:-

    (a) the merger and integration of the operations are managed effectively with no disruption to the functioning of the licensed entities;

    (b) the soundness of the licensed entities is not adversely affected; and

    (c) any potential risks are addressed and managed on an on-going basis.

(iii) the BNM for the purchase of the Sale Shares by the Purchaser, which was obtained by Kenanga Investment Bank Berhad and Kenanga Investors Berhad vide BNM's letters dated 24 May 2019 and 29 May 2019 respectively, subject to the Purchaser obtaining the necessary approval from the SC; and

(iv) any other relevant authorities or parties, if required.

The Proposed Disposal is not conditional upon any other corporate exercise being or proposed to be undertaken by our Company.

7. INTEREST OF DIRECTORS AND MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED

ECMLFG *(holding company of Libra Invest)* is the vendor in relation to the Proposed Disposal. As at the LPD, our Directors and major shareholders and persons connected with them and their shareholdings in ECMLFG are as follows:-

	Direct interest		Indirect interest	
Name of Directors	**No. of shares**	**%**	**No. of shares**	**%**
Dato' Seri Kalimullah bin Masheerul Hassan *(Executive Chairman)*	66,154,362	13.78	-	-
Lim Kian Onn *(Managing Director)*	30,569,525	6.37	130,387,186[(a)]	27.17
Datuk Kamarudin bin Md Ali *(Independent Non-Executive Director)*	50,000	0.01	-	-
Dato' Othman bin Abdullah *(Independent Non-Executive Director)*	-	-	-	-
Mahadzir bin Azizan *(Independent Non-Executive Director)*	-	-	-	-
Gareth Lim Tze Xiang[(b)] *(Non-Independent Non-Executive Director)*	-	-	-	-

Notes:-

(a) *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 Act and his spouse's shareholding pursuant to Section 59(11)(c) of the Act.*

(b) *Gareth Lim Tze Xiang is a person connected with Lim Kian Onn by virtue of being his son.*

Name of major shareholders	Direct interest		Indirect interest	
	No. of shares	**%**	**No. of shares**	**%**
Dato' Seri Kalimullah bin Masheerul Hassan	66,154,362	13.78	-	-
Lim Kian Onn	30,569,525	6.37	130,387,186[(a)]	27.17
Truesource Pte Ltd	56,694,973	11.81	-	-
Plato Capital Limited	-	-	56,694,973[(b)]	11.81
Garynma MY Capital Limited	72,255,050	15.06	-	-
Garynma MY Holdings Limited	-	-	72,255,050[(c)]	15.06
Julius Baer Trust Company (Singapore) Limited	-	-	72,255,050[(d)]	15.06
Tune Group Sdn Bhd	110,150,480	22.95	-	-
Tan Sri Dr Anthony Francis Fernandes	-	-	110,150,480[(e)]	22.95
Datuk Kamarudin bin Meranun	-	-	110,150,480[(e)]	22.95

Notes:-

(a) *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 Act and his spouse's shareholding pursuant to Section 59(11)(c) of the Act.*

(b) *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 Act.*

(c) *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 Act.*

(d) *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 Act.*

(e) *Deemed interest of 22.95% by virtue of his interest in Tune Group Sdn Bhd pursuant to Section 8(4) of the Act.*

Lim Kian Onn also has indirect interest of less than 5% in Kenanga Investment Bank Berhad *(holding company of the Purchaser)*.

Save as aforementioned, none of our Directors and major shareholders and/or persons connected with them has any interest, direct or indirect, in the Proposed Disposal.

The Proposed Disposal is not deemed as a related party transaction pursuant to Paragraph 10.08(11)(l) of the Listing Requirements as none of our Directors and major shareholders and/or persons connected with them has an interest of 10% or more in Kenanga Investment Bank Berhad which owns 100% equity interest in the Purchaser.

8. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board, having considered all aspects of the Proposed Disposal, including the salient terms of the SPA, the basis and justification for the Disposal Consideration, the rationale and effects of the Proposed Disposal, is of the opinion that the Proposed Disposal is in the best interest of our Company.

Accordingly, our Board recommends that you vote in favour of the resolution to give effect to the Proposed Disposal to be tabled at the forthcoming EGM.

9. ESTIMATED TIMEFRAME FOR COMPLETION

Subject to all required approvals being obtained, our Board expects the estimated timeframe for the completion of Proposed Disposal as follows:-

Events	Tentative timeline
EGM for the Proposed Disposal and fulfilment of Conditions Precedent in relation to the Proposed Disposal	27 June 2019
Completion of the Proposed Disposal	3rd quarter of 2019

10. CORPORATE EXERCISE ANNOUNCED BUT PENDING COMPLETION

As at the LPD, save for the Proposed Disposal and the proposed acquisition of Tune Hotel KLIA Aeropolis *(which was announced on 4 May 2017)*, there is no other corporate exercise that is announced but pending completion by our Company.

11. EGM

We will hold our EGM, the notice of which is enclosed in this Circular, at MAKAN at Tune Hotel KLIA2, Lot Pt 13, Jalan KLIA 2/2, 64000 KLIA, Selangor on 27 June 2019, Thursday at 3.15 p.m., or immediately after the conclusion or adjournment *(as the case may be)* of our 14th Annual General Meeting, which will be held at the same venue and on the same day at 2.30 p.m., or at any adjournment thereof, for the purpose of considering and if thought fit, passing the resolution to give effect to the Proposed Disposal.

If you decide to appoint a proxy or proxies for the EGM, you must complete the Form of Proxy for the EGM strictly in accordance with the instructions contained therein and lodge the Form of Proxy at our registered office 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 EGM or at any adjournment thereof. The lodging of the Form of Proxy for the EGM will not preclude you from attending and voting in person at the EGM should you subsequently decide to do so.

12. FURTHER INFORMATION

We advise you to refer to the attached appendices for additional information.

Yours faithfully
For and on behalf of the Board of Directors of
ECM LIBRA FINANCIAL GROUP BERHAD

DATO' SERI KALIMULLAH BIN MASHEERUL HASSAN
Executive Chairman

1. HISTORY AND BUSINESS

Libra Invest was incorporated in Malaysia on 27 September 1995 as a public limited company under the name of Allied Unit Trusts Bhd. Subsequently, the company has changed its name to Phileoallied Unit Trust Management Bhd *(on 27 June 1997)*, Avenue Unit Trust Management Berhad *(on 22 April 2002)* and Avenue Invest Berhad *(on 6 June 2005)* before assuming its present name on 5 May 2011.

Libra Invest is a fund management company licensed under the CMSA. The company is principally engaged in the management of unit trust funds and the provision of fund management services.

As at 30 April 2019, Libra Invest manages 13 unit trust funds, 5 wholesale funds and privately managed funds with a total fund size of RM6.06 billion investing in, amongst others, equity securities, fixed income securities and/or money market instruments. Its clients include pension funds, public listed companies, state funds, high net worth individuals and retail investors. Excluding Libra Shariah Liquidity Fund and Libra Shariah Liquidity Fund 3, the Relevant AUM as at 30 April 2019 was RM2.54 billion.

The 13 unit trust funds and 5 wholesale funds managed by Libra Invest are as follows:-
(i) Libra Amanah Saham Wanita
(ii) Libra ASnitaBOND Fund
(iii) Libra BondEXTRA Fund
(iv) Libra Resource Equity Fund
(v) Libra DividendEXTRA Fund
(vi) Libra EquityEXTRA Fund
(vii) Libra IncomeEXTRA Fund
(viii) Libra Consumer and Leisure Asia Fund
(ix) Libra Liquidity Fund
(x) Libra MoneyEXTRA Fund
(xi) Libra Shariah Liquidity Fund 2
(xii) Libra SyariahEXTRA Fund
(xiii) Libra Tactical EXTRA Fund
(xiv) Libra MoneyEXTRA Fund II
(xv) Libra Dana Safa
(xvi) Libra Strategic Opportunity Fund
(xvii) Libra Shariah Liquidity Fund
(xviii) Libra Shariah Liquidity Fund 3

2. SHARE CAPITAL

As at the LPD, Libra Invest has an issued share capital of RM6,500,000 comprising 6,500,000 ordinary shares.

3. SOLE SHAREHOLDER

Libra Invest is a wholly-owned subsidiary of ECMLFG.

4. DIRECTORS

As at the LPD, the directors of Libra Invest *(all Malaysians)* are as follows:-

Name		Designation
(i)	Datuk Kamarudin bin Md Ali	Independent Non-Executive Chairman
(ii)	Khairudin bin Ibrahim	Independent Non-Executive Director
(iii)	Mahadzir bin Azizan	Independent Non-Executive Director
(iv)	Lee Wei Chung	Executive Director
(v)	Ong Lei Hua	Executive Director

They do not have any direct and indirect interest in Libra Invest.

5. SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

As at the LPD, Libra Invest does not have any subsidiaries, associated companies and joint ventures.

6. FINANCIAL INFORMATION

A summary on the financial information of Libra Invest based on its audited financial statements for the 11-month FPE 31 December 2016, FYE 31 December 2017 and FYE 31 December 2018 as well as its unaudited financial statements for the 3-month FPE 31 March 2019 are as follows:-

	Unaudited	Audited		
At company level	FPE 31 March 2019 (RM'000)	FYE 31 December 2018 (RM'000)	FYE 31 December 2017 (RM'000)	11-month FPE 31 December 2016 (RM'000)
Revenue	3,011	12,185	14,081	11,210
PBT	526	2,031	2,584	1,282
PAT	401	1,658	2,124	1,004
Current assets	15,205	17,647	14,489	15,847
Current liabilities	1,354	4,171	3,143	3,630
Share capital	6,500	6,500	6,500	6,500
Total equity / NA	15,468	15,067	13,165	14,941
Total borrowings	-	-	-	-
Number of shares / Weighted average number of shares in issue ('000)	6,500	6,500	6,500	6,500
Gross EPS (RM)[(a)]	0.08	0.31	0.40	0.20
Net EPS (RM)[(b)]	0.06	0.26	0.33	0.15
NA per share (RM)	2.38	2.32	2.03	2.30
Current ratio (times)	11.23	4.23	4.61	4.37
Gearing (times)	-	-	-	-

Notes:-

(a) Computed based on PBT divided by weighted average number of shares in issue.

(b) Computed based on PAT divided by weighted average number of shares in issue.

For comparison and analysis purposes only, the results for 11-month FPE 31 December 2016 have been annualised as follows:-

	Annualised results for 11-month FPE 31 December 2016 (RM'000)	11-month FPE 31 December 2016 (RM'000)
Revenue	12,229	11,210
PBT	1,399	1,282
PAT	1,095	1,004

6.1 Commentary of past performance

3-month FPE 31 March 2019 vs 3-month FPE 31 March 2018

Revenue declined by 15.21% to RM3.01 million for the 3-month FPE 31 March 2019 from RM3.55 million for the 3-month FPE 31 March 2018, mainly due to lower portfolio management fee income.

In line with the lower operating costs due to reduction in staff costs, trailer and commission expense and marketing costs which offset the decline in revenue, Libra Invest reported a higher PBT of RM0.53 million for the 3-month FPE 31 March 2019, increased by 20.45% from a PBT of RM0.44 million for the 3-month FPE 31 March 2018.

For the reasons discussed above, Libra Invest's PAT increased by 17.65% to RM0.40 million for the 3-month FPE 31 March 2019 from RM0.34 million for the 3-month FPE 31 March 2018.

FYE 31 December 2018 vs FYE 31 December 2017

Revenue declined by 13.42% to RM12.19 million for the FYE 31 December 2018 from RM14.08 million for the FYE 31 December 2017, mainly due to reduction in portfolio management fee income as a result of lower AUM as well as unfavourable market conditions.

In line with the decline in revenue partially cushioned by lower operating costs due to reduction in staff costs, Libra Invest reported a lower PBT of RM2.03 million for the FYE 31 December 2018, lower by 21.32% from a PBT of RM2.58 million for the FYE 31 December 2017.

For the reasons discussed above, Libra Invest's PAT declined by 21.70% to RM1.66 million for the FYE 31 December 2018 from RM2.12 million for the FYE 31 December 2017.

FYE 31 December 2017 vs 11-month FPE 31 December 2016 *(annualised)*

Revenue increased by 15.13% to RM14.08 million for the FYE 31 December 2017 from RM12.23 million *(annualised based on the results for the 11-month FPE 31 December 2016)*, mainly due to higher portfolio management fee income.

In line with the increase in revenue offset by higher operating costs due to increase in trailer fees and commission expenses, Libra Invest made a higher PBT of RM2.58 million for the FYE 31 December 2017, increased by 84.29% from a PBT of RM1.40 million *(annualised based on the results for the 11-month FPE 31 December 2016)*.

For the reasons discussed above, Libra Invest's PAT increased by 92.73% to RM2.12 million for the FYE 31 December 2017 from RM1.10 million *(annualised based on the results for the 11-month FPE 31 December 2016)*.

11-month FPE 31 December 2016 *(annualised)* vs FYE 31 January 2016

Revenue increased by 1.92% to RM12.23 million *(annualised based on the results for the 11-month FPE 31 December 2016)* from RM12.00 million for the FYE 31 January 2016 due to higher portfolio management fee income.

In line with the increase in revenue coupled with lower operating costs due to lower personnel expenses, Libra Invest made a higher PBT of RM1.40 million *(annualised based on the results for the 11-month FPE 31 December 2016)*, increased by 483.33% from a PBT of RM0.24 million for the FYE 31 January 2016.

For the reasons discussed above, Libra Invest's PAT increased by 1,471.43% to RM1.10 million *(annualised based on the results for the 11-month FPE 31 December 2016)* from RM0.07 million for the FYE 31 January 2016.

6.2 Accounting policies and audit qualification

For the 11-month FPE 31 December 2016, FYE 31 December 2017 and FYE 31 December 2018:-

(i) there were no accounting policies adopted by Libra Invest which are peculiar to Libra Invest due to the nature of its business or the industry it is involved in, which had effects on the determination of income or financial position of Libra Invest; and

(ii) Libra Invest's external auditors had not issued any audit qualification on its financial statements.

7. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

Material commitments

As at the LPD, there are no material commitments incurred or known to be incurred by Libra Invest which may, upon being enforceable, have a material adverse effect on Libra Invest's profits or NA.

Contingent liabilities

As at the LPD, there are no contingent liabilities incurred or known to be incurred by Libra Invest which may, upon being enforceable, have a material adverse effect on Libra Invest's profits or NA.

8. MATERIAL CONTRACTS

As at the LPD, Libra Invest has not entered into any material contracts *(not being contracts entered into in the ordinary course of business)* during the past 2 years preceding the date of this Circular.

9. MATERIAL LITIGATION

As at the LPD, Libra Invest is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and Libra Invest does not have any knowledge of any such proceedings, pending or threatened against Libra Invest or of any facts which are likely to give rise to any such proceedings which may materially affect the profits or NA of Libra Invest.

Libra Invest Berhad
(361207-D)
(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements
31 December 2018

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Libra Invest Berhad
(Incorporated in Malaysia)

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Libra Invest Berhad
(Incorporated in Malaysia)

Directors' report

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

Principal activities

The principal activities of the Company are the management of unit trust funds and the provision of fund management services.

Results

	RM
Profit for the financial year	1,657,555

There were no material transfers to or from reserves or provisions during the financial year.

Dividend

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividend for the current financial year ended 31 December 2018.

Issue of shares and debentures

There were no 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.

Directors

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

Datuk Kamarudin bin Md Ali
En. Khairudin bin Ibrahim
En. Mahadzir bin Azizan
Mr. Lee Wei Chung
Ms. Ong Lei Hua (appointed on 12 December 2018)
Mr. Koh Eu-Jin (resigned on 15 January 2018)

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Libra Invest Berhad
(Incorporated in Malaysia)

Directors' benefits

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive a benefit (other than 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 as disclosed in Note 5 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.

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 holding office 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			
	At 1.1.2018/ date of appointment	**Acquired**	**Sold**	**At 31.12.2018**
Direct interest in the ultimate holding company, ECM Libra Financial Group Berhad				
Datuk Kamarudin bin Md Ali	50,000	-	-	50,000
Ms Ong Lei Hua	12,900	-	-	12,900

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

Indemnity and insurance costs

During the financial year, Directors and Officers of the Company are covered under the holding company's 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 Company subject to the terms of the policy. The total amount of indemnity coverage and insurance premium paid by the holding company during the year, are RM50,000,000 and RM88,000 respectively.

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Libra Invest Berhad
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Directors' remuneration

The directors' remuneration are as disclosed in Note 19(c) to the financial statements.

Other statutory information

(I) As at the end of the financial year:

(a) Before the financial statements 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 the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that no allowance for doubtful debts 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 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, the results of the operations 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 or to make any allowance for doubtful debts in respect of the financial statements 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 or liabilities of the Company misleading or inappropriate.

(b) In the opinion of the directors:

   (i) the results of 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

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Libra Invest Berhad
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Other statutory information (cont'd.)

(II) From the end of the financial year to the date of this report (cont'd.):

(b) In the opinion of the directors (cont'd.):

(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 Company to meet its obligations when they fall due.

(III) As at the date of this report:

(a) There are no charges on the assets 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 had arisen since the end of the financial year.

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

Holding company

The holding and ultimate holding company is ECM Libra Financial Group Berhad, a public limited company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office. The remuneration of the auditors is as disclosed in Note 5 to the financial statements. There were no indemnity given to, or insurance effected for auditors during the financial year.

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.

Datuk Kamarudin bin Md Ali　　　　Ong Lei Hua

Kuala Lumpur, Malaysia
13 February 2019

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Libra Invest Berhad
(Incorporated in Malaysia)

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

We, Datuk Kamarudin bin Md Ali and Ong Lei Hua, being two of the directors of Libra Invest Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 10 to 44 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 Company as at 31 December 2018 and of the results and the cash flows of the Company for the financial year then ended.

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

Datuk Kamarudin bin Md Ali — Ong Lei Hua

Kuala Lumpur, Malaysia
13 February 2019

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

I, Ong Lei Hua, being the director primarily responsible for the financial management of Libra Invest Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 10 to 44 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 Ong Lei Hua at
Kuala Lumpur in the Federal Territory
on 13 February 2019. — Ong Lei Hua

Before me,

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Independent auditors' report to the member of Libra Invest Berhad (Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Libra Invest Berhad, which comprise the statement of financial position as at 31 December 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 44.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2018, and of its financial performance and 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 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.

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 Directors' Report, but does not include the financial statements of the Company and our auditors' report thereon.

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Independent auditors' report to the member of
Libra Invest Berhad (cont'd.)
(Incorporated in Malaysia)

Information other than the financial statements and auditors' report thereon (cont'd.)

In connection with our audit of the financial statements 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 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 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 Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are responsible for assessing 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 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 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.

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Independent auditors' report to the member of
Libra Invest Berhad (cont'd.)
(Incorporated in Malaysia)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

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 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 Company's internal control.

- 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 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 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 Company to cease to continue as a going concern.

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

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.

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Independent auditors' report to the member of
Libra Invest Berhad (cont'd.)
(Incorporated in Malaysia)

Other matters

This report is made solely to the member of the Company, as a body, in accordance with Section 260 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 2018

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Libra Invest Berhad
(Incorporated in Malaysia)

Statement of profit or loss and other comprehensive income
for the financial year ended 31 December 2018

	Note	2018 RM	2017 RM
Revenue	3	12,184,799	14,081,314
Other income		342,075	364,720
Operating costs		(1,479,896)	(1,567,873)
Staff costs	4	(6,470,556)	(7,808,473)
Depreciation of property, plant and equipment	7	(326,358)	(383,432)
Other operating expenses		(2,218,787)	(2,102,172)
Profit before tax	5	2,031,277	2,584,084
Income tax expense	6	(373,722)	(460,071)
Profit for the financial year, representing total comprehensive income for the financial year		1,657,555	2,124,013

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

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Libra Invest Berhad
(Incorporated in Malaysia)

Statement of financial position as at 31 December 2018

	Note	2018 RM	2017 RM
Assets			
Non-current assets			
Property, plant and equipment	7	1,695,237	1,703,355
Deferred tax asset	8	-	115,633
		1,695,237	1,818,988
Current assets			
Trade receivables	9	1,784,429	1,909,820
Other assets	10	417,454	473,639
Tax recoverable		335,574	129,929
Amount owing by holding company	11	2,933,432	-
Cash and cash equivalents	12	12,176,016	11,190,856
Asset classified as held for disposal	13	-	784,865
		17,646,905	14,489,109
Total assets		19,342,142	16,308,097
Equity and liabilities			
Equity attributable to owner of the Company			
Share capital	14	6,500,000	6,500,000
Retained profits		8,525,579	6,623,259
General reserve	15	41,488	41,488
Shareholder's equity		15,067,067	13,164,747
Non-current liability			
Deferred tax liability	8	104,099	-
Current liabilities			
Trade payables	16	2,135,690	1,558,426
Other liabilities	17	2,035,286	1,584,924
		4,170,976	3,143,350
Total liabilities		4,275,075	3,143,350
Total equity and liabilities		19,342,142	16,308,097

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

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Libra Invest Berhad
(Incorporated in Malaysia)

Statement of changes in equity
for the financial year ended 31 December 2018

	Share capital RM	Non-distributable: General reserve RM	Distributable: Retained profits RM	Total equity RM
At 1 January 2017	6,500,000	41,488	8,399,246	14,940,734
Total comprehensive income for the financial year	-	-	2,124,013	2,124,013
Dividend for the financial year (Note 20)	-	-	(3,900,000)	(3,900,000)
At 31 December 2017	6,500,000	41,488	6,623,259	13,164,747
Impact arising from adoption of MFRS 15 (Note 2.2(c))	-	-	244,765	244,765
At 1 January 2018, as restated	6,500,000	41,488	6,868,024	13,409,512
Total comprehensive income for the financial year	-	-	1,657,555	1,657,555
At 31 December 2018	6,500,000	41,488	8,525,579	15,067,067

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

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Libra Invest Berhad
(Incorporated in Malaysia)

Statement of cash flows
for the financial year ended 31 December 2018

	2018 RM	2017 RM
Cash flows from operating activities		
Profit before tax	2,031,277	2,584,084
Adjustments for:		
Depreciation of property, plant and equipment (Note 7)	326,358	383,432
Property, plant and equipment written-off (Note 5)	41,425	-
Interest income (Note 5)	(342,075)	(364,720)
Operating profit before working capital changes	2,056,985	2,602,796
Decrease/(increase) in operating assets:		
Trade receivables	416,156	232,224
Other assets	56,156	39,589
Amount owing by holding company	(2,906,709)	-
Increase/(decrease) in operating liabilities:		
Trade payables	577,264	(860,563)
Other liabilities	450,362	373,458
Cash generated from operations	650,214	2,387,504
Tax paid	(405,635)	(440,915)
Net cash generated from operating activities	244,579	1,946,589
Cash flows from investing activities		
Interest income received	315,381	364,772
Compensation for loss of commercial value of asset classified as held for disposal (Note 13)	784,865	-
Purchase of property, plant and equipment (Note 7)	(359,665)	(239,396)
Dividend paid	-	(3,900,000)
Net cash generated from/(used in) investing activities	740,581	(3,774,624)
Net increase/(decrease) in cash and cash equivalents	985,160	(1,828,035)
Cash and cash equivalents at beginning of the financial year	11,190,856	13,018,891
Cash and cash equivalents at end of the financial year (Note 12)	12,176,016	11,190,856

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

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Libra Invest Berhad
(Incorporated in Malaysia)

Notes to the financial statements - 31 December 2018

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at 2nd Floor, West Wing, Bangunan ECM Libra, 8 Jalan Damansara Endah, Damansara Heights, 50490 Kuala Lumpur.

The principal activities of the Company are the management of unit trust funds and the provision of fund management services. There have been no significant changes in the nature of the principal activities during the financial year.

The Company is a subsidiary of ECM Libra Financial Group Berhad, a public limited company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The financial statements 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 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 as disclosed in the accounting policies below.

2.2 Changes in accounting policies

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

On 1 January 2018, 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*

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Libra Invest Berhad
(Incorporated in Malaysia)

2. Significant accounting policies (cont'd.)

2.2 Changes in accounting policies (cont'd.)

MFRS 9 *Financial Instruments*
MFRS 15 *Revenue from Contracts with Customers*
Annual Improvements to MFRS Standards 2014 - 2016 Cycle

The adoption of the above amendments, where relevant, did not have any effect on the financial performance or position of the Company upon their initial application, other than as disclosed below:

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

The Company has adopted the requirements of MFRS 9 on 1 January 2018. MFRS 9 introduces new requirements which mainly affects the classification and measurement of financial instruments, impairment assessment based on the expected credit loss model and 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

Financial assets

The Company classifies 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 Company's business model and contractual cash flow characteristics of the financial asset.

The new classification and measurement requirements of MFRS 9 did not have a significant impact on the Company. The Company has not designated any financial assets as FVTPL or FVOCI. 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 (see Note 2.6).

As a result, no accumulated adjustment was made to the opening balance of retained earning in respect of MFRS 9.

Financial liabilities

There are no changes in classification and measurement for the Company's financial liabilities.

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Libra Invest Berhad
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2. Significant accounting policies (cont'd.)

2.2 Changes in accounting policies (cont'd.)

(a) MFRS 9 *Financial Instruments* ("MFRS 9") (cont'd.)

(ii) Impairment

MFRS 9 requires the Company to record expected credit losses ("ECLs") on all of its 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 is 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 Company holds receivables with no financing component and deposits with maturities less than 12 month. For the financial year ended 31 December 2018, the Company applied the simplified approach to measuring ECLs on deposits and receivables. 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 Company has previously determined that there was no impairment allowance required in accordance with MFRS 139 *Financial Instruments: Recognition and Measurement* ("MFRS 139") or any expected credit loss allowance now required in accordance with MFRS 9.

For the financial year ended 31 December 2018, all financial assets are classified as "Stage 1".

(iii) Hedge accounting

The Company has not applied hedge accounting under MFRS139 nor will it apply hedge accounting under MFRS 9.

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2. Significant accounting policies (cont'd.)

2.2 Changes in accounting policies (cont'd.)

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

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

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 Company recognised performance fees as and when the Company 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 Company 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 continue to be recognised on the same 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. Interest income is recognised as it accrues using the effective interest method in profit or loss. Dividend income is recognised when the Company's right to receive payment is established.

2. Significant accounting policies (cont'd.)

2.2 Changes in accounting policies (cont'd.)

(c) Financial effects due to changes in accounting policies

The following table analyses the impact, net of tax, of transition to MFRS 15 on the statement of financial position of the Company:

	Impact of adopting MFRS 15 RM
Tax recoverable	
Closing balance under MFRS 118 at 31 December 2017	129,929
- In respect of recognition of cumulative effect of initial application of MFRS 15	(46,000)
Opening balance under MFRS 15 at 1 January 2018	83,929
Retained profits	
Closing balance under MFRS 118 at 31 December 2017	6,623,259
- Recognition of cumulative effect of initial application of MFRS 15, net of tax	244,765
Opening balance under MFRS 15 at 1 January 2018	6,868,024

2.3 Standards issued but not yet effective

The following are the accounting standards, amendments and interpretations issued by the Malaysian Accounting Standards Board ("MASB"), but not yet effective:

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
Amendment to MFRS 3 *Business Combinations*	1 January 2020
Amendments to MFRS 6 *Exploration for and Evaluation of Mineral Resources*	1 January 2020

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2. Significant accounting policies (cont'd.)

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

Description	Effective for annual periods beginning on or after
Amendment 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
Amendment to IC Interpretation 12 *Service Concession* Arrangements	1 January 2020
Amendment to IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*	1 January 2020
Amendment to IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*	1 January 2020
Amendment to IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*	1 January 2020
Amendment 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

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 Company upon their initial application, except as discussed 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).

2. Significant accounting policies (cont'd.)

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

MFRS 16 *Leases* ("MFRS 16") (cont'd.)

(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 Company will elect to use the exemptions provided by the standard for 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 Company has leases of certain office equipment (i.e., computers, printing and photocopying machines) that are considered of low value.

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

2.4 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. 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 an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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2. Significant accounting policies (cont'd.)

2.4 Property, plant and equipment (cont'd.)

Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. The carrying amount of the replaced component is derecognised to profit or loss. All other repair and maintenance costs are recognised in profit or loss as incurred.

Work-in-progress comprises the development of software and is not depreciated until the development is completed and is available for use.

Depreciation of other property, plant and equipment is calculated on a straight-line basis on the cost less residual value over the estimated useful lives, at the following annual rates:

Office renovation	10%
Furniture and fittings	10%
Office equipment	10%
Computer equipment	10% to 33 1/3%
Motor vehicles	20%

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

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

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2. Significant accounting policies (cont'd.)

2.5 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any such indication exists or when an annual impairment assessment for an asset is required, the Company estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. Other than goodwill, a previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior financial years. Such reversal is recognised in profit or loss.

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2. Significant accounting policies (cont'd.)

2.6 Financial instruments

(a) Recognition and initial measurement

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

Current financial year

A financial asset (unless it is a trade receivable without significant financing component) 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.

(b) 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 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.

The Company determines the classification of its financial assets at initial recognition, and all its financial assets are measured at amortised cost.

2. Significant accounting policies (cont'd.)

2.6 Financial instruments (cont'd.)

(b) Financial instrument categories and subsequent measurement (cont'd.)

Financial assets (cont'd.)

Current financial year (cont'd.)

- **Amortised cost**

  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. The 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 2.6(e)) where the effective interest rate is applied to the amortised cost.

The Company does not have any financial assets measured at fair value through profit or loss or through other comprehensive income.

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 2.6(e)).

Previous financial year

In the previous financial year, financial assets of the Company were classified and measured under MFRS 139, *Financial Instruments: Recognition and Measurement*, and all its financial assets were classified as loans and receivables.

- **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.

All financial assets, except for those measured at fair value through profit or loss, were subject to impairment assessment (see Note 2.6(f)).

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2. Significant accounting policies (cont'd.)

2.6 Financial instruments (cont'd.)

(b) Financial instrument categories and subsequent measurement (cont'd.)

Financial liabilities

Current financial year

The Company has 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 Company were subsequently measured at amortised cost other than those categorised as fair value through profit or loss. The Company has not designated any financial liabilities as fair value through profit or loss.

(c) 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.

(d) 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 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.

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2. Significant accounting policies (cont'd.)

2.6 Financial instruments (cont'd.)

(e) Impairment of financial assets - Current financial year

The definition of impaired of the Company's financial assets remains the same under MFRS 139 and MFRS 9. At each reporting date, the Company assesses whether financial assets subject to impairment are impaired. In general, a financial asset is impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred (refer to Note 2.6(f)).

From 1 January 2018, as part of the assessment of impairment for financial assets under the expected credit loss model, the default definition has been applied to model Probability of Default ("PD"), Exposure at Default ("EAD") and Loss Given Default ("LGD"). The definition of default largely aligns with the definition of impaired for regulatory reporting purposes except for immaterial exposures which are not considered defaulted as such defaults are not attributed to the credit risk of the exposures and certain exposures which are considered defaulted based on qualitative assessment.

The Company assesses on a forward-looking basis the expected credit losses ("ECL") associated with respect to its loans and receivables carried at amortised cost. The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money 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 forecasts of future economic conditions.

(f) Impairment of financial assets - Previous financial year

The Company assesses at each reporting date whether there is any objective evidence that a financial asset classified as loans and receivables is impaired. Losses expected as a result of future events, no matter how likely, are not recognised.

To determine whether there is objective evidence that an impairment loss on financial assets has occurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

2. Significant accounting policies (cont'd.)

2.6 Financial instruments (cont'd.)

(f) Impairment of financial assets - Previous financial year (cont'd.)

If such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent financial year, the amount of the impaired loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.7 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.

2.8 Provisions

Provisions are recognised when the Company has 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. Significant accounting policies (cont'd.)

2.9 Employee benefits

(a) Short-term employee benefits

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

(b) Defined contribution plan

The Company is required by law to make monthly contributions to the Employees Provident Fund ("EPF"), a statutory defined contribution plan for all their eligible employees based on certain prescribed rates of the employees' salaries. Such contributions are recognised as an expense in profit or loss as incurred.

2.10 Revenue and other income

(a) Revenue

Revenue of the Company comprise 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 Company expects to be entitled in exchange for those goods or services. The Company has 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:

- Portfolio management fees such as management fees and performance fees are recognised upon rendering of fund management services.

- Sales charges are recognised upon completion of the processing of sales transactions.

(b) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

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2. Significant accounting policies (cont'd.)

2.11 Foreign currencies

(a) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the financial period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, and are presented in the foreign currency translation reserve in equity.

2.12 Income tax

(a) 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.

2. Significant accounting policies (cont'd.)

2.12 Income tax (cont'd.)

(b) Deferred tax

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

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 any 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 reassessed 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 utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to 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.

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.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2. Significant accounting policies (cont'd.)

2.13 Non-current assets and disposal groups held for sale

The Company classifies 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.

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.

2.14 Contingencies

(a) **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 statement 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 for which then no disclosure is made.

(b) **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 statement 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.

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2. Significant accounting policies (cont'd.)

2.15 Significant accounting estimates and judgements

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

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

In the process of applying 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:

(a) 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 against which the losses and capital allowances can be utilised. Significant management judgment, which will be reviewed periodically, is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(b) Impairment loss on receivables

At the end of the financial year, the Company assessed whether there were any indication that receivables may be impaired. Upon indication of impairment, the Company will estimate the recoverable amount of the receivables and provided an allowance for expected credit losses, if necessary.

Based on the Company's assessment, no allowance for impairment loss on receivables were necessary based on the absence of historical loss incurred by the Company.

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3. Revenue

	2018 RM	2017 RM
Unit trust management fees	9,429,304	9,875,407
Fund management fees	2,536,002	3,632,275
Sales charges	219,493	573,632
	12,184,799	14,081,314

4. Staff costs

Staff costs include salaries, bonuses, contributions to EPF, directors' remuneration and other staff related costs. Contributions to EPF amounted to RM640,511 (2017: RM702,667).

5. Profit before tax

Profit before tax is arrived at after charging/(crediting):

	2018 RM	2017 RM
Auditors' remuneration	27,000	27,000
Directors' remuneration:		
- fees (Note 19(c))	60,000	60,000
- other remuneration	693,958	706,250
Property, plant and equipment written-off (Note 7)	41,425	-
Rental of premises	538,666	445,635
Interest income	(342,075)	(364,720)

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6. Income tax expense

	2018 RM	2017 RM
Income tax		
Current financial year's tax expense	164,000	483,700
(Over)/under provision in prior financial year	(10,010)	437
	153,990	484,137
Deferred tax (Note 8)		
Relating to origination and reversal of temporary differences	246,258	(24,066)
Over provision in prior financial year	(26,526)	-
	219,732	(24,066)
	373,722	460,071

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 Company is as follows:

	2018 RM	2017 RM
Profit before tax	2,031,277	2,584,084
Tax at Malaysian statutory rate of 24% (2017: 24%)	487,506	620,180
Effects of expenses not deductible for tax purposes	19,647	66,165
Income exempted from tax	(96,895)	(226,711)
(Over)/under provided in prior years	(36,536)	437
	373,722	460,071

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7. Property, plant and equipment

	Office equipment RM	Computer equipment RM	Furniture and fittings RM	Office renovation RM	Motor vehicles RM	Total RM
Cost						
At 1 January 2018	486,463	4,862,173	903,313	43,500	15,276	6,310,725
Additions	47,899	218,366	-	93,400	-	359,665
Write-offs	(418,242)	(1,501,052)	(84,740)	-	-	(2,004,034)
At 31 December 2018	116,120	3,579,487	818,573	136,900	15,276	4,666,356
Accumulated depreciation						
At 1 January 2018	404,636	3,680,788	506,308	363	15,275	4,607,370
Charge for the financial year	15,380	215,735	82,227	13,016	-	326,358
Write-offs	(377,216)	(1,500,890)	(84,503)	-	-	(1,962,609)
At 31 December 2018	42,800	2,395,633	504,032	13,379	15,275	2,971,119
Net carrying amount						
At 31 December 2018	73,320	1,183,854	314,541	123,521	1	1,695,237

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Libra Invest Berhad
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7. Property, plant and equipment (cont'd.)

	Office equipment RM	Computer equipment RM	Furniture and fittings RM	Office renovation RM	Motor vehicles RM	Total RM
Cost						
At 1 January 2017	486,463	4,679,623	889,967	1,497,092	15,276	7,568,421
Additions	-	182,550	13,346	43,500	-	239,396
Transfer to Disposal Group held for disposal (Note 13)	-	-	-	(1,497,092)	-	(1,497,092)
At 31 December 2017	486,463	4,862,173	903,313	43,500	15,276	6,310,725
Accumulated depreciation						
At 1 January 2017	387,570	3,483,378	425,045	624,897	15,275	4,936,165
Charge for the financial year	17,066	197,410	81,263	87,693	-	383,432
Transfer to Disposal Group held for disposal (Note 13)	-	-	-	(712,227)	-	(712,227)
At 31 December 2017	404,636	3,680,788	506,308	363	15,275	4,607,370
Net carrying amount						
At 31 December 2017	81,827	1,181,385	397,005	43,137	1	1,703,355

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8. Deferred tax asset/(liability)

	2018 RM	2017 RM
At beginning of the financial year	115,633	91,567
Recognised in profit or loss (Note 6)	(219,732)	24,066
At end of the financial year	(104,099)	115,633

The component and movement of deferred tax asset/(liability) for the Company as at the end of the financial year are as follows:

	Provisions RM	Property, plant and equipment RM	Total RM
At 1 January 2017	199,685	(108,118)	91,567
Recognised in profit or loss	30,370	(6,304)	24,066
At 31 December 2017/1 January 2018	230,055	(114,422)	115,633
Recognised in profit or loss	(210,662)	(9,070)	(219,732)
At 31 December 2018	19,393	(123,492)	(104,099)

9. Trade receivables

	2018 RM	2017 RM
Receivable from the funds for cancellation of units	151,786	828,498
Management fee receivables	1,632,643	1,081,322
	1,784,429	1,909,820

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)(ii)).

10. Other assets

	2018 RM	2017 RM
Other receivables	104,008	82,744
Deposits	184,342	237,339
Prepayments	129,104	153,556
	417,454	473,639

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11. Amount owing by holding company

The amount owing by holding company represents payments made on behalf and advances which are unsecured, repayable on demand and is charged an average interest rate of 5.74% (2017: Nil) per annum.

12. Cash and cash equivalents

	2018 RM	2017 RM
Cash and balances with banks and other financial institutions	3,676,016	2,190,856
Money at call and deposit placements maturing within two months	8,500,000	9,000,000
	12,176,016	11,190,856

Money at call and deposit placements maturing within two months represent fixed deposits placed with a licensed investment bank. The deposits have a weighted average effective interest rate as at 31 December 2018 of 3.54% (2017: 3.43%) per annum and weighted average maturity period of 20 days (2017: 19 days).

13. Asset classified as held for disposal

For the financial year ended 31 December 2017, the holding company, ECM Libra Financial Group Berhad ("ECMLFG"), entered into a conditional sale and purchase agreement for the proposed disposal of the east wing and centre wing of Bangunan ECM Libra, for a total cash consideration of RM24,000,000. Consequently, renovation cost previously incurred by the Company for the office space at east and centre wing of Bangunan ECM Libra are presented as Disposal Group held for disposal as ECMLFG would pay a compensation for loss of commercial value of the said renovation to the Company based on their carrying amount of RM784,865. The sale was completed on 8 May 2018.

The carrying amount of the property, plant and equipment included in the Disposal Group classified as held for disposal as at 31 December 2017 comprise:

	Cost RM	Accumulated Depreciation RM	Total RM
Property, plant and equipment (Note 7)	1,497,092	(712,227)	784,865

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14. Share capital

	Number of ordinary shares		Amount	
	2018	**2017**	**2018**	**2017**
	Units	**Units**	**RM**	**RM**
Issued and fully paid-up	6,500,000	6,500,000	6,500,000	6,500,000

15. General reserve

The general reserve represents exercised Employees' Share Options of the holding company in the previous financial years.

16. Trade payables

	2018	**2017**
	RM	**RM**
Payable to the funds for creation of units	1,951,000	1,273,875
Redemption of units of funds	184,690	284,551
	2,135,690	1,558,426

17. Other liabilities

	2018	**2017**
	RM	**RM**
Accrued expenses	259,232	1,346,118
Other payables	1,776,054	238,806
	2,035,286	1,584,924

18. Commitments

	2018	**2017**
	RM	**RM**
Approved and contracted for:		
Purchase of property, plant and equipment	-	131,298

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19. Significant related party transactions

(a) Related parties and relationships

The related parties of the Company and their relationship are as follows:

Related parties	**Relationship**
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 Company.
Related parties of key management personnel	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.

(b) Significant related party transactions

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

	2018 RM	**2017 RM**
Income		
Interest income on amount owing by holding company	74,621	-
Expenditure		
Rental expenses charged by the holding company	109,033	407,235

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.

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19. Significant related party transactions (cont'd.)

(c) Compensation of directors and key management personnel

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

	2018 RM	2017 RM
Fees and meeting allowances	84,000	87,000
Short-term employee benefits	1,833,089	1,042,000
Defined contribution plan	261,314	156,300
	2,178,403	1,285,300

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

	2018 RM	2017 RM
Non-Executive Directors		
Fees (Note 5)	60,000	60,000
Other remuneration	24,000	27,000
	84,000	87,000
Executive Directors		
Short-term employee benefits	566,181	572,000
Defined contribution plan	84,927	85,800
	651,108	657,800

20. Dividend

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividend for the current financial year ended 31 December 2018.

The Company paid an interim ordinary dividend of RM0.60 per ordinary share totalling RM3,900,000 in respect of the financial year ended 31 December 2017 on 5 December 2017.

21. Financial instruments

(a) Categories of financial instruments

All of the Company's financial assets, comprising cash and cash equivalents, trade receivables, amount owing by holding company and other assets (excluding tax recoverable and prepayments) were classified as Loans and Receivables under MFRS 139. These are now classified and measured as financial assets at amortised cost under MFRS 9. All of the Company's financial liabilities, comprising trade payables and other liabilities are classified as financial liabilities measured at amortised cost.

(b) Financial risk management objective and policies

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

(i) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. Credit risk faced by the Company is mainly on trade receivables, other receivables, deposits and short-term deposits.

The Company minimises credit risk by adopting a policy which allows dealing with counterparties with good credit rating only. Receivables are monitored to ensure that exposure to bad debts are minimised.

As at the reporting date, all of the Company's trade receivables are not impaired. Trade receivables are from funds and private accounts managed by the Company where exposure to bad debts are minimal. The maximum exposure to credit risk is projected by the carrying amount of each class of financial assets in the statement of financial position.

(ii) 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 Company's exposure to interest rate risk is mainly confined to short-term placements with financial institutions. The Company mitigates interest rate risk exposure by way of maintaining deposits on short-term basis. The Company is also exposed to interest rate risk through advances to the holding company, ECM Libra Financial Group Berhad.

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21. Financial instruments (cont'd.)

(b) Financial risk management objective and policies (cont'd.)

(ii) Interest rate risk (cont'd.)

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

	2018 RM	2017 RM
Fixed rate instruments		
Money at call and deposit placements maturing within two months	8,500,000	9,000,000
Floating rate instruments		
Amount owing by holding company	2,933,432	-

A 25 (2017: 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 Company's profit after tax and equity:

	2018 RM	2017 RM
Increase in profit after tax		
Fixed rate instruments	16,150	17,100
Floating rate instruments	5,574	-
	21,724	17,100

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.

(iii) Liquidity risk

Liquidity risk is the risk that the Company is 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.

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21. Financial instruments (cont'd.)

(b) Financial risk management objective and policies (cont'd.)

(iii) Liquidity risk (cont'd.)

	On demand or within 1 month RM	>1-3 months RM	>3-6 months RM	>6-12 months RM	Total RM
2018					
Financial liabilities					
Trade payables	2,135,690	-	-	-	2,135,690
Other liabilities	1,898,986	-	96,000	40,300	2,035,286
	4,034,676	-	96,000	40,300	4,170,976
2017					
Financial liabilities					
Trade payables	1,558,426	-	-	-	1,558,426
Other liabilities	564,263	915,661	105,000	-	1,584,924
	2,122,689	915,661	105,000	-	3,143,350

(c) Fair value information

The carrying amounts of trade and other receivables, trade and other payables and cash and cash equivalents approximate their fair values due to the relatively short-term maturity of these financial instruments.

22. Capital management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder's value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholder, return capital to shareholder or issue new shares.

The Company monitors capital using return on capital employed, which is profit before tax divided by total shareholder's equity. The Company's policy is to keep a healthy return on capital employed. The return on capital employed is 13.5% for the current financial year (2017: 19.6%).

As a Unit Trust Management Company licensed by the Securities Commission Malaysia, the Company is required to have a minimum shareholder's funds of RM10 million at all times. The Company has complied with this requirement during the current and prior financial years.

1. DIRECTORS' RESPONSIBILITY STATEMENT

Our Board has seen and approved this Circular and they collectively and individually accept full responsibility for the accuracy of the information contained in this Circular. They confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in this Circular false or misleading.

The information relating to the Purchaser has been obtained from Kenanga Investment Bank Berhad and the sole responsibility of our Board is limited to ensuring that such information is accurately reproduced in this Circular and our Board accepts no further or other responsibility in respect of such information.

2. CONSENT AND CONFLICT OF INTEREST

Mercury Securities, being the Principal Adviser to our Company for the Proposed Disposal, has given and has not subsequently withdrawn its written consent to the inclusion of its name in this Circular and all references thereto, in the form and context in which they appear.

As at the LPD, Mercury Securities is not aware of any possible conflict of interest which exists or is likely to exist in its capacity as the Principal Adviser to our Company for the Proposed Disposal.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

Material commitments

Save as disclosed below, there are no material commitments incurred or known to be incurred by our Group which may, upon being enforceable, have a material adverse effect on our Group's profits or NA:-

	As at 31 March 2019 (RM'000)
Approved and contracted for	
Proposed acquisition of Tune Hotel Kota Kinabalu	8,100
Proposed acquisition of Tune Hotel KLIA Aeropolis	833
Rental expenses	119
Joint venture	
Share of capital commitment of the joint venture	614

Contingent liabilities

As at the LPD, there are no contingent liabilities incurred or known to be incurred by our Group which may, upon being enforceable, have a material adverse effect on our Group's profits or NA.

4. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at 2nd Floor, West Wing, Bangunan ECM Libra, 8 Jalan Damansara Endah, Damansara Heights, 50490 Kuala Lumpur during normal business hours on Mondays to Fridays *(except public holidays)* from the date of this Circular up to and including the date of the forthcoming EGM:-

(i) Constitutions of ECMLFG and Libra Invest;

(ii) audited consolidated financial statements of ECMLFG for the 11-month FPE 31 December 2016, FYE 31 December 2017 and FYE 31 December 2018 as well as the unaudited consolidated financial statements of ECMLFG for the 3-month FPE 31 March 2019;

(iii) audited financial statements of Libra Invest for the 11-month FPE 31 December 2016, FYE 31 December 2017 and FYE 31 December 2018 as well as the unaudited financial statements of Libra Invest for the 3-month FPE 31 March 2019;

(iv) SPA; and

(v) letter of consent referred to in Section 2 of this Appendix.

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ECM LIBRA FINANCIAL GROUP BERHAD

(Company No. 713570-K)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of ECM Libra Financial Group Berhad ("**ECMLFG**" or our "**Company**") will be held at MAKAN at Tune Hotel KLIA2, Lot Pt 13, Jalan KLIA 2/2, 64000 KLIA, Selangor on 27 June 2019, Thursday at 3.15 p.m., or immediately after the conclusion or adjournment *(as the case may be)* of our 14th Annual General Meeting, which will be held at the same venue and on the same day at 2.30 p.m., or at any adjournment thereof for the purpose of considering and, if thought fit, passing the following resolution by way of poll:-

ORDINARY RESOLUTION

PROPOSED DISPOSAL OF 100% EQUITY INTEREST IN LIBRA INVEST BERHAD ("LIBRA INVEST") TO KENANGA INVESTORS BERHAD ("PURCHASER") FOR A PROVISIONAL CASH CONSIDERATION OF RM50.07 MILLION, SUBJECT TO ADJUSTMENTS SET OUT IN THE SHARE PURCHASE AGREEMENT DATED 28 MARCH 2019 ("SPA") ENTERED INTO BETWEEN OUR COMPANY AND THE PURCHASER ("PROPOSED DISPOSAL")

"**THAT** subject to all the requisite approvals of the relevant authorities and/or parties being obtained, approval be and is hereby given to our Company to dispose of 100% equity interest in Libra Invest to the Purchaser for a provisional cash consideration of RM50.07 million ("**Provisional Disposal Consideration**"), subject to adjustments *(as set out below)* and upon the terms and conditions as set out in the SPA.

The Provisional Disposal Consideration comprises a base amount of RM15.07 million (*which is equivalent to the audited net assets of Libra Invest as at 31 December 2018*) ("**Base Amount**") plus a premium of RM35.00 million ("**Premium**"). The Provisional Disposal Consideration is subject to the following:-

(a) an adjustment to the Premium ("**Premium Adjustment**") as follows:-

  (i) if the assets under management ("**AUM**") of Libra Invest (*excluding the AUM in respect of Libra Shariah Liquidity Fund and Libra Shariah Liquidity Fund 3*) ("**Relevant AUM**") is lower than the amount of RM2,481,560,000 *(being the total value of the Relevant AUM of Libra Invest as at 28 February 2019, computed without taking into account the accrued interest and charges in respect of the private mandate accounts of Libra Invest for February 2019)* ("**Reference Value**") by 30% or more, an amount to be agreed by the parties to be deducted from the Premium; or

  (ii) if the Relevant AUM is higher than the Reference Value by 30% or more, an amount to be agreed by the parties to be added to the Premium; and

(b) an adjustment to the Base Amount ("**Differential NA Adjustment**") for an amount equivalent to the difference between the Base Amount and the unaudited net assets of Libra Invest as at the last day of the month immediately preceding the completion date of the Proposed Disposal.

AND THAT the Board of Directors of our Company ("**Board**") be and is hereby authorised to do all acts, deeds, things and execute all necessary documents as our Board may consider necessary or expedient, and to take all such necessary steps to give effect to the Proposed Disposal with full powers to (a) negotiate and agree with the Purchaser on the Differential NA Adjustment and the Premium Adjustment; and (b) consent to and to adopt such conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities in respect of the Proposed Disposal or as our Board may deem necessary or expedient; and (c) deal with all such matters and to take such steps and do all acts and things *(including executing any documents or supplemental agreements)* in any manner as our Board may deem necessary or expedient to implement, finalise and give full effect to the Proposed Disposal, in the interest of the Company."

BY ORDER OF OUR BOARD

ONG LEI HUA (MIA 17493)
JASMINDAR KAUR A/P SARBAN SINGH (MAICSA 7002687)
Company Secretaries

Kuala Lumpur
12 June 2019

Notes:-

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 20 June 2019 shall be eligible to attend, speak and vote at the Extraordinary General Meeting ("**EGM**").*

2. *A member entitled to attend and vote at the EGM is entitled to appoint not more than 2 proxies to attend and vote in his stead. A proxy may but does not need to be a member of the Company. Where a member appoints 2 proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy. A proxy appointed to attend and vote at the EGM shall have the same rights as the member to speak at the EGM. Notwithstanding this, a member entitled to attend and vote at the EGM is entitled to appoint any person as his proxy to attend and vote instead of the member at the EGM. There shall be no restriction as to the qualifications of the proxy.*

3. *In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.*

4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 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. Where an exempt authorised nominee appoints more than 1 proxy to attend and vote at the EGM, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, failing which, the appointment shall be invalid.*

5. *The instrument appointing a proxy must be deposited at the Company's Registered Office 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 for holding the EGM or at any adjournment thereof.*

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 EGM 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 EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (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.

ECM LIBRA FINANCIAL GROUP BERHAD
(Company No. 713570-K)
(Incorporated in Malaysia)

FORM OF PROXY

I/We ____________________________________ of NRIC / Passport / Company No. ________________________
(Full Name in Capital Letters)

of ____
(Full Address)

being (a) member(s) of ECM Libra Financial Group Berhad, hereby appoint(s) ____________________________
(Full Name in Capital Letters)

____________________ of NRIC / Passport No. ____________________________ of _______________________
(Full Address)
____

or failing him/her __________________________________ of NRIC / Passport No. ________________________ of
(Full Name in Capital Letters)

____ or
(Full Address)

failing him/her, the Chairman of the meeting as my/our proxy(ies) to vote for me/us and on my/our behalf at the Extraordinary General Meeting ("**EGM**") of our Company to be held at MAKAN at Tune Hotel KLIA2, Lot Pt 13, Jalan KLIA 2/2, 64000 KLIA, Selangor on 27 June 2019, Thursday at 3.15 p.m., or immediately after the conclusion or adjournment (as the case may be) of our 14th Annual General Meeting, which will be held at the same venue and on the same day at 2.30 p.m., or at any adjournment thereof, as the case may be, on the following resolution referred to in the notice of EGM:-

Ordinary resolution	**For**	**Against**
Proposed Disposal		

(Please indicate with an "X" in the appropriate box against the resolution how you wish your proxy to vote. If no instruction is given, this form will be taken to authorise the proxy to vote at his/her discretion.)

Dated this _______________ day of ________________ 2019.

For appointment of two proxies, percentage or shareholdings to be represented by the proxies:-

	No. of shares	**Percentage**
Proxy 1		
Proxy 2		
Total		**100%**

____
Signature / Common Seal of Member(s)

Notes:-

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 20 June 2019 shall be eligible to attend, speak and vote at the EGM.*

2. *A member entitled to attend and vote at the EGM is entitled to appoint not more than 2 proxies to attend and vote in his stead. A proxy may but does not need to be a member of the Company. Where a member appoints 2 proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy. A proxy appointed to attend and vote at the EGM shall have the same rights as the member to speak at the EGM. Notwithstanding this, a member entitled to attend and vote at the EGM is entitled to appoint any person as his proxy to attend and vote instead of the member at the EGM. There shall be no restriction as to the qualifications of the proxy.*

3. *In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.*

4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 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. Where an exempt authorised nominee appoints more than 1 proxy to attend and vote at the EGM, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, failing which, the appointment shall be invalid.*

5. *The instrument appointing a proxy must be deposited at the Company's Registered Office 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 for holding the EGM or at any adjournment thereof.*

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 EGM 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 EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (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.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretary
ECM LIBRA FINANCIAL GROUP BERHAD
2nd Floor, West Wing, Bangunan ECM Libra
8 Jalan Damansara Endah
Damansara Heights
50490 Kuala Lumpur

1st fold here