

ECM LIBRA GROUP BERHAD (Company No. 200501031433) (713570-K)
Condensed Interim Consolidated Financial Statements

Condensed Consolidated Statement of Financial Position as at 31 December 2023

| | 31-Dec-23 | 31-Dec-22 |
|--|--------------------|-----------|
| | RM'000 | RM'000 |
| | (Unaudited) | (Audited) |
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 96,156 | 98,030 |
| Intangible assets | 35 | 81 |
| Right-of-use assets | 59,969 | 13,209 |
| Deferred tax assets | 889 | 2,157 |
| Investments in associates | 14,036 | 21,320 |
| Investments in joint ventures | 53,888 | 56,727 |
| | 224,973 | 191,524 |
| CURRENT ASSETS | | |
| Inventories | 305 | 283 |
| Trade and other receivables | 10,291 | 4,172 |
| Contract assets | 290 | 364 |
| Tax recoverable | 11 | 111 |
| Cash and bank balances and deposits with licensed financial institutions | 12,105 | 11,779 |
| | 23,002 | 16,709 |
| TOTAL ASSETS | 247,975 | 208,233 |
| EQUITY AND LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Loans and borrowings | 32,602 | 21,258 |
| Trade and other payables | 6,423 | 3,486 |
| Lease liabilities | 685 | 386 |
| Contract liabilities | 484 | 422 |
| Tax payable | 47 | - |
| | 40,241 | 25,552 |
| NET CURRENT LIABILITIES | (17,239) | (8,843) |

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Condensed Consolidated Statement of Financial Position as at 31 December 2023 (cont'd.)

| | 31-Dec-23 | 31-Dec-22 |
|---|--------------------|-----------|
| | RM'000 | RM'000 |
| | (Unaudited) | (Audited) |
| EQUITY AND LIABILITIES (CONT'D.) | | |
| NON-CURRENT LIABILITIES | | |
| Loans and borrowings | 14,777 | 17,165 |
| Lease liabilities | 2,909 | 2,475 |
| Deferred tax liabilities | 6 | 8 |
| | 17,692 | 19,648 |
| TOTAL LIABILITIES | 57,933 | 45,200 |
| NET ASSETS | 190,042 | 163,033 |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY | | |
| Share capital | 107,546 | 107,546 |
| Retained earnings | 93,251 | 68,260 |
| Reserves | (10,755) | (12,773) |
| TOTAL EQUITY | 190,042 | 163,033 |
| TOTAL LIABILITIES AND EQUITY | 247,975 | 208,233 |
| Net assets per share (RM) | 0.40 | 0.34 |

The above unaudited condensed consolidated statement of financial position should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.

ECM LIBRA GROUP BERHAD (Company No. 200501031433) (713570-K)
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Unaudited Condensed Consolidated Statement of Profit or Loss
for the fourth quarter and year-to-date ended 31 December 2023

| | Note | Quarter Ended | | Year-to-Date Ended | |
|---|------|---------------------|---------------------|---------------------|---------------------|
| | | 31-Dec-23 RM'000 | 31-Dec-22 RM'000 | 31-Dec-23 RM'000 | 31-Dec-22 RM'000 |
| Revenue | | 10,750 | 9,112 | 37,025 | 24,833 |
| Other (expense)/income | | (5) | (66) | 865 | 720 |
| Changes in inventories | | (108) | (23) | 22 | 78 |
| Purchase of inventories | | (964) | (898) | (2,693) | (2,235) |
| Loss on impairment of financial assets | | - | (33) | - | (33) |
| Reversal on other impairment loss | | 1,657 | - | 1,657 | - |
| Operating expenses | | (9,955) | (8,107) | (34,137) | (27,652) |
| Profit/(loss) from operations | | 1,375 | (15) | 2,739 | (4,289) |
| Finance costs | | (693) | (694) | (2,621) | (2,104) |
| Investments in associates and joint ventures, net of tax | | | | | |
| - loss on dilution of equity interests | | - | (142) | - | (142) |
| - loss on impairment | | (2,958) | - | (2,958) | - |
| - share of results | | (313) | 4,302 | 29,241 | 4,590 |
| (Loss)/profit before tax | 25 | (2,589) | 3,451 | 26,401 | (1,945) |
| Taxation | | (1,332) | (671) | (1,410) | (683) |
| (Loss)/profit for the financial period attributable to owners of the Company | | (3,921) | 2,780 | 24,991 | (2,628) |
| | | Sen | Sen | Sen | Sen |
| Basic and diluted (loss)/earnings per ordinary share attributable to owners of the Company | 29 | (0.82) | 0.58 | 5.21 | (0.55) |

The above unaudited condensed consolidated statement of profit or loss should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.

ECM LIBRA GROUP BERHAD (Company No. 200501031433) (713570-K)
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Unaudited Condensed Consolidated Statement of Comprehensive Income
for the fourth quarter and year-to-date ended 31 December 2023

| | Quarter Ended | | Year-to-Date Ended | |
|--|----------------|-----------|--------------------|-----------|
| | 31-Dec-23 | 31-Dec-22 | 31-Dec-23 | 31-Dec-22 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| (Loss)/profit for the financial period | (3,921) | 2,780 | 24,991 | (2,628) |
| Other comprehensive income/(loss): | | | | |
| <i>Items that may be reclassified to profit or loss in subsequent periods, net of tax:</i> | | | | |
| Exchange differences on translation of investment in foreign operations | 713 | (283) | 1,345 | (397) |
| Share of other comprehensive income/(loss) in an associate | 1,094 | 4 | 673 | (219) |
| | 1,807 | (279) | 2,018 | (616) |
| <i>Items that will not be reclassified to profit or loss in subsequent periods, net of tax:</i> | | | | |
| Fair value changes on financial assets measured at fair value through other comprehensive income | - | - | - | 1,068 |
| Other comprehensive income/(loss) for the financial period, net of tax | 1,807 | (279) | 2,018 | 452 |
| Total comprehensive (loss)/income for the financial period, net of tax attributable to owners of the Company | (2,114) | 2,501 | 27,009 | (2,176) |

The above unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.

ECM LIBRA GROUP BERHAD (Company No. 200501031433) (713570-K)
Condensed Interim Consolidated Financial Statements

Unaudited Condensed Consolidated Statement of Changes in Equity for the fourth quarter and year-to-date ended 31 December 2023

| | <-----Non-distributable-----> | | | Distributable | |
|---|-------------------------------|---|---------------------------------|--------------------------------|------------------------|
| | Share capital RM'000 | Foreign currency translation reserve RM'000 | Fair value reserve RM'000 | Retained earnings RM'000 | Total equity RM'000 |
| At 1 January 2023 | 107,546 | (639) | (12,134) | 68,260 | 163,033 |
| Gain on foreign currency translation | - | 1,345 | - | - | 1,345 |
| Share of comprehensive income in an associate | - | 673 | - | - | 673 |
| Total other comprehensive income for the financial period | - | 2,018 | - | - | 2,018 |
| Profit for the financial period | - | - | - | 24,991 | 24,991 |
| Total comprehensive income for the financial period | - | 2,018 | - | 24,991 | 27,009 |
| At 31 December 2023 | 107,546 | 1,379 | (12,134) | 93,251 | 190,042 |
| At 1 January 2022 | 107,546 | (23) | (11,768) | 69,454 | 165,209 |
| Loss on foreign currency translation | - | (397) | - | - | (397) |
| Share of comprehensive loss in an associate | - | (219) | - | - | (219) |
| Net change in fair value of an equity investment | - | - | 1,068 | - | 1,068 |
| Transfer of cumulative gain on disposal of investments to retained earnings | - | - | (1,434) | 1,434 | - |
| Total other comprehensive (loss)/income for the financial period | - | (616) | (366) | 1,434 | 452 |
| Loss for the financial period | - | - | - | (2,628) | (2,628) |
| Total comprehensive loss for the financial period | - | (616) | (366) | (1,194) | (2,176) |
| At 31 December 2022 | 107,546 | (639) | (12,134) | 68,260 | 163,033 |

The above unaudited condensed consolidated statement of changes in equity should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.

ECM LIBRA GROUP BERHAD (Company No. 200501031433) (713570-K)
Condensed Interim Consolidated Financial Statements

Unaudited Condensed Consolidated Statement of Cash Flows
for the year-to-date ended 31 December 2023

| | Year-to-Date Ended | |
|---|---------------------------|-----------|
| | 31-Dec-23 | 31-Dec-22 |
| | RM'000 | RM'000 |
| Cash flows from operating activities | | |
| Profit/(loss) before tax | 26,401 | (1,945) |
| Adjustments to reconcile profit/(loss) before tax to net cash flows | (21,560) | 1,585 |
| Operating profit/(loss) before changes in working capital | 4,841 | (360) |
| (Increase)/decrease in operating assets | (1,948) | 3,295 |
| Increase in operating liabilities | 2,999 | 1,490 |
| Cash generated from operations | 5,892 | 4,425 |
| Interest received | 563 | 518 |
| Interest paid | (2,615) | (2,098) |
| Tax refunded | 98 | - |
| Tax paid | (95) | (64) |
| Net cash generated from operating activities | 3,843 | 2,781 |
| Cash flows from investing activities | | |
| Additional investment in joint ventures | (1,226) | (1,851) |
| Deposit for proposed acquisition | (4,113) | - |
| Dividend received from an associate and joint venture companies | 39,650 | 300 |
| Net proceeds from disposal of other investments | - | 1,292 |
| Purchase of property, plant and equipment | (1,179) | (532) |
| Purchase of right-of-use assets | (44,856) | - |
| Purchase of additional shares in an associate | - | (6,000) |
| Purchase of additional shares in other investment | - | (801) |
| Net cash used in investing activities | (11,724) | (7,592) |
| Cash flows from financing activities | | |
| Repayment of term loans | (1,050) | (600) |
| Payment of lease liabilities - principal | (743) | (515) |
| Drawdown of loans and borrowings | 10,000 | - |
| Net cash generated from/(used in) financing activities | 8,207 | (1,115) |

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Unaudited Condensed Consolidated Statement of Cash Flows
for the year-to-date ended 31 December 2023 (cont'd.)

| | Year-to-Date Ended | |
|---|---------------------------|-----------|
| | 31-Dec-23 | 31-Dec-22 |
| | RM'000 | RM'000 |
| Net increase/(decrease) in cash and cash equivalents | 326 | (5,926) |
| Cash and cash equivalents at beginning of the financial period | 11,302 | 17,228 |
| Cash and cash equivalents at end of the financial period | 11,628 | 11,302 |
| | | |
| Cash and cash equivalents comprise: | | |
| Cash and bank balances | 5,249 | 5,055 |
| Deposits placements with licensed financial institutions | 6,856 | 6,724 |
| | 12,105 | 11,779 |
| Less: Monies held in Debt Service Reserve Accounts | (477) | (477) |
| | 11,628 | 11,302 |

The above unaudited condensed consolidated statement of cash flows should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.

Part A: Explanatory notes pursuant to Malaysian Financial Reporting Standard 134

1 Basis of preparation

These unaudited condensed consolidated interim financial statements ("Condensed Report") have been prepared in accordance with the Malaysian Financial Reporting Standard ("MFRS") 134 *Interim Financial Reporting*, the International Accounting Standard 34 *Interim Financial Reporting* and the requirements of the Companies Act 2016 in Malaysia, where applicable. This Condensed Report has been prepared under the historical cost convention and is presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

This Condensed Report has also been prepared in accordance with paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Condensed Report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2022. The explanatory notes attached to this Condensed Report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2022.

2 Significant accounting policies

2.1 Adoption of Amendments to Standards

The accounting standards adopted in the preparation of the Condensed Report are consistent with those adopted in the preparation of the Group's audited financial statements for the financial year ended 31 December 2022, except for the following which were adopted at the beginning of the current financial period. These pronouncements are either not relevant or do not have any material impact to the Group's financial statements for the current financial period.

MFRS 17 *Insurance Contracts* and Amendments to MFRS 17 - *Initial Application of MFRS 17 and MFRS 9 - Comparative Information*
Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*
Amendments to MFRS 112 *Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction and International Tax Reform - Pillar Two Model Rules*

2.2 Standards issued but not yet effective

As at the date of authorisation of this Condensed Report, the following Standards and amendments to Standards have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective to the Group.

Effective for financial periods commencing on or after 1 January 2024
Amendments to MFRS 16 *Leases - Lease liability in a Sale and Leaseback*
Amendments to MFRS 101 *Presentation of Financial Statements - Non-current Liabilities with Covenants*
Amendments to MFRS 107 *Statement of Cash Flows* and MFRS 7 *Financial Instruments: Disclosure - Supplier Finance Arrangements*

2 Significant accounting policies (cont'd.)

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

Effective for financial periods commencing on or after 1 January 2025

Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability*

Deferred to a date to be announced by MASB

Amendments to MFRS 10 *Consolidated Financial Statements* and MFRS 128 *Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The above pronouncements are either not relevant or do not have any material impact to the Group's financial statements.

3 Auditors' report on preceding annual financial statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2022 was not qualified.

4 Comments about seasonal or cyclical factors

The business operations of the Group are not materially affected by any seasonal or cyclical factors, apart from the general economic conditions in which it operates.

5 Unusual items due to their nature, size or incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows during the current quarter and year-to-date ended 31 December 2023.

6 Significant estimates and changes in estimates

There were no changes in estimates that have had any material effect during the current quarter and year-to-date ended 31 December 2023.

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7 Debt and equity securities

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter and year-to-date ended 31 December 2023.

8 Dividend paid

There was no dividend paid during the current quarter and year-to-date ended 31 December 2023.

9 Disaggregation of revenue

| | Quarter Ended | | Year-to-Date Ended | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 31-Dec-23 RM'000 | 31-Dec-22 RM'000 | 31-Dec-23 RM'000 | 31-Dec-22 RM'000 |
| Revenue from contract with customers: | | | | |
| Hotel operations | 7,810 | 6,528 | 26,923 | 17,033 |
| Sale of food and beverages | 1,998 | 1,850 | 6,450 | 5,311 |
| Management services fees | 807 | 675 | 3,083 | 2,199 |
| | 10,615 | 9,053 | 36,456 | 24,543 |
| Revenue from other sources: | | | | |
| Interest income | 135 | 59 | 569 | 290 |
| | 135 | 59 | 569 | 290 |
| | 10,750 | 9,112 | 37,025 | 24,833 |
| Timing of revenue recognition | | | | |
| At a point in time | 1,998 | 1,920 | 6,450 | 5,381 |
| Over time | 8,617 | 7,133 | 30,006 | 19,162 |
| | 10,615 | 9,053 | 36,456 | 24,543 |

All sales are made within Malaysia.

10 Segmental reporting

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

- (a) Investment Holding - general investments and corporate related activities;
- (b) Structured Financing - structured lending and financial-related services; and
- (c) Hospitality - hotels ownership, management and operations of hotels and restaurant and investment in hospitality related business through joint ventures.

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10 Segmental reporting (cont'd.)

| | Investment Holding RM'000 | Structured Financing RM'000 | Hospitality RM'000 | Group total RM'000 |
|--|--|--|-------------------------------|-----------------------------------|
| Three months' results ended 31 December 2023 | | | | |
| Revenue | 75 | 10 | 10,665 | 10,750 |
| Other income/(expense) | 92 | - | (97) | (5) |
| Changes in inventories | - | - | (108) | (108) |
| Purchase of inventories | - | - | (964) | (964) |
| Reversal on other impairment loss | - | - | 1,657 | 1,657 |
| Operating expenses | (1,230) | (17) | (8,708) | (9,955) |
| (Loss)/profit from operations | (1,063) | (7) | 2,445 | 1,375 |
| Finance costs | (7) | - | (686) | (693) |
| Investments in associates and joint ventures, net of tax | | | | |
| - loss on impairment | - | - | (2,958) | (2,958) |
| - share of results | (244) | - | (69) | (313) |
| (Loss)/profit before tax | (1,314) | (7) | (1,268) | (2,589) |
| Taxation | (35) | 1 | (1,298) | (1,332) |
| (Loss)/profit after tax | (1,349) | (6) | (2,566) | (3,921) |

Other information

Included in the (loss)/profit after tax are:

| | | | | |
|---------------------------------|------|----|---------|---------|
| - Interest income | 75 | 10 | 50 | 135 |
| - Depreciation and amortisation | (51) | - | (1,006) | (1,057) |

Three months' results ended 31 December 2022

| | | | | |
|--|-------|------|---------|---------|
| Revenue | 11 | 35 | 9,066 | 9,112 |
| Other income/(expense) | 30 | - | (96) | (66) |
| Changes in inventories | - | - | (23) | (23) |
| Purchase of inventories | - | - | (898) | (898) |
| Loss on impairment of financial assets | (33) | - | - | (33) |
| Operating expenses | (934) | (16) | (7,157) | (8,107) |
| (Loss)/profit from operations | (926) | 19 | 892 | (15) |
| Finance costs | - | - | (694) | (694) |
| Investments in associates and joint ventures, net of tax | | | | |
| - loss on dilution of equity interests | (142) | - | - | (142) |
| - share of results | 4,511 | - | (209) | 4,302 |
| Profit/(loss) before tax | 3,443 | 19 | (11) | 3,451 |
| Taxation | (11) | (4) | (656) | (671) |
| Profit/(loss) after tax | 3,432 | 15 | (667) | 2,780 |

Other information

Included in the profit/(loss) after tax are:

| | | | | |
|---------------------------------|------|----|-------|-------|
| - Interest income | 11 | 35 | 13 | 59 |
| - Depreciation and amortisation | (50) | - | (945) | (995) |

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10 Segmental reporting (cont'd.)

| | Investment Holding RM'000 | Structured Financing RM'000 | Hospitality RM'000 | Group total RM'000 |
|--|--|--|-------------------------------|-----------------------------------|
| Twelve months' results ended 31 December 2023 | | | | |
| Revenue | 354 | 90 | 36,581 | 37,025 |
| Other income | 122 | - | 743 | 865 |
| Changes in inventories | - | - | 22 | 22 |
| Purchase of inventories | - | - | (2,693) | (2,693) |
| Reversal on other impairment loss | - | - | 1,657 | 1,657 |
| Operating expenses | (3,021) | (69) | (31,047) | (34,137) |
| (Loss)/profit from operations | (2,545) | 21 | 5,263 | 2,739 |
| Finance costs | (23) | - | (2,598) | (2,621) |
| Investments in associates and joint ventures, net of tax | | | | |
| - loss on impairment | - | - | (2,958) | (2,958) |
| - share of results | 28,043 | - | 1,198 | 29,241 |
| Profit before tax | 25,475 | 21 | 905 | 26,401 |
| Taxation | (106) | (6) | (1,298) | (1,410) |
| Profit after tax | 25,369 | 15 | (393) | 24,991 |

Other information

Included in the profit after tax are:

| | | | | |
|---------------------------------|-------|----|---------|---------|
| - Interest income | 354 | 90 | 125 | 569 |
| - Depreciation and amortisation | (267) | - | (4,061) | (4,328) |

Twelve months' results ended 31 December 2022

| | | | | |
|--|---------|------|----------|----------|
| Revenue | 111 | 154 | 24,568 | 24,833 |
| Other income | 48 | 1 | 671 | 720 |
| Changes in inventories | - | - | 78 | 78 |
| Purchase of inventories | - | - | (2,235) | (2,235) |
| Loss on impairment of financial assets | (33) | - | - | (33) |
| Operating expenses | (3,098) | (74) | (24,480) | (27,652) |
| (Loss)/profit from operations | (2,972) | 81 | (1,398) | (4,289) |
| Finance costs | (1) | - | (2,103) | (2,104) |
| Investments in associates and joint ventures, net of tax | | | | |
| - loss on dilution of equity interests | (142) | - | - | (142) |
| - share of results | 6,879 | - | (2,289) | 4,590 |
| Profit/(loss) before tax | 3,764 | 81 | (5,790) | (1,945) |
| Taxation | (11) | (16) | (656) | (683) |
| Profit/(loss) after tax | 3,753 | 65 | (6,446) | (2,628) |

Other information

Included in the profit/(loss) after tax are:

| | | | | |
|---------------------------------|-------|-----|---------|---------|
| - Interest income | 111 | 154 | 25 | 290 |
| - Depreciation and amortisation | (278) | - | (3,875) | (4,153) |

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10 Segmental reporting (cont'd.)

| | Investment Holding RM'000 | Structured Financing RM'000 | Hospitality RM'000 | Total RM'000 |
|---|--|--|-------------------------------|-------------------------|
| Other information as at 31 December 2023 | | | | |
| Total assets | 74,192 | 660 | 173,123 | 247,975 |
| Total liabilities | 1,188 | 7 | 56,738 | 57,933 |
| Investments in associates | 14,036 | - | - | 14,036 |
| Investments in joint ventures | - | - | 53,888 | 53,888 |
| Capital expenditure | - | - | 46,035 | 46,035 |
| Other information as at 31 December 2022 | | | | |
| Total assets | 79,966 | 5,144 | 123,123 | 208,233 |
| Total liabilities | 652 | 7 | 44,541 | 45,200 |
| Investments in associates | 21,320 | - | - | 21,320 |
| Investments in joint ventures | - | - | 56,727 | 56,727 |
| Capital expenditure | 5 | - | 527 | 532 |

11 Changes in the composition of the Group

The Company's 30.0%-owned associate company, Positive Carry Sdn Bhd had disposed of all the 24,000,000 ordinary shares owned in TYK Capital Sdn Bhd pursuant to the terms of the sale and purchase agreement ("SPA") dated 5 May 2023 ("Disposal"). Following the completion of SPA on 26 June 2023, the Company no longer has an effective equity interest in TYK Capital Sdn Bhd and recorded a share of profit of RM26.23 million from the Disposal.

Other than the above and as disclosed in Note 14, there were no other material changes in the composition of the Group during the current quarter and year-to-date ended 31 December 2023.

12 Property, plant and equipment

The Group's property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

13 Contingent assets and liabilities

There were no contingent assets and contingent liabilities as at 31 December 2023.

14 Significant event during the financial year

On 8 September 2023, the Company announced that:

- (a) ECM Libra Desaru Sdn Bhd, an indirect wholly-owned subsidiary, had entered into a conditional share sale agreement with Desaru Development Holdings One Sdn Bhd for the proposed acquisition of 2 ordinary shares and 1,195,916 redeemable convertible preference shares, representing 100% equity interest in Desaru Beachfront 2 Sdn Bhd ("DB2SB") for cash consideration of RM17.05 million ("Proposed Acquisition of DB2SB").

On 16 November 2023, the Company announced the completion of Proposed Acquisition of DB2SB and DB2SB became an indirect wholly-owned subsidiary of the Company on the even date.

- (b) ECM Libra Beachfront Sdn Bhd, a wholly-owned subsidiary, had entered into a conditional sale and purchase agreement with Desaru Beach Parks Sdn Bhd for the proposed acquisition of a piece of leasehold land held under H.S.(D) 36682, PTD 8351, Mukim Pantai Timur, District of Kota Tinggi, State of Johor Darul Takzim, measuring in land area of approximately 44,427.00 square metres ("DBPSB Land") for cash consideration of RM19.81 million ("Proposed Acquisition of DBPSB Land").

Included in the trade and other receivables is a deposit of RM4.11 million paid for the Proposed Acquisitions of DBPSB Land.

On 24 November 2023, the Company announced that ECM Libra (Liverpool) Ltd, a direct wholly-owned subsidiary of the Company and ECML (Liverpool) OpCo Ltd, an indirect wholly-owned subsidiary of the Company, both companies being registered in England and Wales, had on 23 November 2023, entered into a business purchase agreement ("BPA") with Castle Street Liverpool LLP and CSL Opco Limited, both entities being registered in England and Wales for the acquisition of:

- (a) a leasehold property known as 3-19, Queen Buildings, Castle Street, Liverpool L2 4XE, United Kingdom ("UK"); and
- (b) an additional leasehold property known as ground floor shop and basement, 17 Castle Street, Liverpool L2 4SX, UK,

together with assets, letting business and the business of operating the trade of the Tune Hotel, Liverpool for a total cash consideration of GBP4.50 million (equivalent to RM26.43 million). The acquisition of Tune Hotel, Liverpool was completed in accordance with the BPA on 23 November 2023.

15 Capital commitments

As at 31 December 2023, the Group has commitments in respect of capital expenditure as follows:

| | RM'000 |
|--|---------------|
| Authorised and contracted for right-of-use assets: | |
| - Proposed Acquisition of DBPSB Land | 15,700 |
| | <hr/> |

16 Event after the reporting period

There were no material event subsequent to the current quarter and year-to-date ended 31 December 2023.

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17 Related party disclosures

All related party transactions and balances within the Group had been entered into in the normal course of business and were carried out on normal commercial terms during the current quarter and year-to-date ended 31 December 2023.

18 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (i) Financial assets measured at amortised cost ("FA"); and
- (ii) Financial liabilities measured at amortised cost ("FL").

| 31 December 2023 | Carrying amount RM'000 | FA RM'000 | FL RM'000 |
|---|---------------------------------------|----------------------|----------------------|
| Financial assets | | | |
| Cash and bank balances and deposits with licensed financial institutions | 12,105 | 12,105 | - |
| Trade and other receivables excluding prepayments | 9,432 | 9,432 | - |
| | 21,537 | 21,537 | - |
| Financial liabilities | | | |
| Trade and other payables | (6,423) | - | (6,423) |
| Loans and borrowings | (47,379) | - | (47,379) |
| Lease liabilities | (3,594) | - | (3,594) |
| | (57,396) | - | (57,396) |
| 31 December 2022 | | | |
| Financial assets | | | |
| Cash and bank balances and deposits with licensed financial institutions | 11,779 | 11,779 | - |
| Trade and other receivables excluding prepayments | 3,600 | 3,600 | - |
| | 15,379 | 15,379 | - |
| Financial liabilities | | | |
| Trade and other payables | (3,486) | - | (3,486) |
| Loans and borrowings | (38,423) | - | (38,423) |
| Lease liabilities | (2,861) | - | (2,861) |
| | (44,770) | - | (44,770) |

Part B – Additional information required by the listing requirements of Bursa Malaysia Securities Berhad ("Bursa")

19 Status of corporate proposals announced

The corporate proposals as announced by the Company are as follows:

- (a) On 8 September 2023 and 14 September 2023, the Company announced that ECM Libra Beachfront Sdn Bhd, a wholly-owned subsidiary, had entered into a conditional sale and purchase agreement with Desaru Beach Parks Sdn Bhd for the proposed acquisition of a piece of leasehold land held under H.S.(D) 36682, PTD 8351, Mukim Pantai Timur, District of Kota Tinggi, State of Johor Darul Takzim, measuring in land area of approximately 44,427.00 square metres (“DBPSB Land”) for cash consideration of RM19.81 million (“Proposed Acquisition of DBPSB Land”).

As at the date of this report, the Proposed Acquisition of DBPSB Land is on-going.

- (b) The Company had on 23 November 2023 proposed to undertake a private placement of up to 47,992,500 new ordinary shares in the Company (“ECMLG Shares”), representing up to approximately 10% of the existing total number of issued ECMLG Shares, to independent third party investor(s) to be identified later at an issue price to be determined later (“Proposed Private Placement”). The application for the listing and quotation for the ECMLG Shares pursuant to the Proposed Private Placement was submitted to Bursa on the even date and subsequently approved on 29 November 2023 (“Date of Approval”). The Proposed Private Placement may be implemented in 1 or more tranches (as the placees may be identified and procured over a period of time rather than simultaneously) within a period of 6 months from the Date of Approval by Bursa.

The issue price for the first tranche of the Proposed Private Placement was fixed on 5 January 2024 at RM0.2053 per placement share (“Issue Price”). The Issue Price represents the 5-market day volume-weighted average market price of ECMLG Shares up to and including 4 January 2024.

On 10 January 2024, the first tranche of the Proposed Private Placement was completed following the listing of 15,368,000 ECMLG Shares on the Main Market of Bursa. Based on the Record of Depositors on the even date, the public shareholding spread of the Company stood at 25.00% and the Company is in compliance with the paragraph 8.02(1) of the main market listing requirements.

The status of utilisation of proceeds raised from the Proposed Private Placement as at 21 February 2024 are as follows:

| Purpose | Proceeds Raised RM'000 | Actual Utilisation RM'000 | Balance RM'000 | Intended timeframe for utilisation |
|---|-----------------------------------|--------------------------------------|---------------------------|---|
| Working capital for the Company and its subsidiaries’ hospitality | 3,060 | (205) | 2,855 | Within 12 months |
| Estimated expenses for the Proposed Private Placement | 95 | (67) | 28 | Immediate |
| | 3,155 | (272) | 2,883 | |

Other than the above, there were no corporate proposal announced but not completed as at 21 February 2024.

20 Review of performance

(a) Financial year ended 31 December 2023 compared with the previous financial year ended 31 December 2022

The Group recorded total revenue of RM37.03 million in the current financial year ended 31 December 2023 ("12M FY2023"), representing an increase of 49% compared to total revenue of RM24.83 million recorded in the previous financial year ended 31 December 2022 ("12M FY2022"). The improved revenue attributed to better performance of the hospitality segment, resulting from higher room occupancies and food and beverage revenue.

The Group reported a profit before tax of RM26.40 million in 12M FY2023 compared to a loss before tax of RM1.95 million in 12M FY2022. The improvement was mainly due to higher share of profit from associates and joint ventures of RM29.24 million in 12M FY2023 (12M FY2022: share of profit of RM4.59 million) mainly resulted from the disposal of shares in TYK Capital Sdn Bhd by an associate company as disclosed in Note 11 during the year.

Review of segmental performance:

(i) Investment Holding

The investment holding segment recorded a profit before tax of RM25.48 million in 12M FY2023 (12M FY2022: profit before tax of RM3.76 million) mainly due to higher share of profit from associates and joint ventures of RM28.04 million in 12M FY2023 (12M FY2022: RM6.88 million). The increase in share of results mainly resulted from the disposal of shares in TYK Capital Sdn Bhd by an associate company as disclosed in Note 11 during the year.

(ii) Structured Financing

The structured financing segment recorded a lower segment profit of RM0.02 million in 12M FY2023, a decrease of 75% from RM0.08 million in 12M FY2022 due to lower interest income. During the financial year ended 31 December 2023, the Group did not extend any loans to any party in its ordinary course of business as a licensed money lender.

(iii) Hospitality

The hospitality segment's revenue rose by 49% to RM36.58 million in 12M FY2023 (12M FY2022: RM24.57 million), primarily driven by an overall rise in occupancies across the hospitality assets and higher food and beverage revenue in 12M FY2023. A profit before tax of RM0.91 million in 12M FY2023 was recorded, an encouraged improvement from a loss before tax of RM5.79 million in 12M FY2022.

20 Review of performance (cont'd.)

(b) Financial quarter ended 31 December 2023 compared with the previous financial quarter ended 31 December 2022

The Group's revenue for the current financial quarter ended 31 December 2023 ("Q4 FY2023") was RM10.75 million, an increase of 18% from RM9.11 million in the preceding year corresponding quarter ended 31 December 2022 ("Q4 FY2022") with the hospitality segment being the main contributor to the higher revenue.

The Group reported a loss before tax of RM2.59 million in Q4 FY2023 (Q4 FY2022: profit before tax of RM3.45 million) mainly due to loss on impairment of investment in a joint venture of RM2.96 million in Q4 FY2023 and share of losses from associates and joint ventures of RM0.31 million (Q4 FY2022: share of profit of RM4.30 million).

Review of segmental performance:

(i) Investment Holding

The investment holding segment recorded a loss before tax of RM1.31 million in Q4 FY2023 (Q4 FY2022: profit before tax of RM3.44 million) mainly due to share of losses from associates and joint ventures of RM0.24 million in Q4 FY2023 (Q4 FY2022: share of profit of RM4.51 million).

(ii) Structured Financing

The structured financing recorded a loss before tax of RM0.01 million in Q4 FY2023 compared to a profit before tax of RM0.02 million in Q4FY2022 due to lower interest income. In Q4 FY2023, the Group did not extend any loans to any party in its ordinary course of business as a licensed money lender.

(iii) Hospitality

The hospitality segment's revenue rose by 18% to RM10.67 million in Q4 FY2023 (Q4 FY2022: RM9.07 million), driven by stronger leisure demand. This is offset by loss on impairment of investment in a joint venture of RM2.96 million, resulted in pre-tax loss of RM1.27 million in Q4 FY2023 (Q4 FY2022: pre-tax loss of RM0.01 million).

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

| | Current quarter 31-Dec-23 RM'000 | Immediate preceding quarter 30-Sep-23 RM'000 |
|---|---|--|
| Revenue | 10,750 | 9,640 |
| Other (expense)/income | (5) | 282 |
| Changes in inventories | (108) | 20 |
| Purchase of inventories | (964) | (564) |
| Reversal on other impairment loss | 1,657 | - |
| Operating expenses | (9,955) | (8,031) |
| Profit from operations | 1,375 | 1,347 |
| Finance costs | (693) | (652) |
| Investments in associates and joint ventures, net of tax | | |
| - loss on impairment | (2,958) | - |
| - share of results | (313) | 1,272 |
| (Loss)/profit before tax | (2,589) | 1,967 |
| Taxation | (1,332) | (59) |
| (Loss)/profit for the period attributable to owners of the Company | (3,921) | 1,908 |

The Group recorded a loss before tax of RM2.59 million in Q4 FY2023, compared to profit before tax of RM1.97 million in the previous quarter. The loss before tax in Q4 FY2023 was mainly due to an increase in operating expenses by RM1.92 million, particularly resulted from higher personnel related expenses in Q4 FY2023 and loss on impairment of investment in a joint venture of RM2.96 million.

22 Group's prospects

The Group's hospitality sector is expected to see continued strong demand and robust room pricing in 2024. The Group continues to explore opportunities to expand its hospitality business - both within Malaysia and internationally.

23 Profit forecast

The Group did not issue any profit forecast or profit guarantee for the current quarter and year-to-date ended 31 December 2023.

24 Dividend

There was no dividend declared in respect of the current quarter and the corresponding quarter in the previous year.

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25 (Loss)/profit before tax

| | Quarter Ended | | Year-to-Date Ended | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 31-Dec-23 RM'000 | 31-Dec-22 RM'000 | 31-Dec-23 RM'000 | 31-Dec-22 RM'000 |
| (Loss)/profit before tax for the period is arrived at after charging/(crediting): | | | | |
| Auditors' remuneration | | | | |
| - statutory audit | 49 | 20 | 121 | 96 |
| - non-statutory audit | - | 5 | 5 | 5 |
| Amortisation of intangible assets | 8 | 13 | 46 | 60 |
| Depreciation of property, plant and equipment | 640 | 745 | 3,067 | 3,066 |
| Depreciation of right-of-use assets | 409 | 237 | 1,215 | 1,027 |
| Employee benefits expense | 4,199 | 3,366 | 12,871 | 10,590 |
| Unrealised loss on foreign exchange translation | 143 | 33 | 159 | 33 |
| Loss on impairment of financial assets | - | 33 | - | 33 |
| Reversal on other impairment loss on: | | | | |
| - property, plant and equipment | 14 | - | 14 | - |
| - right-of-use assets | 1,643 | - | 1,643 | - |
| Interest expense on: | | | | |
| - loans and borrowings | 537 | 524 | 2,436 | 1,913 |
| - lease liabilities | 156 | 170 | 185 | 191 |
| Rental income of premises | (55) | (55) | (187) | (216) |
| Interest income | (135) | (59) | (569) | (290) |

26 Income tax expense

| | Quarter Ended | | Year-to-Date Ended | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 31-Dec-23 RM'000 | 31-Dec-22 RM'000 | 31-Dec-23 RM'000 | 31-Dec-22 RM'000 |
| In respect of current period | | | | |
| Total income tax expense, representing current period's provision | | | | |
| - Current tax | 66 | 25 | 144 | 37 |
| - Deferred tax | 1,266 | 646 | 1,266 | 646 |
| Total income tax expense | 1,332 | 671 | 1,410 | 683 |

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the current and previous corresponding periods. The effective tax rates of the Group for the current and previous corresponding periods were lower than the statutory tax rate of the respective periods principally due to share of results of associates and joint ventures was net of tax.

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27 Group Borrowings

The Group's borrowings as at 31 December 2023 are as follows:

| | RM'000 |
|--------------------------|---------------|
| Current | |
| Secured term loan | 2,394 |
| Secured revolving credit | 30,208 |
| | <u>32,602</u> |
| Non-current | |
| Secured term loan | 14,777 |
| Total borrowings | <u>47,379</u> |

The Company has provided corporate guarantee for the Group Borrowings disclosed above.

28 Changes in material litigation

There was no material litigation against the Group as at the reporting date.

29 (Loss)/earnings per ordinary share

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

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

| | Quarter Ended | | Year-to-Date Ended | |
|---|----------------------|-----------|---------------------------|-----------|
| | 31-Dec-23 | 31-Dec-22 | 31-Dec-23 | 31-Dec-22 |
| (Loss)/profit for the financial period attributable to owners of the Company (RM'000) | <u>(3,921)</u> | 2,780 | <u>24,991</u> | (2,628) |
| Weighted average number of ordinary shares in issue (units '000) | <u>479,926</u> | 479,926 | <u>479,926</u> | 479,926 |
| Basic (loss)/earnings per ordinary share (sen) | <u>(0.82)</u> | 0.58 | <u>5.21</u> | (0.55) |

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

The Group has no dilution in its (loss)/earnings per ordinary share in the current quarter and year-to-date ended 31 December 2023 as there are no dilutive potential ordinary shares.

Date: 21 February 2024