

ECM LIBRA INVESTMENT BANK BERHAD
(formerly known as ECM Libra Avenue Securities Berhad)

Unaudited Condensed Balance Sheet
As at 31 July 2008

ASSETS	Note	31-Jul-08 RM'000	31-Jan-08 RM'000
Cash and bank balances		324,836	345,333
Deposits with licensed financial institutions	11	1,451	3,198
Securities held-for-trading	12	40,193	-
Securities available-for-sale ("AFS")	13	190,259	174,175
Securities held-to-maturity	14	2,200	2,200
Derivative Financial Instrument (Asset)		6,543	-
Loan, advances and financing	15	262,317	146,736
Trade receivables	16	148,799	401,071
Statutory deposit with Bank Negara Malaysia		921	-
Other assets	17	10,954	11,249
Amount owing from holding company		20,000	-
Amount owing from subsidiaries		-	962
Amount owing from related company		15	4,093
Property, plant and equipment		17,570	18,673
Intangible assets		53,598	53,586
Deferred tax assets		10,000	10,000
TOTAL ASSETS		<u>1,089,656</u>	<u>1,171,276</u>
LIABILITIES AND EQUITY			
Liabilities			
Deposits from customers	18	60,995	-
Deposits and placements of banks and other financial institutions	19	150,000	-
Trade payables	20	268,870	518,724
Other liabilities	21	40,660	52,241
Amount owing to holding company		-	8,840
Amount owing to subsidiaries		-	3,955
Amount owing to related companies		2,467	10,278
TOTAL LIABILITIES		<u>522,992</u>	<u>594,038</u>
Share capital		513,000	513,000
Reserves		53,664	64,238
		<u>566,664</u>	<u>577,238</u>
TOTAL EQUITY AND LIABILITIES		<u>1,089,656</u>	<u>1,171,276</u>
Net Assets per Share (RM)		1.10	1.13

The Unaudited Condensed Balance Sheets should be read in conjunction with the audited financial statements for the year ended 31 January 2008 of the Bank.

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

ECM LIBRA INVESTMENT BANK BERHAD
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**Unaudited Condensed Income Statements
for the Second Quarter ended 31 July 2008**

	Note	Current quarter ended 31-Jul-08 RM'000	Corresponding quarter ended 31-Jul-07 RM'000	Current year-to-date 31-Jul-08 RM'000	Corresponding year-to-date 31-Jul-07 RM'000
Revenue		9,347	35,519	31,325	88,985
Gross interest income	22	7,402	5,188	13,246	10,949
Interest expense	23	(1,068)	(1,823)	(1,581)	(2,865)
Net interest income		6,334	3,365	11,665	8,084
Non-interest income	24	1,945	30,331	18,079	78,036
Other non-operating income	25	192	927	317	2,211
Net income		8,471	34,623	30,061	88,331
Operating expenses	26	(12,817)	(18,799)	(27,378)	(34,668)
Operating profit		(4,346)	15,824	2,683	53,663
Allowance for losses on loans & financing Write-back/(allowance) for bad & doubtful debts	27 28	(986) (137)	- (686)	(1,709) (40)	- (2,490)
Writeback/(allowance) for impairment loss	29	-	5,600	4,400	(4,400)
Profit before tax		(5,469)	20,738	5,334	46,773
Taxation		-	-	(817)	-
Profit after tax		(5,469)	20,738	4,517	46,773
Earnings per share ("EPS"): - basic / diluted		Sen (1.07)	Sen 4.94	Sen 0.88	Sen 11.15

The Unaudited Condensed Income Statements should be read in conjunction with the audited financial statements for the year ended 31 January 2008 of the Bank.

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

ECM LIBRA INVESTMENT BANK BERHAD

(formerly known as ECM Libra Avenue Securities Berhad)

**Unaudited Condensed Consolidated Statement of Changes in Equity
for the Financial Period ended 31 July 2008**

	<-----Non-distributable----->					Distributable		Total RM'000
	Share capital RM'000	Preference share RM'000	Share premium RM'000	AFS revaluation reserve RM'000	Equity compensation reserve RM'000	Statutory reserve RM'000	Retained profit RM'000	
Balance as at 1 February 2008								
- as previously reported	513,000	-	-	-	507	-	54,133	567,640
- prior years adjustments	-	-	-	9,434	-	27,066	(26,902)	9,598
As restated	513,000	-	-	9,434	507	27,066	27,231	577,238
Net change in securities available-for-sale	-	-	-	(15,091)	-	-	-	(15,091)
Purchase of treasury shares	-	-	-	-	-	-	-	-
Net profit for the financial period	-	-	-	-	-	-	4,517	4,517
Balance as at 31 July 2008	513,000	-	-	(5,657)	507	27,066	31,748	566,664
Balance as at 1 February 2007								
- as previously reported	419,500	1,690	263,318	-	-	-	(281,438)	403,070
- prior years adjustments	-	-	-	1,576	-	-	2,211	3,787
As restated	419,500	1,690	263,318	1,576	-	-	(279,227)	406,857
Net change in securities available-for-sale	-	-	-	10,986	-	-	-	10,986
Net profit for the financial period	-	-	-	-	-	-	46,773	46,773
Balance as at 31 July 2007	419,500	1,690	263,318	12,562	-	-	(232,454)	464,616

The Unaudited Condensed Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 January 2008 of the Bank.

ECM LIBRA INVESTMENT BANK BERHAD
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**Unaudited Condensed Cash Flow Statement
for the Financial Period ended 31 July 2008**

	6 months ended	
	31-Jul-08	31-Jul-07
	RM'000	RM'000
Cash flows from/(used in) operating activities		
Profit before tax	5,334	46,773
Adjustment for non-cash items	(2,129)	(28,005)
Operating profit before working capital changes	<u>3,205</u>	<u>18,768</u>
Net decrease in assets	142,101	463,362
Net decrease in liabilities	(71,046)	(277,165)
Cash generated from operations	<u>74,260</u>	204,965
Net tax paid	(817)	-
Interest received	4,532	2,860
Net cash generated from operating activities	<u>77,975</u>	<u>207,825</u>
Cash flows (used in)/generated from investing activities		
Net (additions)/proceeds from marketable securities	(33,946)	96,324
Net addition to property, plant and equipment	(616)	(239)
Net addition to intangible assets	(469)	(64)
Net cash (used in)/generated from investing activities	<u>(35,031)</u>	<u>96,021</u>
Cash flows used in financing activities		
Repayment of short term borrowings	-	(60,000)
Interest paid	(1,290)	(823)
Net cash used in financing activities	<u>(1,290)</u>	<u>(60,823)</u>
Net increase in cash and cash equivalents	41,653	243,023
Cash and cash equivalents at beginning of period	127,973	72,344
Cash and cash equivalents at end of period	<u>169,626</u>	<u>315,367</u>

Cash and cash equivalents included in the cash flow statement comprise the following Balance Sheet amounts:

	RM'000	RM'000
Cash, bank balances and deposits with financial institutions	326,287	447,065
Less: Monies held in trust	(156,661)	(131,698)
	<u>169,626</u>	<u>315,367</u>

The Unaudited Condensed Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 January 2008 of the Company.

Explanatory Notes to the Interim Financial Report for the Financial Period Ended 31 July 2008

1 Performance Review on the Results of the Bank for the Current Financial Quarter and Financial Year-to-date

The Bank recorded a loss before tax of RM5.5 million which was RM26.2 million lower than RM20.7 million of profit before tax recorded in the preceding year's corresponding quarter ended 31 July 2007. This was mainly attributed to the lower brokerage income generated during the quarter under review which was caused by the lower Bursa's turnover of RM155.6 billion as compared to the preceding year's corresponding quarter of RM322.0 billion.

In addition, the Bank recorded RM11.6 million of investment loss mainly from revaluation of investments as compared to RM8.7 million investment income in the preceding year's corresponding quarter ended 31 July 2007 caused by the decline of share prices on Bursa.

For the six months ended 31 July 2008, the Bank recorded a profit before tax of RM5.3 million, 88.6% lower than the preceding year corresponding period. This was mainly attributed to the lower brokerage income and investment loss mainly from revaluation of investments in current period under review.

2 Review of Performance of Current Financial Quarter against Preceding Financial Quarter

	Current Quarter 31-Jul-08 RM'000	Preceding Quarter 30-Apr-08 RM'000	Variance RM'000
(Loss)/Profit before tax	(5,469)	10,803	(16,272)
Taxation	-	(817)	817
Profit after tax	<u>(5,469)</u>	<u>9,986</u>	<u>(15,455)</u>

For the financial quarter under review, the Bank recorded a loss before tax of RM5.5 million as compared to a profit before tax of RM10.8 million for the preceding quarter. This was mainly attributed to the loss on revaluation of investments of RM11.6 million and lower brokerage income of RM7.1 million in the quarter under review.

3 Bank's Prospects

The Malaysian economy is expected to sustain a respectable growth in the second half of 2008 despite concerns over the increased external uncertainties and high inflation rate.

On the business sector, the key concern of political worries, uncertainties in cost of production have dampened investment and corporate activities. Accordingly, the Bank faces a difficult and challenging second half. Nevertheless, the Bank will continue to work on the planned business strategies for the current financial year.

4 Basis of Preparation

The unaudited quarterly financial report has been prepared in accordance with FRS 134 “Interim Financial Reporting” and the Revised Guidelines on Financial Reporting for Licensed Institutions (“BNM/GP8”).

The interim financial report should be read in conjunction with the audited financial statements of the Bank for the year ended 31 January 2008.

The Bank had received approval from Bank Negara Malaysia (“BNM”) to comply with the requirements of the “BNM/GP8” not later than one year from the date of inception of its investment bank status. The Bank adopted the requirements of BNM/GP8 for the current financial year ended 31 January 2009. The adoption of BNM/GP8 resulted in the reclassification/restatement as disclosed in Note 4(a)(iii).

The accounting policies and methods of computation adopted in this unaudited interim financial report are consistent with those adopted in the preparation of the Financial Statements 2008, except for the adoption of the new and revised Financial Reporting Standards (“FRS”) issued by Malaysia Accounting Standard Board (“MASB”) that are effective to the Bank’s financial year beginning on and after 1 July 2007 and the guidelines set out in BNM/GP8:

FRS 107:	Cash Flow Statements
FRS 112:	Income Taxes
FRS 118:	Revenue
FRS 134:	Interim Financial Reporting
FRS 137:	Provision, Contingent Liabilities and Contingent Assets
Amendment to FRS 121:	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
FRS 111:	Construction Contracts
FRS 120:	Accounting for Government Grants and Disclosure of Government Assistance
FRS 126:	Accounting and Reporting by Retirement Benefit Plans
FRS 129:	Financial Reporting in Hyperinflationary Economies
IC Interpretation 1:	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2:	Members’ Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5:	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6:	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
IC Interpretation 7:	Applying the Restatement Approach under FRS 129 ₂₀₀₄ - Financial Report in Hyperinflationary Economies
IC Interpretation 8:	Scope of FRS 2
FRS 129 ₂₀₀₄ :	Financial Report in Hyperinflationary Economies
FRS 139:	Financial Instruments: Recognition and Measurement

These FRSs and Amendments are, however, are expected to have no significant impact to the financial statements of the Bank, with the exception of FRS 139 which is deferred to a later date. The Bank are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

4 Basis of Preparation (continued)

The principal effects of changes in accounting policies and estimates are as follows:

(a) BNM/GP8:

(i) Presentation of Financial Statements

The income statement and balance sheet in respect of the current quarter and financial period ended 31 July 2008 are now prepared in accordance with BNM/GP8 format requirements.

(ii) Securities Portfolio

Previously, securities were classified as either "Marketable securities" or "Other Investment". Marketable securities and other investment are stated at the lower of cost, adjusted for market value, determined on a total portfolio basis and allowance for diminution in value will be made for non-temporary decline in value. Any gain/loss arising from revaluation or sale of securities is recognised in the income statement.

Based on the BNM/GP8 guidelines, equity instruments and debt securities held are classified based on the following categories:

Securities held-for-trading

Securities are classified as held-for-trading if it is acquired principally for the purpose of selling or repurchasing it in the near term or it is part of a portfolio of identified securities that are managed together and for which there is evidence of recent actual pattern of short-term profit-taking. Such securities will be stated at fair value and any gain or loss arising from a change in fair value will be recognised in the income statement.

Dividends on equity instruments are recognised in the income statement when the right to receive payment is established.

Securities available-for-sale

Securities available-for-sale are securities that are not classified as held-for-trading or held-to-maturity and are measured at fair value. Equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured will be stated at cost. Any gain or loss arising from a change in fair value is recognised directly in equity through the statement of changes in equity, except for impairment loss and foreign exchange gain/loss which are recognised in income statement, until the securities are derecognised, at which time the cumulative gain or loss previously recognised in equity will be transferred to the income statement.

Interest calculated using the effective interest method is recognised in the income statement. Dividends on equity instruments are recognised in the income statement when the right to receive payment is established.

Securities held-to-maturity

Securities held-to-maturity are securities with fixed or determinable payments and fixed maturity that the Bank has the positive intent and ability to hold to maturity. These securities are measured at amortised cost using the effective interest method. Any gain or loss is recognised in the income statement when the securities are derecognised or impaired and through amortisation process.

4 Basis of Preparation (continued)

(a) BNM/GP8:

(iii) Restatement of Comparatives

The adoption of BNM/GP8 resulted in the restatement/reclassification of certain comparative figures as follows:-

Bank	As previously reported RM'000	Adjustment RM'000	As restated RM'000
<u>Balance sheet as at 31 January 2008</u>			
Marketable securities	164,578	(164,578)	-
Other investments	2,408	(2,408)	-
Trade receivables	547,806	(146,735)	401,071
Loans, advances and financing	-	146,736	146,736
Cash and bank balances	213,247	132,086	345,333
Deposits with licensed financial institutions	135,284	(132,086)	3,198
Securities available-for-sale	-	174,175	174,175
Securities held-to-maturity	-	2,200	2,200
Other assets	10,577	672	11,249
Amount owing by fellow subsidiaries	4,557	(464)	4,093
Retained profit	(54,133)	26,902	(27,231)
Statutory reserve	-	(27,066)	(27,066)
AFS revaluation reserve	-	(9,434)	(9,434)
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<u>Income statement for the financial period ended 31 July 2007</u>			
Revenue	71,459	(71,459)	-
Other operating income	13,033	(13,033)	-
Gross interest income	-	10,949	10,949
Non-interest income	-	78,036	78,036
Other non-operating income	-	2,211	2,211
Writeback/(allowance) for impairment loss	2,463	(6,863)	(4,400)
Profit before tax	46,932	(159)	46,773
Profit after tax	46,932	(159)	46,773
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(b) BNM's Guidelines on Classification of Non-performing Loans, Advances and Financing and Provision for Substandard, Bad and Doubtful Debts (BNM/GP3):

The Bank has adopted BNM/GP3 guidelines in respect of classification of non-performing accounts, loan loss provisioning and interest income recognition with effect from the date of completion of transformation of ECM Libra Avenue Securities Berhad into an investment bank on 6 February 2008.

When loans, advances and financing granted by the Bank become non-performing, interest accrued and recognised as income prior to the date the loans are classified as non-performing are reversed out of interest income in the income statement and taken to interest-in-suspense for set off against the accrued interest receivable in the balance sheet. Subsequent to suspension, interest earned on the non-performing loans, advances and financing ("NPLs") shall be recognised as income on cash basis.

The impact arising from the adoption of BNM/GP3 is an additional general allowances for loan losses of 0.5%.

5 Audit Report of Preceding Annual Financial Statements

The auditors' report on the Financial Statements for the year ended 31 January 2008 of the Bank was not subjected to any qualification.

6 Seasonality and Cyclicity Factors

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

7 Exceptional Items/Unusual Events

There was no unusual item affecting assets, liabilities, equity, net income, or cash flows during the first quarter ended 31 July 2008.

8 Variation from Financial Estimates Reported in Preceding Financial Period/Year

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

9 Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale and repayment of either debt or equity securities during the quarter under review.

10 Dividend Paid

There was no dividend paid during the quarter ended 31 July 2008.

11 Deposits with licensed financial institutions

	31-Jul-08	30-Apr-08
	RM'000	RM'000
<u>By Type of Institutions</u>		
Licensed banks	1,451	3,198

12 Securities held-for-trading

	31-Jul-08	31-Jan-08
	RM'000	RM'000
At fair value		
- Shares	40,193	-

13 Securities available-for-sale

	31-Jul-08	31-Jan-08
	RM'000	RM'000
At fair value		
Quoted Securities		
- Shares	80,509	110,957
- Warrants	-	1,400
Unquoted Securities		
- Private Debt Securities	109,750	66,218
	190,259	178,575
less: Impairment loss on securities available-for-sale	-	(4,400)
Total securities available-for-sale	190,259	174,175

14 Securities held-to-maturity

	31-Jul-08	31-Jan-08
	RM'000	RM'000
At cost		
Quoted Securities		
- Shares	2,200	2,200

15 Loans, advances and financing

	31-Jul-08	31-Jan-08
	RM'000	RM'000
<u>By Type</u>		
Share margin financing	130,524	149,278
Term loans / financing		
- Other term loans/financing	136,044	-
Gross Loans, advances and financing	266,568	149,278
less: General allowance	(4,251)	(2,542)
Total net loans, advances and financing	262,317	146,736
<u>By Economic Purpose</u>		
Purchase of securities	233,929	149,278
Working capital	32,639	-
Gross loans, advances and financing	266,568	149,278
<u>By Interest / Profit Rate Sensitivity</u>		
Fixed rate		
- Other fixed rate loans/financing	266,568	149,278
Gross Loans, advances and financing	266,568	149,278
<u>By Type of Customer</u>		
Domestic business enterprises	103,846	72,175
Individuals	160,183	77,103
Foreign entities	2,539	-
Gross Loans, advances and financing	266,568	149,278

15 Loans, advances and financing (continued)

	31-Jul-08	31-Jan-08
	RM'000	RM'000
Movements in allowance for bad and doubtful debts		
General allowance		
Balance at beginning of financial period/year	2,542	1,558
Allowance made during the period/year	1,709	984
Balance at end of financial period/year	<u>4,251</u>	<u>2,542</u>
As % of gross loans, advances and financing less specific allowance	1.6%	1.7%

16 Trade receivables

	31-Jul-08	31-Jan-08
	RM'000	RM'000
Amount owing by clients	89,044	218,453
Amount owing by brokers	60,947	183,847
	<u>149,991</u>	<u>402,300</u>
less: Allowance for bad and doubtful receivables		
General allowance	(188)	(233)
Specific allowance	(163)	(271)
Interest-in-suspense	(841)	(725)
	<u>148,799</u>	<u>401,071</u>

17 Other assets

	31-Jul-08	31-Jan-08
	RM'000	RM'000
Interest receivables	2,329	2,530
Tax recoverables	1,278	854
Other receivables, deposits and prepayments	7,347	7,865
	<u>10,954</u>	<u>11,249</u>

18 Deposit from customers

	31-Jul-08	31-Jan-08
	RM'000	RM'000
<u>By Type of Deposits:</u>		
Short-term deposits	60,995	-
	<u>60,995</u>	<u>-</u>
<u>By Type of Customers:</u>		
Business enterprises	54,288	-
Individuals	6,707	-
	<u>60,995</u>	<u>-</u>

19 Deposit and Placements of Banks and Other Financial Institutions

	31-Jul-08	31-Jan-08
	RM'000	RM'000
<u>By Type of Institutions:</u>		
Licensed banks	100,000	-
Licensed investment banks	50,000	-
	150,000	-

20 Trade payables

	31-Jul-08	31-Jan-08
	RM'000	RM'000
Amount owing to clients	52,173	131,217
Amount owing to brokers	84,919	221,982
Client's trust monies	131,778	165,525
	268,870	518,724

21 Other liabilities

	31-Jul-08	31-Jan-08
	RM'000	RM'000
Accruals and deposits received	10,561	27,186
Remisiers and dealers trust accounts	17,038	13,817
Other payables	13,061	11,238
	40,660	52,241

22 Interest income

	Current quarter ended 31-Jul-08 RM'000	Corresponding quarter ended 31-Jul-07 RM'000	Current year-to-date 31-Jul-08 RM'000	Corresponding year-to-date 31-Jul-07 RM'000
Loans and advances:				
- Interest income from performing loans	1,754	-	2,213	-
Margin Financing	2,799	2,086	5,731	4,690
Stockbroking business	215	235	434	527
Short-term funds and deposits with financial institutions	1,330	2,597	2,510	3,453
Securities:	-			
- Available-for-sale	1,277	200	2,356	2,153
	7,375	5,118	13,244	10,823
Amortisation of premiums less accretion of discounts	27	70	2	126
	7,402	5,188	13,246	10,949

23 Interest expense

	Current quarter ended 31-Jul-08 RM'000	Corresponding quarter ended 31-Jul-07 RM'000	Current year-to-date 31-Jul-08 RM'000	Corresponding year-to-date 31-Jul-07 RM'000
Deposits from customers	601	807	844	1,630
Deposits from banks and other financial institutions	441	-	446	-
Others	21	1,016	291	1,235
	1,063	1,823	1,581	2,865

24 Non-interest income

	Current quarter ended 31-Jul-08 RM'000	Corresponding quarter ended 31-Jul-07 RM'000	Current year-to-date 31-Jul-08 RM'000	Corresponding year-to-date 31-Jul-07 RM'000
Fee income				
- Fees on loans and advances	1,664	313	2,786	569
- Corporate advisory fees	193	1,095	2,670	1,776
- Net brokerage fee	7,081	18,308	15,789	40,808
- Other fee income	2,955	1,963	3,512	10,211
	11,893	21,679	24,757	53,364
Investment and trading income				
- (Loss)/gain from sale of securities:				
held-for-trading	2	753	2	8,721
available-for-sale	196	7,826	(2,889)	9,088
- Gain/(loss) on revaluation of securities				
held-for-trading	(18,338)	73	(12,636)	6,863
- Gain/(loss) on revaluation of derivatives	6,543	-	6,543	-
	(11,597)	8,652	(8,980)	24,672
Gross dividend income				
- Securities:				
available-for-sale	1,649	-	2,302	-
	1,649	-	2,302	-
Total Non-interest income	1,945	30,331	18,079	78,036

25 Other non-operating income

	Current quarter ended 31-Jul-08 RM'000	Corresponding quarter ended 31-Jul-07 RM'000	Current year-to-date 31-Jul-08 RM'000	Corresponding year-to-date 31-Jul-07 RM'000
Rental income	43	265	44	542
Loss on disposal of property, plant and equipment	55	42	34	42
Gain on revaluation of foreign exchange translation	30	288	70	481
Others	64	332	169	1,146
	192	927	317	2,211

26 Operating expenses

	Current quarter ended 31-Jul-08 RM'000	Corresponding quarter ended 31-Jul-07 RM'000	Current year-to-date 31-Jul-08 RM'000	Corresponding year-to-date 31-Jul-07 RM'000
<u>Personnel expenses</u>				
Salaries, allowance and bonus	6,258	7,603	13,875	13,444
Contributions to defined contribution plan	667	607	1,484	1,497
Other personnel costs	(9)	993	358	1,293
	6,916	9,203	15,717	16,234
<u>Establishment costs</u>				
Depreciation of property, plant and equipment	869	1,110	1,734	2,204
Amortisation of computer software	233	210	456	419
Rental of premises	731	716	1,475	1,399
Rental of network and equipment	872	1,170	1,686	2,226
Other establishment costs	792	1,340	1,254	2,255
	3,497	4,546	6,605	8,503
<u>Marketing and communication expenses</u>				
Advertising expenses	5	3	116	10
Entertainment	225	722	570	1,458
Other marketing expenses	106	104	164	315
	336	829	850	1,783
<u>Administrative and general expenses</u>				
Audit fees	33	32	66	62
Legal and professional fees	220	650	367	1,334
Printing and stationery	153	293	520	652
Insurance, postages and courier	141	211	308	437
Electricity and water charges	189	379	412	660
Repair and maintenance	-	-	-	-
Telecommunication expenses	287	377	508	685
Travelling and accomodation	123	118	273	187
Others	922	2,161	1,752	4,131
	2,068	4,221	4,206	8,148
Total operating expenses	12,817	18,799	27,378	34,668

27 Allowance for losses on loans and financing

	Current quarter ended 31-Jul-08 RM'000	Corresponding quarter ended 31-Jul-07 RM'000	Current year-to-date 31-Jul-08 RM'000	Corresponding year-to-date 31-Jul-07 RM'000
General allowance on loans and financing				
- Provided during the financial period	986	-	1,709	-
	986	-	1,709	-

28 (Write-back)/allowance for bad and doubtful debts on trade receivables

	Current quarter ended 31-Jul-08 RM'000	Corresponding quarter ended 31-Jul-07 RM'000	Current year-to-date 31-Jul-08 RM'000	Corresponding year-to-date 31-Jul-07 RM'000
General allowance				
- (Written back)/provided during the financial period	(31)	928	(44)	248
	<u>(31)</u>	<u>928</u>	<u>(44)</u>	<u>248</u>
Specific allowance				
- Provided during the financial period	241	(171)	368	2,318
- Written back	(56)	-	(265)	-
	<u>185</u>	<u>(171)</u>	<u>103</u>	<u>2,318</u>
Bad debts:				
- Recovered	(17)	(71)	(19)	(76)
	<u>(17)</u>	<u>(71)</u>	<u>(19)</u>	<u>(76)</u>
	<u>137</u>	<u>686</u>	<u>40</u>	<u>2,490</u>

29 (Write-back)/allowance for impairment loss

	Current quarter ended 31-Jul-08 RM'000	Corresponding quarter ended 31-Jul-07 RM'000	Current year-to-date 31-Jul-08 RM'000	Corresponding year-to-date 31-Jul-07 RM'000
(Write-back of)/allowance for impairment loss on securities:				
- Available-for-sale	-	(5,600)	(4,400)	4,400
	<u>-</u>	<u>(5,600)</u>	<u>(4,400)</u>	<u>4,400</u>

30 Capital adequacy

The following is the computation of the capital adequacy ratio of the Bank:

	31-Jul-08	31-Jan-08
	RM'000	RM'000
<u>Tier 1 Capital</u>		
Paid-up share capital	513,000	513,000
Retained profit/loss	54,133	54,133
Other reserves	507	507
	<u>567,640</u>	<u>567,640</u>
less: Goodwill	-	-
Deferred tax assets	(10,000)	(10,000)
Total Tier 1 capital (a)	<u>557,640</u>	<u>557,640</u>
<u>Tier 2 Capital</u>		
General allowance for bad and doubtful debts and financing	4,251	2,542
Total Tier 2 capital (b)	<u>4,251</u>	<u>2,542</u>
Total capital (a) + (b)	561,891	560,182
less: Investment in subsidiaries	-	-
Capital base	<u>561,891</u>	<u>560,182</u>
Total risk-weighted assets	<u>743,913</u>	<u>949,394</u>
Proposed Dividend (RM'000)	-	-
<u>%</u>		
<u>Before deducting proposed dividend</u>		
Core capital ratio	74.96%	58.73%
Risk weighted capital ratio	75.53%	59.00%
<u>After deducting proposed dividend</u>		
Core capital ratio	74.96%	58.73%
Risk weighted capital ratio	75.53%	59.00%

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

ECM LIBRA INVESTMENT BANK BERHAD

(formerly known as ECM Libra Avenue Securities Berhad)

31 Interest rate risk

As at 31 July 2008	<-----Non-trading book----->						Trading book RM '000	Total RM '000	Effective interest rate %
	Up to 1 month RM '000	>1 - 3 months RM '000	> 3 - 12 months RM '000	1 - 5 years RM '000	Over 5 years RM '000	Non-interest sensitive RM '000			
ASSETS									
Cash and bank balances	296,350	-	-	-	-	28,486	-	324,836	3.50
Deposits with licensed financial institutions	-	-	1,451	-	-	-	-	1,451	3.66
Securities held-for-trading	-	-	-	-	-	-	40,193	40,193	-
Securities available-for-sale	-	-	5,000	83,376	21,374	-	80,509	190,259	5.45
Securities held-to-maturity	-	-	-	-	-	2,200	-	2,200	-
Derivative financial instrument	-	-	-	-	-	-	6,543	6,543	-
Loan, advances and financing									
- Performing	145,209	25,554	95,805	-	-	(4,251) *	-	262,317	8.87
Other assets ^	-	-	-	-	-	261,857	-	261,857	-
TOTAL ASSETS	441,559	25,554	102,256	83,376	21,374	288,292	127,245	1,089,656	
LIABILITIES AND EQUITY									
Liabilities									
Deposits from customers	60,995	-	-	-	-	-	-	60,995	3.45
Deposits and placements of banks and other financial institutions	50,000	100,000	-	-	-	-	-	150,000	3.61
Other liabilities #	-	-	-	-	-	311,997	-	311,997	-
TOTAL LIABILITIES	110,995	100,000	-	-	-	311,997	-	522,992	
Shareholders' funds	-	-	-	-	-	566,664	-	566,664	-
TOTAL EQUITY AND LIABILITIES	110,995	100,000	-	-	-	878,661	-	1,089,656	
On-balance sheet interest sensitivity gap	330,564	(74,446)	102,256	83,376	21,374	(590,369)	127,245	-	
Total interest sensitivity gap	330,564	(74,446)	102,256	83,376	21,374	(590,369)	127,245	-	

^ Other assets include Trade receivables, Other assets, Property, Plant and equipment, Intangible assets, Deferred tax assets, Statutory deposit with Bank Negara Malaysia and Amount owing from holding company/ subsidiaries/related companies as disclosed in the Balance Sheet.

Other liabilities include Trade payables, Other liabilities and Amount owing to holding company/subsidiaries/related companies as disclosed in the Balance Sheet.

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

ECM LIBRA INVESTMENT BANK BERHAD

(formerly known as ECM Libra Avenue Securities Berhad)

31 Interest rate risk (continued)

As at 31 January 2008	<-----Non-trading book----->						Trading book RM '000	Total RM '000	Effective interest rate %
	Up to 1 month RM '000	>1 - 3 months RM '000	> 3 - 12 months RM '000	1 - 5 years RM '000	Over 5 years RM '000	Non-interest sensitive RM '000			
ASSETS									
Cash and bank balances	262,816	-	-	-	-	82,517	-	345,333	3.47
Deposits with licensed financial institutions	-	-	3,198	-	-	-	-	3,198	3.65
Securities available-for-sale	-	-	-	49,824	11,994	-	149,357	211,175	6.30
Securities held-to-maturity	-	-	-	-	-	2,200	-	2,200	-
Loan, advances and financing									
- Performing	149,278	-	-	-	-	(2,542) *	-	146,736	8.35
Other assets ^	-	-	-	-	-	462,634	-	462,634	-
TOTAL ASSETS	412,094	-	3,198	49,824	11,994	544,809	149,357	1,171,276	
LIABILITIES AND EQUITY									
Liabilities									
Other liabilities #	-	-	-	-	-	594,038	-	594,038	-
TOTAL LIABILITIES	-	-	-	-	-	594,038	-	594,038	
Shareholders' funds	-	-	-	-	-	577,238	-	577,238	
TOTAL EQUITY AND LIABILITIES	-	-	-	-	-	1,171,276	-	1,171,276	
On-balance sheet interest sensitivity gap	412,094	-	3,198	49,824	11,994	(626,467)	149,357	-	
Total interest sensitivity gap	412,094	-	3,198	49,824	11,994	(626,467)	149,357	-	

^ Other assets include Trade receivables, Other assets, Property, Plant and equipment, Intangible assets, Deferred tax assets and Amount owing from holding company/ subsidiaries/related companies as disclosed in the Balance Sheet.

Other liabilities include Trade payables, Other liabilities, Deferred tax liabilities and Amount owing to holding company/subsidiaries/related companies as disclosed in the Balance Sheet.

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

32 Valuation of Property, Plant and Equipment

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

33 Material Subsequent Event

There were no material events subsequent to 31 July 2008.

34 Changes in the Composition of the Bank

There are no changes in the composition of the Bank during the quarter under review.

35 Changes in Contingent Liabilities/Assets

There were no material changes in contingent liabilities or assets since the last audited balance sheet date.

36 Commitments and Contingencies

(a) Capital Commitments

As at 31 July 2008, the Bank has commitments in respect of capital expenditure as follows: -

	RM'000
Authorised but not contracted for	3,286
	<hr/>

(b) Other Commitments and Contingencies

In the normal course of business, the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions.

The risk-weighted exposures of the Bank are as follows:

	Notional Amount RM'000	Credit Equivalent Amount * RM'000	Risk Weighted Amount RM'000
<u>As at 31 July 2008</u>			
Undrawn margin facilities	184,341	36,868	36,868
Undrawn term loan facilities	9,915	1,983	1,983
	<hr/>	<hr/>	<hr/>
<u>As at 31 January 2008</u>			
Undrawn margin facilities	163,198	32,640	32,640
	<hr/>	<hr/>	<hr/>

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