

ECM LIBRA AVENUE BERHAD (Company No. 713570-K)
(formerly known as Avenue International Capital Berhad)

Unaudited Condensed Consolidated Income Statements for the Third Quarter Ended 31 October 2006

	Current Quarter Ended 31.10.2006 RM'000	Corresponding Quarter Ended 31.10.2005 RM'000	Current 9 months Ended 31.10.2006 RM'000	Corresponding 9 months Ended 31.10.2005 RM'000
Revenue	30,372	20,644	79,397	61,744
Other operating income	5,395	1,954	12,210	13,777
Staff costs	(9,021)	(5,873)	(25,209)	(13,764)
Depreciation of property, plant and equipment	(1,830)	(1,064)	(4,880)	(2,946)
Other operating expenses	(21,065)	(11,247)	(49,960)	(30,580)
Profit from operations	3,851	4,414	11,558	28,231
Rationalisation expenses	(17,385)	-	(17,385)	-
Share of profit /(loss) of associate companies	(218)	4,212	(77)	4,212
Gain/ (Loss) on investments	(485)	1,065	14,048	13,312
Finance costs	(893)	-	(1,737)	-
Profit/ (Loss) before tax	(15,130)	9,691	6,407	45,755
Tax	44	(561)	(1,252)	(1,842)
Net profit/ (loss) for the period	(15,086)	9,130	5,155	43,913
Earnings per share :	Sen	Sen	Sen	Sen
- basic	(1.82)	1.17	0.84	5.64
- diluted	(1.82)	1.10	0.84	5.29

The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the audited consolidated financial statements for the year ended 31 January 2006 of Avenue Capital Resources Berhad (“ACRB”).

The Unaudited Condensed Consolidated Income Statements for the Group has been prepared using the merger principles of accounting method with the ACRB group and as such, the results of the Group has been stated as if ACRB group have been combined with the Company throughout the current and previous accounting periods. The comparative figures are that of ACRB group’s, adjusted for the effects arising from the merger principles of accounting.

ECM LIBRA AVENUE BERHAD (Company No. 713570-K)
(formerly known as Avenue International Capital Berhad)

Unaudited Condensed Consolidated Balance Sheet As At 31 October 2006

	31.10.2006	Adjusted *
	RM'000	31.1.2006 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	59,500	53,905
Investment in associate companies	47,944	318,173
Other investments	15,082	69,772
Goodwill on consolidation	232,000	-
	354,526	441,850
Current Assets		
Marketable securities	257,904	99,435
Trade receivables	409,313	303,311
Loan receivables	22,770	-
Other receivables and prepaid expenses	63,758	29,283
Fixed deposits, cash and bank balances	292,084	242,953
	1,045,829	674,982
TOTAL ASSETS	1,400,355	1,116,832
EQUITY AND LIABILITIES		
Equity attributable to shareholders of the Company		
Share capital	830,902	703,027
Loan stocks	-	-
Reserves	25,895	18,027
Treasury shares	-	(1)
	856,797	721,053
Non-Current Liabilities		
Borrowings	40,000	-
Deferred tax liabilities	433	117
Provision for retirement benefit	176	-
	40,609	117
Current Liabilities		
Borrowings	18,000	30,000
Trade payables	414,553	316,366
Other payables and accrued expenses	70,244	48,998
Tax liabilities	152	298
	502,949	395,662
TOTAL EQUITY AND LIABILITIES	1,400,355	1,116,832
Net Assets Per Share (RM)	1.03	1.03

* The adjusted unaudited consolidated balance sheet of the Group as at 31 January 2006 was derived from the audited financial statements of ACRB as at 31 January 2006 and adjusted for the merger principles of accounting (see Note 1 below).

The Unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the audited consolidated financial statements for the year ended 31 January 2006 of ACRB.

ECM LIBRA AVENUE BERHAD (Company No. 713570-K)
(formerly known as Avenue International Capital Berhad)

Unaudited Condensed Consolidated Statement of Changes in Equity for the Financial Period Ended 31 October 2006

	Share capital	Non-distributable reserve Other reserves	Translation reserve	Distributable reserves Unappropriated profit	Total
	RM '000	RM '000	RM '000	RM '000	RM '000
Balance as at 1 February 2006 (as reflected in the adjusted financial statements)*	703,027	202,732	-	(184,705)	721,054
Share capital cancelled pursuant to distribution of assets in specie	(314,125)	-	-	-	(314,125)
Arising from acquisition of subsidiaries	442,000	-	-	-	442,000
Arising from disposal of a subsidiary company	-	7,985	-	23	8,008
Net profit for the financial period	-	-	-	5,155	5,155
Dividends paid	-	-	-	(5,612)	(5,612)
Currency translation differences	-	-	317	-	317
Balance as at 31 October 2006	830,902	210,717	317	(185,139)	856,797

* The adjusted balance as at 1 February 2006 was derived from the audited financial statements of ACRB as at 31 January 2006 and adjusted for the merger principles of accounting (see Note 1)

ECM LIBRA AVENUE BERHAD (Company No. 713570-K)
(formerly known as Avenue International Capital Berhad)

Unaudited Condensed Consolidated Statement of Changes in Equity for the Financial Period Ended 31 October 2006 (Continued)

	Non-distributable reserve		Translation reserve	Distributable reserves	Total
	Share capital	Other reserves		Unappropriated profit/ (Accumulated loss)	
	RM '000	RM '000	RM '000	RM '000	RM '000
Adjusted balance as at 1 February 2005 *	703,025	202,734		(231,902)	673,857
Net profit for the financial period	-	-	-	43,913	43,913
Dividends	-	-	-	(5,612)	(5,612)
Balance as at 31 October 2005	703,025	202,734	-	(193,601)	712,158

* The adjusted balance as at 1 February 2005 was derived from the audited financial statements of ACRB as at 31 January 2005 and adjusted for the merger principles of accounting (see Note 1)

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited consolidated financial statements for the year ended 31 January 2006 of ACRB.

ECM LIBRA AVENUE BERHAD (Company No. 713570-K)
(formerly known as Avenue International Capital Berhad)

Unaudited Condensed Consolidated Cash Flow Statement for the Financial Period Ended 31 October 2006

	9 months ended 31 October 2006 RM'000	9 months ended 31 October 2005 RM'000
Cash Flows From / (Used In) Operating Activities		
Profit before tax	6,407	45,755
Adjustment for non-cash items	841	(18,906)
Operating profit before working capital changes	<u>7,248</u>	26,849
Net (increase) / decrease in current assets	(20,497)	141,516
Net increase / (decrease) in current liabilities	53,832	(121,020)
Net cash from operations	<u>40,583</u>	47,345
Net tax paid	(1,972)	(1,093)
Net cash from operating activities	<u>38,611</u>	46,252
Cashflows from / (used in) investing activities		
Net addition to other investments	(82,168)	(57,377)
Net cash outflow from disposal of subsidiary companies	(256)	-
Net cash inflow from acquisition of subsidiary companies	103,836	-
Net investment in property, plant and equipment	(1,938)	(1,756)
Net cash outflow from investment in associated company	-	(30)
Net cash from/ (used in) investing activities	<u>19,474</u>	(59,163)
Cash flows from / (used in) financing activities		
Interest paid	(844)	-
Dividend paid	(5,612)	(5,612)
Repayment of short term loan	(32,000)	-
Net cash generated in financing activities	<u>(38,456)</u>	(5,612)
Net increase/(decrease) in cash and cash equivalents	19,629	(18,523)
Effects of exchange rate changes	318	-
Cash and cash equivalents at beginning of period	145,587	157,444
Cash and cash equivalents at end of period	<u>165,534</u>	<u>138,921</u>

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

	RM'000	RM'000
Short term funds	292,084	243,644
Less: Monies held in trust	(126,550)	(104,723)
	<u>165,534</u>	<u>138,921</u>

The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited consolidated financial statements for the year ended 31 January 2006 of ACRB.

Part A: Explanatory Notes Pursuant To Financial Reporting Standards (“FRS”) 134

1. Basis of Preparation

This unaudited quarterly report has been prepared in accordance with FRS 134 “Interim Financial Reporting” and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The Company became the new holding company of Avenue Capital Resources Berhad (“ACRB”) Group and assumed the listing status of ACRB pursuant to the ACRB Reorganisation, which was completed during the current financial period. The transaction has been accounted for using the merger principles of accounting. In accordance with the merger principles of accounting, the results and the financial position of the Group has been stated as if the subsidiaries and businesses of the ACRB Group have been combined with the Company throughout the current and previous accounting periods. Accordingly, the comparative financial statements of the Group relate to those of the previous ACRB Group and adjusted for the effects arising from the merger principles of accounting.

As such, the interim financial statements should be read in conjunction with the audited financial statements for the period ended 31 January 2006 (“Financial Statements 2006”) of ACRB.

In addition, during the current financial period, the Company also completed the acquisition of the operating subsidiaries of ECM Libra Berhad (“ECM Libra”). This acquisition was accounted for using the purchase method.

The accounting policies and methods of computation adopted in this interim financial report are consistent with those adopted in the preparation of the Financial Statements 2006, except for the adoption of the following new and revised FRS issued by Malaysia Accounting Standard Board (“MASB”) that are effective for financial statements commencing 1 January 2006:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 132	Financial Instruments: Disclosure and Presentation

ECM LIBRA AVENUE BERHAD (Company No. 713570-K)
(formerly known as Avenue International Capital Berhad)

FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 140	Investment Property

The adoption of the above new FRS does not have any significant financial impact on the results of the Group except for the principal effects of the changes in accounting policies resulting from the adoption of FRS 101 as disclosed below:-

FRS 101: Presentation of Financial Statements

The adoption of the revised FRS 101 requires new presentation of financial statements. In the consolidated income statement, share of profit of associated companies is presented net of tax. The current quarter's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

2. Audit Report of Preceding Annual Financial Statements

The auditors' reports on the Financial Statements 2006 of the Company and ACRB were not subjected to any qualification.

3. Seasonality and Cyclicity Factors

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

4. Exceptional Items/Unusual Events

During the quarter ended 31 October 2006, the Group undertook a rationalisation exercise, including a voluntary separation scheme for its employees and integration of offices, to lower its operating cost and improve efficiency. The total cost of the rationalisation exercise amounted to RM17.4 million.

Other than the above there was no unusual item affecting assets, liabilities, equity, net income, or cash flows during the quarter and financial period ended 31 October 2006.

5. 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.

ECM LIBRA AVENUE BERHAD (Company No. 713570-K)
(formerly known as Avenue International Capital Berhad)

6. Debt and Equity Securities

The movements on the issued and paid-up ordinary share capital of the Company and the Group during the current period are as follows:

Company

	RM'000
As at 1 May 2006	*
Shares issued for the exchange of securities in ACRB pursuant to the ACRB Reorganisation	849,128
Share capital cancelled pursuant to a distribution of assets in specie	(314,125)
Share capital cancelled pursuant to ACRB Reorganisation	<u>(146,101)</u>
	388,902
Shares issued pursuant to the acquisition of the operating subsidiaries of ECM Libra	<u>442,000</u>
As at 31 October 2006	<u><u>830,902</u></u>

* RM2.00

Group

	RM'000
Adjusted balance as at 1 February 2006# (as reported in the unaudited consolidated statement of changes in equity)	703,027
Share capital issued pursuant to the acquisition of the operating subsidiaries of ECM Libra Berhad	442,000
Share capital cancelled pursuant to a distribution of assets in specie	<u>(314,125)</u>
As at 31 October 2006	<u><u>830,902</u></u>

The adjusted balance as at 1 February 2006 was derived from the audited financial statements of ACRB as at 31 January 2006 and adjusted for the merger principles of accounting (see Note 1 above)

Other than the above, there was no other issuance, cancellation, repurchase, resale and repayment of either debt or equity securities during the quarter and financial period ended 31 October 2006.

7. Dividend Paid

There was no dividend paid during the quarter ended 31 October 2006.

ECM LIBRA AVENUE BERHAD (Company No. 713570-K)
(formerly known as Avenue International Capital Berhad)

8. Segmental Reporting

Segmental revenue and results for the financial period ended 31 October 2006 are as follows:

	Financial services RM'000	Investment holding RM'000	Others RM'000	Elimina- tions RM'000	Total RM'000
Revenue					
External sales	78,370	9,360	-	(8,333)	79,397
Inter-segment sales	-	-	-	-	-
Total revenue	<u>78,370</u>	<u>9,360</u>	<u>-</u>	<u>(8,333)</u>	<u>79,397</u>
Results					
Profit from operations	<u>9,481</u>	<u>10,355</u>	<u>55</u>	<u>(8,333)</u>	11,558
Gain on disposal of investments					14,048
Rationalisation expenses					(17,385)
Finance costs					(1,737)
Share of results of associate companies					<u>(77)</u>
Profit before tax					6,407
Income tax expense					<u>(1,252)</u>
Profit after tax					<u>5,155</u>
Other information					
Depreciation	<u>4,717</u>	<u>163</u>	<u>-</u>	<u>-</u>	<u>4,880</u>

The primary basis of segment reporting of the Group is according to business segments as the Group operates principally in Malaysia.

9. Valuation of Property, Plant and Equipment

The valuations of property, plant and equipment and investment properties have been brought forward without amendment from the Financial Statements 2006 of ACRB.

10. Material Subsequent Event

There were no material events subsequent to 31 October 2006.

ECM LIBRA AVENUE BERHAD (Company No. 713570-K)
(formerly known as Avenue International Capital Berhad)

11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the quarter ended 31 October 2006.

12. Changes in Contingent Liabilities/Assets

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

13. Capital Commitments

The amount of commitments for the purchase of property, plant and equipment and investment not provided for in the financial statements as at 31 October 2006 was as follows:

	RM'000
Approved and contracted for	128
	<hr/>

Part B – Additional Information Required by the Listing Requirements of Bursa Securities

13 Status of Corporate Proposals Announced

On 19 May 2005, ACRB announced the establishment by the Company of a scheme for the grant of options to directors and eligible employees of Group (“ESOS”). The ESOS has been approved by the authorities and the shareholders and is currently pending implementation.

Other than the above, there was no corporate proposal announced but not completed at the date of this report.

14. Performance Review on the Results of the Group for the Current Financial Quarter and Financial Period

The Group’s revenue for the current quarter under review increased by 47% to RM30.4 million from RM20.6 million in the preceding year’s corresponding quarter. This is due mainly to higher revenue from the Group’s corporate finance activities. Profit from operations during the quarter was lower at RM3.9 million as compared to RM4.4 million recorded in the preceding year’s corresponding quarter due mainly to higher combined operating costs of the enlarged Group prior to the completion of rationalisation.

However, the Group recorded a pre-tax loss of RM15.1 million for the current quarter against RM9.7 million profit before tax in the preceding year’s corresponding quarter. This is due primarily to RM17.4 million rationalisation expenses incurred during the current quarter by the Group to streamline its business activities, to lower its future operating cost and improve efficiency of the Group.

15. Review of Performance of Current Financial Quarter against Preceding Financial Quarter

	Current Quarter	Preceding Quarter	Variance
	31 October 2006	31 July 2006	RM’000
	RM’000	RM’000	
Profit/ (Loss) before tax	(15,130)	6,264	(21,394)
Taxation	44	(687)	731
Profit/ (Loss) after tax	<u>(15,086)</u>	<u>5,577</u>	<u>(20,663)</u>

The Group’s results for the quarter ended 31 October 2006 was lower by RM20.7 million, as compared to the preceding quarter’s profit after taxation mainly due to rationalisation expenses of RM17.4 million incurred in the current quarter.

16. Company's Prospects

As mentioned above, during the quarter under review, the Group undertook a rationalisation exercise, including a voluntary separation scheme for its employees ("VSS") and integration of offices, to lower its operating cost and improve efficiency. Although the VSS was completed in October 2006, there are numerous other on-going initiatives currently in progress to further streamline the Group's operations and business activities. It is envisaged that with the completion of a major part of the rationalisation exercise by the end of this financial year, the Group's performance is expected to improve in the next financial year.

The Group's stockbroking subsidiary, ECM Libra Avenue Securities Sdn Bhd (formerly known as Avenue Securities Sdn Bhd) ("ELAS") is awaiting the approval of the authorities for the granting of an investment banking licence. With the transformation of ELAS into an investment bank, the Group would be able to offer a more comprehensive range of investment banking activities, including deposits taking.

17. Profit Forecast

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

18. Taxation

	Quarter ended		Year-to-date	
	31.10.2006	31.10.2005	31.10.2006	31.10.2005
	RM'000	RM'000	RM'000	RM'000
Current year income tax	(430)	(571)	(1,699)	(1,838)
Over provision in respect of prior years	474	10	474	10
Deferred taxation	-	-	(27)	(14)
	<u>44</u>	<u>(561)</u>	<u>(1,252)</u>	<u>(1,842)</u>

The effective tax rate of the Group is lower than the statutory tax rate for the quarter and financial period to date due to the availability of tax losses brought forward to set off against current period's profit. In addition, there is no tax effect arising from the gain on disposal of investments as it is capital in nature.

19. Sale of Unquoted Investments and Properties

There was no sale of unquoted investments and properties during the quarter and the financial period under review other than those held by the stockbroking subsidiaries in their ordinary course of business.

20. Quoted Securities

The particulars of the purchase and disposal of quoted securities of the Group are as follows: -

- a) Total purchases and disposal of quoted securities and profit/loss, other than those arising from the ordinary course of business by the stockbroking and offshore investment bank subsidiaries, for the current financial year-to-date are as follows:-

	Quarter ended 31.10.2006 RM'000	Year-to-date 31.10.2006 RM'000
Total purchases	-	-
Total sales proceeds	21,377	48,483
Total profit on disposals	1,249	2,314

- b) There are no investments in quoted securities as at 31 October 2006, other than those held by the stockbroking and offshore investment bank subsidiaries in their ordinary course of business.

21. Group Borrowings

Total borrowings and debt securities of the Group as at 31 October 2006 were as follows:

	RM'000
Unsecured long term borrowings	40,000
Unsecured short term borrowings	18,000
	<u>58,000</u>

22. Off Balance Sheet Financial Instruments

There are no financial instruments with material off balance sheet risk as at the date of this report.

23. Material Litigations

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

24. Dividend

The directors do not recommend the payment of interim dividend for the quarter ended 31 October 2006.

ECM LIBRA AVENUE BERHAD (Company No. 713570-K)
(formerly known as Avenue International Capital Berhad)

25. **Earnings Per Share**

	Quarter ended		Year-to-date	
	31.10.2006	31.10.2005	31.10.2006	31.10.2005
Basic earnings per share:				
Net (loss)/ profit for the period (RM'000)	(15,086)	9,130	5,155	43,913
Weighted average number of ordinary shares in issue ('000)	830,902	779,492	612,331	777,289
Adjustment for merger accounting	-	52,222	-	52,222
	<u>830,902</u>	<u>831,714</u>	<u>612,331</u>	<u>829,511</u>
Basic earnings per share (sen)	<u>(1.82)</u>	<u>1.17</u>	<u>0.84</u>	<u>5.64</u>
Fully diluted earnings per share (sen)	<u>(1.82)</u>	<u>1.10</u>	<u>0.84</u>	<u>5.29</u>

The basic and fully diluted earnings per share for the quarter and financial period under review are the same as the Company does not have any dilutive potential ordinary shares in issue presently.

Dated: 12 December 2006