

**EXPLANATORY NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 AUGUST 2012**

**Part A: Explanatory Notes Pursuant To FRS 134**

**1. Basis of Preparation**

The interim financial statements are unaudited and has been prepared in accordance with MFRS 134 – ‘Interim Financial Reporting’ issued by the Malaysian Accounting Standards Board (‘MASB’), Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the audited financial statements of the Group for the last financial year ended 31 May 2012. The interim financial statements also complies with IAS 34 – ‘Interim Financial Reporting’ issued by the International Accounting Standards Board (‘IASB’).

The accounting policies and presentation adopted by the Group for the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 May 2012, except for the adoption of the following accounting standards, amendments to published accounting standards and interpretations to existing accounting standards which are effective from 1 June 2012:

MFRS 1	First-Time Adoption of MFRS
MFRS 139	Financial Instruments: Recognition and Measurement
Revised MFRS 124	Related Party Disclosures
Amendment to MFRS 112	Income Taxes
Amendment to MFRS 1	First-Time Adoption on Fixed Dates and Hyperinflation
Amendment to MFRS 7	Financial Instruments; Disclosures on Transfers of Financial Assets
Amendment to MFRS 101	Presentation of Items of Other Comprehensive Income
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments

The adoption of the above accounting standards, amendments to published accounting standards and interpretations to existing accounting standards does not give rise to any material financial effects to the Group.

**2. Comments About Seasonal Or Cyclical Factors**

The results of the Group is dependent on the performance of the Malaysian securities market.

**3. Unusual Items Due To Their Nature, Size Or Incidence**

There are no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period.

**4. Changes In Estimates**

There are no changes in estimates of amounts reported in prior quarters of the current financial period or in prior financial years that have a material effect in the current quarter.

## 5. Debt And Equity Securities

There is no issuance, repurchase, resale and repayment of debt and equity securities in the current quarter.

## 6. Dividends Paid

The Company did not pay any dividend during the current reporting quarter.

## 7. Segmental Information

The main business segments of the Group comprises of stockbroking and investment holding and others. Segment results, assets and liabilities include items directly attributable to the segment as well as those that can be allocated on a reasonable basis.

<u>31 August 2012</u>	Investment		Total RM'000
	Stockbroking RM'000	Holding RM'000	
<u>Total Revenue</u>			
- Revenue	9,164	190	9,354
- Other Income	403	680	1,083
	-----	-----	-----
	9,567	870	10,437
Overhead Expenses	(5,496)	(74)	(5,570)
<u>Results</u>			
Segment Results From Operations	4,071	796	4,867
Taxation			(1,339)
			-----
			3,528
			=====
<u>Assets And Liabilities</u>			
Segment Assets	424,683	133,133	557,816
Segment Liabilities	321,460	793	322,253
<u>Other Information</u>			
(Gain) On Revaluation Of Financial Assets At Fair Value Through Profit Or Loss	(1)	(586)	(587)
(Gain) On Disposal Of Financial Assets At Fair Value Through Profit Or Loss	-	(86)	(86)
Depreciation Of Plant And Equipment	281	-	281
Interest Income	(758)	(7)	(765)
Additions to plant and equipment	72	-	72
Finance Costs	93	-	93

<u>31 August 2011</u>	Stockbroking	Investment Holding	Total
	RM'000	RM'000	RM'000
<u>Total Revenue</u>			
- Revenue	11,081	180	11,261
- Other Income	669	1,089	1,758
	-----	-----	-----
	11,750	1,269	13,019
Overhead Expenses	(6,786)	(3,289)	(10,075)
<u>Results</u>			
Segment Results From Operations	4,964	(2,020)	2,944
Taxation			(1,332)
			-----
			1,612
			=====
<u>Assets And Liabilities</u>			
Segment Assets	391,832	140,570	532,402
Segment Liabilities	304,083	1,474	305,557
<u>Other Information</u>			
Loss On Revaluation Of Financial Assets At Fair Value Through Profit Or Loss	41	3,194	3,235
(Gain) On Disposal Of Financial Assets At Fair Value Through Profit Or Loss	(349)	(1,082)	(1,431)
Depreciation Of Plant And Equipment	299	-	299
Interest Income	(681)	(7)	(688)
Additions To Plant And Equipment	48	-	48
Finance Costs	95	2	97

#### **8. Subsequent Events**

There were no material events subsequent to the end of the quarter that have not been reflected in the financial statements for the quarter.

#### **9. Changes In Composition Of The Group**

There are no changes in the composition of the Company during the current quarter.

#### **10. Contingent Assets And Liabilities**

There are no contingent assets and liabilities outstanding as at 31 August 2012 (2012: Nil).

**Part B: Explanatory Notes Pursuant To Main Market Listing Requirements Of Bursa Malaysia Securities Berhad**

**11. Performance Review**

The Group's profit before tax for the quarter ended 31 August 2012 of RM4.87 million is higher by RM1.93 million compared to the corresponding quarter ended 31 August 2011 of RM2.94 million, due to lower operating expenses.

**12. Comparison With Immediate Preceding Quarter**

The Group's profit before tax of RM4.87 million for the current quarter, is higher than the preceding quarter's profit before tax of RM0.72 million by RM4.15 million, mainly due to lower operating expenses.

**13. Commentary On Prospects And Targets**

There are no material factors affecting the earnings and/or revenue of the Group for the current quarter and financial period-to-date.

The Board of Directors is of the opinion that barring any unforeseen circumstances, the Group's performance for the current financial year will be in tandem with the performance of the Malaysian securities market.

**14. Variance From Profit Forecast/Profit Guarantee**

The explanatory notes on variance of actual profit from forecast profit and/or shortfall in profit guarantee is not relevant to the Group.

**15. Taxation**

The tax expense of the Group is as follows:

	3-month cumulative for financial period to date 31 August 2012
	RM'000
Malaysian income tax:	
- Current year	1,339
	=====
Reconciliation of tax expense:	
Profit before taxation	4,867
	-----
Tax at Malaysian tax rate of 25%	1,217
Non-deductible expenses	89
Non-taxable income	33
	-----
	1,339
	=====

**16. Corporate Proposals**

On 25 September 2012, the Company announced the proposed acquisition of a 70% equity interest in Alliance Investment Management Berhad (AIMB). The proposed acquisition is pending approval from the relevant authorities.

**17. Borrowings And Debt Securities**

There are no Group's borrowings and debt securities as at the end of the reporting period.

**18. Material Litigations**

There are no material litigations pending as at 18 October 2012.

**19. Proposed Dividend**

No interim ordinary dividend is recommended for the current financial period.

**20. Earnings Per Share**

Basic earnings per share is calculated by dividing the profit for the financial year attributable to equity holders of the Company of RM3.53 million by the number of ordinary shares of 120 million in issue during the financial period.

There were no dilutive potential ordinary shares outstanding as at 31 August 2012.

**21. Auditors' Report On Preceding Annual Financial Statements**

The financial statement for the year ended 31 May 2012 was not subjected to any audit qualification.

**22. Profit Before Taxation**

Included in the profit before tax are:

	3 months ended 31 August 2012	3 months ended 31 August 2011
	RM'000	RM'000
Interest income	(765)	(688)
Financial assets at fair value through profit or loss:		
- (Gain)/Loss on revaluation	(587)	3,235
- (Gain) on disposal	(86)	(1,431)
- Dividend income	(182)	-
Depreciation of plant and equipment	281	299
Bad and doubtful debts	16	20

### 23. Retained Profits

The breakdown of retained profits of the Group as at reporting date, into realised and unrealised profits is as follows:

	As at 31 August 2012	As at 31 August 2011
	RM'000	RM'000
Total retained profits		
- Realised	74,469	66,398
- Unrealised	10,813	10,160
	-----	-----
Total retained profits as per unaudited consolidated financial statements	85,282	76,558
	=====	=====

BY ORDER OF THE BOARD

WENDY CHIN NGEOK MUI  
(MAICSA NO : 7003178)

SITI NURMAZITA BINTI MUSTAPHA  
(LS0009160)

Joint Company Secretaries

Kuala Lumpur  
24 October 2012