

EXPLANATORY NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 28 FEBRUARY 2013

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 paid an interim dividend of 7.5 sen per ordinary share less tax at 25% in respect of the financial year ending 31 May 2013 on 26 February 2013.

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>28 February 2013</u>	Stockbroking	Investment Holding	Total
	RM'000	RM'000	RM'000
<u>Total Revenue</u>			
- Revenue	23,782	471	24,253
- Other Income	1,431	2,807	4,238
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	25,213	3,278	28,491
Overhead Expenses	(17,599)	(619)	(18,218)
<u>Results</u>			
Segment Results From Operations	7,614	2,659	10,273
Taxation			(2,841)

			7,432
			=====
<u>Assets And Liabilities</u>			
Segment Assets	381,672	134,059	515,731
Segment Liabilities	282,544	470	283,014
<u>Other Information</u>			
(Gain)/Loss On Revaluation Of Financial Assets At Fair Value Through Profit Or Loss	1	(897)	(896)
(Gain) On Disposal Of Financial Assets At Fair Value Through Profit Or Loss	-	(1,888)	(1,888)
Depreciation Of Plant And Equipment	865	-	865
Interest Income	(1,953)	(20)	(1,973)
Additions to plant and equipment	446	-	446
Finance Costs	234	1	235

<u>29 February 2012</u>	<u>Stockbroking</u>	<u>Investment Holding</u>	<u>Total</u>
	RM'000	RM'000	RM'000
<u>Total Revenue</u>			
- Revenue	27,234	800	28,034
- Other Income	456	7,058	7,514
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	27,690	7,858	35,548
Overhead Expenses	(17,601)	(770)	(18,371)
<u>Results</u>			
Segment Results From Operations	10,089	7,088	17,177
Taxation			(4,308)

			12,869
			=====
<u>Assets And Liabilities</u>			
Segment Assets	242,142	150,109	392,251
Segment Liabilities	157,723	3,178	160,901
<u>Other Information</u>			
Loss On Revaluation Of Financial Assets At Fair Value Through Profit Or Loss	10	730	740
(Gain) On Disposal Of Financial Assets At Fair Value Through Profit Or Loss	788	(7,742)	(6,954)
Depreciation Of Plant And Equipment	898	-	898
Interest Income	(2,251)	(45)	(2,296)
Additions To Plant And Equipment	66	-	66
Finance Costs	255	1	256

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 28 February 2013 (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 28 February 2013 of RM5.33 million is lower by RM5.59 million compared to the corresponding quarter ended 29 February 2012 of RM10.92 million, due to lower operating revenue and other income.

12. Comparison With Immediate Preceding Quarter

The Group's profit before tax of RM5.33 million for the current quarter, is higher than the preceding quarter's profit before tax of RM0.08 million by RM5.25 million, mainly due to higher other income and 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:

	Current quarter ended 28 February 2013 RM'000	9-month cumulative for financial period to date 28 February 2013 RM'000
Current tax expense:		
Malaysian – current	1,390 =====	2,841 =====
Reconciliation of effective tax expenses:		
Profit before taxation	<u>5,328</u>	<u>10,273</u>
Tax at Malaysian tax rate of 25%	1,332	2,568
Add:		
Non-deductible expenses	58 -----	273 -----
	<u>1,390</u> =====	<u>2,841</u> =====

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 has been approved by the relevant authorities and completed on 15 April 2013.

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 April 2013.

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 RM7.43 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 28 February 2013.

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:

	9 months ended 28 February 2013	9 months ended 29 February 2012
	RM'000	RM'000
Interest income	(1,973)	(2,296)
Financial assets at fair value through profit or loss:		
- (Gain)/Loss on revaluation	(896)	740
- (Gain) on disposal	(1,888)	(6,954)
- Dividend income	(463)	-
Depreciation of plant and equipment	865	898
Bad and doubtful debts	(5)	26

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 28 February 2013	As at 29 February 2012
	RM'000	RM'000
Total retained profits		
- Realised	71,250	71,389
- Unrealised	11,188	9,678
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Total retained profits as per unaudited consolidated financial statements	82,438	81,067
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BY ORDER OF THE BOARD

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SITI NURMAZITA BINTI MUSTAPHA
(LS0009160)

Joint Company Secretaries

Kuala Lumpur
24 April 2013