

EXPLANATORY NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 NOVEMBER 2013

Part A: Explanatory Notes Pursuant To MFRS 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 2013.

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 2013, 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 2013:

MFRS 10	Consolidated Financial Statements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 127	Consolidated and Separate Financial Statements (revised)
Amendment to MFRS 101	Presentation of Items of Other Comprehensive Income
Amendment to MFRS 119	Employee Benefits
Amendment to MFRS 7	Financial Instruments: Disclosures on Transfers of Financial Assets

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 result 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 a special single tier interim dividend of 7.5 sen per ordinary share in respect of the financial year ended 31 May 2013 on 29 August 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>30 November 2013</u>	Investment		Total
	Stockbroking	Holding	
	RM'000	RM'000	RM'000
<u>Total Revenue</u>			
- Revenue	22,928	4,449	27,427
- Other Income	862	7,824	8,686
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	23,790	12,323	36,113
Overhead Expenses	(16,980)	(3,683)	(19,663)
<u>Results</u>			
Segment Results From Operations	7,811	8,639	16,450
Taxation			(4,252)

			12,198
			=====
<u>Assets And Liabilities</u>			
Segment Assets	513,412	143,703	657,115
Segment Liabilities	460,313	8,158	408,471
<u>Other Information</u>			
(Gain) On Revaluation Of Financial Assets At Fair Value Through Profit Or Loss	-	(7,233)	(7,233)
(Gain) On Disposal Of Financial Assets At Fair Value Through Profit Or Loss	-	(3,710)	(3,710)
Depreciation Of Plant And Equipment	566	22	588
Interest Income	(1,016)	(353)	(1,369)
Additions to plant and equipment	34	122	156
Finance Costs	330	70	400

<u>30 November 2012</u>	Stockbroking	Investment Holding	Total
	RM'000	RM'000	RM'000
<u>Total Revenue</u>			
- Revenue	16,864	387	17,221
- Other Income	924	102	1,026
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	17,788	459	18,247
Overhead Expenses	(12,693)	(608)	(13,301)
<u>Results</u>			
Segment Results From Operations	5,095	(149)	4,946
Taxation			(1,451)

			3,495
			=====
<u>Assets And Liabilities</u>			
Segment Assets	300,297	132,044	432,342
Segment Liabilities	196,559	254	196,813
<u>Other Information</u>			
(Gain) On Revaluation Of Financial Assets At Fair Value Through Profit Or Loss	(2)	(586)	(587)
(Gain) On Disposal Of Financial Assets At Fair Value Through Profit Or Loss	-	(95)	(95)
Depreciation Of Plant And Equipment	567	-	567
Interest Income	(1,367)	(9)	(1,376)
Additions To Plant And Equipment	241	-	241
Finance Costs	(165)	-	(165)

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 15 January 2014 (2013: Nil).

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

11. Performance Review

The Group reported a total operating revenue of RM14.08 million for the second quarter ended 30 November 2013, which is 79% higher compared to RM7.87 million recorded in the corresponding quarter ended 30 November 2012. The increase in operating revenue of the Group is mainly attributable to the higher brokerage income and fund management fee income generated by the stockbroking segment and investment management segment respectively.

The Group's profit before tax for the second quarter ended 30 November 2013 of RM7.57 million is higher by RM7.49 million compared to the corresponding quarter ended 30 November 2012 of RM0.78 million which is due to higher operating revenue and investment income for the current quarter under review.

12. Comparison With Immediate Preceding Quarter

The Group's profit before tax of RM7.57 million for the current quarter, is lower than the preceding quarter's profit before tax of RM8.88 million by RM1.31 million. The lower profit before tax for the current quarter were due to higher commission paid for the current quarter, partly offset by higher write back the value of investment.

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:

	6-month cumulative for financial period to date 30 November 2013 RM'000
Malaysian income tax:	
- Current year	4,252 =====
Reconciliation of effective tax expenses:	
Profit before taxation	16,450 -----
Tax at Malaysian tax rate of 25%	4,112
Add:	
Non-deductible expenses	140 -----
	4,252 =====

16. Corporate Proposals

There are no corporate proposals announced but not completed as at 15 January 2014.

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 15 January 2014.

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 RM6.24 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 30 November 2013.

21. Auditors' Report On Preceding Annual Financial Statements

The financial statement for the year ended 31 May 2013 was not subjected to any audit qualification.

22. Profit Before Taxation

Included in the profit before tax are:

	6 Months Ended 30 November 2013	6 months Ended 30 November 2012
	RM'000	RM'000
Interest income	(1,162)	(1,376)
Financial assets at fair value through profit or loss:		
- (Gain)/Loss on revaluation	(7,233)	209
- (Gain)/Loss on disposal	(3,710)	(95)
- Dividend income	(609)	(349)
Depreciation of plant and equipment	588	567
Bad and doubtful debts	-	18

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 30 November 2013	As at 30 November 2012
	RM'000	RM'000
Total retained profits		
- Realised	81,077	74,941
- Unrealised	12,213	10,308
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Total retained profits as per unaudited consolidated financial statements	93,290	85,249
	=====	=====

BY ORDER OF THE BOARD

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SITI NURMAZITA BINTI MUSTAPHA
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Joint Company Secretaries

Kuala Lumpur
22 January 2014