

KAF-SEAGROATT & CAMPBELL BERHAD (207572-T)
ANNOUNCEMENT OF THE UNAUDITED CONSOLIDATED QUARTERLY FINANCIAL
STATEMENTS FOR THE FINANCIAL QUARTER ENDED 28 FEBRUARY 2015

The Board of Directors is pleased to announce the unaudited consolidated financial statements for the financial quarter ended 28 February 2015.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 28 FEBRUARY 2015

	28 FEBRUARY	31 MAY
	<u>2015</u>	<u>2014</u>
	RM'000	RM'000
Non-Current Assets		
Property and equipment	2,016	2,525
Computer software	423	239
Intangible assets	5,109	5,157
Investment properties	8,374	8,374
Financial assets at fair value through profit or loss	29	154
Available-for-sale financial assets	44,039	11,904
Deferred tax assets	1,131	1,145
	<u>61,121</u>	<u>29,498</u>
Current Assets		
Financial assets at fair value through profit or loss	26,692	78,751
Balances due from clients and brokers	341,805	426,210
Trade and other receivables	3,947	2,700
Cash and cash equivalents	156,038	136,813
Tax recoverable	4,594	2,229
	<u>533,076</u>	<u>646,703</u>
Current Liabilities		
Balances due to clients and brokers	334,405	419,638
Trade and other payables	9,392	12,821
Current tax liability	40	500
	<u>343,837</u>	<u>432,959</u>
Net Current Assets	189,239	213,744
	<u>250,360</u>	<u>243,242</u>
Capital And Reserves		
Share capital	120,000	120,000
Reserves	124,387	117,562
Total equity attributable to owners of the parent	244,387	237,562
Non-controlling interest	5,973	5,680
Total equity	<u>250,360</u>	<u>243,242</u>

The Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 May 2014.

The notes set out on pages 6 to 11 form an integral part of, and should be read in conjunction with this interim financial report.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2015**

	3 MONTHS ENDED 28 FEBRUARY 2015 RM'000	3 MONTHS ENDED 28 FEBRUARY 2014 RM'000	9 MONTHS ENDED 28 FEBRUARY 2015 RM'000	9 MONTHS ENDED 28 FEBRUARY 2014 RM'000
Operating revenue	9,203	10,659	30,728	38,086
Other income	2,891	3,428	7,161	12,114
Staff expenses	(4,119)	(3,021)	(12,129)	(9,313)
Commission	(1,516)	(2,424)	(5,213)	(9,687)
Rental of premises	(374)	(412)	(1,047)	(1,300)
Depreciation of plant & equipment	(278)	(276)	(812)	(822)
Amortisation of computer software	(37)	(22)	(86)	(64)
Repairs and maintenance	(712)	(642)	(1,809)	(1,747)
Levy charges	(285)	(328)	(902)	(1,163)
Other operating expenses	(998)	(1,669)	(8,415)	(3,960)
Profit from operations	3,775	5,293	7,476	22,144
Finance costs	(74)	(128)	(233)	(528)
Profit before taxation	3,701	5,165	7,243	21,616
Taxation	(1,960)	(3,602)	(1,960)	(7,855)
Net profit for the period	1,741	1,563	5,283	13,761
Other comprehensive income:				
Changes in fair value of available-for-sale financial asset	1,336	-	2,135	-
Other comprehensive income for the period	1,336	-	2,135	-
Total comprehensive income for the period	3,077	1,563	7,418	13,761
Net profit for the period attributable to:				
Owners of the parent	1,713	1,524	4,990	13,558
Non-controlling interest	28	39	293	203
	1,741	1,563	5,283	13,761
Total comprehensive income attributable to:				
Owners of the parent	3,049	1,524	7,125	13,558
Non-controlling interest	28	39	293	203
	3,077	1,563	7,418	13,761
Earnings per ordinary share (sen)				
- Basic	1.43	1.27	4.16	11.30

The Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 May 2014.

The notes set out on pages 6 to 11 form an integral part of, and should be read in conjunction with this interim report.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2015**

	Attributable to the owners of the parent					Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Capital reserve RM'000	Available-for-sale reserve RM'000	Retained earnings RM'000	Sub-total RM'000		
Balance as at 1 June 2014	120,000	30,000	370	87,192	237,562	5,680	243,242
Total comprehensive income for the period	-	-	2,135	4,990	7,125	293	7,418
Dividend paid by a subsidiary to non-controlling interests	-	-	-	(300)	(300)	-	(300)
Balance as at 28 February 2015	120,000	30,000	2,505	91,882	244,387	5,973	250,360
Balance as at 1 June 2013	120,000	30,000	-	90,255	240,255	5,191	245,446
Total comprehensive income for the financial year	-	-	370	14,937	15,307	489	15,796
Dividends	-	-	-	(18,000)	(18,000)	-	(18,000)
Balance as at 31 May 2014	120,000	30,000	370	87,192	237,562	5,680	243,242

The Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 May 2014.

The notes set out on pages 6 to 11 form an integral part of, and should be read in conjunction with this interim financial report.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2015**

	9 MONTHS ENDED 28 FEBRUARY 2015 RM'000	9 MONTHS ENDED 28 FEBRUARY 2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	7,243	21,616
<i>Adjustments for:</i>		
Write-back of impairment on clients' and brokers' balances	(20)	(7)
Financial assets at fair value through profit or loss		
- Unrealised fair value loss/(gain)	3,709	(8,968)
- Dividend income	(1,416)	(633)
- Realised gain on disposal	(2,543)	(156)
Loss on disposal of fixed asset	-	-
Depreciation of property and equipment	812	822
Amortisation of computer software	86	64
Interest income	(3,529)	(2,295)
	<u>4,342</u>	<u>10,443</u>
Net decrease in clients' and brokers' balances	(808)	(1,417)
Net (increase)/decrease in trade and other receivables	(1,185)	123
Decrease in creditors and other payables	(3,429)	(8,390)
Net cash (used)/generated from operations	(1,080)	759
Interest received	3,529	2,295
Net tax paid	(4,785)	(4,310)
Net cash used in operating activities	<u>(2,336)</u>	<u>(1,256)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Financial assets at fair value through profit or loss		
- Purchase	(1,539)	(202,497)
- Proceeds from disposal	52,557	195,280
- Dividend received	1,416	633
Purchase of available-for-sale financial assets	(30,000)	-
Purchase of property and equipment	(303)	(246)
Purchase of computer software	(270)	(25)
Net cash generated from/(used in) investing activities	<u>21,861</u>	<u>(6,855)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid to shareholders of the Company	(300)	(9,000)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>19,225</u>	<u>(17,111)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>136,813</u>	<u>125,986</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u><u>156,038</u></u>	<u><u>108,875</u></u>

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2015 (Continued)

	9 MONTHS ENDED 28 FEBRUARY 2015 RM'000	9 MONTHS ENDED 28 FEBRUARY 2014 RM'000
Cash and cash equivalents comprise the following:		
Cash and bank balances	9,282	10,599
Deposits placed with a licensed bank	146,756	98,276
	<u>156,038</u>	<u>108,875</u>

The Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 May 2014.

The notes set out on pages 6 to 11 form an integral part of, and should be read in conjunction with this interim financial report.

KAF-SEAGROATT & CAMPBELL BERHAD (207572-T)

EXPLANATORY NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 28 FEBRUARY 2015

Part A: Explanatory Notes Pursuant To MFRS 134

1. Basis of Preparation

The interim financial statements are unaudited and have 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. This quarterly report should be read in conjunction with the audited financial statements of the Group for the last financial year ended 31 May 2014 and accompanying explanatory notes.

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 2014. The new accounting standards, amendments and improvements to published standards and interpretations that are effective for the Group's financial year beginning on or after 1 June 2013 are as follows:

MFRS 10	Consolidated Financial Statements
MFRS 13	Fair Value Measurement
Amendment to MFRS 119	Employee benefits
Amendment to MFRS 7	Financial Instruments: Disclosures
Amendments to MFRS 10, 11 & 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance

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 and the Company.

2. Comments About Seasonal Or Cyclical Factors

The result of the Group was dependent on the performance of the Malaysian securities market.

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

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

4. Changes In Estimates

There were 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 were 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 Group is involved in investment holding, stockbroking, management of unit trust funds, provision of corporate fund management 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 2015</u>	Stock- broking RM'000	Asset Management RM'000	Investment Holding RM'000	<u>Total</u> RM'000
<u>Total Revenue</u>				
Revenue	24,956	5,042	730	30,728
Other income	2,801	442	3,918	7,161
	<u>27,757</u>	<u>5,484</u>	<u>4,648</u>	37,889
Overhead expenses	(20,922)	(4,155)	(5,569)	(30,646)
<u>Results</u>				
Segment results from operations	6,835	1,329	(921)	7,243
Taxation				(1,960)
				5,283
<u>Assets And Liabilities</u>				
Segment assets	478,223	21,146	94,788	594,157
Segment liabilities	340,471	3,331	35	343,837
<u>Other Information</u>				
Financial assets at fair value through profit or loss				
- Net unrealised fair value loss	-	(200)	(3,509)	(3,709)
- Net realised gain on disposal	-	348	2,195	2,543
Depreciation of property and equipment	765	47	-	812
Amortisation of computer software	38	48	-	86
Interest income	3,050	289	190	3,529
Additions to property and equipment	155	148	-	303
Additions to computer software	30	240	-	270
Finance costs	224	9	-	233

7. Segmental Information (Continued)

<u>28 February 2014</u>	Stock- broking RM'000	Asset Management RM'000	Investment Holding RM'000	<u>Total</u> RM'000
<u>Total Revenue</u>				
Revenue	31,786	5,655	645	38,086
Other income	1,529	165	10,420	12,114
	<u>33,315</u>	<u>5,820</u>	<u>11,065</u>	<u>50,200</u>
Overhead expenses	(22,925)	(4,854)	(805)	(28,584)
<u>Results</u>				
Segment results from operations	10,390	966	10,260	21,616
Taxation				(7,855)
				<u>13,761</u>
<u>Assets And Liabilities</u>				
Segment assets	295,159	21,707	122,269	439,135
Segment liabilities	282,088	4,690	2,150	288,928
<u>Other Information</u>				
Financial assets at fair value through profit or loss				
- Net unrealised fair value gain	-	84	9,784	9,868
- Net realised gain on disposal	-	-	156	156
Depreciation of property and equipment	802	20	-	822
Amortisation of computer software	46	18	-	64
Interest income	1,770	59	466	2,295
Additions to property and equipment	84	162	-	246
Additions to computer software	9	16	-	25
Finance costs	454	8	66	528

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 were no changes in the composition of the Company during the current quarter.

10. Contingent Assets And Liabilities

There were no contingent assets and liabilities outstanding as at 14 April 2015 (2014: Nil).

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

11. Performance Review

The Group reported total operating revenue of RM9.2 million for the third quarter ended 28 February 2015, 14% lower as compared to RM10.6 million recorded in the corresponding quarter ended 28 February 2014. The decrease in Group's operating revenue was mainly due to the lower brokerage and management fees income generated by the stockbroking and asset management segments respectively.

The Group reported profit before tax of RM3.7 million for the current quarter ended 28 February 2015 compared to RM5.2 million reported for previous year's corresponding quarter. The decrease was mainly due to lower operating revenue and other income for current quarter as compared to the previous year's corresponding quarter.

12. Comparison With Immediate Preceding Quarter

The Group's total operating revenue of RM9.2 million for the current quarter ended 28 February 2015 was marginally lower as compared to the immediate preceding quarter ended 30 November 2014 of RM9.7 million. It was due to lower dividend income received in the current quarter.

Despite lower operating revenue, the Group reported profit before tax of RM3.7 million for the current quarter which was RM5.0 million higher as compared to the loss before tax of RM1.3 million for the immediate preceding quarter ended 30 November 2014. The improvement in PBT was primarily contributed by the increase in unrealised fair value gain of financial assets.

13. Commentary On Prospects And Targets

There were 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 were 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

	Current Quarter Ended 28 February 2015 RM'000	Nine Months Ended 28 February 2015 RM'000
Malaysian income tax:		
- Current year provision	1,932	1,932
- Under provision in prior years	28	28
	<u>1,960</u>	<u>1,960</u>
Reconciliation of effective tax expenses:		
Profit before taxation	3,701	7,243
Tax at Malaysian tax rate of 25%	925	1,811
Non-deductible expenses	67	254
Non-taxable income	(5)	(354)
Temporary difference not recognised	945	221
	<u>1,932</u>	<u>1,932</u>
Under provision in prior years		
- Income tax	28	28
	<u>1,960</u>	<u>1,960</u>

16. Corporate Proposals

There were no corporate proposals announced but not completed as at 14 April 2015.

17. Borrowings And Debt Securities

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

18. Material Litigations

There were no material litigations pending as at 14 April 2015.

19. Proposed Dividends

The Board of Directors has declared a single tier interim dividend of 10.0 sen per ordinary share in respect of the financial year ending 31 May 2015.

20. Earnings Per Share

Basic earnings per share is calculated by dividing the profit for the financial period attributable to owner of the parent of RM4.99 million by the number of ordinary shares of RM120 million in issue during the financial period.

There were no dilutive potential ordinary shares outstanding as at the end of the reporting period.

21. Auditors' Report On Preceding Annual Financial Statements

The financial statement for the financial year ended 31 May 2014 was not subjected to any audit qualification.

22. Profit Before Taxation

Included in the profit before tax are:

	Current Quarter Ended <u>28 February 2015</u> RM'000	Nine Months Ended <u>28 February 2015</u> RM'000
Interest income	1,280	3,529
Financial assets at fair value through profit or loss:		
- Net unrealised fair value gain/(loss)	1,417	(3,709)
- Net gain on disposal	159	2,543
- Dividend income	19	1,416
Depreciation of plant and equipment	278	812
Amortisation of computer software	37	86
Bad and doubtful debts recovered	7	20

23. Retained Earnings

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

	As at <u>28 February 2015</u> RM'000	As at <u>28 February 2014</u> RM'000
Total retained earnings		
- Realised	82,106	70,907
- Unrealised	9,776	14,906
Total retained earnings as per unaudited consolidated financial statements	<u><u>91,882</u></u>	<u><u>85,813</u></u>

BY ORDER OF THE BOARD

WENDY CHIN NGEOK MUI
(MAICSA NO: 7003178)

SITI NURMAZITA BINTI MUSTAPHA
(LS0009160)

Joint Company Secretaries

Kuala Lumpur
23 April 2015