KAF-SEAGROATT & CAMPBELL BERHAD (207572-T)
ANNOUNCEMENT OF THE UNAUDITED CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MAY 2015

The Board of Directors is pleased to announce the unaudited consolidated financial statements for the financial quarter ended 31 May 2015.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MAY 2015

	MAY 2015 RM'000	MAY 2014 RM'000
Non-Current Assets		
Property and equipment	1,932	2,525
Computer software	1,217	239
Intangible assets	5,157	5,157
Investment properties	8,374	8,374
Financial assets at fair value through profit or loss	-	154
Available-for-sale financial assets	8,753	11,904
Deferred tax assets	727	1,145
	26,160	29,498
Current Assets		
Financial assets at fair value through profit or loss	91,398	78,751
Balances due from clients and brokers	345,038	426,210
Trade and other receivables	4,348	2,700
Cash and cash equivalents	155,970	136,813
Tax recoverable	5,471	2,229
	602,225	646,703
Current Liabilities		
Balances due to clients and brokers	338,816	419,638
Trade and other payables	16,753	12,821
Current tax liability	-	500
	355,569	432,959
Net Current Assets	246,656	213,744
	272,816	**243,242**
Capital And Reserves		
Share capital	120,000	120,000
Reserves	112,854	117,562
Total equity attributable to owners of the parent	232,854	237,562
Non-controlling interest	39,962	5,680
Total equity	**272,816**	**243,242**

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 QUARTER ENDED 31 MAY 2015

	3 MONTHS ENDED 31 MAY 2015 RM'000	3 MONTHS ENDED 31 MAY 2014 RM'000	YEAR ENDED 31 MAY 2015 RM'000	YEAR ENDED 31 MAY 2014 RM'000
Operating revenue	12,203	12,707	42,931	50,793
Other income	1,612	808	3,852	12,922
Staff expenses	(7,203)	(8,477)	(19,332)	(17,789)
Commission	(3,298)	(2,299)	(8,511)	(11,986)
Rental of premises	(326)	(275)	(1,373)	(1,575)
Depreciation of plant & equipment	(290)	(274)	(1,102)	(1,096)
Amortisation of computer software	(27)	- 29	(113)	(128)
Repairs and maintenance	(689)	(545)	(2,498)	(2,292)
Levy charges	(480)	(421)	(1,382)	(1,583)
Other operating expenses	(1,906)	(1,760)	(5,400)	(5,673)
Profit from operations	(404)	(565)	7,072	21,593
Finance costs	(73)	(80)	(306)	(608)
(Loss)/profit before taxation	(477)	(645)	6,766	20,985
Taxation	(464)	2,296	(2,424)	(5,559)
Net (loss)/profit for the financial year	**(941)**	**1,651**	**4,342**	**15,426**
Other comprehensive income:				
Changes in fair value of available-for-sale financial asset	964	370	3,099	370
Other comprehensive income for the financial year	964	370	3,099	370
Total comprehensive income for the financial year	**23**	**2,021**	**7,441**	**15,796**
Net (loss)/profit for the period attributable to:				
Owners of the parent	(797)	1,376	4,193	14,937
Non-controlling interest	(144)	275	149	489
	(941)	**1,651**	**4,342**	**15,426**
Total comprehensive income attributable to:				
Owners of the parent	167	1,746	7,292	15,307
Non-controlling interest	(144)	275	149	489
	23	**2,021**	**7,441**	**15,796**
Earnings per ordinary share (sen)				
- Basic	- 0.66	1.15	3.49	12.45

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 financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 MAY 2015

	Attributable to the owners of the parent						
	Share capital	Capital reserve	Available-for -sale reserve	Retained earnings	Sub-total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 June 2014	120,000	30,000	370	87,192	237,562	5,680	243,242
Total comprehensive income for the financial year	-	-	3,099	4,193	7,292	149	7,441
Dividends	-	-	-	(12,000)	(12,000)	- 300	(12,300)
Investment fund controlled by the Group	-	-	-	-	-	34,433	34,433
Balance at 31 May 2015	**120,000**	**30,000**	**3,469**	**79,385**	**232,854**	**39,962**	**272,816**
Balance 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 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 QUARTER ENDED 31 MAY 2015

	YEAR ENDED MAY 2015 RM'000	YEAR ENDED MAY 2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	6,766	20,985
Adjustments for:		
Write-back of impairment on clients' and brokers' balances	(14)	(11)
Financial assets at fair value through profit or loss		
- Unrealised fair value loss/(gain)	3,556	(8,486)
- Dividend income	(833)	(689)
- Realised gain on disposal	(2,837)	(1,128)
Depreciation of property and equipment	1,102	1,096
Amortisation of computer software	113	128
Impairment loss on plant and equipment	-	97
Interest income from margin account	(421)	(413)
Interest income from deposit placements	(4,449)	(2,781)
	2,983	8,798
Net decrease in clients' and brokers' balances	364	2,530
(Increase)/decrease in trade and other receivables	(1,229)	588
Increase/(decrease) in creditors and other payables	3,932	(4,290)
Net cash generated from operations	6,050	7,626
Interest received	4,870	3,194
Net tax paid	(6,166)	(6,387)
Net cash generated from operating activities	**4,754**	**4,433**
CASH FLOWS FROM INVESTING ACTIVITIES		
Financial assets at fair value through profit or loss		
- Purchase	- 1,847	(207,918)
- Proceeds from disposal	57,328	243,603
- Dividend received	833	689
Purchase of available-for-sale financial assets	(28,011)	(11,534)
Purchase of plant and equipment	(509)	(314)
Purchase of computer software	(1,091)	(132)
Net cash generated from/(used in) investing activities	**26,703**	**24,394**
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid to shareholders of the Company	(12,300)	(18,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS	19,157	10,827
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	136,813	125,986
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**155,970**	**136,813**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 31 MAY 2015 (Continued)

	YEAR ENDED MAY 2015 RM'000	YEAR ENDED MAY 2014 RM'000
Cash and cash equivalents comprise the following:		
Cash and bank balances	12,478	7,016
Deposits placed with a licensed bank	143,492	129,797
	155,970	**136,813**

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 31 MAY 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 financial statements of the Group have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements have been prepared under the historical cost convention unless otherwise stated in this summary of significant accounting policies.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires the Directors to exercise their judgment in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ from the estimates.

(i) Standards amendments to published standards and interpretations that are effective

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 2014 are as follows;

- Amendments to MFRS 132 'Offsetting Financial Assets and Financial Liabilities'
- Amendments to MFRS 136 'Recoverable Amount Disclosures for Non-Financial Assets'

(ii) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group but not yet effective

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 June 2014. None of these is expected to have a significant effect on the financial statements of the Group, except the following set out below:

- Amendments to MFRS 116 'Property, Plant and Equipment' and MFRS 138 'Intangible Assets' (effective from 1 January 2016) clarify that the use of revenue-based methods to calculate the depreciation and amortisation of an item of property, plant and equipment and intangible are not appropriate. This is because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

1. Basis of Preparation (Continued)

The amendments to MFRS 138 also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption can be overcome only in the limited circumstances where the intangible asset is expressed as a measure of revenue or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

- MFRS 15 ‘Revenue from Contracts with Customers’ (effective from 1 January 2017) deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces MFRS 118 ‘Revenue’ and MFRS 111 ‘Construction Contracts’ and related interpretations.
- MFRS 9 ‘Financial Instruments’ (effective from 1 January 2018) will replaces MFRS 139 "Financial Instruments: Recognition and Measurement". The complete version of MFRS 9 was issued in November 2014.

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with a irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

There is now a new expected credit losses model on impairment for all financial assets that replaces the incurred loss impairment model used in MFRS 139. The expected credit losses model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Group will apply these standards when effective. The Group is currently assessing the impact of the new requirements on the financial statements of the Group.

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 paid a single tier interim dividend of 10.0 sen per ordinary share on 21 May 2015 in respect of the financial year ended 31 May 2015.

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.

May 2015	Stock-broking RM'000	Asset Manager RM'000	Investment Holding RM'000	**Total RM'000**
Total Revenue				
Revenue	35,486	6,566	879	**42,931**
Other income	3,831	548	(527)	**3,852**
	39,317	7,114	352	**46,783**
Overhead expenses	(32,392)	(6,356)	(1,269)	**(40,017)**
Results				
Segment results from operations	6,925	758	(917)	**6,766**
Taxation				**(2,424)**
				4,342
Assets And Liabilities				
Segment assets	466,648	20,337	141,988	**628,973**
Segment liabilities	349,284	3,072	3,213	**355,569**
Other Information				
Financial assets at fair value through profit or loss				
- Net unrealised fair value loss	-	(208)	(3,348)	**(3,556)**
- Net realised gain on disposal	-	348	2,489	**2,837**
Depreciation of property and equipment	1,027	75	-	**1,102**
Amortisation of computer software	51	62	-	**113**
Interest income	4,141	403	326	**4,870**
Additions to property and equipment	268	241	-	**509**
Additions to computer software	15	1,076	-	**1,091**
Finance costs	295	11	-	**306**

7. Segmental Information (Continued)

May 2014	Stock-broking	Asset Management	Investment Holding	**Total**
	RM'000	RM'000	RM'000	**RM'000**
Total Revenue				
Revenue	42,277	7,785	731	**50,793**
Other income	2,584	389	9,949	**12,922**
	44,861	8,174	10,680	**63,715**
Overhead expenses	(34,932)	(6,281)	(1,517)	**(42,730)**
Results				
Segment results from operations	9,929	1,893	9,163	**20,985**
Taxation				**(5,559)**
				15,426
Assets And Liabilities				
Segment assets	565,612	19,930	93,659	**679,201**
Segment liabilities	430,040	2,149	770	**432,959**
Other Information				
Financial assets at fair value through profit or loss				
- Net unrealised fair value gain	-	191	8,295	**8,486**
- Net realised gain on disposal	-	-	1,128	**1,128**
Depreciation of property and equipment	1,067	29	-	**1,096**
Amortisation of computer software	61	67	-	**128**
Interest income	2,596	85	513	**3,194**
Additions to property and equipment	155	159	-	**314**
Additions to computer software	50	82	-	**132**
Finance costs	529	12	67	**608**

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

The Company invested 51% in KAF Sukuk Fund (KSF) in December 2014. In accordance with MFRS 10 "Consolidated Financial Statements', the Group is required to account for KSF as a subsidiary and consolidate the financial statements of KSF.

10. Contingent Assets And Liabilities

There were no contingent assets and liabilities outstanding as at 31 May 2015 (2014: Nil).

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

11. Performance Review for the Current Quarter

The Group reported total operating revenue of RM12.2 million for the fourth quarter ended 31 May 2015, marginally lower as compared to RM12.7 million recorded in the corresponding quarter ended 31 May 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.

As a result, the Group recorded before tax loss of RM0.48 million for the current quarter ended 31 May 2015 compared to before tax loss of RM0.65 million reported for previous year's corresponding quarter.

12. Comparison With Immediate Preceding Quarter

The Group's total operating revenue of RM12.2 million for the current quarter ended 31 May 2015 was 32% higher as compared to the immediate preceding quarter ended 28 February 2015 of RM9.2 million. It was due to higher brokerage income received in the current quarter as compared to the immediate preceding quarter.

The Group reported before tax loss of RM0.48 million for the current quarter compared to the profit before tax of RM3.7 million for the immediate preceding quarter ended 28 February 2015 due to higher staff cost recorded in the current quarter as compared to the immediate preceding quarter.

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 May 2015 RM'000	Year Ended May 2015 RM'000
Malaysian income tax:		
- Current year provision	302	2,234
- Under/(over) provision in prior years	(242)	(214)
	60	2,020
Deferred tax expense	404	404
	464	2,424
Reconciliation of effective tax expenses:		
Profit before taxation	(477)	6,766
Tax at Malaysian tax rate of 25%	(119)	1,692
Non-deductible expenses	893	1,147
Income not subject to tax	(47)	(180)
Remeasurement of deferred tax - change in tax rate	(21)	(21)
	706	2,638
Over provision in prior years	(242)	(214)
	464	2,424

16. Corporate Proposals

There were no corporate proposals announced but not completed as at 24 July 2015.

On 30 July 2015, the Company received a written notice from KAF Investment Bank Berhad ("KAFIB") notifying that KAFIB had on even date entered into a conditional share sale agreement ("SSA") with AKKA Sdn Bhd, AKKA Holdings Sdn Bhd, Datuk Khatijah binti Ahmad and Thariq Usman bin Ahmad to acquire 92,090,000 ordinary shares of RM1.00 each in the Company ("Share(s)"), representing approximately 76.74% of the equity interest in the Company for a total cash consideration of RM248,643,000 ("Proposed Acquisition").

Upon fulfillment of the conditions precedent under the SSA and the completion of the Proposed Acquisition, KAFIB will become a major shareholder of the Company, holding 76.74% of the equity interest in the Company. Accordingly, pursuant to Section 218(2) of the Capital Markets & Services Act, 2007 ("CMSA") and Section 9(1), Part III of the Malaysian Code on Take-Overs and Mergers, 2010 ("Code"), KAFIB will be obliged to extend the proposed mandatory general offer ("Proposed MGO") for all the remaining Shares not already owned by KAFIB after the Proposed Acquisition for a cash consideration of RM2.70 per Share.

Upon the SSA becoming unconditional, KAFIB will serve the written notice of the Proposed MGO to the board of directors of the Company in accordance with Section 11(8) of the Code.

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 24 July 2015.

19. Proposed Dividends

No final dividend is recommended for the quarter under review.

20. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit for the financial period attributable to owner of the parent of RM4.193 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 May 2015 RM'000	Year Ended May 2015 RM'000
Interest income	1,341	4,870
Financial assets at fair value through profit or loss:		
- Net unrealised fair value gain/(loss)	153	(3,556)
- Net realised gain on disposal	294	2,837
- Dividend income	117	833
Depreciation of plant and equipment	290	1,102
Amortisation of computer software	27	113
Bad and doubtful debts (expense)/recovered	(7)	14

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 May 2015 RM'000	As at May 2014 RM'000
Total retained earnings		
- Realised	70,122	72,985
- Unrealised	9,263	14,207
Total retained earnings as per unaudited consolidated financial statements	**79,385**	**87,192**

BY ORDER OF THE BOARD

WENDY CHIN NGEOK MUI
(MAICSA NO: 7003178)

SITI NURMAZITA BINTI MUSTAPHA
(LS0009160)

Joint Company Secretaries

Kuala Lumpur
31 July 2015