



TUNE INS HOLDINGS BERHAD (948454-K)

Interim Financial Statements

First Quarter Ended 31 March 2013

TUNE INS HOLDINGS BERHAD (948454-K)
Interim Financial Statements (Unaudited)

Condensed Consolidated Statement of Financial Position
As at 31 March 2013

	As at 31 Mar 2013 Unaudited RM'000	As at 31 Dec 2012 Audited RM'000
ASSETS		
Property and equipment	10,306	10,411
Investment property	2,390	2,395
Intangible assets	160	157
Goodwill	29,818	29,818
Investments	536,294	474,615
Deferred tax asset	985	-
Reinsurance assets	189,584	159,970
Insurance receivables	96,897	75,977
Other receivables	37,455	36,832
Cash and bank balances	27,881	22,587
Total assets	931,770	812,762
EQUITY		
Share capital	75,176	60,838
Share premium	173,326	-
Merger deficit	(13,838)	(13,838)
Available-for-sale reserves	(2,577)	(455)
Retained earnings	75,072	61,178
Equity attributable to owners of the parent	307,159	107,723
Non-controlling interests	32,954	32,052
Total equity	340,113	139,775
LIABILITIES		
Insurance contract liabilities	464,657	439,915
Deferred tax liabilities	-	508
Provision for taxation	1,436	-
Borrowings	-	132,106
Insurance payables	95,294	68,022
Retirement benefits	1,148	1,148
Other payables	29,122	31,288
Total liabilities	591,657	672,987
Total equity and liabilities	931,770	812,762
Net assets per ordinary share attributable to owners of the parent (RM)	0.40	0.17

The condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2012.

TUNE INS HOLDINGS BERHAD (948454-K)
Interim Financial Statements (Unaudited)

Condensed Consolidated Statement of Comprehensive Income
For the financial period ended 31 March 2013

	Note	Individual Quarter	
		3 months ended	3 months ended
		31 Mar 2013	31 Mar 2012
		RM'000	RM'000
Operating revenue		86,746	16,807
Gross earned premiums		82,488	16,619
Premiums ceded to reinsurers		(30,186)	(297)
Net earned premiums		52,302	16,322
Investment income	18	4,258	188
Realised gains and losses		3,490	-
Fees and commission income		7,590	-
Other operating income		131	-
Other revenue		15,469	188
Gross claims paid		(35,139)	(342)
Claims ceded to reinsurers		7,506	-
Gross changes to contract liabilities		(4,822)	(75)
Change in contract liabilities ceded to reinsurers		10,588	-
Net claims		(21,867)	(417)
Fee and commission expenses		(14,496)	(5,317)
Management expenses		(11,581)	(2,438)
Other operating expenses		(897)	-
Finance costs		(1,903)	-
Other expenses		(28,877)	(7,755)
Profit before taxation	19	17,027	8,338
Taxation	20	(1,804)	(40)
Net profit for the period		15,223	8,298
Other comprehensive income:			
<u>Movements in available-for-sale fair value reserves:</u>			
Gain on fair value changes of AFS investments		85	-
Realised gain transferred to profit or loss		(3,484)	-
Deferred tax relating to components of other comprehensive income		850	-
Net other comprehensive income for the period		(2,549)	-
Total comprehensive income for the period		12,674	8,298
Profit attributable to:			
Owners of the parent		13,894	7,017
Non-controlling interests		1,329	1,281
		15,223	8,298
Total comprehensive income attributable to:			
Owners of the parent		11,772	7,017
Non-controlling interests		902	1,281
		12,674	8,298
Basic earnings per ordinary share (sen)	24	2.07	4.93

The condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2012.

TUNE INS HOLDINGS BERHAD (948454-K)
Interim Financial Statements (Unaudited)

Condensed Consolidated Statement of Changes In Equity
For the financial period ended 31 March 2013

	Attributable to the owners of the parent					Non-controlling interests	Total equity	
	Share capital	Share premium	Merger (deficit) / reserve	Available for-sale reserves	Retained earnings			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2013	60,838	-	(13,838)	(455)	61,178	107,723	32,052	139,775
Total comprehensive income for the period	-	-	-	(2,122)	13,894	11,772	902	12,674
Issuance of ordinary shares during the period	14,338	173,326	-	-	-	187,664	-	187,664
At 31 March 2013	75,176	173,326	(13,838)	(2,577)	75,072	307,159	32,954	340,113
At 1 January 2012	14,238	-	(13,838)	-	19,698	20,098	1,631	21,729
Total comprehensive income for the period	-	-	-	-	7,017	7,017	1,281	8,298
Dividends	-	-	-	-	-	-	(1,000)	(1,000)
At 31 March 2012	14,238	-	(13,838)	-	26,715	27,115	1,912	29,027

The condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2012.

TUNE INS HOLDINGS BERHAD (948454-K)
Interim Financial Statements (Unaudited)

Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 March 2013

	3 months ended 31 Mar 2013	3 months ended 31 March 2012
	RM'000	RM'000
Cash flows from operating activities:		
Profit before taxation	17,027	8,338
Adjustments for non-cash items	5,310	(188)
Operating profit before working capital changes:	22,337	8,150
Net change in operating assets	(51,157)	(6,090)
Net change in operating liabilities	49,310	2,528
Cash generated from operating activities	20,490	4,588
Net interest received	3,225	192
Net dividend received	110	-
Rental received	87	-
Income tax paid	(1,861)	(20)
Net cash generated from operating activities	22,051	4,760
Cash flows from investing activities		
Proceeds from disposal of property and equipment	5	-
Purchase of property and equipment	(77)	-
Purchase of intangibles	(3)	-
Advances to ultimate holding company	-	(7,893)
Net cash used in investing activities	(75)	(7,893)
Cash flows from financing activities		
Repayment of borrowings	(132,106)	-
Interest paid	(1,903)	-
Proceed from issuance of ordinary shares	187,664	-
Amount owing to ultimate holding company	538	-
Dividends paid to non-controlling interest	-	(1,500)
Net cash generated from/(used in) financing activities	54,193	(1,500)
Net increase in cash and cash equivalents	76,169	(4,633)
Cash and cash equivalents at beginning of period	139,182	33,270
Cash and cash equivalents at end of period	215,351	28,637
Cash and cash equivalents comprise:		
Fixed and call deposits (with maturity of less than three months) with licensed financial institutions	187,470	24,908
Cash and bank balances	27,881	3,729
	215,351	28,637

The condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2012.

TUNE INS HOLDINGS BERHAD (948454-K)

Interim financial statements for the period ended 31 March 2013

Notes to the Interim Financial Statements

1. Basis of preparation

The unaudited interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 'Interim Financial Reporting' issued by the Malaysian Accounting Standards Board ("MASB"), International Accounting Standard 34 'Interim Financial Reporting' as issued by International Accounting Standards Board ("IASB") and Paragraph 9.22 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the Group audited financial statements for the financial year ended 31 December 2012.

The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to gain an understanding of the changes in the financial position and performance of the Group since the last financial year ended 31 December 2012.

2. Significant accounting policies

2.1 Adoption of new and revised FRSs, Amendments to FRSs and IC Interpretations (contd.)

In the current period ended 31 March 2013, the Group adopted the following new and revised FRSs, Amendments to FRSs and IC Interpretations which are applicable to its financial statement effective for annual periods beginning on or after 1 July 2012 and 1 January 2013:

- Amendments to MFRS 1 Government Loans
- Amendments to MFRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities
- MFRS 3 Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)
- MFRS 10 Consolidated Financial Statements
- MFRS 11 Joint Arrangements
- MFRS 12 Disclosure of Interests in Other Entities
- MFRS 13 Fair Value Measurement
- Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income
- MFRS 119 Employee Benefits (IAS 19 as amended by IASB in June 2011)
- Amendments to MFRS 10, MFRS 11 and MFRS 12 Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
- MFRS 127 Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2003)
- MFRS 127 Consolidated and Separate Financial Statements (IAS 27 as amended by IASB in May 2011)
- MFRS 128 Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)
- IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine
- Annual Improvements 2009-2011 Cycle:
 - Amendment to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards
 - Amendment to MFRS 101 Presentation of Financial Statements
 - Amendment to MFRS 116 Property, Plant and Equipment
 - Amendment to MFRS 132 Financial Instruments: Presentation
 - Amendment to MFRS 134 Interim Financial Reporting
 - Amendment to IC 2 Members' Shares in Co-operatives Entities and Similar Instruments

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Interim financial statements for the period ended 31 March 2013

Notes to the Interim Financial Statements (contd.)

2. Significant accounting policies (contd.)

2.1 Adoption of new and revised FRSs, Amendments to FRSs and IC Interpretations (contd.)

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application except for MFRS 12 and Amendments to MFRS 101 which affect disclosures only and has no impact on the Group's and the Company's financial position and performance.

2.2 Standards issued but not yet effective

Effective for financial periods beginning on or after 1 January 2014

- Amendments to MFRS 132 Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 10, MFRS 12 and MFRS 127 : Investment Entities

Effective for financial periods beginning on or after 1 January 2015

- MFRS 9 Financial Instruments

The Group and the Company plans to adopt the above pronouncements when they become effective in the respective financial periods. The Group will quantify the effect when the final standards are issued.

3. Status of audit qualification

There was no audit qualification in the annual financial statements for the preceding financial year ended 31 December 2012.

4. Seasonal and cyclical factors

The Group experience seasonal fluctuations in the business, mostly within an annual cycle. In particular, the Group recorded higher gross earned premiums for our Travel Protection Plan during periods of high travel volume such as festivals and holidays, in particular during the first and fourth quarters of each calendar year. There is no significant seasonality trends for the general insurance in relation to TIMB's business.

5. Unusual items

On 20 February 2013, the entire issued and paid-up capital of the Company was listed on the Main Market of Bursa Malaysia Securities Berhad. Refer to Note 21 for detailed utilisation of IPO proceeds.

6. Change in estimates

There were no material changes of estimates of amount reported in current financial quarter ended 31 March 2013.

TUNE INS HOLDINGS BERHAD (948454-K)

Interim financial statements for the period ended 31 March 2013

Notes to the Interim Financial Statements (contd.)

7. Debt and equity securities

In conjunction with and as an integral part of the listing of the Company on the Main Market of Bursa Malaysia Securities Berhad, the Company had allotted 143,374,900 new ordinary shares of RM0.10 each in the Company ("TIH Shares") pursuant to the Company's initial public offering at an issue price of RM1.35 per TIH Shares.

The entire issued and paid-up share capital of the Company of RM75,175,998 comprising 751,759,980 TIH Shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 20 February 2013.

8. Dividends

There was no dividend paid or proposed for the current quarter ended 31 March 2013.

9. Material events subsequent to the end of the financial quarter

On 30 April 2013, the Company had entered into an Investment Agreement and the Conditional Sale and Purchase Agreement to obtain 16,499 ordinary shares of Rp.1,000,000 each representing 70% equity interest in PT. Batavia Mitratama Insurance ("BMI") at a total collective cash consideration of approximately Rp.83,852,487,868 (equivalent to approximately RM26.13 million or USD8.62 million). The investment in BMI is expected to be completed within three (3) to six (6) months from 30 April 2013. Upon the completion of the acquisition in BMI, BMI shall become a subsidiary of the Company.

Saved as disclosed above and in Note 21, the status of corporate proposal, there were no other material events from 31 March 2013 to the date of this report.

10. Changes in composition of the Group

There were no changes in the composition of the Group during the quarter under review.

11. Contingent liabilities

There were no contingent liabilities as at the date of this report.

12. Capital commitments

Approved but not contracted for:
Property and equipment

RM'000

10,000

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Interim financial statements for the period ended 31 March 2013

13. Segmental information

The Group is organised into four major business segments, investment holding, general reinsurance, life reinsurance and general insurance business. Segment information is presented in respect of the Group's business segments which are as follows:

Investment holding : Investment holding operations
 General reinsurance business : Underwriting of all classes of general reinsurance business
 Life reinsurance business : Underwriting of all life reinsurance business
 General insurance business : Underwriting of all classes of general insurance business

Financial period ended 31 March 2013

	Investment holding	General reinsurance business	Life reinsurance business	General insurance business	Inter-Group Adjustments	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Operating revenue						
External	258 ¹	13,564 ²	75 ³	72,849 ⁴	-	86,746
Inter-segment	-	8,718	-	-	(8,718)	-
	<u>258</u>	<u>22,282</u>	<u>75</u>	<u>72,849</u>	<u>(8,718)</u>	<u>86,746</u>
Results						
Profit before taxation	(3,917)	11,285	32	9,627	-	17,027
Taxation	-	(40)	-	(1,764)	-	(1,804)
Net profit for the period	<u>(3,917)</u>	<u>11,245</u>	<u>32</u>	<u>7,863</u>	<u>-</u>	<u>15,223</u>
Segment assets	<u>272,330</u>	<u>55,759</u>	<u>11,268</u>	<u>773,619</u>	<u>(181,206)</u>	<u>931,770</u>
Segment liabilities	<u>2,960</u>	<u>19,605</u>	<u>923</u>	<u>579,440</u>	<u>(11,271)</u>	<u>591,657</u>

¹ investment income of RM258K

² included investment income of RM126K

³ investment income of RM75K

⁴ included investment income of RM3.8 million

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13. Segmental information (cont'd.)

Financial period ended 31 March 2012

	Investment holding	General reinsurance business	Life reinsurance business	General insurance business	Inter-Group Adjustments	Consolidated
	RM'000	RM'000	RM'000	RM'000 (Note 1)	RM'000	RM'000
Operating revenue						
External	-	16,731	76	-	-	16,807
Inter-segment	4,000	-	-	-	(4,000)	-
	<u>4,000</u>	<u>16,731</u>	<u>76</u>	<u>-</u>	<u>(4,000)</u>	<u>16,807</u>
Results						
Profit before taxation	3,616	9,016	(294)	-	(4,000)	8,338
Taxation	-	(40)	-	-	-	(40)
Net profit for the period	<u>3,616</u>	<u>8,976</u>	<u>(294)</u>	<u>-</u>	<u>(4,000)</u>	<u>8,298</u>
Segment assets	<u>33,574</u>	<u>36,617</u>	<u>10,271</u>	<u>-</u>	<u>(28,675)</u>	<u>51,787</u>
Segment liabilities	<u>1,976</u>	<u>24,618</u>	<u>10,603</u>	<u>-</u>	<u>(14,437)</u>	<u>22,760</u>

Note 1: Nil as Tune Insurance Malaysia Berhad ("TIMB") was only acquired in May 2012

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14. Material related party transactions

Details of the relationship and transactions between the Group and its related parties are as described below. The related party transactions described were carried out on the terms and conditions obtainable in transactions with unrelated parties unless otherwise stated.

Name of company	Relationship
Tune Money Sdn Bhd ("TMSB")	Ultimate holding company
AirAsia Berhad ("AAB")	Corporate shareholder of the Company
AirAsia X Berhad ("AAX")	Related company
Tune Group.com Limited ("TGL")	Related company
Tune Hotels Regional Services Sdn Bhd ("THRS")	Related company

<i>(Expense)/Income</i>	Individual Quarter	
	3 months ended	
	31 Mar 2013	31 Mar 2012
	RM'000	RM'000
TMSB		
Reimbursement of expenses incurred	(352)	(1,106)
AAB		
Fee and commission expenses	(2,615)	-
Data management fee	(89)	-
AAX		
Fee and commission expenses	(449)	-
TGL		
Royalty fee	(250)	-
THRS		
Data management fee	(5)	-

TUNE INS HOLDINGS BERHAD (948454-K)

Interim financial statements for the period ended 31 March 2013

15. Review of performance

15.1 Results of current quarter-to-date against corresponding quarter-to-date (Financial quarter ended 31 March 2013 ("1Q13") versus financial quarter ended 31 March 2012 ("1Q12"))

Operating revenue

The Group recorded an operating revenue of RM86.7 million for 1Q13, an increase of 416% or RM69.9 million as compared to 1Q12 of RM16.8 million due to higher gross earned premiums and investment income of RM65.9 million and RM4.1 million respectively, mainly contributed by its subsidiary, TIMB, which was acquired in May 2012.

Gross earned premiums

The gross earned premiums increased from RM16.6 million for 1Q12 to RM82.5 million for 1Q13 primarily as a result of the acquisition of TIMB in May 2012 and the consolidation of TIMB's gross earned premiums of RM69.1 million for 1Q13.

The gross earned premiums of the general reinsurance operations increased from RM16.6 million in 1Q12 to RM22.2 million (including inter-segment) in 1Q13 mainly due to increase in the number of policies issued by the local insurance partners which was driven by double-digit growth in gross earned premiums issued in the key markets of China, Indonesia and Thailand and the addition of new markets, and consequently an increase in policies ceded by the respective local insurance partners.

Investment income

The investment income increased from RM188,000 for 1Q12 to RM4.3 million for 1Q13. This is mainly due to the consolidation of TIMB's interest income of RM3.8 million for 1Q13 as a result of the acquisition of TIMB in May 2012.

Profit before taxation

The Group recorded a profit before taxation of RM17.0 million for 1Q13, an increase of 104% or RM8.7 million as compared to 1Q12 of RM8.3 million. The increase was mainly due to consolidation of TIMB's profit before taxation of RM9.6 million for 1Q13 and increase in profit before taxation from general reinsurance business of RM2.3 million, which was offset by the listing expenses and finance cost totalling RM2.8 million.

15.2 Results of current quarter against immediate preceding quarter (Financial quarter ended 31 March 2013 ("1Q13") versus financial quarter ended 31 December 2012 ("4Q12"))

Operating revenue

The Group recorded operating revenue of RM86.7 million for 1Q13, a slight decrease of 4% or RM3.4 million as compared to 4Q12 of RM90.2 million.

Profit before taxation

The Group recorded a profit before taxation of RM17.0 million for 1Q13, a decrease of 35% or RM9.1 million as compared to 4Q12 of RM26.1 million mainly due to the release of provision for claims liabilities, arising from improved loss ratios from the annual actuarial valuation of TIMB, amounting to RM10 million in 4Q12.

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16. Current financial year prospects

The Group will continue to capture additional revenue by diversifying product offerings and opening new markets and improving portfolio mix of general insurance subsidiary, TIMB's insurance products and leveraging on growth in air-travel, tourism and consumer awareness of the need to purchase travel protection. The Group is expected to continue to grow profits for the financial year ending 31 December 2013 as the Group now provides travel insurance for passengers from Myanmar (with effect from May 2013 onwards) and aims to leverage on the acquisition of Zest Air by AirAsia in Philippines as well as the setting up of AirAsia India. Additionally, the Group is targeting to complete its acquisition in Indonesia as well as continue its business development efforts to offer its online insurance solution to other online distributors.

17. Explanatory note for variance from profit forecast

The Group did not issue any profit forecast for the financial year ending 31 December 2013.

18. Investment income

	Individual Quarter	
	3 months ended	
	31 Mar 2013	31 Mar 2012
	RM'000	RM'000
Rental income from investment property	87	-
Interest income:		
- Loan and receivables	3,973	188
Dividend income:		
- AFS financial assets	110	-
	<u>4,170</u>	<u>188</u>
Net amortisation of premiums on investments	88	-
	<u>4,258</u>	<u>188</u>

19. Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

	Individual Quarter	
	3 months ended	
	31 Mar 2013	31 Mar 2012
	RM'000	RM'000
Depreciation of property and equipment	182	-
Depreciation of investment property	5	-
Investment income	(4,258)	(188)
Realised gain on disposal of property and equipment	(5)	-
Realised gain on disposal of AFS investments	(3,484)	-
Allowance for impairment losses of insurance receivables	5	-
Net foreign exchange loss	64	66
Unrealised foreign exchange loss/(gain)	1	-
Finance costs	1,903	-
Listing expenses	897	-

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Interim financial statements for the period ended 31 March 2013

20. Taxation

	Individual Quarter	
	3 months ended	
	31 Mar 2013	31 Mar 2012
	RM'000	RM'000
Profit before taxation	17,027	8,338
Current income tax expense	2,312	40
Deferred tax expense	(508)	-
Total income tax expense	1,804	40
Effective tax rate (%)	10.59%	0.48%

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expenses at the effective income tax rate is as follows:

Profit before taxation	17,027	8,338
Taxation at Malaysian statutory tax rate of 25%	4,257	2,085
Effect of chargeable profits subject to RM20,000	(2,781)	(2,214)
Expenses not deductible for tax	328	169
Tax expense for the period	1,804	40

The effective tax rate is lower than the statutory rate because certain subsidiaries based in Labuan had elected to be taxed at RM20,000 per entity in accordance with Section 7(1) of the Labuan Business Activity Tax Act, 1990.

TUNE INS HOLDINGS BERHAD (948454-K)

Interim financial statements for the period ended 31 March 2013

21. Status of corporate proposal and utilisation of proceeds

On 8 January 2013, the Company obtained approval for the following:-

Initial public offering (IPO) of up to 210,224,900 ordinary shares of RM0.10 each in Tune Ins Holdings Berhad ("TIH") ("TIH shares") comprising a public issue of up to 143,374,900 new TIH shares ("public issue shares") and an offer for sale of up to 66,850,000 existing TIH shares ("offer shares") comprising:

- (i) the institutional offering of up to 102,028,100 public issue shares and up to 66,850,000 offer shares to:
 - (a) Malaysian institutional and selected investors including bumiputera investors approved by the Ministry of Finance; and
 - (b) foreign institutional and selected investors outside the United States in reliance on regulations under the United States Securities Act of 1933, as amended,
 at the institutional price to be determined by way of bookbuilding; and
- (ii) the retail offering of up to 41,346,800 public issue shares to:
 - (a) Malaysian citizens, companies, co-operatives, societies and institutions; and
 - (b) the eligible directors, employees and persons who have contributed to the success of TIH and its subsidiaries,
 at the retail price of RM1.35 per public issue share,

On 20 February 2013, the Company's shares were successfully listed on the Main Market of Bursa Securities.

Status of utilisation of proceeds raised from IPO as at 20 May 2013 is as follows:

Purposes	Proposed utilisation RM million	Actual utilisation RM million	Estimated timeframe for use from the listing date
(i) Repayment of bank borrowings	133.0	133.0	Upon listing - repaid on 20 Feb 2013
(ii) Working capital	16.6	-	Within 24 months
(iii) Strategic investments	33.0	6.2	Within 24 months
(iv) Listing expenses	11.0	10.5	Within 3 month
Total gross proceeds	<u>193.6</u>	<u>149.7</u>	

22. Borrowings and debts securities

As at the reporting date, there were no short-term borrowings and the Group had not issued any debt securities.

23. Material litigation

There are no material litigations at the date of this report.

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24. Earnings per share

Basic earnings per share of the Group are calculated by dividing the net profit attributable to ordinary equity holders for the financial period by the weighted average number of ordinary shares in issue.

	Individual Quarter	
	3 months ended	
	31 Mar 2013	31 Mar 2012
	RM'000	RM'000
Profit attributable to the owners of the parent	13,894	7,017
Weighted average number of ordinary shares in issue ('000)	670,722	142,385
Basic earnings per share (sen)	<u>2.07</u>	<u>4.93</u>

25. Disclosure of realised and unrealised earnings

Pursuant to the directive and guidance issued by Bursa Securities, the breakdown of the Group's retained earnings into realised and unrealised earnings is analysed as follows:

	As at	As at
	31 Mar 2013	31 Dec 2012
	RM'000	RM'000
Total retained earnings of the Group:		
- Realised	132,728	118,145
- Unrealised	<u>1,066</u>	<u>423</u>
	133,794	118,568
Consolidation adjustments	<u>(72,616)</u>	<u>(57,390)</u>
Total retained earnings as per statement of financial position	<u>75,072</u>	<u>61,178</u>

The analysis of realised and unrealised earnings is made reference to the Guidance On Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Securities Listing Requirements" issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised earnings above is solely for complying with the disclosure requirement of Bursa Securities and should not be applied for any other purposes.

This note should be read in conjunction with the Consolidated Statement of Changes in Equity.

BY ORDER OF THE BOARD

Jasmindar Kaur A/P Sarban Singh
 Company Secretary
 20 May 2013