

PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED BALANCE SHEET

	As At 30/09/2010 RM'000 (Audited)	As At 30/09/2009 RM'000 (Audited)
ASSETS		
Property, plant and equipment	20,757	21,252
Investment properties	605	605
Prepaid land lease payments	326	330
Goodwill on consolidation	1,935	1,935
Intangible assets	825	868
Deferred tax assets	5,816	13,243
Investments	662,781	706,242
Inventories - goods for resale	1,209	1,789
Loans	292	341
Trade receivables	46,510	14,650
Other receivables	16,888	18,233
Deposits and placements with financial institutions	715	4,319
Cash and bank balances	5,730	8,446
Total assets	764,389	792,253
LIABILITIES		
Provision for outstanding claims	316,768	357,760
Trade payables	23,205	8,462
Other payables	10,725	9,813
Hire purchase creditors	1,631	1,165
Borrowings	44,204	52,135
Provision for taxation	5,103	-
Total liabilities	401,636	429,335
Premium liabilities	184,205	199,573
EQUITY		
Share capital	115,422	110,680
Treasury shares	-	(3,262)
Share premium	17,132	15,483
Merger reserve	40,769	40,769
Translation reserve	2,022	(630)
Revaluation reserve	5,222	5,222
Accumulated losses	(2,019)	(4,917)
	178,548	163,345
Total liabilities, premium liabilities and equity	764,389	792,253

Net assets after the share split *		
Net assets per share (Sen)	77	75
Based on number of shares (net of treasury shares) of RM0.50 each ('000)	230,844	216,777

Net assets before the share split		
Net assets per share (Sen)	155	151
Based on number of shares (net of treasury shares) of RM1.00 each ('000)	115,422	108,389

* Computed based on the enlarged number of issued and fully paid up ordinary shares (net of treasury shares) of RM0.50 each pursuant to the share split exercise as disclosed in Note A6 (i).

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For The Year Ended 30 September 2010

	Attributable to Equity Holders of the Company							Total RM'000
	Non Distributable					Distributable		
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Merger Reserve RM'000	Translation Reserve RM'000	Revaluation Reserve RM'000	Accumulated Losses RM'000	
At 1 October 2008	110,680	(6,659)	16,823	40,769	(324)	-	(19,864)	141,425
Movements during the year	-	3,397	(1,340)	-	(306)	5,222	14,947	21,920
At 30 September 2009	110,680	(3,262)	15,483	40,769	(630)	5,222	(4,917)	163,345

	Attributable to Equity Holders of the Company							Total RM'000
	Non Distributable					Distributable		
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Merger Reserve RM'000	Translation Reserve RM'000	Revaluation Reserve RM'000	Accumulated Losses RM'000	
At 1 October 2009 (as previously stated)	110,680	(3,262)	15,483	40,769	(630)	5,222	(4,917)	163,345
Effects of adopting RBC Framework	-	-	-	-	-	-	(18,362)	(18,362)
- Change in valuation of claims liabilities	-	-	-	-	-	-	(23,279)	(23,279)
At 1 October 2009 (restated)	110,680	(3,262)	15,483	40,769	(630)	5,222	(23,279)	144,983
Movements during the year	4,742	3,262	1,649	-	2,652	-	21,260	33,565
At 30 September 2010	115,422	-	17,132	40,769	2,022	5,222	(2,019)	178,548

PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED INCOME STATEMENT

For The Year Ended 30 September 2010

	Quarter ended 30-Sep-10 RM'000	Quarter ended 30-Sep-09 RM'000	Year to date 30-Sep-10 RM'000	Year to date 30-Sep-09 RM'000
Revenue	118,309	105,831	478,358	392,494
Other operating income	695	4,648	1,353	26,901
	119,004	110,479	479,711	419,395
Operating expenses	(91,467)	(110,302)	(434,818)	(390,829)
Profit from operations	27,537	177	44,893	28,566
Finance costs	(655)	(657)	(2,632)	(2,985)
Profit / (loss) before tax	26,882	(480)	42,261	25,581
Income tax expense	(15,277)	(4,133)	(21,001)	(10,634)
Profit / (loss) for the period	11,605	(4,613)	21,260	14,947
Attributable to : Equity holders of the Company	11,605	(4,613)	21,260	14,947
Earnings per share attributable to equity holders of the Company :				
<u>After the share split *</u>				
- Basic earnings/(loss) per share (sen)	5.05	(2.14)	9.59	7.04
- Diluted earnings/(loss) per share (sen)	5.05	(2.14)	9.59	7.04
[Based on weighted average of shares (net of treasury shares) of RM0.50 each]				
<u>Before the share split</u>				
- Basic earnings/(loss) per share (sen)	10.11	(4.29)	19.18	14.08
- Diluted earnings/(loss) per share (sen)	10.10	(4.29)	19.17	14.08
[Based on weighted average of shares (net of treasury shares) of RM1.00 each]				

* Computed based on the enlarged number of issued and fully paid up ordinary shares (net of treasury shares) of RM0.50 each pursuant to the share split exercise as disclosed in note A6 (i).

PACIFIC & ORIENT BERHAD

(Company No: 308366-H)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For The Year Ended 30 September 2010

	30 September 2010 RM'000	30 September 2009 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Cash used in operations	(26,917)	(21,170)
Tax refunded, net of tax paid	1,302	1,440
Investment income received	20,513	18,305
Interest paid	(2,796)	(2,817)
	<hr/>	<hr/>
Net cash used in operating activities	(7,898)	(4,242)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(727)	(263)
Purchase of intangible assets	(159)	(51)
Capital repayment in respect of quoted investments	-	285
Disposal of investments	956	1,243
Disposal of property, plant and equipment	354	174
	<hr/>	<hr/>
Net cash generated from investing activities	424	1,388
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of shares	6,670	-
Disposal of treasury shares	3,016	3,395
Purchase of treasury shares	(2)	(1,340)
Share issuance expenses	(31)	-
Decrease in hire purchase creditors	(498)	(589)
(Repayment) / drawdown of borrowings	(18,750)	200
	<hr/>	<hr/>
Net cash (used in) / generated from financing activities	(9,595)	1,666
Effects of exchange rate changes on cash and cash equivalents	(47)	27
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(17,116)	(1,161)
Cash and cash equivalents at beginning of year	12,357	13,541
	<hr/>	<hr/>
Cash and cash equivalents at end of year	(4,759)	12,380
	<hr/>	<hr/>
Cash and cash equivalents comprise the following:		
Cash and bank balances	5,730	8,446
Bank overdraft	(11,204)	(385)
Deposits and placements with financial institutions*	715	4,319
Cash and cash equivalents as previously reported	(4,759)	12,380
	<hr/>	<hr/>
Effect of exchange rate changes	-	(23)
	<hr/>	<hr/>
Cash and cash equivalents as restated	(4,759)	12,357
	<hr/>	<hr/>

* - Includes deposits of RM643,000 (2009:RM1,951,000) which have been pledged as securities by subsidiary companies for credit facilities granted to the Group.

**A. Notes To The Interim Financial Report
For The Year Ended 30 September 2010**

A1. Basis of Preparation

The interim financial report has been prepared in accordance with Financial Reporting Standard (“FRS”) 134: Interim Financial Reporting and the Listing Requirements of Bursa Malaysia Securities Berhad (BMSB) and comply with applicable approved accounting standards issued by Malaysian Accounting Standards Board (MASB), as modified to comply with the guidelines issued by Bank Negara Malaysia (“BNM”).

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 September 2009.

The accounting policies and methods of valuation of assets and liabilities adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the year ended 30 September 2009 except for the following:

(i) Changes arising from the implementation of the Risk-Based Capital Framework at the Insurance Subsidiary Company

During the financial year, the following changes were made by the Group upon implementation of the RBC Framework by the insurance subsidiary company:

(a) Changes in valuation of investment securities

Prior to 1 October 2009, investment securities were accounted for either at (i) lower of cost or market value, or (ii) amortised cost less impairment (if any).

With the implementation of the RBC Framework, the insurance subsidiary company is required to classify and value its holdings in investment securities based on the following categories:

- 1) Held-for-Trading - measured at fair value
- 2) Held-to-Maturity - measured at amortised cost less impairment (if any)
- 3) Available-for-Sale - measured at fair value

However, as the Group has not early adopted FRS 139 - Financial Instruments - Recognition and Measurement as at 30 September 2010, the above classification and valuation of investment securities by the insurance subsidiary company are reversed and are accounted for at the Group level, either at (i) lower of cost or market value, or (ii) amortised cost less impairment (if any).

A1. Basis of Preparation (Cont'd.)

(b) Changes in valuation of premium liabilities

Prior to 1 October 2009, premium liabilities were accounted for via Unearned Premium Reserves ("UPR"). UPR represent the portion of premium income not yet earned at balance sheet date.

With the implementation of the RBC Framework, the premium liabilities are now accounted for as the higher of (1) UPR or (2) the best estimate value of unexpired risk reserves ("URR") at balance sheet date and the Provision of Risk Margin for Adverse Deviation (PRAD) calculated at 75% confidence level at the overall level of the insurance subsidiary company.

As the insurance subsidiary company's UPR is higher than its URR and the PRAD calculated at 75% confidence level at the overall level of the insurance subsidiary company, there is no impact on the financial statements.

(c) Changes in valuation of claims liabilities

Prior to 1 October 2009, provision for claims liabilities was made after taking into account estimated costs of claims including Incurred But Not Reported (IBNR) claims at balance sheet date on the basis of actual claims incurred pattern, using mathematical methods of estimation.

With the implementation of the RBC Framework, the valuation of claims liabilities now include direct and indirect claim-related expenses as well as a PRAD calculated at 75% confidence level at the overall level of the insurance subsidiary company. These changes are accounted for in accordance with the transitional provision of the RBC Framework, wherein such adjustments to claims liabilities which relate to previous years' carrying amounts have been adjusted to the accumulated losses as at 1 October 2009.

A1. Basis of Preparation (Cont'd.)

(c) Changes in valuation of claims liabilities (Cont'd.)

The effects to accumulated losses as at 1 October 2009 as a result of the adoption of the RBC Framework are as follows:

<u>Group</u>	<u>Previously stated</u> RM'000	<u>Increase/ (decrease)</u> RM'000	<u>Restated</u> RM'000
<u>Description of change</u>			
Accumulated losses	4,917	18,362	23,279
- Changes in valuation of claims liabilities		24,483	
- Deferred tax effect		(6,121)	

The effects on the balance sheet and the income statements of the Group in respect of claims liabilities for the current financial year ended 30 September 2010 have not been disclosed as it is impracticable to estimate the impact.

ii) Adoption of FRS 8: Operating Segments

FRS 8: Operating Segments which replaces FRS 114²⁰⁰⁴ Segment Reporting requires an entity to report financial and descriptive information about its operating segments on the same basis as that used for internal reporting purposes. The adoption of this standard does not have any significant impact on the financial statements of the Group.

A1. Basis of Preparation (Cont'd.)

FRS Yet To Be Effective

The Group has not adopted the following FRSs, Amendments to FRSs and Issues Committee (“IC”) Interpretations which have been issued but are not yet effective:

Effective for financial periods beginning on or after 1 January 2010

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements
FRS 123	Borrowing Costs
FRS 139	Financial Instruments - Recognition and Measurement
Amendments to FRS 1 and FRS 127	Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2	Share-based Payment - Vesting Conditions and Cancellations
Amendments to FRS 132	Financial Instruments : Presentation
Amendments to FRS 139, FRS 7 and IC Interpretation 9	Amendments to FRS 139 : Financial Instruments: Recognition and Measurement, FRS 7 : Financial Instruments: Disclosures and IC Interpretation 9 : Reassessment of Embedded Derivatives
Amendments to FRSs contained in the document entitled “Improvements to FRSs (2009)”	
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2: Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes

A1. Basis of Preparation (Cont'd.)

Effective for financial periods beginning on or after 1 January 2010 (Cont'd.)

IC Interpretation 14 FRS 119 : The Limit on a Defined Benefit Asset, Minimum
Funding Requirements and their Interaction

Effective for financial periods beginning on or after 1 March 2010

Amendments to Financial Instruments : Presentation
FRS 132

Effective for financial periods beginning on or after 1 July 2010

FRS 1 First-time Adoption of Financial Reporting Standards

FRS 3 Business Combinations

FRS 127 Consolidated and Separate Financial Statements

Amendments to FRS 2 Share-based Payment

Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued
Operations

Amendments to Intangible Assets
FRS 138

Amendments to IC Interpretation 9 : Reassessment of Embedded Derivatives
IC Interpretation 9

IC Interpretation 12 Service Concession Arrangements

IC Interpretation 15 Agreements for the Construction of Real Estate

IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation

IC Interpretation 17 Distributions of Non-cash Assets to Owners

A1. Basis of Preparation (Cont'd.)

Effective for financial periods beginning on or after 1 January 2011

Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRSs contained in the document entitled “Improvements to FRSs (2010)”	
IC Interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation 18	Transfers of Assets from Customers

Effective for financial periods beginning on or after 1 July 2011

IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Prepayments of a Minimum Funding Requirement (Amendments to IC Interpretation 14)	

Effective for financial periods beginning on or after 1 January 2012

FRS 124	Related Party Disclosure
Amendment to IC Interpretation 15	Agreements for the Construction of Real Estate

Save as disclosed below, the adoption of the above new/revised FRSs, Amendments to FRSs and IC Interpretations will not have any significant impact on the financial statements of the Group.

The impact of applying FRSs 4, 7 and 139, Amendments to FRSs 7 and 139 on the financial statements upon first adoption of these standards as required by paragraph 30(b) of FRS 108: Accounting Policies, Changes in Accounting Estimates and Errors are not required to be disclosed by virtue of exemptions given in the respective FRSs.

A1. Basis of Preparation (Cont'd.)

FRSs 119, 120, 128 and 131 contained in the document entitled "Improvements to FRSs (2009)", IC Interpretations 13 and 14 (effective for financial periods on or after 1 January 2010), IC Interpretations 12 and 15 (effective for financial periods on or after 1 July 2010), FRSs 128, 131 and IC Interpretation 13 contained in the document entitled "Improvements to FRSs (2010)" (effective for financial periods on or after 1 January 2011), Amendments to IC Interpretation 14 (effective for financial periods on or after 1 July 2011) and Amendment to IC Interpretation 15 (effective for financial periods on or after 1 January 2012) are not applicable to the Group.

A2. Audit Qualification of the Preceding Annual Financial Statements

There was no qualification in the audit report of the preceding annual financial statements of the Group.

A3. Seasonality or Cyclicity of Operations

The businesses of the Group are not subject to seasonal or cyclical fluctuations.

A4. Material Unusual Items

There were no material unusual items that affect the assets, liabilities, equity, net income or cash flows of the Group except for the change in accounting policies following the implementation of the RBC Framework by the insurance subsidiary company during the period under review. The effects of the change are shown in Note A1.

A5. Change in Estimates

There were no changes in estimates of amounts reported in prior periods that have a material effect in the year under review.

A6. Issuances, Cancellations, Repurchases, Resale and Repayments of Debts and Equity Securities (Cont'd.)

(i) Share Split

At an Extraordinary General Meeting held on 29 June 2010, the shareholders of the Company approved the subdivision of the issued and paid up share capital of the Company into two ordinary shares for every one ordinary share of RM1.00 each held in the Company ("Share Split"). In conjunction with the Share Split, the authorised share capital of the Company was subdivided from 200,000,000 ordinary shares of RM1.00 each to 400,000,000 ordinary share of RM0.50 each. The Share Split was effected on 16 July 2010 whereby 113,280,000 ordinary shares of RM1.00 each fully paid were subdivided into 226,560,000 ordinary shares of RM0.50 each fully paid and credited by Bursa Malaysia Depository Sdn. Bhd. to the shareholders' CDS accounts.

The Share Split was completed with the listing and quotation of the 226,560,000 ordinary shares of RM0.50 each fully paid on the Main Board of Bursa Malaysia Securities Berhad on 19 July 2010.

(ii) Issuance of shares

During the financial year, the Company increased its issued and paid-up share capital from RM110,680,000 to RM115,422,000 by way of:

	Number of Share '000	Exercise Price RM	Share Capital RM '000	Share Premium RM '000	Total RM '000
<u>Before Share Split</u>					
Issuance of ordinary shares at RM1.00 each pursuant to the Company's Employee Share Option Scheme ("ESOS")	3,500*	1.27 - 1.76	3,500	1,336	4,836
<u>After Share Split</u>					
Issuance of ordinary shares at RM0.50 each pursuant to the Company's ESOS	2,484	0.64 - 0.88	<u>1,242</u>	<u>592</u>	<u>1,834</u>
			<u>4,742</u>	<u>1,928</u>	<u>6,670</u>

* Includes 900,000 ordinary shares which was exercised on 13 July 2010 (before Share Split) but was allotted on 19 July 2010 (after Share Split).

All the abovementioned ordinary shares rank pari passu with the then existing ordinary shares of the Company.

A6. Issuances, Cancellations, Repurchases, Resale and Repayments of Debts and Equity Securities (Cont'd.)

(iii) Share buy-back and treasury shares disposed

On 10 March 2010, the shareholders of the Company renewed their approval for the Company's plan to purchase its own ordinary shares.

Details of the Company's shares purchased/(disposed) during the financial year are as follows:

Before Share Split

- purchased 2,000 of its issued ordinary shares of RM1.00 each fully paid from the open market at an average price of RM1.18 per share for a consideration of RM2,355. The purchase was financed by internally generated funds. These shares are held as treasury shares in accordance with Section 67A of the Companies Act, 1965.
- disposed of 879,000 treasury shares in the open market resulting in a deficit of RM86,029 which has been debited to the Share Premium account.

After Share Split

- disposed of the remaining 2,828,000 treasury shares in the open market resulting in a deficit of RM161,998 which has been debited to the Share Premium account.

(iv) There were no:

- issuances or repayments of debt securities.
- shares cancelled.

A7. Dividends Paid

No dividend has been paid in respect of the period under review.

A8. Segment Information

Year To Date 30 September 2010	Insurance RM'000	Information Technology RM'000	Investment Holding RM'000	Money Lending RM'000	Others RM'000	Elimination RM'000	Group RM'000
REVENUE							
External sales	472,142	5,900	292	24	-	-	478,358
Inter-segment sales	256	9,412	3,197	339	2	(13,206)	-
Total segment revenue	472,398	15,312	3,489	363	2	(13,206)	478,358
RESULTS							
Segment profit before tax after accounting for :	53,149	(2,182)	(11,455)	(48)	(37)	2,834	42,261
Interest income	-	61	-	12	-	(36)	37
Finance cost	(24)	(781)	(2,777)	(15)	-	965	(2,632)
Depreciation	(874)	(679)	(74)	-	-	(40)	(1,667)
Amortisation	(59)	(152)	(7)	-	-	-	(218)
Other non cash expenses	(6,922)	(1,255)	(4,964)	(281)	-	2,969	(10,453)

A9. Valuation of Property, Plant and Equipment Brought Forward

The valuations of freehold land and buildings and leasehold buildings classified as property, plant and equipment have been brought forward without any amendments from the preceding year's audited financial statements.

A10. Material Events Subsequent to End of Reporting Period

- a) Proposed Private Placement of the issued and paid-up share capital of the Company

On 22 September 2010, the Company, through AmInvestment Bank Berhad had announced that the Company proposed to undertake a private placement of new ordinary shares of RM0.50 each in the Company, representing up to ten per cent (10%) of the issued and paid-up share capital of the Company ("Proposed Private Placement").

Bursa Malaysia had, vide its letter dated 30 September 2010, approved the listing of and quotation for up to 10% or 23,192,400 new ordinary shares of RM0.50 each to be issued pursuant to the Proposed Private Placement.

As at 30 November 2010, a total of 14,550,000 of new ordinary shares of RM0.50 each fully paid have been issued pursuant to the Proposed Private Placement.

Other than the above, there were no material events subsequent to the end of the period reported up to 30 November 2010.

A11. Effect of Changes in Composition of the Group

There were no changes in the composition of the Group for the period under review.

A12. Changes in Contingent Assets and Contingent Liabilities

The Group does not have any contingent assets since the last annual balance sheet date.

Details of the Group's contingent liabilities are as follows:

	<u>Year To Date</u>	
	<u>30.09.2010</u>	<u>30.09.2009</u>
	RM'000	RM'000
Performance guarantees - secured	<u>227</u>	<u>192</u>

A13. Significant Related Party Transactions

	<u>Year To Date</u>	
	<u>30.09.2010</u>	<u>30.09.2009</u>
	RM'000	RM'000
Insurance revenue from a group of companies in which a Director is deemed interested:		
- Ancom Berhad group of companies	<u>109</u>	<u>153</u>

The Directors are of the opinion that the transactions above have been entered into in the normal course of business on terms and conditions which are not materially different from that obtainable in transactions with unrelated parties.

A14. Capital Commitments

There were no capital commitments for the purchase of property, plant and equipment and intangible asset (either approved and contracted for or approved but not contracted for) as at 30 September 2010 and 30 September 2009.

A15. Risk-Based Capital Framework of the Insurance Subsidiary Company

On 1 January 2009, the Risk-Based Capital Framework (“the RBC Framework”), was introduced as the capital adequacy framework for all insurers licensed under the Insurance Act, 1996. The RBC Framework was imposed by the Minister of Finance, pursuant to Section 23 of the Insurance Act, 1996 as a licensing condition for insurers effective from 1 January 2009. Under the RBC Framework, licensed insurers are required to maintain a supervisory target capital level, failing which supervisory actions by BNM of increasing intensity would be taken to resolve the financial position of the insurer. The supervisory target capital level is then used as a benchmark against which an insurer would establish its own higher Internal Target Capital.

As at 30 September 2010, the insurance subsidiary company has met the supervisory target capital level as stipulated in the RBC Framework.

**B. Additional Notes Pursuant To The Main Market Listing Requirements of BMSB
For The Year Ended 30 September 2010**

B1. Review of Results

Current Quarter

Group revenue was RM118,309,000 compared to RM105,831,000 in the corresponding quarter of the last financial year. The increase was mainly attributable to higher gross premium recorded by the insurance subsidiary. Profit before tax of RM26,882,000 was reported compared to pre-tax loss of RM480,000 in the corresponding quarter of the last financial year. This was mainly attributable to lower net claims incurred of RM42,531,000 as compared to RM64,176,000 in the corresponding quarter of the last financial year, recorded at the insurance subsidiary in the current quarter.

Year To Date

Group revenue was RM478,358,000 compared to RM392,494,000 in the corresponding period of the last financial year. The increase was mainly attributable to higher gross premium recorded by the insurance subsidiary. Profit before tax of RM42,261,000 was reported compared to pre-tax profit of RM25,581,000 in the corresponding period of the last financial year. This was mainly attributable to the decrease in premium liabilities of RM15,367,000 as compared to the increase in premium liabilities of RM31,347,000 in the last financial year, recorded at the insurance subsidiary.

B2. Comparison With Preceding Quarter's Results

Group revenue of RM118,309,000 was higher than the RM109,701,000 reported in the preceding quarter. This was mainly attributable to higher gross premium recorded by the insurance subsidiary. Profit before tax of RM26,882,000 was higher compared to the pre-tax profit of RM15,395,000 in the preceding quarter. This was mainly attributable to lower net claims incurred of RM42,531,000 as compared to RM48,003,000 in the preceding quarter, recorded at the insurance subsidiary.

B3. Current Year Prospects

The fiscal crisis in Europe has created further uncertainties in the global financial markets which may impede the speed of global economic recovery. Notwithstanding this and the operating environment continuing to remain competitive, the Board expects the Group's performance for the current financial year to improve upon that of the previous year.

B4. Profit Forecast and Profit Guarantee

No forecast has been issued by the Group for the period under review.

B5. Taxation

The taxation figures include the following:

	Quarter Ended 30.09.2010 RM'000	Year To Date 30.09.2010 RM'000
Income tax:		
Current year's provision		
- Malaysian tax	6,799	8,329
- Foreign tax	-	10
- Overprovision in prior years	(3)	(467)
	<u>6,796</u>	<u>7,872</u>
Deferred tax:		
- Transfer from deferred taxation	901	5,046
- Deferred tax written off	7,580	7,580
- Overprovision in prior years	-	503
	<u>15,277</u>	<u>21,001</u>

The effective rates of taxation of the Group for the quarter and year to date are higher than the statutory rate of taxation principally due to certain expenses which are not deductible for tax purposes.

B6. Sale of Unquoted Investments and Property

	Quarter Ended 30.09.2010 RM'000	Year To Date 30.09.2010 RM'000
Gain /(loss) on disposal of property	-	-
Loss on disposal of unquoted investments	-	(418)

B7. Quoted Investments*

	Quarter Ended 30.09.2010 RM'000	Year To Date 30.09.2010 RM'000
Total purchase consideration	-	-
Total sales proceeds	-	565
Total profit on sale	-	39
		As at 30.09.2010 RM'000
Value of investments in quoted shares:		
- at cost		19,945
- at book value		19,945
- at market value		10,650

* Excludes purchase and sales of investments held by the insurance subsidiary.

B8. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 23 November 2010.

B9. Group Borrowings*

	As At 30.09.2010 RM'000
Long term	
a. Secured	1,148
b. Unsecured	-
Short term	
a. Secured	983
b. Unsecured	43,704
Foreign currency borrowings	-

*Includes hire purchase creditors of RM1,631,000 of which RM1,148,000 is long term.

B10. Financial Instruments With Off-Balance Sheet Risk

As at 30 November 2010 the Group had no financial instruments with off-balance sheet risk.

B11. Material Litigation

As at 30 November 2010 there was no material litigation against the Group other than those arising in the normal course of the insurance subsidiary's business.

B12. Dividend

No dividend has been declared in respect of the period under review (previous corresponding period: Nil).

The total dividend for the current financial year to date (twelve months to 30 September 2010) is nil.

B13. Earnings/(loss) Per Share

		Quarter Ended		Year To Date	
		30.09.2010	30.09.2009	30.09.2010	30.09.2009
<u>After the share split*</u>					
Profit/(loss) for the period (A)	(RM'000)	11,605	(4,613)	21,260	14,947
Weighted average number of ordinary shares in issue (B)	('000)	229,604	215,053	221,738	212,337
Weighted average number of ordinary shares for diluted earnings per share (C)	('000)	229,889	215,053	221,777	212,337
Earnings/(loss) per share:					
Basic (A÷B)	(sen)	5.05	(2.14)	9.59	7.04
Diluted (A÷C)	(sen)	5.05	(2.14)	9.59	7.04
<u>Note:</u>					
Weighted average number of ordinary shares in issue	('000)	229,604	215,053	221,738	212,337
Assumed exercise of share options	('000)	285	-	39	-
Weighted average number of ordinary shares for diluted earnings per share (C)	('000)	229,889	215,053	221,777	212,337

* Computed based on the enlarged number of issued and fully paid up ordinary shares (net of treasury shares) of RM0.50 each pursuant to the share split exercise.

B13. Earnings/(loss) Per Share (Cont'd)

		Quarter Ended		Year To Date	
		30.09.2010	30.09.2009	30.09.2010	30.09.2009
<u>Before the share split</u>					
Profit/(loss) for the period (A)	(RM'000)	11,605	(4,613)	21,260	14,947
Weighted average number of ordinary shares in issue (B)	('000)	114,802	107,526	110,869	106,168
Weighted average number of ordinary shares for diluted earnings per share (C)	('000)	114,945	107,526	110,889	106,168
Earnings/(loss) per share:					
Basic (A÷B)	(sen)	10.11	(4.29)	19.18	14.08
Diluted (A÷C)	(sen)	10.10	(4.29)	19.17	14.08
<u>Note:</u>					
Weighted average number of ordinary shares in issue	('000)	114,802	107,526	110,869	106,168
Assumed exercise of share Options	('000)	143	-	20	-
Weighted average number of ordinary shares for diluted earnings per share (C)	('000)	114,945	107,526	110,889	106,168

BY ORDER OF THE BOARD
SOO HAN YEE
YONG KIM FATT
Company Secretaries
Kuala Lumpur

30 November 2010