

**A. Notes To The Interim Financial Report
For The Six Months Ended 31 March 2011**

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 2010.

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 2010 except for the adoption of the following FRSs, Amendments to FRSs and Issues Committee ("IC") Interpretations issued by MASB:

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

A1. Basis of Preparation (Cont'd.)

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

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
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 FRS 132	Financial Instruments : Presentation
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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 FRS 138	Intangible Assets
Amendments to IC Interpretation 9	IC Interpretation 9 : Reassessment of Embedded Derivatives
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.)

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

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) are not applicable to the Group.

(a) Changes in valuation of investment securities arising from the implementation of the RBC Framework at the insurance subsidiary

In the previous financial year ended 30 September 2010, the insurance subsidiary had adopted the RBC Framework pertaining to the valuation of investment securities which is similar to that of FRS 139: Financial Instruments: Recognition and Measurement.

However, as the Group has not early adopted FRS 139 in financial year ended 30 September 2010, the valuation of the investment securities adopted by the insurance subsidiary under the RBC Framework was reversed upon consolidation at Group level.

As the Group has adopted FRS 139 for the current period under review, the valuation of investment securities at the Group level is now similar to that of the RBC Framework as adopted by the insurance subsidiary. The effects of adopting FRS 139 are disclosed under Note A1(e).

(b) FRS 101 - Presentation of Financial Statements

FRS 101 introduces changes in the presentation and disclosures of financial statements. The Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the requirement for a statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present this statement as two linked statements.

FRS 101 was adopted retrospectively with certain comparative figures being restated to conform with current period's presentation.

A1. Basis of Preparation (Cont'd.)

(c) Adoption of FRS 4 – Insurance Contracts

FRS 4 specifies the financial reporting requirements for insurance contracts by any entity that issues such contracts. The key changes arising from the adoption of this Standard is summarised as follows:

i) Gross presentation

FRS 4 requires assets, liabilities, income and expenses arising from insurance contracts to be presented on a gross basis separately from assets, liabilities, income and expenses arising from the related reinsurance arrangements. The impact arising from the grossing up of such balances is described below.

ii) Qualitative and quantitative disclosures

FRS 4 also requires additional disclosures to assist users of financial statements in understanding the amounts, timing and uncertainty of future cash flows arising from insurance contracts including a reconciliation between the opening and closing balances of insurance contract liabilities and a sensitivity analysis on insurance risk.

The adoption of FRS 4 does not have any significant impact on the financial statements of the Group other than expanded disclosure requirements. Certain comparative figures have been restated upon adoption of FRS 4, as follows:

Consolidated statement of financial position as at 1 October 2010

	<u>Previously stated</u>	<u>Reclassification</u>	<u>Restated</u>
<u>Group</u>	RM'000	RM'000	RM'000
<u>Description of change</u>			
<u>Assets</u>			
- Reinsurance assets	-	121,638	121,638
- Insurance receivables	-	61,955	61,955
- Trade receivables	46,510	(45,069)	1,441

A1. Basis of Preparation (Cont'd.)

(c) Adoption of FRS 4 – Insurance Contracts (Cont'd.)

<u>Group</u>	<u>Previously stated</u>	<u>Reclassification</u>	<u>Restated</u>
	RM'000	RM'000	RM'000
<u>Description of change</u>			
<u>Liabilities</u>			
- Insurance contract liabilities	-	622,611	622,611
- Claim liabilities	316,768	(316,768)	-
- Premium liabilities	184,205	(184,205)	-
- Insurance payables	-	40,038	40,038
- Trade payables	23,205	(23,152)	53

(d) Adoption of FRS 7 – Financial Instruments – Disclosures

FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. The new disclosures will be included throughout the notes to the financial statements for the year ending 30 September 2011.

(e) Adoption of FRS 139 – Financial Instruments – Recognition and Measurement

The adoption of FRS 139 has resulted in changes to the accounting policies relating to recognition and measurement of the Group's financial instruments as follows:

- (i) FRS 139 requires the classification and measurement of its financial instruments into the following categories:

Financial Assets

- 1) Financial Assets at Fair Value Through Profit or Loss - measured at fair value
- 2) Held-to-Maturity (HTM) - measured at amortised cost less impairment (if any)
- 3) Loans and Receivables (L&R) - measured at amortised cost less impairment (if any)
- 4) Available-for-Sale (AFS) - measured at fair value less impairment (if any)

The Group has classified its financial assets into HTM, AFS and L&R as appropriate.

A1. Basis of Preparation (Cont'd.)

(e) Adoption of FRS 139 – Financial Instruments – Recognition and Measurement (Cont'd.)

- (i) FRS 139 requires the classification and measurement of its financial instruments into the following categories: (Cont'd.)

Financial Liabilities

- | | |
|---|------------------------------|
| 1) Financial Liabilities at Fair Value Through Profit or Loss | - measured at fair value |
| 2) Other Financial Liabilities | - measured at amortised cost |

The Group's financial liabilities comprise borrowings, trade payables, insurance payables and other payables which are measured at amortised cost.

The adoption of FRS 139 has resulted in changes to the accounting policies relating to recognition and measurement of the Group's financial instruments as follows:

- (ii) The significant changes in classification and consequential accounting for the Group's financial instruments for the period ended 31 March 2011 are as follows:

- Malaysian Government Securities and Cagamas Bonds

Prior to 1 October 2010, Malaysian Government Securities and Cagamas Bonds were initially measured at cost plus transaction costs that are directly attributable to their acquisition and were subsequently measured at amortised cost using effective interest method, less any impairment losses.

With the adoption of FRS 139, Malaysian Government Securities and Cagamas Bonds are now classified as Held-To-Maturity investments. These investments are still initially measured at cost plus transaction costs that are directly attributable to their acquisition and subsequently measured at amortised cost using effective interest method, less any impairment losses.

A1. Basis of Preparation (Cont'd.)

(e) Adoption of FRS 139 – Financial Instruments – Recognition and Measurement (Cont'd.)

- Islamic Corporate Bonds

Prior to 1 October 2010, Islamic Corporate Bonds were initially measured at cost plus transaction costs that are directly attributable to their acquisition and were subsequently measured at amortised cost using effective interest method, less any impairment losses.

With the adoption of FRS 139, Islamic Corporate Bonds are now classified as AFS financial assets and are initially measured at fair value plus transaction costs that are directly attributable to their acquisition. After initial recognition, these financial assets are measured at their fair values. Fair value gains or losses of these financial assets are recognised in AFS reserve in the statement of changes in equity, except for impairment losses and foreign exchange gains and losses arising from monetary items which are recognised in the income statement accordingly. The cumulative gains or losses previously recognised in equity are reclassified into the income statement when these financial assets are derecognised.

- Quoted Securities and Unit Trusts

Prior to 1 October 2010, quoted securities and unit trusts were stated at the lower of cost and market value determined on an aggregate portfolio basis by category except that if diminution in value of an investment is considered permanent, allowance for such diminution was then made accordingly.

With the adoption of FRS 139, quoted securities and unit trusts are now classified as AFS financial assets and are initially measured at fair value plus transaction costs that are directly attributable to their acquisition. After initial recognition, these financial assets are measured at their fair values. Fair value gains or losses of these financial assets are recognised in AFS reserve in the statement of changes in equity, except for impairment losses and foreign exchange gains and losses arising from monetary items which are recognised in the income statement accordingly. The cumulative gains or losses previously recognised in equity is reclassified into the income statement when these financial assets are derecognised.

A1. Basis of Preparation (Cont'd.)

(e) Adoption of FRS 139 – Financial Instruments – Recognition and Measurement (Cont'd.)

- Long Term Quoted Investments and Club Membership

Prior to 1 October 2010, long term quoted investments and club membership were stated at cost less any impairment losses.

With the adoption of FRS 139, long term quoted investments and club membership are now classified as AFS financial assets and are initially measured at fair value plus transaction costs that are directly attributable to their acquisition. After initial recognition, these financial assets are measured at their fair values. Fair value gains or losses of these financial assets are recognised in AFS reserve in the statement of changes in equity, except for impairment losses and foreign exchange gains and losses arising from monetary items which are recognised in the income statement accordingly. The cumulative gain or loss previously recognised in equity is reclassified into the income statement when these financial assets are derecognised.

- Loans and Receivables

Prior to 1 October 2010, loans and receivables were stated at anticipated realisable values. Known bad debts in the insurance subsidiary company are written off and specific allowances are made for motor premiums including agents balances which remain outstanding for more than thirty days and non-motor premiums including agents, brokers and reinsurers balances which remain outstanding for more than six months from the date on which they become receivable and for all debts which are considered doubtful. For the Company and other subsidiary companies, specific allowance is made for known doubtful debts which have been individually reviewed and specifically identified as doubtful.

With the adoption of FRS 139, loans and receivables are still classified as “Loans and Receivables”. However, these loans and receivables are now initially measured at cost plus transaction costs that are attributable to their acquisition and subsequently measured at amortised cost using the effective interest method. Gains or losses are recognised in the income statement when the receivables are derecognised or impaired, as well as through the amortisation process. Loan and receivables are assessed at each reporting date whether there are any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Specific allowances based on individual assessment are established when the present values of future recoverable cash flows for impaired receivables are lower than the carrying values of the said receivables. Subsequent to individual assessment, the unimpaired receivables are then assessed on a collective basis for impairment based on historical and expected loss rates of borrowers/debtors.

A1. Basis of Preparation (Cont'd.)

(e) Adoption of FRS 139 – Financial Instruments – Recognition and Measurement (Cont'd.)

- Trade and Other Payables

Prior to 1 October 2010, trade and other payables were stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

With the adoption of FRS 139, trade and other payables are still classified as “Trade and Other Payables”. However, these trade and other payables are now initially measured at cost net of transaction costs and subsequently measured at amortised cost using effective interest method. Gains or losses are recognised in the income statement when the payables are derecognised, as well as through the amortisation process.

- Borrowings

Prior to 1 October 2010, borrowings were recorded at the amount of proceeds received. Borrowing costs were recognised as an expense in the income statement in the period in which they were incurred

With the adoption of FRS 139, borrowings are still classified as “borrowings”. However, these borrowings are now initially measured at cost net of transaction costs and subsequently measured at amortised cost using the effective interest method. Gains or losses are recognised in the income statement when the borrowings are derecognised, as well as through the amortisation process.

A1. Basis of Preparation (Cont'd.)

(e) Adoption of FRS 139 – Financial Instruments – Recognition and Measurement (Cont'd.)

In accordance with the transitional provisions of FRS 139, the above changes are applied prospectively by restating the opening accumulated losses as at 1 October 2010 and creation of a new AFS reserve as disclosed below:

The effects on the consolidated statement of financial position as at 1 October 2010 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>			
<u>Accumulated losses</u>	(2,019)	(8,572)	(10,591)
- Reversal of allowance for diminution in value of AFS financial assets		18,174	
- Gain on disposal of AFS financial assets		307	
- Impairment loss of AFS financial assets		(26,463)	
- Income tax expense		(590)	
<u>AFS Reserves</u>	-	(1,741)	(1,741)
- Changes in fair value of AFS financial assets		(2,323)	
- Deferred tax		582	

A1. Basis of Preparation (Cont'd.)

(e) Adoption of FRS 139 – Financial Instruments – Recognition and Measurement (Cont'd.)

The effects on the consolidated statement of financial position as at 1 October 2010 are as follows (Cont'd.):

	<u>Previously stated</u>	<u>Increase/ (decrease)</u>	<u>Restated</u>
<u>Group</u>	RM'000	RM'000	RM'000
<u>Description of change</u>			
<u>Investments</u>	662,781	(662,781)	-
- AFS financial assets		(50,316)	
- HTM investments		(70,376)	
- Deposits and placements with licensed financial institutions		(542,089)	
<u>AFS Financial Assets</u>	-	40,010	40,010
- Reclassified from investments		50,316	
- Impairment loss of AFS financial assets		(10,342)	
- Changes in fair value of AFS financial assets		36	
<u>HTM Investments</u>	-	70,376	70,376
- Reclassified from investments		70,376	
<u>Deposits and Placements with Licensed financial institutions</u>	715	542,089	542,804
- Reclassified from investments		542,089	

A1. Basis of Preparation (Cont'd.)

(e) Adoption of FRS 139 – Financial Instruments – Recognition and Measurement (Cont'd.)

The effects on the consolidated income statement for the six months ended 31 March 2011:

<u>Group</u>	<u>Increase/ (decrease)</u>
<u>Description of change</u>	RM'000
Allowance for impairment of insurance receivables	573
Borrowing costs	(701)
Reversal of write back in allowance for diminution in value of investments	(1,947)
Impairment loss of AFS financial assets	232
Profit before tax	(2,051)
Taxation	(604)
Profit after tax	<u>(1,447)</u>

FRS Yet To Be Effective

The Group has not adopted the following FRSs, Amendments to FRSs and IC Interpretations which have been issued but are not yet effective:

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

A1. Basis of Preparation (Cont'd.)

FRS Yet To Be Effective (Cont'd.)

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 Agreements for the Construction of Real Estate
IC Interpretation 15

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.

The adoption of the other new/revised FRSs, Amendments to FRSs and IC Interpretations will not have any significant impact on the financial statements of 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 changes as disclosed in Note A1.

During the period ended 31 March 2011, the Company had obtained a term loan of USD23 million (equivalent to RM71 million) secured by a charge over the shares of the insurance subsidiary at an interest rate based on LIBOR + 3.75% p.a. The term loan is for a period of 18 months. The said loan has been used to subscribe for Tier 2 capital in the insurance subsidiary which will enhance its capital to a level in excess of BNM's requirement.

A5. Change in Estimates

There were no changes in estimates of amounts reported in prior periods that have a material effect in the period ended 31 March 2011 except for those arising from the adoption of FRSs, Amendments to FRSs and IC Interpretations as disclosed in Note A1.

A6. Issuances, Cancellations, Repurchases, Resale and Repayments of Debts and Equity Securities

(i) Issuance of shares

During the period ended 31 March 2011, the Company increased its issued and paid-up share capital from RM115,422,000 to RM122,977,000 by way of:

	Number of Share '000	Exercise Price RM	Share Capital RM '000	Share Premium RM '000	Total RM '000
Issuance of ordinary shares at RM0.50 each pursuant to a Private Placement exercise	14,550	-	7,275	7,129	14,404
Issuance of ordinary shares at RM0.50 each pursuant to the Company's Employee Share Option Scheme ("ESOS")	560	0.64 - 0.83	280	100	380
	<u>15,110</u>		<u>7,555</u>	<u>7,229</u>	<u>14,784</u>

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

(ii) Share buy-back

On 17 March 2011, the shareholders of the Company renewed their approval for the Company's plan to purchase its own ordinary shares.

During the period ended 31 March 2011, the Company purchased 1,000 of its issued ordinary shares of RM0.50 each fully paid from the open market at a price of RM0.83 per share for a total consideration of RM836. 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.

Of the total 245,954,000 issued and fully paid ordinary shares of RM0.50 each as at 31 March 2011, 1,000 (RM836) are held as treasury shares by the Company. The number of outstanding ordinary shares in issue and fully paid are therefore 245,953,000 ordinary shares of RM0.50 each.

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

- (iii) There were no:
- issuances or repayments of debt securities.
 - shares cancelled.

A7. Dividends Paid

A first interim dividend of 0.60 sen less tax at 25% in respect of financial year ending 30 September 2011, amounting to RM1,107,000, was paid on 28 February 2011.

A8. Segment Information

Year To Date 31 March 2011	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	266,474	2,245	1	11	-	-	268,731
Inter-segment sales	128	4,542	11,076	178	2	(15,926)	-
Total segment revenue	<u>266,602</u>	<u>6,787</u>	<u>11,077</u>	<u>189</u>	<u>2</u>	<u>(15,926)</u>	<u>268,731</u>
RESULTS							
Segment profit before tax after accounting for :	30,320	(1,592)	6,137	89	(17)	(8,148)	26,789
Interest income	-	9	-	3	-	-	12
Finance cost	(1,520)	(380)	(2,027)	-	-	1,979	(1,948)
Depreciation	(468)	(281)	(50)	-	(1)	43	(757)
Amortisation	(20)	(64)	(2)	-	-	3	(83)
Other non cash items	(3,042)	(325)	1,120	(36)	-	-	(2,283)

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.

In accordance with the accounting policy of the Group, valuation of freehold land and buildings and leasehold buildings are performed once in every five years or earlier if the carrying values of the said revalued properties are materially different from their market values.

A10. Material Events Subsequent to End of Reporting Period

There were no material events subsequent to the end of the period reported up to 31 May 2011.

A11. Effect of Changes in Composition of the Group

There were no changes in the composition of the Group for the period ended 31 March 2011.

A12. Changes in Contingent Assets and Contingent Liabilities

The Group does not have any contingent assets since financial year ended 30 September 2010.

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

	<u>Year To Date</u>	
	<u>31.03.2011</u>	<u>31.03.2010</u>
	RM'000	RM'000
Performance guarantees - secured	<u>265</u>	<u>224</u>

A13. Significant Related Party Transactions

	<u>Year To Date</u>	
	<u>31.03.2011</u>	<u>31.03.2010</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>17</u>	<u>47</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 are 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 31 March 2011 and 31 March 2010.

A15. Risk-Based Capital Framework of the Insurance Subsidiary

As at 31 March 2011, the insurance subsidiary 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 Six Months Ended 31 March 2011

B1. Review of Results

Current Quarter

Group revenue was RM154,001,000 compared to RM134,834,000 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 RM12,814,000 was reported compared to pre-tax profit of RM5,228,000 in the corresponding quarter of the last financial year. This was mainly attributable to lower net claims incurred at the insurance subsidiary for the current quarter as compared to that in the corresponding quarter of the last financial year.

Year To Date

Group revenue was RM268,731,000 compared to RM250,348,000 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 RM26,789,000 was reported compared to pre-tax loss of RM16,000 in the corresponding period of the last financial year. This was mainly attributable to lower net claims incurred at the insurance subsidiary for the current period as compared to that in the corresponding period of the last financial year.

B2. Comparison With Preceding Quarter's Results

Group revenue of RM154,001,000 was higher than the RM114,730,000 reported in the preceding quarter. This was mainly attributable to higher gross premium recorded by the insurance subsidiary. However, profit before tax of RM12,814,000 was reported compared to the pre-tax profit of RM13,975,000 in the preceding quarter due mainly to higher net claims incurred at the insurance subsidiary for the current quarter as compared to that in the preceding quarter.

B3. Current Year Prospects

The fiscal crisis in Europe continues to create uncertainties in the global financial markets thus impeding the speed of global recovery. Notwithstanding any adverse impact arising from such uncertainties, the Board expects the Group's performance for the current financial year to be better than that of the previous year.

B4. Profit Forecast and Profit Guarantee

No forecast has been issued by the Group for the period ended 31 March 2011.

B5. Taxation

The taxation figures include the following:

	Quarter Ended 31.03.2011 RM'000	Year to Date 31.03.2011 RM'000
Income tax:		
Current year's provision		
- Malaysian tax	2,938	7,626
Deferred tax:		
- Transfer from deferred taxation	828	509
	<u>3,766</u>	<u>8,135</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 31.03.2011 RM'000	Year to Date 31.03.2011 RM'000
Gain /(loss) on disposal of property	-	-
Loss on disposal of unquoted investments	-	(25)

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B7. Quoted Investments*

	Quarter Ended 31.03.2011 RM'000	Year to Date 31.03.2011 RM'000
Total purchase consideration	-	-
Total sales proceeds	-	-
Total profit on sale	-	-
		As at 31.03.2011 RM'000
Value of investments in quoted shares:		
- at cost		19,945
- at book value		8,653
- at market value		8,653

* 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 24 May 2011.

B9. Group Borrowings*

	As At 31.03.2011 RM'000
Long term	
a. Secured	1,324
b. Unsecured	-
Short term	
a. Secured	1,044
b. Unsecured	28,713
Foreign currency borrowings	
Long term	
a. Secured (Denominated in USD)	69,716

*Includes hire purchase creditors of RM1,868,000 of which RM1,324,000 is long term.

B10. Financial Instruments With Off-Balance Sheet Risk

As at 31 May 2011 the Group had no financial instruments with off-balance sheet risk.

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B11. Material Litigation

As at 31 May 2011 there was no material litigation against the Group other than those arising in the normal course of the insurance subsidiary's business.

B12. Dividend

A first interim dividend of 0.60 sen less tax at 25% was declared on 28 January 2011 and paid on 28 February 2011 in respect of the current quarter (previous corresponding quarter: Nil).

The total dividend for the current financial year to date (six months to 31 March 2011) is 0.60 sen per share less tax at 25%.

B13. Earnings/(loss) Per Share

		Quarter Ended		Year To Date	
		31.03.2011	31.03.2010*	31.03.2011	31.03.2010*
Profit/(loss) for the period (A)	(RM'000)	9,048	3,247	18,654	(1,417)
Weighted average number of ordinary shares in issue (B)	('000)	245,953	217,310	244,326	217,107
Weighted average number of ordinary shares for diluted earnings per share (C)	('000)	245,953	217,310	244,326	217,107
Earnings/(loss) per share:					
Basic (A÷B)	(sen)	3.68	1.49	7.63	(0.65)
Diluted (A÷C)	(sen)	3.68	1.49	7.63	(0.65)

Note:

Weighted average number of ordinary shares in issue	('000)	245,953	217,310	244,326	217,107
Assumed exercise of share options	('000)	-	-	-	-
Weighted average number of ordinary shares for diluted earnings per share (C)	('000)	245,953	217,310	244,326	217,107

* Computed based on the enlarged number of issued and fully paid up ordinary shares (net of treasury shares) of RM0.50 each after the share split exercise which was completed on 19 July 2010. The basis of computation is applied retrospectively in accordance with FRS 133 – Earnings Per Share.

B14. Disclosure of Realised and Unrealised Profits/(Losses)

	As at Quarter Ended 31 March 2011 RM'000	As at Quarter Ended 31 December 2010 RM'000
Total retained profits/(accumulated losses) of the Group:		
- Realised	(5,426)	(14,405)
- Unrealised	2,197	2,826
	<u>(3,229)</u>	<u>(11,579)</u>
Consolidated adjustments	10,185	10,594
Total retained profits/(accumulated losses) as per statement of financial position of the Group	<u>6,956</u>	<u>(985)</u>

The determination of realised and unrealised profits/losses is compiled based on Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

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

31 May 2011