

**A. Notes To The Interim Financial Report
For The Three Months Ended 31 December 2012**

A1. First-time adoption of Malaysian Financial Reporting Standards (“MFRS”)

The condensed consolidated interim financial statements for the quarter ended 31 December 2012 have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”). The condensed consolidated interim financial statements also comply with International Accounting Standard 34: Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”). For the periods up to and including the year ended 30 September 2012, the Group prepared its financial statements in accordance with Financial Reporting Standards (“FRS”).

The condensed consolidated interim financial statements for the quarter ended 31 December 2012 are the Group’s first set of MFRS compliant condensed consolidated interim financial statements and hence MFRS1: First-time Adoption of Malaysian Financial Reporting Standards (“MFRS 1”) has been applied.

The MFRSs are effective for the Group from 1 October 2012 and the date of transition to the MFRS framework is 1 October 2011. At the transition date, the Group reviewed its accounting policies and considered the transitional options available under MFRS 1. The impact of the transition from FRS to MFRS is described in Note A2 below.

A2. Significant Accounting Policies and Application of MFRS 1

The audited financial statements of the Group for the year ended 30 September 2012 were prepared in accordance with FRS. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing this condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 30 September 2012 except for the following:

- Foreign Currency Translation Reserve

Under FRS, the Group recognised translation differences on foreign operations as a separate component of equity. Upon the adoption of MFRS 1, cumulative foreign currency translation differences for all foreign operations are deemed to be zero as at the date of transition to MFRS.

Accordingly, at the date of transition to MFRS, the cumulative foreign currency translation differences of RM1,043,000 (31 December 2011: RM1,043,000; 30 September 2012: RM1,043,000) were transferred to retained profits.

A2. Significant Accounting Policies and Application of MFRS 1 (Cont'd.)

The reconciliations of equity reported in accordance with FRS with that reported in accordance with MFRS are provided below:

Reconciliation of equity as at 1 October 2011

<u>Group</u>	FRS as at 1 October 2011 RM'000	Effect of adopting MFRS 1 RM'000	MFRS as at 1 October 2011 RM'000
<u>Description of change</u>			
Translation reserve	1,043	(1,043)	-
Retained profits	24,212	1,043	25,255

Reconciliation of equity as at 31 December 2011

<u>Group</u>	FRS as at 31 December 2011 RM'000	Effect of adopting MFRS 1 RM'000	MFRS as at 31 December 2011 RM'000
<u>Description of change</u>			
Translation reserve	1,222	(1,043)	179
Retained profits	24,964	1,043	26,007

Reconciliation of equity as at 30 September 2012

<u>Group</u>	FRS as at 30 September 2012 RM'000	Effect of adopting MFRS 1 RM'000	MFRS as at 30 September 2012 RM'000
<u>Description of change</u>			
Translation reserve	2,316	(1,043)	1,273
Retained profits	47,487	1,043	48,530

MFRS yet to be Effective

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

Effective for financial periods beginning on or after 1 January 2013

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (revised)
MFRS 127	Consolidated and Separate Financial Statements (revised)
MFRS 128	Investments in Associates and Joint Ventures (revised)
Amendments to MFRS 1	First-time Adoption to MFRS 1 – Government Loans
Amendments to MFRS 7	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 11	Joint Arrangements: Transition Guidance
Amendments to MFRS 12	Disclosure of Interest in Other Entities: Transition Guidance
Annual Improvements to IC Interpretation and MFRSs 2009 – 2011 Cycle	
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine

MFRS yet to be Effective (Cont'd.)

Effective for financial periods beginning on or after 1 January 2014

Amendments to MFRS 132	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
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Effective for financial periods beginning on or after 1 January 2015

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)
Amendments to MFRS 9	Mandatory Effective Date of MFRS 9 and Transition Disclosures (Amendments to MFRS 9 (IFRS 9 issued by IASB in November 2009), MFRS 9 (IFRS 9 issued by IASB in October 2010) and MFRS 7)

Other than the implications as disclosed below, the adoption of the above MFRSs and Amendments to MFRSs stated above are not expected to result in significant financial impact to the Group.

MFRSs 11, 128, Amendments MFRSs 1, 11 and IC Interpretation 20 and IC Interpretation 2 contained in “Annual Improvements 2009 –2011 Cycle” (effective for financial periods on or after 1 January 2013) are not applicable to the Group.

(a) MFRS 9: Financial Instruments

MFRS 9 replaces the guidance in MFRS 139, Financial Instruments: Recognition and Measurement on classification and measurement of financial assets. Upon adoption of MFRS 9, all financial assets will be measured at either fair value or amortised cost.

The adoption of MFRS 9 will result in a change in accounting policy. The Group is currently assessing the financial impact of adopting MFRS 9.

(b) MFRS 13: Fair Value Measurement

MFRS 13, Fair Value Measurement establishes the principles for fair value measurement and replaces the existing guidance in different MFRSs. The Group is currently assessing the financial impact of adopting MFRS 13.

A3. 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.

A4. Seasonality or Cyclicity of Operations

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

A5. Unusual Items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items that affected the assets, liabilities, equity, net income or cash flows of the Group for the period under review.

A6. Change in Estimates

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

A7. Issuances, Repurchases, Resale and Repayments of Debts and Equity Securities

(i) Issuance of shares

There was no new issuance of ordinary shares.

(ii) Share buy-back

On 27 March 2012, the shareholders approved the renewal of the Company's plan to purchase its own ordinary shares.

During the quarter ended, the Company purchased 54,000 of its issued ordinary shares of RM0.50 each fully paid from the open market at an average price of RM1.28 per share for a total consideration of RM69,370. 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 30 September 2012, 1,658,000 (RM1,533,042) are held as treasury shares by the Company. The number of outstanding ordinary shares in issue and fully paid are therefore 244,296,000 ordinary shares of RM0.50 each.

(iii) There were no issuances or repayments of debt securities during the quarter ended other than issuance of Sub Notes as disclosed in Note B7.

A8. Dividends Paid

In respect of financial year ended 30 September 2012:

- (i) A sixth interim dividend of 1.00 sen per share less tax at 25% amounting to RM1,833,000, was paid on 28 November 2012.

In respect of financial year ending 30 September 2013:

- (i) A first interim dividend of 2.50 sen per share less tax at 25% amounting to RM4,581,000 was paid on 31 December 2012.

A9. Segment Information

Year To Date 31 December 2012	Insurance RM'000	Information Technology RM'000	Investment Holding RM'000	Others RM'000	Consolidation adjustments RM'000	Group RM'000
REVENUE						
External sales	120,628	1,922	4	2	-	122,556
Inter-segment sales	64	3,084	17,672	89	(20,909)	-
Total segment Revenue	120,692	5,006	17,676	91	(20,909)	122,556
RESULTS						
Segment profit before tax after accounting for :	16,046	(952)	13,202	41	(15,869)	12,468
Interest income	-	5	-	-	-	5
Finance cost	(1,365)	(236)	(1,258)	-	959	(1,900)
Depreciation	(270)	(121)	(24)	-	9	(406)
Amortisation	(10)	(45)	(1)	-	2	(54)
Other non cash items	566	(156)	14	2	-	426

A10. Material Events Subsequent to End of Reporting Period

There were no material events subsequent to the end of the period reported up to 21 February 2013.

A11. Effect of Changes in Composition of the Group

There were no changes in the composition of the Group for the quarter ended 31 December 2012.

A12. Changes in Contingent Assets and Contingent Liabilities

The Group does not have any contingent assets since financial year ended 30 September 2012.

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

	<u>Year To Date</u>	
	<u>31.12.2012</u>	<u>31.12.2011</u>
	RM'000	RM'000
Performance guarantees - secured	<u>250</u>	<u>237</u>

A13. Capital Commitments

The amount of capital commitments for the purchase of property, plant and equipment and intangible asset not provided for is as follows:

	<u>Year To Date</u>	
	<u>31.12.2012</u>	<u>31.12.2011</u>
	RM'000	RM'000
Approved and contracted for	<u>-</u>	<u>45</u>

A14. Risk-Based Capital Framework of the Insurance Subsidiary

As at 31 December 2012, the insurance subsidiary has a capital adequacy ratio in excess of the minimum requirement as stipulated in the RBC Framework.

B. Additional Notes Pursuant To The Main Market Listing Requirements of BMSB For The Three Months Ended 31 December 2012

B1. Review of Results

Current Quarter/Year To Date

Group revenue was RM122,556,000 compared to RM120,855,000 in the corresponding quarter of the last financial year. Profit before tax of RM12,468,000 was reported compared to RM2,973,000 in the corresponding quarter of the last financial year.

Insurance segment – Revenue increased by RM947,000 for the current quarter compared to the corresponding quarter of the last financial year. The increase in revenue was primarily due to higher investment income. However, pre-tax profit increased by RM7,085,000 for the current quarter compared to the corresponding quarter of the last financial year. This was largely due to better underwriting results arising from lower net claims incurred for the current quarter compared to the corresponding quarter of the last financial year.

Information technology (IT) segment - Revenue increased by RM759,000 for the current quarter compared to the corresponding quarter of the last financial year, principally due to the increase in IT consultation revenue. Pre-tax loss decreased by RM307,000 for the current quarter compared to the corresponding quarter of the last financial year, largely due to the increase in revenue coupled with the decrease in unrealised foreign exchange loss.

B2. Comparison With Immediate Preceding Quarter's Results

Group revenue of RM122,556,000 was lower than RM131,917,000 reported in the immediate preceding quarter. Profit before tax of RM12,468,000 was reported compared to RM25,304,000 in the immediate preceding quarter.

Insurance segment – Revenue decreased by RM9,735,000 for the current quarter compared to the immediate preceding quarter. This was mainly attributable to lower gross premium. Profit before tax decreased by RM12,513,000 for the current quarter mainly due to an allowance for impairment loss of insurance receivables as compared to a write back in allowance for impairment of insurance receivables in the immediate preceding quarter.

IT segment – Revenue increased by RM383,000 for the current quarter compared to the immediate preceding quarter. This was mainly attributable to higher IT consultation revenue. Pre-tax loss decreased by RM640,000 for the current quarter compared to the immediate preceding quarter. This was primarily due to the higher revenue coupled with the decrease in unrealised foreign exchange loss.

B3. Current Year Prospects

Global economic condition remains relatively unchanged. Prospects for global economic recovery continue to be uncertain and challenging with the financial crisis in the euro area continuing to loom as the largest threat to global growth. The local economy is expected to move in tandem with the developments in the overseas financial markets but should still grow, albeit more moderately, driven by domestic demand supported by public spending.

Despite the generally encouraging outlook for the Malaysian insurance industry in line with the economic growth, the insurance business environment continues to be challenging, mainly due to the consolidation of the insurance industry and keen competition. With the continuing emphasis on profitable business, the Board expects the performance of the insurance segment for the financial year ending 30 September 2013 to be satisfactory.

The IT segment remains extremely competitive with entry of new players into the ICT industry. Nevertheless, amid this environment, the IT segment is expected to maintain a steady trend in its long term growth with continued focus in providing quick and attentive service to retain its major clients.

In view of the above and barring unforeseen circumstances, the Board expects the Group's performance for the financial year ending 30 September 2013 to be satisfactory.

B4. Profit Forecast and Profit Guarantee

No forecast has been issued by the Group for the period ended 31 December 2012.

B5. Taxation

The taxation figures include the following:

	1st Quarter Ended 31.12.2012 RM'000
Income tax:	
Current year's provision	
- Malaysian tax	4,008
Deferred tax:	
- Transfer to deferred taxation	15
	<u>4,023</u>

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

B6. Status of Corporate Proposal

The Company had on 7 September 2012, 12 September 2012, 26 November 2012 and 10 December 2012, made announcements in relation to the proposed divestment of 49% of its equity interest in POI to Sanlam Emerging Markets Proprietary Limited for a cash consideration of RM270,000,000, subject to adjustments in accordance with the conditional share purchase agreement.

The Circular to the Shareholders of the Company containing details of the proposed divestment and the notice of an Extraordinary General Meeting (EGM) has been dispatched to the Company's shareholders on 15 February 2013 for shareholders' approval at the EGM to be held on 6 March 2013.

B7. Group Borrowings*

	As At 31.12.2012 RM'000
Long term	
a. Secured	1,129
b. Unsecured ⁽¹⁾	33,479
Short term	
a. Secured	28,479
b. Unsecured	26,001
Foreign currency borrowings	-

* Includes hire purchase creditors of RM1,735,000 of which RM1,129,000 is long term and RM606,000 is short term.

(1) Long term unsecured borrowings relate to Sub Notes with nominal value of RM35,000,000 net of discount and transaction costs, issued by the insurance subsidiary company to a third party.

B8. Material Litigation

As at 31 December 2012 there was no material litigation against the Group other than those arising in the normal course of the insurance subsidiary's business.

B9. Dividend

The Board of Directors had:

- (i) On 3 December 2012 declared a first interim dividend of 2.50 sen per share less 25% tax in respect of the current financial year, paid on 31 December 2012.
- (ii) On 5 February 2013 declared a second interim dividend of 1.20 sen per share less 25% tax in respect of the current financial year, payable on 8 March 2013.

The total dividend for the current financial year to date (three months to 31 December 2012) was 3.70 sen per share less tax at 25%. (Three months to 31 December 2011: Nil.)

B10. Earnings Per Share

		Quarter/Year To Date	
		31.12.2012	31.12.2011
Profit for the period (A)	(RM'000)	8,445	752
Weighted average number of ordinary shares in issue (B)	('000)	244,332	245,714
Earnings per share:			
Basic (A÷B)	(sen)	3.46	0.31

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

B11. Profit For The Period

	Quarter/ Year To Date 31.12.2012 RM'000
Profit for the period is arrived at after charging:	
Interest expense	1,874
Depreciation of property, plant and equipment	406
Amortisation of intangible assets	53
Amortisation of prepaid land lease payments	1
Impairment loss on available-for-sale financial assets	57
Allowance for impairment of insurance receivables	590
and after crediting:	
Other operating income:	
Interest income	5
Rental income	1
Realised and unrealised foreign exchange gain (net)	32
Write back in allowance for impairment of trade and other receivables	2

Other than the above, there were no (i) gains or losses on disposal of quoted or unquoted investments or properties, (ii) gain or loss on derivatives and (iii) exceptional items for the current quarter and year to date ended 31 December 2012.

B12. Disclosure of Realised and Unrealised Profits

	As at 31.12.2012 RM'000	As at 30.09.2012 RM'000 (Restated)
Total retained profits of the Group:		
- Realised	38,729	36,445
- Unrealised	2,203	2,236
	<hr/> 40,932	<hr/> 38,681
Consolidation adjustments	9,629	9,849
Total retained profits as per statement of financial position of the Group	<hr/> 50,561	<hr/> 48,530

The determination of realised and unrealised profits is 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 purpose.

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

21 February 2013