

**A. Notes To The Condensed Consolidated Interim Financial Statements
For The Year Ended 30 September 2014**

A1. Basis of Preparation

The condensed consolidated interim financial statements 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”).

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 September 2013.

The significant accounting policies adopted by the Group in this condensed consolidated interim financial statements are consistent with those adopted in the audited financial statements for the year ended 30 September 2013 except for the adoption of the following MFRSs, Amendments to MFRSs and Issues Committee (“IC”) Interpretations issued by MASB:

MFRS 3	Business Combinations
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 101	Presentation of Financial Statements (Annual Improvements 2009 - 2011 Cycle)
MFRS 116	Property, Plant and Equipment (Annual Improvements 2009 - 2011 Cycle)
MFRS 119	Employee Benefits (revised)
MFRS 127	Separate Financial Statements (revised)
MFRS 127	Consolidated and Separate Financial Statements (revised)

A1. Basis of Preparation (Cont'd.)

MFRS 128	Investments in Associates and Joint Ventures (revised)
MFRS 132	Financial Instruments: Presentation (Annual Improvements 2009 - 2011 Cycle)
MFRS 134	Interim Financial Reporting (Annual Improvements 2009 - 2011 Cycle)
Amendments to MFRS 1	First-time Adoption of MFRS – Government Loans
Amendments to MFRS 1	First-time Adoption of MFRS 1 (Annual Improvements 2009 - 2011 Cycle)
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
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments (Annual Improvements 2009 - 2011 Cycle)
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine

The adoption of the above MFRSs, Amendments to MFRSs and IC Interpretations did not have any significant impact on the financial statements of the Group.

A2. MFRSs, Amendments to MFRSs and Issues Committee (“IC”) Interpretations yet to be effective

Effective for financial periods beginning on or after 1 January 2014

Amendments to MFRS 10	Consolidated Financial Statements: Investment Entities
Amendments to MFRS 12	Disclosure of Interest in Other Entities: Investment Entities
Amendments to MFRS 127	Separate Financial Statements: Investment Entities
Amendments to MFRS 132	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

Effective for financial periods beginning on or after 1 July 2014

Amendments to MFRS 119	Defined Benefit Plans: Employee Contributions
MFRS 2	Share-Based Payment (Annual Improvements to MFRSs 2010 – 2012 Cycle)
MFRS 3	Business Combinations (Annual Improvements to MFRSs 2010 – 2012 Cycle)
MFRS 8	Operating Segments (Annual Improvements to MFRSs 2010 – 2012 Cycle)
MFRS 13	Fair Value Measurement (Annual Improvements to MFRSs 2010 – 2012 Cycle)
MFRS 116	Property, Plant and Equipment (Annual Improvements to MFRSs 2010 – 2012 Cycle)
MFRS 138	Intangible Assets (Annual Improvements to MFRSs 2010 – 2012 Cycle)

A2. MFRSs, Amendments to MFRSs and Issues Committee (“IC”) Interpretations yet to be effective (Cont’d.)

Effective for financial periods beginning on or after 1 July 2014 (Cont’d.)

MFRS 124	Related Party Disclosures (Annual Improvements to MFRSs 2010 – 2012 Cycle)
MFRS 1	First-time Adoption of MFRS (Annual Improvements to MFRSs 2011 – 2013 Cycle)
MFRS 3	Business Combinations (Annual Improvements to MFRSs 2011 – 2013 Cycle)
MFRS 13	Fair Value Measurement (Annual Improvements to MFRSs 2011 – 2013 Cycle)
MFRS 140	Investment Property (Annual Improvements to MFRSs 2011 – 2013 Cycle)

Effective for financial periods beginning on or after 1 January 2016

MFRS 5	Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements to MFRSs 2012 – 2014 Cycle)
MFRS 7	Financial Instruments: Disclosures (Annual Improvements to MFRSs 2012 – 2014 Cycle)
MFRS 14	Regulatory Deferral Accounts
MFRS 119	Employee Benefits (Annual Improvements to MFRSs 2012 – 2014 Cycle)
MFRS 134	Interim Financial Reporting (Annual Improvements to MFRSs 2012 – 2014 Cycle)
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 127	Equity Method in Separate Financial Statements
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to MFRS 116 and MFRS 138)	
Agriculture: Bearer Plants (Amendments to MFRS 116 and MFRS 141)	

A2. MFRSs, Amendments to MFRSs and Issues Committee (“IC”) Interpretations yet to be effective (Cont’d.)

Effective for financial periods beginning on or after 1 January 2016 (Cont’d.)

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
(Amendments to MFRS 10 and MFRS 128)

Effective for financial periods beginning on or after 1 January 2017

MFRS 15 Revenue from Contracts with Customers

Effective for financial periods beginning on or after 1 January 2018

MFRS 9 Financial Instruments (International Financial Reporting Standard (“IFRS”) 9 Financial Instruments issued by IASB in July 2014)

The adoption of the above MFRSs, Amendments to MFRSs and IC Interpretation stated above are not expected to result in significant financial impact to the Group, except as disclosed below:

- MFRS 9: Financial Instruments

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces earlier versions of MFRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward looking ‘expected loss’ impairment model and a substantially-reformed approach to hedge accounting. MFRS 9 when effective will replace MFRS 139.

Classification and Measurement of Financial Assets

MFRS 9 introduces an approach for classification and measurement of financial assets which is driven by cash flow characteristics and the business model in which an asset is held. In essence, financial assets that are held in a business model whose objective is to hold the assets in order to collect contractual cash flows are measured at amortised cost. Financial assets that are held in a business model whose objective is to achieve both collecting contractual cash flows and selling the financial assets are classified and measured at fair value through other comprehensive income (FVTOCI). Financial assets that are held for trading, those that are managed on a fair value basis, and any financial assets not held in one of the two business models mentioned above are measured at fair value through profit or loss. Financial assets are also required to be reclassified when and only when the business model for managing the said financial assets changes.

A2. MFRSs, Amendments to MFRSs and Issues Committee (“IC”) Interpretations yet to be effective (Cont’d.)

- MFRS 9: Financial Instruments (Cont’d.)

Classification and Measurement of Financial Liabilities

MFRS 9 does not change the basic accounting model for financial liabilities under MFRS 139. Two measurement categories continue to exist: fair value through profit or loss (FVTPL) and amortised cost.

MFRS 9 however requires gains and losses on financial liabilities designated at FVTPL to be split into the amount of change in fair value attributable to changes in credit risk of the liability, presented in other comprehensive income, and the remaining amount presented in profit or loss. Amounts presented in other comprehensive income are not subsequently reclassified to profit or loss. All other MFRS 139 requirements in respect of financial liabilities have been carried forward to MFRS 9.

Impairment

MFRS 9 also introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, MFRS 9 requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model is forward-looking and it eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.

Hedge Accounting

MFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

A2. MFRSs, Amendments to MFRSs and Issues Committee (“IC”) Interpretations yet to be effective (Cont’d.)

- MFRS 9: Financial Instruments (Cont’d.)

The initial application of MFRS 9 in the future may have an impact on the financial statements of the Group. However, it is not practicable to provide a reasonable estimate of the effect until a detailed review has been completed.

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 17 March 2014, the shareholders approved the renewal of the Company's plan to purchase its own ordinary shares.

During the financial year ended 30 September 2014, the Company purchased 2,389,800 of its issued ordinary shares of RM0.50 each fully paid from the open market at an average price of RM1.42 per share for a total consideration of RM3,401,070. 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 2014, 5,739,500 (RM7,214,754) are held as treasury shares by the Company. The number of outstanding ordinary shares in issue and fully paid are therefore 240,214,500 ordinary shares of RM0.50 each.

(iii) There were no issuances or repayments of debt securities during the period ended 30 September 2014.

A8. Segment Information

Year To Date 30 September 2014	Insurance RM'000	Information Technology RM'000	Investment Holding RM'000	Others RM'000	Consolidation adjustments RM'000	Group RM'000
REVENUE						
External sales	525,494	8,131	4,771	2,733	-	541,129
Inter-segment Sales	256	14,818	37,952	6	(53,032)	-
Total segment Revenue	<u>525,750</u>	<u>22,949</u>	<u>42,723</u>	<u>2,739</u>	<u>(53,032)</u>	<u>541,129</u>
RESULTS						
Segment profit before tax after accounting for :	68,357	(2,980)	30,897	734	(27,703)	69,305
Interest income	-	1,365	-	52	-	1,417
Finance cost	(5,492)	(2,232)	(406)	(2,054)	6,938	(3,246)
Depreciation	(1,080)	(504)	(105)	(1)	13	(1,677)
Amortisation	(430)	(204)	(11)	-	17	(628)
Other non cash items	2,173	478	126	(934)	389	2,232

A9. Material Events Subsequent to End of Reporting Period

There were no material events subsequent to the end of the period reported up to 27 November 2014 except as disclosed below:

On 26 November 2014, the Company made an announcement that P & O Global Technologies Inc ("POGT US"), a wholly owned subsidiary of the Company had on 25 November 2014 entered into an Agreement of Purchase and Sale with 7914 BUILDING, LLC, a Florida limited liability company with an office at 11098 Biscayne Blvd., Suite 203, Miami, Florida 33161, to acquire a piece of freehold land situated in Miami-Dade County, Florida, having an address of 7914 West Drive, 7916 West Drive and 7918 West Drive, North Bay Village, Florida 33141, for a total consideration of USD8,300,000 and a signing bonus of USD75,000 upon the terms and conditions as stipulated in the said Agreement. The acquisition is subject to satisfactory results from inspections, tests and analyses on the land as determined by POGT US.

A10. Effect of Changes in Composition of the Group

There were no changes in the composition of the Group for the financial year ended 30 September 2014 except for the incorporation of a wholly owned subsidiary company, P & O Equities Sdn. Bhd. ("POE") on 20 June 2014, with a paid-up share capital of RM100 divided into 100 ordinary shares of RM1.00 each. The principal activity of POE is investment holding.

A11. Changes in Contingent Assets and Contingent Liabilities

The Group does not have any contingent assets since financial year ended 30 September 2013.

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

	<u>Year To Date</u>	
	<u>30.09.2014</u>	<u>30.09.2013</u>
	RM'000	RM'000
Performance guarantees - secured	<u>326</u>	<u>308</u>

A12. 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 30 September 2014 and 30 September 2013.

A13. Risk-Based Capital ("RBC") Framework of the Insurance Subsidiary

As at 30 September 2014, 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 Year Ended 30 September 2014**

B1. Review of Results

Current Quarter

Group revenue was RM129,354,000 compared to RM142,384,000 in the corresponding quarter of the last financial year. Profit before tax of RM23,816,000 was reported compared to RM22,588,000 in the corresponding quarter of the last financial year.

Insurance segment – Revenue decreased by RM13,031,000 to RM125,285,000 for the current quarter compared to the corresponding quarter of the last financial year. The decrease in revenue was primarily due to lower gross earned premium. Pre-tax profit decreased by RM735,000 to RM25,501,000 for the current quarter compared to the corresponding quarter of the last financial year. This was largely attributable to an impairment of an available-for-sale financial asset.

Information technology (IT) segment - Revenue from external parties decreased by RM435,000 to RM2,027,000 for the current quarter compared to the corresponding quarter of the last financial year, principally due to lower revenue from software customization. Pre-tax loss decreased by RM1,593,000 to RM2,074,000 for the current quarter compared to the corresponding quarter of the last financial year, largely due to higher unrealised foreign exchange gain and lower allowance for impairment of property, plant and equipment and intangible assets.

B1. Review of Results (Cont'd.)

Year to Date

Group revenue was RM541,129,000 compared to RM563,417,000 in the last financial year. Profit before tax of RM69,305,000 was reported compared to RM65,735,000 in the last financial year.

Insurance segment – Revenue decreased by RM27,666,000 to RM525,494,000 for the current financial year compared to the last financial year. The decrease in revenue was primarily due to lower gross earned premium. Pre-tax profit decreased by RM850,000 to RM80,503,000 for the current financial year compared to the last financial year, largely due to a lower gain on disposal of quoted investments.

IT segment – Revenue from external parties increased by RM456,000 to RM8,131,000 for the current financial year compared to the last financial year, principally due to higher income from rental of equipment and software sales. However, pre-tax loss decreased by RM616,000 to RM8,039,000 for the current financial year compared to the last financial year, largely due to a write back of allowance for impairment of a trade receivable in a foreign operation.

B2. Comparison With Immediate Preceding Quarter's Results

Group revenue was RM129,354,000 compared to RM133,732,000 reported in the immediate preceding quarter. Profit before tax of RM23,816,000 was reported compared to RM13,283,000 in the immediate preceding quarter.

Insurance segment – Revenue decreased by RM4,326,000 to RM125,285,000 for the current quarter compared to the immediate preceding quarter. This was mainly attributable to lower gross earned premium. However, profit before tax increased by RM8,265,000 to RM25,501,000 for the current quarter compared to the immediate preceding quarter, largely attributable to better underwriting results arising from profit commission earned under an arrangement with a reinsurer and lower net claims incurred.

IT segment – Revenue from external parties decreased by RM155,000 to RM2,026,000 for the current quarter compared to the immediate preceding quarter. This was mainly attributable to lower revenue from software customization. Pre-tax loss decreased by RM519,000 to RM2,074,000 for the current quarter compared to the immediate preceding quarter, largely due to the higher unrealised foreign exchange gain.

B3. Current Year Prospects

The Malaysian insurance business environment continues to be competitive and challenging, mainly due to the consolidation of the insurance industry and keen competition. Nevertheless, with the continuing emphasis on profitable business, the Board expects the performance of the insurance segment for the financial year ending 30 September 2015 to be satisfactory.

The IT segment remains extremely competitive. Nonetheless, 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 its clients.

In view of the above and barring unforeseen circumstances, the Board as earlier stated, expects the Group's performance for the financial year ending 30 September 2015 to be satisfactory.

B4. Profit Forecast and Profit Guarantee

No forecast has been issued by the Group for the period ended 30 September 2014.

B5. Taxation

The taxation figures include the following:

	Quarter Ended 30.09.2014 RM'000	Year to Date 30.09.2014 RM'000
Income tax:		
Current year's provision		
- Malaysian tax	6,722	19,988
- Foreign tax	-	40
- Under provision in prior years	-	40
	6,722	20,068
Tax recovery	1,790	-
Deferred tax:		
- Transfer to deferred taxation	(1,955)	559
- Over provision in prior years	-	2
	6,557	20,629

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

B6. Status of Corporate Proposal

As at 27 November 2014 there was no corporate proposals announced but not completed.

B7. Status of utilisation of proceeds

The divestment of 49% of the Company's equity interest in its insurance subsidiary company, Pacific & Orient Insurance Co. Berhad to Sanlam Emerging Markets Proprietary Limited, for a cash consideration of RM270,000,000 was completed on 17 May 2013.

As at 30 September 2014, the Company had utilised the proceeds from the divestment as follows: -

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation RM'000	Deviation RM'000	Deviation %
Payment of special dividend	37,000	37,013	Within 3 months	(13)	(0.04)
Repayment of bank borrowings	48,000	48,000	Within 3 months	-	-
Investments to be identified ⁽¹⁾	150,000	30,000	Within 24 months	120,000	80.00
Working capital ⁽²⁾	28,300	8,933	Within 24 months	19,367	68.43
Defraying expenses incidental to the Divestment	6,700	6,672	Within 3 months	28	0.42
	<u>270,000</u>	<u>130,618</u>		<u>139,382</u>	

Note:

(1) The Board is still actively exploring and identifying investment opportunities for the Group.

(2) Working capital is for the Group's operating and administrative expenses.

B8. Group Borrowings*

	As At 30.09.2014 RM'000
Long term	
a. Secured	1,235
b. Unsecured ⁽¹⁾	33,671
Short term	
a. Secured	956
b. Unsecured	-
Foreign currency borrowings	-

* Includes hire purchase creditors of RM1,991,000 of which RM1,235,000 is long term and RM756,000 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 on 27 June 2012.

B9. Material Litigation

As at 30 September 2014 there was no material litigation against the Group other than those arising in the normal course of the insurance subsidiary's business.

B10. Dividends Paid and Declared

	RM'000	Date of payment
In respect of financial year ended 30 September 2013:		
(i) A fifth interim single tier dividend of 1.50 sen per share declared on 9 October 2013	3,635	13 November 2013
In respect of financial year ended 30 September 2014:		
(ii) A first interim single tier dividend of 1.00 sen per share declared on 20 December 2013	2,416	29 January 2014
(iii) A second interim single tier dividend of 2.20 sen per share declared on 6 March 2014	5,290	3 April 2014
(iv) A third interim single tier dividend of 1.30 sen per share declared on 8 May 2014	3,123	13 June 2014
(v) A fourth interim single tier dividend of 1.50 sen per share declared on 3 July 2014	3,603	13 August 2014
(vi) A fifth interim single tier dividend of 1.60 sen per share declared on 4 September 2014	3,843	10 October 2014
	<u>21,910</u>	

The total single tier dividend paid and declared for the current financial year ended 30 September 2014 and up to the date of announcement was 7.60 sen per share. (Previous corresponding period: 26.19 sen per share comprising (i) 20.07 sen per share less tax at 25%, (ii) tax exempt dividend of 3.82 sen per share and (iii) single tier dividend of 2.30 sen per share.)

B11. Earnings Per Share

		Quarter Ended		Year To Date	
		30.09.2014	30.09.2013	30.09.2014	30.09.2013
Profit for the period (A)	(RM'000)	9,341	9,122	24,708	36,909
Weighted average number of ordinary shares in issue (B)	('000)	240,214	242,940	240,765	243,604
Earnings per share:					
Basic (A÷B)	(sen)	3.89	3.75	10.26	15.15

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

B12. Profit For The Period

	Quarter Ended 30.09.2014 RM'000	Year To Date 30.09.2014 RM'000
Profit for the period is arrived at after charging:		
Interest expense	718	2,898
Depreciation of property, plant and equipment	419	1,677
Impairment of available-for-sale financial assets	1,855	1,855
Amortisation of:		
- intangible assets	438	624
- prepaid land lease payments	1	4
Allowance for impairment of:		
- property, plant and equipment	395	395
- insurance receivables	35	867
Write back in impairment of:		
- insurance receivables	(139)	(139)
- trade receivables	(5)	(1,029)
Bad debts written off - trade receivables	34	34
Bad debts recovered of:		
- insurance receivables	(12)	(46)
- trade receivables	(203)	(203)
Realised and unrealised foreign exchange loss (net)	(1,476)	470
Loss on disposal of property, plant and equipment	36	145
Allowance for inventory obsolescence	6	6
and after crediting:		
Other operating income:		
Interest income	44	1,417
Rental income	2	4
Gain on disposal of quoted investments	-	446

B12. Profit For The Period (Cont'd.)

There were no (i) write off of inventories, (ii) gain or loss on disposal of properties, (iii) gain or loss on derivatives and (iv) exceptional items for the current quarter and financial year ended 30 September 2014.

B13. Disclosure of Realised and Unrealised Profits

	As at 30.09.2014 RM'000	As at 30.09.2013 RM'000
Total retained profits of the Group:		
- Realised	251,664	246,252
- Unrealised	(187)	2,918
	<hr/> 251,477	<hr/> 249,170
Consolidation adjustments	(39,452)	(39,943)
Total retained profits as per statement of financial position of the Group	<hr/> 212,025	<hr/> 209,227

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

27 November 2014