

**PART A – NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
PURSUANT TO MALAYSIAN FINANCIAL REPORTING
STANDARD (“MFRS”) 134**

A1. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with MFRS 134, Interim Financial Reporting in Malaysia and with IAS 34, Interim Financial Reporting, and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2013.

The accounting policies and presentation adopted by the Group for the quarterly financial statements are consistent with those adopted in the Group’s consolidated audited financial statements for the financial year ended 31 December 2013, except for the adoption of the following:

MFRSs/ Amendments/Interpretations	Effective date
Amendments to MFRS 10, <i>Consolidated Financial Statements: Investment Entities</i>	1 January 2014
Amendments to MFRS 12, <i>Disclosure of Interests in Other Entities: Investment Entities</i>	1 January 2014
Amendments to MFRS 127, <i>Separate Financial Statements (2011): Investment Entities</i>	1 January 2014
Amendments to MFRS 132, <i>Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
Amendments to MFRS 136, <i>Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets</i>	1 January 2014
Amendments to MFRS 139, <i>Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting</i>	1 January 2014
IC Interpretation 21, <i>Levies</i>	1 January 2014

The initial application of the aforesaid applicable standards, amendments and interpretations are not expected to have any material impacts to the current and prior periods financial statements upon their first adoption.

A2. COMMENTS ON SEASONALITY OR CYCLICALITY

The Group's insurance business operations were not significantly affected by seasonality or cyclical factors for the period under review.

However, for the investment holding segment, the dividend income generated from the dividend stocks are subject to timing of the payment of dividend which may fluctuate when comparing quarter to quarter. The Group's investment income is seasonally stronger in 1st Quarter and 3rd Quarter.

A3. UNUSUAL ITEM AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no items affecting assets, liabilities, equity, net income, or cash flows which are unusual because of their nature, size, or incidence in the current interim period ended 30 September 2014.

A4. CHANGES IN ESTIMATES

There were no material changes in the basis used for accounting estimates for the current interim period ended 30 September 2014.

A5. ISSUES, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities by LPI Capital Bhd ("LPI") in the current interim period ended 30 September 2014.

A6. DIVIDEND PAID

During the nine (9) months ended 30 September 2014, the Company paid the following dividends:

- a) A second interim single tier dividend of 52.00 sen per ordinary share amounting to RM114,560,878 in respect of the financial year ended 31 December 2013 on 6 February 2014; and
- b) A first interim single tier dividend of 20.00 sen per ordinary share amounting to RM44,061,876 in respect of the financial year ending 31 December 2014 on 21 August 2014.

A7. OPERATING SEGMENT

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units are managed separately based on the Group's management and internal reporting structure. For each of the strategic business units, the Group's Chief Executive Officer (the chief operating decision maker) reviews internal management reports on a monthly basis. Inter-segment pricing, if any, is determined based on negotiated terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment assets and liabilities are measured based on all assets and liabilities of a segment, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer. Unallocated items mainly comprise interest-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Business segments

The Group comprises the following main business segments:

General insurance - Underwriting of all classes of general insurance business, mainly carried out by Lonpac Insurance Bhd

Investment holding - Investment holding operations, mainly carried out by LPI Capital Bhd

A7. OPERATING SEGMENT (CONT'D)

a) Segment reporting:

RM'000	← 9 Months Ended →					
	General insurance		Investment holding		Total	
	2014	2013	2014	2013	2014	2013
External revenue	838,472	794,094	32,053	30,279	870,525	824,373
Inter-segment revenue	-	-	170,000	130,000	170,000	130,000
Segment profit before tax	181,887	159,813	196,763	155,679	378,650	315,492
Segment assets	2,204,970	2,083,555	1,374,604	1,224,360	3,579,574	3,307,915
Segment liabilities	1,714,066	1,615,761	55,071	34,436	1,769,137	1,650,197

i) Reconciliation of reportable segment profit:

RM'000	← 9 Months Ended →	
	2014	2013
Total profit for reportable segments	378,650	315,492
Elimination of inter-segment profit	(170,000)	(130,000)
Consolidated profit before tax	<u>208,650</u>	<u>185,492</u>

ii) Reconciliation of reportable segment assets:

RM'000	← 9 Months Ended →	
	2014	2013
Total assets for reportable segments	3,579,574	3,307,915
Elimination of inter-segment assets	(200,232)	(200,212)
Consolidated assets	<u>3,379,342</u>	<u>3,107,703</u>

iii) Reconciliation of reportable segment liabilities:

RM'000	← 9 Months Ended →	
	2014	2013
Total liabilities for reportable segments	1,769,137	1,650,197
Elimination of inter-segment liabilities	(232)	(212)
Consolidated liabilities	<u>1,768,905</u>	<u>1,649,985</u>

A7. OPERATING SEGMENTS (CONT'D)

b) Underwriting results of insurance fund

i) For the financial period ended 30 September:

RM'000	Fire		Motor		Marine, Aviation & Transit		Miscellaneous		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Gross written premiums	333,091	307,211	205,385	198,020	90,911	86,596	264,350	270,571	893,737	862,398
Change in unearned premiums provision	(31,638)	(39,999)	(13,440)	(7,999)	(14,598)	(12,105)	(23,547)	(34,078)	(83,223)	(94,181)
Gross earned premiums	301,453	267,212	191,945	190,021	76,313	74,491	240,803	236,493	810,514	768,217
Gross written premiums ceded to reinsurers	(122,860)	(123,433)	(39,346)	(35,209)	(79,682)	(76,807)	(129,303)	(128,654)	(371,191)	(364,103)
Change in unearned premiums provision	2,548	13,502	2,841	4,975	14,030	12,983	18,203	15,819	37,622	47,279
Premiums ceded to reinsurers	(120,312)	(109,931)	(36,505)	(30,234)	(65,652)	(63,824)	(111,100)	(112,835)	(333,569)	(316,824)
Net earned premiums	181,141	157,281	155,440	159,787	10,661	10,667	129,703	123,658	476,945	451,393
Net claims incurred	(28,330)	(32,479)	(116,234)	(120,715)	(3,625)	(2,034)	(65,248)	(54,869)	(213,437)	(210,097)
Commission income	26,573	24,845	6,150	4,739	5,939	6,272	27,654	28,606	66,316	64,462
Commission expense	(35,881)	(32,166)	(19,268)	(19,171)	(4,042)	(4,476)	(33,605)	(36,184)	(92,796)	(91,997)
Net commission	(9,308)	(7,321)	(13,118)	(14,432)	1,897	1,796	(5,951)	(7,578)	(26,480)	(27,535)
Total out-go	(37,638)	(39,800)	(129,352)	(135,147)	(1,728)	(238)	(71,199)	(62,447)	(239,917)	(237,632)
Underwriting surplus before management expenses	143,503	117,481	26,088	24,640	8,933	10,429	58,504	61,211	237,028	213,761
Management expenses									(91,221)	(85,040)
Underwriting surplus after management expenses									145,807	128,721
Net claims incurred ratio (%)	15.6	20.7	74.8	75.5	34.0	19.1	50.3	44.4	44.8	46.5

A7. OPERATING SEGMENTS (CONT'D)

b) Underwriting results of insurance fund (cont'd)

ii) For the 3 months period ended 30 September:

RM'000	Fire		Motor		Marine, Aviation & Transit		Miscellaneous		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Gross written premiums	102,513	92,650	68,562	66,133	24,427	21,554	92,224	93,221	287,726	273,558
Change in unearned premiums provision	8,687	3,622	(5,523)	(2,039)	509	4,171	(14,519)	(17,385)	(10,846)	(11,631)
Gross earned premiums	111,200	96,272	63,039	64,094	24,936	25,725	77,705	75,836	276,880	261,927
Gross written premiums ceded to reinsurers	(30,488)	(31,995)	(13,216)	(11,681)	(20,806)	(18,381)	(52,033)	(49,908)	(116,543)	(111,965)
Change in unearned premiums provision	(9,691)	(7,076)	1,888	497	(545)	(3,835)	15,813	18,619	7,465	8,205
Premiums ceded to reinsurers	(40,179)	(39,071)	(11,328)	(11,184)	(21,351)	(22,216)	(36,220)	(31,289)	(109,078)	(103,760)
Net earned premiums	71,021	57,201	51,711	52,910	3,585	3,509	41,485	44,547	167,802	158,167
Net claims incurred	(10,772)	(10,040)	(39,321)	(40,288)	(601)	(769)	(22,051)	(17,741)	(72,745)	(68,838)
Commission income	7,810	8,171	1,818	1,717	1,638	1,976	8,410	8,955	19,676	20,819
Commission expense	(13,153)	(11,735)	(6,261)	(6,406)	(1,206)	(1,340)	(10,745)	(12,282)	(31,365)	(31,763)
Net commission	(5,343)	(3,564)	(4,443)	(4,689)	432	636	(2,335)	(3,327)	(11,689)	(10,944)
Total out-go	(16,115)	(13,604)	(43,764)	(44,977)	(169)	(133)	(24,386)	(21,068)	(84,434)	(79,782)
Underwriting surplus before management expenses	54,906	43,597	7,947	7,933	3,416	3,376	17,099	23,479	83,368	78,385
Management expenses									(29,791)	(28,429)
Underwriting surplus after management expenses									53,577	49,956
Net claims incurred ratio (%)	15.2	17.6	76.0	76.1	16.8	21.9	53.2	39.8	43.4	43.5

A8. EVENTS AFTER THE INTERIM PERIOD

There were no material events after the interim period that have not been reflected in the financial statements for the interim period.

A9. EFFECT OF CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the quarterly period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinued operations.

A10. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

The Group does not have any contingent assets and there were no material changes in the Group's contingent liabilities since the last annual balance sheet date.

A11. FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

It was not practicable to estimate the fair value of the Group's investment in unquoted shares due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

A11. FINANCIAL INSTRUMENTS (CONT'D)

Fair value information

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the condensed consolidated statement of financial position.

30.09.2014 RM'000	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
Financial assets										
Available-for-sale financial assets										
- Unit trust	5,930	-	-	5,930	-	-	-	-	5,930	5,930
- Quoted shares	1,191,588	-	-	1,191,588	-	-	-	-	1,191,588	1,191,588
Held-to-maturity financial assets										
- Malaysian Government Securities	-	-	-	-	-	44,949	-	44,949	44,949	44,664
- Government Investment Issues	-	-	-	-	-	10,019	-	10,019	10,019	10,001
- Malaysian Government Guaranteed Loans	-	-	-	-	-	20,097	-	20,097	20,097	20,120
- Singapore Government Securities	-	-	-	-	-	1,353	-	1,353	1,353	1,282
- Corporate debts securities	-	-	-	-	-	240,422	-	240,422	240,422	232,901
	<u>1,197,518</u>	<u>-</u>	<u>-</u>	<u>1,197,518</u>	<u>-</u>	<u>316,840</u>	<u>-</u>	<u>316,840</u>	<u>1,514,358</u>	<u>1,506,486</u>
Financial liabilities										
Provision for outstanding Claims										
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>610,431</u>	<u>-</u>	<u>610,431</u>	<u>610,431</u>	<u>632,194</u>

A11. FINANCIAL INSTRUMENTS (CONT'D)

Fair value information (cont'd)

31.12.2013	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
RM'000										
Financial assets										
Available-for-sale financial assets										
- Unit trust	6,065	-	-	6,065	-	-	-	-	6,065	6,065
- Quoted shares	1,118,692	-	-	1,118,692	-	-	-	-	1,118,692	1,118,692
Held-to-maturity financial assets										
- Malaysian Government Securities	-	-	-	-	-	45,732	-	45,732	45,732	45,278
- Government Investment Issues	-	-	-	-	-	19,703	-	19,703	19,703	19,573
- Malaysian Government Guaranteed Loans	-	-	-	-	-	15,094	-	15,094	15,094	15,133
- Singapore Government Securities	-	-	-	-	-	1,404	-	1,404	1,404	1,300
- Corporate debts securities	-	-	-	-	-	232,656	-	232,656	232,656	224,525
	<u>1,124,757</u>	<u>-</u>	<u>-</u>	<u>1,124,757</u>	<u>-</u>	<u>314,589</u>	<u>-</u>	<u>314,589</u>	<u>1,439,346</u>	<u>1,430,566</u>
Financial liabilities										
Provision for outstanding Claims	-	-	-	-	-	609,975	-	609,975	609,975	630,427

A11. FINANCIAL INSTRUMENTS (CONT'D)

Fair value information (cont'd)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. In respect of the liability component of convertible notes, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option. For other borrowings, the market rate of interest is determined by reference to similar borrowing arrangements.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the current interim period ended 30 September 2014. (30.09.2013: no transfer in either directions)

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

A12. SIGNIFICANT RELATED PARTY TRANSACTIONS

The significant related party transactions of the Group are as follows:-

RM'000	Companies in which a Director has substantial financial interest	
	Current Year To Date Ended 30.09.2014	Preceding Year Corresponding Period Ended 30.09.2013
Income earned:		
Premium income	27,246	27,489
Dividend income	32,378	30,454
Fixed deposits income	2,596	2,910
Corporate debt securities' interest income	2,632	2,280
	<u>64,852</u>	<u>63,133</u>
Expenditure incurred:		
Rental paid	(2,136)	(1,984)
Insurance Commission	(29,801)	(27,702)
	<u>(31,937)</u>	<u>(29,686)</u>
Other Transactions:		
Purchase of corporate debt securities	-	(10,000)

PART B – ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B1. REVIEW OF GROUP PERFORMANCE

The Group registered an increase in both revenue and profit before tax for the third quarter of 2014. The Group's revenue rose 6.2% to RM301.2 million largely contributed by the general insurance segment which recorded a growth of 5.9% to RM286.8 million over the previous corresponding quarter in 2013. The increase in the revenue of the general insurance segment was mainly contributed by higher gross earned premium for the quarter which registered a growth of RM15.0 million or 5.7% to RM276.9 million as compared to RM261.9 million recorded in the previous corresponding quarter in 2013. The revenue from the investment holding segment grew from RM12.7 million to RM14.4 million as compared to the previous corresponding quarter in 2013 due to higher dividend income received during the quarter.

The growth in both of the gross and net earned premium has translated into better underwriting results. Total underwriting profit for the current quarter gained 7.2% or 3.6 million to RM53.6 million as compared to RM50.0 million in the previous corresponding quarter. With the improvement in underwriting results, the Group recorded a higher profit before tax of RM65.2 million from the general insurance segment, a rise of 6.7% on the back of an improved performance by its wholly-owned subsidiary, Lonpac Insurance Bhd ("Lonpac"). In addition, investment holding segment also recorded a higher profit before tax of RM12.2 million as compared to RM10.8 million in the previous corresponding quarter in 2013 mainly due to higher dividend income received.

For the financial period ended 30 September 2014, the Group's revenue gained 5.6% or RM46.1 million to RM870.5 million as compared to RM824.4 million in the previous corresponding period in 2013. The increase was largely contributed by the general insurance segment which registered an increase of 5.6% to RM838.5 million over the previous corresponding period in 2013. The revenue from the investment holding segment recorded a higher investment income of RM32.0 million, mainly due to a higher dividend income received during the period under review.

B1. REVIEW OF GROUP PERFORMANCE (CONT'D)

As a result of the outstanding performance, the Group chalked up a profit before tax of RM208.7 million, which showed an increase of RM23.2 million or 12.5% as compared to RM185.5 million in the previous corresponding period in 2013. The significant increase was largely contributed by the general insurance segment which registered an impressive growth of RM22.1 million or 13.8% to RM181.9 million as compared to RM159.8 million in the previous corresponding period in 2013. The strong growth in the underwriting profit registered by Lonpac was the key contributor to the Group's outstanding performance. The impressive underwriting profit was contributed by the increase in premium income and improved net claims incurred ratio of 44.8% as compared to 46.5% in the previous corresponding period in 2013. Investment holding segment also recorded a higher profit before tax of RM26.8 million as compared to RM25.7 million in the previous corresponding period in 2013 mainly due to a higher dividend income received during the period under review.

B2. MATERIAL CHANGES IN THE PROFIT BEFORE TAX FOR THE QUARTER REPORTED ON WITH THE IMMEDIATE PRECEDING QUARTER

For the third quarter ended 30 September 2014, the Group recorded a higher profit before tax of RM77.4 million as compared to RM68.6 million in the preceding quarter ended 30 June 2014. The increase in the profit before tax for the said quarter was mainly due to higher investment income received.

B3. CURRENT YEAR PROSPECT

- a) The Malaysian Economy strengthened in the first half of 2014 with its Gross Domestic Product grew at 6.3%. Nonetheless, the weak Eurozone economies and the geopolitical tensions in the Middle East may affect the global economic climate notwithstanding that the economy of US has shown strong signs of recovery.

The global and domestic economic environment will affect the growth of the insurance industry in Malaysia. Lonpac faces intense competition as the major insurance players are actively building and establishing their market share and market position respectively, ahead of the liberalisation of the insurance market in Malaysia. The Group believes that while it continues to expand its market share in the targeted portfolios, it will exercise discipline in risk selection and prudence in claims management to ensure that the underwriting performance can be further enhanced.

B3. CURRENT YEAR PROSPECT (CONT'D)

- b) Commentary on the Company's progress to achieve the revenue or profit estimate, forecast, projection or internal targets in the remaining period to the end of the financial year and the forecast period which was previously announced or disclosed in a public document and steps taken or proposed to be taken to achieve the revenue or profit estimate, forecast, projection or internal targets. – Not Applicable.

B4. STATEMENT ON REVENUE OR PROFIT ESTIMATE, FORECAST, PROJECTION OR INTERNAL TARGETS PREVIOUSLY ANNOUNCED OR DISCLOSED IN A PUBLIC DOCUMENT

A statement of the Board of Directors' opinion as to whether the revenue or profit estimate, forecast, projection or internal targets in the remaining period to the end of the financial year and the forecast period which was previously announced or disclosed in a public document are likely to be achieved. – Not Applicable.

B5. EXPLANATORY NOTE FOR VARIANCE FROM PROFIT FORECAST OR PROFIT GUARANTEE PREVIOUSLY ANNOUNCED OR DISCLOSED IN A PUBLIC DOCUMENT

- a) Any variance of actual profit after tax and minority interest and the forecast profit after tax and minority interest (where the variance exceeds 10%). – Not Applicable.
- b) Any shortfall in the profit guarantee received by the Company and steps to recover the shortfall. – Not Applicable.

B6. TAXATION

RM'000	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30.09.2014	Preceding Year Corresponding Quarter Ended 30.09.2013	Current Year To Date Ended 30.09.2014	Preceding Year Corresponding Period Ended 30.09.2013
Profit before tax	77,425	71,894	208,650	185,492
Income tax:				
Current tax charge	16,122	12,659	45,586	37,566
Under / (Over) provision in prior year	(2,892)	(1,122)	(2,893)	(1,122)
	13,230	11,537	42,693	36,444
Effective tax rate on current tax charge	21%	18%	22%	20%

The effective tax rate on the current tax charge of the Group for the current quarter and financial period ended 30 September 2014 is lower than the statutory tax rate mainly due to tax-exempt dividends received and certain income being taxed at a reduced rate.

B7. STATUS OF CORPORATE PROPOSALS

- a) There was no corporate proposal announced but not completed as at 1 October 2014, the latest practicable date which is not earlier than 7 days from the date of the issue of this quarterly report.
- b) Brief explanation of the status of utilisation of proceeds raised from any corporate proposal – Not Applicable.

B8. GROUP BORROWINGS AND DEBT SECURITIES

The Group's borrowing as at 30 September 2014 was as follows:-

Short term	RM'000
Unsecured	<u>53,000</u>

B9. DISCLOSURE OF DERIVATIVES

A disclosure on outstanding derivatives (including financial instruments designated as hedging instruments) as at 30 September 2014. – Not Applicable.

B10. GAINS/ LOSSES ARISING FROM FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

There were no gains/ losses arising from fair value changes of the financial liabilities for the current quarter and financial period ended 30 September 2014.

B11. CHANGES IN MATERIAL LITIGATION

There were no pending material litigations since the last annual balance sheet date up to 1 October 2014, which is not earlier than 7 days from date of issue of this quarterly report.

B12. DIVIDEND

The total dividend for the nine (9) months ended 30 September 2014 was 20.00 sen single tier per share.

B13. EARNINGS PER SHARE

a) Basic earnings per share

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year To Date Ended	Preceding Year Corresponding Period Ended
Profit after tax (RM'000)	64,195	60,357	165,957	149,048
Weighted average no. of ordinary shares in issue ('000)	220,309	220,309	220,309	220,309
Basic earnings per share (sen)	29.14	27.40	75.33	67.65

b) Diluted earnings per share. – Not Applicable.

B14. PROFIT FOR THE PERIOD

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30.09.2014	Preceding Year Corresponding Quarter Ended 30.09.2013	Current Year To Date Ended 30.09.2014	Preceding Year Corresponding Period Ended 30.09.2013
Profit for the period is arrived at after charging:				
Finance costs	578	338	652	1,004
Depreciation of plant and equipment (N1)	1,135	1,073	3,366	3,237
and after crediting:				
Interest income (N2)	9,516	8,730	26,869	25,148
Dividend income (N2)	14,670	12,761	32,558	30,723
Rental income (N2)	170	90	584	285
Recovery of bad debts on insurance receivables (N1)	-	-	-	553
Gain on disposal of quoted and unquoted investments (N3)	-	759	3,832	791
Net foreign exchange gain / (loss) (N1)	152	(124)	142	(330)

Other than the items above which have been included in the Condensed Consolidated Statement of Profit or Loss, there were no impairment allowance on insurance receivables, impairments of assets, gain or loss on derivatives and exceptional items for the current financial period ended 30 September 2014.

(N1) Depreciation of plant and equipment, recovery of bad debts on insurance receivables and net foreign exchange gain / (loss) are reported under item management expenses in the Condensed Consolidated Statement of Profit or Loss.

(N2) Interest income, dividend income and rental income are reported under item investment income in the Condensed Consolidated Statement of Profit or Loss.

(N3) Gain on disposal of quoted and unquoted investments are reported under item realised gains and losses in the Condensed Consolidated Statement of Profit or Loss.

B15. SUPPLEMENTARY FINANCIAL INFORMATION ON THE BREAKDOWN OF REALISED AND UNREALISED PROFITS

The breakdown of the retained profits of the Group as at 30 September 2014, into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, are as follows:

	As at 30.09.2014 RM'000	As at 31.12.2013 RM'000
Total retained profits of the Group:		
- Realised	438,011	432,251
- Unrealised	11,409	10,709
	<hr/> 449,420	<hr/> 442,960
Total share of retained profits from associated company		
- Realised	5,534	4,660
	<hr/> 454,954	<hr/> 447,620
Less: Consolidation adjustments	(144,179)	(144,179)
Total retained profits as per statement of financial position	<hr/> <hr/> 310,775	<hr/> <hr/> 303,441

The determination of realised and unrealised profits is based on the 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.

B16. DISCLOSURE ON QUALIFICATION OF AUDIT REPORT

The audit report of the Group's preceding annual financial statements was not qualified.