

**MANULIFE INSURANCE (MALAYSIA) BERHAD**  
Interim financial statements for the six months period ended 30 June 2008

The figures have not been audited

**Condensed Consolidated Balance Sheet**

	<b>GROUP</b>	
	<b>As at</b>	<b>As at</b>
	<b><u>30.06.2008</u></b>	<b><u>31.12.2007</u></b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>General and Shareholders' Fund Assets</b>		
Property, plant and equipment	9,825	10,664
Investment properties	30,840	30,840
Investments	352,863	315,341
Loans receivable	4,431	8,283
Assets held for sale	731	-
Deferred tax assets	203	272
Receivables	34,032	85,583
Cash and bank balances	6,188	6,701
<b>Total General and Shareholders' Fund Assets</b>	<u>439,113</u>	<u>457,684</u>
<b>Total Life Fund Assets</b>	2,592,314	2,549,886
<b>TOTAL ASSETS</b>	<u><u>3,031,427</u></u>	<u><u>3,007,570</u></u>
<b>LIABILITIES</b>		
<b>General and Shareholders' Fund Liabilities</b>		
Provision for outstanding claims	907	907
Payables	5,121	14,165
Current tax payable	9,286	7,841
Deferred tax liabilities	2,519	2,188
<b>Total General and Shareholders' Fund Liabilities</b>	<u>17,833</u>	<u>25,101</u>
<b>Total Life Fund Liabilities</b>	280,272	314,894
<b>Life Policyholders' Fund (Note 28)</b>	2,311,982	2,234,872
<b>Life Asset Revaluation Reserve</b>	60	120
<b>TOTAL LIABILITIES</b>	<u>2,610,147</u>	<u>2,574,987</u>
<b>SHAREHOLDERS' FUND</b>		
Share capital	101,185	101,185
Reserves	320,095	331,398
	<u>421,280</u>	<u>432,583</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUND</b>	<u><u>3,031,427</u></u>	<u><u>3,007,570</u></u>
<b>Net Assets Per Share (RM)</b>	<u>2.08</u>	<u>2.14</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the annual financial statements for the financial year ended 31 December 2007)

**MANULIFE INSURANCE (MALAYSIA) BERHAD**  
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**Condensed Life Fund Balance Sheet**

	<b>As at</b> <b><u>30.06.2008</u></b> <b>RM'000</b>	<b>As at</b> <b><u>31.12.2007</u></b> <b>RM'000</b>
<b>ASSETS</b>		
Property, plant and equipment	4,790	4,161
Investment properties	-	280
Investments	1,912,607	1,862,051
Loans receivable	405,084	410,395
Prepaid lease payments	388	391
Current tax recoverable	647	62
Receivables	40,408	42,030
Cash and bank balances	16,979	13,536
Investment-linked business assets	211,411	216,980
<b>TOTAL LIFE FUND ASSETS</b>	<b><u>2,592,314</u></b>	<b><u>2,549,886</u></b>
<b>LIABILITIES</b>		
Provision for outstanding claims	19,076	12,717
Payables	257,695	295,686
Deferred tax liabilities	1,283	1,089
Investment-linked business liabilities	2,218	5,402
<b>Total Life Fund Liabilities</b>	<b><u>280,272</u></b>	<b><u>314,894</u></b>
<b>Life Policyholders' Fund (Note 28)</b>	<b>2,311,982</b>	<b>2,234,872</b>
<b>Life Asset Revaluation Reserve</b>	<b>60</b>	<b>120</b>
<b>TOTAL LIFE FUND LIABILITIES AND LIFE POLICYHOLDERS' FUND</b>	<b><u>2,592,314</u></b>	<b><u>2,549,886</u></b>

(The Condensed Life Fund Balance Sheet should be read in conjunction with the annual financial statements for the financial year ended 31 December 2007)

**MANULIFE INSURANCE (MALAYSIA) BERHAD**  
**Interim financial statements for the six months period ended 30 June 2008**

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**Condensed Consolidated Income Statement**

	3 months ended		<u>30.06.2008</u> RM'000	Cumulative 6 months ended <u>30.06.2007</u> RM'000
	<u>30.06.2008</u> RM'000	<u>30.06.2007</u> RM'000		
Operating revenue ( <i>Note 15</i> )	138,920	135,698	271,465	250,294
Surplus transfer from Life Insurance revenue account	13,825	22,030	30,309	41,253
General and Shareholders' fund: Investment income	5,031	4,503	9,480	8,543
Other operating (expense) / income - net ( <i>Note 18</i> )	(162)	12,239	1,969	15,039
Management expenses	(866)	(545)	(1,645)	(1,077)
Profit before taxation	17,828	38,227	40,113	63,758
Taxation ( <i>Note 20</i> )	(4,155)	(8,790)	(9,592)	(15,753)
Net profit attributable to shareholders ( <i>Note 15</i> )	13,673	29,437	30,521	48,005
	-	-	-	-
Basic earnings per share (sen) ( <i>Note 27</i> )	6.76	14.55	15.08	23.72

**(The Condensed Consolidated Income Statement should be read in conjunction with the annual financial statements for the financial year ended 31 December 2007)**

**MANULIFE INSURANCE (MALAYSIA) BERHAD**  
**Interim financial statements for the six months period ended 30 June 2008**

The figures have not been audited

**Condensed Life Insurance Revenue Account**

	<u>30.06.2008</u>	<u>3 months ended</u> <u>30.06.2007</u>	<u>30.06.2008</u>	<u>Cumulative</u> <u>6 months ended</u> <u>30.06.2007</u>
	RM'000	RM'000	RM'000	RM'000
Gross premium	105,907	102,667	204,833	187,855
Reinsurance	(1,560)	(1,134)	(2,428)	(1,953)
Net premium (Note 19)	<u>104,347</u>	<u>101,533</u>	<u>202,405</u>	<u>185,902</u>
Net benefits paid and payable	(69,855)	(63,750)	(121,253)	(116,959)
Commission and agency expenses	(12,136)	(10,638)	(24,528)	(21,773)
Management expenses	(8,305)	(7,786)	(15,542)	(14,116)
	<u>(20,441)</u>	<u>(18,424)</u>	<u>(40,070)</u>	<u>(35,889)</u>
Investment income	27,982	28,528	57,152	53,896
Other operating income - net (Note 18)	4,063	59,093	47,086	111,222
Surplus from operations	<u>46,096</u>	<u>106,980</u>	<u>145,320</u>	<u>198,172</u>
Interest expense	(2,592)	(2,281)	(5,102)	(4,502)
Surplus before taxation for the financial year	<u>43,504</u>	<u>104,699</u>	<u>140,218</u>	<u>193,670</u>
Taxation	(2,703)	(6,798)	(8,539)	(13,019)
Surplus after taxation for the financial year	<u>40,801</u>	<u>97,901</u>	<u>131,679</u>	<u>180,651</u>
(Deficit) / surplus from investment-linked business	(5,429)	12,736	(24,320)	25,999
	<u>35,372</u>	<u>110,637</u>	<u>107,359</u>	<u>206,650</u>
Life policyholders' fund at 1 Apr / 1 Jan	2,290,435	1,992,661	2,234,872	1,915,871
Balance before allocation	<u>2,325,807</u>	<u>2,103,298</u>	<u>2,342,231</u>	<u>2,122,521</u>
Transfer from revaluation reserve - PPE disposal	-	-	60	-
Transfer to Income Statement	(13,825)	(22,030)	(30,309)	(41,253)
Life policyholders' fund (Note 28)	<u><u>2,311,982</u></u>	<u><u>2,081,268</u></u>	<u><u>2,311,982</u></u>	<u><u>2,081,268</u></u>

**(The Condensed Life Insurance Revenue Account should be read in conjunction with the annual financial statements for the financial year ended 31 December 2007)**

**MANULIFE INSURANCE (MALAYSIA) BERHAD**  
**Interim financial statements for the six months period ended 30 June 2008**

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**Condensed Consolidated Statement of Changes in Equity**

	<b>Issued share capital RM'000</b>	<b>Share premium RM'000</b>	<b>Asset revaluation reserve RM'000</b>	<b>Currency translation reserve RM'000</b>	<b>Retained earnings RM'000</b>	<b>Total RM'000</b>
<b>At 1 January 2008</b>	101,185	1,884	2,503	5,190	321,821	432,583
Net profit	-	-	-	-	30,521	30,521
Final dividends paid for the financial year ended 31 December 2007 ( <i>Note 8</i> )	-	-	-	-	(41,824)	(41,824)
<b>At 30 June 2008</b>	<u>101,185</u>	<u>1,884</u>	<u>2,503</u>	<u>5,190</u>	<u>310,518</u>	<u>421,280</u>
 <b>At 1 January 2007</b>	 101,185	 1,884	 2,839	 5,190	 258,524	 369,622
Transfer of revaluation surplus on disposal of properties	-	-	(78)	-	78	-
Net profit	-	-	-	-	48,005	48,005
Final dividends paid for the financial year ended 31 December 2006	-	-	-	-	(22,060)	(22,060)
<b>At 30 June 2007</b>	<u>101,185</u>	<u>1,884</u>	<u>2,761</u>	<u>5,190</u>	<u>284,547</u>	<u>395,567</u>

**(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual financial statements for the financial year ended 31 December 2007)**

**MANULIFE INSURANCE (MALAYSIA) BERHAD**  
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**Condensed Consolidated Cash Flow Statement**

	<b>6 months ended <u>30.06.2008</u> RM'000</b>	<b>6 months ended <u>30.06.2007</u> RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit attributable to shareholders	30,521	48,005
Adjustments for non-cash items	(20,190)	14,281
Operating profit before changes in operating assets and liabilities	<u>10,331</u>	<u>62,286</u>
Net investment income received	59,477	60,389
Net purchase of investments	(28,836)	(82,597)
Decrease / (Increase) in loans receivable	9,206	(15,937)
Decrease in receivables	887	1,387
Increase in outstanding claims	6,359	374
Increase / (Decrease) in payables	2,563	(3,224)
Cash generated from operations	<u>59,987</u>	<u>22,678</u>
Income taxes (paid) / refund - net	(14,494)	3,205
Net cash inflow from operating activities	<u>45,493</u>	<u>25,883</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,510)	(537)
Proceeds from disposal of property, plant and equipment	237	1,967
Net cash (outflow) / inflow from investing activities	<u>(1,273)</u>	<u>1,430</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid to shareholders	(41,824)	(22,060)
Net cash outflow from financing activities	<u>(41,824)</u>	<u>(22,060)</u>
<b>CASH AND CASH EQUIVALENTS</b>		
Net increase during the financial year	2,396	5,253
Cash and cash equivalents at 1 January	20,929	27,836
<b>Cash and cash equivalents at 30 June (Note 29)</b>	<u><b>23,325</b></u>	<u><b>33,089</b></u>

**(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the annual financial statements for the financial year ended 31 December 2007)**