

**MANULIFE HOLDINGS BERHAD**  
(FORMERLY KNOWN AS MANULIFE INSURANCE (MALAYSIA) BERHAD)  
Interim financial statements for the nine months period ended 30 September 2008

The figures have not been audited

**Condensed Consolidated Balance Sheet**

	<b>GROUP</b>	
	<b>As at</b>	<b>As at</b>
	<b><u>30.09.2008</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	7,489	10,664
Investment properties	29,200	30,840
Investments	419,993	315,341
Loans receivable	4,039	8,283
Assets held for sale	2,264	-
Deferred tax assets	1,265	272
Receivables	37,903	85,583
Cash and bank balances	6,685	6,701
<b>Total General and Shareholders' Fund Assets</b>	<u>508,838</u>	<u>457,684</u>
<b>Total Life Fund Assets</b>	2,545,103	2,549,886
<b>TOTAL ASSETS</b>	<u><u>3,053,941</u></u>	<u><u>3,007,570</u></u>
<b>LIABILITIES</b>		
<b>General and Shareholders' Fund Liabilities</b>		
Provision for outstanding claims	627	907
Payables	76,325	14,165
Current tax payable	5,476	7,841
Deferred tax liabilities	2,179	2,188
<b>Total General and Shareholders' Fund Liabilities</b>	<u>84,607</u>	<u>25,101</u>
<b>Total Life Fund Liabilities</b>	251,278	314,894
<b>Life Policyholders' Fund (Note 27)</b>	2,293,766	2,234,872
<b>Life Asset Revaluation Reserve</b>	59	120
<b>TOTAL LIABILITIES</b>	<u>2,629,710</u>	<u>2,574,987</u>
<b>SHAREHOLDERS' FUND</b>		
Share capital	101,185	101,185
Reserves	<u>323,046</u>	<u>331,398</u>
	424,231	432,583
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUND</b>	<u><u>3,053,941</u></u>	<u><u>3,007,570</u></u>
<b>Net Assets Per Share (RM)</b>	<u><u>2.10</u></u>	<u><u>2.14</u></u>

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

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**Condensed Life Fund Balance Sheet**

	<b>As at</b> <b><u>30.09.2008</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	3,609	4,161
Investment properties	-	280
Intangible asset	460	-
Investments	1,788,231	1,862,051
Loans receivable	399,091	410,395
Prepaid lease payments	-	391
Assets held for sale	1,259	-
Deferred tax assets	6,690	-
Current tax recoverable	1,722	62
Receivables	50,250	42,030
Cash and bank balances	34,649	13,536
Investment-linked business assets	259,142	216,980
<b>TOTAL LIFE FUND ASSETS</b>	<b><u>2,545,103</u></b>	<b><u>2,549,886</u></b>
<b>LIABILITIES</b>		
Provision for outstanding claims	23,243	12,717
Payables	224,427	295,686
Deferred tax liabilities	-	1,089
Investment-linked business liabilities	3,608	5,402
<b>Total Life Fund Liabilities</b>	<b><u>251,278</u></b>	<b><u>314,894</u></b>
<b>Life Policyholders' Fund (Note 27)</b>	<b>2,293,766</b>	<b>2,234,872</b>
<b>Life Asset Revaluation Reserve</b>	<b>59</b>	<b>120</b>
<b>TOTAL LIFE FUND LIABILITIES AND LIFE POLICYHOLDERS' FUND</b>	<b><u>2,545,103</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)

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**Condensed Consolidated Income Statement**

	3 months ended		Cumulative 9 months ended	
	<u>30.09.2008</u> RM'000	<u>30.09.2007</u> RM'000	<u>30.09.2008</u> RM'000	<u>30.09.2007</u> RM'000
Operating revenue ( <i>Note 15</i> )	<u>201,233</u>	<u>145,851</u>	<u>472,698</u>	<u>396,145</u>
Surplus transfer from Life Insurance revenue account	2,285	17,659	32,594	58,912
General and Shareholders' fund: Investment income	4,657	4,817	14,137	13,360
Other operating (expense) / income - net	(2,314)	923	(345)	15,963
Management expenses	(626)	(722)	(2,271)	(1,800)
Profit before taxation	<u>4,002</u>	<u>22,677</u>	<u>44,115</u>	<u>86,435</u>
Taxation ( <i>Note 20</i> )	(1,040)	(6,085)	(10,632)	(21,838)
Net profit attributable to shareholders ( <i>Note 15</i> )	<u>2,962</u>	<u>16,592</u>	<u>33,483</u>	<u>64,597</u>
	-	-	-	-
Basic earnings per share (sen) ( <i>Note 26</i> )	<u>1.46</u>	<u>8.20</u>	<u>16.54</u>	<u>31.92</u>

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

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**Condensed Life Insurance Revenue Account**

	<u>30.09.2008</u> RM'000	<u>3 months ended</u> <u>30.09.2007</u> RM'000	<u>30.09.2008</u> RM'000	<u>Cumulative</u> <u>9 months ended</u> <u>30.09.2007</u> RM'000
Gross premium	166,311	110,977	371,144	298,832
Reinsurance	(1,096)	(1,319)	(3,524)	(3,272)
Net premium <i>(Note 18)</i>	<u>165,215</u>	<u>109,658</u>	<u>367,620</u>	<u>295,560</u>
Net benefits paid and payable	(85,647)	(49,085)	(212,001)	(170,546)
Commission and agency expenses	(15,458)	(13,123)	(39,986)	(34,896)
Management expenses	(9,088)	(8,101)	(24,630)	(22,217)
	<u>(24,546)</u>	<u>(21,224)</u>	<u>(64,616)</u>	<u>(57,113)</u>
Investment income	30,265	30,057	87,417	83,953
Other operating (expenses) / income - net	(84,636)	33,531	(37,550)	144,753
Surplus before taxation for the financial year	<u>651</u>	<u>102,937</u>	<u>140,870</u>	<u>296,607</u>
Taxation	5,006	(4,984)	(3,533)	(18,003)
Surplus after taxation for the financial period	<u>5,657</u>	<u>97,953</u>	<u>137,337</u>	<u>278,604</u>
(Deficit) / Surplus from investment-linked business	(21,588)	7,120	(45,909)	33,119
	<u>(15,931)</u>	<u>105,073</u>	<u>91,428</u>	<u>311,723</u>
Life policyholders' fund at 1 Jul / 1 Jan	2,311,982	2,081,268	2,234,872	1,915,871
Balance before allocation	<u>2,296,051</u>	<u>2,186,341</u>	<u>2,326,300</u>	<u>2,227,594</u>
Transfer from revaluation reserve - PPE disposal	-	-	60	-
Transfer to Income Statement	(2,285)	(17,659)	(32,594)	(58,912)
Life policyholders' fund (Note 27)	<u><u>2,293,766</u></u>	<u><u>2,168,682</u></u>	<u><u>2,293,766</u></u>	<u><u>2,168,682</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)**

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**Condensed Consolidated Statement of Changes in Equity**

	<u>Issued share capital</u> RM'000	<u>Share premium</u> RM'000	<u>Asset revaluation reserve</u> RM'000	<u>Currency translation reserve</u> RM'000	<u>Retained earnings</u> RM'000	<u>Total</u> RM'000
<b>At 1 January 2008</b>	101,185	1,884	2,503	5,190	321,821	432,583
Transfer of revaluation surplus on disposal of properties	-	-	(359)	-	359	-
Net profit					33,483	33,483
Final dividends paid for the financial year ended 31 December 2007 ( <i>Note 8</i> )					(41,835)	(41,835)
<b>At 30 September 2008</b>	<u>101,185</u>	<u>1,884</u>	<u>2,144</u>	<u>5,190</u>	<u>313,828</u>	<u>424,231</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	-	-	-	-	64,597	64,597
Final dividends paid for the financial year ended 31 December 2006	-	-	-	-	(22,060)	(22,060)
<b>At 30 September 2007</b>	<u>101,185</u>	<u>1,884</u>	<u>2,761</u>	<u>5,190</u>	<u>301,139</u>	<u>412,159</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)

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**Condensed Consolidated Cash Flow Statement**

	<b>9 months ended <u>30.09.2008</u> RM'000</b>	<b>9 months ended <u>30.09.2007</u> RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit attributable to shareholders	33,483	64,597
Adjustments for non-cash items	5,191	46,138
Operating profit before changes in operating assets and liabilities	<u>38,674</u>	<u>110,735</u>
Net investment income received	87,823	86,645
Net purchase of investments	(102,214)	(126,705)
Decrease in loans receivable	15,633	6,403
Increase / (Decrease) in receivables	(1,944)	9,416
Increase / (Decrease) in outstanding claims	10,246	(660)
Increase in payables	39,190	143
Cash generated from operations	<u>87,408</u>	<u>85,977</u>
Income taxes paid	(23,640)	(17,123)
Net cash inflow from operating activities	<u>63,768</u>	<u>68,854</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(2,030)	(706)
Proceeds from disposal of property, plant and equipment	1,050	1,895
Net cash (outflow) / inflow from investing activities	<u>(980)</u>	<u>1,189</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid to shareholders	(41,835)	(22,060)
Net cash outflow from financing activities	<u>(41,835)</u>	<u>(22,060)</u>
<b>CASH AND CASH EQUIVALENTS</b>		
Net increase during the financial year	20,953	47,983
Cash and cash equivalents at 1 January	20,929	27,836
<b>Cash and cash equivalents at 30 September (Note 28)</b>	<u><b>41,882</b></u>	<u><b>75,819</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)