

MANULIFE HOLDINGS BERHAD

Interim financial statements for the three months period ended 31 March 2012

Notes to the Interim Financial Statements

1. Basis of preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134, “Interim Financial Reporting” and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2011, which were prepared in accordance with Financial Reporting Standards (“FRS”).

The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to gain an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2011.

The Group has adopted the Malaysian Financial Reporting Standards (“MFRS”) framework issued by Malaysian Accounting Standards Board (“MASB”) and Revised Guidelines on Financial Reporting for Insurers issued by Bank Negara Malaysia (“BNM”) with effect from 1 January 2012. This condensed consolidated interim financial statements are the Group’s first MFRS compliant condensed report and hence MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards has been applied. The transition from FRS framework to MFRS framework and the adoption of the revised guidelines issued by BNM does not have any significant financial impact to the financial statements of the Group, other than as described in Note 2 below.

2. Significant accounting policies

As all FRSs issued under FRS framework were equivalent to the MFRSs issued under MFRS framework, 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 2011, except for the adoption of the following:

<u>MFRSs/Interpretations</u>	<u>Effective Date</u>
MFRS 1 “First time adoption on fixed dates and hyperinflation”	1 January 2012
MFRS 7 “Financial instruments: Disclosures on transfers of financial assets”	1 January 2012
MFRS 112 “Income taxes”	1 January 2012
MFRS 124 “Related party disclosures”	1 January 2012

The adoption of the revised standards, amendments and interpretations issued by Malaysian Accounting Standards Board (“MASB”) and revised guidelines issued by BNM which are effective in the current year do not have any material impact to the financial statements of the Group, other than as discussed below:-

(i) Foreign currency translation reserves

Prior to 1 January 2012, the Group recognised translation differences on foreign operations as a separate component of equity. Upon the change in Framework effective 1 January 2012, the Group used the transitional provision of first-time-adoption whereby cumulative foreign currency translation differences for all foreign operations are deemed to be zero at the date of transition to MFRS. As a result, at the date of transition, the cumulative translation differences were adjusted to retained earnings.

The impact of adopting this accounting policy to the Group is disclosed in Note 28 to the interim financial statements.

MANULIFE HOLDINGS BERHAD

Interim financial statements for the three months period ended 31 March 2012

Notes to the Interim Financial Statements (Continued)

2. Significant accounting policies (continued)

(ii) Unallocated surplus and AFS reserves on non-participating funds

Prior to 1 January 2012, the Group recognised unallocated surplus and AFS reserves of non-participating funds of its insurance subsidiary as part of actuarial insurance contract liabilities as required under Guideline BNM_GL_003-28 Guidelines on Financial Reporting for Insurers issued by Bank Negara Malaysia ("BNM") on 22 July 2010.

On 21 February 2012, BNM issued a revised Guideline BNM_GL_003-28, which is effective for financial period commencing 1 January 2012. Under this new guideline, there is no requirement/specification to classify the unallocated surplus and AFS reserves of non-participating funds as part of insurance contract liabilities. Accordingly, the Group changed its accounting policy to classify the unallocated surplus and AFS reserves of non-participating funds from insurance contract liabilities to equity. This change in accounting policy is adopted retrospectively.

The impact of the change in accounting policy to the Group is disclosed in Note 28 to the interim financial statements.

As at the date of authorisation of these interim financial statements, the Group is still assessing the financial impact to the financial statements of the Group from the revised MFRSs, amendments to MFRSs and IC Interpretations issued by MASB but not yet effective in the current year.

3. Status of audit qualification

There was no audit qualification in the annual financial statements for the preceding financial year ended 31 December 2011.

4. Seasonal/cyclical factors

The business operations of the Group are subject to the sales cycle of the insurance business.

5. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the financial period ended 31 March 2012.

6. Change in estimates

There were no changes in the basis used for accounting estimates for the current financial period to date.

7. Debt and equity securities

There were no issuances, cancellation, repurchases, resale and repayment of debt and equity securities during the current financial period.

MANULIFE HOLDINGS BERHAD

Interim financial statements for the three months period ended 31 March 2012

Notes to the Interim Financial Statements (Continued)

8. Proposed dividends

The directors recommended the payment of a first and final dividend of 18 sen per share less income tax at 25% amounting to RM27.3 million for the financial year ended 31 December 2011, which is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

No dividend has been declared in respect of the current financial period ended 31 March 2012.

9. Material events subsequent to the end of the financial period

There is no material event subsequent to the end of the financial period under review that has not been reported in the interim financial statements for the current financial period to date.

10. Changes in composition of the Group

There is no change in the Group's composition for the current financial period to date.

11. Contingent liabilities

There are no contingent liabilities as at the date of this report since the date of the last annual statement of financial position.

12. Current year prospects

Notwithstanding the uncertain global economic recovery as well as concerns of European sovereign debt could have adverse spill-over effect, the economic growth is expected to continue in Malaysia. Our business expansion is in progress and rides on the fact that financial industry is one of the key pillars in driving economic growth as evidenced by the numerous measures and initiatives undertaken by the Government. The dynamic and consumer focused environment offers ample opportunities for the Group to be an active contributor towards its growth. The Group continues to adopt a customer-centric approach when launching forward thinking solutions that will help our customers' most significant financial decisions. Nevertheless, the Group will be prudent in its utilisation and management of resources as it moves towards achieving its growth objectives.

In April 2012, the Securities Commission ("SC") granted an approval to Manulife Unit Trust Berhad ("MUTB") to operate Private Retirement Scheme ("PRS"). MUTB has put in place a business plan to expand our presence in Malaysia and is looking at launching PRS services and new funds in the fourth quarter of 2012. MUTB will benefit from the success as PRS is an avenue to build on the Asset Under Management and improved profitability from better economies of scale.

These strategic plans are expected to reinforce the Group's competitive position in the insurance, unit trust and asset management industries.

Barring any unforeseen circumstances, the Directors expect the Group's performance to remain satisfactory in the next financial year ending 31 December 2012 as the Group invests further towards its business expansion.

13. Profit forecast

The Group did not issue any profit forecast during the financial period to date.

MANULIFE HOLDINGS BERHAD

Interim financial statements for the three months period ended 31 March 2012

Notes to the Interim Financial Statements (Continued)

14. Group borrowings

The Group does not have any borrowings as at 31 March 2012.

15. Material litigation

There is no material litigation as at the date of this report since the date of the last annual statement of financial position.

16. Status of corporate proposal

As at the date of this report, there are no corporate proposal that have been announced but not completed.

MANULIFE HOLDINGS BERHAD

Interim financial statements for the three months period ended 31 March 2012

Notes to the Interim Financial Statements (Continued)

17. Operating segments

The core businesses of the Group are the life insurance business, management of unit trust funds, investment and fund management. Segment information is presented in respect of the Group's business segments which are as follows:

Investment holding : Investment holding operations

Life insurance : Underwriting of participating and non-participating life insurance and unit-linked products

Others : Asset management, unit trust and other segments

Comparative figures have been restated following the reclassification of the composition of business segments in the current financial period.

a) Segment reporting

	Cumulative 3 months ended 31 March							
	Investment holding		Life insurance business		Others		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue								
a) Gross premium	-	-	121,984	104,295	-	-	121,984	104,295
b) Investment income	2,612	2,786	33,800	31,732	185	126	36,597	34,644
c) Fee income	-	-	-	-	322	400	322	400
Total external revenue	2,612	2,786	155,784	136,027	507	526	158,903	139,339
Inter-segment revenue								
a) Rental income	186	175	93	117	-	-	279	292
b) Fee income/(expenses)	333	366	(1,501)	(1,320)	1,737	1,540	569	586
Total inter-segment revenue	519	541	(1,408)	(1,203)	1,737	1,540	848	878
Total operating revenue	3,131	3,327	154,376	134,824	2,244	2,066	159,751	140,217
Profit before taxation	1,613	2,325	16,419	14,127	139	28	18,171	16,480
Segment assets	404,134	420,973	3,619,402	3,451,976	62,953	62,583	4,086,489	3,935,532
Segment liabilities	10,973	11,288	3,138,283	3,011,969	1,995	734	3,151,251	3,023,991

MANULIFE HOLDINGS BERHAD

Interim financial statements for the three months period ended 31 March 2012

Notes to the Interim Financial Statements (Continued)

17. Operating segments (continued)

b) Reconciliation of reportable segments

	Cumulative 3 months ended	
	31.03.2012	31.03.2011
	RM'000	RM'000
<u>Operating revenue</u>		
Total operating revenue for reportable segments	159,751	140,217
Elimination of inter-segment revenue	(848)	(878)
Consolidated operating revenue	<u>158,903</u>	<u>139,339</u>
	As at	As at
	31.03.2012	31.03.2011
	RM'000	RM'000
<u>Segment assets</u>		
Total assets for reportable segments	4,086,489	3,935,532
Elimination of inter-segment assets	(224,709)	(219,919)
Consolidated assets	<u>3,861,780</u>	<u>3,715,613</u>
<u>Segment liabilities</u>		
Total liabilities for reportable segments	3,151,251	3,023,991
Elimination of inter-segment liabilities	(16,573)	(11,783)
Consolidated liabilities	<u>3,134,678</u>	<u>3,012,208</u>

18. Review of performance

	3 months ended		Cumulative 3 months ended	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
	RM'000	RM'000	RM'000	RM'000
Total operating revenue				
Business Segments				
Investment holding	3,131	3,327	3,131	3,327
Life insurance business	154,376	134,824	154,376	134,824
Others	2,244	2,066	2,244	2,066
Total operating revenue for reportable segments	159,751	140,217	159,751	140,217
Elimination of inter-segment revenue	(848)	(878)	(848)	(878)
Total	<u>158,903</u>	<u>139,339</u>	<u>158,903</u>	<u>139,339</u>
Profit before taxation				
Business Segments				
Investment holding	1,613	2,325	1,613	2,325
Life insurance business	16,419	14,127	16,419	14,127
Others	139	28	139	28
Total	<u>18,171</u>	<u>16,480</u>	<u>18,171</u>	<u>16,480</u>

MANULIFE HOLDINGS BERHAD

Interim financial statements for the three months period ended 31 March 2012

Notes to the Interim Financial Statements (Continued)

18. Review of performance (continued)

1st Quarter 2012 vs 1st Quarter 2011

The Group recorded operating revenue of RM159.0 million for the quarter ended 31 March 2012, an increase of 14.1% or RM19.7 million compared to the corresponding quarter 31 March 2011 of RM139.3 million. The Group's profit before tax was RM18.2 million for current quarter, RM1.7 million higher compared to the corresponding financial period ended 31 March 2011 of RM16.5 million.

Performance of the respective operating business segments are as follows:

Investment holding – Operating revenue of the investment holding was lower in current quarter as compared to preceding year's corresponding quarter mainly due to lower investment income from debt securities during the current financial period. Profit before tax was lower mainly due decrease in realised gains from equity securities in the current quarter .

Life insurance business – Operating revenue of the life insurance business was higher mainly from higher gross premium earned particularly from the investment-linked business and higher investment income during the current quarter. Profit before tax was higher mainly contributed by the higher fair value gains from investment.

Other business – Operating revenue improved in current quarter as compared to the corresponding quarter in preceding year mainly due to higher management fee income earned on higher Asset-under-Management and higher investment income. Profit before tax was higher in current quarter as compared to corresponding quarter in 2011 as there were higher fee and commission income in the current financial period.

19. Material changes in the quarterly results compared to the results of preceding quarter

The Group attained higher profit before tax of RM18.2 million for the current quarter under review as compared to the loss before tax of RM8.8 million in preceding quarter ended 31 December. The increase of RM27 million was mainly due to higher realised gains from investment in current quarter and review of actuarial basis in preceding quarter ended 31 December which resulted in higher estimate on insurance contract liabilities.

20. Net earned premiums

Included in the net earned premiums were first year, renewal year and single premium, net of reinsurance during the financial quarter:

	3 months ended		Cumulative 3 months ended	
	<u>31.03.2012</u>	<u>31.03.2011</u>	<u>31.03.2012</u>	<u>31.03.2011</u>
	RM'000	RM'000	RM'000	RM'000
First year premium	13,428	14,018	13,428	14,018
Renewal year premium	94,670	85,636	94,670	85,636
Single premium	11,627	1,882	11,627	1,882
Total	<u>119,725</u>	<u>101,536</u>	<u>119,725</u>	<u>101,536</u>

MANULIFE HOLDINGS BERHAD

Interim financial statements for the three months period ended 31 March 2012

Notes to the Interim Financial Statements (Continued)

21. Investment income

	3 months ended		Cumulative	
	31.03.2012 RM'000	31.03.2011 RM'000	31.03.2012 RM'000	31.03.2011 RM'000
<u>Financial assets at FVTPL</u>				
<u>- designated upon initial recognition</u>				
Interest/profit income	3,831	3,407	3,831	3,407
Dividend/distribution income				
- equity securities quoted in Malaysia	767	915	767	915
Accretion of discounts, net of amortisation of premiums	115	439	115	439
<u>AFS financial assets</u>				
Interest/profit income	17,237	14,851	17,237	14,851
Dividend/distribution income				
- equity securities quoted in Malaysia	4,910	4,028	4,910	4,028
- equity securities unquoted	35	-	35	-
Accretion of discounts, net of amortisation of premiums	766	1,232	766	1,232
<u>Loans and receivables</u>				
Interest/profit income	6,406	6,716	6,406	6,716
Accretion of discounts, net of amortisation of premiums	568	540	568	540
Rental income	1,663	1,714	1,663	1,714
<u>Cash and bank balances</u>				
Interest/profit sharing income	299	802	299	802
	<u>36,597</u>	<u>34,644</u>	<u>36,597</u>	<u>34,644</u>

22. Other operating expenses

	3 months ended		Cumulative	
	31.03.2012 RM'000	31.03.2011 RM'000	31.03.2012 RM'000	31.03.2011 RM'000
Foreign exchange loss	298	10	298	10
Interest on agent's bond	8	13	8	13
Tax on investment income of Life fund and investment-linked funds				
- Current tax	2,995	4,815	2,995	4,815
- Deferred tax	1,308	(307)	1,308	(307)
	<u>4,303</u>	<u>4,508</u>	<u>4,303</u>	<u>4,508</u>
	<u>4,609</u>	<u>4,531</u>	<u>4,609</u>	<u>4,531</u>

The income tax for the Life fund and investment-linked funds of the Group's insurance subsidiary is calculated based on the tax rate of 8% (2011:8%) of the assessable investment income, net of allowable deductions for the financial period.

MANULIFE HOLDINGS BERHAD

Interim financial statements for the three months period ended 31 March 2012

Notes to the Interim Financial Statements (Continued)**23. Profit before taxation**

	3 months ended		Cumulative 3 months ended	
	<u>31.03.2012</u>	<u>31.03.2011</u>	<u>31.03.2012</u>	<u>31.03.2011</u>
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Amortisation of intangible assets	195	178	195	178
Depreciation of property and equipment	482	436	482	436
Investment income (Note 21)	(36,597)	(34,644)	(36,597)	(34,644)
Impairment loss on insurance receivables	-	1	-	1
Foreign exchange gain	(2)	(62)	(2)	(62)
Foreign exchange loss	298	10	298	10
Net realised gains				
- realised gains on disposal of investments	(12,777)	(23,921)	(12,777)	(23,921)
	(12,777)	(23,921)	(12,777)	(23,921)
Net fair value gains				
- fair value gains on investments	(20,362)	(6,173)	(20,362)	(6,173)
- impairment loss on quoted equities	237	-	237	-
	(20,125)	(6,173)	(20,125)	(6,173)

Other than the above, there was no gain or loss on derivatives for the current quarter ended 31 March 2012.

MANULIFE HOLDINGS BERHAD

Interim financial statements for the three months period ended 31 March 2012

Notes to the Interim Financial Statements (Continued)**24. Taxation**

	3 months ended		Cumulative 3 months ended	
	<u>31.03.2012</u>	<u>31.03.2011</u>	<u>31.03.2012</u>	<u>31.03.2011</u>
	RM'000	RM'000	RM'000	RM'000
Current tax	4,061	4,342	4,061	4,342
<u>Deferred tax</u>				
Origination and reversal of temporary differences	(26)	(1,058)	(26)	(1,058)
Overprovision in prior financial year	<u>(3,026)</u>	<u>-</u>	<u>(3,026)</u>	<u>-</u>
	<u>(3,052)</u>	<u>(1,058)</u>	<u>(3,052)</u>	<u>(1,058)</u>
	<u>1,009</u>	<u>3,284</u>	<u>1,009</u>	<u>3,284</u>

The income tax for the Group is calculated based on the tax rate of 25% (2011: 25%) of the estimated assessable profit for the financial period.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate is as below.

	3 months ended		Cumulative 3 months ended	
	<u>31.03.2012</u>	<u>31.03.2011</u>	<u>31.03.2012</u>	<u>31.03.2011</u>
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	<u>18,171</u>	<u>16,480</u>	<u>18,171</u>	<u>16,480</u>
Taxation at Malaysian statutory tax rate of 25%	4,543	4,120	4,543	4,120
Section 110B tax credit set off	(598)	(669)	(598)	(669)
Income not subject to tax	(281)	(359)	(281)	(359)
Expenses not deductible for tax purposes	<u>371</u>	<u>192</u>	<u>371</u>	<u>192</u>
	4,035	3,284	4,035	3,284
Overprovision in prior year - Deferred tax	(3,026)	-	(3,026)	-
	<u>1,009</u>	<u>3,284</u>	<u>1,009</u>	<u>3,284</u>

MANULIFE HOLDINGS BERHAD

Interim financial statements for the three months period ended 31 March 2012

Notes to the Interim Financial Statements (Continued)**25. Earnings per share****(a) Basic earnings per share**

Basic earnings per share of the Group are calculated by dividing the net profit attributable to ordinary equity holders for the financial period by the weighted average number of ordinary shares in issue.

		3 months ended		Cumulative 3 months ended	
		<u>31.03.2012</u>	<u>31.03.2011</u>	<u>31.03.2012</u>	<u>31.03.2011</u>
Net profit attributable to shareholders	(RM'000)	17,162	13,196	17,162	13,196
Weighted average number of ordinary shares in issue	('000)	<u>202,370</u>	<u>202,370</u>	<u>202,370</u>	<u>202,370</u>
Basic earnings per share	(Sen)	<u>8.48</u>	<u>6.52</u>	<u>8.48</u>	<u>6.52</u>

(b) Diluted earnings per share

There is no dilution in earnings per share as there are no dilutive potential ordinary shares as at 31 March 2012.

26. Insurance contract liabilities

The insurance contract liabilities as at the date of the statement of financial position comprise the following:

	<u>As at 31.03.2012</u> RM'000	<u>As at 31.12.2011</u> RM'000	<u>As at 01.01.2011</u> RM'000
Actuarial liabilities	2,224,461	2,196,472	1,922,955
Unallocated surplus	(105,153)	(98,163)	66,739
Available-for-sale fair value reserve	165,474	143,438	159,227
Investment-linked policyholders' account	405,310	373,481	409,432
Foreign currency translation reserve on investment-linked policyholders' account	<u>(10,285)</u>	<u>(7,449)</u>	<u>(10,084)</u>
	<u>2,679,807</u>	<u>2,607,779</u>	<u>2,548,269</u>

MANULIFE HOLDINGS BERHAD

Interim financial statements for the three months period ended 31 March 2012

Notes to the Interim Financial Statements (Continued)**27. Cash and cash equivalents**

Cash and cash equivalents as at the date of statement of financial position comprise the following:

	As at 31.03.2012 RM'000	As at 31.12.2011 RM'000	As at 01.01.2011 RM'000
Shareholders and others	4,231	6,575	23,729
Non Investment-linked business	16,387	22,012	86,697
Investment-linked business	1,336	1,067	1,916
	<u>21,954</u>	<u>29,654</u>	<u>112,342</u>

28. Comparative figures

Certain comparative figures have been restated following the adoption of MFRS Framework and changes in accounting policies as stated in Note 2.

Reconciliation of statement of financial position for comparative periods and previously reported balances are as follows:

	Note	As previously reported "FRS" RM'000	Adjustment RM'000	As restated "MFRS" RM'000
Statement of financial position				
<u>As at 1 January 2011</u>				
<u>Equity</u>				
Foreign currency translation reserve	a	5,190	(5,190)	-
Fair value reserves	b	13,449	9,165	22,614
Retained earnings	a , b	411,393	152,120	563,513
<u>Liabilities</u>				
Insurance contract liabilities	b	2,753,341	(205,072)	2,548,269
Deferred tax liabilities	c	28,452	48,977	77,429
<u>As at 31 December 2011</u>				
<u>Equity</u>				
Foreign currency translation reserve	a	5,190	(5,190)	-
Fair value reserves	b	13,266	8,860	22,126
Retained earnings	a , b	451,440	125,659	577,099
<u>Liabilities</u>				
Insurance contract liabilities	b	2,777,264	(169,485)	2,607,779
Deferred tax liabilities	c	25,480	40,156	65,636

MANULIFE HOLDINGS BERHAD

Interim financial statements for the three months period ended 31 March 2012

Notes to the Interim Financial Statements (Continued)**28. Comparative figures (continued)**

	Note	As previously reported "FRS" RM'000	Adjustment RM'000	As restated "MFRS" RM'000
Statement of financial position				
<u>As at 31 March 2011</u>				
<u>Equity</u>				
Foreign currency translation reserve	a	5,190	(5,190)	-
Fair value reserves	b	11,832	9,309	21,141
Retained earnings	a , b	427,452	149,257	576,709
<u>Liabilities</u>				
Insurance contract liabilities	b	2,768,469	(201,398)	2,567,071
Deferred tax liabilities	c	25,504	48,022	73,526

Reconciliation of profit or loss and other comprehensive income for comparative periods and previously reported balances are as follows:

	Note	As previously reported "FRS" RM'000	Adjustment RM'000	As restated "MFRS" RM'000
Statement of comprehensive income				
<u>For financial period ended 31 March 2011</u>				
Total comprehensive income		14,442	(2,719)	11,723
Comprise of the following restatements:				
Gross change in contract liabilities	b	(33,035)	(3,818)	(36,853)
Taxation	c	(4,239)	955	(3,284)
Net (loss)/gain on fair value change of available-for-sale financial assets	b	(1,617)	144	(1,473)

The adoption of the new MFRS Framework and the change in accounting policy resulted in the following restatements:-

- (a) reclassification of foreign currency translation reserves to retained earnings;
- (b) reclassification of unallocated surplus and AFS reserves (net of deferred tax) of non-participating funds previously held within insurance contract liabilities to non-distributable retained earnings and fair value reserves respectively as of 1 January 2011;
- (c) recognition of corresponding deferred tax liabilities on unallocated surplus of non-participating funds

MANULIFE HOLDINGS BERHAD

Interim financial statements for the three months period ended 31 March 2012

Notes to the Interim Financial Statements (Continued)**29. Disclosure of realised and unrealised earnings**

Pursuant to the directive and guidance issued by Bursa Securities, the breakdown of the Group's retained earnings into realised and unrealised earnings is analysed as follows:

	As at 31.03.2012 RM'000	As at 31.12.2011 RM'000
Total retained earnings of the Group:		
- Realised	429,240	414,198
- Unrealised	141,137	140,955
	<hr/> 570,377	<hr/> 555,153
Consolidation adjustments	23,884	21,946
Total retained earnings as per statement of financial position	<hr/> <hr/> 594,261	<hr/> <hr/> 577,099

The analysis of realised and unrealised earnings is made reference to the Guidance On Special Matter No. 1 "*Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Securities Listing Requirements*" issued by the Malaysian Institute of Accountants on 20 December 2010.

BY ORDER OF THE BOARD

Chua Siew Chuan
Joint Secretary
16 May 2012

Chin Mun Yee
Joint Secretary