

**ALLIANZ MALAYSIA BERHAD (12428-W)**

UNAUDITED QUARTERLY RESULTS  
FOR THE PERIOD ENDED 31 MARCH 2009

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET  
AS AT 31 MARCH 2009

	As at 31-Mar-09 RM'000	As at 31-Dec-08 RM'000
<b>Assets</b>		
<b>General business and shareholders' fund assets</b>		
Property, plant and equipment	73,233	72,397
Intangible assets	326,348	328,550
Prepaid lease payments	5,218	5,219
Investment property	1,662	1,662
Deferred tax assets	9,735	11,257
Loans	3,233	3,215
Receivables, deposits and prepayments	3,959	1,423
<b>Total non-current general business and shareholders' fund assets</b>	423,388	423,723
Investment in debt and equity securities	1,605,895	1,509,949
Loans	1,180	905
Receivables, deposits and prepayments	171,463	190,095
Current tax assets	6,217	8,441
Cash and cash equivalents	2,007	4,172
<b>Total current general business and shareholders' fund assets</b>	1,786,762	1,713,562
Less: Due from life fund	-	(40,622)
<b>Total life business assets</b>	1,786,762	1,672,940
Non-current assets	21,892	22,448
Current assets	1,929,935	1,864,942
	1,951,827	1,887,390
<b>Total assets</b>	4,161,977	3,984,053

**ALLIANZ MALAYSIA BERHAD (12428-W)**
**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET**
**AS AT 31 MARCH 2009**

(CONTINUED)

	As at 31-Mar-09 RM'000	As at 31-Dec-08 RM'000
<b>Equity</b>		
Share capital	153,869	153,869
Reserves	24,443	11,213
Retained earnings	243,280	223,036
<b>Total equity</b>	<u>421,592</u>	<u>388,118</u>
<b>Total life policyholders' fund</b>	----- 1,794,726	----- 1,688,146
<b>Liabilities</b>		
<b>General business and shareholders' fund liabilities</b>		
Payables and accruals	31,213	29,580
Deferred tax liabilities	5,942	5,293
Subordinated loans	490,000	490,000
<b>Total non-current general business and shareholders' fund liabilities</b>	<u>527,155</u>	<u>524,873</u>
Unearned premium reserves	333,453	318,366
Provision for outstanding claims	640,041	648,192
Payables and accruals	287,886	257,736
Current tax liabilities	23	-
<b>Total current general business and shareholders' fund liabilities</b>	<u>1,261,403</u>	<u>1,224,294</u>
<b>Total life business liabilities</b>		
Non-current liabilities	26,820	23,792
	<u>26,820</u>	<u>23,792</u>
Current liabilities	130,281	175,452
Less: Due to shareholders' fund	-	(40,622)
	<u>130,281</u>	<u>134,830</u>
	----- 157,101	----- 158,622
<b>Total equity and liabilities</b>	<u><u>4,161,977</u></u>	<u><u>3,984,053</u></u>
<b>Net asset per share (RM)</b>	2.74	2.52

The accompanying Notes form an integral part of, and should be read in conjunction with, this interim financial report.

**ALLIANZ MALAYSIA BERHAD (12428-W)**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2009**

	← Attributable to Equity Shareholders →					Total RM'000
	← Non-Distributable Reserves →				Distributable Reserve	
	Share Capital RM'000	Share Premium RM'000	Asset Revaluation Reserve RM'000	Fair Value Reserve RM'000	Retained profits RM'000	
<b>At 1 January 2008</b>	153,869	5,529	5,547	-	154,585	319,530
Profit for the period	-	-	-	-	70,728	70,728
Dividends to shareholders	-	-	-	-	(2,277)	(2,277)
Effect of change in tax rate	-	-	137	-	-	137
<b>At 31 December 2008</b>	<u>153,869</u>	<u>5,529</u>	<u>5,684</u>	<u>-</u>	<u>223,036</u>	<u>388,118</u>
<b>At 1 January 2009</b>	153,869	5,529	5,684	-	223,036	388,118
Change in accounting policies:						
- Effect of adoption of Risk Based Capital	-	-	-	10,832	-	10,832
<b>At 1 January 2009, restated</b>	153,869	5,529	5,684	10,832	223,036	398,950
Profit for the period	-	-	-	-	20,244	20,244
Available for sales reserve	-	-	-	2,398	-	2,398
<b>At 31 March 2009</b>	<u>153,869</u>	<u>5,529</u>	<u>5,684</u>	<u>13,230</u>	<u>243,280</u>	<u>421,592</u>

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**ALLIANZ MALAYSIA BERHAD (12428-W)****UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2009**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 31-Mar-09 RM'000	Preceding Year Corresponding Quarter 31-Mar-08 RM'000	Current Year To Date 31-Mar-09 RM'000	Preceding Year Corresponding Period 31-Mar-08 RM'000
Operating revenue *	495,374	398,829	495,374	398,829
Shareholders' fund:				
Investment income	1,747	1,414	1,747	1,414
Other operating expenses	(2,248) **	(3,346)	(2,248) **	(3,346)
Management expenses	(1,049)	(1,559)	(1,049)	(1,559)
	(1,550)	(3,491)	(1,550)	(3,491)
Transfer from condensed insurance revenue account:				
- General Insurance	29,192	29,421	29,192	29,421
Profit before tax	27,642	25,930	27,642	25,930
Tax expenses	(7,398)	(8,246)	(7,398)	(8,246)
Profit for the year	20,244	17,684	20,244	17,684
Attributable to equity shareholders	20,244	17,684	20,244	17,684
Earnings per share attributable to equity shareholders:				
Basic (Sen)	13.16	11.49	13.16	11.49
Diluted (Sen)	13.16	11.49	13.16	11.49

\* Operating revenue consists of gross premium and investment income.

\*\* Other operating expenses include amortisation of intangible assets amounting to RM2.2 million.

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**ALLIANZ MALAYSIA BERHAD (12428-W)****UNAUDITED CONDENSED GENERAL INSURANCE REVENUE ACCOUNT  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2009**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 31-Mar-09 RM'000	Preceding Year Corresponding Quarter 31-Mar-08 RM'000	Current Year To Date 31-Mar-09 RM'000	Preceding Year Corresponding Year 31-Mar-08 RM'000
Gross premium	280,375	217,045	280,375	217,045
Less: Reinsurance	(86,812)	(62,871)	(86,812)	(62,871)
Net premium	193,563	154,174	193,563	154,174
(Increase)/Decrease in unearned premium reserves	(15,087)	247	(15,087)	247
Earned premium	178,476	154,421	178,476	154,421
Net claims incurred	(98,395)	(86,206)	(98,395)	(86,206)
Net commission	(21,828)	(14,950)	(21,828)	(14,950)
Underwriting surplus before management expenses	58,253	53,265	58,253	53,265
Management expenses	(43,137)	(39,306)	(43,137)	(39,306)
Underwriting surplus	15,116	13,959	15,116	13,959
Investment income	13,454	12,067	13,454	12,067
Other operating income	1,104	5,046	1,104	5,046
Other operating expenses	(482)	(1,652)	(482)	(1,652)
Surplus transferred to condensed consolidated income statement	29,192	29,421	29,192	29,421

The accompanying Notes form an integral part of, and should be read in conjunction with, this interim financial report.

UNAUDITED CONDENSED LIFE FUND BALANCE SHEET  
AS AT 31 MARCH 2009

	As at 31-Mar-09 RM'000	As at 31-Dec-08 RM'000
<b>Assets</b>		
Property, plant & equipment	12,016	11,983
Intangible Assets	181	242
Prepaid lease payments	4,716	4,732
Investment property	2,620	2,620
Deferred tax assets	-	438
Loans	2,258	2,333
Receivables, deposits and prepayment	101	100
<b>Total life business non-current assets</b>	21,892	22,448
Investment in debts and equity securities	1,582,224	1,528,812
Loans	36,107	33,354
Receivables, deposits & prepayment	54,785	59,127
Current tax assets	3,283	2,755
Cash and cash equivalents	21,253	12,139
	1,697,652	1,636,187
<b>Investment-linked business current assets</b>	232,283	228,755
<b>Total life business current assets</b>	1,929,935	1,864,942
<b>Total life business assets</b>	1,951,827	1,887,390

The accompanying Notes form an integral part of, and should be read in conjunction with, this interim report

**ALLIANZ MALAYSIA BERHAD (12428-W)****UNAUDITED CONDENSED LIFE FUND BALANCE SHEET  
AS AT 31 MARCH 2009  
(CONTINUED)**

	<b>As at 31-Mar-09 RM'000</b>	<b>As at 31-Dec-08 RM'000</b>
<b>Life policyholders' fund</b>		
Life policyholders' fund	1,781,577	1,687,184
Fair value reserve	12,187	-
Life assets revaluation reserve	962	962
<b>Total life policyholders' funds</b>	<u>1,794,726</u>	<u>1,688,146</u>
<b>Liabilities</b>		
Payables and accruals	25,452	23,723
Deferred tax liabilities	1,294	-
	<u>26,746</u>	<u>23,723</u>
<b>Investment-linked business non-current liabilities</b>	74	69
<b>Total life business non-current liabilities</b>	<u>26,820</u>	<u>23,792</u>
Provision for outstanding claims	33,918	31,564
Payable and accruals	94,738	143,400
	<u>128,656</u>	<u>174,964</u>
<b>Investment-linked current liabilities</b>	<u>1,625</u>	<u>488</u>
<b>Total life business current liabilities</b>	<u>130,281</u>	<u>175,452</u>
<b>Total life business liabilities</b>	<u>157,101</u>	<u>199,244</u>
<b>Total life policyholders' funds and life business liabilities</b>	<u><u>1,951,827</u></u>	<u><u>1,887,390</u></u>

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**ALLIANZ MALAYSIA BERHAD (12428-W)**
**UNAUDITED CONDENSED LIFE INSURANCE REVENUE ACCOUNT  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2009**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 31-Mar-09 RM'000	Preceding Year Corresponding Quarter 31-Mar-08 RM'000	Current Year To Date 31-Mar-09 RM'000	Preceding Year Corresponding Year 31-Mar-08 RM'000
Gross premium	179,059	150,613	179,059	150,613
Less: Reinsurance	(14,043)	(9,904)	(14,043)	(9,904)
Net Premium	165,016	140,709	165,016	140,709
Benefits paid and payable				
Surrender	(12,783)	(26,001)	(12,783)	(26,001)
Death	(4,138)	(3,519)	(4,138)	(3,519)
Maturity	(1,266)	(1,001)	(1,266)	(1,001)
Cash Bonus	(3,259)	(3,968)	(3,259)	(3,968)
Others	(9,255)	(6,233)	(9,255)	(6,232)
	(30,701)	(40,722)	(30,701)	(40,722)
	134,315	99,987	134,315	99,987
Commission and agency expenses	(43,645)	(36,178)	(43,645)	(36,178)
Management Expenses	(16,507)	(14,757)	(16,507)	(14,757)
	(60,152)	(50,935)	(60,152)	(50,935)
Underwriting surplus	74,163	49,052	74,163	49,052
Investment income	18,001	14,276	18,001	14,276
Investment charges	611	725	611	725
Other income/(expenses) (net)	602	(615)	602	(615)
Surplus before tax	93,377	63,438	93,377	63,438
Tax expense	(1,492)	(592)	(1,492)	(592)
Surplus after tax but before policy reserves	91,885	62,846	91,885	62,846
Surplus/(Deficit) from investment-linked but before policy reserves	2,508	(13,068)	2,508	(13,067)
Fund at beginning of period	1,687,184	1,418,934	1,687,184	1,418,934
Fund at end of period	1,781,577	1,468,712	1,781,577	1,468,712

The accompanying Notes form an integral part of, and should be read in conjunction with this interim report

**ALLIANZ MALAYSIA BERHAD (12428-W)****UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2009**

	Period Ended 31-Mar-09 RM'000	Period Ended 31-Mar-08 RM'000
<b>Profit before taxation</b>	27,642	25,930
Adjustments for non-cash items	82,038	43,054
Operating profit before changes in operating assets and liabilities	<u>109,680</u>	<u>68,984</u>
Changes in operating assets and liabilities		
Net change in operating assets	(75,815)	(26,948)
Net change in operating liabilities	<u>109,287</u>	<u>(13,284)</u>
<b>Net cash generated from operating activities</b>	<u>143,152</u>	<u>28,752</u>
<b>Net cash used in investing activities</b>	<u>(3,795)</u>	<u>(6,045)</u>
<b>Net cash used in financing activities</b>	<u>(133,205)</u>	<u>(14,000)</u>
Net increase in cash and cash equivalents	6,152	8,707
Cash and cash equivalents at beginning of period	17,732	21,858
<b>Cash and cash equivalents at end of period</b>	<u><u>23,884</u></u>	<u><u>30,565</u></u>
<b>Cash and cash equivalents comprise:-</b>		
Cash and bank balances:-		
General business and shareholders' fund	2,007	6,936
Life fund	21,253	19,244
Investment-linked business	624	4,385
	<u><u>23,884</u></u>	<u><u>30,565</u></u>

The accompanying Notes form an integral part of, and should be read in conjunction with this interim financial report

**PART A: EXPLANATORY NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**

**1 Basis of Preparation**

The quarterly condensed financial statements of Allianz Malaysia Berhad (“AMB” or “Company”) and its subsidiaries (AMB and its subsidiaries collectively referred to as the Group) are unaudited and have been prepared in accordance with:

- (a) The requirements of Financial Reporting Standard 134: Interim Financial Reporting;
- (b) Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”); and
- (c) Guidelines/circulars issued by Bank Negara Malaysia (BNM)

and should be read in conjunction with the Group’s audited financial statements for the year ended 31 December 2008.

BNM has issued detailed guidelines under the Risk-Based Capital Framework for insurers (“the RBC Framework”) which became effective for the annual period beginning on or after 1 January 2009. The insurance subsidiaries of the Company have adopted the accounting policies on investments, receivables, unexpired risks and general and life insurance liabilities as specified in the RBC Framework for the annual period beginning on 1 January 2009. The effect of RBC Framework to the fair value reserve of the Group as at 1 January 2009 is reflected in the Statement of Changes in Equity and does not have any significant impact on the financial statements of the Group other than those disclosed in the Statement of Changes in Equity.

The notes attached to the quarterly condensed financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2008.

**2 Changes in Accounting Policies**

The significant accounting policies adopted are consistent with those adopted in the Group’s audited financial statements for the year ended 31 December 2008, unless otherwise stated.

**3 Auditors’ Report on Preceding Annual Financial Statements**

The auditors’ report on the Group’s audited financial statements for the financial year ended 31 December 2008 was not qualified.

**4 Items of an Unusual Nature**

The results of the Group for the period under review were not substantially affected by any item, transaction or event of a material and unusual nature.

**5 Changes in Estimates**

There were no significant changes in estimates of amounts reported in prior financial years that have a material effect in the period under review.

**6 Seasonal or Cyclical Factors**

The operations of the Group for the period under review were not significantly affected by seasonality or cyclical factors.

**7 Carrying Amount of Revalued Assets**

The Group's property, plant and equipment are stated at cost/valuation less any accumulated depreciation and any accumulated impairment losses. There was no change in the valuation of property, plant and equipment that were brought forward from the Group's audited financial statements for the year ended 31 December 2008.

**8 Changes in Group Composition**

There were no changes in the composition of the Group during the financial period under review.

**9 Segment Information**

The segmental reporting for the period ended 31 March 2009 is as follows:-

<b>Period ended 31 March 2009</b>					
<b>Business Segments</b>	<b>Investment holding RM' 000</b>	<b>General business RM' 000</b>	<b>Life business RM' 000</b>	<b>Consolidated adjustments RM' 000</b>	<b>Consolidated RM' 000</b>
Operating revenue	1,952	293,939	199,798	(315)	495,374
Profit before tax	878	27,901	-	(1,137)	27,642
Tax expense	(394)	(7,278)	-	274	(7,398)
Profit after tax	484	20,623	-	(863)	20,244
Segment assets	1,325,659	1,640,479	1,951,827	(755,988)	4,161,977
Segment liabilities	664,852	1,409,499	157,101	(285,793)	1,945,659
<b>Period ended 31 March 2008</b>					
<b>Business Segments</b>	<b>Investment holding RM' 000</b>	<b>General business RM' 000</b>	<b>Life business RM' 000</b>	<b>Consolidated adjustments RM' 000</b>	<b>Consolidated RM' 000</b>
Operating revenue	1,384	229,460	168,303	(318)	398,829
Profit before tax	786	27,367	-	(2,223)	25,930
Tax expense	(318)	(8,506)	-	578	(8,246)
Profit after tax	468	18,861	-	(1,645)	17,684
Segment assets	992,609	1,480,683	1,625,764	(484,934)	3,614,122
Segment liabilities	526,907	1,180,194	156,131	(20,653)	1,842,579

Financial information by geographical segments is not applicable as the Group operates in Malaysia only.

## 10 Capital Commitments

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### As at 31 March 2009

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	<i>RM '000</i>
Property, plant and equipment	
Approved but not contracted for	11,567
Contracted but not provided for	427

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## 11 Changes in Contingent Liabilities

There were no contingent liabilities as at the date of this report.

As at 31 March 2009, bank guarantees and other credit facilities of the Group had been utilised up to approximately RM55.5 million. The bank guarantees were utilised mainly by the Group's general insurance operation for its performance bond and immigration bond businesses.

## 12 Debt and Equity Securities

There were no issuance and repayment of debts and equity securities, share buy backs, share cancellations, shares held as treasury shares and resale of treasury shares by the Group in the period under review.

**13 Related Party Transactions**

The significant related party transactions are as follows:-

<b>Name</b>	<b>Nature</b>	<b>Income RM '000</b>	<b>Expense RM '000</b>
Allianz SE Group	Reinsurance arrangement with Allianz SE Group and its subsidiaries for insurance business where the risk and premium are shared between the parties in accordance with reinsurance arrangement entered into.	9,960 *	40,446 *
Allianz Global Investors Singapore Limited ("AGI")	Payment of fund management fees by Allianz Life in relation to Allianz Life's investment in funds managed by AGI.	-	53

\*As the Group is in the insurance business, the figures do not include payment obligations arising from claims duly made pursuant to any insurance policies issued.

**14 Dividend Paid**

There was no dividend paid by the Company during the quarter under review (2008: Nil).

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS**

**1 Review of Results**

**Results of the current year to-date (“YTD”) against the preceding year to-date (YTD 1st Quarter 2009 versus YTD 1st Quarter 2008)**

**1.1 Operating Revenue**

Despite the uncertain economic environment, the Group recorded an increase in operating revenue by 24.2% or RM96.5 million when compared to corresponding period in 2008. The general and life insurance gross premium grew by RM63.3 million or 29% and RM28.4 million or 19% respectively.

**1.2 Profit Before Tax**

The profit before tax of the Group increased by 6.6% or RM1.7 million due mainly to the increase in underwriting surplus from general insurance as a result of premium growth.

The profit for the quarter under review excludes any surplus to be transferred from the Life Fund to the Shareholders’ Fund which will be determined at the financial year end after the annual valuation of the Life Fund’s liabilities has been carried out by the appointed actuary.

**2 Comparison with Preceding Quarter**

**Results of the current quarter against the preceding quarter (1st Quarter 2009 versus 4th Quarter 2008)**

**2.1 Operating Revenue**

Operating revenue increased by 1.2% or RM5.8 million compared to the preceding quarter due mainly to the growth in gross premium.

**2.2 Profit Before Tax**

Profit before tax decreased by 30.6% or RM12.2 million. Included in the 4<sup>th</sup> quarter 2008 results, was a transfer of surplus from life fund to shareholders’ fund amounted to RM5.3 million.



### 3 Prospects For 2009

The Group continues to take a cautious approach towards capital preservation and to focus more on target segments for growth and profitability.

The Group anticipates the performance in remaining 2009 to be satisfactory.

### 4 Profit Forecast

The Group did not issue any profit forecast or profit guarantee.

### 5 Taxation

	Individual Period		Cumulative Period	
	Quarter Ended 31-Mar-09 RM' 000	Quarter Ended 31-Mar-08 RM' 000	Period Ended 31-Mar-09 RM' 000	Period Ended 31-Mar-08 RM' 000
Profit before tax	27,642	25,930	27,642	25,930
Current year taxation:-				
Income tax	9,830	9,440	9,830	9,440
Deferred tax	(2,432)	(1,194)	(2,432)	(1,194)
	7,398	8,246	7,398	8,246
Effective tax rate (%)	26.8%	31.8%	26.8%	31.8%

The effective tax rate of the Group for the quarter under review was higher than the statutory tax rate due mainly to certain non-deductible expenses.

### 6 Unquoted Investments and Properties

During the quarter under review, there was no sale of unquoted investments and properties other than in the ordinary course of business.

### 7 Quoted Investments

There was no purchase or disposal of quoted securities by the Company during the period under review. The insurance subsidiaries are exempted from such disclosure.

**8 Status of Corporate Proposal Announced**

The status of corporate proposals undertaken by the Company are as follows:

Corporate Proposal	Status
<p>Proposed disposal of assets and 14 properties by AMB to AGIC, a wholly-owned subsidiary of the Company</p>	<p>On 26 March 2009, the advisers of AMB, RHB Investment Bank Berhad (“RHB”) announced on behalf of AMB to Bursa Malaysia Securities Berhad (“Bursa Malaysia”) of the proposed disposal of its assets and 14 properties to AGIC (“Proposed Disposal”).</p> <p>On the same day, the following agreements were entered into between AMB and AGIC :-</p> <ul style="list-style-type: none"> <li>(i) 10 Sale and Purchase Agreements in relation to 10 out of the 14 properties.</li> <li>(ii) An Asset Purchase Agreement (“APA”) in relation to the assets.</li> <li>(iii) 1 Master Subordinated Loan Agreement in relation to the final sale consideration of the 14 properties.</li> </ul> <p>The APA was completed on 1 April 2009 with a sale consideration of RM30,669,576.71.</p> <p>On 27 March 2009, an application in respect of the proposed disposal of the 14 properties was submitted to the Foreign Investment Committee (“FIC”) for approval.</p> <p>On 13 April 2009, AMB and AGIC executed 4 Sales and Purchase Agreements for the remaining 4 properties.</p> <p>On 23 April 2009, RHB on behalf of AMB announced to Bursa Malaysia that FIC had via its letter dated 17 April 2009 informed that it has no objection to AMB’s proposed disposal of the 14 properties to AGIC and required RHB to notify FIC upon completion of the proposed disposal of the 14 properties.</p> <p>There has since been completion for the 3 Sale and Purchase Agreements in relation to 3 properties in Sabah, East Malaysia.</p>

**9 Borrowing and Debt Securities**

There were no borrowings and debt securities as at 31 March 2009.

## **10 Off Balance Sheet Financial Instruments**

The Group did not enter into any contracts involving off balance sheet financial instruments as at the date of this report.

## **11 Changes in Material Litigation**

Save as disclosed below, the Group is not engaged in any material litigation, claims and/or arbitration, either as plaintiff or defendant as at the date of this announcement, which have a material effect on the financial position or the business of the Group and the Directors do not have any knowledge of any proceedings pending or threatened against the Group or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Group:-

### **Litigation instituted against the wholly-owned subsidiaries of the Company**

The two wholly-owned subsidiaries of the Company, Bright Mission Berhad (formerly known as Commerce Assurance Berhad) ("BMB") and Allianz General insurance Company (Malaysia) Berhad ("AGIC"), entered into a Business Transfer Agreement on 17 September 2008 ("BTA") to undertake a scheme of transfer under Part XI of the Insurance Act, 1996 ("Scheme"), which involved the transfer and vesting by BMB to AGIC of BMB's entire general insurance business, undertaking and assets including its liabilities and obligations save for the specified excluded assets and liabilities as detailed in the BTA ("Business Transfer").

The Scheme was confirmed by the High Court of Malaya on 9 December 2008 and took effect on 1 January 2009.

Following the completion of the Business Transfer:-

- (a) Commerce Assurance Berhad (now known as BMB) ("CAB") surrendered its general insurance licence to Bank Negara Malaysia and changed its name to Bright Mission Berhad with effect from 5 January 2009.
- (b) Save for the legal suit (*Kuala Lumpur High Court Civil Suit No: S4-22-1197-2007*) in relation to the Plaza Sentral properties, the rest of the legal suits instituted against BMB are now regarded as suits against AGIC and shall be defended by AGIC. Accordingly, AGIC will be taking over the reporting of the status of the said suits and necessary documents will be filed in Court to record AGIC as the defendant of the same at the appropriate time.
- (c) In respect of the legal suit (*Kuala Lumpur High Court Civil Suit No: S4-22-1197-2007*) against BMB, BMB will be filing a notice of change of name from CAB to BMB in Court at the appropriate time.

The status of the litigation instituted against BMB and AGIC are disclosed below. For detailed litigation background, please refer to the Company's Quarterly Report for the financial quarter ended 31 March 2008.

11 Changes in Material Litigation (continued)

Name of Subsidiaries	Litigation	Status
BMB	<b><i>Kuala Lumpur High Court Civil Suit No: S4-22-1197-2007 in the matter of Duopharma Properties Sdn Bhd ("First Plaintiff"), Michaelian (Malaysia) Sdn Bhd ("Second Plaintiff"), Michaelian Holdings Sdn Bhd ("Third Plaintiff") &amp; Duomark Properties Sdn Bhd ("Fourth Plaintiff") (collectively, "Plaintiffs") -v- Commerce International Group Berhad ("First Defendant") &amp; CAB (collectively "Defendants")</i></b>	The suit is fixed for its fifth Case Management on 29 May 2009. With regard to BMB's Appeal for the removal of the private caveats, there is no change since the last reporting.
AGIC	<b><i>Kota Bharu High Court Suit No: 22-115-05 in the matter of Mohd Shokri bin Abdul Rahim -v-CAB</i></b>	CAB's Notice of Appeal to strike out the Plaintiff's claim was dismissed on 3 December 2008. This suit is now fixed for third Case Management on 15 July 2009.
	<b><i>High Court of Sabah &amp; Sarawak Originating Summons No: T(24)15 of 2006 in the matter of Lau Yee Fai @ Lau Yee Ming -v-CAB</i></b>	There is no change in the status of this suit since the last reporting.

12 Dividend

No dividend has been proposed or declared for the quarter under review. (2008: Nil).

**13 Earnings Per Share**

The earnings per share is calculated based on the profit attributable to equity holders of the Company divided by the weighted average number of shares.

	<b>Individual Period</b>		<b>Cumulative Period</b>	
	Quarter Ended <b>31-Mar-09</b>	Quarter Ended <b>31-Mar-08</b>	Period Ended <b>31-Mar-09</b>	Period Ended <b>31-Mar-08</b>
Profit attributable to equity shareholders (RM'000)	20,244	17,684	20,244	17,684
Weighted average number of shares ('000)	153,869	153,869	153,869	153,869
Basic earnings per share (sen)	13.16	11.49	13.16	11.49
Diluted earnings per share (sen)	13.16	11.49	13.16	11.49

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By Order of the Board

Ng Siew Gek  
Secretary

Kuala Lumpur  
20 May 2009