

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

UNAUDITED QUARTERLY RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2009

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2009

	As at 31-Dec-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	74,620	72,397
Intangible assets	318,135	328,550
Prepaid lease payments	5,139	5,219
Investment property	1,662	1,662
Deferred tax assets	2,702	11,257
Loans	4,123	3,215
Other receivables, deposits and prepayments	5,829	1,423
Placements with financial institutions	39,754	55,614
<b>Total non-current general business and shareholders' fund assets</b>	451,964	479,337
Investment in debt and equity securities	1,499,034	1,232,024
Loans	803	905
Insurance receivables	107,337	121,939
Other receivables, deposits and prepayments	44,444	68,156
Current tax assets	5,276	8,441
Placements with financial institutions	212,964	222,311
Cash and cash equivalents	1,418	4,172
<b>Total current general business and shareholders' fund assets</b>	1,871,276	1,657,948
Less: Due from life fund	(12,000)	(40,622)
	1,859,276	1,617,326
<b>Total life business assets</b>		
Non-current assets	88,485	90,460
Current assets	2,316,482	1,796,930
	2,404,967	1,887,390
<b>Total assets</b>	4,716,207	3,984,053

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 BALANCE SHEET**
**AS AT 31 DECEMBER 2009**

(CONTINUED)

	As at 31-Dec-09 RM'000	As at 31-Dec-08 RM'000
<b>Equity</b>		
Share capital	153,869	153,869
Reserves	10,926	11,213
Retained earnings	339,948	223,036
<b>Total equity</b>	<u>504,743</u>	<u>388,118</u>
<b>Total life policyholders' fund</b>	----- 2,190,743	----- 1,688,146
<b>Liabilities</b>		
<b>General business and shareholders' fund liabilities</b>		
Insurance payables	17,683	27,769
Other payables and accruals	783	1,811
Deferred tax liabilities	6,096	5,293
Subordinated loans	490,000	490,000
<b>Total non-current general business and shareholders' fund liabilities</b>	<u>514,562</u>	<u>524,873</u>
Insurance premium liabilities	320,163	318,366
Insurance claims liabilities	691,854	648,192
Insurance payables	189,946	183,675
Other payables and accruals	95,809	74,061
Current tax liabilities	6,163	-
<b>Total current general business and shareholders' fund liabilities</b>	<u>1,303,935</u>	<u>1,224,294</u>
<b>Total life business liabilities</b>		
Non-current liabilities	40,435	23,792
	----- 40,435	----- 23,792
Current liabilities	173,789	175,452
Less: Due to shareholders' fund	(12,000)	(40,622)
	<u>161,789</u>	<u>134,830</u>
	----- 202,224	----- 158,622
<b>Total equity and liabilities</b>	<u>4,716,207</u>	<u>3,984,053</u>
<b>Net asset per share (RM)</b>	3.28	2.52

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009**

	← Attributable to Equity Shareholders →				
	← Non-Distributable Reserves →			Distributable Reserve	
	Share Capital	Share Premium	Asset Revaluation Reserve	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2008</b>	<b>153,869</b>	<b>5,529</b>	<b>5,547</b>	<b>154,585</b>	<b>319,530</b>
Profit for the year	-	-	-	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>	<b>153,869</b>	<b>5,529</b>	<b>5,684</b>	<b>223,036</b>	<b>388,118</b>
<b>At 1 January 2009</b>	<b>153,869</b>	<b>5,529</b>	<b>5,684</b>	<b>223,036</b>	<b>388,118</b>
Profit for the year	-	-	-	118,857	118,857
Disposal of land and buildings	-	-	(287)	363	76
Dividends to shareholders	-	-	-	(2,308)	(2,308)
<b>At 31 December 2009</b>	<b>153,869</b>	<b>5,529</b>	<b>5,397</b>	<b>339,948</b>	<b>504,743</b>

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 INCOME STATEMENT  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 31-Dec-09 RM'000	Preceding Year Corresponding Quarter 31-Dec-08 RM'000	Current Year To Date 31-Dec-09 RM'000	Preceding Year Corresponding Period 31-Dec-08 RM'000
Operating revenue *	524,451	489,586	2,222,645	1,898,867
Shareholders' fund:				
Investment income	1,343	866	5,096	4,992
Other operating expenses	(2,500)	(4,109)	(9,124) **	(15,169)
Management expenses	(990)	(4,448)	(2,445)	(13,280)
	(2,147)	(7,691)	(6,473)	(23,457)
Transfer from condensed insurance revenue account:				
- General Insurance	71,004	42,186	160,992	130,451
- Life Insurance	12,000	5,317	12,000	5,317
Profit before tax	80,857	39,812	166,519	112,311
Tax expenses	(20,665)	(19,320)	(47,662)	(41,583)
Profit for the year	60,192	20,492	118,857	70,728
Attributable to equity shareholders	60,192	20,492	118,857	70,728
Earnings per share attributable to equity shareholders:				
Basic (Sen)	39.12	13.32	77.25	45.97
Diluted (Sen)	39.12	13.32	77.25	45.97

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

\*\* Other operating expenses include amortisation of intangible assets amounting to RM8.9 million.

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

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 31-Dec-09 RM'000	Preceding Year Corresponding Quarter 31-Dec-08 RM'000	Current Year To Date 31-Dec-09 RM'000	Preceding Year Corresponding Year 31-Dec-08 RM'000
Gross premium	245,446	266,178	1,202,390	1,074,890
Less: Reinsurance	(66,003)	(76,929)	(414,615)	(381,102)
Net premium	179,443	189,249	787,775	693,788
Decrease/(Increase) in unearned premium reserves	46,477	(16,296)	(1,797)	(38,817)
Earned premium	225,920	172,953	785,978	654,971
Net claims incurred	(106,742)	(99,501)	(456,294)	(393,259)
Net commission	(23,937)	(12,209)	(77,293)	(50,877)
Underwriting surplus before management expenses	95,241	61,243	252,391	210,835
Management expenses	(40,621)	(32,566)	(149,982)	(131,387)
Underwriting surplus	54,620	28,677	102,409	79,448
Investment income	15,446	13,740	57,951	51,771
Other operating income	2,868	1,997	4,116	7,343
Other operating expenses	(1,930)	(2,228)	(3,484)	(8,111)
Surplus transferred to condensed consolidated income statement	71,004	42,186	160,992	130,451

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 DECEMBER 2009

	As at 31-Dec-09 RM'000	As at 31-Dec-08 RM'000
<b>Assets</b>		
Property, plant & equipment	11,157	11,983
Intangible assets	46	242
Prepaid lease payments	4,671	4,732
Investment property	2,650	2,620
Deferred tax assets	-	438
Loans	2,097	2,333
Other receivables, deposits and prepayment	100	100
Placements with financial institutions	65,246	65,472
<b>Total life business non-current assets</b>	85,967	87,920
<b>Investment-linked business non-current assets</b>	2,518	2,540
	88,485	90,460
Investment in debts and equity securities	1,672,222	1,383,812
Loans	43,702	33,354
Insurance receivables	34,381	39,185
Other receivables, deposits & prepayment	24,897	19,942
Current tax assets	-	2,755
Placements with financial institutions	269,928	79,528
Cash and cash equivalents	5,499	12,139
	2,050,629	1,570,715
<b>Investment-linked business current assets</b>	265,853	226,215
<b>Total life business current assets</b>	2,316,482	1,796,930
<b>Total life business assets</b>	2,404,967	1,887,390

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 LIFE FUND BALANCE SHEET  
AS AT 31 DECEMBER 2009  
(CONTINUED)**

	<b>As at 31-Dec-09 RM'000</b>	<b>As at 31-Dec-08 RM'000</b>
<b>Life policyholders' fund</b>		
Life policyholders' fund	2,189,781	1,687,184
Life assets revaluation reserve	962	962
<b>Total life policyholders' funds</b>	<u>2,190,743</u>	<u>1,688,146</u>
<b>Liabilities</b>		
Other payables and accruals	39,061	23,723
Deferred tax liabilities	392	-
	<u>39,453</u>	<u>23,723</u>
<b>Investment-linked business non-current liabilities</b>	982	69
<b>Total life business non-current liabilities</b>	<u>40,435</u>	<u>23,792</u>
Benefits and claims liabilities	36,929	31,564
Insurance payables	71,870	62,223
Other payables and accruals	64,440	81,177
Current tax liabilities	174	-
	<u>173,413</u>	<u>174,964</u>
<b>Investment-linked current liabilities</b>	376	488
<b>Total life business current liabilities</b>	<u>173,789</u>	<u>175,452</u>
<b>Total life business liabilities</b>	<u>214,224</u>	<u>199,244</u>
<b>Total life policyholders' funds and life business liabilities</b>	<u><u>2,404,967</u></u>	<u><u>1,887,390</u></u>

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



**UNAUDITED CONDENSED LIFE INSURANCE REVENUE ACCOUNT  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 31-Dec-09 RM'000	Preceding Year Corresponding Quarter 31-Dec-08 RM'000	Current Year To Date 31-Dec-09 RM'000	Preceding Year Corresponding Year 31-Dec-08 RM'000
Gross premium	238,408	188,667	868,727	692,038
Less: Reinsurance	(14,173)	(11,597)	(55,778)	(52,181)
Net Premium	224,235	177,070	812,949	639,857
Net benefits and claims paid and payable				
Surrender	(21,878)	(14,010)	(66,387)	(73,123)
Death	(6,729)	(3,896)	(19,153)	(15,444)
Maturity	(1,443)	(2,923)	(5,696)	(9,437)
Cash Bonus	(4,595)	(3,366)	(15,909)	(14,248)
Others	(11,457)	(8,038)	(43,537)	(31,200)
	(46,102)	(32,233)	(150,682)	(143,452)
	178,133	144,837	662,267	496,405
Less:				
Commission and agency expenses	(59,191)	(47,131)	(205,645)	(157,830)
Management Expenses	(19,904)	(17,328)	(73,207)	(67,030)
	(79,095)	(64,459)	(278,852)	(224,860)
Underwriting surplus	99,038	80,378	383,415	271,545
Investment income	21,729	17,656	78,264	63,578
Other income/(expenses) *	1,053	(9,756)	13,342	(23,405)
Surplus before tax	121,820	88,278	475,021	311,718
Tax expense	(1,389)	(1,740)	(7,327)	(3,337)
Surplus after tax but before policy reserves	120,431	86,538	467,694	308,381
Surplus/(Deficit) from investment-linked but before policy reserves	7,834	(8,329)	46,903	(34,814)
Fund at beginning of period	2,073,516	1,614,292	1,687,184	1,418,934
Transfer to Shareholders' Fund	(12,000)	(5,317)	(12,000)	(5,317)
Fund at end of period	2,189,781	1,687,184	2,189,781	1,687,184

\* Other income/(expenses) includes realised gains/(losses) and unrealised losses in investments.

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 CASH FLOW STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009**

	Year Ended 31-Dec-09 RM'000	Year Ended 31-Dec-08 RM'000
<b>Profit before taxation</b>	166,519	112,311
Adjustments for non-cash items	328,727	279,533
Operating profit before changes in operating assets and liabilities	<u>495,246</u>	<u>391,844</u>
Changes in operating assets and liabilities		
Net change in operating assets	(527,085)	(373,457)
Net change in operating liabilities	34,149	1,641
<b>Net cash generated from operating activities</b>	<u>2,310</u>	<u>20,028</u>
<b>Net cash used in investing activities</b>	<u>(12,061)</u>	<u>(22,461)</u>
<b>Net cash used in financing activities</b>	<u>(346)</u>	<u>(2,043)</u>
Net decrease in cash and cash equivalents	(10,097)	(4,476)
Cash and cash equivalents at beginning of period	17,724	22,198
<b>Cash and cash equivalents at end of period</b>	<u><u>7,627</u></u>	<u><u>17,722</u></u>
<b>Cash and cash equivalents comprise:-</b>		
Cash and bank balances:-		
General business and shareholders' fund	1,418	4,172
Life fund	5,499	12,139
Investment-linked business	710	1,411
	<u><u>7,627</u></u>	<u><u>17,722</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 issued the Risk-Based Capital Framework (“RBC Framework”) for implementation by insurers with effect on 1 January 2009. The insurance subsidiaries of the Company have adopted the accounting policies on investments, unexpired risks and general and life insurance liabilities as specified in the RBC Framework for the annual period beginning on 1 January 2009. The financial impact arising from the adoption of RBC Framework has been reversed at the Group level as AMB not being an insurance company, and not having adopted FRS 139, has different accounting policies on investment.

The notes attached to the quarterly condensed financial statements provide an explanation of events and transactions that are significant to 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.

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

The auditors’ report of 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 year ended 31 December 2009 is as follows:-

**Year ended 31 December 2009**

<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	8,433	1,260,722	957,208	(3,718)	2,222,645
Profit before tax	285	156,569	12,000	(2,335)	166,519
Tax expense	(942)	(43,357)	-	(3,363)	(47,662)
Profit after tax	(657)	113,212	12,000	(5,698)	118,857
Segment assets	1,332,640	1,818,709	2,404,967	(840,109)	4,716,207
Segment liabilities	666,551	1,364,358	202,224	(212,412)	2,020,721

**Year ended 31 December 2008**

<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	19,072	1,128,098	767,214	(15,517)	1,898,867
Profit before tax	215	120,600	5,317	(13,821)	112,311
Tax expense	(4,347)	(40,829)	-	3,593	(41,583)
Profit after tax	(4,132)	79,771	5,317	(10,228)	70,728
Segment assets	987,053	1,598,332	1,887,390	(488,722)	3,984,053
Segment liabilities	528,180	1,240,492	158,622	(19,505)	1,907,789

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

**10 Capital Commitments**

**As at 31 December 2009**

	<i>RM '000</i>
Property, plant and equipment	
Approved but not contracted for	7,250
Contracted but not provided for	5,310

**11 Changes in Contingent Liabilities**

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

As at 31 December 2009, bank guarantees and other credit facilities of the Group had been utilised up to approximately RM46.4 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:-

Name	Nature	Income RM '000	Expense RM '000
Allianz SE Group	Reinsurance arrangements between AMB's insurance subsidiaries and Allianz SE Group where the risk and premium are shared between the parties in accordance with the reinsurance arrangements entered into between the parties	39,743 *	168,620 *
	The Group's sharing of marketing measures undertaken by Allianz SE	-	834
	Payment of annual maintenance and support fees for software system by AMB's life insurance subsidiary	-	117
Allianz Global Investors Singapore Limited ("AGI")	Payment of fund management fees by AMB's life insurance subsidiary in relation to its funds managed by AGI.	-	160
	Investment by AMB's life insurance subsidiary in Allianz Global Investors Asian Value Opportunity Fund	-	10,000
Allianz Shared Infrastructure Services SE	The Group's sharing of Allianz Worldwide Intranet Network access	-	306
Allianz Investment Management Singapore Pte Ltd ("AIM")	Payment of investment advisory service fees for advisory services rendered by AIM to AMB's insurance subsidiaries	-	429
Symphony BPO Solutions Sdn Bhd ("BPO")	Payment of telemarketing fee by AMB's life insurance subsidiary for telemarketing services rendered by BPO for promotion or selling of its insurance products.	-	2,134
IDS GmbH	Payment of fee to conduct performance attribution analysis on Investment Linked Funds of AMB's life insurance subsidiary	-	19

\*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

The first and final dividend of 2.00 sen per ordinary share less tax at 25% amounting to RM2,308,038 for the financial year ended 31 December 2008 was paid to the entitled shareholders of the Company on 3 August 2009 (2008: RM 2,277,261).

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

**1 Review of Results**

**1.1 Results of the current year against the preceding year (YTD 4th Quarter 2009 versus YTD 4th Quarter 2008)**

**Operating Revenue**

The Group recorded an increase in operating revenue by 17.1% or RM323.8 million to RM2.2 billion in 2009 as compared to RM1.9 billion in 2008. The gross written premium of general insurance grew by RM127.5 million or 11.9% to RM1.2 billion in 2009 as compared to RM1.07 billion in 2008. The gross written premium for life insurance grew by RM176.7 million or 25.5% to RM868.7 million in 2009 as compared to RM692.0 million in 2008.

**Profit Before Tax**

The profit before tax of the Group increased by 48.3% or RM54.2 million to RM166.5 million in 2009 as compared to RM112.3 million in 2008. The increase was due mainly to the improved underwriting profit of the general insurance business and transfer of surplus of RM12.0 million from the Life Fund to the Shareholder's Fund.

**1.2 Results of the current quarter against the preceding quarter (4th Quarter 2009 versus 3rd Quarter 2009)**

**Operating Revenue**

The operating revenue decreased by 17% or RM107.4 million to RM524.4 million in 4th quarter of 2009 as compared to RM631.8 million in 3rd quarter of 2009. The decrease was due mainly to the lower gross premium recorded in both general insurance and life insurance business.

**Profit Before Tax**

The profit before tax of the Group improved significantly by 127.0% or RM45.2 million to RM80.9 million in 4th quarter of 2009 as compared to RM35.7 million in 3rd quarter of 2009. The increase was due mainly to increase in underwriting profit from the general insurance subsidiary and the transfer of surplus of RM12.0 million from the Life Fund to the Shareholders' Fund.



## 2 Commentary on Prospects

Under the difficult economic conditions in 2009, the Group managed to perform better than the previous year.

The Group continues to focus on its core competencies in strengthening its distribution network and maintaining a balanced mix of product portfolio.

The Group continues to emphasise on sound risk management practices in order to maintain its sustainable profitable growth.

The Group anticipates its performance in 2010 to be satisfactory.

## 3 Profit Forecast

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

## 4 Taxation

	Individual Period		Cumulative Period	
	Quarter Ended 31-Dec-09 <i>RM' 000</i>	Quarter Ended 31-Dec-08 <i>RM' 000</i>	Period Ended 31-Dec-09 <i>RM' 000</i>	Period Ended 31-Dec-08 <i>RM' 000</i>
Profit before tax	80,857	39,812	166,519	112,311
Current year taxation:-				
Income tax	19,464	8,627	42,230	31,995
Deferred tax	1,201	10,693	5,432	9,588
	20,665	19,320	47,662	41,583
Effective tax rate (%)	25.6%	48.5%	28.6%	37.0%

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 and reversal of deferred tax assets.

## 5 Unquoted Investments and Properties

During the year under review, there was no sale of unquoted investments.

The Company:

- (a) sold a property to third party with a gain of RM38,723; and
- (b) disposed thirteen properties to its wholly-owned subsidiary company, Allianz General Insurance Company (Malaysia) Berhad ("AGIC") at net book value. These thirteen properties formed part of the fourteen properties to be transferred by the Company to AGIC under the corporate proposal disclosed in item 7.

**6 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.

**7 Status of Corporate Proposal Announced/Implemented**

(a) The status of corporate proposal announced but not fully completed by the Company is as follows:-

Corporate Proposal	Status
<p>Proposed disposal of assets and fourteen properties by AMB to AGIC.</p> <p>Please refer to AMB's announcements dated 26 March 2009, 27 March 2009, 13 April 2009 and 23 April 2009 for detailed background of this proposal.</p>	<p>The Asset Purchase Agreement for the disposal of assets was completed on 1 April 2009 with a sale consideration of RM30,669,576.71.</p> <p>To date, thirteen out of the fourteen Sale and Purchase Agreements in relation to thirteen properties in East and West Malaysia have been completed with total sale consideration of RM18,332,668.74.</p> <p>The application made to the relevant state authority for disposal of the remaining one property in West Malaysia is currently pending approval from the said state authority ("Land Office").</p> <p>Upon approval granted by the Land Office, application for stamp duty exemption for the disposal of the fourteen properties will be submitted to the relevant authority for approval and the instruments of transfer in respect thereof will be subsequently presented for registration with the relevant land authorities.</p>

**8 Borrowing and Debt Securities**

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

**9 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.

## 10 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**

Two of the Company's wholly-owned subsidiaries, Bright Mission Berhad (formerly known as Commerce Assurance Berhad ("CAB")) and 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 CAB to AGIC of CAB'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) CAB surrendered its general insurance licence to Bank Negara Malaysia and changed its name to Bright Mission Berhad ("BMB") with effect from 5 January 2009.
- (b) Save for the legal suit (Kuala Lumpur High Court Civil Suit No: S4-22-1194-2007) 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.

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.

10 Changes in Material Litigation (continued)

Name of Subsidiaries	Litigation	Status
BMB	<b><i>Kuala Lumpur High Court Civil Suit No: S4-22-1194-2007 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>	All outstanding Case Management Directions have been complied with. The matter is now fixed for trial on 27 to 29 September 2010. With regard to the Appeal by BMB's for the removal of the private caveats, no hearing date has yet been fixed for the Appeal.
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>	Notice of Appeal by CAB to strike out the Plaintiff's claim was dismissed on 3 December 2008. The case is fixed for its final Case Management on 11 April 2010.
	<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>	No hearing date has yet been fixed for the Appeal by CAB dated 3 December 2007 against the judgment in favour of the Plaintiff.

11 Dividend

For the financial year ended 31 December 2009, the Board of Directors is recommending the payment of a first and final dividend of 2.00 sen per ordinary share less 25% tax (previous corresponding year: 2.00 sen less 25% tax) for the shareholders' approval at the forthcoming Annual General Meeting of the Company.

The dates of entitlement and payment of the first and final dividend will be announced to Bursa Malaysia at a later date.

**12 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-Dec-09</b>	Quarter Ended <b>31-Dec-08</b>	Period Ended <b>31-Dec-09</b>	Period Ended <b>31-Dec-08</b>
Profit attributable to equity shareholders (RM'000)	60,192	20,492	118,857	70,728
Weighted average number of shares ('000)	153,869	153,869	153,869	153,869
Basic earnings per share (sen)	39.12	13.32	77.25	45.97
Diluted earnings per share (sen)	39.12	13.32	77.25	45.97

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By Order of the Board

Ng Siew Gek  
Secretary

Kuala Lumpur  
25 February 2010