

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

UNAUDITED QUARTERLY RESULTS  
FOR THE PERIOD ENDED 31 MARCH 2010

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

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**Condensed consolidated statement of financial position****As at 31 March 2010 - unaudited**

	<b>31 March 2010 RM'000</b>	<b>31 December 2009 RM'000 Restated</b>
<b>Assets</b>		
Property, plant and equipment	94,861	95,587
Investment properties	4,312	4,312
Intangible assets	315,817	318,181
Deferred tax assets	5,679	2,371
Investments	5,868	6,219
Other receivables, deposits and prepayments	6,423	5,929
Placements with financial institutions	88,136	107,518
<b>Total non-current assets</b>	<b>521,096</b>	<b>540,117</b>
Investments	3,504,388	3,421,583
Reinsurance assets	1,060,913	1,096,006
Deferred acquisitions costs	43,828	39,400
Insurance receivables	160,115	141,717
Other receivables, deposits and prepayments	57,584	71,209
Current tax assets	4,243	5,276
Placements with financial institutions	662,317	540,348
Cash and cash equivalents	20,042	7,627
<b>Total current assets</b>	<b>5,513,430</b>	<b>5,323,166</b>
<b>Total assets</b>	<b>6,034,526</b>	<b>5,863,283</b>

The accompanying Notes form an integral part of these condensed consolidated interim financial statements.

**ALLIANZ MALAYSIA BERHAD (12428-W)****Condensed consolidated statement of financial position****As at 31 March 2010 - unaudited**

(Continued)

	<b>31 March 2010 RM'000</b>	<b>31 December 2009 RM'000 Restated</b>
<b>Equity, policyholders' fund and liabilities</b>		
Share capital	153,869	153,869
Share premium	5,529	5,529
Reserves	374,492	345,345
<b>Total equity</b>	<b>533,890</b>	<b>504,743</b>
<b>Liabilities</b>		
Insurance contract liabilities	962	962
Insurance payables	19,791	17,683
Other payables and accruals	38,999	39,845
Deferred tax liabilities	9,131	7,139
Subordinated loans	-	490,000
<b>Total non-current liabilities</b>	<b>68,883</b>	<b>555,629</b>
Insurance contract liabilities	4,456,534	4,337,205
Insurance payables	277,664	261,815
Other payables and accruals	149,668	160,390
Benefits and claims liabilities	50,480	37,164
Current tax liabilities	7,407	6,337
Subordinated loans	490,000	-
<b>Total current liabilities</b>	<b>5,431,753</b>	<b>4,802,911</b>
<b>Total liabilities</b>	<b>5,500,636</b>	<b>5,358,540</b>
<b>Total equity and liabilities</b>	<b>6,034,526</b>	<b>5,863,283</b>
<b>Net asset per share (RM)</b>	<b>3.47</b>	<b>3.28</b>

The accompanying Notes form an integral part of these condensed consolidated interim financial statements.

**ALLIANZ MALAYSIA BERHAD (12428-W)**
**Condensed consolidated statement of comprehensive income  
For the three months ended 31 March 2010 - unaudited**

	Individual period		Cumulative period	
	Three months ended		Three months ended	
	31 March		31 March	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Operating revenue *	626,255	488,412	626,255	488,412
Gross earned premiums	584,792	452,453	584,792	452,453
Less: Premiums ceded to reinsurers	(149,870)	(111,791)	(149,870)	(111,791)
<b>Net earned premiums</b>	<b>434,922</b>	<b>340,662</b>	<b>434,922</b>	<b>340,662</b>
Investment income	41,463	35,959	41,463	35,959
Realised gains and losses	16,690	(1,688)	16,690	(1,688)
Fee and commission income	24,949	15,431	24,949	15,431
Other operating income	1,451	6,211	1,451	6,211
<b>Other revenue</b>	<b>84,553</b>	<b>55,913</b>	<b>84,553</b>	<b>55,913</b>
Gross benefits and claim paid	(316,911)	(187,427)	(316,911)	(187,427)
Claims ceded to reinsurers	117,445	50,180	117,445	50,180
Gross change to contract liabilities	(104,567)	(46,078)	(104,567)	(46,078)
Change in contract liabilities ceded to reinsurers	(6,429)	(40,163)	(6,429)	(40,163)
<b>Net claims</b>	<b>(310,462)</b>	<b>(223,488)</b>	<b>(310,462)</b>	<b>(223,488)</b>
Fee and commission expense	(106,714)	(78,075)	(106,714)	(78,075)
Management expenses	(58,807)	(60,693)	(58,807)	(60,693)
Other operating expenditure	(7,746)	(5,185)	(7,746)	(5,185)
<b>Other expenses</b>	<b>(173,267)</b>	<b>(143,953)</b>	<b>(173,267)</b>	<b>(143,953)</b>
<b>Profit before taxation</b>	<b>35,746</b>	<b>29,134</b>	<b>35,746</b>	<b>29,134</b>
Taxation	(12,568)	(8,890)	(12,568)	(8,890)
<b>Profit for the period</b>	<b>23,178</b>	<b>20,244</b>	<b>23,178</b>	<b>20,244</b>
<b>Other comprehensive income</b>				
Fair value of available-for-sale financial assets	(4,851)	3,241	(4,851)	3,241
Income tax thereon	1,151	(843)	1,151	(843)
<b>Other comprehensive income for the period</b>	<b>(3,700)</b>	<b>2,398</b>	<b>(3,700)</b>	<b>2,398</b>
<b>Total comprehensive income for the period</b>	<b>19,478</b>	<b>22,642</b>	<b>19,478</b>	<b>22,642</b>
<b>Basic earnings per ordinary share (sen)</b>				
	15.06	13.16	15.06	13.16

\* Operating revenue consists of gross earned premiums and investment income.

The accompanying Notes form an integral part of these condensed consolidated interim financial statements.

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

**Condensed consolidated statement of changes in equity  
For the three months ended 31 March 2010 - unaudited**

	←——— Attributable to owners of the Company ———→				Distributable	Total	
	Non-Distributable						Retained earnings
	Share Capital	Share Premium	Asset Revaluation Reserve	Fair Value Reserve			
	RM'000	RM'000	RM'000	RM'000	RM'000		
<b>At 1 January 2009</b>	153,869	5,529	5,684	-	223,036	388,118	
Total comprehensive income for the year	-	-	(287)	-	119,220	118,933	
Dividends to shareholders	-	-	-	-	(2,308)	(2,308)	
<b>At 31 December 2009</b>	<u>153,869</u>	<u>5,529</u>	<u>5,397</u>	<u>-</u>	<u>339,948</u>	<u>504,743</u>	
<b>At 1 January 2010, as previously stated</b>	153,869	5,529	5,397	-	339,948	504,743	
Effect of adopting FRS 139	-	-	-	9,669	-	9,669	
<b>At 1 January 2010, as restated</b>	<u>153,869</u>	<u>5,529</u>	<u>5,397</u>	<u>9,669</u>	<u>339,948</u>	<u>514,412</u>	
Total comprehensive income for the period	-	-	-	(3,700)	23,178	19,478	
<b>At 31 March 2010</b>	<u>153,869</u>	<u>5,529</u>	<u>5,397</u>	<u>5,969</u>	<u>363,126</u>	<u>533,890</u>	

The accompanying Notes form an integral part of these condensed consolidated interim financial statements.

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

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**Condensed consolidated statement of cash flows  
For the three months ended 31 March 2010 - unaudited**

	<b>Three months ended 31 March</b>	
	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>Restated</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	35,746	29,134
Adjustments for non-cash items	3,935	82,038
<b>Operating profit before changes in working capital</b>	<u>39,681</u>	<u>111,172</u>
Net change in operating assets	<b>(295,169)</b>	<b>(75,815)</b>
Net change in operating liabilities	270,059	107,795
<b>Net cash generated from operating activities</b>	<u>14,571</u>	<u>143,152</u>
<b>Net cash used in investing activities</b>	<u>(1,917)</u>	<u>(3,795)</u>
<b>Net cash used in financing activities</b>	<u>(239)</u>	<u>(133,205)</u>
<b>Net increase in cash and cash equivalents</b>	12,415	6,152
Cash and cash equivalents at beginning of period	7,627	17,732
<b>Cash and cash equivalents at end of period</b>	<u><b>20,042</b></u>	<u><b>23,884</b></u>
<b>Cash and cash equivalents comprise:-</b>		
Cash and bank balances		
General business and shareholders' fund	3,424	2,007
Life fund	16,214	21,253
Investment-linked business	404	624
	<u><b>20,042</b></u>	<u><b>23,884</b></u>

The accompanying Notes form an integral part of these condensed consolidated interim financial statements.

**Part A: Explanatory notes to the condensed consolidated interim 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 ("FRS") 134: Interim Financial Reporting;
- (b) Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"); and
- (c) Guidelines/circular 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 2009.

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 2009.

**2. Changes in accounting policies**

The accounting policies 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 2009, except for the adoption of the following:

<b>FRSs/Amendment to FRSs/Interpretations</b>	<b>Effective date</b>
FRS 8, Operating Segment	1 July 2009
FRS 4, Insurance Contracts	1 January 2010
FRS 7, Financial Instruments : Disclosures	1 January 2010
FRS 101, Presentation of Financial Statements	1 January 2010
FRS 139, Financial Instruments : Recognition & Measurement	1 January 2010
Amendments to FRS 1, First-time Adoption of Financial Reporting Standards	1 January 2010
Amendments to FRS 7, Financial Instruments: Disclosures	1 January 2010
Amendments to FRS 101, Presentation of Financial Statements- Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2010
Amendments to FRS 127, Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 132, Financial Instruments: Presentation - Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2010
Amendments to FRS 139, Financial Instruments: Recognition and Measurement - Reclassification of Financial Assets	1 January 2010
Improvements to FRSs (2009)	1 January 2010
IC Interpretation 9, Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10, Interim Financial Reporting and Impairment	1 January 2010

**2. Changes in accounting policies (continued)**

Save as the implications discussed below, the initial adoption of the above FRSs, Amendment to FRSs and Interpretations do not have any material impact on the financial statements of the Group for the period ended 31 March 2010:

**(i) FRS 4, Insurance Contract**

The adoption of FRS 4 does not have any significant impact on the financial statements of the Group other than expanded disclosure requirements. Certain comparative information has been restated to comply with FRS 4.

**(ii) FRS 8, Operating Segments**

FRS 8 requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Group presents its segment information based on its business segments, which is also the basis of presenting its internal management reports. The basis of measurement of segment results, segment assets and segment liabilities are same as the basis of measurement for external reporting.

**(iii) FRS 101, Presentation of Financial Statements**

Arising from the adoption of FRS 101, condensed consolidated income statement, revenue account of general insurance business and life fund for the period ended 31 March 2009 have been re-presented in a single statement of comprehensive income. All non-owner changes in equity that were presented in the statement of changes in equity are now included in the statement of comprehensive income as other comprehensive income. Consequently, components of comprehensive income are not presented in the statement of changes in equity.

**(iv) FRS 139, Financial Instruments: Recognition and Measurement**

The adoption of FRS 139 has resulted in changes to accounting policies relating to recognition and measurement of financial instruments. The accounting policies relating to these financial instruments change from 1 January 2010 shall be disclosed in the Group annual financial statements.

The FRS 139 is applied prospectively and its effect to the fair value reserve of the Group as at 1 January 2010 is as follows:

**Condensed consolidated statement of changes in equity**

	As at 31-Dec-09 RM'000	Effect of adopting FRS 139 RM'000	As at 1-Jan-10 RM'000
Fair value reserve	-	9,669	9,669

**3. 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.



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### **4. 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.

### **5. Seasonal or cyclical factors**

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

### **6. Property, plant and equipment**

The Group's property, plant and equipment are stated at cost/valuation less any accumulated depreciation and any accumulated impairment losses. There were no changes 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 2009.

### **7. Changes in group composition**

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

### **8. Capital commitments**

<b>As at 31 March 2010</b>	<b>Group RM'000</b>
Property, plant and equipment:	
Approved but not contracted for	5,717
Contracted but not provided for	1,473

### **9. Changes in contingent liabilities**

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

### **10. Debt and equity securities**

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

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### **11. Subsequent events**

The Company is proposing to undertake a renounceable rights issue of new irredeemable convertible preference shares of RM1.00 each ("New ICPS") to raise gross proceeds of approximately RM611 million ("Proposed Rights Issue") for the purposes of repaying the RM490 million credit facility extended by Allianz SE to the Company in 2007 for the acquisition of the entire equity interest of Commerce Assurance Berhad (*now known as Bright Mission Berhad*) and to increase the capital base of Allianz General Insurance Company (Malaysia) Berhad ("AGIC") and Allianz Life Insurance Malaysia Berhad ("ALIM") to enable each of them to meet their respective capital requirements under the Risk-Based Capital Framework for Insurers issued by Bank Negara Malaysia.

In tandem with the Proposed Rights Issue, the Company is also proposing the following proposals for the shareholders' approval:-

- (a) Proposed increase in authorised share capital of the Company from RM200,000,000 comprising 200,000,000 ordinary shares of RM1.00 each in the Company ("AMB Share(s)") to RM1,000,000,000 comprising 600,000,000 AMB Shares and 400,000,000 New ICPS by the creation of 400,000,000 AMB Shares and 400,000,000 New ICPS ("Proposed Increase in Authorised Share Capital"); and
- (b) Proposed amendments to the Memorandum and Articles of Association of the Company.

### **12. Operating segments**

The Group has three reportable segments, as described below, which are the Group's strategic business units. For each of the strategic business units, the Chief Executive Officer of the Company reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

#### **Reportable segments**

Investment holding  
General business  
Life business

#### **Principal Activities**

Investment holding  
Underwriting of all classes of general insurance business  
Underwriting of all classes of life insurance business

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**12. Operating segments (continued)****Information about reportable segments**

For the three months ended 31 March

	Investment holding		General business		Life business		Total	
	2010 RM'000	2009 RM'000 Restated	2010 RM'000	2009 RM'000 Restated	2010 RM'000	2009 RM'000 Restated	2010 RM'000	2009 RM'000 Restated
<b>Operating revenue</b>	1,281	1,636	357,173	286,978	267,801	199,798	626,255	488,412
<b>Inter-segment revenue</b>	1,034	315	-	-	-	-	1,034	315
<b>Segment (loss)/profit</b>	(481)	564	33,309	27,078	2,918	1,492	35,746	29,134
<b>Segment assets</b>	207,954	250,500	3,204,448	2,855,127	2,622,124	1,951,458	6,034,526	5,057,086
<b>Segment liabilities</b>	523,053	528,160	2,355,326	2,155,503	2,622,257	1,951,827	5,500,636	4,635,490

## ALLIANZ MALAYSIA BERHAD (12428-W)

### 13. Related parties

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*	11,546	46,452
	Payment of license and maintenance fees for eLearning solution by AMB and/or its subsidiaries to Allianz SE	-	54
	The Group's sharing of global marketing measures undertaken by Allianz SE	-	63
	Payment of fund management fee by AMB's life insurance subsidiary to Allianz Global Investors Singapore Limited	-	57
	The Group's sharing of Allianz Worldwide Intranet Network access with Allianz SE	-	151
	Payment of investment advisory service fees by AMB's insurance subsidiaries to Allianz Investment Management Singapore Pte Ltd	-	93
	Payment of fee for conducting performance attribution analysis by AMB's life insurance subsidiary to IDS GmbH	-	4
	Payment of annual maintenance and support fee for software system by AMB's life insurance subsidiary to Allianz SE	-	13
Symphony BPO Solutions Sdn Bhd ("BPO")	Payment of telemarketing fee by AMB's life insurance subsidiary to Symphony BPO Solutions Sdn Bhd	-	408

\* 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 were no dividend paid by the Company during the quarter under review (2009 : Nil).

### 15. Comparative figures

Certain comparative figures have been restated to comply with the adoption of FRSs, Amendment to FRSs and Interpretations.

**Part B: Explanatory notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A.**

**1. Review of results**

**1.1 Results of the current year-to-date ("YTD") against preceding year-to-date (YTD 1st Quarter 2010 versus YTD 1st Quarter 2009)**

**Operating revenue**

The Group recorded an increase in operating revenue by 28.2% or RM137.8 million. The general and life insurance gross earned premium grew by RM68.5 million or 25.1% and RM63.8 million or 35.6% respectively.

**Profit before tax**

The profit before tax of the Group increased by 22.7% or RM6.6 million due mainly to the growth in general insurance business.

The profit for the period 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.

**1.2 Results of the current quarter against the preceding quarter (1st Quarter 2010 versus 4th Quarter 2009)**

**Operating revenue**

Operating revenue increased by 1.2% or RM7.7 million due mainly to the growth in gross earned premium and investment income of RM6.8 million and RM0.9 million respectively.

**Profit before tax**

The profit before tax of the Group decreased by 56.9% or RM47.2 million due mainly to lower underwriting results from the general insurance subsidiary for the current quarter and the transfer of surplus of RM12.0 million from the Life fund to the Shareholders' fund in the preceding quarter.

**2. Current year prospects**

Based on current economic outlook, favourable government policies and low insurance penetration rate, the outlook for the industry continues to be good in 2010. The Group is expected to grow in tandem with the growth of the overall economy. The Group anticipates the performance in 2010 to be satisfactory.

**3. Profit forecast**

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

**ALLIANZ MALAYSIA BERHAD (12428-W)****4. Taxation**

	Individual period		Cumulative period	
	Three months ended		Three months ended	
	31 March		31 March	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Profit before taxation	35,746	29,134	35,746	29,134
<b>Current tax expense</b>				
Income tax	13,349	10,585	13,349	10,585
Deferred tax expense	(781)	(1,695)	(781)	(1,695)
Total income tax expense	12,568	8,890	12,568	8,890
Effective tax rate	35%	31%	35%	31%

The Group's consolidated effective tax rate for the three months ended 31 March 2010 was higher than the statutory tax rate of 25% (three months ended 31 March 2009: 25%) caused mainly by the following

- The income tax for the Life fund is calculated based on the tax rate of 8% (2009 : 8%) of the assessable investment income net of allowable deductions for the period; and
- Effects of certain non-deductible expenses.

**5. Unquoted investments and properties**

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

**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.

## ALLIANZ MALAYSIA BERHAD (12428-W)

### 7. Status of corporate proposal announced/implemented

The status of corporate proposals announced but not fully completed by the Company are as follows:-

Corporate Proposals	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 was completed on 1 April 2009 with a sale consideration of RM30,669,576.71. The 13 Sale and Purchase Agreements ("SPAs") in relation to 13 properties in East and West Malaysia were completed during the financial year 2009 and the remaining 1 property was completed on 11 May 2010, pursuant to the terms and conditions of their respective SPAs with a total sale consideration of RM19,784,796.66.</p> <p>An application for stamp duty exemption for the disposal of the 14 properties will be submitted to the relevant authority for approval and the instruments of transfer in respect thereto will subsequently be presented for registration with the relevant land authorities.</p>
<p>(a) Proposed Rights Issue;</p> <p>(b) Proposed Increase in Authorised Share Capital; and</p> <p>(c) Proposed amendments to the Memorandum and Articles of Association of AMB.</p> <p>(collectively referred to as "Proposals")</p> <p>Note: Unless otherwise defined, the definitions set out in AMB's announcement dated 26 April 2010 in respect of the Proposals shall apply herein.</p>	<p>On 26 April 2010, the adviser of AMB, RHB Investment Bank Berhad ("RHB Investment Bank") announced on behalf of AMB to Bursa Securities that AMB proposed to undertake the Proposals.</p> <p>Following the above announcement, RHB Investment Bank, on behalf of Company, had on 4 May 2010 submitted the following documents in respect of the Proposed Rights Issue to Bursa Securities for perusal and approval:-</p> <p>(a) the Company's draft circular to shareholders in relation to the Proposed Right Issue.</p> <p>(b) listing applications for the New ICPS and the new AMB Shares to be issued upon the conversion of the New ICPS;</p> <p>To-date, Bursa Securities has yet to respond to the Company's application as set out above.</p> <p>On 20 May 2010, RHB Investment Bank, on behalf of the Company, announced to Bursa Securities that the issue price of the New ICPS was fixed at RM3.18 per New ICPS with an entitlement basis of 125 New ICPS for every 100 existing AMB Shares held by the shareholders of AMB as at the Entitlement Date.</p> <p>Based on the issued and paid-up share capital of AMB as at 19 May 2010 of 153,869,238 AMB Shares, the Proposed Rights Issue will entail issuance of 192,336,547 New ICPS.</p>

### 8. Borrowing and debts securities

There was no borrowings and debt securities for the quarter under review and financial period to date.

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### 9. Off balance sheet financial instruments

The Group did not enter into any 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.

The status of the litigation instituted against Bright Mission Berhad (formerly known as Commerce Assurance Berhad ("CAB")) 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.

Name of subsidiaries	Litigation	Status
Bright Mission Berhad	<p>a) <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></p> <p>b) <i>Kuala Lumpur High Court Originating Summons No : S1-24-2518-2007 in the matter of Commerce Assurance Berhad ("Plaintiff") -v- Duomark Properties Sdn Bhd ("First Defendant"), Michaelian (Malaysia) Sdn Bhd ("Second Defendant") &amp; Michaelian Holdings Sdn Bhd ("Third Defendant") (collectively "Defendants")</i></p>	<p>All outstanding Case Management Directions have been complied with. The matter is now fixed for trial on 27 to 29 September 2010.</p> <p>With regard to the Appeal by CAB for the removal of the private caveats, no hearing date has yet been fixed for the Appeal.</p>
AGIC	<p><i>Kota Bahru High Court Suit No: 22-115-05 in the matter of Mohd Shokri bin Abdul Rahim ("Plaintiff") -v-AGIC ("Defendant")</i></p> <p><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 ("Plaintiff") -v- CAB ("Defendant")*</i></p>	<p>Notice of Appeal by CAB to strike out the Plaintiff's claim was dismissed on 3 December 2008. On 23 May 2010, Court allowed the Plaintiff two weeks extension to file the bundle of documents for trial, failing which Plaintiff would have to show cause for their failure. Pending the filing, Court fixed the next Case Management date on 12 June 2010.</p> <p>No hearing date has yet been fixed for the Appeal by CAB dated 3 December 2007 against the judgment in favour of the Plaintiff.</p>

\* Following the transfer of the entire general insurance business from CAB to AGIC with effect from 1 January 2009, this suit is now regarded as suit against AGIC and shall be defended by AGIC and necessary documents will be filed in Court to record AGIC as the defendant of the same at the appropriate time.



## ALLIANZ MALAYSIA BERHAD (12428-W)

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### 11. Auditors' report on preceding annual financial statements

The auditors' report of the Group's financial statements for the financial year ended 31 December 2009 was not qualified.

### 12. Dividend

No dividend has been proposed or declared for the quarter under review (2009 : Nil).

### 13. Earnings per ordinary share

#### (a) Basic earnings per ordinary share

Basic earning per share of the Group are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary share in issue.

		Individual period		Cumulative period	
		Three months ended		Three months ended	
		31 March		31 March	
		2010	2009	2010	2009
Net profit attributable to shareholders	(RM'000)	23,178	20,244	23,178	20,244
Weighted average number of ordinary shares in issue	('000)	153,869	153,869	153,869	153,869
Basic earnings per ordinary share	(sen)	15.06	13.16	15.06	13.16

#### (b) Diluted earnings per ordinary share

There is no dilution in earnings per share as there are no dilutive potential ordinary shares as at 31 March 2010.

### BY ORDER OF THE BOARD

Ng Siew Gek  
Secretary

Kuala Lumpur,  
26 May 2010