

POS MALAYSIA BERHAD

**Company No. 229990-M
(Incorporated in Malaysia)**

INTERIM FINANCIAL STATEMENTS

30 JUNE 2009

POS MALAYSIA BERHAD

QUARTERLY REPORT

Quarterly report on consolidated results for the period ended 30 June 2009. The figures have not been audited.

SUMMARY OF KEY FINANCIAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT	PRECEDING	CURRENT	PRECEDING
	YEAR	YEAR	YEAR	YEAR
	QUARTER	CORRESPONDING	TO DATE	CORRESPONDING
	30/06/2009	30/06/2008	30/06/2009	30/06/2008
	RM'000	RM'000	RM'000	RM'000
1 Revenue	227,271	223,168	458,197	467,536
2 Profit before tax	22,296	21,624	53,439	74,807
3 Net profit for the period	15,885	16,624	38,472	55,516
4 Profit attributable to ordinary equity holders of the parent	15,790	12,704	38,857	51,596
5 Basic earnings per share (sen)	2.94	2.37	7.24	9.61
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
6 Net assets per share attributable to ordinary equity holders of the Company (RM)	1.42		1.42	

POS MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009

	3 MONTHS ENDED		YEAR TO DATE	
	30/06/2009	30/06/2008	30/06/2009	30/06/2008
	RM'000	RM'000	RM'000	RM'000
Revenue	227,271	223,168	458,197	467,536
Operating expenses	(212,313)	(206,126)	(416,419)	(401,902)
Profit from operations	14,958	17,042	41,778	65,634
Other operating income	5,880	6,786	11,451	18,995
Writeback / (allowance for) impairment in value	1,935	(1,844)	1,139	(9,260)
Finance cost	(477)	(159)	(929)	(159)
Share of results after tax of equity accounted associate	-	(201)	-	(403)
Profit before tax	22,296	21,624	53,439	74,807
Taxation	(6,411)	(5,000)	(14,967)	(19,291)
Net profit for the period	15,885	16,624	38,472	55,516
Attributable to:				
Equity holders of the Company	15,790	12,704	38,857	51,596
Minority shareholders	95	3,920	(385)	3,920
Net profit for the period	15,885	16,624	38,472	55,516
EPS - Basic (sen)	2.94	2.37	7.24	9.61

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with Pos Malaysia Berhad's Audited Financial Statements for the year ended 31 December 2008)

Note : Included in the profit from operations for 6 months ended 30.06.2009 of RM41,778,000 (2008 : RM65,634,000) is depreciation charged of RM24,226,000 (2008 : RM18,638,000).

POS MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2009

	AS AT 30/06/2009 RM'000	AS AT 30/06/2008 RM'000
ASSETS		
Property, plant and equipment	245,429	203,372
Prepaid lease payments	268,024	277,329
Investment properties	15,071	15,071
Other investments	219,671	307,341
Investments in associates	-	640
Deferred tax assets	393	700
Total non-current assets	748,588	804,453
Other investments	6,338	51,962
Inventories	8,034	7,685
Receivables, deposits and prepayments	178,103	190,488
Current tax assets	858	1,624
Deposits, cash and bank balances*	271,821	663,489
Total current assets	465,154	915,248
TOTAL ASSETS	1,213,742	1,719,701
EQUITY		
Share capital	268,513	268,403
Share premium	385	89
Reserves	494,137	583,029
Total equity attributable to equity holders of the Company	763,035	851,521
Minority Interests	2,189	3,920
	765,224	855,441
LIABILITIES		
Hire purchase creditors	28,130	14,874
Deferred tax liabilities	10,630	7,660
Total non-current liabilities	38,760	22,534
Payables and accruals	400,271	826,222
Current tax liabilities	1,360	12,012
Hire purchase creditors	8,127	3,492
Total current liabilities	409,758	841,726
Total liabilities	448,518	864,260
TOTAL EQUITY AND LIABILITIES	1,213,742	1,719,701
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.42	1.59

POS MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2009

*Deposits, cash and bank balances included in the unaudited condensed consolidated cash flow statements comprise the following amounts:

	AS AT 30/06/2009 RM'000	AS AT 30/06/2008 RM'000
Cash and bank balances	125,267	436,848
Deposits	146,554	226,641
Total deposits, bank and cash balances	271,821	663,489
Less:		
Cash held for the purpose of distribution of fuel rebate**	(6,711)	(429,928)
Collections held on behalf of agencies***	(123,334)	(111,068)
Total cash and cash equivalents	141,776	122,493

** The amount of cash held for the purpose of distribution of fuel rebate represents fund received from the Government for the purpose of the payment of the fuel cash rebate as announced on 28 May 2008. The corresponding balance outstanding of RM6,711,000 is also reflected under Payables and Accruals in the Balance Sheet.

The payment of fuel cash rebate ceased after 14 April 2009.

*** Similar to the above, this amount is also included under Payables and Accruals in the Balance Sheet.

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with Pos Malaysia Berhad's Audited Financial Statements for the year ended 31 December 2008)

POS MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	30/06/2009	30/06/2008
	RM'000	RM'000
Net profit before tax	53,439	74,807
Adjustments for non-cash flow:-		
Non-cash items	24,622	20,341
Non-operating items	(7,859)	(4,342)
Operating profit before changes in working capital	70,202	90,806
Changes in working capital		
Net change in current assets	(1,313)	(38,744)
Net change in current liabilities	(26,486)	14,174
	42,403	66,236
Tax paid	(12,510)	(19,366)
Net cash flows generated from operating activities	29,893	46,870
Investing activities		
- Net acquisition of property, plant and equipment	(23,926)	(36,153)
- Proceeds from disposal of investments	2,795	21,841
- Investment income received	112	449
- Interest income received	6,508	8,345
	(14,511)	(5,518)
Financing activities		
- Proceeds from issue of share capital	-	123
- Dividend paid	(40,277)	(39,719)
- Repayment of hire purchase creditors	(3,901)	(4,128)
- Interest expense	(929)	(159)
	(45,107)	(43,883)
Net change in cash & cash equivalents	(29,725)	(2,531)
Cash & cash equivalents at beginning of period	171,501	125,024
Cash & cash equivalents at end of period*	141,776	122,493

* Cash and cash equivalents included in the unaudited condensed consolidated cash flow statements comprise the following balance sheet amounts:

	30/06/2009	30/06/2008
	RM'000	RM'000
Cash and bank balances	125,267	436,848
Deposits	146,554	226,641
Total deposits, cash and bank balances	271,821	663,489
Less:		
Cash held for the purpose of distribution of fuel rebate	(6,711)	(429,928)
Collections held on behalf of agencies	(123,334)	(111,068)
Total cash and cash equivalents	141,776	122,493

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with Pos Malaysia Berhad's Audited Financial Statements for the year ended 31 December 2008)

POS MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009

	<i>Attributable to equity holders of the Company</i>				Total RM'000
	<i>Non distributable</i>		<i>Distributable</i>		
	Share Capital RM'000	Share Premium RM'000	Retained Profits RM'000	Minority Interests RM'000	
<u>PERIOD ENDED 30/6/2009</u>					
Balance at beginning of year	268,513	385	495,557	2,574	767,029
Net profit for the period	-	-	38,857	(385)	38,472
Dividend paid	-	-	(40,277)	-	(40,277)
Balance at end of period	268,513	385	494,137	2,189	765,224
<u>PERIOD ENDED 30/6/2008</u>					
Balance at beginning of year	268,369	-	591,022	-	859,391
Net profit for the period	-	-	51,596	3,920	55,516
Dividend paid	-	-	(59,589)	-	(59,589)
Issued shares - ESOS	34	89	-	-	123
Balance at end of period	268,403	89	583,029	3,920	855,441

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with Pos Malaysia Berhad's Audited Financial Statements for the year ended 31 December 2008)

POS MALAYSIA BERHAD

NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of preparation

The financial statements for the second quarter ended 30 June 2009 are unaudited and have been prepared in accordance with FRS 134 - Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The interim financial statements should also be read in conjunction with the audited financial statements for the financial year ended 31 December 2008. These explanatory notes attached to the interim 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 financial year ended 31 December 2008.

Changes in Accounting Policies

The Group has adopted FRS 8, which is effective for annual periods beginning on or after 1 July 2009.

FRS 8 addresses the presentation of financial information to management. Currently, the Group presents segment information in respect of its business and geographical 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. Therefore, on adoption of FRS 8, the Group intend to present segment information in respect of its operating segments: mail, retail and courier & logistics. The change in accounting policy is expected to be applied retrospectively in accordance with the transitional provisions in FRS 8.

The initial adoption and application of the above standard is not expected to have any material impact on the financial statements of the Group.

A2. Qualification of Preceding Annual Financial Statement

The audit report for the audited financial statements for the year ended 31 December 2008 was reported without any audit qualification.

A3. Seasonality or Cyclicity of Operations

The Group’s operations are not subject to any significant seasonal or cyclical factors except that mail volume fluctuates during the festive season.

A4. Unusual items

There were no unusual items for the current quarter.

A5. Changes in estimates

There were no changes in estimates of amount, which would materially affect the current reporting period.

A6. Debt and equity securities

There was no cancellation, repurchase and repayment of debt and equity securities during the current quarter.

A7. Dividends

The Group paid a final dividend of 10 sen per share on ordinary shares less 25% income tax amounting to RM40,277,000 in respect of the financial year ended 31 December 2008 on 25 June 2009.

A8. Segmental reporting

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services and are managed separately because they require different business processes and customer needs. The following summary describes the operations in each of the Group's reportable segments:

- Mail – Includes the provision of basic mail services for corporate and individual customers and customised solutions such as Mailroom Management, Direct Mail and hybrid mail which provides Data and Document Processing services.
- Courier and logistic – Includes logistics and courier solutions by sea, air and land to both national and international destinations.
- Retail – Includes over-the-counter services for payment of bills and certain financial products and services.

Other operations include the business of internet security products, solutions and services and rental income from investment properties held by the Group. None of these segments meets any of the quantitative thresholds for determining reportable segments in 2009 or 2008.

There are varying levels of integration between the Mail reportable segment and the Courier and Logistics reportable segments. This integration includes shared distribution services. The accounting policies of the reportable segments are the same as described in note A1.

Information regarding the operations of each reportable segment is included below. Performance is measured based on segment results. Segment results is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

A8. Segmental reporting (continued)

Segmental reporting for the current period-to-date is as follows:

Period ended 30 June 2009	Mail RM'000	Courier & Logistics RM'000	Retail RM'000	Others RM'000	Total RM'000	Elimination RM'000	Group RM'000
Total external revenue	294,752	87,862	70,366	5,217	458,197	-	458,197
Inter-segment revenue	1,322	771	22,139	429	24,661	(24,661)	-
Total revenue for reportable segments	<u>296,074</u>	<u>88,633</u>	<u>92,505</u>	<u>5,646</u>	<u>482,858</u>	<u>(24,661)</u>	<u>458,197</u>
Reportable segment results	44,501	7,500	(11,307)	(1)	40,693	156	40,849
Other unallocated income					12,590		12,590
Profit before taxation	44,501	7,500	(11,307)	(1)	<u>53,283</u>	156	<u>53,439</u>
Reportable segments assets	262,247	96,596	178,479	98,416	635,738	-	635,738
Other unallocated assets							578,004
Total assets							<u>1,213,742</u>
Reportable segment liabilities	62,417	10,300	130,450	777	203,944	-	203,944
Other unallocated liabilities							244,574
Total liabilities							<u>448,518</u>
Other information:							
Capital expenditure							
- Property, plant & equipment	11,236	2,725	17,092	257	31,310		31,310
Depreciation and amortization	12,412	4,007	7,114	877	24,410	(182)	24,226
Interest income (unallocated)					6,508	-	6,508
Interest expense	493	393	43	-	929		929
Writeback impairment in value (unallocated)					1,139		1,139
Taxation							<u>14,967</u>

A8. Segmental reporting (continued)

Segmental reporting for the comparative period-to-date (restated) is as follows

Period ended 30 June 2008	Mail RM'000	Courier & Logistics RM'000	Retail RM'000	Others RM'000	Total RM'000	Elimination RM'000	Group RM'000
Total external revenue	301,407	79,514	65,348	21,267	467,536	-	467,536
Inter-segment revenue	1,130	1,165	22,922	429	25,646	(25,646)	-
Total revenue for reportable segments	<u>302,537</u>	<u>80,679</u>	<u>88,270</u>	<u>21,696</u>	<u>493,182</u>	<u>(25,646)</u>	<u>467,536</u>
Reportable segment results	58,750	7,350	(10,673)	9,875	65,302	173	65,475
Other unallocated income					9,332		9,332
Profit before taxation	58,750	7,350	(10,673)	9,875	<u>74,634</u>	173	<u>74,807</u>
Reportable segments assets	266,579	83,726	156,203	97,478	603,986	-	603,986
Other unallocated assets							1,115,715
Total assets							<u>1,719,701</u>
Reportable segment liabilities	42,160	23,483	542,057	1,293	608,993	-	608,993
Other unallocated liabilities							255,267
Total liabilities							<u>864,260</u>
Other information:							
Capital expenditure							
- Property, plant & equipment	13,984	20,566	25,570	1,254	61,374		61,374
Depreciation and amortization	9,002	3,240	5,711	858	18,811	(173)	18,638
Interest income (unallocated)					8,345	-	8,345
Interest expense	14	11	134	-	159		159
Write back impairment in value (unallocated)					9,260		9,260
Taxation							<u>19,291</u>

The activities are conducted principally in Malaysia and accordingly, no information on the Group's operations by geographical segments has been provided.

A9. Valuation of property, plant and equipment

There has not been any valuation of property, plant and equipment for the Group, except for the valuation of seven (7) pieces of land and a seven (7)-storey office building in Ipoh in 2004.

A10. Subsequent events

There were no material events subsequent to the end of the reporting period that have not been reflected in the financial statements.

A11. Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter.

A12. Contingent liabilities or contingent assets

1. Updates on the contingent liabilities as at the date of this announcement are as follows :-

- (a) On 18 January 2002, Pos Malaysia & Services Holdings Berhad (“PSH”) and PSH Allied Berhad (“PSHAB”) (“the Defendants”) were served with a Writ of Summons and Statement of Claim by MBB (“the Plaintiff”) (Kuala Lumpur High Court Civil Suit D3-22-2240-2001). Subsequently, an Amended Writ of Summons and Amended Statement of Claim were served on the Defendants by the Plaintiff on 19 March 2002.

On 30 July 2002, the Defendants’ application to strike out Plaintiff’s Writ of Summons was allowed with costs by the Senior Assistant Registrar. A Notice of Appeal to Judge In Chambers dated 6 August 2002 filed by the Plaintiff has been dismissed with costs on 25 April 2003. A Notice of Appeal to the Court of Appeal dated 20 May 2003 had been filed by the Plaintiff.

At the hearing on 22 July 2009 at the Court of Appeal, the court had allowed the appeal with costs at the Court of Appeal and the High Court. The matter will therefore proceed to trial.

- (b) On 2 April 2003, PSH and PSH Allied Berhad (“Defendants”) were served with a Writ of Summons and Statement of Claim (Kuala Lumpur High Court Civil Suit No. D3-22-330-2003) by MBB (“the Plaintiff”).

On 16 June 2004, the Defendants’ application to strike out the Plaintiff’s Writ of Summons was allowed with costs by the Senior Assistant Registrar. A Notice of Appeal to Judge In Chambers has been filed by the Plaintiff on 24 June 2004 to appeal against the decision of the Senior Assistant Registrar.

The same was dismissed by the learned Judge on 26 April 2005. The Plaintiff had appealed to the Court of Appeal vide Notice of Appeal dated 25 May 2005 in CA Civil Appeal No. W-03-86-2005.

At the hearing on 22 July 2009 at the Court of Appeal, the court had allowed the appeal with costs at the Court of Appeal and the High Court. The matter will therefore proceed to trial.

- (c) On 2 April 2003, PSH and PSH Allied Berhad (“Defendants”) were served with a Writ of Summons and Statement of Claim (Kuala Lumpur High Court Civil Suit No. D3-22-331-2003) by MBB (“the Plaintiff”).

On 16 June 2004, the Defendants’ application to strike out Plaintiff’s Writ of Summons was allowed with costs by the Senior Assistant Registrar. A Notice of Appeal to Judge In Chambers has been filed by the Plaintiff on 24 June 2004 to appeal against the decision of the Senior Assistant Registrar.

The same was dismissed by the learned Judge on 26 April 2005. The Plaintiff had appealed to the Court of Appeal vide Notice of Appeal dated 25 May 2005 in CA Civil Appeal No. W-03-87-2005.

At the hearing on 22 July 2009 at the Court of Appeal, the court had allowed the appeal with costs at the Court of Appeal and the High Court. The matter will therefore proceed to trial.

2. There were no contingent assets at the end of the reporting period.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA

B1. Review of performance

For the period ended 30 June 2009, the Group recorded a lower profit before taxation of RM53.4 million, as compared to preceding year's profit before taxation of RM74.8 million. The results of the major business segments are as follows:-

	6 Months Ended 30 June 2009	6 Months Ended 30 June 2008
	RM'000	RM'000
Postal and related services	41,408	65,467
Others, including property investment and investment holding	370	167
Profit from operations	41,778	65,634
Other operating income	11,451	18,995
Writeback / (allowance for) impairment in value	1,139	(9,260)
Finance cost	(929)	(159)
Share of net results of equity accounted associate	-	(403)
Profit before taxation	53,439	74,807

The Group's year on year revenue declined by RM9.4 million or 2%, mainly attributed to lower revenue from sale of digital certificate by RM16 million or 77% but partially mitigated by the increase in postal related activities.

The Group recorded lower operating profit by RM24 million or 36.3% due to the increase in operating expenses by RM14.5 million or 3.6% coupled by the lower revenue stated above. The increase in operating costs was mainly driven by higher staff cost, depreciation and amortization costs and rental, communication and utilities costs which grew by RM13.6 million or 5.4%, RM5.6 million or 30% and RM5.9 million or 28.2% respectively. Increase in depreciation and amortization charges mainly attributed to the completion of capitalized projects and purchase of fixed assets during the period. Rental, communication and utilities have increased by RM5.8 million or 28.2% mainly attributed to increase in rental of computer equipment and network charges on the upgraded Network lines.

The lower operating income earned during the current period was attributed to the gain on disposal of marketable securities of RM5.0 million last year as compared to RM0.4 million this year. In addition, interest income was lower by RM1.8 million due to the combination of both lower interest rate and lower cash available for deposit. As a result of the above, the profit before taxation declined by 29% from RM74.8 million to RM53.4 million.

B2. Material changes in quarterly results as compared to the results of the preceding year corresponding quarter

For the current quarter, the Group registered a profit before taxation of RM22.3 million, higher than preceding year corresponding quarter's profit before taxation of RM21.6 million. The results of the major segments of the Group are as follows:-

	3 Months Ended 30 June 2009 RM'000	3 Months Ended 30 June 2008 RM'000
Postal and its related services	14,620	16,774
Others, including property investment and investment holding	338	268
Profit from operations	14,958	17,042
Other operating income	5,880	6,786
Writeback / (allowance for) impairment in value	1,935	(1,844)
Finance cost	(477)	(159)
Share of net results of equity accounted associate	-	(201)
Profit before taxation	22,296	21,624

The Group registered lower profit from operations of RM15.0 million against RM17.0 million posted in corresponding quarter last year. Although revenue grew by RM4.1 million or 1.8%, operating expenses incurred was higher by RM6.2 million or 3.0%. The increase in revenue was due to better performance from both the courier and mail business.

Profit before taxation, on the other hand, recorded a marginal improvement of RM0.7 million or 3.1%. This was mainly due to the write back of impairment in value of marketable securities of RM1.9 million as compared to the allowance for impairment in value of marketable securities of RM1.8 million in the preceding year.

B3. Comparison between the current quarter and the immediate preceding quarter

The Group posted a profit from operations of RM15.0 million as compared to the RM26.8 million profit in the immediate preceding quarter. The decrease in profit by RM11.8 million or 44.0% was mainly due to higher operating costs incurred during the current quarter.

Profit before taxation recorded a lower decrease of RM8.8 million or 28.4%, as a result of the writeback in impairment in value of marketable securities of RM1.9 million as compared to the allowance provided for of RM0.8 million in the immediate preceding quarter.

B4. Economic profit (“EP”) statement

The EP statement is as prescribed under the Government-Linked Company (“GLC”) Transformation initiatives and is disclosed on a voluntary basis. EP is a yardstick to measure shareholders value as it provides more accurate picture of the underlying economic performance of PMB Group vis-à-vis its financial accounting reports.

	3 Months Ended 30 June 2009 RM’000	3 Months Ended 30 June 2008 RM’000	6 Months Ended 30 June 2009 RM’000	6 Months Ended 30 June 2008 RM’000
<u>Net operating profit after tax</u> <u>(“NOPLAT”)</u>				
Earnings before interest and tax (“EBIT”)	14,958	17,042	41,778	65,634
Adjusted tax	(3,740)	(4,431)	(10,445)	(17,065)
NOPLAT	11,218	12,611	31,333	48,569
<u>Economic charge computation</u>				
Average invested capital	261,439	189,639	266,192	192,083
Weighted average cost of capital (“WACC”)	7.37%	8.65%	7.37%	8.65%
ECONOMIC CHARGE	(19,268)	(16,404)	(19,618)	(16,615)
ECONOMIC (LOSS) / PROFIT	(8,050)	(3,793)	11,715	31,954

The Group registered an economic loss of RM8.1 million as compared to the preceding year corresponding quarter’s loss of RM3.8 million as a result of the higher Economic Charge and lower NOPLAT. Similarly, EP for the current fiscal period was also lower by RM20.2 million or 63.3%.

Net operating profit less adjusted tax (“NOPLAT”)

Due to the decrease in operating profit by RM2.1 million reported by PMB Group during the current quarter, the Group recorded a lower NOPLAT of RM11.2 million against the RM12.6 million in the corresponding quarter last year, mainly attributed to the increase in operating expenses as explained in Note B2 to the announcement. The Group’s NOPLAT has also decreased by RM17.2 million or 35.5% year-on-year due to higher operating costs as explained in Note B1.

Economic charge

Despite the increase in average invested capital in the current quarter and financial period by RM71.8 million or 37.9% and RM74.1 million or 38.6% respectively, economic charge only increased by RM2.9 million or 17.5% and RM3.0 million or 18.1% respectively due to the lower WACC for the period under review. The Group capital expenditure for the year was mainly for the information system upgrade and also replacement of motor vehicles for operational purpose.

B5. Future prospects

Despite the challenging economic environment, the Board of Directors is cautiously optimistic regarding the Group's operations for the current financial year.

B6. Variance of actual profit from profit forecast

Not applicable.

B7. Tax expense

Major component of tax expense:

	3 Months Ended 30 June 2009 RM'000	6 Months Ended 30 June 2009 RM'000
Current tax expense		
- Company and subsidiaries	6,411	14,967
- Associates	-	-
	6,411	14,967
	6,411	14,967

B8. Sale of unquoted investments and/or properties

There was no sale of investments in subsidiaries and/or properties during the current quarter.

B9. Purchase and disposal of quoted securities

Summary of total purchases and sales of quoted securities for the financial year-to-date and profit/loss arising therefrom:-

	Quoted shares RM'000	Marketable Securities Quoted shares RM'000
Total Purchases	-	-
Total Disposals	-	2,599
Total Gain on Disposal	-	352

Summary of quoted securities as at 30 June 2009 were as follows:-

Total investments at cost	249,562	18,914
Total investments at carrying value/book value (after provision for diminution in value)	21,859	6,338
Total investment at market value at end of reporting period	52,624	6,338

B10. Status of Corporate Proposal

There was no corporate proposal announced in the current quarter ended 30 June 2009.

B11. Group borrowings

Hire purchase creditors are payables as follows:

	Minimum lease payment	Interest	Principal
	RM'000	RM'000	RM'000
Less than one year	9,813	1,684	8,127
Between one and five years	30,354	2,226	28,130
	40,167	3,910	36,257

B12. Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk at the date of this quarterly report.

B13. Material litigation

There is no change in the status of material litigation since the latest audited annual financial statements of the Group for the year ended 31 December 2008 except as disclosed under note A12.

B14. Earnings per share (EPS)

The basic earnings per share has been calculated based on the Group's net profit attributable to shareholders and on the weighted average number of ordinary shares in issue during the financial period.

	3 Months Ended 30 June 2009	3 Months Ended 30 June 2008	6 Months Ended 30 June 2009	6 Months Ended 30 June 2008
Profit for the period attributable to equity holders of the Company (RM'000)	15,790	12,704	38,857	51,596
Weighted average number of ordinary shares outstanding ('000)	537,026	536,738	537,026	536,738
Basic earnings per share (sen)	2.94	2.37	7.24	9.61

The number of ordinary shares has been adjusted retrospectively to incorporate the share split and bonus shares which was part of the former holding company, Pos Malaysia & Services Holdings Berhad's capital restructuring exercise as required by FRS 133, Earnings Per Share.

B15. Authorisation for Issue

The Board of Directors authorised the release of this Financial Report on 17 August 2009.

BY ORDER OF THE BOARD

SABRINA ALBAKRI BT. ABU BAKAR
COMPANY SECRETARY
17 August 2009