

**POS MALAYSIA BERHAD**

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

**INTERIM FINANCIAL STATEMENTS  
30 SEPTEMBER 2009**

# POS MALAYSIA BERHAD

## QUARTERLY REPORT

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

### SUMMARY OF KEY FINANCIAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2009 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2008 RM'000	CURRENT YEAR TO DATE 30/09/2009 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2008 RM'000
1 Revenue	219,783	231,249	677,980	698,785
2 Profit before tax	27,423	33,225	80,862	108,031
3 Net profit for the period	21,761	25,869	60,233	81,383
4 Profit attributable to ordinary equity holders of the parent	21,629	25,724	60,486	77,320
5 Basic earnings per share (sen)	4.03	4.79	11.26	14.40
	AS AT END OF CURRENT QUARTER		AS AT END OF PRECEDING YEAR CORRESPONDING QUARTER	
6 Net assets per share attributable to ordinary equity holders of the Company (RM)	1.46		1.63	

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

	<b>3 MONTHS ENDED</b>		<b>YEAR TO DATE</b>	
	<b>30/09/2009</b>	<b>30/09/2008</b>	<b>30/09/2009</b>	<b>30/09/2008</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
Revenue	<b>219,783</b>	231,249	<b>677,980</b>	698,785
Operating expenses	<b>(201,441)</b>	(205,216)	<b>(617,860)</b>	(607,118)
Profit from operations	<b>18,342</b>	26,033	<b>60,120</b>	91,667
Other operating income	<b>8,724</b>	8,042	<b>20,175</b>	27,037
Write back/(Allowance) for impairment in value	<b>809</b>	(373)	<b>1,948</b>	(9,634)
Finance cost	<b>(452)</b>	(276)	<b>(1,381)</b>	(435)
Share of results of associates	-	(201)	-	(604)
Profit before taxation	<b>27,423</b>	33,225	<b>80,862</b>	108,031
Tax expenses	<b>(5,662)</b>	(7,357)	<b>(20,629)</b>	(26,648)
Net profit for the period	<b>21,761</b>	25,868	<b>60,233</b>	81,383
Attributable to:				
Equity holders of the Company	<b>21,629</b>	25,724	<b>60,486</b>	77,320
Minority shareholders	<b>132</b>	144	<b>(253)</b>	4,063
Net profit for the period	<b>21,761</b>	25,868	<b>60,233</b>	81,383
Earnings per share - Basic (sen)	<b>4.03</b>	4.79	<b>11.26</b>	14.40

Note : Included in the profit from operations for 9 months ended 30.09.2009 of RM60,120,000 (2008: 91,667,000) is depreciation charged of 36,473,000 (2008: RM28,954,000).

(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 BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2009**

	AS AT 30/09/2009 RM '000	AS AT 30/09/2008 RM '000
<b>ASSETS</b>		
Property, plant and equipment	260,341	216,829
Prepaid lease payments	265,182	274,749
Investment properties	15,071	15,071
Long term investments	208,632	306,845
Investment in associates	-	438
Deferred tax assets	393	700
<b>Total non-current assets</b>	<b>749,619</b>	<b>814,632</b>
Other investments	5,636	52,085
Inventories	9,297	9,158
Trade and other receivables	184,725	180,054
Tax recoverable	1,313	1,384
Deposits, cash and bank balances	291,495	625,269
<b>Total current assets</b>	<b>492,466</b>	<b>867,950</b>
<b>TOTAL ASSETS</b>	<b>1,242,085</b>	<b>1,682,582</b>
<b>EQUITY</b>		
Share capital	268,513	268,513
Share premium	385	385
Retained earnings	515,766	608,754
<b>Total equity attributable to equity holders of the Company</b>	<b>784,664</b>	<b>877,652</b>
Minority interest	2,321	4,063
<b>Total equity</b>	<b>786,985</b>	<b>881,715</b>
<b>LIABILITIES</b>		
Hire purchase creditors	26,128	23,123
Deferred taxation	10,589	7,660
<b>Total non-current liabilities</b>	<b>36,717</b>	<b>30,783</b>
Trade and other payables	410,606	757,474
Tax liabilities	(351)	6,991
Hire purchase creditors	8,128	5,619
<b>Total current liabilities</b>	<b>418,383</b>	<b>770,084</b>
<b>Total liabilities</b>	<b>455,100</b>	<b>800,867</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,242,085</b>	<b>1,682,582</b>
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.46	1.63

**POS MALAYSIA BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET (CONTD.)**  
**AS AT 30 SEPTEMBER 2009**

\*Deposits, cash and bank balances included in the unaudited condensed consolidated balance sheet comprise the following amounts:

	AS AT 30/09/2009 RM '000	AS AT 30/09/2008 RM '000
Cash & bank balances	119,641	95,113
Deposits with licensed bank and other financial institutions	<u>171,854</u>	<u>530,156</u>
<b>Deposits, cash and bank balances</b>	<b>291,495</b>	<b>625,269</b>
Less:		
Cash held for the purpose of fuel rebate distribution**	(6,710)	(399,670)
Collections held on behalf of agencies***	<u>(132,467)</u>	<u>(111,052)</u>
<b>Cash and cash equivalents</b>	<b><u>152,318</u></b>	<b><u>114,547</u></b>

\*\* 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 amount 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 Balance Sheet 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 SEPTEMBER 2009**

	30/09/2009 RM'000	30/09/2008 RM'000
Cash flows from operating activities		
Profit before tax	80,862	108,031
Adjustments for non-cash flow:-		
Non-cash items	37,124	32,714
Non-operating items	<u>(12,192)</u>	<u>(10,307)</u>
Operating profit before changes in working capital	105,794	130,438
Changes in working capital:		
Net change in current assets	(9,451)	(31,840)
Net change in current liabilities	<u>(25,284)</u>	<u>(4,790)</u>
Cash generated from operating activities	71,059	93,808
Tax paid	<u>(20,379)</u>	<u>(31,504)</u>
Net cash flows generated from operating activities	<u>50,680</u>	<u>62,304</u>
Cash flows from investing activities		
Net acquisition of property, plant and equipment	(51,097)	(48,930)
Proceeds from disposal of investments	18,773	21,841
Investment income received	125	829
Interest income received	9,897	14,377
Net cash flows used in investing activities	<u>(22,302)</u>	<u>(11,883)</u>
Cash flows from financing activities		
Proceeds from issuance of share capital	-	529
Dividend paid	(40,277)	(59,589)
Repayment of hire purchase creditors	(5,903)	(1,763)
Interest expense	<u>(1,381)</u>	<u>(435)</u>
Net cash flows used in financing activities	<u>(47,561)</u>	<u>(61,258)</u>
Net change in cash & cash equivalents	(19,183)	(10,837)
Cash & cash equivalents at beginning of period	<u>171,501</u>	<u>125,384</u>
Cash & cash equivalents at end of period*	<u>152,318</u>	<u>114,547</u>

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

	AS AT 30/09/2009 RM '000	AS AT 30/09/2008 RM '000
Cash & bank balances	119,641	95,113
Deposits with licensed bank and other financial institutions	<u>171,854</u>	<u>530,156</u>
<b>Deposits, cash and bank balances</b>	<b>291,495</b>	<b>625,269</b>
Less:		
Cash held for the purpose of fuel rebate distribution	(6,710)	(399,670)
Collections held on behalf of agencies	<u>(132,467)</u>	<u>(111,052)</u>
<b>Cash and cash equivalents</b>	<b><u>152,318</u></b>	<b><u>114,547</u></b>

(The Unaudited Condensed Consolidated Cash Flow 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 SEPTEMBER 2009**

	<---- Attributable to equity holders of the Company ---->				Total RM'000
	<----- Non-distributable ----->		Distributable		
	Share Capital RM'000	Share Premium RM'000	Retained Profits RM'000	Minority Interests RM'000	
<b><u>PERIOD ENDED 30/09/2009</u></b>					
Balance at beginning of period	268,513	385	495,557	2,574	767,029
Issue of shares	-	-	-	-	-
Dividend	-	-	(40,277)	-	(40,277)
Net profit for the period	-	-	60,486	(253)	60,233
Balance at end of period	<b>268,513</b>	<b>385</b>	<b>515,766</b>	<b>2,321</b>	<b>786,985</b>
<b><u>PERIOD ENDED 30/09/2008</u></b>					
Balance at beginning of period	268,369	-	591,023	-	859,392
Issue of shares	144	385	-	-	529
Dividend	-	-	(59,589)	-	(59,589)
Net profit for the period	-	-	77,320	4,063	81,383
Balance at end of period	268,513	385	608,754	4,063	881,715

(The Unaudited Condensed Consolidated Statements of Changes in Equity 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 STATEMENTS**

#### **A1. Basis of preparation**

The financial statements for the third quarter ended 30 September 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 (contd.)

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

Period ended 30 September 2009	Mail RM'000	Courier & Logistic RM'000	Retail RM'000	Others RM'000	Total RM'000	Elimination RM'000	Group RM'000
Revenue							
Total external revenue	430,803	132,245	106,358	8,574	677,980	-	677,980
Intersegment revenue	1,907	1,103	33,547	643	37,200	(37,200)	-
Total revenue for reportable segments	<u>432,710</u>	<u>133,348</u>	<u>139,905</u>	<u>9,217</u>	<u>715,180</u>	<u>(37,200)</u>	<u>677,980</u>
Reportable segment results	63,392	9,396	(13,613)	(700)	58,475	265	58,740
Other income	-	-	-	-	22,122	-	22,122
Profit before taxation	<u>63,392</u>	<u>9,396</u>	<u>(13,613)</u>	<u>(700)</u>	<u>80,597</u>	<u>265</u>	<u>80,862</u>
Reportable segments assets	251,605	95,184	183,970	98,644	629,403	-	629,403
Other unallocated assets							612,682
Total assets							<u>1,242,085</u>
Reportable segment liabilities	52,953	13,075	139,559	934	206,521	-	206,521
Other unallocated liabilities							248,579
Total liabilities							<u>455,100</u>
<u>Other information</u>							
Capital expenditure							
- Property, plant & equipment	30,628	3,482	21,280	299	55,689	-	55,689
- Prepaid lease payments	-	-	-	-	-	-	-
Depreciation and amortization	18,694	6,121	10,610	1,321	36,746	(273)	36,473
Interest income	-	-	-	-	9,897	-	9,897
Interest expense	742	576	63	-	1,381	-	1,381
Allowance for Impairment in value	-	-	-	-	1,948	-	1,948
Taxation	-	-	-	-	-	-	20,629

#### A8. Segmental reporting (contd.)

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

Period ended 30 September 2008	Mail RM'000	Courier & Logistic RM'000	Retail RM'000	Others RM'000	Total RM'000	Elimination RM'000	Group RM'000
Revenue							
Total external revenue	442,463	124,967	107,756	23,599	698,785	-	698,785
Intersegment revenue	1,648	1,593	35,143	643	39,027	(39,027)	-
Total revenue for reportable segments	<u>444,111</u>	<u>126,560</u>	<u>142,899</u>	<u>24,242</u>	<u>737,812</u>	<u>(39,027)</u>	<u>698,785</u>
Reportable segment results	77,065	10,763	(6,762)	9,498	90,564	667	91,231
Other income	-	-	-	-	16,800	-	16,800
Profit before taxation	<u>77,065</u>	<u>10,763</u>	<u>(6,762)</u>	<u>9,498</u>	<u>107,364</u>	<u>667</u>	<u>108,031</u>
Reportable segments assets	246,674	90,518	162,990	98,530	598,712	-	598,712
Other unallocated assets							1,083,870
Total assets							<u>1,682,582</u>
Reportable segment liabilities	40,448	24,495	512,380	1,096	578,419	-	578,419
Other unallocated liabilities							222,448
Total liabilities							<u>800,867</u>
<u>Other information</u>							
Capital expenditure							
- Property, plant & equipment	23,239	28,567	28,379	1,933	82,118	-	82,118
- Prepaid lease payments	-	-	-	-	-	-	-
Depreciation and amortization	15,031	5,555	7,381	999	28,966	(259)	28,707
Interest income	-	-	-	-	-	-	-
Interest expense	199	196	41	-	436	-	436
Allowance for Impairment in value	-	-	-	-	9,131	-	9,131
Taxation	-	-	-	-	-	-	26,648

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.

The Case Management for the matter has been fixed for 22 January 2010.

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 September 2009, the Group recorded a lower profit before taxation of RM80.9 million, as compared to preceding year's profit before taxation of RM108.0 million. The results of the major business segments are as follows:-

	<b>9 Months Ended 30 September 2009</b>	9 Months Ended 30 September 2008
	<b>RM'000</b>	RM'000
Postal and related services	<b>60,256</b>	91,864
Others, including property investment and investment holding	<b>(134)</b>	(197)
<b>Profit from operations</b>	<b>60,120</b>	91,667
Other operating income	20,175	26,534
Writeback / (allowance for) impairment in value	1,948	(9,131)
Finance cost	(1,381)	(435)
Share of net results of equity accounted associate	-	(604)
<b>Profit before taxation</b>	<b>80,862</b>	108,031

The Group's year on year revenue declined by RM20.8 million or 3%, mainly attributed to lower revenue from mail activities by RM12.0 million and others by RM15.0 million but partially cushioned by the increase in courier and logistic activities by RM7.0 million. The reduction in mail revenue was consistent with the reduction in mail volume.

The Group recorded lower operating profit by RM31.5 million or 34.4% due to both the increase in operating expenses by RM10.7 million or 1.8% and decrease in revenue as stated above. The increase in operating costs was mainly driven by higher staff cost and depreciation and amortization costs which grew by RM11.6 million or 3.1% and RM7.5 million or 26% respectively. Increase in depreciation and amortization charges was mainly attributed to the completion of capitalized projects and purchase of fixed assets during the period. The increase was however partially mitigated by the lower transport cost of RM11.6 million or 12.8%.

The lower operating income earned during the current period was attributed to the lower interest income by approximately RM4.5 million due to lower interest rate in current year coupled with reduction in deposits placement after the completion of the fuel rebate program earlier in the year. Consequently, the profit before taxation declined by 25% from RM108.0 million to RM80.9 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 RM27.4 million, lower than preceding year corresponding quarter's profit before taxation of RM33.2 million. The results of the major segments of the Group are as follows:-

	<b>3 Months Ended 30 September 2009 RM'000</b>	<b>3 Months Ended 30 September 2008 RM'000</b>
Postal and its related services	<b>18,848</b>	25,989
Others, including property investment and investment holding	<b>(506)</b>	44
<b>Profit from operations</b>	<b>18,342</b>	26,033
Other operating income	<b>8,724</b>	8,042
Write back / (allowance for) impairment in value	<b>809</b>	(373)
Finance cost	<b>(452)</b>	(276)
Share of net results of equity accounted associate	<b>-</b>	(201)
<b>Profit before taxation</b>	<b>27,423</b>	33,225

The Group registered lower profit from operations of RM18.3 million against RM26.0 million posted in corresponding quarter last year mainly due to the reduction in revenue by RM11.5 million despite lower operating expenses by RM3.8 million. Mail and retail revenue declined due to the decrease in mail volume and completion of the fuel rebate program in April this year, respectively.

Profit before taxation declined by RM5.8 million, in line with the reduction in profit from operations by RM7.7 million which was partially cushioned by the increase in other operating income and write back of impairment in value of marketable securities.

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

The Group posted a profit from operations of RM18.3 million as compared to the RM15.0 million profit in the immediate preceding quarter. The increase of RM3.3 million was derived from substantial reduction in operating expense by RM10.9 million although revenue dropped by RM7.5 million.

Profit before taxation recorded an increase of RM5.1 million or 23% from RM22.3 million in immediate preceding quarter to RM27.4 million as a result of higher other operating income from gain on disposal of unquoted shares in G-Force Sdn Bhd of RM2.6 million and marketable securities.

#### 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.

	<b>3 Months Ended 30-Sep-09 RM’000</b>	3 Months Ended 30-Sep-08 RM’000	<b>9 Months Ended 30-Sep-09 RM’000</b>	9 Months Ended 30-Sep-08 RM’000
<u>Net operating profit after tax  (“NOPLAT”)</u>				
Earnings before interest and tax (“EBIT”)	<b>18,342</b>	26,033	<b>60,120</b>	91,667
Adjusted tax	<b>(4,585)</b>	(6,769)	<b>(15,030)</b>	(23,833)
<b>NOPLAT</b>	<b>13,756</b>	19,264	<b>45,090</b>	67,834
<u>Economic charge computation</u>				
Average invested capital	<b>301,253</b>	245,373	<b>310,510</b>	254,387
Weighted average cost of capital (“WACC”)	<b>7.22%</b>	8.45%	<b>7.22%</b>	8.45%
<b>ECONOMIC CHARGE</b>	<b>(21,739)</b>	(20,741)	<b>(22,408)</b>	(21,503)
<b>ECONOMIC (LOSS) / PROFIT</b>	<b>(7,983)</b>	(1,476)	<b>22,683</b>	46,331

The Group registered an economic loss of RM7.98 million as compared to the preceding year corresponding quarter’s loss of RM1.5 million as a result of the higher Economic Charge and lower NOPLAT. Similarly, EP for the current fiscal period was also lower by RM23.6 million or 51.0%.

*Net operating profit less adjusted tax (“NOPLAT”)*

Due to the decrease in operating profit by RM7.7 million reported by PMB Group during the current quarter, the Group recorded a lower NOPLAT of RM13.8 million against the RM19.3 million in the corresponding quarter last year, mainly attributed to the decrease in revenue as explained in Note B2 to the announcement.

The Group’s NOPLAT also decreased by RM22.7 million or 33.5% year-on-year due to reduction in revenue and 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 RM55.9 million or 22.8% and RM56.1 million or 22.1%, economic charge increased slightly by RM1.0 million or 0.5% respectively due to the lower WACC. The Group capital expenditure for the year was mainly for the information system upgrade, building improvement of post offices and new mail processing centre 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:

	<b>3 Months Ended 30 September 2009 RM'000</b>	<b>9 Months Ended 30 September 2009 RM'000</b>
Current tax expense		
- Company and subsidiaries	5,662	20,671
- Associates	-	-
	5,662	20,671

## B8. Sale of unquoted investments and/or properties

On 3 November 2009, the Company entered into a Share Sale Agreement with MIMOS Berhad (“**MIMOS**”) for the acquisition of 4,050,000 ordinary shares of RM1.00 each (“**Proposed Acquisition**”) in Digicert Sdn Bhd (“**Digicert**”) representing 45% of the issued and paid-up share capital of Digicert for a total cash consideration of RM8,500,000. The Proposed Acquisition is only expected to be completed within 3 months from the date of the Agreement, and therefore, will have no material effect on the net assets and gearing of the Company for the financial year ending 31 December 2009. The Proposed Acquisition is not expected to have any material effect on the earnings of the Group for the financial year ending 31 December 2009. Upon completion of the Proposed Acquisition, Digicert will become wholly-owned subsidiary of the Company.

During the current quarter, the Company disposed off its unquoted investment of 19,066 shares in G-Force Sdn Bhd for a cash consideration of RM13,570,000 resulting in a gain of RM2,602,000.

## 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:-

	<b>Quoted shares RM'000</b>	<b>Marketable Securities Quoted shares RM'000</b>
Total Purchases	-	-
Total Disposals	-	4,896
Total Gain on Disposal	-	1,318

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

Total investments at cost	249,562	16,617
Total investments at carrying value/book value (after provision for diminution in value)	21,859	5,636
Total investment at market value at end of reporting period	48,171	5,636

## B10. Status of Corporate Proposal

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

### B11. Group borrowings

Hire purchase creditors are payables as follows:

	<b>Minimum lease payment</b>	<b>Interest</b>	<b>Principal</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Less than one year	9,811	1,683	8,128
Between one and five years	27,902	1,774	26,128
	<b>37,713</b>	<b>3,457</b>	<b>34,256</b>

### 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.

	<b>3 Months Ended 30 September 2009</b>	3 Months Ended 30 September 2008	<b>9 Months Ended 30 September 2009</b>	9 Months Ended 30 September 2008
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Profit for the period attributable to equity holders of the Company (RM'000)	<b>21,629</b>	25,724	<b>60,486</b>	77,320
Weighted average number of ordinary shares outstanding ('000)	<b>537,026</b>	537,026	<b>537,026</b>	537,026
Basic earnings per share (sen)	<b>4.03</b>	4.79	<b>11.26</b>	14.40

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 30 November 2009.

BY ORDER OF THE BOARD

SABRINA ALBAKRI BT. ABU BAKAR  
COMPANY SECRETARY  
30 November 2009