

POS MALAYSIA BERHAD

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

**INTERIM FINANCIAL STATEMENTS
31 DECEMBER 2009**

POS MALAYSIA BERHAD

QUARTERLY REPORT

Quarterly report on consolidated results for the year ended 31 December 2009. The figures have not been audited.

SUMMARY OF KEY FINANCIAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER 31/12/2009 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2008 RM'000	CURRENT YEAR TO DATE 31/12/2009 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2008 RM'000	
1	Revenue	224,581	222,881	902,561	921,666
2	Profit/(Loss) before tax	28,669	(108,550)	109,529	(519)
3	Net profit/(loss) for the period/year	16,499	(114,685)	76,730	(33,302)
4	Profit/(Loss) attributable to ordinary equity holders of the parent	14,926	(113,196)	75,410	(35,876)
5	Basic earnings/(loss) per share (sen)	2.78	(21.08)	14.04	(6.68)
		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)	1.49		1.42	

POS MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

	3 MONTHS ENDED		YEAR TO DATE	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
	RM'000	RM'000	RM'000	RM'000
Revenue	224,581	222,881	902,561	921,666
Operating expenses	(202,349)	(228,319)	(820,208)	(835,437)
Profit/(Loss) from operations	22,232	(5,438)	82,353	86,229
Other operating income	4,616	4,690	24,788	31,226
Write back of/(Allowance for) impairment in value	2,245	(106,967)	4,193	(116,098)
Finance cost	(424)	(397)	(1,805)	(833)
Share of results after tax of equity accounted associate	-	(438)	-	(1,043)
Profit/(Loss) before tax	28,669	(108,550)	109,529	(519)
Tax expenses	(12,170)	(6,135)	(32,799)	(32,783)
Net profit/ (loss) for the period/year	16,499	(114,685)	76,730	(33,302)
Attributable to:				
Equity holders of the Company	14,926	(113,196)	75,410	(35,876)
Minority shareholders	1,573	(1,489)	1,320	2,574
Net profit/ (loss) for the period/year	16,499	(114,685)	76,730	(33,302)
Basic earnings/(loss) per share (sen)	2.78	(21.08)	14.04	(6.68)

Note : Included in the profit from operations for 12 months ended 31.12.2009 of RM82,353,000 (2008: RM86,229,000) is depreciation and amortization charged of RM37,589,000 and RM11,366,000 respectively (2008: RM29,110,000 and RM11,357,000 respectively).

(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 31 DECEMBER 2009

	AS AT 31/12/2009 RM'000	AS AT 31/12/2008 RM'000
ASSETS		
Property, plant and equipment	273,684	232,901
Goodwill	4,607	-
Prepaid lease payments	262,135	273,707
Investment properties	15,071	15,071
Other investments	208,492	219,951
Deferred tax assets	376	376
Total non-current assets	764,365	742,006
Other investments	4,967	7,643
Inventories	8,980	6,215
Receivables, deposits and prepayments	177,683	179,004
Current tax assets	1,333	2,715
Deposits, cash and bank balances*	317,844	600,258
Total current assets	510,807	795,835
TOTAL ASSETS	1,275,172	1,537,841
EQUITY		
Share capital	268,513	268,513
Share premium	385	385
Reserves	530,690	495,557
Total equity attributable to equity holders of the Company	799,588	764,455
Minority Interests	-	2,574
	799,588	767,029
LIABILITIES		
Hire purchase creditors	24,098	27,066
Deferred tax liabilities	14,084	10,655
Total non-current liabilities	38,182	37,721
Payables and accruals	422,384	725,469
Current tax liabilities	6,890	718
Hire purchase creditors	8,128	6,904
Total current liabilities	437,402	733,091
Total liabilities	475,584	770,812
TOTAL EQUITY AND LIABILITIES	1,275,172	1,537,841
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.49	1.42

POS MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET (CONTD.)
AS AT 31 DECEMBER 2009

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

	AS AT 31/12/2009 RM'000	AS AT 31/12/2008 RM'000
Cash and bank balances	120,840	91,504
Deposits	197,004	508,754
Total deposits, bank and cash balances	317,844	600,258
Less:		
Cash held for the purpose of distribution of fuel rebate**	(4,257)	(309,799)
Collections held on behalf of agencies***	(131,827)	(118,958)
Total cash and cash equivalents	181,760	171,501

** 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 31 DECEMBER 2009

	31/12/2009	31/12/2008
	RM'000	RM'000
Net profit/(loss) before tax	109,529	(519)
Adjustments for non-cash flow:-		
Non-cash items	52,323	43,888
Non-operating items	(16,141)	92,914
Operating profit before changes in working capital	145,711	136,283
Changes in working capital :		
Net change in current assets	(1,899)	(45,959)
Net change in current liabilities	(10,412)	45,529
Cash generated from operating activities	133,400	135,853
Tax paid	(21,816)	(41,790)
Net cash flows generated from operating activities	111,584	94,063
Investing activities		
Net acquisition of property, plant and equipment	(74,593)	(68,492)
Proceeds from disposal of investments	18,773	64,340
Acquisition of subsidiary	(8,500)	-
Investment income received	149	878
Interest income received	12,860	18,919
Net cash flows (used in)/generated from investing activities	(51,311)	15,645
Financing activities		
- Proceeds from issue of share capital	-	529
- Dividend paid	(40,277)	(59,589)
- Repayment of hire purchase creditors	(7,932)	(3,338)
- Interest expense	(1,805)	(833)
Net cash flows used in financing activities	(50,014)	(63,231)
Net change in cash & cash equivalents	10,259	46,477
Cash & cash equivalents at beginning of year	171,501	125,024
Cash & cash equivalents at end of year*	181,760	171,501

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

	31/12/2009	31/12/2008
	RM'000	RM'000
Cash and bank balances	120,840	91,504
Deposits	197,004	508,754
Total deposits, cash and bank balances	317,844	600,258
Less:		
Cash held for the purpose of distribution of fuel rebate	(4,257)	(309,799)
Collections held on behalf of agencies	(131,827)	(118,958)
Total cash and cash equivalents	181,760	171,501

(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 31 DECEMBER 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>YEAR ENDED 31/12/2009</u>					
Balance at beginning of year	268,513	385	495,557	2,574	767,029
Net profit for the year	-	-	75,410	1,320	76,730
Dividend paid	-	-	(40,277)	-	(40,277)
Acquisition of subsidiary	-	-	-	(3,894)	(3,894)
Balance at end of year	268,513	385	530,690	-	799,588
<u>YEAR ENDED 31/12/2008</u>					
Balance at beginning of year	268,369	-	591,022	-	859,391
Net profit/ (loss) for the year	-	-	(35,876)	2,574	(33,302)
Dividend paid	-	-	(59,589)	-	(59,589)
Issued shares - ESOS	144	385	-	-	529
Balance at end of year	268,513	385	495,557	2,574	767,029

(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 STATEMENTS

A1. Basis of preparation

The financial statements for the fourth quarter ended 31 December 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 year-to-date is as follows:

Year Ended 31 December 2009	Mail	Courier & Logistic	Retail	Others	Elimination	Group
Revenue						
Total external revenue	576,850	175,389	138,968	11,354	-	902,561
Intersegment revenue	20,409	353	(765)	9,394	(29,391)	-
Total revenue for reportable segments	597,259	175,742	138,203	20,748	(29,391)	902,561
Reportable segment results						
Other unallocated income	85,338	13,095	(18,363)	2,691	(408)	82,353
Profit before taxation						<u>27,176</u>
						<u>109,529</u>
Reportable segments assets						
Other unallocated assets	265,011	97,694	187,251	98,665	-	648,622
Total assets						<u>626,550</u>
						<u>1,275,172</u>
Reportable segment liabilities						
Other unallocated liabilities	53,762	12,523	136,384	896	-	203,565
Total liabilities						<u>272,019</u>
						<u>475,584</u>
Other information						
Capital expenditure						
- Property, plant & equipment	41,118	6,164	28,455	253	-	75,990
- Prepaid lease payments	-	-	-	-	-	-
Depreciation and amortization	24,976	12,244	10,336	1,763	(364)	48,955
Interest income	-	-	-	-	-	(12,860)
Interest expense	976	748	81	-	-	1,805
Write back of impairment in value	-	-	-	-	-	(4,193)
Taxation	-	-	-	-	-	32,799

A8. Segmental reporting (contd.)

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

Year Ended 31 December 2008	Mail	Courier & Logistic	Retail	Others	Elimination	Group
Revenue						
Total external revenue	580,405	171,667	143,583	26,011	-	921,666
Intersegment revenue	13,669	459	(748)	858	(14,238)	-
Total revenue for reportable segments	594,074	172,126	142,835	26,869	(14,238)	921,666
Reportable segment results	83,979	15,217	(17,833)	7,561	(2,695)	86,229
Other unallocated expenses						(86,748)
Profit before taxation						(519)
Reportable segments assets	243,986	97,140	186,954	101,029	-	629,109
Other unallocated assets						908,732
Total assets						1,537,841
Reportable segment liabilities	53,069	18,986	429,661	1,497	-	503,213
Other unallocated liabilities						267,599
Total liabilities						770,812
Other information						
Capital expenditure						
- Property, plant & equipment	30,217	32,002	40,784	3,761	-	106,764
- Prepaid lease payments	-	-	-	-	-	-
Depreciation and amortization	20,834	9,008	9,275	1,695	(345)	40,467
Interest income	-	-	-	-	-	(18,919)
Interest expense	383	385	65	-	-	833
Allowance for Impairment in value	-	-	-	-	-	116,098
Taxation	-	-	-	-	-	32,783

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

Subsequent to year end, a quoted investee of the Group, Transmile Group Berhad ('TGB'), of which the Group has a direct investment of 15% shareholding, announced that it was considered a PN17 company.

The net carrying value of TGB recorded in the Group's financial statements as at 31 December 2009 was RM21.9 million; based on the closing share price of TGB as at 31 December 2008 of RM0.54 per share. The closing share price as at 31 December 2009 was RM0.88 per share. The Board of Directors is of the opinion that the movement of share prices of TGB from 31 December 2008 to 31 December 2009 was temporary in nature.

As at the date of this announcement, the market value of TGB based on the closing share price as at 24 February 2010 was RM0.455 per share. The net tangible assets per share of TGB as at 31 December 2009; based on the announcement on the unaudited quarterly financial statements made by TGB on 23 February 2010 was RM0.08 per share.

For information purposes, had the closing share price as at 24 February 2010 of TGB of RM0.455 per share been used in the Group's financial statements as at 31 December 2009, an impairment amounting to RM3.4 million would have been provided for and the net profit of the Group would have been reduced by the same amount.

The accounting treatment to the financial statements as at 31 December 2009 is in compliance with the accounting standards, International Accounting Standards 25: Accounting for Investments and Financial Reporting Standards 110: Events after the Reporting Period.

There were no other material events subsequent to balance sheet date that have not been reflected in the financial statements.

A11. Changes in the composition of the Group

On 31 December 2009, the Company via its Share Sale Agreement with MIMOS Berhad ("MIMOS"), completed 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 and Digicert is now a wholly owned subsidiary. The Acquisition has no material effect on the net assets and gearing of the Group for the financial year ended 31 December 2009.

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.

The Case Management for the matter has been fixed for on 26 April 2010.

(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.

The Case Management for the matter has been fixed for on 26 April 2010.

(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 on 26 April 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 year ended 31 December 2009, the Group recorded profit before taxation of RM109.5 million, as compared to preceding year's loss before taxation of RM0.5 million. The results of the major business segments are as follows:-

	12 Months Ended 31 December 2009 RM'000	12 Months Ended 31 December 2008 RM'000
Mail	85,338	83,979
Courier & Logistic	13,095	15,217
Retail	(18,363)	(17,833)
Others	2,283	4,866
Profit from operations	82,353	86,229
Other operating income	24,788	31,226
Write back of/(Allowance for) impairment in value	4,193	(116,098)
Finance cost	(1,805)	(833)
Share of net results of equity accounted associate	-	(1,043)
Profit/ Loss before taxation	109,529	(519)

The Group's year on year revenue declined by RM19.1 million or 2.1%, mainly attributed to lower revenue from all business segments except for courier and logistics which increased by RM3.7 million.

The Group recorded lower operating profit by RM3.9 million or 4.5% due to lower revenue as explained above. The operating profit would have been lower without cost management initiatives embarked by the Group which registered a reduction in operating expenses by RM15.2 million or 1.8%. The reduction in operating costs was mainly driven by lower transportation costs due to cheaper fuel price during the year, lower staff related costs and lower raw materials and consumables.

The lower operating income earned during the current year was attributed to the lower interest income by approximately RM6.1 million or 32.1% as a result of lower interest rate in current year coupled with reduction in deposits placement after the completion of the fuel rebate program earlier in the year.

The Group recorded a profit before tax of RM109.5 million, a turnaround from the loss before taxation of RM0.5 million in the previous year. This was mainly due to a substantial allowance for impairment in value of RM116.1 million in the previous year.

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 RM28.7 million, a turnaround from preceding year corresponding quarter's loss before taxation of RM108.6 million. The results of the major segments of the Group are as follows:-

	3 Months Ended 31 December 2009 RM'000	3 Months Ended 31 December 2008 RM'000
Mail	21,204	6,716
Courier & Logistic	3,123	4,258
Retail	(4,813)	(11,112)
Others	2,718	(5,300)
Profit from operations	22,232	(5,438)
Other operating income	4,616	4,690
Write back of/(Allowance for) impairment in value	2,245	(106,967)
Finance cost	(424)	(397)
Share of net results of equity accounted associate	-	(438)
Profit/ Loss before taxation	28,669	(108,550)

The Group registered profit from operations of RM22.2 million against loss of RM5.4 million posted in corresponding quarter last year mainly due to improvement in revenue by RM4.8 million and lower operating expenses by RM25.9 million. Reduction in operating expenses due to reduction in staff costs, transportation and maintenance and supplies by approximately RM22.2 million.

Profit before taxation at RM28.7 million was in line with the profit from operations. In previous year, the Group recorded a loss of RM108.6 million due to the substantial allowance for impairment in value for its long term investments.

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

The Group posted a profit from operations of RM22.2 million as compared to RM18.3 million in the immediate preceding quarter. The increase of RM3.9 million was derived from the increase in revenue by RM4.8 million particularly from mail activities.

Profit before taxation increased by RM1.3 million from RM27.4 million as compared to preceding quarter in line with higher operating profit.

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 31-Dec-09 RM’000	3 Months Ended 31-Dec-08 RM’000	12 Months Ended 31-Dec-09 RM’000	12 Months Ended 31-Dec-08 RM’000
<u>Net operating profit after tax (“NOPLAT”)</u>				
Earnings before interest and tax (“EBIT”)	22,232	(5,438)	82,353	86,229
Adjusted tax	(5,558)	1,414	(20,588)	(22,419)
NOPLAT	16,674	(4,024)	61,765	63,809
<u>Economic charge computation</u>				
Average invested capital	254,706	212,756	268,474	226,229
Weighted average cost of capital (“WACC”)	7.45%	6.64%	7.45%	6.64%
ECONOMIC CHARGE	(18,985)	(14,120)	(20,015)	(15,014)
ECONOMIC (LOSS) / PROFIT	(2,311)	(18,144)	41,750	48,795

The Group registered lower economic loss of RM2.3 million as compared to the preceding year corresponding quarter’s loss of RM18.1 million due to higher NOPLAT which cushioned the increase in Economic Charge. However year-on-year, the Group’s EP decreased by RM7.0 million or 14.4% due to lower NOPLAT and higher Economic Charge.

Net operating profit less adjusted tax (“NOPLAT”)

Since the Group recorded operating profit of RM22.2 million during the current quarter, the Group recorded a higher NOPLAT of RM16.7 million against the net loss of RM4.0 million in the corresponding quarter last year, mainly attributed to the improvement in revenue and reduction in operating expenditures as explained in Note B2 to the announcement.

However, the Group’s NOPLAT recorded a decrease by RM2.0 million or 3.2% year-on-year due to reduction in revenue as explained in Note B1.

Economic charge

Economic charge has increased by approximately RM5.0 million for both current quarter and year-on-year in line with the increase in average invested capital and 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 next financial year.

B6. Variance of actual profit from profit forecast

Not applicable.

B7. Tax expense

Major component of tax expense:

	3 Months Ended 31 December 2009 RM'000	12 Months Ended 31 December 2009 RM'000
Current tax expense		
- Company and subsidiaries	12,170	32,799
- Associates	-	-
	12,170	32,799

B8. Sale of unquoted investments and/or properties

During the preceding quarter this year, the Group 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:-

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

Summary of quoted securities as at 31 December 2009 were as follows:-

Total investments at cost	249,562	19,647
Total investments at carrying value/book value (after provision for diminution in value)	21,859	4,967
Total investment at market value at end of reporting period	35,420	4,967

B10. Status of Corporate Proposal

There was no corporate proposal announced in the current quarter ended 31 December 2009.

B11. Group borrowings

Hire purchase creditors are payables as follows:

	Minimum lease payment RM'000	Interest RM'000	Principal RM'000
Less than one year	9,811	1,683	8,128
Between one and five years	25,449	1,351	24,098
	<u>35,260</u>	<u>3,034</u>	<u>32,226</u>

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/year.

	3 Months Ended 31 December 2009 RM'000	3 Months Ended 31 December 2008 RM'000	12 Months Ended 31 December 2009 RM'000	12 Months Ended 31 December 2008 RM'000
Profit/(loss) for the period attributable to equity holders of the Company (RM'000)	14,926	(113,196)	75,410	(35,876)
Weighted average number of ordinary shares outstanding ('000)	537,026	537,026	537,026	537,026
Basic earnings/(loss) per share (sen)	2.78	(21.08)	14.04	(6.68)

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 25 February 2010.

BY ORDER OF THE BOARD

SABRINA ALBAKRI BT. ABU BAKAR
COMPANY SECRETARY
25 February 2010.