

POS MALAYSIA BERHAD

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

**INTERIM FINANCIAL STATEMENTS
31 MARCH 2011**

POS MALAYSIA BERHAD

QUARTERLY REPORT

Quarterly report on consolidated results for the period ended 31 March 2011. The figures have not been audited.

SUMMARY OF KEY FINANCIAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.03.2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2010 RM'000	CURRENT PERIOD TO DATE 31.03.2011 RM'000	PRECEDING PERIOD TO DATE 31.03.2010 RM'000
1 Revenue	304,509	231,079	304,509	231,079
2 Profit before tax	48,699	9,418	48,699	9,418
3 Net profit for the period	38,260	1,625	38,260	1,625
4 Profit attributable to ordinary equity holders of the parent	38,260	1,625	38,260	1,625
5 Basic earnings per share (sen)	7.12	0.30	7.12	0.30
	AS AT END OF CURRENT FINANCIAL PERIOD END		AS AT PRECEDING FINANCIAL PERIOD END	
6 Net assets per share attributable to ordinary equity holders of the Company (RM)	1.61		1.51	

POS MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2011

	3 MONTHS ENDED		PERIOD TO DATE	
	31.03.2011 RM'000	31.03.2010 RM'000	31.03.2011 RM'000	31.03.2010 RM'000
Revenue	304,509	231,079	304,509	231,079
Operating expenses	(253,648)	(208,009)	(253,648)	(208,009)
Profit from operations (Note)	50,861	23,070	50,861	23,070
Other operating income	6,129	5,288	6,129	5,288
Write back of impairment in value	-	291	-	291
Fair value adjustment for financial asset designated as Fair Value through Profit and Loss (FVTPL)	(292)	695	(292)	695
Impairment losses for financial asset designated as Available- for-sale (AFS)	(7,489)	(19,430)	(7,489)	(19,430)
Finance cost	(510)	(496)	(510)	(496)
Profit before tax	48,699	9,418	48,699	9,418
Tax expenses	(10,439)	(7,793)	(10,439)	(7,793)
Profit for the period/year	38,260	1,625	38,260	1,625
Other comprehensive income for the period / year, net of tax	-	-	-	-
Total comprehensive income for the period/year	38,260	1,625	38,260	1,625
Profit attributable to:				
Owners of the Company	38,260	1,625	38,260	1,625
Minority interests	-	-	-	-
Profit for the period/year	38,260	1,625	38,260	1,625
Total comprehensive income attributable to:				
Owners of the Company	38,260	1,625	38,260	1,625
Minority interests	-	-	-	-
Total comprehensive income for the period/year	38,260	1,625	38,260	1,625
Basic earnings per share (sen)	7.12	0.30	7.12	0.30

Note : Included in the profit from operations for 3 months ended 31.03.2011 of RM50,861,000 (2010: RM23,070,000) is depreciation and amortization charged of RM11,686,000 and RM2,925,000 respectively (2010: RM10,712,000 and RM2,841,000 respectively).

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with Pos Malaysia Berhad's Audited Financial Statements for the year ended 31 December 2010)

POS MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2011

	AS AT 31.03.2011	AS AT 31.03.2010 (restated)
	RM'000	RM'000
ASSETS		
Property, plant and equipment	564,725	540,207
Goodwill	4,630	4,630
Investment properties	15,071	15,071
Other investments	88,945	201,263
Deferred tax assets	417	44
Total non-current assets	673,788	761,215
Other investments	103,138	8,162
Inventories	10,194	11,378
Receivables, deposits and prepayments	198,215	190,507
Current tax assets	1,544	824
Deposits, cash and bank balances*	467,461	342,451
Total current assets	780,552	553,322
TOTAL ASSETS	1,454,340	1,314,537
EQUITY		
Share capital	268,513	268,513
Share premium	385	385
Reserves	597,955	544,557
Total equity attributable to equity holders of the Company	866,853	813,455
LIABILITIES		
Deferred tax liabilities	12,194	14,376
Hire purchase creditors	27,352	27,884
Total non-current liabilities	39,546	42,260
Payables and accruals	515,112	440,469
Current tax liabilities	19,434	8,354
Hire purchase creditors	13,395	9,999
Total current liabilities	547,941	458,822
Total liabilities	587,487	501,082
TOTAL EQUITY AND LIABILITIES	1,454,340	1,314,537
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.61	1.51

POS MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTD)
AS AT 31 MARCH 2011

*** DEPOSITS, BANK AND CASH BALANCES**

	AS AT 31.03.2011 RM'000	AS AT 31.03.2010 RM'000
Cash and bank balances	119,272	116,409
Deposits	348,189	226,042
Total deposits, bank and cash balances	467,461	342,451
Less:		
Cash held for the purpose of distribution of fuel rebate**	(1,399)	(4,243)
Collections held on behalf of agencies***	(135,414)	(136,231)
Total cash and cash equivalents	330,648	201,977

** 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 Statement of Financial Position.

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with Pos Malaysia Berhad's Audited Financial Statements for the year ended 31 December 2010)

POS MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2011

	31.03.2011	31.03.2010
	RM'000	RM'000
Net profit before tax	48,699	9,418
Adjustments for non-cash flow:-		
Non-cash items	14,747	14,003
Non-operating items	4,193	15,260
Operating profit before changes in working capital	67,639	38,681
Changes in working capital :		
Net change in current assets	(3,214)	(16,136)
Net change in current liabilities	36,917	13,867
Cash generated from operating activities	101,342	36,412
Tax paid	(9,631)	(4,950)
Tax refund	-	-
Net cash flows (used in)/generated from operating activities	91,711	31,462
Investing activities		
Net acquisition of property, plant and equipment	(27,384)	(9,763)
Proceeds from disposal of investments	1,400	776
Investment income received	10	52
Interest income received	3,606	3,188
Acquisition of other investment	-	(200)
Net cash flows used in investing activities	(22,368)	(5,947)
Financing activities		
Dividend paid	-	-
Repayment of hire purchase creditors	(3,251)	(2,519)
Interest expense	(510)	(496)
Net cash flows used in financing activities	(3,761)	(3,015)
Net change in cash & cash equivalents	65,582	22,500
Cash & cash equivalents at beginning of year	265,066	179,477
Cash & cash equivalents at end of year*	330,648	201,977

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

	31.03.2011	31.03.2010
	RM'000	RM'000
Cash and bank balances	119,272	116,409
Deposits	348,189	226,042
Total deposits, cash and bank balances	467,461	342,451
Less:		
Cash held for the purpose of distribution of fuel rebate	(1,399)	(4,243)
Collections held on behalf of agencies	(135,414)	(136,231)
Total cash and cash equivalents	330,648	201,977

(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 2010)

POS MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2011

	<i>Attributable to equity holders of the Company</i>				Total RM'000
	<-----Non distributable ----->		<i>Distributable</i>		
	Share Capital RM'000	Share Premium RM'000	Retained Profits RM'000	Minority Interests RM'000	
<u>YEAR ENDED 31/03/2011</u>					
At 1 January 2011	268,513	385	559,696	-	828,594
Total comprehensive income for the year	-	-	38,260	-	38,260
At 31 March 2011	-	-	597,956	-	866,854
<u>YEAR ENDED 31/03/2010</u>					
At 1 January 2010, previously stated	268,513	385	530,695	-	799,593
Effect of adopting FRS 139	-	-	12,237	-	12,237
At 1 January 2010, restated	268,513	385	542,932	-	811,830
Total comprehensive income for the period	-	-	1,625	-	1,625
At 31 March 2010	268,513	385	544,557	-	813,455

(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 2010)

POS MALAYSIA BERHAD

NOTES TO THE INTERIM FINANCIAL STATEMENTS

A1. Basis of preparation

The financial statements for the first quarter ended 31 March 2011 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 2010. 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 2010.

Changes in Accounting Policies

On 1 January 2011, The Group and Company adopted the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) which are effective for annual periods beginning on or after 1 March 2010, 1 July 2010 and 1 January 2011:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 March 2010

- Amendments to FRS 132, *Financial Instruments: Presentation – Classification of Rights Issues*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2010

- FRS 1, *First-time Adoption of Financial Reporting Standards* (revised)
- FRS 3, *Business Combinations* (revised)
- FRS 127, *Consolidated and Separate Financial Statements* (revised)
- Amendments to FRS 2, *Share-based Payment*
- Amendments to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations*
- Amendments to FRS 138, *Intangible Assets*
- IC Interpretation 12, *Service Concession Agreements*
- IC Interpretation 16, *Hedges of a Net Investment in a Foreign Operation*
- IC Interpretation 17, *Distributions of Non-cash Assets to Owners*
- Amendments to IC Interpretation 9, *Reassessment of Embedded Derivatives*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2011

- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards*
 - *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*
 - *Additional Exemptions for First-time Adopters*
- Amendments to FRS 2, *Group Cash-settled Share Based Payment Transactions*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*
- IC Interpretation 4, *Determining whether an Arrangement contains a Lease*
- IC Interpretation 18, *Transfers of Assets from Customers*
- Improvements to FRSs (2010)

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011

- IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*
- Amendments to IC Interpretation 14, *Prepayments of a Minimum Funding Requirement*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012

- FRS 124, *Related Party Disclosures* (revised)
- IC Interpretation 15, *Agreements for the Construction of Real Estate*

The Group plans to apply the abovementioned standards, amendments and interpretations:

- from the annual period beginning 1 January 2011 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 March 2010, 1 July 2010 and 1 January 2011, except for those FRSs / IC Interpretations which are not applicable to the Group.

The initial application of a standard, an amendment or an interpretation, which will be applied prospectively, is not expected to have any financial impacts to the current and prior period's financial statements upon their first adoption.

Initial application of the other FRSs, Amendments to FRSs and Interpretation did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

A2. Qualification of Preceding Annual Financial Statements

The audit report for the audited financial statements for the year ended 31 December 2010 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/year.

A6. Debt and equity securities

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

A7. Dividends

There was no dividend paid during the current quarter. At the Annual General Meeting held on 5 May 2011, the shareholders have approved the first and final and special dividends recommended by the Directors in respect of the year ended 31 December 2010 of 10.0 sen and 7.5 sen respectively per ordinary shares less tax at 25% totaling RM40,277,000 (7.5 sen net per ordinary shares) and RM30,208,000 (5.6 sen per ordinary shares). These dividends will be recognized during the period when it is paid.

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 and Direct Mail
- Courier – Includes 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 hybrid mail which provides Data and Document Processing services, logistics solutions by sea, air and land to both national and international destinations, 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 2010 or 2011.

There are varying levels of integration between the Mail reportable segment and the Courier 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:

Period Ended 31 March 2011	Mail RM'000	Courier RM'000	Retail RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue						
Total external revenue	201,089	51,945	43,155	8,320	-	304,509
Intersegment revenue	2,871	421	10,872	-	(14,164)	-
Total revenue for reportable segments	203,960	52,366	54,027	8,320	(14,164)	304,509
Reportable segment results						
Other unallocated expenses	62,260	2,065	(8,698)	(4,766)	-	50,861
Profit before taxation						<u>48,699</u>
Reportable segments assets						
Other unallocated assets	313,406	120,882	145,701	148,091	-	728,080
Total assets						<u>1,454,340</u>
Reportable segment liabilities						
Other unallocated liabilities	15,471	32,059	136,731	40,212	-	224,473
Total liabilities						<u>587,487</u>
Other information						
Capital expenditure						
- Property, plant & equipment	22,893	140	3,928	423	-	27,384
Depreciation and amortization	7,534	3,240	3,277	560	-	14,611
Interest income	-	-	-	-	-	3,564
Interest expense	347	149	12	1	-	510
Fair value adjustment on financial asset designated as FVTPL	-	-	-	-	-	292
Impairment losses for financial asset designated as AFS	-	-	-	-	-	7,489
Taxation	-	-	-	-	-	10,439

A8. Segmental reporting (contd.)

Segmental reporting for the previous year-to-date is as follows:

Period Ended 31 March 2010	Mail	Courier	Retail	Others	Elimination	Group
Revenue						
Total external revenue	135,502	47,675	38,685	9,217	-	231,079
Intersegment revenue	330	100	11,532	739	(12,701)	-
Total revenue for reportable segments	135,832	47,775	50,217	9,956	(12,701)	231,079
Reportable segment results						
Other unallocated income	15,550	7,444	(1,523)	1,599	-	23,070
Profit before taxation						(13,652)
						9,418
Reportable segments assets						
Other unallocated assets	276,191	100,579	191,680	98,703		667,153
Total assets						647,384
						1,314,537
Reportable segment liabilities						
Other unallocated liabilities	61,660	14,300	140,877	372	-	217,209
Total liabilities						283,873
						501,082
Other information						
Capital expenditure						
- Property, plant & equipment	12,759	3,249	1,899	33	-	17,940
Depreciation and amortization	6,180	2,886	3,863	713	(91)	13,553
Interest income						(3,152)
Interest expense	307	171	17	1	-	496
Write back of impairment in value	-	-	-	-	-	(291)
Fair value adjustment on financial asset designated as FVTPL						(695)
Impairment losses for financial asset designated as AFS						19,430
Taxation	-	-	-	-	-	7,793

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

On 19 May 2011, Transmile Group Berhad ("TGB") announced that Bursa Malaysia Securities Berhad ("**Bursa Securities**") has rejected their appeal against the de-listing of TGB from the Official List of Bursa Securities pursuant to paragraph 8.04 of the Main Market Listing Requirements of Bursa Securities. The securities of TGB will be removed from the Official List of Bursa Securities with effect on **24 May 2011**. Upon the de-listing, TGB will continue to exist but as an unlisted entity and its securities are no longer quoted and traded on Bursa Securities.

At the reporting period, the Group's investment in TGB was designated as available for sale in accordance with FRS 139 Financial Instruments: Measurement and Recognition and was carried at a fair value of RM2.8 million or RM0.07 per share.

Subsequent to the above announcement by TGB, any further write down of fair value of the Group's investment in TGB will be adjusted in the next reporting period as required under FRS139 and FRS 134 Interim Financial Reporting. The impact, if it was to be provided for in the current reporting period, would be an additional write down of the fair value of the Group's investment in TGB of RM2.8 million which is the carrying value of the Group's investment in TGB as at 31 March 2011.

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

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

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA

B1. Review of performance

The Group registered an impressive growth of almost 121% in profit from operations at RM50.9 million (2009: RM23.1 million) for the period ended 31 March 2011, as a result of domestic tariff increase commencing 1 July 2010 coupled with the benefits realized from transformation initiatives. This is supported by revenue of RM304.5 million; a substantial increase of 31.8% from RM231.1 million in the preceding year. The results of the major business segments are as follows:-

	YEAR TO DATE	
	31.03.2011 RM'000	31.03.2010 RM'000
Mail	62,260	15,550
Courier	2,065	7,444
Retail	(8,698)	(1,523)
Others	(4,766)	1,599
Profit from operations	50,861	23,070
Other operating income	6,129	5,288
Write back of impairment in value	-	291
Fair value adjustment for financial asset designated as FVTPL	(292)	695
Impairment losses for financial asset designated as AFS	(7,489)	(19,430)
Impairment losses for property, plant and equipment	-	-
Finance cost	(510)	(496)
Profit before taxation	48,699	9,418

The Group recorded a higher profit before taxation by RM39.3 million due to higher operating profit as mentioned above and lower impairment loss for financial asset designated as AFS (i.e investment in Transmile Group Berhad) of RM7.5 million as compared to RM19.4 million in the preceding year.

B2. Comparison between the current quarter and the immediate preceding quarter

	3 MONTHS ENDED	
	31.03.2011	31.12.2010
	RM'000	RM'000
Mail	62,260	42,178
Courier	2,065	(1,361)
Retail	(8,698)	(10,465)
Others	(4,766)	(4,372)
Profit from operations	50,861	25,980
Other operating income	6,129	10,455
Write back of impairment in value	-	-
Fair value adjustment for financial asset designated as FVTPL	(292)	483
Impairment losses for financial asset designated as AFS	(7,489)	(4,048)
Impairment losses for property, plant and equipment	-	(22,273)
Finance cost	(510)	(559)
Profit before taxation	48,699	10,038

The Group posted a profit from operation of RM50.9 million, compared to the RM26.0 million recorded in the immediate preceding quarter. An increase in profit by RM24.9 million or almost 96% was due to the increase in revenue by RM27.2 million.

The Group recorded a higher profit before taxation by RM38.7 million due to higher operating profit as mentioned above which was partially mitigated by the higher impairment provision of the investment in Transmile Group Berhad (TGB) by RM3.4 million and lower other operating income of RM4.3 million. In addition, during preceding quarter last year, the Group provided one-off impairment provision relating to capital expenditure incurred for the postal counter system of RM22.3 million.

B3. 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	3 MONTHS ENDED
	31.03.2011	31.03.2010
	RM'000	RM'000
<u>Net operating profit after tax (“NOPLAT”)</u>		
Earnings before interest and tax (“EBIT”)	50,861	23,070
Adjusted tax	(12,715)	(5,768)
NOPLAT	38,146	17,302
<u>Economic charge computation</u>		
Average invested capital	413,317	330,146
Weighted average cost of capital (“WACC”)	7.59%	7.63%
ECONOMIC CHARGE	(31,369)	(25,195)
ECONOMIC (LOSS) / PROFIT	6,777	(7,893)

For the current quarter, the Group posted an Economic Profit of RM6.8 million against preceding year corresponding quarter’s economic loss of RM7.9 million, as a result of higher NOPLAT which was partially mitigated by the higher economic charge.

Net operating profit less adjusted tax (“NOPLAT”)

Higher NOPLAT of RM38.1 million recorded during the current quarter against RM17.3 million in the corresponding quarter last year was due to higher operating revenue as explained in Note B1 to the announcement.

Economic charge

Higher economic charge by RM6.2 million against the corresponding quarter last year was in line with the increase in average invested capital despite lower WACC. The Group capital expenditure for the current quarter was mainly for the building improvement of post offices, new mail processing centre, information system upgrade and replacement of motor vehicles.

B4. Future prospects

With the full year impact of the new tariff structure for its regulated mail products and the ongoing transformation initiatives, the Board of Directors is optimistic that the Group’s performance will be favorable during the financial year.

B5. Variance of actual profit from profit forecast

Not applicable.

B6. Tax expense

Major component of tax expense:

	3 MONTHS ENDED 31.03.2011 RM'000	3 MONTHS ENDED 31.03.2010 RM'000
Current Tax expense		
- Company and Subsidiaries	10,439	7,793
- Associates	-	-
	<u>10,439</u>	<u>7,793</u>

B7. Sale of unquoted investments and/or properties

There was no sale of investment in subsidiaries or properties during the current quarter.

B8. Purchase and disposal of quoted securities

Summary of total purchases and sales of quoted securities for the financial period-to-date and profit/loss arising there from:-

	Quoted shares RM'000	Marketable Securities RM'000
Total Purchases	-	-
Total Disposals	-	869
Total Gain on Disposal	-	16

Summary of quoted securities as at 31 March 2011 were as follows:-

Total investments at cost	250,562	16,742
Total investments at carrying value/book value	3,834	3,196
Total investment at market value at end of reporting period	3,834	3,196

B9. Status of Corporate Proposal

There was no corporate proposal announced in the current quarter ended 31 March 2011.

B10. Group borrowings

Hire purchase creditors are payables as follows:

	Minimum lease payment RM'000	Interest RM'000	Principal RM'000
Less than one year	15,042	1,647	13,395
Between one and five years	28,802	1,450	27,352
	<u>43,844</u>	<u>3,097</u>	<u>40,747</u>

B11. Off balance sheet financial instruments

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

B12. Material litigation

There were no material litigations at the end of the reporting period.

B13. 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	
	31.03.2011	31.03.2010
	RM'000	RM'000
Profit for the period attributable to equity holders of the Company (RM'000)	38,260	1,625
Weighted average number of ordinary shares outstanding ('000)	537,026	537,026
Basic earnings per share (sen)	7.12	0.30

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.

B14. Determination of unrealized and realized profits or losses

Part C of the Directive issued by Bursa Malaysia Securities Berhad (“Bursa Securities”) requires a disclosure of the unappropriated profits of the Group as at 31 March 2011 into realized and unrealized profits or losses.

	Quarter ended 31.03.2011 (RM'000)	Quarter ended 31.12.2010 (RM'000)
Total retained profits/(accumulated losses) of the Company:		
- Realised	43,979	8,292
- Unrealised	(860)	2,604
	<u>43,119</u>	<u>10,896</u>
Total share of retained profits/(accumulated losses) from subsidiaries:		
- Realised	(3,981)	(3,114)
- Unrealised	(380)	182
	<u>(4,361)</u>	<u>(2,932)</u>
Total share of accumulated losses from associated companies:		
- Realised	-	-
- Unrealised	-	-
	<u>-</u>	<u>-</u>
Add: Consolidation adjustments	(498)	(1,880)
Total group retained profits as per consolidated accounts	<u>38,260</u>	<u>6,084</u>

B15. Authorisation for Issue

The Board of Directors authorised the release of this Financial Report on 24 May 2011.

BY ORDER OF THE BOARD

DATO' SABRINA ALBAKRI BT. ABU BAKAR
COMPANY SECRETARY
24 May 2011.