

POS MALAYSIA BERHAD

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

**INTERIM FINANCIAL STATEMENTS
30 SEPTEMBER 2011**

POS MALAYSIA BERHAD

QUARTERLY REPORT

Quarterly report on consolidated results for the period ended 30 September 2011. The figures have not been audited.

SUMMARY OF KEY FINANCIAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.09.2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2010 RM'000	CURRENT PERIOD TO DATE 30.09.2011 RM'000	PRECEDING PERIOD TO DATE 30.09.2010 RM'000
1 Revenue	292,623	277,441	883,986	737,642
2 Profit before tax	42,889	44,935	128,553	89,031
3 Net profit for the period	27,102	31,301	86,936	61,027
4 Profit attributable to ordinary equity holders of the parent	27,102	31,301	86,936	61,027
5 Basic earnings per share (sen)	5.05	5.83	16.19	11.36
	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)	1.57		1.53	

POS MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2011

	3 MONTHS ENDED		YEAR TO DATE	
	30.09.2011 RM'000	30.09.2010 RM'000	30.09.2011 RM'000	30.09.2010 RM'000
Revenue	292,623	277,441	883,986	737,642
Operating expenses	(254,380)	(239,378)	(759,436)	(657,953)
Profit from operations (Note)	38,243	38,063	124,550	79,689
Other operating income	5,287	4,472	16,552	16,217
Write back of impairment in value	-	4,027	-	15,537
Fair value adjustment for financial asset designated as Fair Value through Profit and Loss (FVTPL)	(168)	495	(639)	1,006
Impairment losses for financial asset designated as Available- for-sale (AFS)	-	(810)	(10,322)	(21,050)
Finance cost	(473)	(1,312)	(1,588)	(2,368)
Profit before tax	42,889	44,935	128,553	89,031
Tax expenses	(15,787)	(13,634)	(41,617)	(28,004)
Profit for the period	27,102	31,301	86,936	61,027
Other comprehensive income for the period / year, net of tax	-	-	-	-
Total comprehensive income for the period	27,102	31,301	86,936	61,027
Profit attributable to:				
Owners of the Company	27,102	31,301	86,936	61,027
Minority interests	-	-	-	-
Profit for the period	27,102	31,301	86,936	61,027
Total comprehensive income attributable to:				
Owners of the Company	27,102	31,301	86,936	61,027
Minority interests	-	-	-	-
Total comprehensive income for the period	27,102	31,301	86,936	61,027
Basic earnings per share (sen)	5.05	5.83	16.19	11.36

Note: Included in the profit from operations for 9 months ended 30.09.2011 of RM124,550,000 (2010: RM79,689,000) is depreciation and amortization charged of RM34,939,000 and RM8,785,000 respectively (2010: RM33,237,000 and RM8,798,000 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 STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011

	AS AT 30.09.2011	AS AT 30.09.2010
	RM'000	RM'000
ASSETS		
Property, plant and equipment	620,876	574,921
Goodwill	4,630	4,630
Investment properties	15,071	15,071
Other investments	86,212	199,525
Deferred tax assets	60	43
Total non-current assets	<u>726,849</u>	<u>794,190</u>
Other investments	107,839	8,473
Inventories	12,321	10,101
Receivables, deposits and prepayments	194,352	215,878
Current tax assets	1,627	1,291
Deposits, cash and bank balances*	368,908	306,778
Total current assets	<u>685,047</u>	<u>542,521</u>
TOTAL ASSETS	<u>1,411,896</u>	<u>1,336,711</u>
EQUITY		
Share capital	268,513	268,513
Share premium	385	385
Reserves	576,146	553,613
Total equity attributable to equity holders of the Company	<u>845,044</u>	<u>822,511</u>
LIABILITIES		
Deferred tax liabilities	15,058	14,376
Hire purchase creditors	12	33,778
Total non-current liabilities	<u>15,070</u>	<u>48,154</u>
Payables and accruals	488,401	435,276
Current tax liabilities	18,367	17,770
Hire purchase creditors	14	13,000
Revolving credit	45,000	-
Total current liabilities	<u>551,782</u>	<u>466,046</u>
Total liabilities	<u>566,852</u>	<u>514,200</u>
TOTAL EQUITY AND LIABILITIES	<u>1,411,896</u>	<u>1,336,711</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.57	1.53

POS MALAYSIA BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTD)
AS AT 30 SEPTEMBER 2011

***DEPOSITS, BANK AND CASH BALANCES**

	AS AT 30.09.2011 RM'000	AS AT 30.09.2010 RM'000
Cash and bank balances	123,608	98,134
Deposits	<u>245,300</u>	<u>208,644</u>
Total deposits, bank and cash balances	368,908	306,778
Less:		
Cash held for the purpose of distribution of fuel rebate**	-	(4,315)
Collections held on behalf of agencies***	<u>(137,691)</u>	<u>(138,102)</u>
Total cash and cash equivalents	<u><u>231,217</u></u>	<u><u>164,361</u></u>

** 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 Statement of Financial Position.

The payment of fuel cash rebate ceased after 14 April 2009. As at 30 September 2011, the Group has made full settlement.

*** 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 30 SEPTEMBER 2011

	30.09.2011	30.09.2010
	RM'000	RM'000
Net profit before tax	128,553	89,031
Adjustments for non-cash flow:-		
Non-cash items	45,813	27,637
Non-operating items	(417)	11,232
Operating profit before changes in working capital	<u>173,949</u>	127,900
Changes in working capital :		
Net change in current assets	(3,431)	(22,783)
Net change in current liabilities	9,329	6,731
Cash generated from operating activities	<u>179,847</u>	111,848
Tax paid	(38,738)	(16,211)
Tax refund	-	-
Net cash flows (used in)/generated from operating activities	<u>141,109</u>	<u>95,637</u>
Investing activities		
Net acquisition of property, plant and equipment	(111,286)	(57,644)
Proceeds from disposal of investments	853	1,539
Investment income received	55	132
Interest income received	11,487	7,170
Acquisition of other investment	(5,022)	(200)
Net cash flows used in investing activities	<u>(103,913)</u>	<u>(49,003)</u>
Financing activities		
Dividend paid	(70,485)	(50,346)
Repayment of hire purchase creditors	(43,972)	(9,036)
Drawdown on revolving credit	45,000	-
Interest expense	(1,588)	(2,368)
Net cash flows used in financing activities	<u>(71,045)</u>	<u>(61,750)</u>
Net change in cash & cash equivalents	<u>(33,849)</u>	(15,116)
Cash & cash equivalents at beginning of year	<u>265,066</u>	179,477
Cash & cash equivalents at end of year*	<u>231,217</u>	164,361

* Cash and cash equivalents included in the unaudited condensed consolidated cash flow statements comprise the following statement of financial position amounts:

	30.09.2011	30.09.2010
	RM'000	RM'000
Cash and bank balances	123,608	98,134
Deposits	245,300	208,644
Total deposits, cash and bank balances	<u>368,908</u>	306,778
Less:		
Cash held for the purpose of distribution of fuel rebate	-	(4,315)
Collections held on behalf of agencies	(137,691)	(138,102)
Total cash and cash equivalents	<u>231,217</u>	164,361

(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 STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 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>PERIOD ENDED 30/09/2011</u>					
At 1 January 2011	268,513	385	559,695	-	828,593
Total comprehensive income for the period	-	-	86,936	-	86,936
Dividends to owners of the company	-	-	(70,485)	-	(70,485)
At 30 September 2011	-	-	576,146	-	845,044
<u>PERIOD ENDED 30/09/2010</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	-	-	61,027	-	61,027
Dividends to owners of the company	-	-	(50,346)	-	(50,346)
At 30 September 2010	268,513	385	553,613	-	822,511

(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 third quarter ended 30 September 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 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 2011, 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*
- Amendment to FRS 1, *First-time Adoption of Financial Reporting Standard [Improvements to FRSs (2010)]*
- Amendments to FRS 2, *Group Cash-settled Share Based Payment Transactions*
- Amendments to FRS 3 *Business Combinations [Improvements to FRSs(2010)]*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*
- Amendments to FRS 7, *Financial Instruments: Disclosures [Improvements to FRSs(2010)]*
- Amendments to FRS 101, *Improvements to FRSs (2010)*
- Amendments to FRS 121, *The Effects of changes in Foreign Exchange Rates [Improvements to FRSs(2010)]*
- Amendments to FRS 128, *Investment in Associates [Improvements to FRSs(2010)]*
- Amendments to FRS 131, *Interests in Joint Ventures [Improvements to FRSs(2010)]*
- Amendments to FRS 132, *Financial Instruments: Presentation [Improvements to FRSs(2010)]*
- Amendments to FRS 134, *Interim Financial Reporting [Improvements to FRSs(2010)]*
- Amendments to FRS 139, *Financial Instruments: Recognition and Measurement [Improvements to FRSs(2010)]*
- IC Interpretation 4, *Determining whether an Arrangement contains a Lease*
- IC Interpretation 18, *Transfers of Assets from Customers*
- Amendments to IC Interpretation 13, *Customer Loyalty Programmes [Improvements to FRSs(2010)]*
- Improvements to FRSs (2010)

The adoption of the new / revised FRSs, IC Interpretations and amendments to FRSs did not result in substantial changes in the Group's accounting policies.

The Group has not applied the following new / revised accounting standards (including its consequential amendments) and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB), but are not yet effective.

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 Transactions*
- 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 2012 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 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 and at the beginning of calendar year.

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

The Group paid the first and final and special dividends 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) in respect of the financial year ended 31 December 2010 on 3 June 2011.

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 30 September 2011	Mail RM'000	Courier RM'000	Retail RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue						
Total external revenue	558,976	176,998	119,440	28,572	-	883,986
Intersegment revenue	1,668	1,171	38,716	-	(41,555)	-
Total revenue for reportable segments	560,644	178,169	158,156	28,572	(41,555)	883,986
Reportable segment results	122,739	22,468	(19,987)	(670)	-	124,550
Other unallocated expenses						4,003
Profit before taxation						128,553
Reportable segments assets	349,935	125,448	141,161	149,296	-	765,840
Other unallocated assets						646,056
Total assets						1,411,896
Reportable segment liabilities	3,276	41,563	143,012	39,596	-	227,447
Other unallocated liabilities						339,406
Total liabilities						566,853
Other information						
Capital expenditure						
- Property, plant & equipment	97,066	3,951	8,286	3,700	-	113,003
Depreciation and amortization	22,292	9,532	10,089	1,811	-	43,724
Interest income	-	-	-	-	-	11,389
Interest expense	1,101	357	128	2	-	1,588
Fair value adjustment on financial asset designated as FVTPL	-	-	-	-	-	639
Impairment losses for financial asset designated as AFS	-	-	-	-	-	10,322
Taxation	-	-	-	-	-	41,617

A8. Segmental reporting (contd.)

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

Period Ended 30 September 2010	Mail RM'000	Courier RM'000	Retail RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue						
Total external revenue	428,117	169,761	112,530	27,234	-	737,642
Intersegment revenue	1,796	506	35,856	-	(38,158)	-
Total revenue for reportable segments	429,913	170,267	148,386	27,234	(38,158)	737,642
Reportable segment results	73,037	18,146	(13,838)	2,344	-	79,689
Other unallocated expenses						9,342
Profit before taxation						89,031
Reportable segments assets	276,990	115,750	158,464	152,335	-	703,539
Other unallocated assets						633,172
Total assets						1,336,711
Reportable segment liabilities	22,787	22,200	147,796	29,956	-	222,739
Other unallocated liabilities						291,461
Total liabilities						514,200
Other information						
Capital expenditure						
- Property, plant & equipment	64,290	8,385	6,142	844	-	79,660
Depreciation and amortization	20,717	9,711	9,763	2,118	(274)	42,035
Interest income	-	-	-	-	-	9,615
Interest expense	1,573	645	147	3	-	2,368
Write back of impairment in value	-	-	-	-	-	15,537
Fair value adjustment on financial asset designated as FVTPL	-	-	-	-	-	1,006
Impairment losses for financial asset designated as AFS	-	-	-	-	-	21,050
Taxation	-	-	-	-	-	28,004

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

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

A13. Significant 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 was removed from the Official List of Bursa Securities on **24 May 2011**. Upon the de-listing, TGB continues to exist as an unlisted entity and its securities are no longer quoted and traded on Bursa Securities.

At the previous 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, the Group made full write down of the fair value of the Group's investment in TGB of RM2.8 million in the previous quarter. There is no further write down of TGB in future.

B1. Review of performance

The Group registered a strong growth of 56.3% in profit from operations of RM124.6 million (2010: RM79.7 million) for the period ended 30 September 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 RM884.0 million; a substantial increase of 19.8% from RM737.6 million in the preceding year. The results of the major business segments are as follows:-

	YEAR TO DATE	
	30.09.2011	30.09.2010
	RM'000	RM'000
Mail	122,739	73,037
Courier	22,468	18,146
Retail	(19,987)	(13,838)
Others	(670)	2,344
Profit from operations	124,550	79,689
Other operating income	16,552	16,217
Write back of impairment in value	-	15,537
Fair value adjustment for financial asset designated as FVTPL	(639)	1,006
Impairment losses for financial asset designated as AFS	(10,322)	(21,050)
Finance cost	(1,588)	(2,368)
Profit before taxation	128,553	89,031

The Group recorded a higher profit before taxation by RM39.5 million or 44.4% mainly due to higher operating profit as mentioned above.

Although the Retail segment revenue recorded an overall increase; however, the profit performance was impacted by salary increase of staff effective 1 July 2010 as the Company decided to increase the salary of staff Company-wide as our salary was lower than market. The salary increase was implemented immediately following the domestic tariff increase then. Since most of the benefits arising from the domestic tariff increase accrues to the Mail segment, therefore, the performance of Courier and Retail segments were naturally impacted by higher staff cost as there were no corresponding revenue benefits accruing to these segments arising from the domestic tariff adjustment.

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

	3 MONTHS ENDED	
	30.09.2011	30.09.2010
	RM'000	RM'000
Mail	30,442	42,707
Courier	9,079	663
Retail	(3,946)	(7,663)
Others	2,668	2,356
Profit from operations	38,243	38,063
Other operating income	5,287	4,472
Write back of impairment in value	-	4,027
Fair value adjustment for financial asset designated as FVTPL	(168)	495
Impairment losses for financial asset designated as AFS	-	(810)
Finance cost	(473)	(1,312)
Profit before taxation	42,889	44,935

Against the corresponding quarter previous year, the Group registered minimal growth of 0.5% in profit from operations of RM38.2 million (2010: RM38.1 million) for the quarter ended 30 September 2011, attributed to an increase in revenue by 5.5% despite higher operating expenses by 6.3%.

The Group profit before taxation was lower by RM2.0 million compared to the corresponding quarter previous year results which include a write back of impairment in value of RM4.0 million whereas none was recorded during current year.

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

	3 MONTHS ENDED	
	30.09.2011	30.06.2011
	RM'000	RM'000
Mail	30,442	30,456
Courier	9,079	10,905
Retail	(3,946)	(7,343)
Others	2,668	1,428
Profit from operations	38,243	35,446
Other operating income	5,287	5,136
Fair value adjustment for financial asset designated as FVTPL	(168)	(179)
Impairment losses for financial asset designated as AFS	-	(2,833)
Finance cost	(473)	(605)
Profit before taxation	42,889	36,965

The Group posted a profit from operations of RM38.2 million, compared to the RM35.4 million profit in the immediate preceding quarter. The increase in profit by RM2.8 million or 7.9% was due to the increase in revenue by RM5.8 million mitigated with the increase in operating expenses by RM3.0 million. The Group registered a higher profit before taxation by RM5.9 million due to higher operating profit as mentioned above and no further provision for impairment losses for financial asset designated as AFS. Higher revenue mainly from courier segment by RM4.8 million and mail segment by RM2.5 million mitigated with lower revenue from retail segment by RM1.0 million.

B4. Future prospects

With 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	YEAR TO DATE
	30.09.2011	30.09.2011
	RM'000	RM'000
Current Tax expense		
- Company and Subsidiaries	15,787	38,485
- Associates	-	-
	<u>15,787</u>	<u>38,485</u>
Deferred Tax Expense		
- Company and Subsidiaries	-	3,132
- Associates	-	-
	<u>15,787</u>	<u>41,617</u>

The Group's effective tax rate for the 3-months period and year-to-date is 37% and 30%, respectively, which is higher than the statutory tax rate of 25% principally due to certain expenses which were not deductible for tax purposes.

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	Marketable Securities
	RM'000	RM'000
Total Purchases	-	-
Total Disposals	-	869
Total Gain on Disposal	-	16
Summary of quoted securities as at 30 September 2011 were as follows:-		
Total investments at cost	250,562	16,802
Total investments at carrying value/book value	-	2,847
Total investment at market value at end of reporting period	-	2,847

B9. Status of Corporate Proposal

There was no corporate proposal announced in the current quarter ended 30 September 2011.

B10. Group borrowings

Hire purchase creditors payables are as follows:

	Minimum lease payment RM'000	Interest RM'000	Principal RM'000
Less than one year	15	1	14
Between one and five years	12	0	12
	<u>27</u>	<u>1</u>	<u>26</u>

The Group has raised unsecured Revolving Credit facility of RM145,000,000 of which at the end of the reporting period, the principal outstanding was RM45,000,000.

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		YEAR TO DATE	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to equity holders of the Company (RM'000)	27,102	31,301	86,936	61,027
Weighted average number of ordinary shares outstanding ('000)	537,026	537,026	537,026	537,026
Basic earnings per share (sen)	5.05	5.83	16.19	11.36

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 30 September 2011 into realized and unrealized profits or losses.

	As at 30.09.2011 (RM'000)	As at 31.12.2010 (RM'000)
Total retained profits/(accumulated losses) of the Company:		
- Realised	515,324	492,547
- Unrealised	(14,595)	(9,763)
	<u>500,729</u>	<u>482,784</u>
Total share of retained profits/(accumulated losses) from subsidiaries:		
- Realised	7,642	8,169
- Unrealised	(1,240)	(468)
	<u>6,402</u>	<u>7,701</u>
Total share of accumulated losses from associated companies:		
- Realised	(7,650)	(7,650)
- Unrealised	-	-
	<u>(7,650)</u>	<u>(7,650)</u>
Add: Consolidation adjustments	76,664	76,860
Total group retained profits	<u>576,145</u>	<u>559,695</u>

B15. Authorisation for Issue

The Board of Directors authorised the release of this Financial Report on 23 November 2011.

BY ORDER OF THE BOARD

DATO' SABRINA ALBAKRI BT. ABU BAKAR
COMPANY SECRETARY
23 November 2011.