



POS MALAYSIA BERHAD

(229990-M)

(Incorporated in Malaysia)

Interim Financial Report for the Financial Period
Ended 31 March 2013

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013

The Board of Directors is pleased to announce the unaudited financial results of the Group for the financial period ended 31 March 2013.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Current quarter 3 Months Ended		Year to date 12 Months Ended	
		31.03.2013 RM'000	31.03.2012 RM'000	31.03.2013 RM'000	31.03.2012* RM'000
Revenue		344,486	308,045	1,269,511	1,177,151
Operating expenses		(301,093)	(275,724)	(1,108,703)	(1,045,948)
Profit from operations		43,393	32,321	160,808	131,203
Other income		7,501	12,609	30,029	26,132
Other expense		(784)	(589)	1,052	(4,304)
Finance cost		(20)		(20)	(1,528)
PROFIT BEFORE TAXATION		50,090	44,341	191,869	151,503
Taxation	17	(17,600)	(17,504)	(40,564)	(50,922)
NET PROFIT FOR THE FINANCIAL PERIOD		32,490	26,837	151,305	100,581
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		32,746	26,837	151,726	101,725
Net profit for the financial period attributable to:					
Owners of the Company		32,746	26,837	151,726	100,581
Non-controlling interest		(256)	-	(421)	-
		32,490	26,837	151,305	100,581
Total comprehensive income for the financial period attributable to:					
Owners of the Company		32,746	26,837	151,726	101,725
Non-controlling interest		(256)	-	(421)	-
		32,490	26,837	151,305	101,725
Basic earnings per share (sen):	21	6.10	5.00	28.25	18.73

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial period ended 31 March 2012 and the explanatory notes attached to the interim financial report.

* The Group has changed its financial year end from 31 December to 31 March. Comparatives for cumulative quarters consist of 12 months beginning 1 April 2011 to 31 March 2012.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31.03.2013 RM'000	As at 31.03.2012 (Audited) RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		603,748	622,309
Investment properties		29,550	27,958
Goodwill		4,630	4,630
Investment securities: held-to-maturity		115,233	120,744
		753,161	775,641
CURRENT ASSETS			
Assets held for sale		-	1,755
Inventories		11,559	10,132
Trade and other receivables		182,917	163,204
Investment securities: financial assets at fair value through profit or loss		1,159	3,268
Cash and cash equivalents		666,467	544,076
		862,102	722,435
TOTAL ASSETS		1,615,263	1,498,076

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

	Note	As at 31.03.2013 RM'000	As at 31.03.2012 (Audited) RM'000
EQUITY AND LIABILITIES			
Share Capital*		268,513	268,513
Reserves		678,600	629,580
Equity attributable to owners of the Company		947,113	898,093
Non-controlling interest		579	-
TOTAL EQUITY		947,692	898,093
NON-CURRENT LIABILITIES			
Borrowings		-	15
Deferred tax liabilities		36,665	17,804
		36,665	17,819
CURRENT LIABILITIES			
Trade and other payables		605,591	564,621
Current tax liabilities		7,611	17,538
Borrowings		17,704	5
		630,906	582,164
TOTAL LIABILITIES		667,571	599,983
TOTAL EQUITY AND LIABILITIES		1,615,263	1,498,076
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)		1.76	1.67

* Based on 537,026,085 ordinary shares in issue.

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial period ended 31 March 2012 and the explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued and fully paid ordinary shares		Non-distributable		Retained Earnings RM'000	Equity attributable to owners of the Company RM'000	Non-controlling Interest RM'000	Total RM'000
	Number of shares '000	Nominal value RM'000	Share Premium RM'000	Revaluation Reserves RM'000				
Balance at beginning of the financial year 1.4.2012	537,026	268,513	385	1,144	628,051	898,093	-	898,093
Total comprehensive income for the financial period	-	-	-	-	151,726	151,726	(421)	151,305
Final dividend paid in respect of financial period ended 31 March 2012	-	-	-	-	(70,485)	(70,485)	-	(70,485)
Interim dividend paid in respect of financial period ended 31 March 2013	-	-	-	-	(32,221)	(32,221)	-	(32,221)
Subscription of shares in a subsidiary company by non-controlling interest	-	-	-	-	-	-	1,000	1,000
Balance as at 31.03.2013	537,026	268,513	385	1,144	677,071	947,113	579	947,692

	Issued and fully paid ordinary shares		Non-distributable		Retained Earnings RM'000	Total Equity attributable to owners of the Company RM'000	Total RM'000
	Number of shares '000	Nominal value RM'000	Share Premium RM'000	Revaluation Reserves RM'000			
Balance at beginning of the financial year 1.4.2011	537,026	268,513	385	-	597,955	866,853	866,853
Final dividend paid in respect of financial year ended 31 December 2010	-	-	-	-	(70,485)	(70,485)	(70,485)
Total comprehensive income for the financial period	-	-	-	1,144	100,581	101,725	101,725
Balance as at 31.03.2012	537,026	268,513	385	1,144	628,051	898,093	898,093

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial period ended 31 March 2012 and the explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 Months Ended 31.03.2013 RM'000	12 Months Ended 31.03.2012* RM'000
Net profit for the financial period	151,305	100,581
Adjustments:		
- Depreciation of property, plant and equipment	85,652	72,651
- Finance cost	20	1,528
- Taxation	40,564	50,922
- Others	(26,312)	2,119
Operating profit before working capital changes	251,229	227,801
Changes in working capital:		
Net (increase) / decrease in current assets	(19,510)	21,047
Net increase in current liabilities	15,074	31,163
Net cash generated operations	246,793	280,011
Tax paid, net of refund	(32,922)	(45,437)
Zakat paid	(5,196)	-
Net cash inflow from operating activities	208,675	234,574
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	9,006	1,309
Proceeds from disposal of investments and redemption of held-to-maturity securities	7,078	101,500
Purchase of property, plant and equipment	(68,183)	(146,338)
Acquisition of other investments	-	(35,890)
Subscription of shares by non-controlling interest in a subsidiary company	1,000	-
Interest received	17,712	15,854
Net cash outflow from investing activities	(33,387)	(63,565)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

	12 Months Ended 31.03.2013 RM'000	12 Months Ended 31.03.2012* RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest expense	(20)	(1,528)
Proceeds from bank borrowing	17,698	-
Repayment of bank borrowing/ hire purchase	(14)	(40,727)
Dividend paid to shareholders	(102,706)	(70,485)
Net cash outflow from financing activities	(85,042)	(112,740)
NET DECREASE IN CASH AND CASH EQUIVALENTS	90,246	58,269
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE FINANCIAL PERIOD	388,917	330,648
CASH AND CASH EQUIVALENTS AS AT END OF THE FINANCIAL PERIOD	479,163	388,917
Cash and cash equivalents as at end of the financial period comprise the followings:		
Bank balances and cash	148,568	97,903
Deposits	517,899	446,173
	666,467	544,076
Less: collections held on behalf of agencies**	(187,304)	(155,159)
	479,163	388,917

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2012 and the explanatory notes attached to the interim financial report.

* The Group has changed its financial year end from 31 December to 31 March. Comparatives for cumulative quarters consist of 12 months beginning 1 April 2011 to 31 March 2012.

** The amount of cash held on behalf of agencies is included under Trade and Other Payables in the Statement of Financial Position.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

1. BASIS OF PREPARATION

The Group has adopted the Malaysian Financial Reporting Standards (MFRS) framework and MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* for the first time in these condensed interim financial statements. The condensed financial statements are unaudited and have been prepared in accordance with MFRS 134, *Interim Financial Reporting* and Part A Appendix 9B of Bursa Malaysia Securities Berhad's Main Market Listing Requirements. The interim financial statements should also be read in conjunction with the audited financial statements of the Group for the 15-month period ended 31 March 2012 and the accompanying notes attached to the unaudited condensed consolidated financial statements.

Paragraph 20 of MFRS 134 requires the comparative statements to be presented from the comparable interim period (current and period-to-date) of immediate preceding financial year. Save for statement of financial position and, the comparatives disclosed in these condensed financial statements are for the 12-month period from 1 April 2011 to 31 March 2012, not from the beginning of the preceding financial period of 1 January 2011, as the Group changed its financial year end from 31 December 2011 to 31 March 2012.

First-time adoption of MFRS

The interim financial statements for the financial period ended 31 March 2013 represent the Group's first time application of MFRS. The transition from FRS to MFRS has not had any material impact to the financial performance and financial position of the Group.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated annual financial statements as at and for the 15-month period ended 31 March 2012.

The adoption of the MFRS framework did not result in any substantial change to the Group's accounting policies, nor any significant impact on the financial statements as the accounting policies adopted by the Group under the previous FRS framework are consistent with the MFRS framework.

3. SEASONALITY OR CYCLICALITY OF OPERATIONS

The Group's operations are not subject to any significant seasonal factors except that mail volume fluctuates during the festive season and at the beginning of calendar year.

4. ITEMS OF UNUSUAL NATURE, SIZE OR INCIDENCE

There was no item of an unusual nature, size or incidence affecting the assets, liabilities, equity, net income or cash flows during the financial period ended 31 March 2013.

5. CHANGES IN ESTIMATES

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

6. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

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

7. DIVIDENDS PAID

- The Group paid the final dividend of 17.5 sen per ordinary shares less tax at 25% totaling RM70,485,000 (13.1 sen net per ordinary shares) in respect of the financial year ended 31 March 2012 on 10 September 2012.
- The Group paid the interim dividend of 8.0 sen per ordinary shares less tax at 25% totaling RM32,221,000 (6.0 sen net per ordinary shares) in respect of the financial year ending 31 March 2013 on 31 December 2012.

8. SEGMENTAL INFORMATION

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. For each of the strategic business units, the Group's Chief Executive Officer (the chief operating decision maker) and the Board of Directors review internal management reports at least on a quarterly basis. 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 customized solutions such as Mailroom Management and Direct Mail.
- Courier – Includes the 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 the current reporting period.

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 2.

8. SEGMENTAL INFORMATION (CONTINUED)

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 a negotiated basis.

The information of each of the Group's business segments for the financial period ended 31 March 2013 is as follows:

	Mail RM'000	Courier RM'000	Retail RM'000	Other RM'000	Elimination RM'000	Group RM'000
Revenue						
Total revenue	724,486	322,665	175,290	47,070	-	1,269,511
Inter-segment revenue	2,875	2,174	50,693	-	(55,742)	-
External revenue	727,361	324,839	225,983	47,070	(55,742)	1,269,511
Results						
Segment profit	137,911	55,191	(42,408)	10,114	-	160,808
Unallocated income						13,857
Interest income						17,204
Profit before taxation						191,869
Taxation						(40,564)
Net profit for the financial period						151,305
Attributable to:						
Owners of the Company						151,726
Non-controlling interest						(421)

9. PROPERTY, PLANT AND EQUIPMENT

There is no revaluation of property, plant and equipment from the previous audited annual financial statements as the Group does not adopt a revaluation policy on its property, plant and equipment.

10. SUBSEQUENT EVENT

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

11. CHANGES IN THE COMPOSITION OF THE GROUP

On 25 June 2012, the Company and Bank Muamalat Malaysia Berhad entered into collaboration through the execution of a Shareholders' Agreement to jointly participate via a joint venture company known as Pos Ar-Rahnu Sdn. Bhd., to undertake the Islamic pawn broking business (Ar-Rahnu). The Company and Bank Muamalat Malaysia Berhad have an equity interest of 80% and 20% respectively in the above company.

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

13. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging / (crediting) the following:

	3 Months Ended		12 Months Ended	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	20,454	21,825	85,275	72,234
Finance cost	20	-	20	1,529
Impairment loss of available-for-sale investment	-	-	-	2,834
Fair value gain of securities designated as fair value through profit or loss	(261)	(186)	104	(574)
Property, plant and equipment written off	176	-	186	-
Doubtful debts (net of write backs)	269	11,599	2,429	14,051
Gain on disposal of:				
- investment securities: fair value through profit or loss	64	-	(70)	-
- assets held-for-sale	-	-	(6,201)	-
- property, plant and equipment	5	(93)	(145)	(1,227)
Fair value adjustment on investment properties	(1,055)	2,531	(1,592)	2,531
Interest income on:				
-short term deposits	(4,404)	(3,094)	(13,117)	(8,984)
-investment securities: held-to-maturity investment	(1,059)	(1,373)	(4,087)	(6,669)
Net foreign exchange differences	114	(16)	(752)	(1,387)

* Depreciation has been netted off against other income as the assets were purchased in relation to government grant received by the Group and Company

14. REVIEW OF GROUP PERFORMANCE

14.1 Group Performance

The Group registered a growth of 22.6% in profit from operations of RM160.8 million (31.03.2012: RM131.2million) for the period ended 31 March 2013 supported with higher revenue of RM92.4 million; an increase of 7.8% from RM1,177.1 million despite higher expenses by RM62.7 million compared to the preceding period.

The results of the major business segments are as follows:-

	YEAR TO DATE	
	31.03.2013	31.03.2012
	RM'000	RM'000
Mail	137,911	121,567
Courier	55,191	31,578
Retail	(42,408)	(37,428)
Others	10,114	15,486
Profit from operations	160,808	131,203
Other income	28,541	30,921
Other expense	1,052	(4,304)
Fair value adjustment for financial asset designated as FVTPL	(104)	575
Change in fair value adjustment of investment property	1,592	(2,531)
Impairment losses for financial asset designated as AFS	-	(2,833)
Finance cost	(20)	(1,528)
Profit before taxation	191,869	151,503

Mail Segment

Mail segment shown higher operating profits by RM16.3 million or 13.4% due to lower support costs and transfer costs coupled with increase in revenue for direct mail, international mail and corporate mail despite dropped in prepaid, franking, ordinary mail and registered mail by 2.1%, 3.9%, 7.1% and 5.6% respectively.

Courier Segment

Courier segment shown higher operating profits by RM23.6 million or 74.8% due to increase in on-demand customers revenue by 31.9%, contract customers by 10.7% and parcels by 87.6% mainly as a result of higher online transactions for business and extended service counter hours at certain PosLaju centers in Klang Valley, in addition to parcels during Hajj / pilgrimage seasons.

14. REVIEW OF GROUP PERFORMANCE (CONTINUED)

14.1 Group Performance (continued)

Retail Segment

Retail segment shown higher operating loss by RM5.0 million principally due to higher operating expenses incurred, impacted by salary increment and higher depreciation and amortization despite higher commissions received by 7.8% and philately by 50.7%.

Other Segments

Other segments consist of sales of digital certificates, printing and insertion business, logistic revenue and rental income. Other segments operating profit decreased by RM5.4 million or 34.7% mainly derived from logistic as a result of lower utilization of aircraft space by major customers namely Macro Link and MTR Services Sdn. Bhd. due to new charging rates imposed from June 2012 until November 2012 before being revised in December 2012.

Group Operating Profit

Profit from operation increased by 22.6% as compared to last year due to higher revenue despite increase in expenses. Operating expenses increased by 6.0% due to increase in staff costs by 9.1% as a result of salary adjustment and annual increment and higher depreciation and amortization charges by 18.1% on renovation for Pos Malaysia Headquarters cushioned by lower rental, communication and utilities by 15.4% as a result of lower rental on computer equipment and office and warehouse.

Group Profit Before Tax

For the financial period ended 31 March 2013, the Group achieved a higher pre-tax profit of RM191.7 million, higher than last year by RM40.4 million or 26.6% due to higher profit from operation by RM29.6 million or 22.7% coupled with other income by RM3.9 million or 14.9%. Last year, the Group recorded an impairment loss on investment in Transmile Group Berhad ("TGB") of RM2.8 million but no further impairment recorded for current financial period.

14. REVIEW OF GROUP PERFORMANCE (CONTINUED)

14.2 Comparison between the current quarter and the preceding year corresponding quarter.

	3 MONTHS ENDED	
	31.03.2013	31.03.2012
	RM'000	RM'000
Mail	54,663	33,402
Courier	(239)	3,994
Retail	(8,804)	(8,201)
Others	(2,227)	3,126
Profit from operations	43,393	32,321
Other income	6,185	12,423
Other expense	(784)	(589)
Fair value adjustment for financial asset designated as FVTPL	261	186
Change in fair value adjustment of investment property	1,055	-
Finance cost	(20)	-
Profit before taxation	50,090	44,341

Mail Segment

Mail segment shown higher operating profits by RM21.3 million or 63.6% as a result of higher mail revenue by RM10.0 million or 5.3% mainly from new product, direct mail moderated with higher operating expenses incurred on staff costs and maintenance and supplies by 6.6% and 72.4% respectively.

Courier Segment

Courier segment shown lower operating profits by RM4.2 million or >100.0% as a result of higher staff costs and transfer cost by 40.6% and >100.0% respectively despite higher revenue generated from on demand, contract customers and parcels by 34.0%, 8.7% and >100.0% respectively, in line with the increase in volume mainly due to higher online transactions for business and extended service counter hours at certain PosLaju centres in Klang Valley, in addition to parcels during Hajj / pilgrimage seasons.

Retail Segment

Retail segment shown slightly higher operating loss by RM0.6 million or 7.3% principally due to higher operating expenses by 23.5% combined with lower revenue from philately by RM0.4 million or 16.3% despite higher commissions earned from agencies by RM2.1 million or 4.8%.

14. REVIEW OF GROUP PERFORMANCE (CONTINUED)

14.2 Comparison between the current quarter and the preceding year corresponding quarter (continued)

Other Segments

Other segments consist of sales of digital certificates, printing and insertion business, logistic revenue and rental income. Other segments operating profit decreased by RM5.3 million or >100.0% due to higher operating expenses mainly from raw materials and consumables coupled with higher staff costs.

Group Operating Profit

The Group posted a profit from operations of RM43.4 million, compared to the RM32.3 million profit in the preceding year corresponding quarter. The increase in profit by RM11.1 million or 34.3% was due to the increase in revenue by RM36.4 million despite higher operating expenses by RM25.4 million.

Group Profit Before Tax

For the financial period ended 31 March 2013, the Group achieved a higher pre-tax profit of RM50.1 million, higher than preceding year corresponding quarter by RM5.7 million or 13.0% due to higher profit from operation by RM11.1 million or 34.3% moderated with lower other income by RM5.1 million or 40.5%.

14.3 Comparison between the current quarter and the immediate preceding quarter

	3 MONTHS ENDED	
	31.03.2013	31.12.2012
	RM'000	RM'000
Mail	54,663	24,476
Courier	(239)	21,903
Retail	(8,804)	(11,960)
Others	(2,227)	2,743
Profit from operations	43,393	37,162
Other income	6,185	4,782
Other expense	(784)	3,722
Fair value adjustment for financial asset designated as FVTPL	261	(20)
Change in fair value adjustment of investment property	1,055	-
Finance cost	(20)	-
Profit before taxation	50,090	45,646

14. REVIEW OF GROUP PERFORMANCE (CONTINUED)

- 14.3 Comparison between the current quarter and the immediate preceding quarter (continued)

Mail Segment

Mail segment shown higher operating profits by RM30.2 million or >100.0% due to higher mail revenue by RM26.4 million or 15.2% despite higher operating expenditures incurred mainly on staff costs by 3.3%.

Courier Segment

Courier segment shown lower operating profits by RM22.1 million or >100.0% as a result of higher transportation costs and transfer cost by >100.0% for both combined with lower revenue generated from parcels and express mail by 23.9% and 6.6% respectively despite slightly higher revenue for on demand and contract customers.

Retail Segment

Retail segment shown lower operating loss by RM3.1 million or 26.4% principally due to higher commissions earned from agencies by RM8.1 million or 21.7% despite higher operating expenses from staff costs as a result of additional staff employed under new business, Pos Ar-Rahnu combined with lower revenue from philately by RM1.2 million or 37.7%.

Other Segments

Other segments consist of sales of digital certificates, printing and insertion business, logistic revenue and rental income. Other segments operating profit decreased by RM5.0 million or >100.0% due to higher operating expenses mainly from raw materials and consumables coupled with higher staff costs.

Group Operating Profit

The Group posted a profit from operations of RM43.4 million, compared to the RM37.2 million profit in the immediate preceding quarter. The increase in profit by RM6.2 million or 16.8% was due to the increase in revenue by RM31.2 million despite increase in operating expenses by RM25.0 million.

Group Profit Before Tax

For the financial period ended 31 March 2013, the Group achieved a higher pre-tax profit of RM50.1 million, higher than immediate preceding quarter by RM4.4 million or 9.7% due to higher other income by RM2.7 million or 57.5% combined with higher profit from operation by RM6.2 million or 16.8% despite higher other expense by RM4.5 million or >100.0%.

15. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2014

Global economic prospects have improved although the path towards recovery in the advanced economies appears to remain constrained by fiscal and structural concerns. More importantly, emerging economies, including Malaysia, have remained resilient and continued to perform well. Specifically, domestic economic growth, as measured by Gross Domestic Product (GDP), increased to 5.6% in 2012 compared to 5.3% in the preceding year. On the back of strong domestic demand, Pos Malaysia's courier business segment continued to record good performance, which saw an increase in revenue and improved margins during financial year ending 2012/13.

Looking ahead, recent macro development suggests sustained strength in world GDP growth in 2013 and 2014. The enhanced macro backdrop is expected to augur positively for Pos Malaysia, providing the landscape to facilitate its growth and revenue diversification strategies, in line with the 5-year Strategic Plan unveiled in 2012. In essence, the underlying trend is expected to enhance contribution from courier business, financial services such as postal assurance and Ar-Rahnu businesses, in addition to the new revenue streams from the adjacent logistics business and supply chain services.

16. PROFIT FORECAST OR PROFIT GUARANTEE

The Group has not issued any profit forecast or profit guarantee for the current financial period in a public document.

17. TAXATION

Taxation comprises the following:

	3 Months Ended		Period to Date	
	31.03.2013 RM'000	31.03.2012 RM'000	31.03.2013 RM'000	31.03.2012 RM'000
Current taxation	7,599	13,247	21,703	44,894
Deferred taxation	10,001	4,257	18,861	6,028
Total	17,600	17,504	40,564	50,922

The Group's effective tax rate for the 3-months ended 31 March 2013 and financial period ended 31 March 2013 is 35.1% and 21.1% differed with statutory tax rate of 25% principally due to overprovision of income tax in prior years.

18. STATUS OF CORPORATE PROPOSALS

There is no corporate proposal made by the Group in the current period.

19. GROUP BORROWINGS

Total Group borrowings are as follows:

	As at 31.03.2013 RM'000
Hire Purchase – due within 12 months	6
Revolving credit	17,698
Total	17,704

20. MATERIAL LITIGATION

There is no material litigation pending as at the date of this report.

21. EARNINGS PER SHARE

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

	3 Months Ended		Period to Date	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Net profit attributable to owners of the Company (RM'000)	32,746	26,837	151,726	100,581
Number of ordinary shares in issue ('000)	537,026	537,026	537,026	537,026
Basic earnings per share (sen)	6.10	5.00	28.25	18.73

23. DISCLOSURE OF REALISED AND UNREALISED PROFITS / LOSSES

The retained profits of the Group as at 31 March 2013 are analysed as follows:

	As at 31.03.2013 RM'000	As at 31.03.2012 RM'000
Total retained profits of the Company and subsidiaries:		
- Realised	625,358	554,825
- Unrealised	72,377	83,683
	697,735	638,508
Total share of retained profits from associated companies (Realised):	(7,650)	(7,650)
Add: Consolidation adjustments	(13,014)	(2,807)
Total Group retained profits as per consolidated financial statements	677,071	628,051

24. AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the Group's preceding audited annual financial statements was not subject to any qualification.

BY ORDER OF THE BOARD

DATO' SABRINA ALBAKRI BT. ABU BAKAR
COMPANY SECRETARY

Kuala Lumpur
20 May 2013