

Company No

16688	K
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UNI.ASIA GENERAL INSURANCE BERHAD (16688 K)
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 SEPTEMBER 2011**

Company No

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UNI.ASIA GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 SEPTEMBER 2011

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UNI.ASIA GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011

	<u>30.9.2011</u> RM'000	<u>31.3.2011</u> RM'000
ASSETS		
Property and equipment	60,480	60,725
Investment properties	40,388	40,388
Available-for-sale financial assets	92,049	79,275
Held-to-maturity financial asset	143,559	148,888
Loans and receivables excluding insurance receivables	372,266	347,762
Reinsurance assets	259,104	270,290
Insurance receivables	53,001	53,069
Deferred acquisition cost	24,182	18,693
Current tax recoverable	-	3,549
Cash and cash equivalents	27,501	35,194
Total assets	<u><u>1,072,530</u></u>	<u><u>1,057,833</u></u>
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	100,000	100,000
Reserves	19,017	19,415
Retained earnings	138,843	130,075
Total equity	<u><u>257,860</u></u>	<u><u>249,490</u></u>
Insurance contract liabilities	656,461	657,341
Subordinated loan	30,000	30,000
Other financial liabilities	57,259	46,659
Deferred tax liabilities	2,060	1,655
Deferred acquisition cost-reinsurance	10,491	7,732
Insurance payables	38,660	47,360
Other payables	18,281	16,955
Post employment benefit obligations	571	641
Taxation	887	-
Total liabilities	<u><u>814,670</u></u>	<u><u>808,343</u></u>
Total shareholders' equity and liabilities	<u><u>1,072,530</u></u>	<u><u>1,057,833</u></u>

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UNI.ASIA GENERAL INSURANCE BERHAD
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**UNAUDITED INTERIM INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011**

	<u>30.9.2011</u> RM'000	<u>30.9.2010</u> RM'000
Operating revenue	214,205	217,942
Gross written premium	225,600	217,171
Change in premium liabilities	(23,930)	(9,634)
Gross earned premiums	<u>201,670</u>	<u>207,537</u>
Gross written premium ceded to reinsurers	(88,403)	(109,556)
Change in premium liabilities	(3,601)	56,456
Premium ceded to reinsurers	<u>(92,004)</u>	<u>(53,097)</u>
Net earned premium	<u>109,666</u>	<u>154,440</u>
Investment income	12,535	10,405
Realised gains and losses	470	(30)
Commission income	16,355	16,091
Other income	6,000	7,223
Other income	<u>35,360</u>	<u>33,689</u>
Gross claims paid	(129,571)	(154,711)
Claims ceded to reinsurers	43,341	16,644
Gross change to contract liabilities	24,810	19,318
Change in contract liabilities ceded to reinsurers	(7,585)	4,661
Net claims incurred	<u>(69,005)</u>	<u>(114,088)</u>
Commission expense	(19,009)	(20,085)
Management expenses	(32,856)	(28,778)
Other expenses	<u>(51,865)</u>	<u>(48,863)</u>
Finance costs	(1,354)	(682)
Profit before taxation	22,802	24,496
Tax expense	(6,534)	(1,619)
Profit for the financial year	<u>16,268</u>	<u>22,877</u>
Basic earnings per share (sen)	<u>16.27</u>	<u>22.88</u>

The accompanying notes form an integral part of the financial statements.

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UNI.ASIA GENERAL INSURANCE BERHAD
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**UNAUDITED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011**

	<u>30.9.2011</u> RM'000	<u>30.9.2010</u> RM'000
Profit for the financial period	16,268	22,877
Other comprehensive income:		
Fair value changes on AFS financial assets	(531)	206
Tax effect on fair value changes in AFS financial assets	133	(51)
Other comprehensive income for the financial period net of tax	<u>(398)</u>	<u>155</u>
Total comprehensive income for the financial period	<u><u>15,870</u></u>	<u><u>23,032</u></u>

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UNI.ASIA GENERAL INSURANCE BERHAD
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**UNAUDITED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011**

	Issued and fully paid ordinary shares of RM1 each		Asset revaluation reserve RM'000	Non- distributable	Distributable	Total RM'000
	Number of shares 000	Nominal value RM'000		AFS reserve RM'000	Retained earnings RM'000	
At 1 April 2011	100,000	100,000	19,380	35	130,075	249,490
Total comprehensive income for the financial period	-	-	-	(398)	16,268	15,870
Dividend payment	-	-	-	-	(7,500)	(7,500)
At 30 September 2011	<u>100,000</u>	<u>100,000</u>	<u>19,380</u>	<u>(363)</u>	<u>138,843</u>	<u>257,860</u>
At 1 April 2010	100,000	100,000	16,596	208	92,456	209,260
Total comprehensive income for the financial period	-	-	-	155	22,877	23,032
At 30 September 2010	<u>100,000</u>	<u>100,000</u>	<u>16,596</u>	<u>363</u>	<u>115,333</u>	<u>232,292</u>

UNI.ASIA GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

UNAUDITED INTERIM STATEMENT OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011

	<u>30.09.2011</u>	<u>30.09.2010</u>
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial period	16,268	22,877
Adjustment for non-cash items:		
Property plant and equipment		
- depreciation	1,432	1,228
- loss on disposal	2	-
- written off	19	-
(Gain)/ loss on disposal of investments	(509)	14
Investment income	(12,535)	(10,405)
Finance cost	1,354	682
Writeback of allowance of doubtful debts	(52)	(37)
Provision for post-employment benefits	32	(95)
Tax expenses	6,533	1,619
Amortisation of prepaid lease properties	-	40
	<u>12,544</u>	<u>15,923</u>
Increase in fixed deposits	(20,823)	(9,823)
Purchase of investment assets	(28,624)	(36,174)
Proceeds from maturity of investment asset	5,000	-
Proceeds from disposal of investment asset	15,635	-
Interest income received	10,795	9,830
Dividend income received	1,608	-
Other investment income received	536	548
Payment of staff retirement benefits	(101)	-
Decrease in insurance receivables	530	7,920
(Decrease)/increase in insurance payables	(8,700)	7,836
Increase/(decrease) in other financial liabilities	10,599	8,320
Increase in insurance contract liabilities/reinsurance assets	7,576	(66,619)
Increase in loan and receivables	(3,679)	(2,258)
Increase/(decrease) in other payables	1,311	(81)
	<u>4,207</u>	<u>(64,578)</u>
Cash generated from operations	4,207	(64,578)
Income tax paid	(1,560)	(427)
	<u>2,647</u>	<u>(65,005)</u>
Net cash flows from operating activities	2,647	(65,005)

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UNI.ASIA GENERAL INSURANCE BERHAD
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**UNAUDITED INTERIM STATEMENT OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011 (CONTINUED)**

	<u>30.09.2011</u> RM'000	<u>30.09.2010</u> RM'000
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(1,504)	(482)
Proceeds from disposal of property and equipment	2	-
Net cash flows from investing activities	<u>(1,502)</u>	<u>(482)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(7,500)	-
Finance cost paid	(1,339)	-
Subordinated loan	-	30,000
Net cash flows from investing activities	<u>(8,839)</u>	<u>30,000</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(7,694)	(35,487)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	35,195	60,442
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>27,501</u>	<u>24,955</u>
Cash and cash equivalents comprise:		
Fixed and call deposits		
Licensed financial institutions	24,069	21,922
Cash and bank balances	3,432	3,033
	<u>27,501</u>	<u>24,955</u>

UNI.ASIA GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 30 SEPTEMBER 2011

1. Basis of preparation

The interim financial statements is unaudited and have been prepared in accordance with Financial Reporting Standards (“FRS”) in Malaysia, being the MASB Approval Accounting Standards in Malaysia for Entities Other Than Private Entities and provisions of the Companies Act, 1965, the Insurance Act and Regulation, 1996 in all material aspects.

The interim financial statements do not include all information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s audited financial statements for the financial year ended 31 March 2011.

2. Changes in accounting policies

The accounting policies and presentation adopted by the Company for the interim financial statements are consistent with those adopted in the Company’s audited financial statements for the financial year ended 31 March 2011, except for the adoption of the following:

<u>FRSs/Interpretations</u>	<u>Effective date</u>
FRS 127 (revised) “Consolidated and separate financial statements”	1 July 2010
Amendments to FRS 5 “Non-current assets held for sale and discontinued operations”	1 July 2010
IC Interpretation 17 “Distribution of non-cash assets to owners”	1 July 2010
Amendments to IC Interpretation 9 “Reassessment of embedded derivatives”	1 July 2010
Amendment to FRS 2 “Share-based Payment”	1 July 2010
Amendment to FRS 2 :Share-based payment: Group cash-settled share-based payment transactions”	1 January 2011
Amendment to FRS 7 “Financial instruments: Disclosures-Improving disclosures about financial instruments”	1 January 2011
Amendment to FRS 1 “First-time adoption of financial reporting standards”	1 January 2011
IC Interpretation 4 “Determining whether an arrangement contains a lease	1 January 2011
Improvements to FRSs (2010)	1 January 2011

The adoption of the above revised standards, amendments and interpretation do not have any material impact to the financial statements of the Company.

UNI.ASIA GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 30 SEPTEMBER 2011 (CONTINUED)

3. Seasonal/cyclical factors

The business operations of the Company are subject to the sales cycle of the insurance business.

4. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the financial period ended 30 September 2011.

5. Material changes in estimates

There was no material changes in the basis used for accounting estimates for the current financial period ended 30 September 2011.

6. Debts and equity securities

There were no issuances, cancellation, repurchase, resale and repayment of debts and equity securities during the current financial period.

7. Dividends

A final gross dividend of ten (10) sen per share was paid during the interim period in respect of financial year end 31 March 2011 of RM7,500,000 (net of tax of twenty five per cent). The Board has approved the payment of interim gross dividend of five (5) sen per share less income tax of twenty five per cent amounting to RM3,750,000 in respect of the financial year ended 31 March 2012.

8. Material events subsequent to the end of the financial period

There is no material event subsequent to the end of the period under review that has not been reported in the interim financial statements for the current financial period to date.

9. Changes in composition of the Company

There are no changes in the Company's composition for the current financial period to date.

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UNI.ASIA GENERAL INSURANCE BERHAD
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NOTES TO THE FINANCIAL STATEMENTS – 30 SEPTEMBER 2011 (CONTINUED)

10. CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

	<u>30.9.2011</u>	<u>31.3.2011</u>
	RM'000	RM'000
Contingent liabilities	543	667

The contingent liabilities consist of guaranteed payment for the Foreign Workers Compensation Scheme and collateral for Bond class of business.

At the date of this report, there is no capital commitment.

11. INVESTMENT PROPERTIES

	<u>Freehold land and building</u>	<u>Leashold land and building</u>	<u>Total</u>
	RM'000	RM'000	RM'000
At 1 April 2011/30 September 2011	10,600	29,788	40,388
At 1 April 2010	10,200	29,564	39,764
Fair value changes	400	224	624
At 31 March 2011	10,600	29,788	40,388

The titles to the leasehold land and buildings and freehold land and buildings included in investment properties at carrying value of RM29,788,000 (2011:RM29,788,000) and RM10,600,000 (2011:10,600,000) respectively are in the process of being transferred to the Company. Risks, rewards and effective titles to these properties have been passed to the Company upon unconditional completion of the acquisition of those properties. The Company has submitted the relevant documents to the land authorities for transfer of legal titles to the Company and is awaiting the process and formalisation of this transfer to be completed.

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UNI.ASIA GENERAL INSURANCE BERHAD
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NOTES TO THE FINANCIAL STATEMENTS – 30 SEPTEMBER 2011

12. INVESTMENTS

The Company's investments are summarised by categories as follows:

	<u>30.9.2011</u> RM'000	<u>31.3.2011</u> RM'000
Available-for-sale financial assets ("AFS")	91,480	78,633
Accrued interest	569	642
	<u>92,049</u>	<u>79,275</u>
Held-to-maturity financial assets ("HTM")	141,912	147,077
Accrued interest	1,647	1,811
	<u>143,559</u>	<u>148,888</u>
Total investments	<u>235,608</u>	<u>228,163</u>

The assets included in the above categories are detailed in the table below:

(a) AFS

At fair value:		
Unquoted equity securities	93	93
Unquoted corporate debt securities	34,637	49,640
Quoted unit trust in Malaysia	56,750	28,900
Accrued interest	569	642
	<u>92,049</u>	<u>79,275</u>

(b) HTM financial assets

At amortised cost:		
Unquoted corporate debt securities	142,410	147,410
Amortisation of premiums net of accretion of discounts	(498)	(333)
Accrued interest	1,647	1,811
	<u>143,559</u>	<u>148,888</u>

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NOTES TO THE FINANCIAL STATEMENTS – 30 SEPTEMBER 2011

12. INVESTMENTS (CONTINUED)

(c) Carrying value of other investments

	AFS RM'000	HTM RM'000	Total RM'000
At 1 April 2010	55,805	117,583	173,388
Addition	49,738	31,176	80,914
Disposal/maturity/repayment	(25,615)	(40)	(25,655)
Fair value gain recorded in:			
Other comprehensive income	(230)	-	(230)
Amortisation	(375)	(259)	(634)
Accrued interest	(48)	428	380
	<u>79,275</u>	<u>148,888</u>	<u>228,163</u>
At 31 March 2011/1 April 2011	79,275	148,888	228,163
Addition	28,624	-	28,624
Disposal/maturity/repayment	(15,126)	(5,000)	(20,126)
Fair value gain recorded in:			
Other comprehensive income	(531)	-	(531)
Amortisation	(121)	(165)	(286)
Accrued interest	(72)	(164)	(236)
	<u>92,049</u>	<u>143,559</u>	<u>235,608</u>
At 30 September 2011	<u>92,049</u>	<u>143,559</u>	<u>235,608</u>

13. REINSURANCE ASSETS

	<u>30.9.2011</u> RM'000	<u>31.3.2011</u> RM'000
Reinsurance of insurance contracts		
Claims liabilities	163,485	171,070
Premium liabilities	95,619	99,220
	<u>259,104</u>	<u>270,290</u>

UNI.ASIA GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 30 SEPTEMBER 2011

14. INSURANCE CONTRACT LIABILITIES

	<u>30.9.2011</u>			<u>31.3.2011</u>		
	<u>Gross</u> RM'000	<u>Re- insurance</u> RM'000	<u>Net</u> RM'000	<u>Gross</u> RM'000	<u>Re- insurance</u> RM'000	<u>Net</u> RM'000
General insurance	656,461	(259,104)	397,357	657,341	(270,290)	387,051

The general insurance contract liabilities and its movement are further analysed as follows:

	<u>30.9.2011</u>			<u>31.3.2011</u>		
	<u>Gross</u> RM'000	<u>Re- insurance</u> RM'000	<u>Net</u> RM'000	<u>Gross</u> RM'000	<u>Re- insurance</u> RM'000	<u>Net</u> RM'000
Provision for claims	319,137	(124,485)	194,652	319,315	(104,064)	215,251
Provision for "IBNR"	106,760	(39,000)	67,760	131,392	(67,006)	64,386
Claims liabilities (i)	425,897	(163,485)	262,412	450,707	(171,070)	279,637
Premium liabilities (ii)	230,564	(95,619)	134,945	206,634	(99,220)	107,414
	<u>656,461</u>	<u>(259,104)</u>	<u>397,357</u>	<u>657,341</u>	<u>(270,290)</u>	<u>387,051</u>

UNI.ASIA GENERAL INSURANCE BERHAD
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NOTES TO THE FINANCIAL STATEMENTS – 30 SEPTEMBER 2011 (CONTINUED)

14. INSURANCE CONTRACT LIABILITIES (CONTINUED)

	30.9.2011			31.3.2011		
	Gross RM'000	Re- insurance RM'000	Net RM'000	Gross RM'000	Re- insurance RM'000	Net RM'000
(ii) Premium liabilities						
At 1 April	206,634	(99,220)	107,414	203,913	(32,950)	170,963
Premiums written during the financial period	225,600	(88,403)	137,197	412,802	(205,355)	207,447
Premiums earned during the financial period	(201,670)	92,004	(109,666)	(410,081)	139,085	(270,996)
At 30 September/31 March	<u>230,564</u>	<u>(95,619)</u>	<u>134,945</u>	<u>217,679</u>	<u>(89,435)</u>	<u>128,244</u>

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UNI.ASIA GENERAL INSURANCE BERHAD
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NOTES TO THE FINANCIAL STATEMENTS – 30 SEPTEMBER 2011 (CONTINUED)

15. REGULATORY CAPITAL REQUIREMENTS

The capital structure of the Company as prescribed under the Risk based Capital Framework is as below:

	As at <u>30.9.2011</u> RM'000	As at <u>31.3.2011</u> RM'000
Eligible Tier 1 Capital:		
Share capital (paid-up)	100,000	100,000
Retained earnings	138,843	130,075
	<u>238,843</u>	<u>230,075</u>
Tier 2 Capital:		
Eligible reserves	49,016	49,415
Deduction	537	-
Total capital available	<u><u>288,396</u></u>	<u><u>279,490</u></u>