




## **Financial Statements**

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# Directors' Report

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The Directors hereby submit their report to the members together with the audited financial statements of the Company for the year ended 31 March 2009.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in the underwriting of all classes of general insurance business.

There has been no significant change in the nature of this activity during the year.

## FINANCIAL RESULTS

Loss for the year	<b>RM'000</b> (5,943)
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## DIVIDENDS

The dividends paid or declared by the Company since 31 March 2008 were as follows:

In respect of the year ended 31 March 2008, as shown in the Directors' report of that year, a final gross dividend of 15 sen per share, less income tax at 25%, paid on 1 August 2008	<b>RM'000</b>  11,250
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In respect of the year ended 31 March 2009, an interim gross dividend of 5 sen per share, less income tax at 25%, paid on 2 December 2008	  3,750
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The Directors do not recommend the payment of any final dividends for the financial year ended 31 March 2009.

## RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the year are disclosed in the notes to the financial statements.

## PROVISION FOR OUTSTANDING CLAIMS

Before the income statement and balance sheet of the Company were made out, the Directors took reasonable steps to ascertain that there was adequate provision for incurred claims, including Incurred But Not Reported ("IBNR") claims.

## BAD AND DOUBTFUL DEBTS

Before the income statement and balance sheet of the Company were made out, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances that would render the amounts written off for bad debts or the amounts of the allowance for doubtful debts in the financial statements of the Company inadequate to any substantial extent.

## CURRENT ASSETS

Before the income statement and balance sheet of the Company were made out, the Directors took reasonable steps to ascertain that any current assets which were unlikely to realise in the ordinary course of business, their values as shown in the accounting records of the Company have been written down to an amount which they might be expected to realise.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Company misleading.

## VALUATION METHODS

At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Company misleading or inappropriate.

## CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

- (a) any charge on the assets of the Company that has arisen since the end of the year which secures the liabilities of any other person, or
- (b) any contingent liability in respect of the Company that has arisen since the end of the year.

No contingent or other liability of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the year which, in the opinion of the Directors, will or may affect the ability of the Company to meet their obligations as and when they fall due.

For the purpose of this paragraph, contingent or other liabilities do not include liabilities arising from contracts of insurance underwritten in the ordinary course of business of the Company.

## CHANGE OF CIRCUMSTANCES

At the date of this report, the Directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Company that would render any amount stated in the financial statements misleading.

## ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Company for the year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Company for the year in which this report is made.

## SHARE CAPITAL

There were no new shares issued by the Company during the year.

## CORPORATE GOVERNANCE

### **Compliance with Bank Negara Malaysia JPI/GPI 25: Prudential Framework of Corporate Governance of Insurers**

The Company is prescribing to the requirements of, and adopts management practices that are consistent with the principles of Bank Negara Malaysia (“BNM”) Guideline JPI/GPI 25 (Consolidated) - Prudential Framework of Corporate Governance for Insurers (JPI/GPI 25).

### **Board Responsibilities and Oversight**

The Board of Directors (“Board”) is committed in ensuring that the highest standards of governance are being maintained. This is achieved through compliance with the Insurance Act 1996, Insurance Regulations 1996 and JPI/GPI 25 and other directives. The Company strives to adopt other best practices on corporate governance.

The Board has delegated specific responsibilities to seven Board Committees as follows:

- (i) Audit Committee
- (ii) Nomination Committee
- (iii) Remuneration Committee
- (iv) Risk Management Committee
- (v) Executive Committee
- (vi) Claims and Underwriting Committee
- (vii) Investment Committee

The above committees have the authority to examine pertinent issues and report back to the Board with their recommendations. Ultimate responsibilities for final decisions on all matters lie with the Board.

### **(a) Composition of the Board**

There is a balance mix in the Board membership with wide ranging skills and experience that comprises eight directors i.e. five Non-Executive Directors and three Independent Non-Executive Directors. No individual or group of individuals is able to dominate the Board’s decision-making process. In addition, the Directors do not hold directorships in excess of the prescribed maximum limit.

### **(b) Board Meetings**

During the financial year, the Board met six times and all Directors complied with the 75% minimum attendance requirement at such meeting. Details of attendance of each Board member at meetings held during the year are as follows:

# Directors' Report (continued)

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## CORPORATE GOVERNANCE (CONTINUED)

### Board Responsibilities and Oversight (Continued)

#### (b) Board Meetings (Continued)

Members	Status of Directorship	Number of Board Meetings	
		Held	Attended
YAM Tan Sri Dato' Seri Syed Anwar Jamalullail	Independent Non-Executive Director & Chairman	6	6
David Chan Mun Wai	Non-Executive Director & Deputy Chairman	6	6
Dato' Dr. Mohd Shahari Ahmad Jabar	Independent Non-Executive Director	6	6
Chan Kok Seong	Non-Executive Director	6	5
Khalid Abdol Rahman	Non-Executive Director	6	5
Lawrence Pereira	Non-Executive Director	6	6
Datuk Abdul Shukor Hassan	Non-Executive Director	6	6
George Isac Pereire	Independent Non-Executive Director	6	6

#### (c) Directors' Training

Directors are encouraged to attend continuous education programmes and seminars to keep abreast with developments in the industry. The Company has established a written policy for induction and education programmes for Directors in line with the corporate governance standard requirements.

#### (d) Board of Directors' Policy

In the spirit of Principle 4 of JPI/GPI 25, the Internal Audit Department ("IAD") has prepared and updated the Board of Directors' Policy to provide the Directors with overview information of the insurance industry in general and Uni.Asia General Insurance Berhad specifically together with a comprehensive list of other information. It will be the main reference material on the Malaysian insurance industry and the Company's operations as a whole for the newly appointed as well as the current Directors.

#### (e) Annual General Meeting ("AGM")

At each AGM, the Board presents the progress and performance of the business and encourages shareholders to participate in a question and answer session. The Chief Executive Officer ("CEO") and, where appropriate, the Chairman of the Audit, Nomination, Remuneration, Risk Management, Executive, Claims and Underwriting and Investment Committees are available to respond to shareholders' questions during the meeting.

### Board Committees

There are seven Board Committees namely Audit, Nomination, Remuneration, Risk Management, Executive, Claims and Underwriting, and Investment. Details of each Board Committees are as follows:

# Directors' Report (continued)

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## CORPORATE GOVERNANCE (CONTINUED)

### Board Committees (Continued)

#### **A The Audit Committee**

The primary objective of the Committee is to assist the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process and the monitoring of compliance with relevant laws and regulations.

This Committee comprises the following members and details of attendance of each member at meeting held during the year ended 31 March 2009 are as follows:

<u>Members</u>	<u>Status of Directorship</u>	<u>Number of Meetings</u>	
		<u>Held</u>	<u>Attended</u>
YAM Tan Sri Dato' Seri Syed Anwar Jamalullail*	Independent Non-Executive Director & Chairman	7	7
Dato' Dr. Mohd Shahari Ahmad Jabar	Independent Non-Executive Director	7	7
George Isac Pereire	Independent Non-Executive Director	7	7

\* Chairman

#### **B The Nomination Committee**

The primary objective of the Committee is to establish a documented, formal and transparent procedure for the appointment of new Directors, CEO and key Senior Officers. It is also a process of reviewing the balance and assesses the effectiveness of each of the individual Directors, the Board as a whole and the various Committees of the Board, the CEO and the key Senior Officers.

This Committee comprises the following members and details of attendance of each member at meeting held during the year ended 31 March 2009 are as follows:

<u>Members</u>	<u>Status of Directorship</u>	<u>Number of Meetings</u>	
		<u>Held</u>	<u>Attended</u>
YAM Tan Sri Dato' Seri Syed Anwar Jamalullail*	Independent Non-Executive Director & Chairman	4	4
David Chan Mun Wai	Non-Executive Director	4	4
Datuk Abdul Shukor Hassan	Non-Executive Director	4	4
Dato' Dr. Mohd Shahari Ahmad Jabar	Independent Non-Executive Director	4	4
George Isac Pereire	Independent Non-Executive Director	4	4

\* Chairman

# Directors' Report (continued)

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## CORPORATE GOVERNANCE (CONTINUED)

### Board Committees (Continued)

#### **C The Remuneration Committee**

The primary objective of the Committee is to establish a documented, formal and transparent procedure for developing a remuneration policy for Directors, CEO and key Senior Officers and ensuring that their compensation is competitive and consistent with the Company's culture, objectives and strategy.

This Committee comprises the following members and details of attendance of each member at meeting held during the year ended 31 March 2009 are as follows:

<u>Members</u>	<u>Status of Directorship</u>	<u>Number of Meetings</u>	
		<u>Held</u>	<u>Attended</u>
YAM Tan Sri Dato' Seri Syed Anwar Jamalullail*	Independent Non-Executive Director & Chairman	2	2
David Chan Mun Wai	Non-Executive Director	2	2
Lawrence Pereira	Non-Executive Director	2	2
Datuk Abdul Shukor Hassan	Non-Executive Director	2	2
George Isac Pereire	Independent Non-Executive Director	2	2

\* Chairman

#### **D Risk Management Committee**

The primary objective of the Committee is to establish a documented, formal and transparent procedure to provide opportunities for focusing on improving the quality of governance and risk management in the Company.

This Committee comprises the following members and details of attendance of each member at meeting held during the year ended 31 March 2009 are as follows:

<u>Members</u>	<u>Status of Directorship</u>	<u>Number of Meetings</u>	
		<u>Held</u>	<u>Attended</u>
George Isac Pereire*	Independent Non-Executive Director	4	4
David Chan Mun Wai	Non-Executive Director	4	4
Datuk Abdul Shukor Hassan	Non-Executive Director	4	4
Dato' Dr. Mohd Shahari Ahmad Jabar	Independent Non-Executive Director	4	4

\* Chairman

## CORPORATE GOVERNANCE (CONTINUED)

### Board Committees (Continued)

#### **E The Executive Committee**

The objectives of the Committee are:

- To ensure that the broad policies and basic objectives of the Company as set out by the Board are carried out by the Management.
- To assist the Board in overseeing the operations of the Company.

The Committee meets on a monthly basis to review matters relevant to the operations of the Company, empowered by the Board with relevant authority for effective and efficient decision-making. The minutes of Committee were circulated to all members of the Committee and to the Chairman of the Board and made available on request to other members of the Board.

The Committee comprises the following members and details of attendance of each member at meeting held during the year ended 31 March 2009 are as follows:

<u>Members</u>	<u>Status of Directorship</u>	<u>Number of Meetings</u>	
		<u>Held</u>	<u>Attended</u>
David Chan Mun Wai*	Non-Executive Director	11	11
Chan Kok Seong	Non-Executive Director	11	10
Khalid Abdol Rahman	Non-Executive Director	11	9
Mohd Fauzi Yaakub**	Chief Executive Officer	11	10

\* Chairman

\*\* Resigned as CEO on 25.03.2009

#### **F The Claims and Underwriting Committee**

The Committee is responsible to assist the Board and Management in the effective discharge of its strategic responsibilities and accountabilities in the areas of claims and underwriting of the Company. The Committee reports to the Board of the results, observations and recommendations arising from the review of the above for deliberation and formalisation by the Board. In discharging its duties, the Committee provides professional directions to the state of affairs of the Company where it is heading in the areas of claims and underwriting.

This Committee comprises the following members and details of attendance of each member at meetings held during the year ended 31 March 2009 are as follows:

# Directors' Report (continued)

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## CORPORATE GOVERNANCE (CONTINUED)

### Board Committees (Continued)

#### **F The Claims and Underwriting Committee (Continued)**

<u>Members</u>	<u>Status of Directorship</u>	<u>Number of Meetings</u>	
		<u>Held</u>	<u>Attended</u>
Lawrence Pereira*	Non-Executive Director	11	11
David Chan Mun Wai	Non-Executive Director	11	11
Khalid Abdol Rahman	Non-Executive Director	11	9
Datuk Abdul Shukor Hassan	Non-Executive Director	11	9
Mohd Fauzi Yaakub**	Chief Executive Officer	11	9

\* Chairman

\*\* Resigned as CEO on 25.03.2009

#### **G The Investment Committee**

The Committee is empowered by the Board to assist the Board and Management in the effective discharge of its strategic responsibilities and accountabilities in the areas of investment of the Company. The Committee reports to the Board the results, observations and recommendations for deliberation and formalisation by the Board pertaining to the investment activities of the Company.

This Committee comprises the following members and details of attendance of each member at meeting held during the year ended 31 March 2009 are as follows:

<u>Members</u>	<u>Status of Directorship</u>	<u>Number of Meetings</u>	
		<u>Held</u>	<u>Attended</u>
Chan Kok Seong*	Non-Executive Director	11	10
Khalid Abdol Rahman	Non-Executive Director	11	10
Habshah Mohamed	Head-Finance & Accounts Division	11	10
Mohd Fauzi Yaakub**	Chief Executive Officer	11	9

\* Chairman

\*\* Resigned as CEO on 25.03.2009

### Management Accountability

#### (a) Material Contracts

No material contracts (not being contracts entered into the ordinary course of business) have been entered into by the Company involving Directors' and substantial shareholders' interests, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

### Corporate Independence

The Company has complied with the requirements of BNM's Guidelines on Related Party Transactions (JPI/GPI 19) in respect of all its related party transactions.

## CORPORATE GOVERNANCE (CONTINUED)

### Internal Control and Enterprise Risk Management

The Board affirms its overall responsibility on the system of internal control within the Company. The objective of the system of internal control is to enable the Company to achieve its corporate objectives. The system is designed to ensure effective and efficient operations, financial reporting and compliance with the relevant laws and regulations.

It is primarily the Board responsibility to determine the strategies and policies for risk and control, whilst the Management is responsible for the effectiveness of the design and operation of risk management and control processes.

The process for the identification and evaluation of significant risks is through the adoption of the Enterprise Risk Management ("ERM") framework and policy. The process is undertaken throughout the year. The Risk Management Committee of the Board ("RMCB") will oversee senior management's activities in managing the key risk areas and ensure that the risk management framework and processes are in place and functioning effectively.

The implementation of the ERM is delegated to the CEO and supported by the Risk Management Committee of the Management ("RMCM"). The RMCM will assist the CEO in formulating appropriate procedures (including assessment methodologies, tools and techniques) and reviewing the application of risk management practices. The RMCM will regularly report back the assessment on governance and risk management to the RMCB.

The IAD is also actively involved in the audit of ERM based on auditees' risk profile. Through risk-based audit approach, it provides the Board with an independent assurance on the adequacy and integrity of the internal control system and risk management framework. It also assesses the existing risk treatment adequacy and its effectiveness in minimising the risks to an acceptable level. The IAD also incorporates as part of its audit work, the detection of fraud risk and anti-money laundering activities.

Identifying, evaluating and managing of risks faced by the Company are an on-going process that encompasses the following areas:

**(a) Underwriting**

The Company exercises control over underwriting exposures covering both risks accepted and reinsured. Exposure limits are reviewed as and when necessary.

**(b) Financial Control Procedures**

Detailed controls are laid down in the procedural manuals of each operating unit.

**(c) Financial Position**

Yearly business plans and budgets are submitted to the Board for their approval at the beginning of each financial year. As part of regular performance monitoring, the financial reports are submitted to the Board for their review at every Board Meeting. These reports cover all key operational areas and provide a sound basis for the Board to assess the Company's financial performance and to identify potential problems faced by the Company.

## CORPORATE GOVERNANCE (CONTINUED)

### (d) Investment

The terms of reference of the Investment Committee and the Head of Investment Department, the investment policies and guidelines and the investment decision making structure and process are clearly defined in the Investment Department's manual. Performance of investment funds and equity exposure reports are amongst the reports submitted to the Investment Committee for review at their regular meetings. Investment limits are monitored continuously to ensure compliance with the specification of admitted assets pursuant to Section 46(2) of the Insurance Act, 1996.

### (e) Information System

The IT Steering Committee, whose members are represented by Senior Management of the Company, the Head of IT and IAD, is responsible for identifying IT needs of the Company in line with the requirements of BNM's Guidelines on Management of IT Environment (GPIS 1).

### (f) Claims

The Company exercises control over the processing and payments of claims. The allocations of provisions are annually reviewed.

### (g) Internal Audit

The IAD reports directly to the Audit Committee (AC) functionally and its findings and recommendations are communicated to the AC via internal audit reports. Reports are issued within one and half months from completion of the audits and tabled to the AC regularly. In addition, the AC reviews the annual audit plan and follow-up actions on various audit observations. The AC Chairman provides written reports to the Board on the deliberation of the AC on a regular basis. A copy of the report is extended to the affected management personnel and the members of the AC. In line with BNM circular JP 3/2/99 requirements, audit reports are also submitted to BNM.

## **Public Accountability**

As a custodian of public funds, the Company's dealings with the public are always conducted fairly, honestly and professionally.

## **Financial Reporting**

In presenting the annual financial statements, the Directors aim to present a balanced and understandable assessment of the Company's position and prospects.

## CORPORATE GOVERNANCE (CONTINUED)

### (a) Directors' Responsibility Statement

The Directors are required by the Companies Act 1965 to prepare financial statements in accordance with applicable approved accounting standards on the state of affairs of the Company, the results and the cash flows of the Company for the financial year.

In preparing the financial statements, the Directors have:

- (i) Selected suitable accounting policies and applied them constantly;
- (ii) Made judgement and estimates that are reasonable and prudent;
- (iii) Ensured that all applicable accounting standards have been followed; and
- (iv) Prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made inquiries that the Company has adequate resources to continue in operational existence for the foreseeable future.

The Directors have the responsibility for ensuring that the Company keeps accounting records that disclose with reasonable accuracy their financial position and which enable them to ensure that the financial statements comply with the Companies Act 1965.

The Directors have the overall responsibility for taking reasonable steps to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities.

## DIRECTORS

The Directors who have held office during the period since the date of the last report are:

YAM Tan Sri Dato' Seri Syed Anwar Jamalullail  
David Chan Mun Wai  
Chan Kok Seong  
Khalid Abdol Rahman  
Dato' Dr. Mohd Shahari Ahmad Jabar  
Lawrence Pereira  
Datuk Abdul Shukor Hassan  
George Isac Pereire

In accordance with the Company's Article of Association, David Chan Mun Wai and George Isac Pereire, retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Pursuant to section 129 of the Companies Act, 1965, Dato' Dr. Mohd Shahari Ahmad Jabar, Lawrence Pereira and Datuk Abdul Shukor Hassan retire and a resolution is being proposed for their reappointments as Director under the provision of section 129(6) of the said Act to hold office until the next Annual General Meeting of the Company.

# Directors' Report (continued)

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## DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the year in having shares in the Company and in having shares in its related corporations were as follows:

	<b>Number of Ordinary Shares of RM1.00 each</b>			
	<b>As at 1.4.2008</b>	<b>Acquired</b>	<b>Disposed</b>	<b>As at 31.3.2009</b>
<b><u>In the Company</u></b>				
<u>Direct:</u>				
George Isac Pereire	2,052,381	-	-	2,052,381
<u>Indirect:</u>				
Lawrence Pereira*	9,850,000	-	-	9,850,000
Datuk Abdul Shukor Hassan**	10,003,175	-	-	10,003,175
<b><u>In DRB-HICOM Berhad (Ultimate Holding Company)</u></b>				
<u>Direct:</u>				
George Isac Pereire	170,000	-	-	170,000

\* Deemed interest by virtue of his interest in the shares of Emaco Sdn Bhd in accordance with Section 6A(4) of the Companies Act, 1965.

\*\* Deemed interest by virtue of his interest in the shares of Salinah Enterprise Sdn Bhd in accordance with Section 6A(4) of the Companies Act, 1965.

Other than the above, none of the Directors in office at the end of the year held any interests in the shares and/or options over shares in the Company or in its related corporations during the year.

## DIRECTORS' BENEFITS

During and at the end of the year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than the options over shares granted by its ultimate holding company, DRB-HICOM Berhad, to certain Directors of the Company pursuant to DRB-HICOM Berhad's Employees' Share Option Scheme.

Since the end of the previous year, no Director of the Company has received or become entitled to receive any benefit (other than Directors' remuneration and benefits provided to Directors disclosed in Note 18 to the financial statements) by reason of a contract made by the Company or a related corporation with a Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except for any deemed benefits that may accrue to a Director by virtue of normal trade transactions between the Company and companies in which the Director has significant equity interest.

# Directors' Report (continued)

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## **IMMEDIATE HOLDING COMPANY AND ULTIMATE HOLDING COMPANY**

The immediate holding company is Uni.Asia Capital Sdn. Bhd. The Directors regard DRB-HICOM Berhad as the ultimate holding company of the Company. Both companies are incorporated in Malaysia.

## **AUDITORS**

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

In accordance with a resolution of the Board of Directors dated 10 June 2009.

**TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL  
DIRECTOR**

**CHAN KOK SEONG  
DIRECTOR**

Kuala Lumpur

# Balance Sheet as at 31 March 2009

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	<u>Note</u>	<u>2009</u> RM'000	<u>2008</u> RM'000
<b>ASSETS</b>			
Property, plant and equipment	4	44,267	46,891
Prepaid lease payments	5	6,557	6,636
Investment properties	6	33,880	34,260
Investments	7	518,420	473,264
Loans	8	953	1,049
Deferred tax assets	9	3,452	768
Receivables	10	53,538	40,585
Current tax recoverable		4,283	3,308
Cash and bank balances		1,164	1,781
Total assets		<u>666,514</u>	<u>608,542</u>
<b>LIABILITIES</b>			
Provision for outstanding claims	11	237,979	203,185
Payables	12	51,094	26,698
Post employment benefit obligations	13	890	817
		<u>289,963</u>	<u>230,700</u>
Unearned premium reserves	14	157,043	137,419
Total liabilities		<u>447,006</u>	<u>368,119</u>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	15	100,000	100,000
Reserves	16	119,508	140,423
		<u>219,508</u>	<u>240,423</u>
Total liabilities and shareholders' equity		<u>666,514</u>	<u>608,542</u>

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

# Income Statement for the year ended 31 March 2009

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	<u>Note</u>	<u>2009</u> <u>RM'000</u>	<u>2008</u> <u>RM'000</u>
Operating revenue	17	432,622	370,723
<b>Shareholders' fund:</b>			
Management expenses	18	(2,300)	(2,302)
		(2,300)	(2,302)
(Deficit) / Surplus transferred from Revenue Account		(3,478)	26,366
(Loss) / Profit before taxation		(5,778)	24,064
Taxation	21	(165)	(5,723)
(Loss) / Profit for the year		(5,943)	18,341
(Loss) / Earnings per share (sen)	22	(5.94)	18.34

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

# General Insurance Revenue Account

for the year ended 31 March 2009

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	<u>Note</u>	<u>Fire</u> RM'000	<u>Motor</u> RM'000	<u>Marine, Aviation &amp; Transit</u> RM'000	<u>Misce- llaneous</u> RM'000	<u>Total</u> RM'000
Gross premium		54,689	296,415	9,880	49,450	410,434
Reinsurance		(24,338)	(16,670)	(6,589)	(26,603)	(74,200)
Net premium		30,351	279,745	3,291	22,847	336,234
Increase in unearned premium reserves	14	(830)	(13,938)	(285)	(4,571)	(19,624)
Earned premium		29,521	265,807	3,006	18,276	316,610
Net claims incurred	24	(7,095)	(215,901)	(2,681)	(12,322)	(237,999)
Net commission		(1,199)	(25,282)	(164)	(2,912)	(29,557)
Underwriting surplus before management expenses		<u>21,227</u>	<u>24,624</u>	<u>161</u>	<u>3,042</u>	49,054
Management expenses	18					(58,791)
Underwriting deficit						(9,737)
Investment income	19					22,188
Other operating expense - net	20					(15,929)
Deficit transferred to Income Statement						<u>(3,478)</u>

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

# General Insurance Revenue Account

for the year ended 31 March 2008

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	<u>Note</u>	<u>Fire</u> RM'000	<u>Motor</u> RM'000	<u>Marine, Aviation &amp; Transit</u> RM'000	<u>Misce- llaneous</u> RM'000	<u>Total</u> RM'000
Gross premium		47,284	260,770	10,795	30,692	349,541
Reinsurance		(21,002)	(15,038)	(8,186)	(12,169)	(56,395)
Net premium		26,282	245,732	2,609	18,523	293,146
Increase in unearned premium reserves	14	(1,761)	(13,676)	(84)	(293)	(15,814)
Earned premium		24,521	232,056	2,525	18,230	277,332
Net claims incurred	24	(8,111)	(178,933)	(911)	(9,119)	(197,074)
Net commission		(1,380)	(21,491)	(105)	(2,426)	(25,402)
Underwriting surplus before management expenses		15,030	31,632	1,509	6,685	54,856
Management expenses	18					(58,717)
Underwriting deficit						(3,861)
Investment income	19					21,182
Other operating income - net	20					9,045
Surplus transferred to Income Statement						26,366

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

# Statement Of Changes In Equity

for the year ended 31 March 2009

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	Note	Issued and fully paid ordinary shares of RM1 each		Non-	Distributable	Total RM'000
		Number of shares 000	Nominal value RM'000	Asset revaluation reserve RM'000	Retained earnings RM'000	
At 1 April 2008		100,000	100,000	7,317	133,106	240,423
Realisation of revaluation surplus upon disposal of property		-	-	(112)	112	-
Reversal of deferred tax liability	9	-	-	28	-	28
Net gain not recognised in income statement		-	-	(84)	112	28
Loss for the year		-	-	-	(5,943)	(5,943)
Dividends:						
- final for the year ended 31 March 2008	23	-	-	-	(11,250)	(11,250)
- interim for the year ended 31 March 2009	23	-	-	-	(3,750)	(3,750)
		<u>100,000</u>	<u>100,000</u>	<u>7,233</u>	<u>112,275</u>	<u>219,508</u>
At 1 April 2007		100,000	100,000	2,889	133,265	236,154
Surplus on revaluation of self occupied properties		-	-	5,107	-	5,107
Deferred tax on revaluation of self occupied properties	9	-	-	(679)	-	(679)
Net gain not recognised in income statement		-	-	4,428	-	4,428
Profit for the year		-	-	-	18,341	18,341
Dividends:						
- final for the year ended 31 March 2007	23	-	-	-	(11,100)	(11,100)
- interim for the year ended 31 March 2008	23	-	-	-	(7,400)	(7,400)
		<u>100,000</u>	<u>100,000</u>	<u>7,317</u>	<u>133,106</u>	<u>240,423</u>

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

# Cash Flow Statement

for the year ended 31 March 2009

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	<u>Note</u>	<u>2009</u> RM'000	<u>2008</u> RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss)/profit for the year		(5,943)	18,341
Adjustments for non-cash items	25	18,807	(5,619)
		<u>12,864</u>	<u>12,722</u>
Decrease/ (increase) in loans		96	(104)
Increase in fixed and call deposits		(31,224)	(33,801)
Purchase of investments		(127,787)	(191,675)
Proceeds from disposal of investments		64,016	146,105
Proceeds from maturity of investments		31,000	71,750
Interest income received		18,815	19,933
Dividend income received		2,344	1,965
Other investment income received		745	1,383
Payment of staff retirement benefits		(5)	-
(Increase)/decrease in trade receivables		(7,376)	603
Increase in trade payables		10,180	1,751
Increase in provision for outstanding claims		34,794	2,933
Increase in other receivables		(4,531)	(325)
Increase/ (decrease) in other payables		14,216	(2,721)
		<u>18,147</u>	<u>30,519</u>
Cash generated from operations		18,147	30,519
Tax paid		(3,628)	(13,307)
		<u>14,519</u>	<u>17,212</u>
Net cash inflow from operating activities		14,519	17,212
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(607)	(1,357)
Proceeds from disposal of property, plant and equipment		36	40
Proceeds from disposal of investment property		435	-
		<u>(136)</u>	<u>(1,317)</u>
Net cash outflow from investing activities		(136)	(1,317)

# Cash Flow Statement

for the year ended 31 March 2009 (continued)

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	<u>Note</u>	<u>2009</u> RM'000	<u>2008</u> RM'000
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Dividends paid		(15,000)	(18,500)
Net cash outflow from financing activities	26	<u>(15,000)</u>	<u>(18,500)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	26	(617)	(2,605)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	26	<u>1,781</u>	<u>4,386</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	26	<u><u>1,164</u></u>	<u><u>1,781</u></u>

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

# Notes To The Financial Statements

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- 31 March 2009

## 1 PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The Company is principally engaged in the underwriting of all classes of general insurance business.

There have been no significant changes in the nature of this activity during the year.

The Company is a public limited liability company incorporated and domiciled in Malaysia. The registered office and principal place of business of the Company is located at 9th Floor, Menara Uni.Asia, 1008 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia.

The immediate holding company is Uni.Asia Capital Sdn. Bhd. The Directors regard DRB-HICOM Berhad as the ultimate holding company of the Company. Both companies are incorporated in Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 10 June 2009.

## 2 SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies, unless otherwise stated below, have been used consistently in dealing with items which are considered material in relation to the financial statements:

### (a) Basis of preparation

The financial statements are prepared under the historical cost convention except as disclosed in this summary of significant accounting policies. The financial statements comply with Financial Reporting Standards ("FRS"), the Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards in Malaysia for Entities Other than Private Entities, the provisions of the Insurance Act, 1996, relevant Guidelines and Circulars issued by Bank Negara Malaysia ("BNM") and the provisions of Companies Act, 1965, in all material respects.

The preparation of financial statements in conformity with FRS requires the use of estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported year. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates.

The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are in Note 3 to the financial statements.

# Notes To The Financial Statements

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- 31 March 2009 (continued)

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (a) Basis of preparation (Continued)

(i) Amendments to published standards that are applicable to the Company and are effective

The amendments to published standards effective for the Company's financial year ended 31 March 2009 and applicable to the Company are as follows:

- FRS 112      Income Taxes
- FRS 107      Cash Flow Statements
- FRS 111      Contraction Contracts
- FRS 118      Revenue
- FRS 137      Provisions, Contingent Liabilities and Contingent Asset

The adoption of the above revised FRS does not have any significant financial impact on the financial statements of the Company.

(ii) Standards, amendments to published standards and interpretations to existing standards that are not yet effective and have not been early adopted

The following standard will be effective for annual periods beginning on or after 1 July 2009 but are not applicable to the Company:

- FRS 8 "Operating Segments" replaces FRS 114 (2004) Segment Reporting. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes.

The following standards and interpretations that will be effective for annual periods beginning on or after 1 January 2010 but are not applicable to the Company:

- IC Interpretation 9 "Reassessment of Embedded Derivatives" requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required.
- IC Interpretation 10 "Interim Financial Reporting and Impairment" prohibits the impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date.
- Amendments to FRS 2 "Share-based Payment: Vesting Conditions and Cancellations" clarify that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. These features would need to be included in the grant date fair value for transactions with employees and others providing similar services; they would not impact the number of awards expected to vest or valuation there of subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment.

# Notes To The Financial Statements

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- 31 March 2009 (continued)

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (a) Basis of preparation (Continued)

(ii) Standards, amendments to published standards and interpretations to existing standards that are not yet effective and have not been early adopted (continued)

- FRS 123 "Borrowing Costs" which replaces FRS 123 (2004), requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed.
- Amendments to FRS 1 "First-time Adoption of Financial Reporting Standards" and FRS 127 "Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate" allow first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The amendment also removes the definition of the cost method from IAS 27 and replaces it with a requirement to present dividends as income in the separate financial statements of the investor.
- IC Interpretation 11 "FRS 2 Group and Treasury Share Transactions" provides guidance on whether share-based transactions involving treasury shares or involving group entities (for example, options over a parent's shares) should be accounted for as equity-settled or cash-settled share-based payment transactions in the stand-alone accounts of the parent and group companies.
- IC Interpretation 13 "Customer Loyalty Programmes" clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the revenue in respect of the consideration receivable from the customer is allocated between the components of the arrangement using fair values.
- IC Interpretation 14 "FRS 119 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" provides guidance on assessing the limit in FRS 119 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement.

The following standards will be effective for annual periods beginning on or after 1 January 2010. The Company will apply these standards from financial periods beginning on 1 April 2010. The Company has applied the transitional provision in the respective standards which exempts entities from disclosing the possible impact arising from the initial application of the standard on the financial statements of the Company.

- FRS 139 Financial Instruments: Recognition and Measurement
- FRS 4 Insurance Contracts
- FRS 7 Financial Instruments: Disclosures policies

# Notes To The Financial Statements

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- 31 March 2009 (continued)

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (b) Property, plant and equipment

Property, plant and equipment are initially stated at cost.

Freehold and leasehold land and buildings are stated at valuation based upon the latest independent valuation on the open market value basis by professional valuers, less subsequent depreciation and impairment loss. These properties are revalued at regular intervals of at least once in every three years by independent professional valuers with additional valuation in the intervening years where market conditions indicate that the carrying values of the revalued assets differ materially from market values.

Subsequent cost is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement and/or revenue account during the period in which they are incurred.

Surpluses arising from revaluation of these properties are credited directly to an asset revaluation reserve account. Surpluses arising from revaluation of these properties are credited to the income statement and/or revenue account to the extent that they offset any previously recorded deficits on that same asset. Deficits arising from revaluation of these properties are charged against the asset revaluation reserve account to the extent of a previous surplus held in that account for that same asset. In all other cases, deficits arising from revaluation of these properties are recognised as an expense in the income statement and/or revenue account.

All other property, plant and equipment are stated at cost less accumulated depreciation and impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the asset. Freehold land is not depreciated as it has an infinite life. Other property, plant and equipment are depreciated on the straight line basis to write off the cost of the assets, to their residual values over their estimated useful lives, summarised as follows:

Freehold buildings	50 years
Leasehold buildings	50 years
Motor vehicles	5 years
Furniture and fittings	20 years
Office equipment,	10 years
Office renovation	10 years
Computer equipment	5 years

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date.

At each balance sheet date, the Company assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 2 (g) on impairment of non-financial assets.

Gains and losses on disposals are determined by comparing proceeds with the carrying amounts and are included in the income statement and/or revenue account.

# Notes To The Financial Statements

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- 31 March 2009 (continued)

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (c) Investments

Investments in Malaysian Government Securities and other unquoted approved debt securities as specified by BNM, are stated at cost, adjusted for the amortisation of premiums or the accretion of discounts calculated on a constant yield basis over the period from the date of purchase to maturity date except where there is an indication or impairment, the investment is written-down to its net realisable value. The amortisation of premiums and accretion of discounts are recognised in the income statement and/or revenue account.

Quoted investments are stated at the lower of cost and market value determined on an aggregate portfolio basis by category of investments, except that if diminution in value of a particular investment is not regarded as temporary, specific allowance is made against the value of that investment. Market value is determined by reference to the stock exchange closing price at the balance sheet date.

Unquoted investments are stated at cost and an allowance for diminution in value is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the period in which the decline is identified.

### (d) Investment properties

Investment properties, comprising principally of land and buildings, are held for long term rental yields or for capital appreciation or both, and are not occupied by the Company.

Investment properties are initially stated at cost including related and incidental expenditure incurred and are subsequently carried at fair value, representing open-market value determined by independent external valuers. Fair value is based on active market prices, adjusted if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Company uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. The fair values of investment properties are reviewed annually, and a formal valuation by an independent professional valuer is carried out once in every three years or earlier if the carrying values of the investment properties differ materially from the fair values. These valuations are reviewed by an independent valuation expert.

Changes in fair values are recorded in the income statement and/or revenue account as part of other income.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it shall be derecognised (eliminated from the balance sheet). The difference between the net disposal proceeds and the carrying amount is recognised in the income statement and/or revenue account in the year of the retirement or disposal.

# Notes To The Financial Statements

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- 31 March 2009 (continued)

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (e) Receivables

Trade receivables are carried at invoiced amount less an allowance made for doubtful debts.

Known bad debts are written off and specific allowances are made for motor premiums including agents balances which remain outstanding for more than 30 days and non-motor premiums including agents balances or reinsurance balances which remain outstanding for more than six months from the date on which they become receivable, and for all debts which are considered doubtful.

### (f) Cash and cash equivalents

For the purposes of the cash flow statements, cash and cash equivalents consist of cash in hand and bank balances.

### (g) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the carrying value of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

An impairment loss is charged to the income statement and/or revenue account immediately. Any subsequent increase in recoverable amount is recognised in the income statement and/or revenue account.

### (h) General insurance underwriting results

The general insurance underwriting results are determined for each class of business after taking into account reinsurances, commissions, unearned premiums and claims incurred.

#### Premium income

Premium income is recognised in a financial year in respect of risks assumed during that particular financial year. Premiums from direct business are recognised during the financial year upon the issuance of insurance policies. Premiums in respect of risks incepted for which policies have not been issued as of the balance sheet date are accrued at that date.

Inward treaty reinsurance premiums are recognised on the basis of periodic advices received from ceding insurers.

Outward reinsurance premiums are recognised in the same accounting period as the original policy to which the reinsurance relates.

# Notes To The Financial Statements

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- 31 March 2009 (continued)

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (h) General insurance underwriting results (Continued)

#### Unearned premium reserves

Unearned premium reserves ("UPR") represent the portion of the net premiums of insurance policies written that relate to the unexpired periods of the policies at the end of the financial year.

In determining the UPR at the balance sheet date, the method that most accurately reflects the actual unearned premium is used, as follows:

- (i) 25% method for marine cargo, aviation cargo and transit;
- (ii) 1/24<sup>th</sup> method for all other classes of Malaysian general policies reduced by the percentage of accounted gross direct business commissions to the corresponding premiums, not exceeding limits specified by Bank Negara Malaysia;
- (iii) 1/8<sup>th</sup> method for all other classes of overseas inward business with a deduction of 20% for acquisition costs; and
- (iv) time appointment method for policies with insurance periods other than 12 months.

#### Provision for claims

A liability for outstanding claims is recognised in respect of both direct insurance and inward reinsurance. The amount of outstanding claims is the best estimate of the expenditure required together with related expenses less recoveries to settle the present obligation at the balance sheet date.

Provision is also made for the cost of claims, together with related expenses, incurred but not reported at the balance sheet date, based on an actuarial valuation by an independent professional actuary.

# Notes To The Financial Statements

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- 31 March 2009 (continued)

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (h) General insurance underwriting results (Continued)

#### Acquisition costs

The costs of acquiring and renewing insurance policies, net of income derived from ceding reinsurance premiums, are recognised as incurred and allocated to the periods in which they give rise to income.

### (i) Other revenue recognition

Interest income on loans are recognised on an accrual basis except for a loan which is considered non-performing, i.e. where repayments are in arrears for more than six months, in which case recognition of such interest is suspended. Subsequent to suspension, interest is recognised on the receipt basis until all arrears have been paid.

Other interest income, including the amortisation of premiums and accretion of discounts, is recognised on a time proportion basis that takes into account the effective yield of the asset.

Rental income is recognised on an accrual basis except where default in payment of rent has already occurred and rent due remains outstanding for more than six months, in which case recognition of rental income is suspended. Subsequent to suspension, rental income is recognised on the receipt basis until all arrears have been paid.

Dividend income is recognised in the financial statements when the right to receive payment is established.

Gains and losses arising on disposal of investments are credited or charged to the income statement and/or revenue account.

### (j) Income taxes

Current tax expense is determined according to the tax laws of the jurisdiction in which the Company operates and includes all taxes based upon the taxable profits.

Deferred tax is recognised in full using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

# Notes To The Financial Statements

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- 31 March 2009 (continued)

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (k) Foreign currencies

#### Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements of the Company are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

#### Transactions and balances

Foreign currency transactions in the Company are accounted for at exchange rates prevailing at the transaction dates. Foreign currency monetary assets and liabilities at the balance sheet date are translated at the rates of exchange ruling at that date. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the income statement and/or revenue account.

### (l) Employee benefits

#### (i) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Company.

#### (ii) Defined contribution plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

The Company's contributions to the defined contribution plan are charged to the income statement and/or revenue account in the period to which they relate. Once the contributions have been paid, the Company has no further payment obligation.

#### (iii) Termination benefits

Termination benefits are payable to an entitled employee whenever the employment has to be terminated before the normal retirement date or when the employee accepts voluntary separation in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

# Notes To The Financial Statements

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- 31 March 2009 (continued)

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (m) Share capital

#### (i) Classification

Ordinary shares are classified as equity.

#### (ii) Dividends to shareholders of the Company

Dividends on ordinary shares are recognised as liabilities when declared before the balance sheet date. A dividend proposed after the balance sheet date, but before the financial statements are authorised for issue, is not recognised as a liability at the balance sheet date. Upon the dividend becoming payable, it will be accounted for as a liability.

### (n) Contingent liabilities and contingent assets

The Company does not recognise a contingent liability but disclosed its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Company. The Company does not recognise a contingent asset but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

### (o) Finance leases

Leases of property, plant and equipment where the Company assumes substantially all the benefits and risks of ownership are classified as finance leases. Assets acquired under finance lease arrangements are included in property, plant and equipment and the capital element of the leasing commitments is shown under borrowings. The lease rentals are treated as consisting of capital and interest element. The capital element is applied to reduce the outstanding obligations and the interest element is charged to income statement so as to give a constant periodic rate of interest on the outstanding liability at the end of each accounting period. Assets acquired under finance lease are amortised over the useful lives of equivalent owned assets or its lease term, if shorter.

# Notes To The Financial Statements

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- 31 March 2009 (continued)

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (p) Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental payments on operating leases are charged to the income statement and/or revenue account in the financial year they become payable.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Payment for rights to land and buildings over a predetermined period is classified as prepaid lease rental and is stated at cost less accumulated amortisation and accumulated impairment. The prepaid lease properties are amortised on a straight line basis over the lease periods ranging from 70 to 886 years.

### (q) Financial instruments

#### Description

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial assets from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or other financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

#### Fair value estimation for disclosure purposes

The fair value of publicly traded financial instruments is based on quoted market prices at the balance sheet date. The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date.

In assessing the fair value of non-traded financial instruments, the Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Techniques such as estimated discounted value of future cash flows are used to determine fair value. In particular, the fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Company for similar financial instruments.

The carrying values for financial assets and liabilities with a maturity period of less than one year are assumed to approximate their fair values.

# Notes To The Financial Statements

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- 31 March 2009 (continued)

## 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### 3.1 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Provision for incurred but not reported (“IBNR”) claims

The estimation of provision for incurred but not reported claims involves projection of the Company’s future claims experience. As with all projections, there are elements of inherent uncertainty in any estimates, as a result of which the projected future claims experience may be different from its actual claims experience. These uncertainties arise from changes in underlying risks, changes in spread of risk, claims settlement, for example, size of court awards, the attitudes of claimants towards settlement of their claims, and social and economic inflation as well as uncertainties in the projection model and underlying assumptions. The final selected estimates are based on a judgemental consideration of the results of each method and qualitative information, such as those mentioned above. It is thus, impractical to disclose the extent of the possible effects of potential changes to the key assumptions used in assessing the provision for IBNR claims due to the number of variables included in the assessment.

(b) Fair values of investment properties

Fair value of investment properties is valued at open market value by independent property valuers, adjusted if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Company uses alternative valuation methods such as recent prices on less active markets adjusted if necessary, for any difference in the nature, location or condition of the specific asset or discounted cash flow projections.

### 3.2 Critical judgement in applying the entity’s accounting policies

In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy could materially affect the reported results and financial position of the Company. The Directors are of the view that currently there are no accounting policies which require significant judgement to be exercised.

## Notes To The Financial Statements - 31 March 2009 (continued)

### 4 PROPERTY, PLANT AND EQUIPMENT

	<u>Freehold land</u> RM'000	<u>Freehold buildings</u> RM'000	<u>Long term leasehold buildings</u> RM'000	<u>Motor vehicles</u> RM'000	<u>Furniture and fittings</u> RM'000	<u>Office equipment</u> RM'000	<u>Office renovation</u> RM'000	<u>Computer equipment</u> RM'000	<u>Total</u> RM'000
Net book value at 1 April 2008	2,531	2,827	32,286	1,072	2,215	950	3,152	1,858	46,891
Additions at cost	-	-	-	50	48	31	58	420	607
Disposals at net book value	-	-	-	(46)	-	-	-	(2)	(48)
Write off at net book value	-	-	-	-	(7)	(1)	-	(1)	(9)
Depreciation charge for the financial year	-	(92)	(803)	(106)	(181)	(186)	(840)	(966)	(3,174)
Net book value at 31 March 2009	<u>2,531</u>	<u>2,735</u>	<u>31,483</u>	<u>970</u>	<u>2,075</u>	<u>794</u>	<u>2,370</u>	<u>1,309</u>	<u>44,267</u>
<u>At 31 March 2009:</u>									
At cost	-	-	-	1,659	3,633	3,615	9,457	16,425	34,789
Valuation	2,531	2,827	32,286	-	-	-	-	-	37,644
Accumulated depreciation	-	(92)	(803)	(689)	(1,558)	(2,821)	(7,087)	(15,116)	(28,166)
Net book value	<u>2,531</u>	<u>2,735</u>	<u>31,483</u>	<u>970</u>	<u>2,075</u>	<u>794</u>	<u>2,370</u>	<u>1,309</u>	<u>44,267</u>

# Notes To The Financial Statements - 31 March 2009 (continued)

## 4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	<u>Freehold land</u> RM'000	<u>Freehold buildings</u> RM'000	<u>Long term leasehold buildings</u> RM'000	<u>Motor vehicles</u> RM'000	<u>Furniture and fittings</u> RM'000	<u>Office equipment</u> RM'000	<u>Office renovation</u> RM'000	<u>Computer equipment</u> RM'000	<u>Total</u> RM'000
Net book value at 1 April 2007	2,247	5,878	27,321	1,007	2,297	956	3,489	2,920	46,115
Additions at cost	-	-	-	156	108	224	501	368	1,357
Disposals at net book value	-	-	-	-	-	-	(8)	-	(8)
Surplus from revaluation reserve	367	202	4,538	-	-	-	-	-	5,107
Deficit from revaluation recognised in profit and loss	-	(7)	-	-	-	-	-	-	(7)
Reversal of revaluation deficit previously recognised in profit and loss	-	-	1,092	-	-	-	-	-	1,092
Write off at net book value	-	-	-	-	(18)	(24)	(10)	-	(52)
Transferred to investment properties	(261)	(3,127)	-	-	-	-	-	-	(3,388)
Depreciation charge/reversal for the financial year	178	(119)	(665)	(91)	(172)	(206)	(820)	(1,430)	(3,325)
Net book value at 31 March 2008	<u>2,531</u>	<u>2,827</u>	<u>32,286</u>	<u>1,072</u>	<u>2,215</u>	<u>950</u>	<u>3,152</u>	<u>1,858</u>	<u>46,891</u>
<u>At 31 March 2008:</u>									
At cost	-	-	-	1,711	3,595	3,590	9,400	16,039	34,335
Valuation	2,531	2,827	32,286	-	-	-	-	-	37,644
Accumulated depreciation	-	-	-	(639)	(1,380)	(2,640)	(6,248)	(14,181)	(25,088)
Net book value	<u>2,531</u>	<u>2,827</u>	<u>32,286</u>	<u>1,072</u>	<u>2,215</u>	<u>950</u>	<u>3,152</u>	<u>1,858</u>	<u>46,891</u>

# Notes To The Financial Statements

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- 31 March 2009 (continued)

## 4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

In the previous financial year, the Directors revalued all freehold and long term leasehold buildings properties of the Company held as property, plant and equipment based on independent valuation on the open market value basis by Rahim & Co. Chartered Surveyors Sdn. Bhd., an independent professional qualified valuer.

Had the freehold and long term leasehold buildings been carried at historical cost less accumulated depreciation, the carrying amounts that would have been included in the financial statements at the end of the year are as follows:

	<u>2009</u> RM'000	<u>2008</u> RM'000
Freehold land and buildings	2,558	2,779
Long term leasehold buildings	24,851	25,477
	<u>27,409</u>	<u>28,256</u>

The long term leasehold buildings have unexpired lease periods ranging from 70 years to 886 years (2008: 71 years to 887).

The titles to certain long term leasehold properties and freehold properties included in property, plant and equipment at carrying value of RM30,266,204 (2008: RM31,022,305) and RM1,422,780 (2008: RM1,465,000) 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 finalisation of this transfer to be completed.

## 5 PREPAID LEASE PAYMENTS

	<u>2009</u> RM'000	<u>2008</u> RM'000
<u>Cost</u>		
At 1 April / 31 March	<u>7,089</u>	<u>7,089</u>
<u>Accumulated depreciation</u>		
At 1 April	453	373
Amortisation charge for the financial year	79	80
At 31 March	<u>532</u>	<u>453</u>
Net book value	<u>6,557</u>	<u>6,636</u>

# Notes To The Financial Statements

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- 31 March 2009 (continued)

## 5 PREPAID LEASE PAYMENTS (CONTINUED)

The titles to the leasehold land with carrying value of RM5,182,123 (2008: RM5,256,866) 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 finalisation of this transfer to be completed.

## 6 INVESTMENTS PROPERTIES

	<u>Freehold land and building</u> RM'000	<u>Leasehold land and building</u> RM'000	<u>Total</u> RM'000
Carrying value at 1 April 2008	9,760	24,500	34,260
Disposal during the year	(380)	-	(380)
Carrying value at 31 March 2009	<u>9,380</u>	<u>24,500</u>	<u>33,880</u>
Carrying value at 1 April 2007	5,405	22,000	27,405
Transferred from property, plant and equipment at net book value	3,389	-	3,389
Changes in fair value during the year	966	2,500	3,466
Carrying value at 31 March 2008	<u>9,760</u>	<u>24,500</u>	<u>34,260</u>

The titles to the leasehold land and buildings and freehold land and buildings included in investment properties at carrying value of RM24,500,000 (2008: RM24,500,000) and RM7,500,000 (2008: RM7,500,000) 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.

# Notes To The Financial Statements

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- 31 March 2009 (continued)

## 7 INVESTMENTS

	2009		2008	
	Carrying value RM'000	Market value RM'000	Carrying value RM'000	Market value RM'000
Malaysian Government Securities, at cost	45,114		47,396	
Amortisation of premiums net of accretion of discounts	(113)		(1,162)	
	<u>45,001</u>	<u>45,038</u>	<u>46,234</u>	<u>46,264</u>
Quoted in Malaysia:				
Equity securities of corporations, at cost	3,600		3,810	
Allowance for diminution in value	(1,000)		-	
	<u>2,600</u>	<u>2,600</u>	<u>3,810</u>	<u>4,148</u>
Unit trusts, at cost	19,170		19,170	
Allowance for diminution in value	(4,171)		-	
	<u>14,999</u>	<u>14,999</u>	<u>19,170</u>	<u>20,344</u>
Quoted outside Malaysia:				
Unit trusts, at cost	12,000		-	
Allowance for diminution in value	(4,431)		-	
	<u>7,569</u>	<u>7,569</u>	<u>-</u>	<u>-</u>
Unquoted in Malaysia:				
Equity securities of corporations, at cost	214		214	
Allowance for diminution in value	(121)		(121)	
	<u>93</u>		<u>93</u>	
Corporate debt securities, at cost	156,829		142,625	
Accretion of discounts net of amortisation of premiums	(392)		835	
Allowance for diminution in value	(3,692)		(3,692)	
	<u>152,745</u>		<u>139,768</u>	
Fixed and call deposits with: Licensed banks	295,413		264,189	
<b>TOTAL INVESTMENTS</b>	<u><u>518,420</u></u>		<u><u>473,264</u></u>	

# Notes To The Financial Statements

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- 31 March 2009 (continued)

## 7 INVESTMENTS (CONTINUED)

The maturity structure of money market instruments, corporate debt securities and fixed and call deposits above is as follows:

	<u>2009</u> RM'000	<u>2008</u> RM'000
Investments maturing within 12 months	360,178	295,075
Investments maturing after 12 months	132,981	155,116
	<u>493,159</u>	<u>450,191</u>

## 8 LOANS

Staff housing loans (secured)	952	1,022
Staff vehicle loans (secured)	-	9
Other staff loans (unsecured)	1	18
	<u>953</u>	<u>1,049</u>
Receivable within 12 months	274	144
Receivable after 12 months	679	905
	<u>953</u>	<u>1,049</u>

## 9 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

	<u>2009</u> RM'000	<u>2008</u> RM'000
Deferred tax assets	<u>3,452</u>	<u>768</u>
At 1 April	768	3,396
(Charged)/credited to income statements (Note 21):		
- property, plant and equipment	5	214
- investments	2,600	(1,376)
- retirement benefits	30	35
- payables	(10)	(807)
- unearned premium reserves	31	(15)
	<u>2,656</u>	<u>(1,949)</u>
Credited/(charged) to equity	28	(679)
At 31 March	<u>3,452</u>	<u>768</u>

# Notes To The Financial Statements

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- 31 March 2009 (continued)

## 9 DEFERRED TAX (CONTINUED)

	<u>2009</u> RM'000	<u>2008</u> RM'000
<b><u>Subject to income tax:</u></b>		
<b><u>Deferred tax assets (after offsetting)</u></b>		
Investments	5,525	2,925
Receivables	4	4
Retirement benefits	328	298
Payables	234	244
Unearned premium reserves	36	-
	<hr/>	<hr/>
	6,127	3,471
Offsetting	(2,675)	(2,703)
	<hr/>	<hr/>
Deferred tax asset (after offsetting)	3,452	768
	<hr/> <hr/>	<hr/> <hr/>
<b><u>Deferred tax liabilities (before offsetting)</u></b>		
Property, plant and equipment		
- credited to income statement	724	719
- charged to equity	1,951	1,979
	<hr/>	<hr/>
Unearned premium reserves	2,675	2,698
	-	5
	<hr/>	<hr/>
	2,675	2,703
Offsetting	(2,675)	(2,703)
	<hr/>	<hr/>
Deferred tax liabilities (after offsetting)	-	-
	<hr/> <hr/>	<hr/> <hr/>

## 10 RECEIVABLES

### **Trade receivables**

Due premiums including agents, brokers and co-insurers		
balances	36,627	30,358
Due from reinsurers and cedants	7,943	6,258
Allowance for doubtful debts	(7,100)	(7,675)
	<hr/>	<hr/>
	37,470	28,941
	<hr/>	<hr/>
Knock-for-knock claims recoveries due from other insurers	1,303	1,881
Allowance for doubtful debts	(242)	(547)
	<hr/>	<hr/>
	1,061	1,334
	<hr/>	<hr/>

# Notes To The Financial Statements

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- 31 March 2009 (continued)

## 10 RECEIVABLES (CONTINUED)

	<u>2009</u> RM'000	<u>2008</u> RM'000
<b><u>Other receivables</u></b>		
Investment income due and accrued	5,489	5,323
Assets held under Malaysian Motor Insurance Pool	2,851	2,565
Deposits	691	694
Prepayments	403	454
Deferred commission expenses	3,346	-
Other receivables	2,227	1,274
	<u>15,007</u>	<u>10,310</u>
	<u>53,538</u>	<u>40,585</u>
Receivable after 12 months	<u>2,851</u>	<u>2,565</u>

## 11 PROVISION FOR OUTSTANDING CLAIMS

Provision for outstanding claims	308,947	249,372
Less: Recoverable from reinsurers	(70,968)	(46,187)
Net outstanding claims	<u>237,979</u>	<u>203,185</u>

## 12 PAYABLES

### **Trade payables**

Due to insureds, agents, brokers and co-insurers	8,524	6,005
Due to reinsurers and cedants	20,283	12,622
	<u>28,807</u>	<u>18,627</u>

### **Other payables**

Amount due to a shareholder	61	61
Payroll liabilities	326	108
Unclaimed monies	859	699
Cash collaterals held on bond business	633	605
Duties and other taxes payable	441	485
Accrual of Insurance Guarantee Scheme Fund Levy	1,000	855
Deferred premium income	13,941	-
Other payables and accrued liabilities	5,026	5,258
	<u>22,287</u>	<u>8,071</u>
	<u>51,094</u>	<u>26,698</u>

# Notes To The Financial Statements

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- 31 March 2009 (continued)

## 12 PAYABLES (CONTINUED)

The amount due to a shareholder of the Company is unsecured, interest free and has no fixed terms of repayment.

Deferred premium income relates to premium received by the Company in advance for which the risk on these policies has not incepted at the balance sheet date. The corresponding commission expenses have also been deferred and will be charged to the revenue account when they give rise to income (Note 10).

## 13 POST EMPLOYMENT BENEFIT OBLIGATIONS

### Defined contribution plan:

The Company contributes to the Employees' Provident Fund, the national defined contribution scheme. Additionally, the Company makes accruals for services provided by eligible employees after 31 December 2001 until the 5th year of service, after which time the accrual is paid into the individual employees' EPF accounts. The accruals are included in other payables.

### Defined benefit plan:

The movements during the year in the amounts recognised in the balance sheet for the defined benefit plan are as follows:

	<u>2009</u> RM'000	<u>2008</u> RM'000
At 1 April	817	716
Benefits paid	(5)	-
Charged to income statement	78	101
	<hr/>	<hr/>
At 31 March	890	817
	<hr/> <hr/>	<hr/> <hr/>
Payable within 12 months	-	-
Payable after 12 months	890	817
	<hr/>	<hr/>
	890	817
	<hr/> <hr/>	<hr/> <hr/>
<p>The amounts recognised in the balance sheet may be analysed as follows:</p>		
Present value of unfunded obligations	890	817
	<hr/> <hr/>	<hr/> <hr/>

# Notes To The Financial Statements

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- 31 March 2009 (continued)

## 13 POST EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

	<u>2009</u> RM'000	<u>2008</u> RM'000
The expense recognised in the income statement/revenue account may be analysed as follows:		
Current service cost	73	101

The principal actuarial assumptions used in respect of the defined benefit plan were as follows:

	<u>2009</u> %	<u>2008</u> %
Discount rate	9	7
Expected rate of salary increase	9	7

On 1 April 2004, the Company discontinued the operations of its unfunded defined benefit plan for all of its employees except for a few whom opted for the amount due to them as at 31 March 2004 to be paid upon their retirement.

## 14 UNEARNED PREMIUM RESERVES

	<u>Fire</u> RM'000	<u>Motor</u> RM'000	<u>Marine, Aviation &amp; Transit</u> RM'000	<u>Misce- llaneous</u> RM'000	<u>Total</u> RM'000
<b><u>2009</u></b>					
At 1 April 2008	12,724	114,210	716	9,769	137,419
Increase in unearned premium reserves	830	13,938	285	4,571	19,624
At 31 March 2009	<u>13,554</u>	<u>128,148</u>	<u>1,001</u>	<u>14,340</u>	<u>157,043</u>
<b><u>2008</u></b>					
At 1 April 2007	10,963	100,534	632	9,476	121,605
Increase in unearned premium reserves	1,761	13,676	84	293	15,814
At 31 March 2008	<u>12,724</u>	<u>114,210</u>	<u>716</u>	<u>9,769</u>	<u>137,419</u>

# Notes To The Financial Statements

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- 31 March 2009 (continued)

## 15 SHARE CAPITAL

	<u>2009</u> RM'000	<u>2008</u> RM'000
Ordinary shares of RM1 each:		
Authorised	250,000	250,000
Issued and fully paid	100,000	100,000

## 16 RESERVES

### Non-distributable

Asset revaluation reserve	7,233	7,317
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### Distributable

Retained earnings (Note (a))	112,275	133,106
	<u>119,508</u>	<u>140,423</u>

(a) Under the single-tier tax system which came into effect from the year of assessment 2008, companies are not required to have tax credits under Section 108 of the Income Tax Act 1967 for dividend payment purposes. Dividends paid under this system are tax exempt in the hands of shareholders. However, the Company has not utilised fully its Section 108 credits balances up to 31 March 2009 and may continue to pay franked dividends until the Section 108 credits are exhausted or 31 December 2013, whichever is earlier, unless the Company opts to disregard the Section 108 credits under the special transitional provisions of the Finance Act 2007 and pay single-tier dividends.

As at 31 March 2009, subject to agreement with the tax authorities, the Company has sufficient Section 108 tax credits and tax exempt income to pay in full all the retained earnings of the Company as franked and exempt dividends.

## 17 OPERATING REVENUE

	<u>2009</u> RM'000	<u>2008</u> RM'000
<u>Insurance fund</u>		
Gross premium income	410,434	349,541
Investment income (Note 19)	22,188	21,182
	<u>432,622</u>	<u>370,723</u>

# Notes To The Financial Statements

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- 31 March 2009 (continued)

## 18 MANAGEMENT EXPENSES

	<u>Shareholders' fund</u>		<u>Insurance fund</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Staff costs (including Executive Directors):				
- Salaries and bonus	1,121	1,037	27,221	25,212
- Defined contribution scheme	163	149	3,917	3,578
- Others	116	122	2,795	2,930
	<u>1,400</u>	<u>1,308</u>	<u>33,933</u>	<u>31,720</u>
Amortisation of leasehold property	-	-	79	80
Depreciation of property plant and equipment	-	-	3,174	3,325
Auditors' remuneration	6	6	161	137
Writeback of allowance for doubtful debts	-	-	(880)	(1,511)
Bad debts written off	-	-	-	507
Rental of properties	41	42	996	1,003
Insurance Guarantee Scheme Fund Levy	-	-	853	748
EDP expenses	106	113	2,543	2,718
Advertising	141	247	3,399	5,940
Printing and stationery	84	83	2,014	2,001
Postage, telephone, telex and telefax	74	79	1,779	1,897
Training	52	35	1,238	841
Others	396	389	9,502	9,311
	<u>900</u>	<u>994</u>	<u>24,858</u>	<u>26,997</u>
	<u>2,300</u>	<u>2,302</u>	<u>58,791</u>	<u>58,717</u>
Included in management expenses were emoluments received by Directors of the Company during the year:				
Executive Directors:				
- salaries and bonus	-	24	-	588
- defined contribution scheme	-	4	-	87
Non-Executive Directors:				
- fees	16	16	379	379
- other emoluments	9	9	230	211
	<u>25</u>	<u>53</u>	<u>609</u>	<u>1,265</u>

The remuneration, including benefits-in-kind, attributable to the CEO of the Company during the year amounted to RM552,911 (2008: RM702,707).

# Notes To The Financial Statements

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- 31 March 2009 (continued)

## 19 INVESTMENT INCOME

	<u>2009</u> RM'000	<u>2008</u> RM'000
<b><u>Insurance fund</u></b>		
Interest from:		
Malaysian Government Securities	1,849	3,237
Corporate debt securities	7,949	7,915
Fixed and call deposits	9,103	8,228
Staff loans	39	42
	<hr/>	<hr/>
	18,940	19,422
Amortisation of premiums net of accretion of discounts	(50)	(1,588)
Earning distribution on bonds	-	520
Gross dividends from shares quoted in Malaysia	2,512	1,965
Rental income from land and buildings	1,832	1,834
Less: Rates and maintenance expenses	(1,046)	(971)
	<hr/>	<hr/>
	22,188	21,182
	<hr/> <hr/>	<hr/> <hr/>

## 20 OTHER OPERATING (EXPENSE)/INCOME – NET

<b><u>Insurance fund</u></b>		
(Loss) / gain on disposal of investments	(9,186)	3,925
Allowance for diminution in value of investments	(9,602)	-
Property, plant and equipment		
- (loss) / gain on disposal	(13)	31
- written off	(9)	(53)
Reversal of revaluation deficit of property, plant and equipment	-	1,085
Fair value gain on investment properties	-	3,466
Gain on disposal of investment property	55	-
Loss on foreign exchange	(34)	(25)
Share of losses from joint venture agreement	(10)	(55)
Commission income from MMIP	2,870	437
Others	-	234
	<hr/>	<hr/>
	(15,929)	9,045
	<hr/> <hr/>	<hr/> <hr/>

# Notes To The Financial Statements

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- 31 March 2009 (continued)

## 21 TAXATION

	<u>2009</u> RM'000	<u>2008</u> RM'000
Current tax	2,821	3,774
Deferred tax (Note 9)	(2,656)	1,949
	<hr/>	<hr/>
Tax expense	165	5,723
	<hr/> <hr/>	<hr/> <hr/>
<b><u>Current tax</u></b>		
Current year	2,551	4,414
Under/(over) accrual in prior financial years	270	(640)
	<hr/>	<hr/>
	2,821	3,774
	<hr/>	<hr/>
<b><u>Deferred tax</u></b>		
Origination and reversal of temporary differences	(2,656)	1,949
	<hr/>	<hr/>
	165	5,723
	<hr/> <hr/>	<hr/> <hr/>

The explanation of the relationship between taxation and profit or loss before taxation is as follows:

	<u>2009</u> RM'000	<u>2008</u> RM'000
(Loss)/profit before tax	(5,778)	24,064
Tax calculated at the statutory rate of 25% (2008: 26%)	(1,444)	6,257
Tax effects of:		
- expenses not deductible	1,424	1,475
- under/(over) accrual in prior financial years	270	(640)
- change in tax rate	-	174
- income not subject to tax	(85)	(1,543)
	<hr/>	<hr/>
	165	5,723
	<hr/> <hr/>	<hr/> <hr/>

# Notes To The Financial Statements

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- 31 March 2009 (continued)

## 22 EARNINGS PER SHARE

	<u>Income</u>	
	<u>2009</u>	<u>2008</u>
	RM'000	RM'000
(Loss) / profit for the year (RM'000)	(5,943)	18,341
Number of ordinary shares ('000)	100,000	100,000
Basic (loss) / earnings per share (sen)	<u>(5.94)</u>	<u>18.34</u>

## 23 DIVIDENDS

Dividends declared or proposed in respect of the year ended 31 March 2009 are as follows:

	<u>2009</u>		<u>2008</u>	
	<u>Gross dividend</u>	<u>Amount of dividend, net of tax</u>	<u>Gross dividend</u>	<u>Amount of dividend, net of tax</u>
	per share	RM'000	per share	RM'000
	Sen		Sen	
Interim dividend paid	5.00	3,750	10.00	7,400
Proposed final dividend	-	-	15.00	11,250
	<u>5.00</u>	<u>3,750</u>	<u>25.00</u>	<u>18,650</u>

The Directors do not recommend the payment of any final dividends for the financial year ended 31 March 2009.

# Notes To The Financial Statements

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- 31 March 2009 (continued)

## 24 NET CLAIMS INCURRED

	<u>Fire</u> RM'000	<u>Motor</u> RM'000	<u>Marine, aviation &amp; transit</u> RM'000	<u>Misce- llaneous</u> RM'000	<u>Total</u> RM'000
<b><u>2009</u></b>					
Gross claims paid less salvage	9,278	195,230	1,842	14,132	220,482
Reinsurance recoveries	(4,395)	(9,124)	(774)	(2,984)	(17,277)
	<u>4,883</u>	<u>186,106</u>	<u>1,068</u>	<u>11,148</u>	<u>203,205</u>
Net claims paid					
Net outstanding claims:					
At 31 March 2009	8,727	207,854	3,465	17,933	237,979
At 1 April 2008	(6,515)	(178,059)	(1,852)	(16,759)	(203,185)
	<u>7,095</u>	<u>215,901</u>	<u>2,681</u>	<u>12,322</u>	<u>237,999</u>
Net claims incurred					
<b><u>2008</u></b>					
Gross claims paid less salvage	16,834	183,028	1,232	12,534	213,628
Reinsurance recoveries	(6,984)	(9,955)	(344)	(2,204)	(19,487)
	<u>9,850</u>	<u>173,073</u>	<u>888</u>	<u>10,330</u>	<u>194,141</u>
Net claims paid					
Net outstanding claims:					
At 31 March 2008	6,515	178,059	1,852	16,759	203,185
At 1 April 2007	(8,254)	(172,199)	(1,829)	(17,970)	(200,252)
	<u>8,111</u>	<u>178,933</u>	<u>911</u>	<u>9,119</u>	<u>197,074</u>
Net claims incurred					

# Notes To The Financial Statements

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- 31 March 2009 (continued)

## 25 ADJUSTMENTS FOR NON-CASH ITEMS

	<u>2009</u> RM'000	<u>2008</u> RM'000
Increase in unearned premium reserves	19,624	15,814
Property, plant and equipment		
- depreciation	3,174	3,325
- loss/(gain) on disposal	13	(31)
- written off	9	52
- reversal of revaluation deficit	-	(1,085)
Gain on disposal of investment property	(55)	-
Loss/(gain) on disposal of investments	9,186	(3,925)
Allowance of diminution in value of investments	9,602	-
Investment income	(22,188)	(21,182)
Writeback of allowance of doubtful debts	(880)	(1,511)
Bad debts written off	-	486
Provision for post-employment benefits	78	101
Tax expenses	165	5,723
Amortisation of prepaid lease properties	79	80
Fair value gain on investment properties	-	(3,466)
	<u>18,807</u>	<u>(5,619)</u>

## 26 SEGMENT INFORMATION ON CASH FLOW

	<u>2009</u>			<u>2008</u>		
	<u>General fund</u> RM'000	<u>Share- holders' fund</u> RM'000	<u>Total</u> RM'000	<u>General fund</u> RM'000	<u>Share- holders' fund</u> RM'000	<u>Total</u> RM'000
Cash flows from:						
Operating activities	(481)	15,000	14,519	(1,288)	18,500	17,212
Investing activities	(136)	-	(136)	(1,317)	-	(1,317)
Financing activities	-	(15,000)	(15,000)	-	(18,500)	(18,500)
	<u>(617)</u>	<u>-</u>	<u>(617)</u>	<u>(2,605)</u>	<u>-</u>	<u>(2,605)</u>
Net decrease in cash and cash equivalents	(617)	-	(617)	(2,605)	-	(2,605)
Cash and cash equivalents:						
At beginning of the year	1,781	-	1,781	4,386	-	4,386
At end of the year	<u>1,164</u>	<u>-</u>	<u>1,164</u>	<u>1,781</u>	<u>-</u>	<u>1,781</u>

# Notes To The Financial Statements

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- 31 March 2009 (continued)

## 27 SIGNIFICANT RELATED PARTY DISCLOSURES

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. In the normal course of business, the Company undertakes various transactions with other companies deemed related parties by virtue of them being members of DRB-Hicom Berhad group of companies ("DRB-HICOM Group") and other related parties on terms and conditions no more favourable than those obtainable on similar transactions with unrelated parties.

<u>Related companies</u>	<u>Country of incorporation</u>	<u>Relationship</u>
DRB-HICOM Berhad	Malaysia	Ultimate holding company
Uni.Asia Capital Sdn Bhd	Malaysia	Immediate holding company
<b><u>Affiliated company</u></b>		
United Overseas Bank Berhad	Malaysia	Substantial shareholder of the immediate holding company

### **Significant related party balances**

The significant related party balances at the balance sheet date arising from normal business transactions during the financial year are set out below.

	<u>2009</u> RM'000	<u>2008</u> RM'000
<b><u>Investments (Note 7)</u></b>		
Fixed deposit in affiliated company, United Overseas Bank Berhad	18,600	17,000
<b><u>Receivables (Note 10)</u></b>		
Due premiums from related companies, DRB-HICOM Group	1,411	3,044
Other receivable due from immediate holding company	8	8
<b><u>Provision for outstanding claims (Note 11)</u></b>		
Due to related companies, DRB-HICOM Group	4,587	3,674
<b><u>Payables (Note 12)</u></b>		
Due to related companies, by virtue of their relationship with a shareholder of DRB-HICOM Berhad	108	66

The amount due from immediate holding company is unsecured, interest free and has no fixed terms of repayment.

# Notes To The Financial Statements

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- 31 March 2009 (continued)

## 27 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

### Significant related party transactions

The significant related party transactions arising from normal business transactions during the financial year are set out below:

	<u>2009</u> <u>RM'000</u>	<u>2008</u> <u>RM'000</u>
Transactions with related companies, DRB-HICOM Group:		
- Gross premiums received/receivable	(12,344)	(13,432)
- Claims paid	2,476	2,327
- Building maintenance charges	1,398	1,645
	<u>          </u>	<u>          </u>
Transactions with affiliated company, United Overseas Bank Berhad		
- Commissions paid	656	550
	<u>          </u>	<u>          </u>
Transactions with related companies, by virtue of their relationship with a shareholder of DRB-HICOM Berhad:		
- Gross premium received/receivable	(2,225)	(1,627)
- Claims paid	300	106
	<u>          </u>	<u>          </u>
Key management personnel compensation		
Salaries and other short-term employee benefits		
- Chief Executive Officer / Chief Operating Officer / Chief Financial Officer	916	1,288
- Directors (Note 18)	634	1,318
	<u>          </u>	<u>          </u>

# Notes To The Financial Statements

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- 31 March 2009 (continued)

## 28 FINANCIAL INSTRUMENTS

### Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks, including credit risk, market risk, interest rate risk, liquidity and cash flow risk. The Company's overall financial risk management objective is to ensure that the Company creates value for its shareholders. The Company focuses on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the Company. Financial risk management is carried out through risk reviews and internal control systems.

### Credit risk

Credit risk is the risk of financial loss resulting from a failure of a counter party to honour its obligations to the Company.

Credit risks arise in the Company's investment and lending activities. The Company's policy is to maintain a diversified portfolio of investments in government guaranteed and 'A' rated financial instruments issued by companies with strong credit ratings.

The credit risk exposure on the unquoted corporate debt securities of the Company at the balance sheet date is analysed as follows:

	<u>2009</u> RM'000	<u>2008</u> RM'000
Analysed by rating:		
AAA	25,094	25,157
AA	79,784	74,521
A	25,641	25,875
BBB	-	4,968
BB	4,065	4,087
Unrated	13,161	5,160
Exempted	5,000	-
Total	<u>152,745</u>	<u>139,768</u>

The rating categories are based on the grading of Malaysian Credit Rating Corporation and Rating Agency of Malaysia.

### Market risk

Market risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices. The Company's investments in equities are subject to fluctuations in market prices. The Company's investments in equities are managed by licensed asset management companies.

The Company has given clear investment guidelines to the asset management companies under the fund management agreement in order to manage the market risk.

# Notes To The Financial Statements - 31 March 2009 (continued)

## 28 FINANCIAL INSTRUMENTS (CONTINUED)

### Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market interest rates. Interest rate exposure arises from the Company's investment, lending activities and floating rate borrowings.

The following table provides information about financial assets and financial liabilities, showing the weighted average effective interest rate and the earlier of the contractual repricing or maturity date for each class of interest-bearing financial instrument in the balance sheet.

2009	<u>Interest bearing: Earlier of contractual repricing or maturity date</u>							<u>Total carrying amount</u> RM'000	<u>Weighted average effective interest rate</u> % per annum
	<u>Non-interest bearing</u> RM'000	<u>1 year or less</u> RM'000	<u>1 to 2 years</u> RM'000	<u>2 to 3 years</u> RM'000	<u>3 to 4 years</u> RM'000	<u>4 to 5 years</u> RM'000	<u>More than 5 years</u> RM'000		
Financial assets:									
Investment									
Malaysian Government Securities	-	45,001	-	-	-	-	-	45,001	3.734
Corporate debt securities	4,709	30,055	20,183	37,653	19,870	19,869	20,406	152,745	5.448
Equity securities of corporations									
- quoted	2,600	-	-	-	-	-	-	2,600	-
- unquoted	93	-	-	-	-	-	-	93	-
Unit trust	22,568	-	-	-	-	-	-	22,568	-
Fixed and call deposits	-	265,413	30,000	-	-	-	-	295,413	2.976
Loans	-	275	55	58	61	63	441	953	3.998
Amount due from immediate holding company	8	-	-	-	-	-	-	8	-
Other receivables	11,745	-	-	-	-	-	-	11,745	
Cash and bank balances	1,164	-	-	-	-	-	-	1,164	
	<u>42,887</u>	<u>340,744</u>	<u>50,238</u>	<u>37,711</u>	<u>19,931</u>	<u>19,932</u>	<u>20,847</u>	<u>532,290</u>	
Other financial assets*								41,382	
Total financial assets								573,672	
Other assets								92,842	
Total assets per balance sheet								<u>666,514</u>	

# Notes To The Financial Statements

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- 31 March 2009 (continued)

## 28 FINANCIAL INSTRUMENTS (CONTINUED)

### Interest rate risk (Continued)

	<u>Non-interest bearing</u>	<u>Interest bearing: Earlier of contractual repricing or maturity date</u>			<u>Total carrying amount</u>	<u>Weighted average effective interest rate</u>
		<u>1 year or less</u>	<u>1 to 5 years</u>	<u>More than 5 years</u>		
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>% per annum</u>	
<b><u>2009</u></b>						
Financial liabilities:						
Other payables	22,287	-	-	22,287	-	
Other financial liabilities*				424,719	-	
Total liabilities per balance sheet				447,006		

\* Disclosure information for financial assets and liabilities that relates to rights and obligations arising under employee benefit plans and insurance contracts is not shown as it is excluded from the scope of FRS 132.

# Notes To The Financial Statements - 31 March 2009 (continued)

## 28 FINANCIAL INSTRUMENTS (CONTINUED)

### Interest rate risk (Continued)

<u>2008</u>	<u>Interest bearing: Earlier of contractual repricing or maturity date</u>							<u>Total carrying amount</u> RM'000	<u>Weighted average effective interest rate</u> % per annum
	<u>Non-interest bearing</u> RM'000	<u>1 year or less</u> RM'000	<u>1 to 2 years</u> RM'000	<u>2 to 3 years</u> RM'000	<u>3 to 4 years</u> RM'000	<u>4 to 5 years</u> RM'000	<u>More than 5 years</u> RM'000		
Financial assets:									
Investments									
Malaysian Government Securities	-	16,137	30,097	-	-	-	-	46,234	3.487
Corporate debt securities	-	14,749	34,624	20,278	29,818	19,845	20,454	139,768	-
Equity securities of corporations									
- quoted	3,810	-	-	-	-	-	-	3,810	-
- unquoted	93	-	-	-	-	-	-	93	-
Unit trust	19,170	-	-	-	-	-	-	19,170	-
Fixed and call deposits	-	264,189	-	-	-	-	-	264,189	3.534
Loans	-	144	72	55	58	61	659	1,049	-
Amount due from immediate holding company	8	-	-	-	-	-	-	8	-
Other receivables	7,283	-	-	-	-	-	-	7,283	-
Cash and bank balances	1,781	-	-	-	-	-	-	1,781	-
	<u>32,145</u>	<u>295,219</u>	<u>64,793</u>	<u>20,333</u>	<u>29,876</u>	<u>19,906</u>	<u>21,113</u>	<u>483,385</u>	
Other financial assets*								32,840	
Total financial assets								516,225	
Other assets								92,317	
Total assets per balance sheet								<u>608,542</u>	

# Notes To The Financial Statements

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- 31 March 2009 (continued)

## 28 FINANCIAL INSTRUMENTS (CONTINUED)

### Interest rate risk (Continued)

	Interest bearing: Earlier of contractual repricing or maturity date				Total carrying amount RM'000	Weighted average effective interest rate % per annum
	Non-interest bearing RM'000	1 year or less RM'000	1 to 5 years RM'000	More than 5 years RM'000		
<b>2008</b>						
Financial liabilities:						
Other payables	8,071	-	-	-	8,071	-
Other financial liabilities*					360,048	-
Total liabilities per balance sheet					368,119	

\* Disclosure information for financial assets and liabilities that relates to rights and obligations arising under employee benefit plans and insurance contracts is not shown as it is excluded from the scope of FRS 132.

### Liquidity and cash flow risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities.

### Fair values

The carrying amounts of financial assets and liabilities of the Company at the balance sheet date approximated their fair values, except as set out below:

	Carrying amounts		Fair values	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Investments:				
- Malaysian Government Securities	45,001	46,234	45,038	46,264
- Equity securities quoted in Malaysia	-	3,810	-	4,148
- Unit trusts quoted in Malaysia	-	19,169	-	20,344
- Unquoted corporate debt securities	152,745	139,768	153,336	140,820
	197,746	208,981	198,374	211,576

# Statement By Directors

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## Pursuant To Section 169(15) Of The Companies Act, 1965

We, Tan Sri Dato' Seri Syed Anwar Jamalullail and Chan Kok Seong, two of the Directors of Uni.Asia General Insurance Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 23 to 65 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2009 and of the results and cash flows of the Company for the year ended on that date in accordance with Malaysian Accounting Standards Board Approved Accounting Standards in Malaysia for Entities Other Than Private Entities and the provisions of the Companies Act, 1965.

Signed on behalf of the Board of Directors in accordance with their resolution dated 10 June 2009.

**TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL**  
**DIRECTOR**

**CHAN KOK SEONG**  
**DIRECTOR**

Kuala Lumpur

# Statutory Declaration

## PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Habshah Mohamed, the Officer primarily responsible for the financial management of Uni.Asia General Insurance Berhad, do solemnly and sincerely declare that the financial statements set out on pages 23 to 65 are, in my opinion, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

**HABSHAH MOHAMED**

Subscribed and solemnly declared by the abovenamed Habshah Mohamed at Kuala Lumpur on 10 June 2009, before me.

**COMMISSIONER FOR OATHS**

# Independent Auditors' Report

## To The Members of Uni.Asia General Insurance Berhad

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### REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Uni.Asia General Insurance Berhad, which comprise the balance sheet as at 31 March 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 23 to 65.

#### **Directors' Responsibility for the Financial Statements**

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act 1965. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion, the financial statements have been properly drawn up in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act 1965 so as to give a true and fair view of the financial position of the Company as of 31 March 2009 and of its financial performance and cash flows for the year then ended.

# **Independent Auditors' Report**

## **To The Members of Uni.Asia General Insurance Berhad**

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### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that, in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

### **OTHER MATTERS**

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**PRICEWATERHOUSECOOPERS**  
(No. AF: 1146)  
Chartered Accountants

**SRIDHARAN NAIR**  
(No. 2656/05/10 (J))  
Chartered Accountant

Kuala Lumpur  
10 June 2009

# List of Properties as at FYE March 2009

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Location	Date of Acquisition	Description/ Existing Use	Approximate Age of Building Years	Tenure	Approximate Area (sq. m): Built-up	Net Book Value as at 31.03.09 RM'000
Menara Uni.Asia No.1008, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan	14 July 1999	Ground, 2nd, 6th to 10th floors used as Uni.Asia General's Corporate Head Office, currently 11 to 13A floors are rented out	10	Leasehold 99 years expiring on 06.02.2078	11,975	59,718
Adjacent Land (Plot A), Menara Uni.Asia	31 July 2001	Building commercial land	8	Leasehold 82 years expiring on 15.08.2083	256	0
Lot 7651 & 7658 Taman Desa Jaya, Sg. Petani, Kedah	30 Dec 1990	Lot 7658 is detached with single storey house and Lot 7651 (4,808 sf) is a vacant land	27	Freehold	895	200
Lot 5453, A-4 Jalan Kg. Baru, Sg. Petani, Kedah	26 Feb 1994	4 storey shophouse used as branch office	14	Freehold	433	662
Suite 3.1, 3.2 & 3.3, Menara Penang Garden, Penang	06 May 1992 & 05 Aug 1993	Suite 3.1, 3.2 and 3.3 are used as branch office	15	Freehold	574	1,423
Lot 951 (471) & 801, Mukim 11, Barat Daya, Penang	12 Feb 1980	Vacant land	16	Freehold	8,551	1,880

## List of Properties as at FYE March 2009

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Location	Date of Acquisition	Description/ Existing Use	Approximate Age of Building Years	Tenure	Approximate Area (sq. m): Built-up	Net Book Value as at 31.03.09 RM'000
122 & 122A, Jalan Raja Musa Aziz, Ipoh	12 Jan 1981	2 units of 3 storey shophouse used as branch office	27	Leasehold 999 years expiring on 21.09.2894	866	944
9 to 12th floors, Menara Safuan, Kuala Lumpur, Wilayah Persekutuan	31 Dec 1994	9th and 10th floors rented out in April 2004, 11th and 12th floors currently vacant	25	Freehold	1,785	7,500
No 13, Jalan Melur 8, Taman Suria Jaya, Cheras, SDE	24 Aug 1981	4 storey terrace shophouse being used as a store	26	Leasehold 99 years expiring on 23.01.2085	544	295
No 38, Jalan Tingkat Siakap 4, Taman Mutiara, Port Dickson, Negeri Sembilan	18 July 1980	Double storey bungalow (A corner 2 storey detached house) - Vacant	25	Freehold	623	128
No 360, Taman Melaka Raya, Melaka	11 Mar 1993	3 storey shophouse used as a branch office	16	Leasehold 99 years expiring on 04.10.2082	368	349
9B Condominium, Type 4, Frasers Pine Resort, Bukit Fraser, Raub, Pahang	06 Aug 1982	3 Bedroom duplex apartment unit (Vacant)	23	Leasehold 99 years expiring on 23.05.2082	166	230

## List of Properties as at FYE March 2009

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Location	Date of Acquisition	Description/ Existing Use	Approximate Age of Building Years	Tenure	Approximate Area (sq. m): Built-up	Net Book Value as at 31.03.09 RM'000
688-C, Jalan Bukit Ubi, Kuantan, Pahang	19 Mar 1981	3 storey shophouse used as a branch office	27	Freehold	403	563
No 17 & 18, Jalan Tebrau, Johor Bahru, Johor	31 Mar 1982	Ground, 1 & 2 floors of Lot 17 & 18 used as branch office & regional office	26	Freehold	691	1,894
Lot 329 & 330, Central Road, East, Kuching, Sarawak	13 Mar 1993	1st floor of Lot 329 is rented out and others are used as branch office	14	Leasehold 999 years expiring on 03.05.2781	687	1,002
Wisma Uni.Asia, No 361, Taman Bukit Emas, Jalan Tampin, 70450 Seremban, Negeri Sembilan	29 May 1995	3 storey shophouse used as branch office	28	Freehold	470	395
<b>TOTAL</b>						<b>77,185</b>