

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014**

	Note	31.3.2014 RM'000	31.3.2013 RM'000
<b>ASSETS</b>			
Property and equipment		61,409	61,072
Intangible assets - software		2,462	1,972
Non-current assets held for sale		-	189
Investment properties	2	47,078	45,542
Available-for-sale financial assets	3	172,993	203,466
Loans and receivables		663,416	572,594
Deferred tax assets		-	3,569
Reinsurance assets	4	211,478	214,001
Insurance receivables		36,190	32,338
Deferred acquisition costs		24,280	22,391
Cash and cash equivalents		7,413	5,361
<b>Total assets</b>		<b>1,226,719</b>	<b>1,162,495</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		100,000	100,000
Other reserves		16,134	23,835
Retained earnings		246,683	218,300
<b>Total equity</b>		<b>362,817</b>	<b>342,135</b>
<b>LIABILITIES</b>			
Insurance contract liabilities	4	709,781	656,050
Subordinated loan		30,436	30,436
Deferred tax liabilities		3,830	-
Deferred acquisition costs - reinsurance		6,114	5,758
Insurance payables		79,702	75,910
Other payables		32,887	35,754
Dividend payable		-	7,500
Post-employment benefit obligations		396	601
Current tax liabilities		756	8,351
<b>Total liabilities</b>		<b>863,902</b>	<b>820,360</b>
<b>Total equity and liabilities</b>		<b>1,226,719</b>	<b>1,162,495</b>

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

**STATEMENT OF INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

	2014 RM'000	2013 RM'000
Operating revenue	536,849	485,141
Gross written premiums	529,870	471,930
Change in premium liabilities	(22,513)	(15,093)
Gross earned premiums	507,357	456,837
Reinsurance premiums ceded	(155,437)	(139,290)
Change in premium liabilities	5,478	(16,770)
Premiums ceded to reinsurers	(149,959)	(156,060)
Net earned premiums	357,398	300,777
Investment income	29,492	28,304
Realised gains and losses	148	17,812
Fair value gains and losses	1,532	1,624
Commission income	36,448	33,339
Other income	19,331	13,936
Other income	86,951	95,015
Gross claims paid	(257,026)	(244,070)
Claims ceded to reinsurers	71,613	76,399
Gross change to claims liabilities	(31,219)	(9,459)
Change in claims liabilities ceded to reinsurers	(8,001)	3,305
Net claims incurred	(224,633)	(173,825)
Commission expense	(56,248)	(49,589)
Management expenses	(76,030)	(72,669)
Other expenses	(132,278)	(122,258)
Finance cost	(2,700)	(2,702)
Profit before taxation	84,738	97,007
Tax expense	(21,365)	(20,676)
Net profit for the financial year	63,373	76,331
Basic earnings per share (sen)	63.37	76.33

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

**STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

	2014 RM'000	2013 RM'000
Profit for the financial year	63,373	76,331
Other comprehensive income:		
Item that will not be reclassified to profit or loss:		
Asset revaluation reserve		
Revaluation surplus on self-occupied properties	998	1,432
Tax effect on revaluation surplus	(5,569)	-
	(4,571)	1,432
Item that may be subsequently reclassified to profit or loss:		
Available-for-sale ("AFS") reserve		
Fair value loss of available-for-sale financial assets	(4,027)	(801)
Transfer of gross AFS reserve on disposal	-	(6,088)
	(4,027)	(6,889)
Tax effect on fair value gain of available-for-sale financial assets	1,007	200
Tax effect on transfer of AFS reserve on disposal	-	1,523
	(3,020)	(5,166)
<b>Total comprehensive income for the financial year</b>	<b>55,782</b>	<b>72,597</b>

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

**STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

	Issued and fully paid ordinary shares of RM 1 each		Non-distributable		Distributable	Total
	Number of shares RM'000	Nominal value RM'000	Asset revaluation reserve RM'000	AFS reserve RM'000		
At 1 April 2012	100,000	100,000	21,578	5,991	155,469	283,038
Total comprehensive income/(loss) for the financial year	-	-	1,432	(5,166)	76,331	72,597
Dividends	-	-	-	-	(13,500)	(13,500)
At 31 March 2013	100,000	100,000	23,010	825	218,300	342,135
At 1 April 2013	100,000	100,000	23,010	825	218,300	342,135
Total comprehensive income/(loss) for the financial year	-	-	(4,571)	(3,020)	63,373	55,782
Reversal of revaluation surplus for property disposed	-	-	(110)	-	110	-
Dividends	-	-	-	-	(35,100)	(35,100)
At 31 March 2014	100,000	100,000	18,329	(2,195)	246,683	362,817

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

**STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

	2014 RM'000	2013 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit for the financial year	63,373	76,331
Adjustment for non-cash items:		
Property and equipment - depreciation	2,592	2,456
- (gain)/loss on disposal - written off	(11)	13
Impairment loss/(reversal of impairment loss) on self-occupied properties	5	9
Amortisation of intangible assets	4	(15)
Fair value gain on investment properties	595	323
Interest income	(1,536)	(1,609)
Dividend income	(28,066)	(23,742)
Rental income	-	(3,206)
Amortisation of premiums, net of accretion of discounts	(1,625)	(1,611)
Gain on disposal of available-for-sale financial assets	199	255
Finance cost	(134)	(17,893)
Write-back of impairment allowance on insurance receivables	2,700	2,702
Recovery of bad debt written off	(12)	(121)
Provision for post-employment benefit obligations	(451)	-
Tax expense	262	228
	21,365	20,676
	59,260	54,796
Purchase of available-for-sale financial assets	(10,142)	(96,871)
Proceeds from maturity of available-for-sale financial assets	-	5,000
Proceeds from maturity of held-to-maturity financial assets	-	35,000
Proceeds from disposal of available-for-sale financial assets	36,405	103,555
Interest income received	28,155	22,581
Dividend income received	-	3,206
Rental income received	1,625	1,611
Payment of post-employment benefit obligations	(467)	(237)
Decrease in reinsurance assets	2,523	13,465
Increase in insurance receivables	(3,389)	(1,897)
Increase in deferred acquisition costs	(1,889)	(226)
Increase in insurance payables	3,791	5,573
Increase in insurance contract liabilities	53,731	24,552
Increase in loans and receivables	(90,790)	(192,610)
(Decrease)/increase in other payables	(2,864)	16,728
Increase/(decrease) in deferred acquisition costs - reinsurance	356	(2,409)
<b>Cash generated/(used in) from operating activities</b>	<b>76,305</b>	<b>(8,183)</b>
Income tax paid	(26,128)	(21,345)
<b>Net cash inflows/(outflows) from operating activities</b>	<b>50,177</b>	<b>(29,528)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(1,940)	(1,874)
Purchase of intangible assets	(1,085)	(1,206)
Proceeds from disposal of property and equipment	-	148
Proceeds from disposal of non-current assets held for sale	200	-
<b>Net cash outflows from investing activities</b>	<b>(2,825)</b>	<b>(2,932)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(42,600)	(6,000)
Finance cost paid	(2,700)	(2,709)
<b>Net cash outflows from financing activities</b>	<b>(45,300)</b>	<b>(8,709)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,052</b>	<b>(41,169)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>		
	5,361	46,530
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>		
	13 7,413	5,361

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

**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2014**

**1. BASIS OF PREPARATION**

The financial statements of the Company have been prepared under the historical cost convention except as disclosed in this summary of significant accounting policies, and comply with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia.

The preparation of financial statements in conformity with MFRS requires the use of critical accounting 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 financial year. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates.

**2. INVESTMENT PROPERTIES**

	Freehold land and building RM'000	Leasehold land and building RM'000	Total RM'000
At 1 April 2013	11,100	34,442	45,542
Fair value gain	850	686	1,536
At 31 March 2014	11,950	35,128	47,078
At 1 April 2012	10,800	33,133	43,933
Fair value gain	300	1,309	1,609
At 31 March 2013	11,100	34,442	45,542

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

**Recurring fair value measurements**

All freehold and long term leasehold properties of the Company are within Level 2 of the fair value hierarchy. The fair values for all the properties have been derived using the sales comparison approach or the investment approach. Sales prices of comparable land and buildings, rentals and yields of similar properties in close proximity are adjusted for differences in key attributes such as property size, location and quality of the building. The most significant input into sales comparison approach is price per square foot of comparable properties while the most significant input into investment approach is yields and rental rates per square foot of comparable properties.

The titles to the leasehold land and buildings and freehold land and buildings included in investment properties of the Company at carrying value of RM35,128,000 (31 March 2013: RM34,442,000) and RM11,950,000 (31 March 2013: RM11,100,000) 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.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2014 (continued)

3. INVESTMENTS

The Company's investments are as follows:

	31.3.2014 RM'000	31.3.2013 RM'000
Available-for-sale ("AFS") financial assets	172,993	203,466

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

(a) AFS financial assets  
At fair value:

Unquoted equity securities in Malaysia	38	47
Unquoted corporate debt securities in Malaysia	170,750	201,094
Accrued interest	2,205	2,325
<b>Total AFS financial assets</b>	<b>172,993</b>	<b>203,466</b>

(b) Carrying value of financial assets

	AFS RM'000	HTM RM'000	Total RM'000
At 1 April 2012	203,648	35,409	239,057
Purchases	96,871	-	96,871
Disposal/maturity/repayment	(90,662)	(35,000)	(125,662)
Amortisation adjustment	(251)	(4)	(255)
Movement in accrued interest	749	(405)	344
Fair value loss recorded in:			
- Other comprehensive income	(6,889)	-	(6,889)
At 31 March 2013 / 1 April 2013	203,466	-	203,466
Purchases	10,142	-	10,142
Disposal/maturity/repayment	(36,269)	-	(36,269)
Amortisation adjustment	(199)	-	(199)
Movement in accrued interest	(120)	-	(120)
Fair value loss recorded in:			
- Other comprehensive income	(4,027)	-	(4,027)
At 31 March 2014	172,993	-	172,993

The maturity structure of AFS financial assets is as follows:

	31.3.2014 RM'000	31.3.2013 RM'000
Investments mature within 12 months	40,942	12,385
Investments mature after 12 months	132,051	191,081
<b>Total</b>	<b>172,993</b>	<b>203,466</b>

(c) Fair value hierarchy of AFS financial assets  
Recurring fair value measurements

The following tables show financial assets recorded at fair value analysed by the different basis of fair values as follows:

	31.3.2014 RM'000	31.3.2013 RM'000
Level 1	-	-
Level 2	172,955	203,419
Level 3	38	47
<b>Total</b>	<b>172,993</b>	<b>203,466</b>

4. INSURANCE CONTRACT LIABILITIES

	31.3.2014			31.3.2013		
	Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
General insurance	709,781	(211,478)	498,303	656,050	(214,001)	442,049

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

Provision for claims	318,427	(115,273)	203,154	295,974	(116,385)	179,589
Provision for incurred but not reported ("IBNR") claims	135,314	(30,878)	104,436	126,549	(37,766)	88,783
Claims liabilities (i)	453,741	(146,151)	307,590	422,523	(154,151)	268,372
Premium liabilities (ii)	256,040	(65,327)	190,713	233,527	(59,850)	173,677
<b>Total</b>	<b>709,781</b>	<b>(211,478)</b>	<b>498,303</b>	<b>656,050</b>	<b>(214,001)</b>	<b>442,049</b>

	2014			2013		
	Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
(i) Claims liabilities						
At beginning of the financial year	422,523	(154,151)	268,372	413,064	(150,846)	262,218
Claims incurred for the current accident year (direct and facultative)	286,793	(73,786)	213,007	259,549	(79,906)	179,643
Adjustment to claims incurred in prior accident years (direct and facultative)	(14,660)	7,002	(7,658)	(29,371)	2,386	(26,985)
Claims incurred during the financial year (treaty inwards claims)	18,027	(23)	18,004	17,232	-	17,232
Movement in PRAD of claims liabilities at 75% confidence level	(3,024)	3,048	24	6,298	(2,187)	4,111
Movement in claims handling expenses	1,108	146	1,254	(179)	3	(176)
Claims paid during the financial year	(257,026)	71,613	(185,413)	(244,070)	76,399	(167,671)
At end of the financial year	453,741	(146,151)	307,590	422,523	(154,151)	268,372

(i) Claims liabilities by class of business

	31.3.2014			31.3.2013		
	Motor RM'000	Non-Motor RM'000	Total RM'000	Motor RM'000	Non-Motor RM'000	Total RM'000
Gross claims liabilities	359,739	94,002	453,741	319,632	102,891	422,523
Reinsurance	(77,630)	(68,521)	(146,151)	(77,741)	(76,410)	(154,151)
<b>Net claims liabilities</b>	<b>282,109</b>	<b>25,481</b>	<b>307,590</b>	<b>241,891</b>	<b>26,481</b>	<b>268,372</b>

(ii) Premium liabilities

	2014			2013		
	Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
At beginning of the financial year	233,527	(59,849)	173,678	218,434	(76,620)	141,814
Premiums written during the financial year	529,870	(155,437)	374,433	471,930	(139,290)	332,640
Premiums earned during the financial year	(507,357)	149,959	(357,398)	(456,837)	156,060	(300,777)
At end of the financial year	256,040	(65,327)	190,713	233,527	(59,850)	173,677

The carrying amounts disclosed above approximate the fair values at the date of the statement of financial position.

5. COMMITMENTS

(a) Capital expenditure not provided for the financial statements are as follows:

	31.3.2014 RM'000	31.3.2013 RM'000
Authorised by the Directors and contracted for:		
- Property and equipment	1,243	624
Authorised by the Directors but not contracted for:		
- Property and equipment	2,325	2,331
<b>Total</b>	<b>3,568</b>	<b>2,955</b>

(b) Operating lease commitments

The Company has various branch offices under non-cancellable operating lease agreements. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	31.3.2014 RM'000	31.3.2013 RM'000
Not later than 1 year	3,084	1,314
Later than 1 year and no later than 5 years	4,159	2,762
Later than 5 years	253	-
<b>Total</b>	<b>7,496</b>	<b>4,076</b>

6. REGULATORY CAPITAL REQUIREMENTS

The Company's capital management policy is to optimise the efficient and effective use of resources to maximise the return on equity and provide an appropriate level of capital to protect policyholders and meet regulatory requirements.

The Company is required to comply with the regulatory capital requirement prescribed in the RBC Framework. Under the RBC Framework guidelines issued by BNM, insurance companies are required to satisfy a minimum capital adequacy ratio of 130%. The Company has a capital adequacy ratio in excess of the minimum requirement.

The capital structure of the Company as at 31 March 2014, and the comparative, as prescribed under the RBC Framework is provided below:

	31.3.2014 RM'000	31.3.2013 RM'000
Eligible Tier 1 Capital:		
Share capital (paid up)	100,000	100,000
Retained earnings	246,683	218,300
<b>Total</b>	<b>346,683</b>	<b>318,300</b>
Tier 2 Capital:		
Asset revaluation reserve	18,329	23,010
AFS reserve	(2,195)	825
Subordinated loan	30,000	30,000
<b>Total</b>	<b>46,134</b>	<b>53,835</b>
<b>Deduction</b>	<b>-</b>	<b>(3,569)</b>
<b>Total capital available</b>	<b>392,817</b>	<b>368,566</b>

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS  
OF UNI.ASIA GENERAL INSURANCE BERHAD

On 22 May 2014, we have reported on the statutory financial statements of Uni.Asia General Insurance Berhad for the financial year ended 31 March 2014. In the report, we stated that:

"REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Uni.Asia General Insurance Berhad, which comprise the statement of financial position as at 31 March 2014, and the statements of income, other comprehensive income, changes in equity and cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 16 to 103.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of these financial statements that give true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and comply with the provisions of the Companies Act, 1965, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 judgement, 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 of financial statements that give a true and fair view 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 Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Company as of 31 March 2014 and of its financial performance and cash flows for the financial year then ended.

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."

Other than the non-publication of all the notes to the financial statements, except for those notes relating to investment properties, investments, insurance contract liabilities, commitments and regulatory capital requirements, the financial statements reproduced herewith are similar in all material respects to those reported on by us.

Accordingly, for a fuller appreciation of the financial position of the Company as at 31 March 2014 and of its financial performance and cash flows for the financial year ended on that date, reference should be made to the statutory financial statements of Uni.Asia General Insurance Berhad for the financial year ended 31 March 2014, in which context our report of 22 May 2014 was made.

PRICEWATERHOUSECOOPERS  
(No. AF: 1146)  
Chartered Accountants

SOO HOO KHOON YEAN  
(No. 2682/10/15 (J))  
Chartered Accountant

Kuala Lumpur  
22 May 2014