

Company No

16688	K
-------	---

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 SEPTEMBER 2012**

Company No

16688	K
-------	---

UNI.ASIA GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 SEPTEMBER 2012

<u>CONTENTS</u>	<u>PAGE</u>
Statement of Financial Position	2
Income Statement	3
Statement of Comprehensive Income	4
Statement of Changes in Equity	5
Statement of Cash Flow	6-7
Notes to the Financial Statements	8-17

Company No

16688	K
-------	---

UNI.ASIA GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2012

	<u>Note</u>	<u>30.9.2012</u> RM'000	<u>31.3.2012</u> RM'000
ASSETS			
Property and equipment		61,156	61,655
Investment properties	10	43,933	43,933
Available-for-sale financial assets	11	176,914	94,038
Held-to-maturity financial asset	11	117,877	143,344
Loans and receivables		365,758	379,166
Reinsurance assets	12	245,270	227,466
Insurance receivables		47,868	51,486
Deferred acquisition cost		24,336	22,165
Cash and cash equivalents		63,481	46,530
Total assets		<u>1,146,593</u>	<u>1,069,783</u>
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital		100,000	100,000
Reserves		31,590	26,313
Retained earnings		177,707	155,469
Total equity		<u>309,297</u>	<u>281,782</u>
Insurance contract liabilities	13	672,976	631,498
Subordinated loan		30,000	30,000
Deferred tax liabilities		4,353	3,409
Deferred acquisition cost-reinsurance		7,886	8,167
Insurance payables		85,153	91,503
Other payables		27,865	19,473
Post employment benefit obligations		658	610
Tax payable		8,405	3,341
Total liabilities		<u>837,296</u>	<u>788,001</u>
Total equity and liabilities		<u>1,146,593</u>	<u>1,069,783</u>

Company No

16688	K
-------	---

UNI.ASIA GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

UNAUDITED INTERIM INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2012

	<u>30.9.2012</u> RM'000	<u>30.9.2011</u> RM'000
Operating revenue	237,279	214,205
Gross written premium	247,084	225,600
Change in premium liabilities	(24,080)	(23,930)
Gross earned premiums	223,004	201,670
Gross written premium ceded to reinsurers	(78,750)	(88,403)
Change in premium liabilities	(456)	(3,601)
Premium ceded to reinsurers	(79,206)	(92,004)
Net earned premium	143,798	109,666
Investment income	14,275	12,535
Realised gains and losses	2,754	470
Commission income	17,587	16,355
Other income	6,724	6,000
Other income	41,340	35,360
Gross claims paid	(126,472)	(129,571)
Claims ceded to reinsurers	39,518	43,341
Gross change to contract liabilities	(17,400)	24,810
Change in contract liabilities ceded to reinsurers	18,260	(7,585)
Net claims incurred	(86,094)	(69,005)
Commission expense	(24,950)	(19,009)
Management expenses	(34,430)	(32,856)
Other expenses	(59,380)	(51,865)
Finance costs	(1,356)	(1,354)
Profit before taxation	38,308	22,802
Tax expense	(10,070)	(6,534)
Profit for the financial year	<u>28,238</u>	<u>16,268</u>
Basic earnings per share (sen)	<u>28.24</u>	<u>16.27</u>

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

Company No

16688	K
-------	---

UNI.ASIA GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

**UNAUDITED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2012**

	<u>30.9.2012</u> RM'000	<u>30.9.2011</u> RM'000
Profit for the financial period	28,238	16,268
Other comprehensive income:		
Fair value changes on AFS financial assets	7,037	(531)
Tax effect on fair value changes in AFS financial assets	(1,760)	133
Other comprehensive income for the financial period, net of tax	5,277	(398)
Total comprehensive income for the financial period	<u>33,515</u>	<u>15,870</u>

Company No

16688	K
-------	---

UNI.ASIA GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

**UNAUDITED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2012**

	Issued and fully paid ordinary shares of RM1 each		Non- distributable		Distributable	Total RM'000
	Number of shares 000	Nominal value RM'000	Asset revaluation reserve RM'000	AFS reserve RM'000	Retained earnings RM'000	
At 1 April 2012	100,000	100,000	21,578	4,735	155,469	281,782
Total comprehensive income for the financial period	-	-	-	5,277	28,238	33,515
Dividend paid	-	-	-	-	(6,000)	(6,000)
At 30 September 2012	<u>100,000</u>	<u>100,000</u>	<u>21,578</u>	<u>10,012</u>	<u>177,707</u>	<u>309,297</u>
At 1 April 2011	100,000	100,000	19,380	35	130,075	249,490
Total comprehensive income for the financial period	-	-	-	(398)	16,268	15,870
Dividend paid	-	-	-	-	(7,500)	(7,500)
At 30 September 2011	<u>100,000</u>	<u>100,000</u>	<u>19,380</u>	<u>(363)</u>	<u>138,843</u>	<u>257,860</u>

Company No

16688	K
-------	---

UNI.ASIA GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

UNAUDITED INTERIM STATEMENT OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2012

	<u>30.09.2012</u>	<u>30.09.2011</u>
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial period	28,238	16,268
Adjustment for non-cash items:		
Property and equipment		
- depreciation	1,369	1,432
- loss on disposal	7	2
- written off	2	19
(Gain)/ loss on disposal of investments	(2,797)	(509)
Investment income	(14,275)	(12,535)
Finance cost	1,356	1,354
Writeback of allowance of doubtful debts	(8)	(52)
Provision for post-employment benefits	55	32
Tax expenses	10,071	6,533
	<hr/>	<hr/>
	24,018	12,544
Purchase of available-for-sale financial assets	(89,291)	(28,624)
Proceeds from maturity of available-for-sale financial assets	1,448	5,000
Proceeds from maturity of held-to-maturity financial assets	25,000	-
Proceeds from disposal of available-for-sale financial assets	15,364	10,438
Proceeds from disposal of held-to-maturity financial assets	-	5,197
Interest income received	13,109	10,795
Dividend income received	2,530	1,608
Other investment income received	744	536
Payment of staff retirement benefits	(7)	(101)
(Increase)/Decrease in reinsurance assets	(17,803)	11,186
Decrease in insurance receivables	3,626	68
Increase in deferred acquisition cost - gross	(2,171)	(5,489)
(Decrease)/increase in insurance payables	(6,350)	1,899
Increase/(Decrease) in insurance contract liabilities	41,479	(880)
Decrease/(Increase) in loan and receivables	11,215	(24,055)
Increase in other payables	8,383	1,326
(Decrease)/Increase in deferred acquisition cost – reinsurance	(281)	2,759
	<hr/>	<hr/>
Cash generated from operations	31,013	4,207
Income tax paid	(5,836)	(1,560)
	<hr/>	<hr/>
Net cash flows from operating activities	25,177	2,647
	<hr/>	<hr/>

Company No

16688	K
-------	---

UNI.ASIA GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

UNAUDITED INTERIM STATEMENT OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2012 (CONTINUED)

	<u>30.09.2012</u> RM'000	<u>30.09.2011</u> RM'000
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(1,014)	(1,504)
Proceeds from disposal of property and equipment	135	2
	<hr/>	<hr/>
Net cash flows from investing activities	(879)	(1,502)
	<hr/>	<hr/>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(6,000)	(7,500)
Finance cost paid	(1,347)	(1,339)
Subordinated loan	-	-
	<hr/>	<hr/>
Net cash flows from financing activities	(7,347)	(8,839)
	<hr/>	<hr/>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	16,951	(7,694)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	46,530	35,195
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	63,481	27,501
	<hr/> <hr/>	<hr/> <hr/>
Cash and cash equivalents comprise:		
Fixed and call deposits		
Licensed financial institutions	61,183	24,069
Cash and bank balances	2,298	3,432
	<hr/>	<hr/>
	63,481	27,501
	<hr/> <hr/>	<hr/> <hr/>

Company No

16688	K
-------	---

UNI.ASIA GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 30 SEPTEMBER 2012

1. Basis of preparation

The interim financial statements of Uni.Asia General Insurance Bhd (“the Company”) is unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) as modified by Guidelines/Circulars issued by Bank Negara Malaysia (“BNM”). They do not include all of the information required for full annual financial statements, and should be read in conjunction with the Company’s annual financial statements for the year ended 31 March 2012. The financial statements of the Company as at and for the year ended 31 March 2012 were prepared in accordance with Financial Reporting Standards (“FRS”) as modified by Guidelines/Circulars issued by BNM.

These are the Company’s interim financial statements for part of the period covered by the Company’s first MFRS framework annual financial statements and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards has been applied. The transition to MFRS framework does not have any financial impact to the financial statements of the Company.

2. Seasonal/cyclical factors

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

3. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the financial period ended 30 September 2012.

4. Material changes in estimates

There was no material changes in the basis used for accounting estimates for the current financial period ended 30 September 2012.

5. Debts and equity securities

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

6. Dividends

A final gross dividend for the financial year ended 31 March 2012 of eight (8) sen per share less income tax of twenty five percent (25%) amounting to RM6,000,000 (net of tax of twenty five per cent) was paid during the interim period.

Company No

16688	K
-------	---

UNI.ASIA GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 30 SEPTEMBER 2012 (CONTINUED)

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

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

8. Changes in composition of the Company

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

Company No

16688	K
-------	---

UNI.ASIA GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 30 SEPTEMBER 2012 (CONTINUED)

9. COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for but yet to be incurred is as follows:

	<u>30.9.2012</u> RM'000	<u>31.3.2012</u> RM'000
Property and equipment	399	1,251
	<u> </u>	<u> </u>

(b) Operating lease commitments

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

	<u>30.9.2012</u> RM'000	<u>31.3.2012</u> RM'000
No later than 1 year	1,173	1,149
Later than 1 year and no later than 5 years	1,676	1,669
Later than 5 years	-	155
	<u> </u>	<u> </u>
	<u>2,849</u>	<u>2,973</u>

Company No

16688	K
-------	---

UNI.ASIA GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 30 SEPTEMBER 2012 (CONTINUED)

10. INVESTMENT PROPERTIES

	<u>Freehold land and building</u> RM'000	<u>Leasehold land and building</u> RM'000	<u>Total</u> RM'000
At 1 April 2012/30 September 2012	10,800	33,133	43,933
At 1 April 2011	10,600	29,788	40,388
Reclassification from asset revaluation reserve	-	547	547
Fair value changes	200	2,798	2,998
At 31 March 2012	10,800	33,133	43,933

The titles to the freehold land and buildings included in investment properties at carrying value of RM10,800,000 (2012:RM10,800,000) 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.

Company No

16688	K
-------	---

UNI.ASIA GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 30 SEPTEMBER 2012 (CONTINUED)

11. INVESTMENTS

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

	<u>30.9.2012</u>	<u>31.3.2012</u>
	RM'000	RM'000
Available-for-sale financial assets ("AFS")	176,914	94,038
Held-to-maturity financial assets ("HTM")	117,877	143,344
	<u> </u>	<u> </u>
Total investments	<u>294,791</u>	<u>237,382</u>

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

(a) AFS

At fair value:

Unquoted equity securities in Malaysia	93	93
Quoted REITs in Malaysia	78,765	67,300
Unquoted corporate debt securities in Malaysia	97,289	26,424
Accrued interest	767	221
	<u> </u>	<u> </u>
Total AFS financial assets	<u>176,914</u>	<u>94,038</u>

(b) HTM financial assets

At amortised cost:

Unquoted corporate debt securities in Malaysia:		
Cost	117,241	142,251
Amortisation of premiums net of accretion of discounts	(828)	(667)
Accrued interest	1,464	1,760
	<u> </u>	<u> </u>
Total HTM financial assets	<u>117,877</u>	<u>143,344</u>

UNI.ASIA GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 30 SEPTEMBER 2012 (CONTINUED)

11. INVESTMENTS (CONTINUED)

(c) Carrying value of other investments

	<u>AFS</u> RM'000	<u>HTM</u> RM'000	<u>Total</u> RM'000
At 1 April 2011	79,275	148,888	228,163
Purchases	31,577	-	31,577
Disposal/maturity/repayment	(22,522)	(5,159)	(27,681)
Fair value gain recorded in:			
- other comprehensive income	6,267	-	6,267
Amortisation adjustment	(138)	(334)	(472)
Movement in accrued interest	(421)	(51)	(472)
	<u>94,038</u>	<u>143,344</u>	<u>237,382</u>
At 31 March 2012/1 April 2012	94,038	143,344	237,382
Purchases	89,291	-	89,291
Disposal/maturity/repayment	(14,015)	(25,000)	(39,015)
Fair value gain recorded in:			
- other comprehensive income	7,036	-	7,036
Amortisation adjustment	18	(171)	(153)
Movement in accrued interest	546	(296)	250
	<u>176,914</u>	<u>117,877</u>	<u>294,791</u>
At 30 September 2012	<u><u>176,914</u></u>	<u><u>117,877</u></u>	<u><u>294,791</u></u>

12. REINSURANCE ASSETS

	<u>30.9.2012</u> RM'000	<u>31.3.2012</u> RM'000
Reinsurance of insurance contracts		
Claims liabilities	169,106	150,846
Premium liabilities	76,164	76,620
	<u>245,270</u>	<u>227,466</u>
	<u><u>245,270</u></u>	<u><u>227,466</u></u>

UNI.ASIA GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 30 SEPTEMBER 2012 (CONTINUED)

13. INSURANCE CONTRACT LIABILITIES

	<u>30.9.2012</u>			<u>31.3.2012</u>		
	<u>Gross</u> RM'000	<u>Re- insurance</u> RM'000	<u>Net</u> RM'000	<u>Gross</u> RM'000	<u>Re- insurance</u> RM'000	<u>Net</u> RM'000
General insurance	672,976	(245,270)	427,706	631,498	(227,466)	404,032

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

	<u>30.9.2012</u>			<u>31.3.2012</u>		
	<u>Gross</u> RM'000	<u>Re- insurance</u> RM'000	<u>Net</u> RM'000	<u>Gross</u> RM'000	<u>Re- insurance</u> RM'000	<u>Net</u> RM'000
Provision for claims	289,080	(119,003)	170,077	294,624	(119,563)	175,061
Provision for "IBNR"	141,382	(50,103)	91,279	118,440	(31,283)	87,157
Claims liabilities (i)	430,462	(169,106)	261,356	413,064	(150,846)	262,218
Premium liabilities (ii)	242,514	(76,164)	166,350	218,434	(76,620)	141,814
	<u>672,976</u>	<u>(245,270)</u>	<u>427,706</u>	<u>631,498</u>	<u>(227,466)</u>	<u>404,032</u>

Company No

16688	K
-------	---

UNI.ASIA GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 30 SEPTEMBER 2012 (CONTINUED)

13. INSURANCE CONTRACT LIABILITIES (CONTINUED)

(i) Claims liabilities

	30.9.2012			31.3.2012		
	<u>Gross</u> RM'000	<u>Re- insurance</u> RM'000	<u>Net</u> RM'000	<u>Gross</u> RM'000	<u>Re- insurance</u> RM'000	<u>Net</u> RM'000
At 1 April	413,064	(150,846)	262,218	450,707	(171,070)	279,637
Claims incurred for the current accident year (direct and facultative)	170,672	(78,682)	91,990	257,487	(102,149)	155,338
Adjustment to claims incurred in prior accident year (direct and facultative)	(36,294)	24,710	(11,584)	(57,029)	37,985	(19,044)
Claims incurred during the financial period (treaty inwards claims)	5,963	-	5,963	20,311	(119)	20,192
Movement in PRAD of claims liabilities at 75% confidence level	3,093	(3,139)	(46)	4,778	(5,471)	(693)
Movement in claims handling expenses	436	(667)	(231)	(1,365)	1,405	40
Claims paid during the financial period	(126,472)	39,518	(86,954)	(261,825)	88,573	(173,252)
At 30 September/ 31 March	<u>430,462</u>	<u>(169,106)</u>	<u>261,356</u>	<u>413,064</u>	<u>(150,846)</u>	<u>262,218</u>

Company No

16688	K
-------	---

UNI.ASIA GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 30 SEPTEMBER 2012 (CONTINUED)

13. INSURANCE CONTRACT LIABILITIES (CONTINUED)

(ii) Premium liabilities

	<u>30.9.2012</u>			<u>31.3.2012</u>		
	<u>Gross</u>	<u>Re-</u>	<u>Net</u>	<u>Gross</u>	<u>Re-</u>	<u>Net</u>
	RM'000	insurance RM'000	RM'000	RM'000	insurance RM'000	RM'000
At 1 April	218,434	(76,620)	141,814	206,634	(99,220)	107,414
Premiums written during the financial period	247,084	(78,750)	168,334	431,721	(156,533)	275,188
Premiums earned during the financial period	(223,004)	79,206	(143,798)	(419,921)	179,133	(240,788)
	<u>242,514</u>	<u>(76,164)</u>	<u>166,350</u>	<u>218,434</u>	<u>(76,620)</u>	<u>141,814</u>

Company No

16688	K
-------	---

UNI.ASIA GENERAL INSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 30 SEPTEMBER 2012 (CONTINUED)

14. REGULATORY CAPITAL REQUIREMENTS

The capital structure of the Company as prescribed under the Risk Based Capital (RBC) Framework is as below:

	As at <u>30.9.2012</u> RM'000	As at <u>31.3.2012</u> RM'000
Eligible Tier 1 Capital:		
Share capital (paid-up)	100,000	100,000
Retained earnings	177,707	155,469
	<u>277,707</u>	<u>255,469</u>
Tier 2 Capital:		
Assets revaluation reserve	21,578	21,578
AFS reserve	10,012	4,735
Subordinated loan	30,000	30,000
	<u>339,297</u>	<u>311,782</u>
Total capital available	<u><u>339,297</u></u>	<u><u>311,782</u></u>

15. SIGNIFICANT RELATED PARTY TRANSACTIONS

The significant changes in related party transaction of the Company since financial period ended 31 March 2012 are as follows:-

	6 months Period ended <u>30.9.2012</u> RM'000	12 months Period ended <u>31.3.2012</u> RM'000
<u>Premiums</u>		
Proton Holdings	2,917	-
Proton Edar Sdn Bhd	553	25
POS Malaysia Berhad	388	-
	<u><u>3,858</u></u>	<u><u>25</u></u>