UniAsia

General Insurance

ANNUAL REPORT 2013

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Chief Executive Officer

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CORPORATE INFORMATION

Board of Directors

Dato' Hj. Kamil Khalid Ariff - Chairman

David Chan Mun Wai – Deputy Chairman

Dato' Mohamed Hazlan Mohamed Hussain

Lawrence Pereira

Datuk Abdul Sukur bin Hadji Mohd Hassan

Dato' Dr. Mohd Shahari Ahmad Jabar

Chan Kok Seong

George Isac Pereire

Dato' Majid Mohamad

Dato' Chan Choy Lin

Company Secretaries

Dato' Chan Choy Lin

Yeong Yin Fun

Bankers

Hong Leong Bank Berhad

Maybank Berhad

CIMB Bank Berhad

Citibank Berhad

United Overseas Bank Berhad

Auditors

PricewaterhouseCoopers

Level 10, 1 Sentral

Jalan Travers

Kuala Lumpur Sentral

50706 Kuala Lumpur

Tel: 03-2173 1188

Registered Office

9th Floor, Menara Uni.Asia

1008 Jalan Sultan Ismail

50250 Kuala Lumpur

Tel: 03-2693 8111

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the **Thirty-Ninth Annual General Meeting** of the Shareholders of the Company will be held at the Board Room, 9th Floor, Menara Uni.Asia, 1008 Jalan Sultan Ismail, 50250 Kuala Lumpur on **Thursday, 25th July, 2013 at 9.30 a.m.**

A G E N D A

1. To receive and adopt the Audited Accounts for the year ended 31st March, 2013 together with the Directors' and Auditors' Reports thereon.

2. To declare a final dividend of 13.46667% less 25% income tax in respect of the financial year ended 31st March, 2013.

3. To approve Directors' Fees of RM686,643.84 for the year ended 31st March, 2013.

4. To re-elect the following Directors who retire in accordance with the Company's Articles of Association:-

   Under Article 63 :
   (i) Mr. David Chan Mun Wai
   (ii) Mr. George Isac Pereire

   Under Article 68 :
   (i) YBhg. Dato' Mohamed Hazlan bin Mohamed Hussain

5. To re-elect the following Directors who retire pursuant to Section 129(6) of the Companies Act 1965:-

   (i) Mr. Lawrence Pereira
   (ii) YBhg. Datuk Abdul Sukur bin Hadji Mohd Hassan
   (iii) YBhg. Dato' Dr. Mohd. Shahari bin Ahmad Jabar

6. To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration.

BY ORDER OF THE BOARD

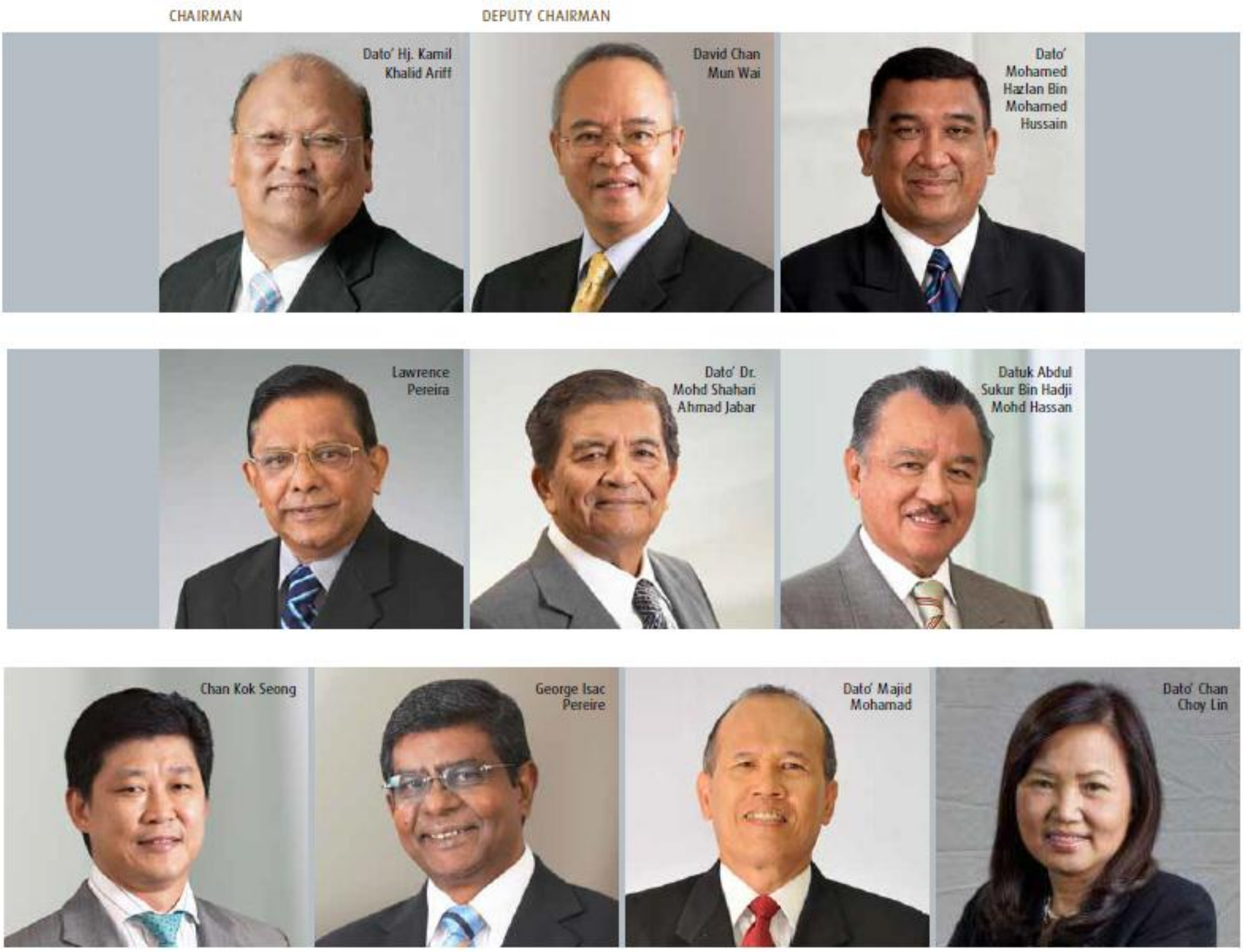
DATO' CHAN CHOY LIN (MIA 3930) YEONG YIN FUN (LS 000138)

COMPANY SECRETARIES

Kuala Lumpur
3rd July, 2013

NOTE:
A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company. The instrument appointing a proxy shall be delivered in writing under the hand of the appointor or his attorney or, if such an appointor is a corporation, under its Common Seal or the hand of its attorney. All proxies must be deposited at the Company's Registered Office not less than 48 hours before the time of the holding of the meeting or any adjournment thereof.

BOARD OF DIRECTORS



CHAIRMAN'S REVIEW

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of for the financial year ended 31 March 2013.

Financial Performance

In 2012, the Malaysian economy performed better than expected when a strong growth of 5.6 percent was achieved despite external uncertainties. Malaysia's economic growth performance was attributed to higher growth in domestic demand underpinned by higher consumption and investment spending, low inflation environment and continued strength in the labour market. In line with the improvement in the domestic economy, the general insurance industry grew 8.2 percent, recording RM15.18 billion in gross premiums from RM14.02 billion in the previous year.

Uni.Asia General has managed to achieve a record breaking financial performance for the year ended 31st March 2013. The Company's impressive performance is attributed to an ongoing Company-wide strategic transformation program which is in its fourth year of implementation that has gathered momentum and propelled the Company to greater heights.

For the financial year ended 31st March 2013, Uni.Asia General recorded a 35 year all-time high profit before tax of RM97.0 million; a 86 percent increase when compared to RM52.1 million in the previous year. In the process of surpassing the previous record high profit of RM72 million achieved way back in FYE2004, the Company registered its highest ever gross written premium of RM471.9 million, up from RM431.7 million attained in the previous year. Capital Adequacy Ratio (CAR) continued improving to register at 266 percent, exceeding supervisory requirements.

Operational Review

Uni.Asia General's strategic initiatives are aimed at maintaining a robust balance sheet, sustaining growth within the industry, and realizing its vision of being relevant and profitable at all times. To ensure the business quality remains strong and uncompromised, the Company remained steadfastly focused on the marketing of retail-oriented products to targeted consumer segments via its extensive distribution reach. All major distribution channels including agents, franchise holders, car dealers and bank partners registered strong premium growth. Motor and personal line premiums grew 16 percent to RM386 million from RM332 million previously.

In the area of Malaysian Motor Insurance Pool (MMIP), the Company continues to actively participate in the provision of MMIP covers to the general public. A substantial amount of resources have been

CHAIRMAN'S REVIEW

allocated by the Company to ensure members of the public with displaced motor risks can access MMIP's services at its nationwide branches. To-date more than 100 of the Company's staff force is involved in MMIP operations, with over 450,000 policies issued for the year.

Improving operational efficiency by leveraging on information technology remains a key focus of the Company. To accommodate the increased business volume, speed up its application processing performances and increase data storage capacity, the Company invested substantially in hardware and software. One area of upgrade was the Company's main frame IBM server, from Power 6 to Power 7 series. The newly installed server has the capability to accommodate the growth in business volume for the next 5 years.

The company recognizes that human capital is its key asset and continues to invest in training and development programs. During the year, another 11 new learning modules were added to the internet based e-learning portal launched in 2011 to support the learning needs of our staff and business partners. To-date, we have more than 2,200 active users within the system, up from 1,800 users in the previous year. Apart from the e-learning platform, many classroom base training programs were conducted to cater to the needs of our staff. During the year, one of the popular programs was the basic English language skills program. In the coming year, to enhance the level of English further, we will be arranging new advance English language programs to cater to the higher language needs of our staff. The Company also believes that a prerequisite towards increasing staff productivity is by having an engaged and healthy workforce. Numerous teambuilding and engagement activities were organised to boost morale, enhance collaboration among management and employees, facilitate teamwork and these have achieved the goal of increasing productivity.

Another strategic area that the Company places great importance on is the enhancement of its brand image and service culture. Apart from the traditional advertising initiatives with our business partners to create brand awareness, Sungai Petani, Seremban and Melaka branch had undergone major renovations to improve its brand identity and to provide a conducive and comfortable environment for its staff and customers. Meanwhile another 2 branches, Kuala Terengganu and Alor Setar branch were relocated to a more strategic location for customer convenience. One area that the Company takes seriously is feedbacks from customer complaints. Complaints are closely tracked and reviewed by a complaints panel and managed proactively. During the year, 2 complaint indicators, namely overall complaint count and average response time have continued to improve.

CHAIRMAN'S REVIEW

As a responsible corporate citizen and to have greater engagement with the community it operates in, Uni.Asia General continues to position corporate social responsibility (CSR) as one of the Company's priorities. During the year, Uni.Asia General had undertaken more than 10 CSR events. These included blood donation drives,
visitations with financial assistance to orphanages and homes of the underprivileged, media education sponsorships, and financial assistance to the families of the fallen heroes of Lahad Datu incident. From the positive responses that the Company has received, more of such activities have been planned for the coming year.

Future Outlook

We are encouraged by the positive forecast that the Malaysian economy will grow by 5 to 6 percent in 2013 coupled with the second upward revision of the motor tariff. Economic growth will be driven by the strength of domestic demand and the gradual improvements in the global economies. In 2012, there was the introduction of several statutes in which we seek to comply fully with, namely the Financial Services Act 2012, the Personal Data Protection Act 2010 and the Competitions Act 2010.
Taking the above into account, we are optimistic in our outlook. The Company will draw upon its strengths of innovative product offerings, strategic distribution networks, shareholders synergy, financial strength and dedicated workforce to ensure sustainable revenue and profit growth in 2014 and beyond.

Appreciation

On behalf of the Board of Directors, I would like to record our appreciation to Tan Sri Dato' Sri Haji Mohd Khamil bin Jamil who had resigned as a Director of the Company for his significant contributions and extend a warm welcome to Dato' Mohamed Hazlan bin Mohamed Hussain to the Board. My heartfelt appreciation to the Management team, staff, shareholders, business partners, agents and customers for their continuous support and confidence in the Company.

Lastly, I would like to take this opportunity to thank my fellow Directors for their wise counsel, unwavering support and contributions to the Board.

Dato' Haji Kamil Khalid Ariff
Chairman

Financial Statements

DIRECTORS' REPORT

The Directors hereby submit their report to the members together with the audited financial statements of the Company for the financial year ended 31 March 2013.

PRINCIPAL ACTIVITY

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

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

FINANCIAL RESULTS

	RM'000
Net profit for the financial year	76,331

RESERVES AND PROVISIONS

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

DIVIDENDS

The amounts of dividends declared and paid by the Company since 31 March 2012 were as follows:

	RM
Financial year ended 31 March 2012:	
Final dividend of 8.00 sen per share less income tax of 25%, paid on 23 July 2012	6,000,000
Financial year ended 31 March 2013:	
Interim dividend of 10.00 sen per share less income tax of 25%, paid on 8 April 2013	7,500,000
	13,500,000

The Directors recommend the payment of final dividend of 13.47 sen per share less income tax of 25% amounting to RM10,100,000 in respect of the financial year ended 31 March 2013, which is subject to the approval of the members at the forthcoming Annual General Meeting of the Company.

SHARE CAPITAL

There were no changes in the authorised, issued and paid-up capital of the Company during the financial year.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS

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

Dato' Haji Kamil Khalid Ariff	Chairman
Mr. David Chan Mun Wai	Deputy Chairman
Mr. Lawrence Pereira	
Datuk Abdul Sukur bin Hadji Mohd Hassan	
Mr. George Isac Pereire	
Dato' Dr. Mohd Shahari bin Ahmad Jabar	
Mr. Chan Kok Seong	
Dato' Majid bin Mohamad	
Dato' Chan Choy Lin	
Dato' Mohamed Hazlan Bin Mohamed Hussain	(Appointed as Director on 30 August 2012)
Tan Sri Dato' Sri Haji Mohd Khamil bin Jamil	(Resigned as Director on 3 September 2012)

In accordance with the Company's Article 63 of the Articles of Association, Mr. David Chan Mun Wai and Mr. George Isac Pereire shall retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with the Company's Article 68 of the Articles of Association, Dato' Mohamed Hazlan Bin Mohamed Hussain shall retire at the forthcoming Annual General Meeting.

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

PROVISION FOR INSURANCE LIABILITIES

Before the financial statements of the Company were made out, the Directors took reasonable steps to ascertain that there was adequate provision for insurance liabilities in accordance with the valuation methods specified in Part D of the Risk-Based Capital Framework ("RBC Framework") issued by Bank Negara Malaysia ("BNM") for insurers.

BAD AND DOUBTFUL DEBTS

Before the financial statements 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.

DIRECTORS' REPORT (CONTINUED)

CURRENT ASSETS

Before the financial statements of the Company were made out, the Directors took reasonable steps to ascertain that any current assets which were unlikely to be realised in the ordinary course of business, their value 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 which has arisen since the end of the financial year and 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 financial year.

No contingent liability 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 financial year which, in the opinion of the Directors, will or may affect the ability of the Company to meet its 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, which would render any amount stated in the financial statements misleading.

DIRECTORS' REPORT (CONTINUED)

ITEMS OF AN UNUSUAL NATURE

In the opinion of the Directors, the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than the effects of the transition from Financial Reporting Standards ("FRS") to Malaysian Financial Reporting Standards ("MFRS") as disclosed in Note 2(b) to the financial statements.

There has not arisen in the interval between the end of the financial 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 financial year in which this report is made.

CORPORATE GOVERNANCE

Corporate Governance for Licensed Institutions

The Company is prescribing to the requirements of, and adopts management practices that are consistent with the principles of BNM's Guidelines on Minimum Standards for Prudential Management of Insurers (Consolidated) (BNM/RH/GL 003-1) and Guidelines on Prudential Framework of Corporate Governance for Insurers (BNM/RH/GL 003-2).

On 28 February 2012, BNM issued the Guidelines on Internal Capital Adequacy Assessment Process ("the ICAAP Guidelines") which is applicable to all insurers licensed under the Insurance Act, 1996 and is to be read together with the RBC Framework and Guidelines on Stress Testing for Insurers (BNM/RH/GL/003-23). An insurer's ICAAP is a key process in the management of the insurer's business and it should be integrated with its business planning, risk management processes and day-to-day operations. A high degree of integration will also ensure the conclusions from the ICAAP are realistic and reliable.

The ICAAP Guidelines are effective from 1 September 2012.

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 BNM/RH/GL 001-1 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.

DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

Board Responsibilities and Oversight (continued)

(a) Composition of the Board

There is a balanced mix in the Board membership with wide ranging skills and experience that comprises ten directors i.e. seven 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 financial year are as follows:

Members	Status of directorship	Number of Board Meetings	
		Held	Attended
Dato' Haji Kamil Khalid Ariff	Independent Non-Executive Director & Chairman	6	6
Mr. David Chan Mun Wai	Non-Executive Director & Deputy Chairman	6	6
Mr. Lawrence Pereira	Non-Executive Director	6	6
Datuk Abdul Sukur bin Hadji Mohd Hassan	Non-Executive Director	6	6
Mr. George Isac Pereire	Non-Executive Director	6	6
Dato' Dr. Mohd Shahari bin Ahmad Jabar	Independent Non-Executive Director	6	6
Mr. Chan Kok Seong	Non-Executive Director	6	6
Dato' Majid bin Mohamad	Independent Non-Executive Director	6	5/6
Dato' Chan Choy Lin	Non-Executive Director	6	6
Dato' Mohamed Hazlan Bin Mohamed Hussain [1]	Non-Executive Director	6	4 of 4
Tan Sri Dato' Sri Haji Mohd Khamil bin Jamil [2]	Non-Executive Director	6	1 of 2

[1] Appointed on 30 August 2012
[2] Resigned on 3 September 2012

DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

Board Responsibilities and Oversight (continued)

(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 compliance with Part A of BNM's Guidelines BNM/RH/GL 003-22 on Guidelines for Audit Committees and Internal Audit Department, 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 the Company 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:

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.

DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

Board Committees (continued)

A The Audit Committee (continued)

This Committee comprises the following members and details of attendance of each member at meetings held during the financial year ended 31 March 2013 are as follows:

Members	Status of directorship	Number of Meetings	
		Held	Attended
Dato' Majid bin Mohamad	Independent Non-Executive Director & Chairman	6	6
Dato' Haji Kamil Khalid Ariff [1]	Independent Non-Executive Director	6	5 of 5
Mr. George Isac Pereire	Non-Executive Director	6	6
Dato' Dr. Mohd Shahari bin Ahmad Jabar	Independent Non-Executive Director	6	6
Dato' Chan Choy Lin [1]	Non-Executive Director	6	5 of 5

[1] Appointed on 25 May 2012

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, the CEO and key Senior Officers. It is also a process of reviewing the balance and assessing 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 meetings held during the financial year ended 31 March 2013 are as follows:

Members	Status of directorship	Number of Meetings	
		Held	Attended
Dato' Haji Kamil Khalid Ariff	Independent Non-Executive Director & Chairman	4	4
Mr. David Chan Mun Wai	Non-Executive Director	4	4
Datuk Abdul Sukur bin Hadji Mohd Hassan	Non-Executive Director	4	4
Mr. George Isac Pereire	Non-Executive Director	4	4
Dato' Dr. Mohd Shahari bin Ahmad Jabar	Independent Non-Executive Director	4	4
Dato' Chan Choy Lin [1]	Non-Executive Director	4	1 of 1
Tan Sri Dato' Sri Haji Mohd Khamil bin Jamil [2]	Non-Executive Director	4	1 of 2

[1] Appointed on 28 September 2012
[2] Resigned on 3 September 2012

DIRECTORS' REPORT (CONTINUED)

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, the 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 meetings held during the financial year ended 31 March 2013 are as follows:

Members	Status of directorship	Number of Meetings	
		Held	Attended
Dato' Haji Kamil Khalid Ariff	Independent Non-Executive Director & Chairman	2	2
Mr. David Chan Mun Wai	Non-Executive Director	2	2
Mr. Lawrence Pereira	Non-Executive Director	2	2
Datuk Abdul Sukur bin Hadji Mohd Hassan	Non-Executive Director	2	2
Mr. George Isac Pereire	Non-Executive Director	2	2
Dato' Chan Choy Lin [1]	Non-Executive Director	-	-
Tan Sri Dato'Sri Haji Mohd Khamil bin Jamil [2]	Non-Executive Director	2	1 of 2

[1] Appointed on 28 September 2012
[2] Resigned on 3 September 2012

D The 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 meetings held during the financial year ended 31 March 2013 are as follows:

Members	Status of directorship	Number of Meetings	
		Held	Attended
Dato' Dr. Mohd Shahari bin Ahmad Jabar [1]	Independent Non-Executive Director & Chairman	6	6
Dato' Majid bin Mohamad [2]	Independent Non-Executive Director	6	6
Mr. David Chan Mun Wai	Non-Executive Director	6	6
Datuk Abdul Sukur bin Hadji Mohd Hassan	Non-Executive Director	6	6
Mr. George Isac Pereire	Non-Executive Director	6	6
Dato' Chan Choy Lin [3]	Non-Executive Director	6	3 of 3

[1] Appointed as Chairman of RMC on 22 March 2012
[2] Relinquished as Chairman of RMC on 22 March 2012
[3] Appointed on 28 September 2012

DIRECTORS' REPORT (CONTINUED)

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 bimonthly 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 the 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 meetings held during the financial year ended 31 March 2013 are as follows:

Members	Status of directorship	Number of Meetings	
		Held	Attended
Dato' Mohamed Hazlan Bin Mohamed Hussain [1]	Non-Executive Director & Chairman	6	3 of 3
Mr. David Chan Mun Wai	Non-Executive Director	6	6
Mr. Chan Kok Seong	Non-Executive Director	6	6
Tan Sri Dato' Sri Haji Mohd Khamil bin Jamil [2]	Non-Executive Director	6	1 of 2

[1] Appointed as Chairman of EXCO on 28 September 2012
[2] Resigned as Chairman of EXCO on 3 September 2012

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 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.

DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

Board Committees (continued)

F **The Claims and Underwriting Committee** (continued)

This Committee comprises the following members and details of attendance of each member at meetings held during the financial year ended 31 March 2013 are as follows:

Members	Status of directorship	Number of Meetings	
		Held	Attended
Mr. Lawrence Pereira	Non-Executive Director & Chairman	6	6
Mr. David Chan Mun Wai	Non-Executive Director	6	6
Datuk Abdul Sukur bin Hadji Mohd Hassan	Non-Executive Director	6	6
Dato' Mohamed Hazlan Bin Mohamed Hussain [1]	Non-Executive Director	6	3 of 3
Tan Sri Dato' Sri Haji Mohd Khamil bin Jamil [2]	Non-Executive Director	6	1 of 2

[1] Appointed on 28 September 2012
[2] Resigned on 3 September 2012

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 meetings held during the financial year ended 31 March 2013 are as follows:

Members	Status of directorship	Number of Meetings	
		Held	Attended
Mr. Chan Kok Seong	Non-Executive Director & Chairman	6	6
Mr. Lawrence Pereira [1]	Non-Executive Director	6	5 of 5
Datuk Abdul Sukur bin Hadji Mohd Hassan	Non-Executive Director	6	6
Dato' Mohamed Hazlan Bin Mohamed Hussain [2]	Non-Executive Director	6	3 of 3
Dato' Haji Kamil Khalid Ariff [3]	Independent Non-Executive Director	6	1 of 1

[1] Appointed on 25 May 2012
[2] Appointed on 28 September 2012
[3] Relinquished on 25 May 2012

DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

Management Accountability

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 (BNM/RH/GL 003-3) in respect of all its related party transactions.

Internal Control and Enterprise Risk Management

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

It is the Board's responsibility to determine the strategies and policies for a sound risk management and control environment, whilst Senior Management should ensure that the Company's business activities are consistent with the risk strategies and policies approved by the Board.

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 ("RMC-B") will oversee Senior Management's activities in managing the key risk areas and ensuring that the risk management framework and processes are in place and functioning effectively.

The implementation of the ERM is delegated to the CEO who is supported by the Enterprise-wide, Opportunity and Risk Management Committee of the Management ("EORMC-M"). The EORMC-M will assist the CEO in formulating appropriate procedures (including assessment methodologies, tools and techniques) and review the application of risk management practices. The Head of ERM & Compliance Assurance Department will regularly report to the RMC-B on the effectiveness of risk management and control measures.

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

DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

Internal Control and Enterprise Risk Management (continued)

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 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.

(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 regulatory limit as per Risk Based Capital framework.

(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 timely updated and reviewed.

DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

Internal Control and Enterprise Risk Management (continued)

(g) Internal Audit

The functions and responsibilities of the Board with respect to internal audit and the functions and responsibilities of the Internal Audit Department are in accordance with the BNM's Guidelines on Audit Committees and Internal Audit Department (BNM/RH/GL 003-22), Guidelines on Internal Audit Function of Licensed Institutions (BNM/RH/GL 013-4) and Guidelines on Prudential Framework of Corporate Governance for Insurers (BNM/RH/GL 003-2).

Internal Audit Department function is to assists the Board and senior management by providing independent assessment of the effectiveness of and adherence to the institution's organisational and procedural controls. Internal Audit Department reports directly to the Board through the Audit Committee (AC). AC will review and approve the annual audit plan, audit reports, audit charter and budget of the Internal Audit Department. The Chairman of the AC will provide written reports to the board on the deliberations of the AC on a regular basis. In addition, the AC Chairman also presents a summary of all significant matters and resolutions made by the AC at the Board meetings.

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.

(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 the 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' REPORT (CONTINUED)

DIRECTORS' INTERESTS

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

	Number of ordinary shares of RM1.00 each			
	At 1.4.2012	Acquired	Disposed	At 31.3.2013
In the Company				
Direct:				
Mr. George Isac Pereire	2,052,381	-	-	2,052,381
Indirect:				
Mr. Lawrence Pereira [1]	9,850,000	-	-	9.850,000
Datuk Abdul Sukur bin Hadji Mohd Hassan [2]	10,003,175	-	-	10,003,175
In DRB-HICOM Berhad (Penultimate holding company)				
Direct:				
Mr. George Isac Pereire	250,000	-	(10,000)	240,000
Dato' Majid bin Mohamad	10,000	-	-	10,000
Dato' Dr. Mohd Shahari Ahmad Jabar [3]	-	20,000	-	20,000

[1] 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.

[2] 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.

[3] Interest of spouse/child of the Directors.

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

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' BENEFITS

During and at the end of the financial 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.

Since the end of the previous financial 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 28 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.

HOLDING COMPANIES

The immediate holding company is Uni.Asia Capital Sdn. Bhd. The Directors regard DRB-HICOM Berhad and Etika Strategi Sdn. Bhd. as the penultimate holding company and ultimate holding company of the Company respectively. These companies are incorporated in Malaysia.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the Directors dated 23 May 2013.

DATO' HAJI KAMIL KHALID ARIFF
DIRECTOR

DATO' MOHAMED HAZLAN BIN
MOHAMED HUSSAIN
DIRECTOR

Kuala Lumpur
23 May 2013

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013

	Note	31.3.2013	31.3.2012	1.4.2011
		RM'000	RM'000	RM'000
ASSETS				
Property and equipment	4(a)	61,072	60,566	60,520
Intangible assets - software	4(b)	1,972	1,089	205
Non-current assets held for sale	5	189	-	-
Investment properties	6	45,542	43,933	40,388
Available-for-sale financial assets	7	203,466	203,648	188,812
Held-to-maturity financial assets	7	-	35,409	40,465
Loans and receivables	8	572,594	379,166	347,762
Deferred tax assets	9	3,569	-	-
Reinsurance assets	10	214,001	227,466	270,290
Insurance receivables	11	53,504	51,486	53,069
Deferred acquisition costs	12	22,391	22,165	18,693
Tax recoverable		-	-	3,549
Cash and cash equivalents	13	5,361	46,530	35,194
Total assets		1,183,661	1,071,458	1,058,947
EQUITY AND LIABILITIES				
Share capital	14	100,000	100,000	100,000
Other reserves	15	23,835	27,569	20,250
Retained earnings	16	218,300	155,469	130,075
Total equity		342,135	283,038	250,325
LIABILITIES				
Insurance contract liabilities	17	656,050	631,498	657,341
Subordinated loan	18	30,000	30,000	30,000
Deferred tax liabilities	9	-	3,828	1,934
Deferred acquisition costs - reinsurance	12	5,758	8,167	7,732
Insurance payables	19	97,076	91,503	94,019
Other payables	20	36,190	19,473	16,955
Dividend payable		7,500	-	-
Post-employment benefit obligations	21	601	610	641
Current tax liabilities		8,351	3,341	-
Total liabilities		841,526	788,420	808,622
Total equity and liabilities		1,183,661	1,071,458	1,058,947

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

STATEMENT OF INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Note	2013	2012
		RM'000	RM'000
Operating revenue	22	485,141	445,860
Gross written premiums		471,930	431,721
Change in premium liabilities		(15,093)	(11,800)
Gross earned premiums		456,837	419,921
Reinsurance premiums ceded		(139,290)	(156,533)
Change in premium liabilities		(16,770)	(22,600)
Premiums ceded to reinsurers		(156,060)	(179,133)
Net earned premiums		300,777	240,788
Investment income	23	28,304	25,939
Realised gains and losses	24	17,812	458
Fair value gains and losses	25	1,624	3,024
Commission income	26	33,339	33,892
Other income	27	13,936	12,033
Other income		95,015	75,346
Gross claims paid		(244,070)	(261,825)
Claims ceded to reinsurers		76,399	88,573
Gross change to claims liabilities		(9,459)	37,643
Change in claims liabilities ceded to reinsurers		3,305	(20,224)
Net claims incurred		(173,825)	(155,833)
Commission expense	26	(49,589)	(41,662)
Management expenses	28	(72,669)	(63,832)
Other expenses		(122,258)	(105,494)
Finance cost	18	(2,702)	(2,706)
Profit before taxation		97,007	52,101
Tax expense	29	(20,676)	(15,457)
Net profit for the financial year		76,331	36,644
Basic earnings per share (sen)	30	76.33	36.64

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Note	2013 RM'000	2012 RM'000
Profit for the financial year		76,331	36,644
Other comprehensive income:			
Asset revaluation reserve			
Revaluation surplus on self occupied properties	4	1,432	1,651
Reclassification to investment properties	6	-	547
		1,432	2,198
Available-for-sale ("AFS") reserve			
Fair value (loss)/gain of available-for-sale financial assets		(801)	7,090
Transfer of gross AFS reserve on disposal		(6,088)	(262)
		(6,889)	6,828
Tax effect on fair value gain/(loss) of available-for-sale financial assets	9	200	(1,772)
Tax effect on transfer of AFS reserve on disposal	9	1,523	65
		(5,166)	5,121
Total comprehensive income for the financial year		72,597	43,963

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Issued and fully paid ordinary shares of RM 1 each		Non-distributable		Distributable	
	Number of shares	Nominal value	Asset revaluation reserve	AFS reserve	Retained earnings	Total
	000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2011	100,000	100,000	19,380	35	130,075	249,490
Effect of adoption of MFRS (Note 38)	-	-	-	835	-	835
At 1 April 2011 - under MFRS	100,000	100,000	19,380	870	130,075	250,325
Total comprehensive income for the financial year	-	-	2,198	5,121	36,644	43,963
Dividends (Note 31)	-	-	-	-	(11,250)	(11,250)
At 31 March 2012	100,000	100,000	21,578	5,991	155,469	283,038

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONTINUED)

	Issued and fully paid ordinary shares of RM 1 each		Non-distributable		Distributable	
	Number of shares	Nominal value	Asset revaluation reserve	AFS reserve	Retained earnings	Total
	000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2012	100,000	100,000	21,578	4,735	155,469	281,782
Effect of adoption of MFRS (Note 38)	-	-	-	1,256	-	1,256
At 1 April 2012 - under MFRS	100,000	100,000	21,578	5,991	155,469	283,038
Total comprehensive income for the financial year	-	-	1,432	(5,166)	76,331	72,597
Dividends (Note 31)	-	-	-	-	(13,500)	(13,500)
At 31 March 2013	100,000	100,000	23,010	825	218,300	342,135

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	2013	2012
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the financial year	76,331	36,644
Adjustment for non-cash items:		
Property and equipment		
- depreciation	2,456	2,586
- loss on disposal	13	10
- written off	9	36
Reversal of impairment loss on self-occupied properties	(15)	(26)
Amortisation of intangible assets	323	179
Fair value gain on investment properties	(1,609)	(2,998)
Interest income	(23,742)	(21,553)
Dividend income	(3,206)	(3,706)
Rental income	(1,611)	(1,152)
Amortisation of premiums, net of accretion of discounts	255	472
Gain on disposal of available-for-sale financial assets	(17,893)	(312)
Gain on disposal of held-to-maturity financial assets	-	(197)
Finance cost	2,702	2,706
Write-back of impairment allowance for insurance receivables	(121)	(59)
Provision for post-employment benefit obligations	228	70
Tax expense	20,676	15,457
	54,796	28,157
Purchase of available-for-sale financial assets	(96,871)	(31,577)
Proceeds from maturity of available-for-sale financial assets	5,000	10,000
Proceeds from maturity of held-to-maturity financial assets	35,000	-
Proceeds from disposal of available-for-sale financial assets	103,555	12,993
Proceeds from disposal of held-to-maturity financial assets	-	5,197
Interest income received	22,581	18,068
Dividend income received	3,206	3,706
Rental income received	1,611	1,152
Payment of post-employment benefit obligations	(237)	(101)
Decrease in reinsurance assets	13,465	42,824
(Increase)/decrease in insurance receivables	(1,897)	1,642
Increase in deferred acquisition costs	(226)	(3,472)
Increase/(decrease) in insurance payables	5,573	(2,516)
Increase/(decrease) in insurance contract liabilities	24,552	(25,844)
Increase in loans and receivables	(192,610)	(27,154)
Increase in other payables	16,728	2,503
(Decrease)/increase in deferred acquisition costs - reinsurance	(2,409)	435

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONTINUED)

	Note	2013	2012
		RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (continued)			
Cash (used in)/generated from operating activities		(8,183)	36,013
Income tax paid		(21,345)	(8,372)
Net cash (outflows)/inflows from operating activities		(29,528)	27,641
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(1,874)	(1,489)
Purchase of intangible assets		(1,206)	(1,063)
Proceeds from disposal of property and equipment		148	196
Net cash outflows from investing activities		(2,932)	(2,356)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(6,000)	(11,250)
Finance cost paid		(2,709)	(2,699)
Net cash outflows from financing activities		(8,709)	(13,949)
NET(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(41,169)	11,336
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		46,530	35,194
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	13	5,361	46,530

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

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2013

1 PRINCIPAL ACTIVITY AND GENERAL INFORMATION

The Company is principally engaged in the underwriting of all classes of general insurance business. The registered office of the Company is located at 9th Floor, Menara Uni.Asia, 1008 Jalan Sultan Ismail, 50250 Kuala Lumpur.

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

The immediate holding company is Uni.Asia Capital Sdn. Bhd. The Directors regard DRB-HICOM Berhad and Etika Strategi Sdn. Bhd. as the penultimate holding company and ultimate holding company of the Company respectively. These companies are incorporated in Malaysia.

The financial statements were authorised for issue by the Board of Directors on 23 May 2013.

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 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.

The financial statements of the Company for the financial year ended 31 March 2013 are the first set of financial statements prepared in accordance with MFRS, including MFRS 1 "First-time Adoption of Malaysian Financial Reporting Standards". Subject to certain transition elections disclosed in Note 2(b), the Company has consistently applied the same accounting policies in its opening MFRS statement of financial position at 1 April 2011 (transition date) and throughout all years presented as if these policies had always been in effect. Comparative figures for the financial year ended 31 March 2012 in these financial statements have been restated to give effect to these changes. Subsequent to the transition in the financial reporting framework to MFRS on 1 April 2012, the restated comparative information has not been audited under MFRS. However the comparative statements of income, comprehensive income, changes in equity and cash flows for the financial year then ended have been audited under the previous financial reporting framework, Financial Reporting Standards in Malaysia. Note 38 discloses the impact of the transition to MFRS on the Company's reported financial position, financial performance and cash flows.

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.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2013 (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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

(b) Effects of transition from Financial Reporting Standards ("FRS") to MFRS

MFRS 1 "First-time Adoption of Malaysian Financial Reporting Standards" allows an entity to designate a previously recognised financial asset as available-for-sale, provided the criteria in MFRS 139 "Financial Instruments: Recognition and Measurement" are met. Consequently, the Company has designated certain previously recognised financial assets held-to-maturity as available-for-sale at the transition date. The impact of this change is disclosed in Note 38 to the financial statements.

(c) Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Company but not yet effective

The Company will apply the new standards, amendments to standards and interpretations in the following period:

<u>Financial year beginning on/after 1 April 2013</u>

- MFRS 13 "Fair Value Measurement" (effective from 1 January 2013) aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across MFRS. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The enhanced disclosure requirements are similar to those in MFRS 7 "Financial instruments: Disclosures", but apply to all assets and liabilities measured at fair value, not just financial ones. The Company will apply this standard from financial period beginning on 1 April 2013.

- Amendment to MFRS 7 "Financial Instruments: Disclosures" (effective from 1 January 2013) requires more extensive disclosures for using on quantitative information about recognised financial intruments that are offset in the statement of financial position and those that are subject to master netting or similar arrangements irrespective of whether they are offset. The Company will apply this standard from financial period beginning on 1 April 2013.

- Amendment to MFRS 101 "Presentation of Items of Other Comprehensive Income" (effective from 1 July 2012) requires entities to separate items presented in other comprehensive income in the statement of comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. The amendments do not address which items are presented in other comprehensive income. The Company will apply this standard from financial period beginning on 1 April 2013.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2013 (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Standards, amendments to published standards and interpretations to existing standards that are applicable and relevant to the Company but not yet effective (continued)

Financial year beginning on/after 1 April 2013 (continued)

- Amendment to MFRS 119 "Employee Benefits" (effective from 1 January 2013) makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. Actuarial gains and losses will no longer be deferred using the corridor approach. MFRS 119 shall be withdrawn on application of this amendment. The Company will apply this standard from financial period beginning on 1 April 2013

Financial year beginning on/after 1 April 2014

- Amendment to MFRS 132 "Financial Instruments: Presentation" (effective from 1 January 2014) does not change the current offsetting model in MFRS 132. It clarifies the meaning of "currently has a legally enforceable right of set-off" that the right of set off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. It clarifies that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria. The Company will apply this standard from financial period beginning on 1 April 2014.

Financial year beginning on/after 1 April 2015

- MFRS 9 "Financial Instruments – Classification and Measurement of Financial Assets and Financial Liabilities" (effective from 1 January 2015) replaces the multiple classification and measurement models in MFRS 139 with a single model that has only two classification categories: amortised cost and fair value. The basis of classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

  The accounting and presentation for financial liabilities and for de-recognising financial instruments has been relocated from MFRS 139, without change, except for financial liabilities that are designated at fair value through profit or loss ("FVTPL"). Entities with financial liabilities designated at FVTPL recognise changes in fair value due to changes in the liability's credit risk directly in other comprehensive income. There is no subsequent recycling of the amounts in other comprehensive income to profit and loss, but accumulated gains or losses may be transferred within equity.

  The guidance in MFRS 139 on impairment of financial assets and hedge accounting continues to apply.

  MFRS 7 requires disclosure on transition from MFRS 139 to MFRS 9.

  The Company will apply this standard from financial period beginning on 1 April 2015.

The Company is reviewing the adoption of the above accounting standards, amendments to published standards and interpretations to existing standards and will complete the process prior to the reporting requirement deadline. The Company has not finalised any financial impact of the adoption of the above accounting standards.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

All items of property and equipment are initially recorded at cost. 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 statement of income during the period in which they are incurred.

Land and buildings, which are substantially occupied by the Company for its operations, are classified under property and equipment.

Land and buildings are initially stated at cost, and subsequently revalued based on the independent valuation on the open market value basis on the existing use basis by professional valuers. 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.

When the land and buildings are revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated as the revalued amount of the asset.

The surplus arising from revaluation of these properties are credited to an asset revaluation reserve account except that a surplus, to the extent that such surplus is related to and not greater than a deficit arising on revaluation previously recorded as an expense, is credited to the statement of income. A deficit arising from revaluation of these properties is recognised as an expense except that, a deficit, to the extent that such a deficit is related to a surplus which was previously recorded as a credit to the asset revaluation reserve account and which has not been subsequently reversed or utilised, it is charged directly to that account.

Freehold land is not depreciated as it has infinite life. Other property 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:

Leasehold land	Over the remaining period of the lease
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 and equipment are reviewed, and adjusted as appropriate, at each date of the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Property and equipment (continued)

At each date of the statement of financial position, 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 Note 2(i) for the accounting policy 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 statement of income. On disposal of revalued assets, the amount in the asset revaluation reserve relating to the assets are transferred to retained earnings.

(d) Intangible assets – software

Where computer software is not an integral part of a related item of computer hardware, the software is treated as an intangible asset. Capitalised internal-use software costs include external direct costs of materials and services consumed in developing or obtaining the software, payroll and payroll-related costs for employees who are directly associated with and who devote substantial time to the project. Capitalisation of these costs ceases no later than the point at which the project is substantially completed and ready for its intended purpose. These costs are amortised over their expected useful life of 5 years on a straight-line basis, with the useful lives being reviewed annually.

(e) Assets held for sale

Non-current assets are classified as assets held for sale and stated at the lower of carrying amount and fair value less cost to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing use.

(f) 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 every year or earlier if the carrying values of the investment properties differ materially from the fair values. Changes in fair values are recorded in the statement of income in the year in which they arise.

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 statement of financial position). The difference between the net disposal proceeds and the carrying amount is recognised in the statement of income in the year of the retirement or disposal.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Leases

Lease of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating lease (less of any incentives received from the lessor) are charged to the statement of income on a straight line basis over the period of the lease.

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 financial year in which termination takes place.

(h) Investments and financial assets

The Company classifies its investments into the following categories of financial assets: held-to-maturity, loans and receivables, and available-for-sale financial assets. Classification of the financial asset is determined at initial recognition and relates to the purpose for which the financial asset was acquired.

(i) Held-to-maturity (“HTM”) financial assets

HTM financial assets are financial assets with fixed or determinable payments and fixed maturity that the Company has the positive intention and ability to hold to maturity. These financial assets are initially recognised at fair value plus transaction costs directly attributable to the acquisition. After initial measurement, HTM financial assets are measured at amortised cost using the effective using effective yield method, less allowance for impairment. Any gain or loss is recognised in the statement of income when the financial assets are derecognised or impaired.

An allowance of impairment for HTM financial assets is established when there is objective impairment that the Company will not be able to collect the amounts due according to the original terms (see Note 2(i) for the accounting policy on impairment).

(ii) Loans and receivables (“LAR”)

LAR are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are initially recognised at fair value plus transaction costs directly attributable to the acquisition. After initial measurement, LAR are measured at amortised cost, using effective yield method, less allowance for impairment. Gains and losses are recognised in the statement of income when the investments are derecognised or impaired, as well as through the amortisation process.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Investments and financial assets (continued)

(iii) Available-for-sale ("AFS") financial assets

AFS financial assets are non-derivative financial assets that are not classified as fair value through profit or loss, HTM or LAR. AFS financial assets are initially recognised at fair value. After initial measurement, AFS financial assets are remeasured at fair value. Fair value gains and losses of those financial assets are reported in the statement of other comprehensive income until the investment is derecognised or investment is determined to be impaired. When these AFS financial assets are sold or impaired, the cumulative fair value gains and losses previously recognised in the other comprehensive income are transferred to the statement of income as net realised gainsor losses on AFS financial assets.

(i) Impairment

(i) Financial assets, excluding insurance receivables

The Company assesses at each date of the statement of financial position whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is impaired and impairment loss is incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the security that can be reliably estimated.

(a) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the statement of income.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Impairment (continued)

(b) Financial assets carried at cost

If there is objective evidence that an impairment loss on financial assets carried at cost (e.g. unquoted equity instruments or which there is no active market or whose fair value cannot be reliably measured) has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for similar financial asset. Such impairment losses shall not be reversed.

(c) Financial assets carried at fair value

In the case of AFS financial asset, a significant or prolonged decline in the fair value of the financial asset below its cost is considered in determining whether the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on the financial asset previously recognised in the statement of income is removed from other comprehensive income to the statement of income.

If, in a subsequent period, the fair value of a debt instrument classified as AFS increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the statement of income, the impairment loss is reversed through the statement of income. Impairment losses previously recognised in the statement of income on equity instruments are not reversed through the statement of income.

(d) Loans and receivables

An impairment loss in respect of loans and receivables (excluding insurance receivables) is recognised in the statement of income and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Impairment (continued)

(ii) Insurance receivables

Insurance receivables at each reporting date are assessed for any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised.

An impairment loss in respect of insurance receivables is recognised in the statement of income and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

(iii) 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 is 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 statement of income immediately. A subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the statement of income immediately.

(j) Insurance receivables

Insurance receivables are recognised when due and measured on initial recognition at fair value. Subsequent to initial recognition, insurance receivables are measured at amortised cost, using the effective yield method.

(k) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances and call deposits which have maturity of less than one month. Cash and cash equivalents exclude fixed and call deposits which are held for investment purpose.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Insurance payables and other payables

Insurance payables and other payables are recognised when due and measured on initial recognition at the fair value less directly attributable transaction costs. Subsequent to the initial recognition, they are measured at amortised cost using the effective yield method.

(m) Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

(n) Share capital

(i) Classification

Ordinary shares are classified as equity.

(ii) Dividends to shareholders of the Company

Dividends are recognised as liabilities when the obligation to pay is established in which the dividends are declared and approved by the Company's shareholders. No provision is made for a proposed dividend.

(o) Product classification

The Company issues contracts that transfer insurance risk.

Insurance contracts are those contracts that transfer significant insurance risk. An insurance contract is a contract under which the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Company determines the possibility of having to pay benefits on occurrence of an insured event that are more than the benefits paid if the insured event did not occur.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its life-time, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expired.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) General insurance underwriting results

The general insurance underwriting results are determined for each class of business after taking into account reinsurance, commissions, premium liabilities and claims liabilities.

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 date of the statement of financial position 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.

Claims liabilities

A liability for outstanding claims is recognised in respect of both direct insurance and inward reinsurance.

Provision for claims liabilities is made for the estimated costs of all claims together with related expenses less reinsurance recoveries, in respect of claims notified but not settled 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.

Acquisition costs

The cost of acquiring and renewing insurance policies net of income derived from ceding reinsurance premiums is recognised as incurred and properly allocated to the periods in which it is probable they give rise to income. Acquisition costs or ceding income which are not recoverable, or not payable in the event of a termination of the policy to which they relate, are not deferred but are recognised in the period in which they occur.

Deferred acquisition cost (“DAC”)

DAC is calculated based on the methodology prescribed by BNM on the computation of unearned premium reserves (“UPR”).

The gross DAC at the date of the statement of financial position is computed as follows:

(i) gross premiums under $1/24^{th}$ method for all other classes of Malaysian general policies multiplied by the percentage of accounted gross direct business commissions to the corresponding premiums, not exceeding limits specified by BNM;

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) General insurance underwriting results (continued)

Deferred acquisition cost ("DAC") (continued)

(ii) gross premiums under 1/8th method for all other classes of overseas inward business multiplied by 20% for acquisition costs; and
(iii) gross premiums under time apportionment method for policies with insurance periods other than 12 months multiplied by the corresponding percentage of gross commission.

The reinsurance DAC at the date of the statement of financial position is computed as follows:

(i) reinsurance premiums ceded which are allowed under 1/24th method for all other classes of Malaysian general policies multiplied by the percentage of accounted gross direct business commissions to the corresponding premiums, not exceeding limits specified by BNM;
(ii) reinsurance premiums ceded which are allowed under 1/8th method for all other classes of overseas inward business multiplied by 20% for acquisition costs; and
(iii) reinsurance premiums ceded which are allowed under time apportionment method for policies with insurance periods other than 12 months multiplied by the corresponding percentage of gross commission.

Reinsurance

The Company cedes insurance risk in the normal course of business for all of its business. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the insurer's policies and are in accordance with the related reinsurance contracts.

Ceded reinsurance arrangements do not relieve the Company from its obligations to policyholders. Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance.

Reinsurance assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting period. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Company may not receive all outstanding amount due under the terms of the contract and the event has a reliable measurable impact on the amounts that the Company will receive from the reinsurer. The impairment loss is recorded in the statement of income.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) General insurance underwriting results (continued)

Reinsurance (continued)

Gains or losses on buying reinsurance are recognised in the statement of income immediately at the date of purchase and are not amortised.

The Company also assumes reinsurance risk in the normal course of business when applicable.

Premiums and claims on assumed reinsurance are recognised as revenue or expenses in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsured business. Reinsurance liabilities represent balances due to the reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract.

Reinsurance assets or liabilities are derecognised when the contractual rights are extinguished or expired or when the contract is transferred to another party.

Reinsurance contracts that do not transfer significant insurance risk are accounted or directly through the statement of financial position. These are deposit assets or financial liabilities that are recognised based on the consideration paid or received less any explicit identified premiums or fees to be retained by the reinsured. Investment income on these contracts is accounted for using the effective yield method when accrued.

Insurance contract liabilities

General insurance contract liabilities are recognised when contracts are entered into and premiums are charged.

These liabilities comprise premium liabilities and claims liabilities.

(i) Premium liabilities

Premium liabilities are the higher of:

(a) the aggregate of the unearned premium reserves (“UPR”); or

(b) the best estimate value of the insurer’s unexpired risk reserves (“URR”) at the valuation date and the Provision of Risk Margin for Adverse Deviation (“PRAD”) calculated at the overall Company level. The best estimate value is a prospective estimate of the expected future payments arising from future events insured under policies in force as at the valuation date and also includes allowance for the insurer’s expenses, including overheads and cost of reinsurance, expected to be incurred during the unexpired period in administering these policies and settling the relevant claims, and allows for expected future premium refunds.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) General insurance underwriting results (continued)

Insurance contract liabilities (continued)

General insurance contract liabilities are recognised when contracts are entered into and premiums are charged.

These liabilities comprise premium liabilities and claims liabilities.

(i) Premium liabilities

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. Generally, the UPR is released over the term of the contract and is recognised as premium income.

In determining the UPR at the date of the statement of financial position, 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) $1/24^{th}$ 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 BNM;

(iii) $1/8^{th}$ 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.

(ii) Claims liabilities

Claims liabilities are based on the estimated ultimate cost of all claims incurred but not settled at the balance sheet date, whether reported or not, together with related claims handling costs and reduction for the expected value of salvage and other recoveries. Delays can be experienced in the notification and settlement of certain types of claims, therefore, the ultimate cost of these claims cannot be known with certainty at the date of the statement of financial position. The liability is calculated at the reporting date using a range of standard actuarial claim projection techniques based on empirical data and current assumptions that may include a margin for adverse deviation. The liability is not discounted for the time value of money. No provision for equalisation or catastrophe reserve is recognised. The liabilities are derecognised when the contract expires, is discharged or is cancelled.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) General insurance underwriting results (continued)

Liability adequacy test on insurance contract liabilities

PRAD is calculated at overall Company level and is an additional component of liability value aimed at ensuring the value of insurance liabilities is established at a level such that there is a higher level of confidence (or probability) that the liability will ultimately be sufficient. For the purpose of URR valuation, the level of confidence is set at 75% at an overall Company level.

At each date of the statement of financial position, the Company reviews its unexpired risks and a liability adequacy test is performed to determine whether there is any overall excess of expected claims and DAC over unearned premiums. This calculation uses current estimates of future contractual cash flows (taking into consideration current loss ratios) after taking account of the investment return expected to arise on assets relating to the relevant general insurance technical provisions. If these estimates show that the carrying amount of the unearned premiums less related deferred acquisition costs is inadequate, the deficiency is recognised in the statement of income initially by writing off DAC and by subsequently establishing a provision for liability adequacy.

(q) Other revenue recognition

Interest income is recognised using the effective interest method. The effective interest rate is the rate that discounts estimated future cash receipts or payments through the expected life of the financial instrument or, when appropriate, a shorter period to its carrying amount. The calculation includes significant fees and transaction costs that are integral to the effective interest rate, as well as premiums or discounts.

When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continue unwinding the discount as interest income. Interest income on impaired loans and receivables are recognised using the original effective interest rate.

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.

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

Rental income is recognised on a time proportion basis except where default in payment of rent has already occurred and rent due remains outstanding, 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.

Gains or losses arising on disposal of financial assets are credited or charged to the statement of income.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) 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 statement of income in the period to which they relate. Once the contributions have been paid, the Company has no further payment obligation.

(iii) Defined benefits plan

The Company operates an unfunded defined benefits scheme. Provision for retirement benefit is made in the financial statements. The retirement benefit cost is assessed using the projected unit credit method. Under this method the cost of providing retirement benefits is charged to the statement of income so as to spread the regular asset cost over the service lives of employees.

(iv) 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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Income taxes

Income tax on the statement of income comprises current tax and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profits for the financial year and is measured using the tax rates that have been enacted at the date of the statement of financial position. Current tax is recognised in the statement of income.

Deferred tax is provided for using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the date of the statement of financial position.

Deferred tax is recognised in the statement of income, except when it arises from a transaction which is recognised in other comprehensive income, in which case the deferred tax is also charged or credited to other comprehensive income.

(t) Foreign currencies

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the “functional currency”). The financial statements are presented in Ringgit Malaysia (“RM”), which is also the functional and presentation currency of the Company.

Foreign currency transactions are translated into Ringgit Malaysia at the rates of exchange prevailing on the transaction dates. Foreign currency monetary assets and liabilities at the date of the statement of financial position are translated at the rates of exchange prevailing 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 recognised in the statement of income.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Contingent liabilities and contingent assets

The Company does not recognise a contingent liability but discloses 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.

(v) Fair value estimation for disclosure purpose

The basis of estimation of fair values for financial instruments is as follows:

(i) The fair values of unquoted corporate debt securities are based on the indicative market prices.

(ii) The fair values of quoted real estate investment trusts (“REITs”) are based on quoted market prices in an active market.

(iii) The fair values of fixed rate loans are estimated by discounting future expected cash flows, taking into consideration market conditions and contractual terms of these loans.

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

(w) Subordinated loan

Subordinated loan is recognised initially at fair value, net of transaction cost incurred. Subsequent to the intial recognition, it is measured at amortised cost using the effective yield method.

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.

Valuation of general insurance contract liabilities

For general insurance contracts, estimates have to be made for both the expected ultimate cost of claims reported at the date of the statement of financial position and for the expected ultimate cost of claims incurred but not reported ("IBNR").

It can take a significant period of time before the ultimate claims costs can be established with certainty and for some type of policies, IBNR claims form the majority of liabilities in the statement of financial position. The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projections techniques, such as the Chain Ladder and the Bornhuetter–Ferguson methods.

The main assumptions underlying these techniques is that a company's past claims development experience can be used to project future claims development and hence, ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by significant business lines and claims types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjustor estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflations or loss ratios. Instead, the assumptions used are those implicit in the historic claims development date on which the projections are based.

Additional qualitative judgement is used to assess the extent to which past trends may not apply in future (for example, to reflect one-off occurrences, changes in external or market factors such as public attitude to claiming, economic conditions, level of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate costs of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

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 2013 (CONTINUED)

4(a) PROPERTY AND EQUIPMENT

	Freehold land RM'000	Long term leasehold land RM'000	Freehold buildings RM'000	Long term leasehold buildings RM'000	Motor vehicles RM'000	Furniture and fittings RM'000	Office equipment RM'000	Office renovation RM'000	Computer equipment RM'000	Total RM'000
Net book value at 1 April 2012	2,569	11,609	2,673	37,961	566	1,618	629	1,002	1,939	60,566
Additions at cost	-	-	-	-	8	92	213	596	965	1,874
Disposals at net book value	-	-	-	-	(161)	-	-	-	-	(161)
Write-offs at net book value	-	-	-	-	-	(4)	(3)	(1)	(1)	(9)
Depreciation charge for the financial year	-	-	(100)	(1,055)	(34)	(178)	(143)	(344)	(602)	(2,456)
Revaluation surplus	20	90	108	1,214	-	-	-	-	-	1,432
Reversal of impairment loss previously charged to income statement (Note 25)	-	-	-	15	-	-	-	-	-	15
Transferred to non-current assets held for sale (Note 5)	(143)	-	(46)	-	-	-	-	-	-	(189)
Net book value at 31 March 2013	2,446	11,699	2,635	38,135	379	1,528	696	1,253	2,301	61,072
<u>At 31 March 2013</u>										
Cost	-	-	-	-	681	3,659	3,725	10,042	10,131	28,238
Valuation	2,446	11,699	2,644	38,229	-	-	-	-	-	55,018
Accumulated depreciation	-	-	(9)	(94)	(302)	(2,131)	(3,029)	(8,789)	(7,830)	(22,184)
Net book value	2,446	11,699	2,635	38,135	379	1,528	696	1,253	2,301	61,072

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

4(a) PROPERTY AND EQUIPMENT (CONTINUED)

	Freehold land	Long term leasehold land	Freehold buildings	Long term leasehold buildings	Motor vehicles	Furniture and fittings	Office equipment	Office renovation	Computer equipment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net book value at 1 April 2011	2,541	10,718	2,636	38,366	1,250	1,778	639	1,228	1,364	60,520
Additions at cost	-	-		-	-	49	136	138	1,166	1,489
Disposals at net book value	-	-	-	-	(199)	-	-	-	(7)	(206)
Write-offs at net book value	-	-	-	-	-	(32)	(3)	-	(1)	(36)
Depreciation charge for the financial year	-	-	(95)	(1,031)	(193)	(177)	(143)	(364)	(583)	(2,586)
Revaluation surplus	28	891	132	600	-	-	-	-	-	1,651
Reversal of impairment loss previously charged to income statement (Note 25)	-	-	-	26	-	-	-	-	-	26
Reversal at cost	-	-	-	-	(292)	-	-	-	-	(292)
Net book value at 31 March 2012	2,569	11,609	2,673	37,961	566	1,618	629	1,002	1,939	60,566
At 31 March 2012										
Cost	-	-	-	-	1,045	3,609	3,556	9,598	9,283	27,091
Valuation	2,569	11,609	2,681	38,049	-	-	-	-	-	54,908
Accumulated depreciation	-	-	(8)	(88)	(479)	(1,991)	(2,927)	(8,596)	(7,344)	(21,433)
Net book value	2,569	11,609	2,673	37,961	566	1,618	629	1,002	1,939	60,566

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

4(a) PROPERTY AND EQUIPMENT (CONTINUED)

	Freehold land	Long term leasehold land	Freehold buildings	Long term leasehold buildings	Motor vehicles	Furniture and fittings	Office equipment	Office renovation	Computer equipment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2011										
Cost	-	-	-	-	1,982	3,678	3,732	9,467	8,396	27,255
Valuation	2,541	10,718	2,644	38,452	-	-	-	-	-	54,355
Accumulated depreciation	-	-	(8)	(86)	(732)	(1,900)	(3,093)	(8,239)	(7,032)	(21,090)
Net book value	2,541	10,718	2,636	38,366	1,250	1,778	639	1,228	1,364	60,520

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

4(a) PROPERTY AND EQUIPMENT (CONTINUED)

During the current financial year, the Directors revalued all freehold and long term leasehold properties of the Company held as self-occupied properties 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 land and 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:

	31.3.2013	31.3.2012	1.4.2011
	RM'000	RM'000	RM'000
Freehold land and buildings	2,052	2,210	2,290
Long-term leasehold land and buildings	27,796	28,588	29,383
	29,848	30,798	31,673

The long-term leasehold land and buildings have unexpired lease periods ranging from 66 years to 882 years (31 March 2012: 67 years to 883 years; 1 April 2011: 68 years to 884 years).

The titles to certain long-term leasehold land and buildings and freehold land and buildings included in property and equipment at carrying value of RM239,000 (31 March 2012: RM239,000; 1 April 2011: RM46,119,000) and RM1,296,000 (31 March 2012: RM1,296,000; 1 April 2011: RM1,297,000) 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 2013 (CONTINUED)

4(b) INTANGIBLE ASSETS - SOFTWARE

	31.3.2013	31.3.2012	1.4.2011
	RM'000	RM'000	RM'000
Cost	8,206	7,000	5,937
Accumulated amortisation	(6,234)	(5,911)	(5,732)
At net book value	1,972	1,089	205

	2013	2012
	RM'000	RM'000
Net book value		
As at beginning of the financial year	1,089	205
Additions at cost	1,206	1,063
Amortisation for the financial year	(323)	(179)
As at end of the financial year	1,972	1,089

5 NON-CURRENT ASSETS HELD FOR SALE

	31.3.2013	31.3.2012	1.4.2011
	RM'000	RM'000	RM'000
Non-current assets held for sale :			
Freehold land (Note 4(a))	143	-	-
Freehold Building (Note 4(a))	46	-	-
	189	-	-

Freehold land and building are classified as held for sale following the approval of management and the shareholders on 20 November 2012 to dispose these assets to a third party. On 2 April 2013, a sale and purchase agreement was signed with third parties, Hafiz Salama Bin Md Noor and Md Noor Bin Baharom, to dispose this property for a sale consideration of RM 200,000. This disposal has yet to be completed.

6 INVESTMENT PROPERTIES

	Freehold land and building	Leasehold land and building	Total
	RM'000	RM'000	RM'000
At 1 April 2012	10,800	33,133	43,933
Fair value gain (Note 25)	300	1,309	1,609
At 31 March 2013	11,100	34,442	45,542
At 1 April 2011	10,600	29,788	40,388
Reclassification from asset revaluation reserve	-	547	547
Fair value gain (Note 25)	200	2,798	2,998
At 31 March 2012	10,800	33,133	43,933

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.

The titles to the leasehold land and buildings and freehold land and buildings included in investment properties of the Company at carrying value of Nil (31 March 2012: Nil; 1 April 2011: RM29,788,000) and RM11,100,000 (31 March 2012: RM10,800,000; 1 April 2011: RM10,600,000) respectively are in the process of being transferred to the Company. Risks, rewards and effective titles to these properties have been passed to the Company upon unconditional completion of the acquisition of those properties. The Company has submitted the relevant documents to the land authorities for transfer of legal titles to the Company and is awaiting the process and finalisation of this transfer to be completed.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

7 INVESTMENTS

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

	31.3.2013	31.3.2012	1.4.2011
	RM'000	RM'000	RM'000
Available-for-sale ("AFS") financial assets	203,466	203,648	188,812
Held-to-maturity ("HTM") financial assets	-	35,409	40,465
Total investments	203,466	239,057	229,277

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

	31.3.2013	31.3.2012	1.4.2011
	RM'000	RM'000	RM'000
(a) AFS financial assets			
At fair value:			
Unquoted equity securities in Malaysia	47	93	93
Quoted real estate investment trusts (REITS) in Malaysia	-	67,300	28,900
Unquoted corporate debt securities in Malaysia	201,094	134,679	157,819
Accrued interest	2,325	1,576	2,000
Total AFS financial assets	203,466	203,648	188,812
(b) HTM financial assets			
At amortised cost:			
Unquoted corporate debt securities in Malaysia:			
Cost	-	35,024	40,024
Amortisation of premiums, net of accretion of discounts	-	(20)	(12)
Accrued interest	-	405	453
Total HTM financial assets	-	35,409	40,465

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

7 INVESTMENTS (CONTINUED)

(c) Carrying value of financial assets

	AFS	HTM	Total
	RM'000	RM'000	RM'000
At 1 April 2011	188,812	40,465	229,277
Purchases	31,577	-	31,577
Disposal/maturity/repayment	(22,681)	(5,000)	(27,681)
Amortisation adjustment	(464)	(8)	(472)
Movement in accrued interest	(424)	(48)	(472)
Fair value gain recorded in:			
- Other comprehensive income	6,828	-	6,828
At 31 March 2012 / 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 gain recorded in:			
- Other comprehensive income	(6,889)	-	(6,889)
At 31 March 2013	203,466	-	203,466

The maturity structure of AFS financial assets is as follows:

	31.3.2013	31.3.2012	1.4.2011
	RM'000	RM'000	RM'000
Investment maturing within 12 months	12,385	6,588	34,696
Investment maturing after 12 months	191,081	197,060	154,116
	203,466	203,648	188,812

The maturity structure of HTM financial assets is as follows:

	31.3.2013	31.3.2012	1.4.2011
	RM'000	RM'000	RM'000
Investment maturing within 12 months	-	35,409	453
Investment maturing after 12 months	-	-	40,012
	-	35,409	40,465

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

7 INVESTMENTS (CONTINUED)

(d) Fair value hierarchy of AFS financial assets

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

	31.3.2013	31.3.2012	1.4.2011
	RM'000	RM'000	RM'000
Level 1	-	67,300	28,900
Level 2	203,419	136,255	159,819
Level 3	47	93	93
	203,466	203,648	188,812

The Company categorises its fair value measurements according to a three-level hierarchy. The hierarchy prioritises the inputs used by the Company's valuation techniques for determining the fair value of the financial instruments.

A level is assigned to each fair value measurement based on the lowest level input significant to the fair value measurement in its entirety. The three-level hierarchy is defined as follows:

Level 1 – Fair value measurements that reflect unadjusted, quoted prices in active markets for identical assets and liabilities that the Company has the liability to access at the measurement date. Valuations are based on quoted prices reflecting market transactions involving assets or liabilities identical to those being measured.

Level 2 – Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Those include quoted prices for similar assets and liabilities in active markets, quoted prices for identical assets and liabilities in inactive markets, inputs that are observable that are not prices (such as interest rates, credit risks, etc) and inputs that are derived from or corroborated by observable market data.

Level 3 – Fair value measurements using significant non market observable inputs. These include valuations for assets and liabilities that are derived using data, some or all of which is not market observable, including assumptions about risk.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

8 LOANS AND RECEIVABLES

	31.3.2013	31.3.2012	1.4.2011
	RM'000	RM'000	RM'000
Staff loans:			
Staff housing loans (secured)	303	541	769
Other staff loans (unsecured)	-	1	3
	303	542	772
Fixed and call deposits with licensed banks with maturity more than 1 month	530,894	351,361	332,083
Accrued interest	6,521	5,671	1,734
	537,415	357,032	333,817
Other receivables:			
Rent receivable	-	76	76
Assets held under Malaysian Motor Insurance Pool	26,054	16,133	8,727
MMIP commission receivable	6,001	2,955	1,711
Deposits	741	736	750
Prepayments	403	352	403
Other receivables	1,677	1,340	1,506
	34,876	21,592	13,173
Total loans and receivables	572,594	379,166	347,762
The following loans and receivables mature after 12 months:	27,663	17,859	10,584

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

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

9 DEFERRED TAX ASSETS/(LIABILITIES)

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 financial position:

	31.3.2013	31.3.2012	1.4.2011
	RM'000	RM'000	RM'000
Deferred tax assets/(liabilities)	3,569	(3,828)	(1,934)

	2013	2012
	RM'000	RM'000
At beginning of the financial year	(3,828)	(1,934)
(Charged)/credited to income statement (Note 29)		
- property and equipment	(249)	(193)
- investment properties	(402)	(887)
- AFS financial assets	(658)	(158)
- HTM financial assets	671	-
- retirement benefits	(14)	(5)
- other payables	2,476	1,124
- premium liabilities	(38)	(68)
- other receivables	3,888	-
	5,674	(187)
Credited/(charged) to equity		
- AFS financial assets	1,723	(1,707)
At end of the financial year	3,569	(3,828)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

9 DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

	31.3.2013	31.3.2012	1.4.2011
	RM'000	RM'000	RM'000
Deferred tax assets (before offsetting)			
Other receivables	3,892	4	4
Retirement benefits	248	262	267
Other payables	4,898	2,422	1,298
Premium liabilities	-	-	31
	9,038	2,688	1,600
Offsetting	(5,469)	(2,688)	(1,600)
Deferred tax assets (after offsetting)	3,569	-	-
Deferred tax liabilities (before offsetting)			
Property and equipment	1,541	1,292	1,099
Investment properties	3,172	2,770	1,883
AFS financial assets	681	1,746	(119)
HTM financial assets	-	671	671
Premium liabilities	75	37	-
	5,469	6,516	3,534
Offsetting	(5,469)	(2,688)	(1,600)
Deferred tax liabilities (after offsetting)	-	3,828	1,934

10 REINSURANCE ASSETS

	31.3.2013	31.3.2012	1.4.2011
	RM'000	RM'000	RM'000
Reinsurance of insurance contract:			
Claims liabilities (Note 17)	154,151	150,846	171,070
Premium liabilities (Note 17)	59,850	76,620	99,220
	214,001	227,466	270,290

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

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

11 INSURANCE RECEIVABLES

	31.3.2013	31.3.2012	1.4.2011
	RM'000	RM'000	RM'000
Due premium including agents, brokers and co-insurers balance	41,055	37,788	33,371
Due from reinsurers and cedants	17,268	18,116	25,084
	58,323	55,904	58,455
Less : Impairment allowance	(6,116)	(6,279)	(6,325)
	52,207	49,625	52,130
Knock-for-knock claims recoveries due from other insurers	1,386	1,908	1,000
Less : Impairment allowance	(89)	(47)	(61)
	1,297	1,861	939
	53,504	51,486	53,069

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

12 DEFERRED ACQUISITION COSTS

	RM'000
Deferred acquisition costs:	
At 1 April 2011	18,693
Movement during the financial year (Note 26)	3,472
At 31 March 2012	22,165
Movement during the financial year (Note 26)	226
At 31 March 2013	22,391

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

12 DEFERRED ACQUISITION COSTS (CONTINUED)

	RM'000
Deferred acquisition costs - reinsurance:	
At 1 April 2011	(7,732)
Movement during the financial year (Note 26)	(435)
At 31 March 2012	(8,167)
Movement during the financial year (Note 26)	2,409
At 31 March 2013	(5,758)

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

13 CASH AND CASH EQUIVALENTS

	31.3.2013 RM'000	31.3.2012 RM'000	1.4.2011 RM'000
Cash and bank balances	1,315	5,461	9,573
Call deposits with licensed banks	4,042	41,032	25,604
Accrued interest	4	37	17
	5,361	46,530	35,194

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

14 SHARE CAPITAL

	31.3.2013		31.3.2012		1.4.2011	
	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares
	RM'000	'000	RM'000	'000	RM'000	'000
Ordinary shares of RM1 each						
Authorised	250,000	250,000	250,000	250,000	250,000	250,000
Issued and fully paid	100,000	100,000	100,000	100,000	100,000	100,000

15 OTHER RESERVES

	31.3.2013	31.3.2012	1.4.2011
	RM'000	RM'000	RM'000
Non-distributable			
Asset revaluation reserve	23,010	21,578	19,380
AFS reserve	825	5,991	870
	23,835	27,569	20,250

Asset revaluation reserve represents surplus arising from revaluation of self-occupied properties. Fair value gains or losses arising from AFS financial assets are accumulated as AFS reserve until they are realised.

16 RETAINED EARNINGS

	31.3.2013	31.3.2012	1.4.2011
	RM'000	RM'000	RM'000
Distributable			
Retained earnings	218,300	155,469	130,075

Presently, Malaysian companies adopt the full imputation system. In accordance with the Finance Act, 2007, which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders (“single-tier system”). However, there is a transitional period of six years expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard their accumulated tax credit under Section 108 of the Income Tax Act, 1967 (“Section 108 balance”) and opt to pay dividends under the single-tier system. The change in the tax legislation also provides for the Section 108 balance to be locked in as at 31 December 2007 in accordance with Section 39 of the Finance Act, 1967.

The Company did not elect for the irrevocable option to disregard the Section 108 balance. During the transitional period, the Company will utilise the credits in the Section 108 balance as at 31 December 2007 to distribute cash dividend payments to ordinary shareholders as defined under the Finance Act, 2007.

The Company has sufficient Section 108 balance and balance in the tax-exempt account to frank the payment of dividends out of its entire retained earnings as at 31 March 2013.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

17 INSURANCE CONTRACT LIABILITIES

	31.3.2013			31.3.2012			1.4.2011		
	Gross	Re-insurance	Net	Gross	Re-insurance	Net	Gross	Re-insurance	Net
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
General insurance	656,050	(214,001)	442,049	631,498	(227,466)	404,032	657,341	(270,290)	387,051

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

	31.3.2013			31.3.2012			1.4.2011		
	Gross	Re-insurance	Net	Gross	Re-insurance	Net	Gross	Re-insurance	Net
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Provision for claims	295,974	(116,385)	179,589	294,624	(119,563)	175,061	319,315	(104,064)	215,251
Provision for incurred but not reported ("IBNR") claims	126,549	(37,766)	88,783	118,440	(31,283)	87,157	131,392	(67,006)	64,386
Claims liabilities (i)	422,523	(154,151)	268,372	413,064	(150,846)	262,218	450,707	(171,070)	279,637
Premium liabilities (ii)	233,527	(59,850)	173,677	218,434	(76,620)	141,814	206,634	(99,220)	107,414
	656,050	(214,001)	442,049	631,498	(227,466)	404,032	657,341	(270,290)	387,051

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

17 INSURANCE CONTRACT LIABILITIES (CONTINUED)

(i) Claims liabilities

	2013			2012		
	Gross	Re-insurance	Net	Gross	Re-insurance	Net
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At beginning of the financial year	413,064	(150,846)	262,218	450,707	(171,070)	279,637
Claims incurred for the current accident year (direct and facultative)	259,549	(79,906)	179,643	257,487	(102,149)	155,338
Adjustment to claims incurred in prior accident years (direct and facultative)	(29,371)	2,386	(26,985)	(57,029)	37,985	(19,044)
Claims incurred during the financial year (treaty inwards claims)	17,232	-	17,232	20,311	(119)	20,192
Movement in PRAD of claims liabilities at 75% confidence level	6,298	(2,187)	4,111	4,778	(5,471)	(693)
Movement in claims handling expenses	(179)	3	(176)	(1,365)	1,405	40
Claims paid during the financial year	(244,070)	76,399	(167,671)	(261,825)	88,573	(173,252)
At end of the financial year	422,523	(154,151)	268,372	413,064	(150,846)	262,218

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

17 INSURANCE CONTRACT LIABILITIES (CONTINUED)

(i) Claims liabilities by class of business

	31.3.2013			31.3.2012			1.4.2011		
	Motor	Non-Motor	Total	Motor	Non-Motor	Total	Motor	Non-Motor	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Gross claims liabilities	319,632	102,891	422,523	298,099	114,965	413,064	338,762	111,945	450,707
Reinsurance	(77,741)	(76,410)	(154,151)	(75,005)	(75,841)	(150,846)	(97,206)	(73,864)	(171,070)
Net claims liabilities	241,891	26,481	268,372	223,094	39,124	262,218	241,556	38,081	279,637

(ii) Premium liabilities

	2013			2012		
	Gross	Re-insurance	Net	Gross	Re-insurance	Net
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At beginning of the financial year	218,434	(76,620)	141,814	206,634	(99,220)	107,414
Premiums written during the financial year	471,930	(139,290)	332,640	431,721	(156,533)	275,188
Premiums earned during the financial year	(456,837)	156,060	(300,777)	(419,921)	179,133	(240,788)
At end of the financial year	233,527	(59,850)	173,677	218,434	(76,620)	141,814

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

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

18 SUBORDINATED LOAN

	31.3.2013 RM'000	31.3.2012 RM'000	1.4.2011 RM'000
Unsecured subordinated loan:			
payable after 12 months	30,000	30,000	30,000

On 29 June 2010, the Company obtained from its shareholders, a subordinated loan amounting to RM30 million to improve the Company's capital adequacy ratio.

The tenure of this subordinated loan is ten (10) years and shall be repaid in full on the maturity basis. The interest rate applicable for the subordinated loan is as follows:

(a) nine per cent (9%) per annum on monthly rest from the disbursement date until the end of the fifth (5^{th}) anniversary of the disbursement date;

(b) eleven per cent (11%) per annum on monthly rest from the sixth (6th) anniversary of the disbursement date until the tenth (10th) anniversary of the disbursement date or the full settlement of the subordinated loan, whichever is earlier.

The Company has the right to elect the maturity date by giving one (1) month written notice to the Lenders of its proposed maturity date which shall not fall less than five (5) years from the disbursement date, and upon the approval of Bank Negara Malaysia.

The Company recognised a finance cost of RM2,702,000 (2012: RM2,706,000) during current financial year.

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

19 INSURANCE PAYABLES

	31.3.2013 RM'000	31.3.2012 RM'000	1.4.2011 RM'000
Due to insureds, agents, brokers and co-insurers	31,043	22,734	22,193
Due to reinsurers and cedents	66,033	68,769	71,826
	97,076	91,503	94,019

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

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

20 OTHER PAYABLES

	31.3.2013 RM'000	31.3.2012 RM'000	1.4.2011 RM'000
Amount due to a shareholder	61	61	61
Interest on subordinated loan	436	443	436
Payroll liabilities	14,855	7,430	5,068
Defined contribution plan	392	439	290
Unclaimed monies	932	1,165	1,485
Cash collaterals held on bond business	646	646	641
Stamp duty and service tax payable	1,655	1,473	767
Accrual of insurance levy	50	129	1,011
MMIP collection payable	6,918	888	-
Profit commission payable	2,040	1,292	1,727
Interest on premium reserve	1,052	535	1,160
Tenant deposits	708	620	580
Accrued expenses	5,052	3,446	2,201
Other payables	1,393	906	1,528
	36,190	19,473	16,955

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

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

21 POST EMPLOYMENT BENEFIT OBLIGATIONS

Defined contribution plan:

The Company contributes to the Employees' Provident Fund, the national defined contribution scheme. Additionally, the Company makes an accrual 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.

Defined benefit plan:

A provision in respect of Company's unfunded defined benefits scheme is made in the financial statements. The retirement benefit cost is assessed using the projected unit credit method and charged to the statement of income so as to spread the regular asset cost over the service lives of employees.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

21 POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

The movements during the financial year in the amounts recognised in the statement of financial position for the defined benefit plan are as follows:

	RM'000
At 1 April 2011	641
Benefits paid	(101)
Charged to statement of income	70
At 31 March 2012	610
Benefits paid	(237)
Charged to statement of income	228
At 31 March 2013	601

	31.3.2013 RM'000	31.3.2012 RM'000	1.4.2011 RM'000
Payable within 12 months	60	14	94
Payable after 12 months	541	596	547
	601	610	641

The amounts recognised in the statement of financial position can be analysed as follows:

	31.3.2013 RM'000	31.3.2012 RM'000	1.4.2011 RM'000
Present value of unfunded obligations	601	610	641

The expense recognised in the statement of income can be analysed as follows:

	2013 RM’000	2012 RM’000
Current service cost	(9)	(31)

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

	31.3.2013 %	31.3.2012 %	1.4.2011 %
Discount rate	7	7	7
Expected salary of salary increase	8	8	8

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

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

22 OPERATING REVENUE

	2013 RM'000	2012 RM'000
Gross earned premiums	456,837	419,921
Investment income (Note 23)	28,304	25,939
	485,141	445,860

23 INVESTMENT INCOME

	2013 RM'000	2012 RM'000
AFS financial assets		
Dividend/interest income		
- Corporate debt securities	8,144	1,982
- REITs	3,206	3,706
- Amortisation of premiums, net of accretion of discounts	(251)	(464)
HTM financial assets		
Interest income		
- Corporate debt securities	797	6,405
- Amortisation of premiums, net of accretion of discounts	(4)	(8)
Loans and receivables and cash and cash equivalents		
Interest income	14,801	13,166
Rental income	2,717	2,308
Less: Rates and maintenance expenses	(1,106)	(1,156)
	28,304	25,939

24 REALISED GAINS AND LOSSES

	2013 RM'000	2012 RM'000
Realised (loss)/gain for:		
Property and equipment	(13)	(10)
AFS financial assets	17,893	312
HTM financial assets	-	197
Foreign currency translation	(68)	(41)
	17,812	458

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

25 FAIR VALUE GAINS AND LOSSES

	2013 RM'000	2012 RM'000
Fair value gain on investment properties (Note 6)	1,609	2,998
Reversal of impairment loss on self-occupied properties (Note 4(a))	15	26
	1,624	3,024

26 COMMISSION INCOME/EXPENSE

	2013 RM'000	2012 RM'000
Commission income:		
Commission income	30,930	34,327
Movement in deferred acquisition costs (Note 12)	2,409	(435)
	33,339	33,892
Commission expenses:		
Commission expenses	(49,815)	(45,134)
Movement in deferred acquisition costs (Note 12)	226	3,472
	(49,589)	(41,662)

27 OTHER INCOME

	2013 RM'000	2012 RM'000
Gross servicing fees from MMIP	25,370	20,113
Less: Related management expenses include depreciation charge of RM175,000 (2012: RM206,000) (Note 28)	(11,812)	(8,360)
	13,558	11,753
Interest on deposits retained	(1,013)	(132)
Property and equipment written off	(9)	(36)
Others	1,400	448
	13,936	12,033

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

28 MANAGEMENT EXPENSES

	2013 RM'000	2012 RM'000
Staff costs:		
Salaries and bonus	35,489	29,578
Defined contribution plan	5,001	4,263
Others	3,224	3,570
	43,714	37,411
Advertising	3,273	3,348
Auditors' remuneration	247	230
Depreciation of property and equipment (Note 4(a))	2,456	2,586
Amortisation of intangible assets - software (Note 4(b))	323	179
EDP expenses	2,937	2,835
Insurance levy	419	(292)
Postage and telephone	2,055	1,872
Printing and stationery	2,602	1,821
Rental of properties	956	967
Training expenses	1,482	1,308
Reimbursement of depreciation charge from MMIP (Note 27)	(175)	(206)
Write-back of impairment allowance for insurance receivables (Note 36)	(121)	(59)
Fund management and professional fees	966	1,204
Entertainment	1,338	1,096
Credit card charges	4,676	4,086
Others	5,521	5,446
	28,955	26,421
Total management expenses	72,669	63,832

Included in management expenses are emoluments received by Directors of the Company during the financial year:

	2013 RM'000	2012 RM'000
Non-Executive Directors:		
- fees	687	583
- other emoluments	236	176
Total Directors' remuneration	923	759

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

28 MANAGEMENT EXPENSES (CONTINUED)

The number of Non-Executive Directors whose total remuneration received during the financial year falls within the following bands is:

	2013 RM'000	2012 RM'000
Non-Executive Directors:		
Less than RM50,000	1	2
RM50,001 - RM100,000	10	8

The remuneration, including benefits-in-kind, attributable to the Chief Executive Officer of the Company during the financial year amounted to RM1,421,000 (2012: RM980,000).

29 TAX EXPENSE

	2013 RM'000	2012 RM'000
Current tax:		
Current financial year	27,079	14,344
(Over)/under-provision in prior financial year	(729)	926
Deferred tax (Note 9)	(5,674)	187
Tax expense	20,676	15,457

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

	2013 RM'000	2012 RM'000
Profit before taxation	97,007	52,101
Tax calculated at the statutory rate of 25% (2012: 25%)	24,252	13,025
Tax effect of:		
- expenses not deductible for tax purposes	1,142	1,671
- income not subject to tax	(101)	(165)
- expenses entitled for double deduction in future financial years	(3,888)	-
(Over)/under-provision of tax in prior financial year	(729)	926
	20,676	15,457

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

30 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	2013 RM'000	2012 RM'000
Profit attributable to ordinary equity holders	76,331	36,644
Weighted average number of shares in issue	100,000	100,000
Basic earnings per share (sen)	76.33	36.64

Diluted earnings per share are not presented as there were no dilutive potential ordinary shares as at the date of the statement of financial position

There have been no other transaction involving ordinary shares between the reporting date and the date of completion of these financial statements.

31 DIVIDENDS

	2013		2012	
	Gross dividend per share	Amount of dividend	Gross dividend per share	Amount of dividend
In respect of the financial year ended 31 March 2011: Final dividend paid, net of tax	-	-	10	7,500
In respect of the financial year ended 31 March 2012: Interim dividend paid, net of tax	-	-	5	3,750
In respect of the financial year ended 31 March 2012: Final dividend paid, net of tax	8	6,000	-	-
In respect of the financial year ended 31 March 2013: Interim dividend payable, net of tax	10	7,500	-	-
	18	13,500	15	11,250

The Directors recommend the payment of final dividend of 13.47 sen per share less income tax of 25% amounting to RM10,100,000 in respect of the financial year ended 31 March 2013, which is subject to the approval of the members at the forthcoming Annual General Meeting of the Company.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

32 COMMITMENTS

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

	31.3.2013	31.3.2012	1.4.2011
	RM'000	RM'000	RM'000
Authorised by the Directors and contracted for:			
- Property and equipment	624	1,251	-
Authorised by the Directors but not contracted for:			
- Property and equipment	2,331	-	-
	2,955	1,251	-

(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:

	31.3.2013	31.3.2012	1.4.2011
	RM'000	RM'000	RM'000
Not later than 1 year	1,314	1,149	1,133
Later than 1 year and no later than 5 years	2,762	1,669	1,172
Later than 5 years	-	155	-
	4,076	2,973	2,305

33 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 agreed terms and conditions.

Related companies	Country of incorporation	Relationship
Etika Strategi Sdn. Bhd.	Malaysia	Ultimate holding company
DRB-HICOM Berhad	Malaysia	Penultimate holding company
Uni.Asia Capital Sdn. Bhd.	Malaysia	Immediate holding company
Bank Muamalat Malaysia Berhad	Malaysia	Subsidiary company of the penultimate holding company
Affiliated company		
United Overseas Bank Berhad	Malaysia	Substantial shareholder of the immediate holding company

Significant related party balances

The significant related party balances at the date of the statement of financial position are set out below.

	31.3.2013 RM'000	31.3.2012 RM'000	1.4.3011 RM'000
Fixed and call deposits			
Fixed and call deposits in affiliated company United Overseas Bank Berhad	48,760	42,898	27,348
Fixed and call deposits in related company Bank Muamalat Malaysia Berhad	19,000	9,000	14,000
Accrued interest in related company Bank Muamalat Malaysia Berhad	263	107	60
Accrued interest in affiliated company United Overseas Bank Berhad	334	317	89
Insurance receivables			
Due premiums from related companies, DRB-HICOM Group	4,336	1,723	1,705
Impairment allowance on due premiums from related companies, DRB- HICOM Group	(3,712)	(277)	(94)
Due premiums from affiliated company, United Overseas Bank Berhad	(17)	(5)	375

33 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

Significant related party balances (continued)

	31.3.2013	31.3.2012	1.4.2011
	RM'000	RM'000	RM'000
Cash and cash equivalents			
Call deposits in affiliated company			
United Overseas Bank Berhad	2,000	30,000	-
Bank balance in affiliated company			
United Overseas Bank Berhad	(7,126)	(10,251)	(2,315)
Bank balance in related company			
Bank Muamalat Malaysia Berhad	85	451	3
Accrued interest in affiliated company			
United Overseas Bank Berhad	3	8	-
Other receivables			
Other receivable due from immediate holding company, Uni.Asia Capital Sdn. Bhd.	5	4	8
Subordinated loan			
Due to immediate holding company, Uni.Asia Capital Sdn. Bhd.	23,082	23,082	23,082
Due to non-controlling shareholders of the Company	3,918	3,918	6,918
Claim liabilities			
Due to related companies, DRB-HICOM Group	10,970	10,127	7,849
Due to related companies, by virtue of their relationship with ultimate holding company, Etika Strategi Sdn. Bhd.	2,275	1,893	1,777
Insurance payables			
Due to related companies, DRB-HICOM Group	182	158	303
Due to affiliated company, United Overseas Bank Bhd	7	4	25
Due to related companies, by virtue of their relationship with ultimate holding company, Etika Strategi Sdn. Bhd.	189	37	-

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

33 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

Significant related party balance (continued)

	31.3.2013 RM'000	31.3.2012 RM'000	1.4.2011 RM'000
Other payables			
Due to related companies, DRB-HICOM Group	628	-	-
Due to immediate holding company, Uni.Asia Capital Sdn. Bhd.	336	341	336
Due to non-controlling shareholders of the Company	57	58	100
Dividend payable to immediate holding company, Uni.Asia Capital Sdn. Bhd. and other shareholders	7,500	-	-

Significant related party transactions

	2013 RM'000	2012 RM'000
Transactions with related companies, DRB-HICOM Group:		
- Gross premiums received/receivable	(21,956)	(13,476)
- Claims paid	2,352	6,385
- Management expenses	4,945	2,951
Transactions with immediate holding company, Uni.Asia Capital Sdn. Bhd.		
- Finance cost	2,079	2,082
Transactions with affiliated company, United Overseas Bank Berhad		
- Gross premium received/receivable	(2,728)	-
- Claims paid	76	149
- Commissions paid	423	614
- Interest income	(1,102)	(731)
- Management expenses	366	537
Transactions with related company, Bank Muamalat Malaysia Berhad		
- Interest income	(689)	(542)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

33 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

Significant related party transactions (continued)

	2013 RM'000	2012 RM'000
Transactions with related companies, by virtue of their relationship with ultimate holding company, Etika Strategi Sdn. Bhd.		
- Gross premiums received/receivable	(1,035)	(1,306)
- Claims paid	254	679
- Management expenses	12	-
Transactions with non-controlling shareholders and Directors:		
- Gross premiums received/receivable	(19)	10
- Claims paid	2	4
- Management expenses	126	-
- Finance cost	353	353

Key management personnel represents persons with the authority and responsibility for planning, directing and controlling activities of the Company either directly or indirectly.

	Note	2013 RM'000	2012 RM'000
Key management personnel compensation			
Salaries and other short-term employee benefits:			
- Chief Executive Officer/Chief Financial Officer		1,646	1,402
- Directors	28	923	759

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

34 RISK MANAGEMENT FRAMEWORK

Enterprise Risk Management

The Company is committed to achieving its objectives, and will face risks that could either negatively or positively influence the achievement of objectives. The effective management of enterprise risks can create, protect, and enhance shareholder value.

The Company adopts an Enterprise Risk Management Framework to support the overall business objectives by:

- Defining risk management roles and responsibilities
- Defining a reporting framework to ensure the communication of necessary risk management information to senior management and personnel engaged in risk management activities
- Detailing the approved methods for risk assessment
- Providing a system to accommodate the central accumulation of risk data

Responsibilities

The Board of Directors' overall responsibility for governing the Company also includes determining the Company's business and risk strategies and overseeing its implementation.

The Board is supported in its role by a Risk Management Committee of the Board ("RMC"). The RMC-B is tasked to oversee Senior Management's activities in managing key risk areas and to ensure that the risk management process is in place and functioning effectively.

The Senior Management, headed by the CEO, is supported in its role by the Enterprise-Wide Opportunity and Risk Management Committee of the Management ("EORMC-M"), comprising of the CEO and Heads of Divisions. The EORMC-M will assist Senior Management in formulating appropriate procedures (including assessment methodologies, tools and techniques) and review the application of risk management practices across the Company.

The Divisions/Departments/Regional Offices are accountable to the CEO and will actively participate in risk analysis, review and controls monitoring of their respective divisions/departments/regions and branches.

The effectiveness of risk management will be regularly reported to and acted upon by the Board through the RMC-B.

Risk Management Policy

The Company's policy is to adopt an ERM Framework to support the achievement of the Company's business objectives.

The Risk Management Policy Statement sets out the approach towards achieving the Risk Management Vision including its attitude to, and appetite for risk.

35 INSURANCE RISK

The Company underwrites various general insurance contracts, which are mostly on an annual coverage and annual premium basis. The exception being short term policies such as Travellers' Personal Accident and Marine Cargo which covers the duration in which the cargo is being transported. The Company also underwrites some non-annual policies with coverage period more than one year such as Contractor's All Risk and Workmen Compensation. The majority of the insurance business underwritten by the Company is Motor, Fire and Personal Accident. Other lines of business underwritten include Engineering, Workmen Compensation, Marine Cargo/Hull, Liability, Health and other miscellaneous classes.

Insurance risk is the inherent uncertainty regarding the occurrence, amount or timing of insurance liabilities. Insurance contracts transfer risk to the Company by indemnifying the policyholders against adverse effects arising from the occurrence of specified uncertain future events. The principal risk the Company faces under insurance contracts is that the actual claims and benefit payments may differ significantly from expectations. The factors that contribute to the risks are the fluctuations in timing, frequency and severity of claims, as well as the adequacy of premiums and reserves.

The Company may also be exposed to risks arising from climate changes, natural disasters and terrorism activities. For longer tail claims that take some years to settle, there is also inflation risk.

35 INSURANCE RISK (CONTINUED)

The Company's primary objective of managing insurance risk is to enhance the long-term financial viability of the business. This includes sustainable growth in profitability, strong asset quality and optimisation of shareholders' value. The Company seeks to underwrite only risk that it understands and that provide an opportunity to earn an acceptable profit.

The Company's underwriting strategy is intended to ensure that the risks underwritten are well diversified across a large portfolio of insurance contracts and geographical areas. Strategic underwriting guidelines are designed and implemented to ensure that the risks accepted are managed in line with the Company's philosophy of prudent underwriting.

The Company adopts the following measures to manage insurance risks:

- An underwriting policy that aims to take advantage of its competitive strengths while avoiding volatile risks to ensure underwriting profitability. Acceptance of risk is guided by a set of underwriting guidelines with limits on underwriting capacity and retention.

- Authority to individual underwriters are based on their specific areas of expertise.

- The Company has in place a claims management and control system to pay claims and control claims leakages and fraud. The Company has a claim review policy to access all new and ongoing claims as well as claims handling procedures. Investigation of suspected fraudulent claims are put in place to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

- The Company purchases reinsurance protection as part of its risks mitigation programme. The objectives are to provide sufficient capacity in underwriting business while protecting the Company's financial position and optimising it's capital efficiency. Reinsurance is ceded on proportional and non-proportional basis. The Company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any single reinsurance contract. The selection of reinsurers on its treaty and facultative programmes are based on their excellent security ratings and local regulatory requirements.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

35 INSURANCE RISK (CONTINUED)

The table below sets out the concentration of general insurance business by class of business.

	2013			2012			2011		
	Gross	Re-insurance	Net	Gross	Re-insurance	Net	Gross	Re-insurance	Net
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Motor	360,127	(80,169)	279,958	317,925	(102,379)	215,546	297,555	(149,142)	148,413
Fire	49,658	(31,961)	17,697	54,539	(30,855)	23,684	50,015	(24,471)	25,544
Marine, Aviation and Transit	9,756	(7,793)	1,963	9,388	(7,237)	2,151	8,155	(5,790)	2,365
Miscellaneous	52,389	(19,367)	33,022	49,869	(16,062)	33,807	57,077	(25,952)	31,125
	471,930	(139,290)	332,640	431,721	(156,533)	275,188	412,802	(205,355)	207,447

The table below sets out the concentration of insurance contract liabilities by class of business:

	2013			2012			2011		
	Gross	Re-insurance	Net	Gross	Re-insurance	Net	Gross	Re-insurance	Net
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Motor	521,992	(121,643)	400,349	478,962	(131,165)	347,797	501,984	(184,654)	317,330
Fire	45,807	(36,030)	9,777	50,426	(34,941)	15,485	53,922	(32,549)	21,373
Marine, Aviation and Transit	12,555	(10,447)	2,108	17,966	(13,710)	4,256	24,874	(20,146)	4,728
Miscellaneous	75,696	(45,881)	29,815	84,144	(47,650)	36,494	76,561	(32,941)	43,620
	656,050	(214,001)	442,049	631,498	(227,467)	404,032	657,341	(270,290)	387,051

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

35 INSURANCE RISK (CONTINUED)

Key assumptions

The principal assumptions underlying the estimate of liabilities is that the Company's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of loss development pattern and loss ratio movement.

Additional qualitative judgement are used to assess the extent to which past trends may not apply in the future, for example, isolated occurrence, changes in market factors such as public attitude to claiming, economic conditions, as well as internal factors, such as, portfolio mix, policy conditions and claims handling procedures. Judgement is further used to assess the extent to which external factors, such as, judicial decisions and government legislation affect the estimates.

Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency rates. Implicit inflation is allowed for future claims to the extent evident in past claims development.

The Company has based its risk margin for adverse deviation for the provisions for unexpired risks and insurance claims at a minimum 75% of sufficiency, according to the requirement set by BNM under the RBC Framework.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED

35 INSURANCE RISK (CONTINUED)

Sensitivities

The risk inherent in general insurance contracts are reflected in the insurance contract liabilities which include the premium and claims liabilities, as set out under Note 17 to the financial statements. Premium liabilities comprise of reserves for unexpired risks, whilst claims liabilities comprise of loss reserves which include provisions for both outstanding claims notified and outstanding claims incurred but not reported.

Outstanding claims provisions are usually established by skilled claims personnel based upon their experience and knowledge, and known facts of individual claims at hand. The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as the Chain Ladder and Bornhuetter-Ferguson (“BF”) methods. The main assumption underlying these techniques is that past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses based upon past development patterns including the implicit underlying trends. The BF methods which tend to be more stable and the more preferred methods also require the input of initial expected loss ratios (“IELRs”) which usually are based upon past claims experience.

Thus, general insurance contract liabilities are normally determined based on previous claims experience, existing knowledge of events, the terms and conditions of the relevant policies and interpretation of circumstances. Of particular relevance is past experience with similar cases, historical claims development trends, legislation changes, judicial decisions, economic conditions and claims handling procedure.

However, additional qualitative judgements are also used to assess the extent to which past trends may not apply in the future, for example, isolated occurrence, changes in market factors such as public attitude to claiming, economic conditions, as well as internal factors, such as, portfolio mix, policy conditions and claims handling procedures. Judgement is further used to assess the extent to which external factors, such as judicial decisions and government legislation affect the estimates. The estimates of the general insurance contract liabilities are therefore sensitive to various factors and uncertainties and the actual future premium and claims liabilities may not develop exactly as projected and could vary significantly from initial estimates. To increase the probability that the estimates would ultimately be adequate, provisions for adverse deviations are also included in the estimates.

35 INSURANCE RISK (CONTINUED)

Sensitivities (continued)

IELRs is an important assumption in the BF estimation techniques. Increasing the IELRs by 10% yields the following impact:

	Change in assumptions	Impact on gross liabilities RM'000	Impact on net liabilities RM'000	Impact on profit before tax RM'000	Impact on equity* RM'000
31 March 2013					
Initial expected loss ratios	+10%	8,117	6,819	(6,819)	(5,144)
31 March 2012					
Initial expected loss ratios	+10%	9,965	8,748	(8,748)	(6,561)
1 April 2011					
Initial expected loss ratios	+10%	9,809	6,111	(6,111)	(4,583)

* Impact on equity reflects adjustments for tax, when applicable

The method used for deriving sensitivity information and significant assumptions did not change from the previous financial year.

Claims development table

The following tables show the estimate of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at the end of each date of statement of financial position, together with cumulative payment to date.

In setting provisions for claims, the Company gives consideration to the probability and magnitude of future experience being more adverse than assumed and exercises a degree of caution in setting reserves when there is considerable uncertainty. In general, the uncertainty associated with the ultimate claims experience in an accident year is greatest when the accident year is at an early stage of development and the margin necessary to provide the necessary confidence in adequacy of provision is relatively at its highest. As claims develop and the ultimate cost of claims becomes more certain, the relative level of margin maintained should decrease.

The management believes that the estimate of total claims outstanding as of 31 March 2013 is adequate. However, due to the inherent uncertainties in the reserving process, it cannot be assured that such balances will ultimately prove to be adequate.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

35 INSURANCE RISK (CONTINUED)

Gross claims liabilities for 31 March 2013:

Motor

Accident year	2006 RM'000	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000	Total RM'000
At end of accident year	157,359	150,528	147,913	168,608	194,102	182,953	173,517	185,738	
One year later	161,284	164,980	186,700	206,920	221,067	209,077	200,049		
Two years later	187,004	171,121	185,532	215,856	225,128	216,014			
Three years later	171,225	185,713	188,403	215,460	223,995				
Four years later	180,434	188,882	187,432	215,508					
Five years later	181,519	188,250	187,161						
Six years later	180,352	186,801							
Seven years later	180,066								
Current estimate of cumulative claims incurred	180,066	186,801	187,161	215,508	223,995	216,014	200,049	185,738	1,595,332
At end of accident year	83,817	83,438	81,545	87,559	81,559	83,477	86,781	89,033	
One year later	139,478	141,907	144,501	183,234	169,655	156,411	158,219		
Two years later	150,154	152,318	160,606	189,334	197,539	185,001			
Three years later	159,270	168,290	175,858	205,353	211,270				
Four years later	169,577	181,842	183,097	210,255					
Five years later	176,290	184,516	184,298						
Six years later	179,325	185,958							
Seven years later	179,737								
Cumulative payment to-date	179,737	185,958	184,298	210,255	211,270	185,001	158,219	89,033	1,403,771

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

35 INSURANCE RISK (CONTINUED)

Gross claims liabilities for 31 March 2013 (continued):

Motor

Accident year	Before 2006 RM'000	2006 RM'000	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000	Total RM'000
Gross general insurance outstanding liabilities (direct and facultative)	3,853	329	843	2,863	5,253	12,725	31,013	41,830	96,705	195,414
Gross IBNR	-	-	-	-	-	1,387	4,513	9,113	36,925	51,938
Gross general insurance outstanding liabilities(treaty inwards)										37,363
Best estimates of claims liabilities										284,715
Claims handling expenses										8,651
PRAD at 75% confidence level										26,266
Gross general insurance contract claims liabilities per statement of financial position										319,632

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

35 INSURANCE RISK (CONTINUED)

Gross claims liabilities for 31 March 2013 (continued):

Non-motor

Accident year	2006 RM'000	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000	Total RM'000
At end of accident year	41,115	25,758	22,146	54,951	33,246	48,968	30,625	28,921	
One year later	53,070	30,863	31,609	66,561	39,811	51,988	30,322		
Two years later	53,316	30,186	27,030	57,084	39,288	47,938			
Three years later	48,580	29,622	25,946	54,923	36,916				
Four years later	48,729	30,056	25,066	54,229					
Five years later	48,351	30,084	25,245						
Six years later	47,322	29,847							
Seven years later	47,860								
Current estimate of cumulative claims incurred	47,860	29,847	25,245	54,229	36,916	47,938	30,322	28,921	301,278
At end of accident year	10,051	13,834	10,962	8,563	7,812	16,798	7,045	7,108	
One year later	29,654	23,759	21,875	35,280	22,660	33,182	14,435		
Two years later	34,060	27,152	23,427	41,135	26,270	38,463			
Three years later	34,950	28,470	23,748	43,195	27,235				
Four years later	35,421	28,673	24,179	44,428					
Five years later	35,617	28,877	24,783						
Six years later	36,046	29,166							
Seven years later	36,072								
Cumulative payment to-date	36,072	29,166	24,783	44,428	27,235	38,463	14,435	7,108	221,690

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

35 INSURANCE RISK (CONTINUED)

Gross claims liabilities for 31 March 2013 (continued):

Non-motor

Accident year	Before 2006 RM'000	2006 RM'000	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000	Total RM'000
Gross general insurance outstanding liabilities (direct and facultative)	654	11,788	681	462	9,801	9,681	9,475	15,887	21,813	80,242
Gross IBNR	-	-	-	-	-	-	-	-	7,966	7,966
Gross general insurance outstanding liabilities (treaty inwards)										3,114
Best estimates of claims liabilities										91,322
Claims handling expenses										2,482
PRAD at 75% confidence level										9,087
Gross general insurance contract claims liabilities per statement of financial position										102,891

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

35 INSURANCE RISK (CONTINUED)

Net claims liabilities for 31 March 2013:

Motor

Accident year	Before 2006 RM'000	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000	Total RM'000
At end of accident year	149,483	145,824	143,308	163,687	188,461	139,228	101,035	134,945	
One year later	152,785	158,083	160,414	199,354	212,884	151,573	116,581		
Two years later	157,853	163,587	178,382	205,874	216,541	156,638			
Three years later	161,419	176,497	180,634	205,446	215,717				
Four years later	170,242	178,973	179,990	205,037					
Five years later	170,625	178,537	179,746						
Six years later	169,788	177,337							
Seven years later	169,513								
Current estimate of cumulative claims incurred	169,513	177,337	179,746	205,037	215,717	156,638	116,581	134,945	1,355,514
At end of accident year	78,158	80,871	78,664	84,990	79,440	67,028	48,018	63,562	
One year later	130,908	137,003	139,102	157,425	164,121	114,818	91,985		
Two years later	141,723	146,998	154,564	182,162	190,753	135,176			
Three years later	150,148	180,676	169,205	195,933	203,674				
Four years later	159,981	172,596	175,845	200,170					
Five years later	166,332	175,163	176,995						
Six years later	168,803	176,538							
Seven years later	169,198								
Cumulative payment to-date	169,198	176,538	176,995	200,170	203,674	135,176	91,985	63,562	1,217,298

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

35 INSURANCE RISK (CONTINUED)

Net claims liabilities for 31 March 2013 (continued):

Motor

Accident year	Before 2006 RM'000	2006 RM'000	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000	Total RM'000
Net general insurance outstanding liabilities (direct and facultative)	2,496	315	799	2,751	4,867	12,043	21,462	24,596	71,383	140,712
Net IBNR	-	-	-	-	-	1,068	590	5,266	30,310	37,234
Net general insurance outstanding liabilities (treaty inward)										37,363
Best estimates of claims liabilities										215,309
Claims handling expenses										6,563
PRAD at 75% confidence level										20,019
Net general insurance Contract claims liabilities per statement of financial position										241,891

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

35 INSURANCE RISK (CONTINUED)

Net claims liabilities for 31 March 2013:

Non-motor

Accident year	Before 2006 RM'000	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000	Total RM'000
At end of accident year	19,833	19,168	17,994	23,531	21,374	18,590	13,563	12,617	
One year later	20,409	19,132	18,765	24,662	21,103	17,898	12,902		
Two years later	20,947	18,600	18,173	25,165	20,135	16,541			
Three years later	20,360	18,368	18,024	24,552	19,147				
Four years later	20,167	18,490	17,767	23,797					
Five years later	20,171	18,415	17,789						
Six years later	19,705	18,002							
Seven years later	19,737								
Current estimate of cumulative claims incurred	19,737	18,002	17,789	23,797	19,147	16,541	12,902	12,617	140,437
At end of accident year	8,810	8,645	8,478	6,670	6,978	5,564	4,587	4,544	
One year later	16,409	15,720	15,977	17,776	14,771	12,927	8,925		
Two years later	18,154	17,036	17,066	21,194	16,677	14,452			
Three years later	18,552	17,466	17,780	22,079	17,081				
Four years later	18,689	17,576	17,422	23,015					
Five years later	18,754	17,744	17,540						
Six years later	18,794	17,798							
Seven years later	18,805								
Cumulative payment to-date	18,805	17,798	17,540	23,015	17,081	14,452	8,925	4,544	122,161

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

35 INSURANCE RISK (CONTINUED)

Net claims liabilities for 31 March 2013 (continued):

Non-motor

Accident year	2006 RM'000	2006 RM'000	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000	Total RM'000
Net general insurance outstanding liabilities (direct and facultative)	189	932	204	249	782	2,066	2,089	3,977	8,073	18,561
Net IBNR		-	-	-	-	-	-	-	1,772	1,772
Net general insurance outstanding liabilities (treaty inwards)										3,113
Best estimates of claims liabilities										23,446
Claims handling expenses										632
PRAD at 75% confidence level										2,403
Net general insurance contract claims liabilities per statement of financial position										26,481

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

35 INSURANCE RISK (CONTINUED)

Gross claims liabilities for 31 March 2012:

Motor

Accident year	2005 RM'000	2006 RM'000	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	Total RM'000
At end of accident year	156,581	157,359	150,526	147,913	168,608	194,102	182,953	173,517	
One year later	155,782	161,284	164,980	166,700	206,920	221,067	209,077		
Two years later	155,836	167,004	171,121	185,532	215,856	225,126			
Three years later	157,559	171,225	185,713	188,403	215,460				
Four years later	161,931	180,434	188,882	187,432					
Five years later	167,605	181,519	188,250						
Six years later	169,347	180,352							
Seven years later	171,055								
Current estimate of cumulative claims incurred	171,055	180,352	188,250	187,432	215,460	225,126	209,077	173,517	1,550,269
At end of accident year	81,753	83,817	83,438	81,545	87,559	81,559	83,477	86,761	
One year later	131,259	139,478	141,907	144,501	163,234	169,655	156,411		
Two years later	138,780	150,154	152,318	160,606	189,333	197,539			
Three years later	145,734	159,270	168,290	175,858	205,353				
Four years later	152,095	169,577	181,842	183,097					
Five years later	159,839	176,290	184,516						
Six years later	165,951	179,325							
Seven years later	169,651								
Cumulative payment to-date	169,651	179,325	184,516	183,097	205,353	197,539	156,411	86,761	1,362,653

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

35 INSURANCE RISK (CONTINUED)

Gross claims liabilities for 31 March 2012 (continued):

Motor

Accident year	Before 2005 RM'000	2005 RM'000	2006 RM'000	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	Total RM'000
Gross general insurance outstanding liabilities (direct and facultative)	7,407	1,404	1,027	3,734	4,335	10,107	27,587	52,666	86,756	195,023
Gross IBNR	-	-	-	-	302	1,822	4,727	3,880	40,036	50,767
Gross general insurance outstanding liabilities (treaty inwards)										24,288
Best estimates of claims liabilities										270,078
Claims handling expenses										8,370
PRAD at 75% confidence level										19,651
Gross general insurance contract claims liabilities per statement of financial position										298,099

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

35 INSURANCE RISK (CONTINUED)

Gross claims liabilities for 31 March 2012:

Non-motor

Accident year	2005 RM'000	2006 RM'000	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	Total RM'000
At end of accident year	76,116	41,115	25,758	22,146	54,951	33,246	48,968	30,625	
One year later	50,864	53,070	30,863	31,609	66,561	39,811	51,988		
Two years later	44,880	53,316	30,186	27,030	57,084	39,288			
Three years later	41,900	48,580	29,622	25,946	54,923				
Four years later	39,982	48,730	30,057	25,066					
Five years later	39,972	48,350	30,084						
Six years later	40,157	47,322							
Seven years later	39,810								
Current estimate of cumulative claims incurred	39,810	47,322	30,084	25,066	54,923	39,288	51,988	30,625	319,106
At end of accident year	12,735	10,051	13,834	10,962	8,563	7,812	16,798	7,044	
One year later	32,641	29,653	23,759	21,876	35,280	22,660	33,182		
Two years later	34,931	34,060	27,152	23,427	41,136	26,269			
Three years later	37,132	34,950	28,470	23,748	43,195				
Four years later	37,229	35,421	28,673	24,179					
Five years later	37,488	35,617	28,877						
Six years later	37,541	36,046							
Seven years later	37,565								
Cumulative payment to-date	37,565	36,046	28,877	24,179	43,195	26,269	33,182	7,044	236,357

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

35 INSURANCE RISK (CONTINUED)

Gross claims liabilities for 31 March 2012 (continued):
Non-motor

Accident year	Before 2005 RM'000	2005 RM'000	2006 RM'000	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	Total RM'000
Gross general insurance outstanding liabilities (direct and facultative)	3,126	2,245	11,276	1,207	887	11,728	13,019	18,806	23,581	85,875
Gross IBNR	-	-	-	-	-	-	-	-	13,308	13,308
Gross general insurance outstanding liabilities (treaty inwards)										3,435
Best estimates of claims liabilities										102,618
Claims handling expenses										2,942
PRAD at 75% confidence level										9,405
Gross general insurance contract claims liabilities per statement of financial position										114,965

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

35 INSURANCE RISK (CONTINUED)

Net claims liabilities for 31 March 2012:

Motor

Accident year	2005 RM'000	2006 RM'000	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	Total RM'000
At end of accident year	150,336	149,483	145,824	143,308	163,687	188,461	139,228	101,035	
One year later	146,339	152,785	158,083	160,414	199,354	212,884	151,573		
Two years later	147,108	157,853	163,587	178,382	205,874	216,541			
Three years later	148,655	161,419	176,497	180,634	205,446				
Four years later	151,845	170,242	178,972	179,990					
Five years later	157,467	170,625	178,537						
Six years later	157,814	169,788							
Seven years later	157,528								
Current estimate of cumulative claims incurred	157,528	169,788	178,537	179,990	205,446	216,541	151,573	101,035	1,360,438
At end of accident year	78,813	78,518	80,872	78,664	84,990	79,440	67,028	48,018	
One year later	123,766	131,906	137,003	139,102	157,425	164,120	114,818		
Two years later	130,912	141,723	146,997	154,564	182,162	190,752			
Three years later	137,482	150,148	160,676	169,205	195,933				
Four years later	143,289	159,981	172,596	175,845					
Five years later	150,134	166,332	175,163						
Six years later	155,053	168,803							
Seven years later	156,802								
Cumulative payment to-date	156,802	168,803	175,163	175,845	195,933	190,752	114,818	48,018	1,226,134

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

35 INSURANCE RISK (CONTINUED)

Net claims liabilities for 31 March 2012 (continued):

Motor

Accident year	Before 2005 RM'000	2005 RM'000	2006 RM'000	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	Total RM'000
Net general insurance outstanding liabilities (direct and facultative)	4,092	726	985	3,374	4,145	9,513	25,789	36,755	53,017	138,396
Net IBNR	-	-	-	-	35	1,467	3,953	1,283	33,035	39,773
Net general insurance outstanding liabilities (treaty inward)										24,288
Best estimates of claims liabilities										202,457
Claims handling expenses										6,270
PRAD at 75% confidence level										14,367
Net general insurance contract claims liabilities per statement of financial position										223,094

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

35 INSURANCE RISK (CONTINUED)

Net claims liabilities for 31 March 2012 (continued):
Non-motor

Accident year	2005 RM'000	2006 RM'000	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	Total RM'000
At end of accident year	15,116	19,833	19,168	17,994	23,531	21,734	18,697	13,563	
One year later	14,984	20,409	19,132	18,765	24,662	21,103	17,898		
Two years later	14,405	20,947	18,600	18,173	25,165	20,135			
Three years later	13,792	20,360	18,368	18,024	24,552				
Four years later	13,553	20,167	18,490	17,767					
Five years later	13,660	20,171	18,415						
Six years later	13,689	19,705							
Seven years later	13,598								
Current estimate of cumulative claims incurred	13,598	19,705	18,415	17,767	24,552	20,135	17,898	13,563	145,633
At end of accident year	6,679	6,810	8,645	8,478	6,670	6,979	5,664	4,587	
One year later	11,741	16,040	15,720	15,977	17,776	14,771	12,927		
Two years later	12,848	18,154	17,036	17,066	21,194	16,677			
Three years later	13,397	18,552	17,466	17,279	22,080				
Four years later	13,437	18,689	17,576	17,422					
Five years later	13,533	18,754	17,744						
Six years later	13,539	18,794							
Seven years later	13,562								
Cumulative payment to-date	13,562	18,794	17,744	17,422	22,080	16,677	12,927	4,587	123,793

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

35 INSURANCE RISK (CONTINUED)

Net claims liabilities for 31 March 2012 (continued):

Non-motor

Accident year	Before 2005 RM'000	2005 RM'000	2006 RM'000	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	Total RM'000
Net general insurance outstanding liabilities (direct and facultative)	1,099	36	911	671	345	2,472	3,458	4,971	8,976	22,939
Net IBNR	-	-	-	-	-	-	-	-	7,704	7,704
Net general insurance outstanding liabilities (treaty inwards)										3,435
Best estimates of claims liabilities										34,078
Claims handling expenses										1,102
PRAD at 75% confidence level										3,944
Net general insurance contract claims liabilities per statement of financial position										39,124

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2012 (CONTINUED)

35 INSURANCE RISK (CONTINUED)

Gross claims liabilities for 1 April 2011:

Motor

Accident year	2004 RM'000	2005 RM'000	2006 RM'000	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	Total RM'000
At end of accident year	166,180	156,581	157,359	150,526	147,913	168,608	194,102	182,953	
One year later	159,319	155,782	161,284	164,980	166,700	206,920	221,067		
Two years later	160,813	155,836	167,004	171,121	185,532	215,856			
Three years later	161,795	157,559	171,225	185,713	188,403				
Four years later	166,181	161,931	180,434	188,882					
Five years later	167,153	167,605	181,519						
Six years later	170,692	169,347							
Seven years later	171,980								
Current estimate of cumulative claims incurred	171,980	169,347	181,519	188,882	188,403	215,856	221,067	182,953	1,520,007
At end of accident year	79,019	81,753	83,817	83,438	81,545	87,559	81,559	83,477	
One year later	132,626	131,259	139,478	141,907	144,501	163,234	169,655		
Two years later	141,591	138,780	150,154	152,318	160,606	189,333			
Three years later	148,578	145,734	159,270	168,290	175,858				
Four years later	155,272	152,095	169,577	181,842					
Five years later	160,759	159,839	176,290						
Six years later	165,031	165,951							
Seven years later	167,286								
Cumulative payment to-date	167,286	165,951	176,290	181,842	175,858	189,333	169,655	83,477	1,309,692

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2012 (CONTINUED)

35 INSURANCE RISK (CONTINUED)

Gross claims liabilities for 1 April 2011 (continued):

Motor

Accident year	Before 2004 RM'000	2004 RM'000	2005 RM'000	2006 RM'000	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	Total RM'000
Gross general insurance outstanding liabilities (direct and facultative)	11,707	4,694	3,396	5,229	7,040	12,545	26,523	51,412	99,476	222,022
Gross IBNR	-	-	713	1,569	3,379	6,782	10,591	13,841	45,412	82,287
Gross general insurance outstanding liabilities (treaty inwards)										6,988
Best estimates of claims liabilities										311,297
Claims handling expenses										9,890
PRAD at 75% confidence level										17,575
Gross general insurance contract liabilities per statement of financial position										338,762

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2012 (CONTINUED)

35 INSURANCE RISK (CONTINUED)

Gross claims liabilities for 1 April 2011 (continued):

Non-motor

Accident year	2004 RM'000	2005 RM'000	2006 RM'000	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	Total RM'000
At end of accident year	22,341	76,116	41,115	25,758	22,146	54,951	33,246	48,968	
One year later	24,393	50,864	53,070	30,863	31,609	66,561	39,811		
Two years later	23,290	44,880	53,316	30,186	27,030	57,084			
Three years later	22,940	41,900	48,580	29,622	25,946				
Four years later	22,239	39,982	48,730	30,057					
Five years later	22,071	39,972	48,350						
Six years later	23,024	40,157							
Seven years later	22,880								
Current estimate of cumulative claims incurred	22,880	40,157	48,350	30,057	25,946	57,084	39,811	48,968	313,253
At end of accident year	6,738	12,735	10,051	13,834	10,962	8,563	7,812	16,798	
One year later	18,476	32,641	29,653	23,759	21,876	35,280	22,660		
Two years later	20,516	34,931	34,060	27,152	23,427	41,136			
Three years later	20,905	37,132	34,950	28,470	23,748				
Four years later	21,063	37,229	35,421	28,673					
Five years later	21,169	37,488	35,617						
Six years later	21,195	37,541							
Seven years later	21,386								
Cumulative payment to-date	21,386	37,541	35,617	28,673	23,748	41,136	22,660	16,798	227,559

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2012 (CONTINUED)

35 INSURANCE RISK (CONTINUED)

Gross claims liabilities for 1 April 2011 (continued):

Non-motor

Accident year	Before 2004 RM'000	2004 RM'000	2005 RM'000	2006 RM'000	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	Total RM'000
Gross general insurance outstanding liabilities (direct and facultative)	3,076	1,494	2,616	12,733	1,384	2,198	15,948	17,151	32,170	88,770
Gross IBNR	-	-	-	-	-	-	-	-	10,063	10,063
Gross general insurance outstanding liabilities (treaty inwards)										3,623
Best estimates of claims liabilities										102,456
Claims handling expenses										2,787
PRAD at 75% confidence level										6,702
Gross general insurance contract liabilities per statement of financial position										111,945

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2012 (CONTINUED)

35 INSURANCE RISK (CONTINUED)

Net claims liabilities for 1 April 2011:

Motor

Accident year	2004 RM'000	2005 RM'000	2006 RM'000	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	Total RM'000
At end of accident year	155,847	150,336	149,483	145,824	143,308	163,687	188,461	139,228	
One year later	150,232	146,339	152,785	158,083	160,414	199,354	212,884		
Two years later	151,652	147,108	157,853	163,587	178,382	205,874			
Three years later	152,405	148,655	161,419	176,497	180,634				
Four years later	155,790	151,845	170,242	178,972					
Five years later	156,415	157,467	170,625						
Six years later	159,164	157,814							
Seven years later	159,309								
Current estimate of cumulative claims incurred	159,309	157,814	170,625	178,972	180,634	205,874	212,884	139,228	1,405,340
At end of accident year	74,326	78,813	78,518	80,872	78,664	84,990	79,440	67,028	
One year later	125,052	123,766	131,906	137,003	139,102	157,425	164,120		
Two years later	133,251	130,912	141,723	146,997	154,564	182,162			
Three years later	139,934	137,482	150,148	160,676	169,205				
Four years later	146,071	143,289	159,981	172,596					
Five years later	150,686	150,134	166,332						
Six years later	154,715	155,053							
Seven years later	156,782								
Cumulative payment to-date	156,782	155,053	166,332	172,596	169,205	182,162	164,120	67,028	1,233,278

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2012 (CONTINUED)

35 INSURANCE RISK (CONTINUED)

Net claims liabilities for 1 April 2011 (continued):

Motor

Accident year	Before 2004 RM'000	2004 RM'000	2005 RM'000	2006 RM'000	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	Total RM'000
Net general insurance outstanding liabilities (direct and facultative)	7,129	2,527	2,761	4,293	6,376	11,429	23,712	48,764	72,200	179,191
Net IBNR	-	-	269	608	1,331	3,790	6,305	3,804	16,704	32,811
Net general insurance outstanding liabilities (treaty inward)										6,988
Best estimates of claims liabilities										218,990
Claims handling expenses										6,401
PRAD at 75% confidence level										16,165
Net general insurance contract liabilities per statement of financial position										241,556

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2012 (CONTINUED)

35 INSURANCE RISK (CONTINUED)

Net claims liabilities for 1 April 2011 (continued):

Non-motor

Accident year	2004 RM'000	2005 RM'000	2006 RM'000	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	Total RM'000
At end of accident year	13,595	15,116	19,833	19,168	17,994	23,531	21,734	18,697	
One year later	15,017	14,984	20,409	19,132	18,765	24,662	21,103		
Two years later	14,659	14,405	20,947	18,600	18,173	25,165			
Three years later	14,560	13,792	20,360	18,368	18,024				
Four years later	14,261	13,553	20,167	18,490					
Five years later	14,109	13,660	20,171						
Six years later	14,058	13,689							
Seven years later	14,099								
Current estimate of cumulative claims incurred	14,099	13,689	20,171	18,490	18,024	25,165	21,103	18,697	149,438
At end of accident year	5,533	6,679	6,810	8,645	8,478	6,670	6,979	5,664	
One year later	11,907	11,741	16,040	15,720	15,977	17,776	14,771		
Two years later	13,271	12,848	18,154	17,036	17,066	21,194			
Three years later	13,587	13,397	18,552	17,466	17,279				
Four years later	13,671	13,437	18,689	17,576					
Five years later	13,778	13,533	18,754						
Six years later	13,797	13,539							
Seven years later	13,976								
Cumulative payment to-date	13,976	13,539	18,754	17,576	17,279	21,194	14,771	5,664	122,753

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2012 (CONTINUED)

35 INSURANCE RISK (CONTINUED)

Net claims liabilities for 1 April 2011(continued):

Non motor

Accident year	Before 2004 RM'000	2004 RM'000	2005 RM'000	2006 RM'000	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	Total RM'000
Net general insurance outstanding liabilities (direct and facultative)	854	123	150	1,417	914	745	3,971	6,332	13,033	27,539
Net IBNR	-	-	-	-	-	-	-	-	3,152	3,152
Net general insurance outstanding liabilities (treaty inwards)										3,623
Best estimates of claims liabilities										34,314
Claims handling expenses										929
PRAD at 75% confidence level										2,838
Net general insurance contract liabilities per statement of financial position										38,081

36 FINANCIAL RISK

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.

The Company is guided by risk management policies which set out the overall business strategies and the general risk management philosophy. The Company has established internal processes to monitor the risks on an ongoing basis.

The policies and measures taken by the Company to manage these risks are set out below.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer, an intermediary or counter party to honour its obligations to the Company as and when they fall due.

The Company's primarily exposure to credit risks arises through its investment in fixed income securities, receivables arising from sales of insurance policies and obligations of reinsurers through reinsurance contracts. The Company's policy is to maintain a diversified portfolio of investments in government guaranteed and minimum 'A' rated financial instruments issued by companies with strong credit ratings.

Cash and deposits are generally placed with banks and financial institutions licensed under the Banking and Financial Institutions Act, 1989 and the Islamic Banking Act which are regulated by Bank Negara Malaysia.

The Company monitors the credit quality and financial conditions of its reinsurers on an ongoing basis and reviews its reinsurance arrangements periodically. The Company typically cedes business to regulated reinsurers that have a good credit rating and concentration of risk is avoided by adhering to policy guidelines in respect of counterparties' limit that are set each year by the Board of Directors. When selecting its reinsurers, the Company considered their relative financial security. The securities of the reinsurers are assessed based on public rating information and annual report.

The Company's credit risk exposure to insurance receivables is from its appointed agents, brokers and other intermediaries. The risk arises where these parties collect premiums from customers to be paid to the Company. The Company has policies to monitor credit risk from these receivables on monthly meeting by Credit Control Committee and Credit Control Department and Business Unit in monitoring on the outstanding position. The Company also has guidelines to evaluate intermediaries before their appointment as well as setting credit limits to these appointees.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

36 FINANCIAL RISK (CONTINUED)

Credit exposure

The table below shows the maximum exposure to credit risk for the components on the statement of financial position.

	31.3.2013	31.3.2012	1.4.2011
	RM'000	RM'000	RM'000
Available- for -sale financial assets	203,466	203,648	188,812
Held-to-maturity financial assets	-	35,409	40,465
Reinsurance assets - excluding premium liabilities - reinsurance	154,151	150,846	171,070
Loans and receivables - excluding prepayments	572,191	378,814	347,359
Insurance receivables - excluding deferred commissions and reinsurance premiums	42,881	43,032	50,153
Cash and Cash equivalents	5,361	46,530	35,194
	978,050	858,279	833,053

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

36 FINANCIAL RISK (CONTINUED)

Credit exposure by credit quality

The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the Company's credit ratings of counterparties.

	Neither past due nor impaired/ investment grade	Past due but not impaired	Past due and impaired	Total
	RM'000	RM'000	RM'000	RM'000
31 March 2013				
Investments:				
Available-for-sale financial assets	199,475	-	5,000	204,475
Reinsurance assets, excluding premium liabilities - reinsurance	154,151	-	-	154,151
Loans and receivables, excluding prepayments	572,191	-	-	572,191
Insurance receivables, excluding deferred commissions and reinsurance premiums	33,759	9,122	6,205	49,086
Cash and cash equivalents	5,361	-	-	5,361
	964,937	9,122	11,205	985,264
Allowance for impairment	-	-	(7,214)	(7,214)
	964,937	9,122	3,991	978,050
31 March 2012				
Investments:				
Available-for-sale financial assets	199,657	-	5,000	204,657
Held-to-maturity financial assets	35,409	-	-	35,409
Reinsurance assets, excluding premium liabilities - reinsurance	150,846	-	-	150,846
Loans and receivables, excluding prepayments	378,814	-	-	378,814
Insurance receivables, excluding deferred commissions and reinsurance premiums	37,540	5,492	6,326	49,358
Cash and cash equivalents	46,530	-	-	46,530
	848,796	5,492	11,326	865,614
Allowance for impairment	-	-	(7,335)	(7,335)
	848,796	5,492	3,991	858,279

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

36 FINANCIAL RISK (CONTINUED)

Credit exposure by credit quality

The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the Company's credit ratings of counterparties.

	Neither past due nor impaired/ investment grade	Past due but not impaired	Past due and impaired	Total
	RM'000	RM'000	RM'000	RM'000
1 April 2011				
Investments:				
Available-for-sale financial assets	184,233	-	5,588	189,821
Held-to-maturity financial assets	40,465	-	-	40,465
Reinsurance assets, excluding premium liabilities - reinsurance	171,070	-	-	171,070
Loans and receivables, excluding prepayments	347,359	-	-	347,359
Insurance receivables, excluding deferred commissions and reinsurance premiums	45,653	4,500	6,385	56,538
Cash and cash equivalents	35,194	-	-	35,194
	823,974	4,500	11,973	840,447
Allowance for impairment	-	-	(7,394)	(7,394)
	823,974	4,500	4,579	833,053

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

36 FINANCIAL RISK (CONTINUED)

The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the Rating Agency of Malaysia ("RAM") or Malaysian Rating Corporation Berhad's ("MARC") credit ratings of counterparties. AAA is the highest possible rating.

	AAA	AA	A	BBB	B/D	Unrated	Exempted	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 March 2013								
Available-for-sale financial assets	122,305	50,941	1,984	-	3,991	17,810	6,435	203,466
Reinsurance assets, excluding premium liabilities - reinsurance	-	53,486	65,183	334	-	35,148	-	154,151
Loans and receivables, excluding prepayments	125,227	96,272	270,520	-	-	80,172	-	572,191
Insurance receivables, excluding deferred commissions and reinsurance premiums	13,893	136	1,224	-	422	27,206	-	42,881
Cash and cash equivalents	587	2,601	1,087	-	-	1,086	-	5,361
	262,012	203,436	339,998	334	4,413	161,422	6,435	978,050
31 March 2012								
Available-for-sale financial assets	82,916	26,454	7,069	-	3,992	83,217	-	203,648
Held-to-maturity financial assets	25,299		-	-	-	-	10,110	35,409
Reinsurance assets, excluding premium liabilities - reinsurance	-	40,133	44,574	-	685	65,454	-	150,846
Loans and receivables, excluding prepayments	-	25,891	235,686	-	-	117,237	-	378,814
Insurance receivables, excluding deferred commissions and reinsurance premiums	-	1,124	1,379	-	1,217	39,312	-	43,032
Cash and cash equivalents	-	30,008	-	-	-	16,522	-	46,530
	108,215	123,610	288,708	-	5,894	321,742	10,110	858,279

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

36 FINANCIAL RISK (CONTINUED)

The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the Rating Agency of Malaysia ("RAM") or Malaysian Rating Corporation Berhad's ("MARC") credit ratings of counterparties. AAA is the highest possible rating.

	AAA	AA	A	BBB	B/D	Unrated	Exempted	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
1 April 2011								
Available-for-sale financial assets	82,575	46,380	10,215	-	4,658	44,984	-	188,812
Held-to-maturity financial assets	25,303	5,049	-	-	-	-	10,113	40,465
Reinsurance assets, excluding premium liabilities - reinsurance	38,611	6,868	80,291	1,934	-	43,366	-	171,070
Loans and receivables, excluding prepayments	68,305	75,442	189,361	708	-	13,543	-	347,359
Insurance receivables, excluding deferred commissions and reinsurance premiums	-	10,881	716	-	-	38,556	-	50,153
Cash and cash equivalents	-	-	25,621	-	-	9,573	-	35,194
	214,794	144,620	306,204	2,642	4,658	150,022	10,113	833,053

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

36 FINANCIAL RISK (CONTINUED)

Age analysis of financial assets past due but not impaired

A financial asset is deemed past due when the counterparty has failed to make payment when the outstanding amount are contractually due.

days	31 – 60 days RM’000	61 – 90 days RM’000	91- 180 days RM’000	> 180 Total RM’000	RM’000
31 March 2013					
Insurance receivables	1,531	865	2,069	4,657	9,122
31 March 2012					
Insurance receivables	227	72	3,162	2,031	5,492
1 April 2011					
Insurance receivables	-	1,690	2,810	-	4,500

36 FINANCIAL RISK (CONTINUED)

Age analysis of financial assets past due and impaired

At 31 March 2013, based on a combination of collective and individual assessment of receivables, there are impaired insurance receivables of RM6,205,000 (31 March 2012: RM6,326,000; 1 April 2011: RM6,385,000). For assets to be classified as "past due and impaired", contractual payment must be in arrears for more than 90 days. No collateral is held as security for any past due or impaired assets. The Company records impairment for insurance receivables in separate "allowance for impairment" accounts.A reconciliation of the impairment losses for insurance receivables is as follows:

	RM'000
At 1 April 2011	6,385
Movement during the financial year (Note 28)	(59)
At 31 March 2012	6,326
Movement during the financial year (Note 28)	(121)
At 31 March 2013	6,205

At 31 March 2013, there is an impaired available-for-sale financial asset of RM1,009,000 (31 March 2012: RM1,009,000; 1 April 2011: RM1,009,000). A reconciliation of the impairment loss of the available-for-sale financial asset is as follows:

	RM'000
At 1 April 2011	1,009
Movement during the financial year	-
At 31 March 2012	1,009
Movement during the financial year	-
At 31 March 2013	1,009

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

36 FINANCIAL RISK (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Company may not have sufficient liquid financial resources to meet their obligations when they fall due, or would have to incur excessive cost to do so. In respect of catastrophic events, there is also liquidity risk associated with the timing differences between gross cash outflows and expected reinsurance recoveries. The Company's policy is to maintained adequate liquidity to meet their liquidity needs under normal and stressed conditions.

The following policies and procedures are in place to mitigate the Company's exposure to liquidity risk:

- The Company wide liquidity risk management policy setting out the assessment and determination of what constitutes liquidity risk for the Company is established. Compliance with the policy is monitored and reported monthly and exposures and breaches are reported to the Company's Risk Management Committee ("RMC") as soon as possible. The Company's Risk Management Committee and Investment Committee are the primary parties responsible for liquidity management based on guidelines approved by the Board.

- There are guidelines on assets allocations, portfolio limit structures and maturity profiles of assets, in order to ensure sufficient funding is available to meet insurance and investment contract obligations. As part of their liquidity management, the Company maintains sufficient level of cash and cash equivalents to meet expected and to a lesser extent unexpected outflows.

- Setting up contingency funding plans which specify minimum proportions of fund to meet emergency calls as well as specifying events that would trigger such plans. The Company's contingency funding plans include arranging credit line with banks and funding from the parent Company.

- The Company's treaty reinsurance contract contains a "cash call" clause permitting the Company to make cash call on claim and receive immediate payment for a large loss without waiting for usual periodic payment procedures to occur.

Maturity profiles

The table below summarises the maturity profile of the financial assets and financial liabilities of the Company based on remaining undiscounted contractual obligations.

For insurance contract liabilities and reinsurance assets, maturity profiles are determined based on estimated timing of net cash outflows from recognised insurance liabilities. Premium liabilities and the reinsurers' share of premium liabilities have been excluded from the analysis as these are not contractual obligations.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

36 FINANCIAL RISK (CONTINUED)

Maturity profiles (continued)

31 March 2013	Carrying value	Up to a year*	1 to 3 years	3 to 5 years	5 to 15 years	Over 15 years	No maturity date	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial assets:								
Available-for-sale	203,466	18,514	99,467	15,817	104,324	7,958	4,085	250,165
Reinsurance assets, excluding premium liabilities - reinsurance	154,151	57,544	83,355	6,318	3,481	3,453	-	154,151
Loans and receivables, excluding prepayments	572,191	550,158	76	59	373	-	27,390	578,056
Insurance receivables, excluding deferred commissions and reinsurance premiums	42,881	42,881	-	-	-	-	-	42,881
Cash and cash equivalents	5,361	5,361	-	-	-	-	-	5,361
Total financial assets	978,050	674,458	182,898	22,194	108,178	11,411	31,475	1,030,614
Claims liabilities	422,523	169,546	198,781	36,735	13,056	4,405	-	422,523
Subordinated loan	30,000	-	30,000	-	-	-	-	30,000
Insurance payables, excluding deferred premiums and reinsurance commissions	80,178	80,178	-	-	-	-	-	80,178
Other payables	36,190	36,898	3,811	-	-	-	1,991	42,700
Dividend payable	7,500	7,500	-	-	-	-	-	7,500
Total financial liabilities	576,391	294,122	232,592	36,735	13,056	4,405	1,991	582,901

* Expected utilisation or settlement is within 12 months from the reporting date.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

36 FINANCIAL RISK (CONTINUED)

Maturity profiles (continued)

31 March 2012	Carying value RM'000	Up to a year* RM'000	1 to 3 years RM'000	3 to 5 years RM'000	5 to15 years RM'000	Over 15 years RM'000	No maturity date RM'000	Total RM'000
Financial assets:								
Available-for-sale	203,648	11,002	70,738	47,757	14,969	8,262	71,385	224,113
Held-to-maturity	35,409	35,797	-	-	-	-	-	35,797
Reinsurance assets, excluding premium liabilities - reinsurance	150,846	68,762	64,153	8,092	9,120	719	-	150,846
Loans and receivables, excluding prepayments	378,814	364,861	105	82	406	-	17,465	382,919
Insurance receivables, excluding deferred commissions and reinsurance premiums	43,032	43,032	-	-	-	-	-	43,032
Cash and cash equivalents	46,530	46,538	-	-	-	-	-	46,538
Total financial assets	858,279	569,992	134,996	55,931	24,495	8,981	88,850	883,245
Claims liabilities	413,064	149,821	192,957	41,125	27,424	1,737	-	413,064
Subordinated loan	30,000	-	-	30,000	-	-	-	30,000
Insurance payables, excluding deferred premiums and reinsurance commissions	78,326	78,326	-	-	-	-	-	78,326
Other payables	19,473	20,013	5,400	1,111	-	-	2,160	28,684
Total financial liabilities	540,863	248,160	198,357	72,236	27,424	1,737	2,160	550,074

* Expected utilisation or settlement is within 12 months from the reporting date.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2012 (CONTINUED)

36 FINANCIAL RISK (CONTINUED)

Maturity profiles (continued)

1 April 2011	Carrying value	Up to a year*	1 to 3 years	3 to 5 years	5 to 15 years	Over 15 years	No maturity date	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial assets:								
Available-for-sale	188,812	32,428	22,475	102,701	23,104	8,843	28,993	218,544
Held-to-maturity	40,465	1,491	35,867	5,121	-	-	-	42,479
Reinsurance assets, excluding premium liabilities - reinsurance	171,070	71,956	70,135	14,476	12,813	1,690	-	171,070
Loans and receivables, excluding prepayments	347,359	337,198	134	153	264	21	10,069	347,839
Insurance receivables, excluding deferred commissions and reinsurance premiums	50,153	50,153	-	-	-	-	-	50,153
Cash and cash equivalents	35,194	35,201	-	-	-	-	-	35,201
Total financial assets	833,053	528,427	128,611	122,451	36,181	10,554	39,062	865,286
Claims liabilities	450,707	156,837	210,991	45,870	20,449	16,560	-	450,707
Subordinated loan	30,000	-	-	-	30,000	-	-	30,000
Insurance payables, excluding deferred premiums and reinsurance commissions	83,560	83,560	-	-	-	-	-	83,560
Other payables	16,955	17,520	5,400	5,700	14,850	-	2,135	45,605
Total financial liabilities	581,222	257,917	216,391	51,570	65,299	16,560	2,135	609,872

* Expected utilisation or settlement is within 12 months from the reporting date.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

36 FINANCIAL RISK (CONTINUED)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprised three types of exposures: foreign exchange rates (currency risk), market interest rates (interest rates/profit yield risk) and market prices (process risk).

The key features of the Company's market risk management practices and policies are as follows:

- The Company-wide market risk policy setting out the evaluation and determination of what constitutes market risk for the Company is put in place. Compliance with the policy is monitored and reported every two months to the Investment Committee and quarterly to the Risk Management Committee.
- The Company has policies and limits to manage market risk. The market risk is managed through portfolio diversification and changes in assets allocation. The Company's policies on assets allocation, portfolio limit structure and diversification benchmark have been put in line with the Company's risk management policy after taking cognisance of the regulatory requirements in respect of maintenance of assets and solvency.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Interest rate/ Profit yield rate

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates/profit yield.

The Company is exposed to interest rate risk primarily through investments in fixed income securities and deposit placements. Interest rate is managed by the Company on an ongoing basis. The Company has no significant concentration of interest rate/profit yield risk.

The impact on profit before tax at +/- basis points change in the interest rate, with all other variables held consistent, is insignificant to the Company given that it has minimal floating rate financial instruments.

Price risk

Equity price risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of the changes in market prices (other than those arising from interest rate/profit yield risk or currency risk), regardless whether those changes are caused by factors specific to the individual financial statements or its issuer or factors affecting similar financial instruments traded in the market.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

36 FINANCIAL RISK (CONTINUED)

Price risk (continued)

The Company's equity price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices.

The Company is exposed to equity price risk arising from investments held by the Company and classified in the statement of financial position as available-for-sale financial assets that comprises unit trusts.

The analysis below is performed for reasonably possible movements in equity price with all other variables held constant, showing the impact of statement of comprehensive income and equity (due to changes in fair value of available-for-sale financial assets).

	31.3.2013			31.3.2012			1.4.2011		
	Changes in variables	Impact on statement of income	Impact on equity*	Changes in variables	Impact on statement of income	Impact on equity*	Changes in variables	Impact on statement of income	Impact on equity*
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Market price	-	-	-	+10%	-	5,048	+10%	-	2,168
Market price	-	-	-	-10%	-	(5,048)	-10%	-	(2,168)

* Impact on equity reflects adjustments for tax, when applicable.

The method used for deriving sensitivity information and significant variables did not change from the previous period.

Operational risk

Operational risk is the risk of loss arising from system failure, human error, fraud and external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

36 FINANCIAL RISK (CONTINUED)

Price risk (continued)

The Company cannot expect to eliminate all operational risks but mitigates them by establishing a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access controls, authorisation, reconciliation procedures, staff training and evaluation procedures, including the use of Internal Audit. Business risk, such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process.

The Company's risk taking units (Business Development/Technical/Support Divisions) are primarily responsible for management day-to-day operational risk inherent in their respective business and functional areas. They are responsible for putting in place and maintaining their respective operational manuals, and ensuring that activities undertaken by them comply with the Company's operational risk management framework and oversight by the Risk Management Committee and the Board.

37 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 2013, and the comparative, as prescribed under the RBC Framework is provided below:

	31.3.2013	31.3.2012	1.4.2011
	RM'000	RM'000	RM'000
Eligible Tier 1 Capital:			
Share capital (paid up)	100,000	100,000	100,000
Retained earnings	218,300	155,469	130,075
	318,300	255,469	230,075
Tier 2 Capital:			
Asset revaluation reserve	23,010	21,578	19,380
AFS reserve	825	4,735	35
Subordinated loan	30,000	30,000	30,000
	53,835	56,313	49,415
Deduction	(3,569)	-	-
Total capital available	368,566	311,782	279,490

38 EFFECTS OF TRANSITION FROM FRS TO MFRS

MFRS 1 requires an entity to reconcile equity, total comprehensive income and cash flows from prior periods. The following tables represent the reconciliations from FRS to MFRS for the respective periods noted arising from transition elections as disclosed in Note 2 (b) on equity and total comprehensive income. The transition from FRS to MFRS for the respective periods has the following effect on the reconciliations of equity and total comprehensive income of the Company, but there is no impact on reported cash flows generated by the Company:

	As per previously reported "FRS"	Adjustments	As restated "MFRS"
	RM'000	RM'000	RM'000
Statement of Financial Position as at 31.3.2012			
ASSETS			
Available-for-sale financial assets	94,038	109,610	203,648
Held-to-maturity financial assets	143,344	(107,935)	35,409
LIABILITIES			
Deferred tax liabilities	3,409	419	3,828
EQUITY			
Available-for-sale reserve	4,735	1,256	5,991
Statement of Financial Position as at 1.4.2011			
ASSETS			
Available-for-sale financial assets	79,275	109,537	188,812
Held-to-maturity financial assets	148,888	(108,423)	40,465
LIABILITIES			
Deferred tax liabilities	1,655	279	1,934
EQUITY			
Available-for-sale reserve	35	835	870
Statement of Comprehensive Income for the financial year ended 31 March 2012			
Fair value gain on available-for-sale financial assets	6,529	561	7,090
Tax effect on fair value gain of available-for-sale financial assets	(1,632)	(140)	(1,772)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013 (CONTINUED)

38 EFFECTS OF TRANSITION FROM FRS TO MFRS (CONTINUED)

Reconciliation of equity	1.4.2011	31.3.2012
	RM'000	RM'000
Equity as reported under FRS	249,490	281,782
Add/(Less): Transitioning adjustments:		
Designation of financial assets:		
- as available-for-sale	1,114	1,675
Deferred tax arising from transitioning adjustments	(279)	(419)
	835	1,256
Equity on transition to MFRS	250,325	283,038

Reconciliation of total comprehensive income	2012
	RM'000
Total comprehensive income as reported under FRS	43,542
Add/(Less): Transitioning adjustments:	
Designation of financial assets:	
- as available-for-sale	561
Deferred tax arising from transitioning adjustments	(140)
	421
Total comprehensive income upon transition to MFRS	43,963

STATEMENT BY DIRECTORS PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Dato' Haji Kamil Khalid Ariff and Dato' Mohamed Hazlan Bin Mohamed Hussain, two of the Directors of , state that, in the opinion of the Directors, the financial statements set out on pages 18 to 122 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2013 and of the financial performance and cash flows of the Company for the financial year ended on that date in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and comply with the provisions of the Companies Act, 1965.

Signed on behalf of the Board of Directors in accordance with their resolution dated 23 May 2013.

DATO' HAJI KAMIL KHALID ARIFF
DIRECTOR

DATO' MOHAMED HAZLAN BIN
MOHAMED HUSSAIN
DIRECTOR

Kuala Lumpur
23 May 2013

Kuala Lumpur

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

I, Tan See Dip, the Officer primarily responsible for the financial management of , do solemnly and sincerely declare that the financial statements set out on pages 18 to 122 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.

Subscribed and solemnly declared
by the abovenamed
at Kuala Lumpur in Malaysia
on 23 May 2013

TAN SEE DIP

Before me,

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF

(Company No. 16688 K)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of , which comprise the statement of financial position as at 31 March 2013, 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 18 to 122.

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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF (CONTINUED)

(Company No. 16688 K)

REPORT ON THE FINANCIAL STATEMENTS (CONTINUED)

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 2013 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

1. As stated in Note 2 to the financial statements, the Company adopted Malaysian Financial Reporting Standards on 1 April 2012 with a transition date of 1 April 2011. These standards were applied retrospectively by the Directors to the comparative information in these financial statements, including the statements of financial position as at 31 March 2012 and 1 April 2011, and the statements of income, comprehensive income, changes in equity and cash flows for the financial year ended 31 March 2012 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the financial year ended 31 March 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 April 2012 do not contain misstatements that materially affect the financial position as of 31 March 2013 and financial performance and cash flows for the financial year then ended.
2. 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

SOO HOO KHOON YEAN
(No. 2682/10/13 (J))
Chartered Accountant

Kuala Lumpur
23 May 2013

LIST OF PROPERTIES as at FYE March 2013

No.	Location and Address	Date of Acquisition	Description / Existing Use	Approximate Age of Building Years	Tenure	Approximate Area (sq.m): Built-up	Net Book Value as at 31.03.2013 RM'000
1	**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 Insurance's Corporate Head Office, currently 11th to 13thA floors are rented out.	14	Leasehold 99 years expiring on 06.02.2078	11,975	80,793
2	**Adjacent Land (Plot A), Menara Uni.Asia**	31 July 2001	Building commercial land	12	Leasehold 82 years expiring on 15.08.2083	256	0
3	**Lot 7651 & 7658, Taman Desa Jaya, Sg. Petani, Kedah**	30 December 1990	Lot 7658 is detached with single storey house and Lot 7651 is a vacant land.	31	Freehold	895	
4	**Lot 5453, A-4 Jalan Kg. Baru, Sg. Petani, Kedah.**	26 February 1994	4 storey shophouse used as branch office.	18	Freehold	433	799
5	**Suite 3.1, 3.2 and 3.3, Menara Penang Garden, Penang.**	6 May 1992 & 5 Aug 1993	Suite 3.1, 3.2 and 3.3 are used as branch office and regional office	19	Freehold	574	1,296
6	**Lot 951 (471) & 801, Mukim 11, Barat Daya, Penang.**	12 February 1980	Vacant Land	20	Freehold	8,551	2,300
7	**122 & 122A, Jalan Raja Musa Aziz, Ipoh.**	12 January 1981	2 units of 3 storey shophouse used as branch office.	31	Leasehold 999 years expiring on 21.09.2894	866	898
8	**9th - 12th Floors, Menara Safuan, Kuala Lumpur, Wilayah Persekutuan.**	31 December 1994	9th to 10th floors are rented out. 11th & 12th floors are vacant.	29	Freehold	1,785	8,800
9	**No. 13, Jalan Melur 8, Taman Suria Jaya, Cheras, Selangor.**	24 August 1981	4 storey terrace shophouse being used as a filling store.	30	Leasehold 99 years expiring on 23.01.2085	544	489
10	**No. 360 Taman Melaka Raya, Melaka.**	11 March 1993	3 storey shophouse used as a branch office.	20	Leasehold 99 years expiring on 04.10.2082	368	599

LIST OF PROPERTIES as at FYE March 2013

No.	Location and Address	Date of Acquistion	Description / Existing Use	Approximate Age of Building Years	Tenure	Approximate Area (sq.m): Built-up	Net Book Value as at 31.03.2013 RM'000
11	**9B Condominium, Type A, Frasers Pine Resort, Bukit Fraser, Raub, Pahang.**	06 August 1982	3 Bedroom duplex apartment unit - Vacant	27	Leasehold 99 years expiring on 23.05.2082	166	239
12	**688-C, Jalan Bukit Ubi, Kuantan, Pahang.**	19-Mar-1981	3 storey shophouse used as a branch office and regional office	31	Freehold	403	619
13	**No 17 & 18, Jalan Tebrau, Johor Bahru, Johor.**	31-Mar-1982	Ground, 1st 2nd, floors of Lot 17 & 18 used as branch office and regional office.	30	Freehold	691	1,967
14	**Lot 329 & 330, Central Road East, Kuching, Sarawak.**	13-Mar-1993	1st floor of Lot 329 is vacant and others are used as branch office.	18	Leasehold 999 years expiring on 03.05.2781	687	1,259
15	**Wisma Uni.Asia, No 361, Taman Bukit Emas, Jalan Tampin, 70450 Seremban.**	29-May-1995	3 storey shophouse used as branch office.	32	Freehold	470	399
	TOTAL						**108,458**