

Company No.

277714	A
--------	---

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

0943A9/ps

Company No.

277714

A

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

CONTENT	PAGE
Directors' report	1 - 9
Statement by Directors	10
Statutory declaration	10
Independent auditors' report	11 - 12
Balance sheet	13
Life fund balance sheet	14
Income statement	15
Life insurance revenue account	16
Statement of changes in equity	17
Cash flow statement	18 - 19
Notes to the financial statements	20 - 66

Company No.

277714	A
--------	---

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Company for the financial year ended 31 March 2009.

PRINCIPAL ACTIVITY

The Company is engaged principally in the underwriting of life insurance business including investment-linked 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	<u>387</u>

DIVIDENDS

No dividend has been paid or declared by the Company since 31 March 2008. The Directors do not recommend the payment of any dividend for the financial year ended 31 March 2009.

RESERVES AND PROVISIONS

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

PROVISION FOR OUTSTANDING CLAIMS

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

BAD AND DOUBTFUL DEBTS

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

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

Company No.

277714

A

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

No contingent or other liability of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company which 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.

ITEMS OF AN UNUSUAL NATURE

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

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

ITEMS OF AN UNUSUAL NATURE (CONTINUED)

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 period in which this report is made.

CORPORATE GOVERNANCE

(a) Importance and commitment

The Company, with the leadership of the Board of Directors ("the Board"), is adopting the necessary measures to ensure that the corporate and management practices are consistent with the regulatory requirements and best practice standards ordained under JPI/GPI 25: Prudential Framework of Corporate Governance for Insurers ("the Framework") issued on 10 May 2000 by Bank Negara Malaysia ("BNM"). JPI 13/2008 issued on 19 May 2008 supplemented the framework with additional guidelines and measures to be adopted by insurers. The Company's policy is to achieve best practices in their business standards for all activities throughout the Company and good corporate governance, which the Board fully recognises to be one of its principal responsibilities.

(b) Key issues and aspects

Key elements of the industry's corporate governance captured by the Framework are:

- i. An effective and balanced board appointed through a predetermined appointment procedure;
- ii. Executive remuneration set by the Remuneration Committee that attracts and retains the people needed to run the Company;
- iii. A sound system of internal controls that safeguards the Company's assets and investments, and identifies and manages business risks.

The Company's commitment to the corporate governance standards entails the following:

- i. The Board has a mix of independent and non-independent Directors. The Board comprises 8 non-executive Directors with vast experience, of which 4 are independent non-executive Directors of the calibre necessary to carry sufficient weight in Board's decisions. The role of independent non-executive Directors is important in ensuring that the strategies proposed by management are fully discussed and examined, and takes into account the long-term interest of various stakeholders. The Board appoints new Directors on the recommendation of the Nominating Committee.
- ii. Executive remuneration is set by the Remuneration Committee. The Company's executive remuneration policy is to reward employees competitively, taking into account individual performance, company performance, market comparisons and the competitiveness in the local insurance industry. Remuneration packages are reviewed annually and comprise a mix of basic salary and performance-linked elements.

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

(b) Key issues and aspects (continued)

- iii. The Board is responsible for the Company's system of internal controls and risk management, and reviewing the effectiveness of these systems which are designed to manage, rather than eliminate, the risk of failure to achieve business objectives. In achieving this, the following are put in place:
- the Risk Management Committee which oversees and provides overall direction on risk management efforts;
 - a system of financial and business controls which provides regular reports by the Chief Financial Officer ("CFO") and the Chief Executive Officer ("CEO") to the Board;
 - regular assessments of internal controls by the Company's internal audit department; and
 - review of the effectiveness of the internal control processes by the Audit Committee, on behalf of the Board.

(c) Board responsibilities

The Board is ultimately responsible for the Company's strategic direction and overseeing the performance of the Company. Its focuses are:

- i. Strategy
- ii. Development
- iii. Shareholder value
- iv. Oversight and control
- v. Corporate governance

(d) Supply of information

All the Directors are provided with the agenda at the meeting and the Board reports with sufficient time prior to a Board meeting. This is to enable the Directors to obtain further explanations, where necessary, in order to be briefed properly before the meeting. As and when necessary, the Board, in furtherance of their duties may seek independent professional advice at the Company's expense. All the Directors have access to the advice and services of the Company Secretary.

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

Board Members

YAM Tan Sri Dato' Seri Syed Anwar Jamalullail (Chairman)
Lee Chin Yong (Deputy Chairman)
Dato' Dr. Mohd. Shahari bin Ahmad Jabar
Lee Siang Korn @ Lee Siang Chin
Yeong Chee Wah
Chan Kok Seong
Khalid bin Abdol Rahman
Toi See Jong

Category of Directorship

Independent Director
Non-Independent Director
Independent Director
Independent Director
Independent Director
Non-Independent Director
Non-Independent Director
Non-Independent Director

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

(d) Supply of information (continued)

The Board meetings and attendance for the financial year ended 31 March 2009 are as follows:

<u>Directors</u>	<u>Number of Board meeting</u>	
	<i>Held</i>	<i>Attended</i>
YAM Tan Sri Dato' Seri Syed Anwar Jamalullail	6	6
Lee Chin Yong	6	5
Dato' Dr. Mohd Shahari bin Ahmad Jabar	6	5
Lee Siang Korn @ Lee Siang Chin	6	6
Yeong Chee Wah	6	6
Chan Kok Seong	6	6
Khalid bin Abdol Rahman	6	6
Toi See Jong	6	5

(e) Appointment/reappointment of Directors

The appointments/reappointments of the Directors are based on the Company's Articles of Association. All the Directors who are appointed by the Board are subject to re-election every succeeding year, thereafter one-third of the Directors (being those who have been longest in office) shall retire or be re-elected.

(f) Directors' training

The Directors are encouraged to attend continuous education programs and seminars to keep abreast with developments in the industry. The Company has established a mechanism for all the Directors to be kept abreast of changes and new legal and regulatory requirements on a regular basis. The Company also keeps a record of the Directors' training programs and attendance to the said programme.

(g) Directors' responsibility statement with respect to the financial statements

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with the MASB approved accounting standards in Malaysia for Entities Other Than Private Entities and give a true and fair view of the state of affairs of the Company at the end of the financial year and of the results and cash flows of the Company for the financial year.

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

(g) Directors' responsibility statement with respect to the financial statements (continued)

In preparing the financial statements, the Directors have:

- adopted suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- ensured that all applicable accounting standards have been followed; and
- prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, 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, which disclose with reasonable accuracy, the financial position of the Company and to ensure that the financial statements comply with the Companies Act, 1965.

The Directors have overall responsibility to take steps to safeguard the assets of the Company and to prevent and detect fraud and irregularities.

(h) 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.

(i) Board committees

The Board has assigned specific responsibilities to six board committees (Audit, Remuneration, Nomination, Risk Management, Executive and Investment Committees), details of which are set out below. These committees have the authority to examine particular issues and report back to the Board with their recommendations. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

(j) Audit Committee

The Audit Committee is chaired by Dato' Dr. Mohd. Shahari bin Ahmad Jabar and comprises two other Directors, namely YAM Tan Sri Dato' Seri Syed Anwar Jamalullail and Yeong Chee Wah.

The Audit Committee reviews the Company's accounting policies, systems of internal controls and risk management, reports from the Company's internal and external auditors and determines that appropriate actions are being taken by the management. Its conclusions are reported to the Board, which takes responsibility for the Company's system of internal controls.

The Audit Committee also considers the Company's published financial statements for statutory compliance and best practice standards, and recommends to the Board appropriate disclosure in these reports. It also reviews the performance of the Company's external auditors annually to ensure an objective, professional and cost-effective relationship. It recommends to the Board, the external auditors fees for their audit services.

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

(k) Remuneration Committee

The Remuneration Committee comprises four Directors and is chaired by Lee Siang Korn @ Lee Siang Chin. The other members are Lee Chin Yong, Khalid bin Abdol Rahman and Toi See Jong.

The Remuneration Committee sets the remuneration policy for the Directors, the CEO and senior executives reporting to the Board. Specifically, the Remuneration Committee agrees their service/employment contracts, salaries, other benefits, including bonuses and participation in the Company's long-term incentive plans, and other terms and conditions of service/employment.

It also agrees terms for their cessation of service/employment, approves changes in the Company's long term incentive plans, recommends to the Board those plans which require shareholder approval and oversees their operations.

Remuneration of the Directors and the CEO

The aggregate remuneration of the Directors and the remuneration of the CEO have been disclosed in Note 18 to the financial statements, meeting the minimum requirement of JPI: 32/2003.

(l) Nomination Committee

The Nomination Committee established in July 2003, is chaired by Lee Siang Korn @ Lee Siang Chin and consists of Lee Chin Yong, Dato' Dr. Mohd. Shahari bin Ahmad Jabar, Yeong Chee Wah, Khalid bin Abdol Rahman and Toi See Jong. The Nomination Committee recommends to the Board the appointments of all Directors and regularly reviews, a profile of the skills and attributes required from the Directors as a whole to ensure an appropriate balance of expertise and ability. This profile is used to assess the suitability of candidates put forward by the Directors and shareholder's.

(m) Risk Management Committee

The Risk Management Committee, formed in July 2003, is chaired by Yeong Chee Wah, and consists of Lee Chin Yong, Chan Kok Seong and Khalid bin Abdol Rahman. The roles of the Risk Management Committee are:

- to oversee the development of risk management capabilities and development of an acceptable risk culture for the Company;
- to review the completeness of risk identification, assessment, controls and the managing of risks on a group-wide basis and assess their effectiveness on a regular basis;
- to oversee the development of general risk policies and procedures, and to monitor and evaluate their effectiveness;
- to oversee the implementation of a risk management framework in a manner that is consistent with the overall risk management objectives of the Company.

Company No.

277714

A

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

(n) Executive Committee

The Executive Committee, formed in March of 2003, is chaired by Lee Chin Yong and consists of Chan Kok Seong, Khalid bin Abdol Rahman and Toi See Jong and the CEO, Ooi Say Teng. It reviews matters relevant to the operations of the Company and is empowered by the Board with relevant authority for effective and efficient decision making.

(o) Investment Committee

The Committee is chaired by Lee Siang Korn @ Lee Siang Chin and consists of Lee Chin Yong, Chan Kok Seong and Khalid bin Abdol Rahman. The Investment Committee is empowered by the Board to assist the Board and management in its strategic responsibilities and accountabilities in the investment areas of the Company. Its meeting is also scheduled to coincide with the Board meeting. The Committee shall report to the Board the results, observations and recommendations for their deliberation and formalisation pertaining to the investment activities of the Company.

DIRECTOR'S INTEREST IN SHARES

According to the register of Directors' shareholdings, none of the Directors in the office at the end of the financial year had any interest in shares of the Company or shares, options over shares and debenture of its related corporations during the financial year.

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 Director's remuneration as shown in Note 18 to the financial statements) by reason of a contract made by the Company or a related corporation with the 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.

Company No.

277714

A

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

ULTIMATE HOLDING COMPANY

The Directors regard DRB-HICOM Berhad, a company incorporated in Malaysia, as the ultimate holding company.

AUDITORS

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

Signed on behalf of the Board in accordance with their resolution dated 4 June 2009.

YAM TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL
CHAIRMAN

CHAN KOK SEONG
DIRECTOR

Kuala Lumpur, Wilayah Persekutuan

Company No.

277714

A

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

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

We, YAM Tan Sri Dato' Seri Syed Anwar Jamalullail and Chan Kok Seong, two of the Directors, state that, in the opinion of the Directors, the financial statements set out on pages 13 to 66 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2009 and of the results and cash flows of the Company for the financial year ended on that date in accordance with the MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities and the provisions of the Companies Act, 1965.

Signed on behalf of the Board of Directors in accordance with their resolution dated 4 June 2009.

YAM TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL
CHAIRMAN

CHAN KOK SEONG
DIRECTOR

Kuala Lumpur, Wilayah Persekutuan

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

I, Ho Teck Seng, the officer primarily responsible for the financial management of Uni.Asia Life Assurance Berhad, do solemnly and sincerely declare that the financial statements set out on pages 13 to 66 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.

Ho Teck Seng

Subscribed and solemnly declared by the abovenamed Ho Teck Seng at Kuala Lumpur, Wilayah Persekutuan in Malaysia on 4 June 2009, before me.

COMMISSIONER FOR OATHS

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF UNI.ASIA LIFE ASSURANCE BERHAD**
(Incorporated in Malaysia)
(Company No. 277714 A)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Uni.Asia Life Assurance Berhad, which comprise the balance sheet as at 31 March 2009, and the income statement, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 13 to 66.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF UNI.ASIA LIFE ASSURANCE BERHAD (CONTINUED)
(Incorporated in Malaysia)
(Company No. 277714 A)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

SRIDHARAN NAIR
(No. 2656/05/10 (J))
Partner of the firm

Kuala Lumpur
4 June 2009

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

BALANCE SHEET
AS AT 31 MARCH 2009

	Note	2009 RM'000	2008 RM'000
ASSETS			
Shareholder's fund assets			
Property, plant and equipment	3	1,764	1,782
Investments	7	93,061	35,573
Deferred tax assets	13	3,345	3,839
Loans	8	2,000	2,000
Receivables	9	54,499	55,929
Cash and cash equivalents	10	140	1,925
Tax recoverable		73	65
		<hr/>	<hr/>
Total Shareholder's fund assets		154,882	101,113
Total Life fund assets (page 14)		<u>1,397,208</u>	<u>1,342,205</u>
TOTAL ASSETS		<u><u>1,552,090</u></u>	<u><u>1,443,318</u></u>
LIABILITIES			
Shareholder's fund liabilities			
Payables	12	761	379
Subordinated term loan	14	<u>53,000</u>	<u>-</u>
		<hr/>	<hr/>
Total Shareholder's fund liabilities		53,761	379
Total Life fund liabilities (page 14)		138,066	91,389
Total Life policyholders' fund	15	<u>1,259,142</u>	<u>1,250,816</u>
		<hr/>	<hr/>
		<u>1,450,969</u>	<u>1,342,584</u>
SHAREHOLDER'S EQUITY			
Share capital	16	125,000	125,000
Accumulated losses		(24,486)	(24,873)
Revaluation reserve		607	607
		<hr/>	<hr/>
		<u>101,121</u>	<u>100,734</u>
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		<u><u>1,552,090</u></u>	<u><u>1,443,318</u></u>

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

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

LIFE FUND BALANCE SHEET
AS AT 31 MARCH 2009

	<u>Note</u>	<u>2009</u> RM'000	<u>2008</u> RM'000
ASSETS			
Property, plant and equipment	3	15,512	15,544
Intangible asset	4	1,217	216
Investment properties	5	8,200	8,200
Prepaid land lease payment	6	259	262
Investments	7	926,622	842,941
Loans	8	59,203	58,855
Deferred tax assets	13	2,994	904
Receivables	9	22,593	21,137
Cash and cash equivalents	10	18,870	20,850
Tax recoverable		6,595	376
Investment-linked fund assets	22	<u>335,143</u>	<u>372,920</u>
TOTAL LIFE FUND ASSETS		<u>1,397,208</u>	<u>1,342,205</u>
LIABILITIES			
Provision for outstanding claims	11	11,342	10,594
Payables	12	125,655	79,636
Investment-linked fund liabilities	22	<u>1,069</u>	<u>1,159</u>
Total Life fund liabilities		<u>138,066</u>	<u>91,389</u>
LIFE POLICYHOLDERS' FUND			
Life insurance revenue account		1,249,577	1,241,251
Revaluation reserve		<u>9,565</u>	<u>9,565</u>
Total Life policyholders' fund	15	<u>1,259,142</u>	<u>1,250,816</u>
TOTAL LIFE FUND LIABILITIES AND LIFE POLICYHOLDERS' FUND		<u><u>1,397,208</u></u>	<u><u>1,342,205</u></u>

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

Company No.

277714

A

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	<u>Note</u>	<u>2009</u> RM'000	<u>2008</u> RM'000
Operating revenue	17	<u>276,023</u>	<u>372,607</u>
Shareholder's fund:			
Investment income	19	1,885	1,434
Other operating expenses - net	20	(3,285)	(4,164)
Management expenses	18	(502)	(498)
Finance cost	14	<u>(216)</u>	<u>-</u>
Loss before taxation		(2,118)	(3,228)
Surplus transfer from Life fund		<u>3,000</u>	<u>5,000</u>
Profit after surplus transfer		882	1,772
Taxation	21	<u>(495)</u>	<u>(739)</u>
Net profit for the financial year		<u>387</u>	<u>1,033</u>
Earnings per share (sen)	23	<u>0.31</u>	<u>0.83</u>

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

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

LIFE INSURANCE REVENUE ACCOUNT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	Note	2009 RM'000	2008 RM'000
Gross premium	17	222,590	323,100
Reinsurance		<u>(7,634)</u>	<u>(6,038)</u>
Net premium		<u>214,956</u>	<u>317,062</u>
Gross benefits paid and payable			
Death		(13,818)	(9,970)
Maturity		(3,330)	(2,631)
Surrender		(74,275)	(100,274)
Others		(13,175)	(8,907)
Reinsurances recoveries		<u>4,480</u>	<u>1,825</u>
		<u>(100,118)</u>	<u>(119,957)</u>
		114,838	197,105
Commission and agency expenses		(31,399)	(24,015)
Management expenses	18	<u>(35,090)</u>	<u>(27,995)</u>
		48,349	145,095
Investment income	19	47,090	42,504
Other operating expenses – net	20	<u>(55,702)</u>	<u>(3,959)</u>
Surplus before taxation		39,737	183,640
Taxation	21	<u>3,979</u>	<u>(3,604)</u>
Surplus after taxation		43,716	180,036
Deficit from Investment-linked funds	22	<u>(32,390)</u>	<u>(14,909)</u>
		11,326	165,127
Life policyholders' funds at beginning of financial year		1,241,251	1,081,124
Surplus transfer to Shareholder's fund		<u>(3,000)</u>	<u>(5,000)</u>
Life policyholders' fund as at end of financial year		<u><u>1,249,577</u></u>	<u><u>1,241,251</u></u>

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

Company No.

277714	A
--------	---

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	Issued and fully paid ordinary shares of RM1 each		Undistribut ed revaluation reserve	Accumulated losses	Total
	Number of shares	Nominal value			
		RM'000	RM'000	RM'000	RM'000
As at 1 April 2008	125,000	125,000	607	(24,873)	100,734
Net profit for the financial year	-	-	-	387	387
As at 31 March 2009	125,000	125,000	607	(24,486)	101,121
As at 1 April 2007	125,000	125,000	491	(25,906)	99,585
Net profit for the financial year	-	-	-	1,033	1,033
Net gain not recognised in income statement: - reversal of deferred tax on revaluation surplus	-	-	116	-	116
As at 31 March 2008	125,000	125,000	607	(24,873)	100,734

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

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	2009	2008
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the financial year	387	1,033
Adjustments for:		
Life fund surplus after taxation	11,326	165,127
Depreciation of property, plant and equipment	1,743	1,546
Amortisation of intangible assets	93	72
Amortisation of prepaid land lease payment	3	3
Loss on disposal of property, plant and Equipment	55	91
Accretion of discount net of amortisation of premium	(1,382)	(2,680)
Investment income	(50,395)	(46,827)
Loss/ (gain) on disposal of investments	41,643	(26,140)
Surplus transfer from Life fund	(3,000)	(5,000)
Allowance for diminution in value of investments	18,180	31,265
Increase in value of investments in Investment-linked funds	36,632	25,716
Gain on unrealised foreign exchange	-	(303)
Write-back of doubtful debts	(62)	(8)
Bad debt written off	-	46
Taxation (credit)/ expense	(5,826)	3,244
Operating profit before changes in operating Assets and liabilities	49,397	147,185
Purchase of investments	(403,796)	(741,548)
Proceeds from disposal of investments	314,532	441,588
Increase in loans receivable	(348)	(44,465)
(Increase) /decrease in fixed and call deposits	(113,820)	172,692
Decrease/(increase) in receivables	7,937	(13,126)
Increase in provision for outstanding claims	748	579
Increase in payables	47,433	7,263
Interest income received	41,663	35,569
Dividend income received	6,974	6,172
Rental income received	1,435	1,180
Cash (used in)/generated from operations	(47,845)	13,089
Income taxes paid	(6,024)	(7,396)
Net cash (used in)/generated from operating activities	(53,869)	5,693

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

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

	<u>Note</u>	<u>2009</u> RM'000	<u>2008</u> RM'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of investment properties		-	9,000
Purchase of property, plant and equipment		(2,081)	(1,559)
Purchase of intangible asset		(1,094)	-
Proceeds from disposal of property, plant and equipment		334	-
		<u>334</u>	<u>-</u>
Net cash (used in)/generated from investing activities		<u>(2,841)</u>	<u>7,441</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from subordinated term loan		<u>53,000</u>	<u>-</u>
Net cash generated from financing activities		<u>53,000</u>	<u>-</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR		(3,710)	13,134
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		<u>22,910</u>	<u>9,776</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	10	<u>19,200</u>	<u>22,910</u>

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

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

1 PRINCIPAL ACTIVITY

The Company is engaged principally in the underwriting of life insurance business including investment-linked business. There has been no significant change in the nature of this activity during the financial year.

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

The principal place of business of the Company is located at 16, Jalan Tun Tan Siew Sin, 50050 Kuala Lumpur.

The holding and ultimate holding companies are Uni.Asia Capital Sdn Bhd and DRB-HICOM Berhad respectively, both of which are incorporated in Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 4 June 2009.

2 SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise indicated in the accounting policies below and comply with the Financial Reporting Standards ("FRS"), the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities, the provisions of the Companies Act, 1965, the Insurance Act, 1996 and relevant Guidelines and Circulars issued by Bank Negara Malaysia in all material aspects.

The preparation of financial statements in conformity with the FRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires Directors to exercise their judgement in the process of applying the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

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 2.3.

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

(i) Standards that are effective and relevant to the Company's operations

The new accounting standards that are effective and relevant to the Company for the financial year ended 31 March 2009 are as follows:

FRS 107	Cash Flows Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

There were no significant changes to the Company's accounting policies arising from the adoption of the above new accounting standards.

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

The new standards, amendments to published standards and interpretations that are mandatory for the Company's financial year beginning on or after 1 April 2009 or later periods, but which the Company has not early adopted are as follows:

		<u>Effective Date</u>
FRS 4	Insurance Contracts	1 April 2010
FRS 7	Financial Instruments: Disclosures	1 April 2010
FRS 8	Operating Segments	1 April 2010
FRS 123	Borrowing Costs	1 April 2010
FRS 139	Financial Instruments: Recognition and Measurement	1 April 2010

The Company has applied the transitional provision in FRS 4, 7 and 139 which exempts entities from disclosing the possible impact arising from initial application of these standards on the financial statements of the Company.

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

- (ii) Standards, amendments to published standards and interpretations that are applicable to the Company but not yet effective and have not been early adopted (continued)

The adoption of FRS 8 and 123 will not result in significant changes in accounting policies of the Company.

The Company will adopt the relevant standards when effective.

- (iii) Standards, amendments to published standards and interpretations to existing standards that are not yet effective and not relevant to the Company

		<u>Effective Date</u>
Amendments to FRS 1 & FRS 127	First-time adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Joint Controlled Entities or Associate	1 April 2010
Amendments to FRS 2	Vesting Conditions and Cancellations	1 April 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 April 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 April 2010
IC Interpretation 11	FRS 2 Group and Treasury Share Transactions	1 April 2010
IC Interpretation 13	Customer Loyalty Programmes	1 April 2010
IC Interpretation 14	FRS 119 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interactions	1 April 2010

UNI.ASIA LIFE ASSURANCE BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies

(a) Property, plant and equipment

Property, plant and equipment are initially stated at cost. Land and building are subsequently shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation and impairment losses. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

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

Surpluses arising on revaluation are credited to revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of a previous surplus held in the revaluation reserve for the same asset. In all other cases, a decrease in carrying amount is charged to income statement and/or revenue account.

Freehold land is not depreciated as it has an infinite life. Other property, plant and equipment are depreciated on a straight line basis to write off the cost of the assets, or their revalued amounts, to their residual values over their estimated useful lives, summarised as follows:

Freehold building	50 – 70 years
Furniture, fixtures, fittings and office equipment	3 – 5 years
Motor vehicles	7 years

Residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

At each balance sheet date, the Company assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 2.2(f) on impairment of assets.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount and are included in the income statement and/or revenue account. On disposal of revalued assets, the revaluation reserve relating to those assets is transferred to retained earnings and/or unallocated surplus.

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(b) Intangible assets – computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 5 years.

Costs associated with maintaining computer software programmes are recognised as an expense when incurred. Costs that are directly associated with identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs include employee costs incurred as a result of developing software and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised using the straight line method over their estimated useful life of 5 years.

(c) Investment properties

Investment properties, comprising principally land and office 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 and subsequently carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Company uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. The fair values of investment properties are reviewed annually, and a formal valuation by an independent professional valuer is carried out once in every three years or earlier if the carrying value of the investment properties differs materially from the fair value. Changes in fair values are recorded in the income statement and/or revenue account as part of other income.

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

(d) Prepaid land lease payment

Payment for rights to use land and buildings over the predetermined period is classified as prepaid lease properties and is stated at cost less accumulated amortisation and accumulated impairment. The prepaid lease properties are amortised on a straight line basis over the lease periods of up to 99 years.

UNI.ASIA LIFE ASSURANCE BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(e) Investments

(i) Non – Investment linked business:

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

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

Unquoted and other investments are stated at cost and allowance for any diminution in value is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Such a decline is recognised as an expense in the financial year in which the decline is identified.

(ii) Investment – linked business:

All quoted investments of the investment-linked business are stated at market value.

Investments in other unquoted debt securities and fixed and call deposits of the investment-linked business are stated at cost adjusted for amortisation of premiums or accretion of discounts using the effective yield method from the date of purchase to maturity date. The carrying values of Malaysian Government Securities, and other unquoted debt securities are subsequently revalued to reflect their fair value by using indicative market prices quoted by financial institutions.

Unit trusts are stated at prices quoted by the respective management companies.

Structured investments are investments where a substantial amount of the fund is invested in fixed income instruments issued by financial institutions while the remaining amount is invested in instruments which are linked to the performance of one or more equity market prices or indices that introduce significant risk that will affect the performance of these instruments. Structured investments are carried at fair values quoted by counter parties based on specific valuation models as at the balance sheet date.

Any change in the values of these investments is taken to the investment-linked business statement of income and expenditure.

UNI.ASIA LIFE ASSURANCE BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(f) Impairment of 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 amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and 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.

The impairment loss is charged to the income statement and / or revenue account unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Any subsequent increase in recoverable amount is recognised in the income statement and / or revenue account unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

(g) Receivables

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

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

(h) Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances, excluding fixed and call deposits held for investment purposes, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(i) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services rendered at transaction date.

UNI.ASIA LIFE ASSURANCE BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(j) 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. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

(k) Borrowings

Borrowings are recognised initially at the amount of proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, using the effective interest rate method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings.

Interest relating to borrowings is reported within finance cost in the income statement.

(l) Share capital

Proceeds from ordinary shares issued are accounted for as equity, with the nominal value of the shares being separately disclosed as share capital. Costs directly attributable to the issuance of new ordinary shares are accounted for as a deduction from equity.

Dividends to equity holders are recognised as a liability in the period in which they are declared.

(m) 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.

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(n) Employee benefits

(i) Short term employee benefits

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

(ii) Defined contribution plans

A defined contribution plan is a pension plan under which the Company pays fixed contributions to the state pension scheme, the Employees Provident Fund ("EPF"). The Company's contributions to defined contribution plans are charged to the income statement and/or revenue account in the financial year to which they relate. Once the contributions have been made, the Company has no further payment obligations.

(o) Life insurance underwriting results

The surplus transferable from the Life insurance fund to the income statement is based on the surplus determined by an annual actuarial valuation of the long term liabilities to policyholders, made in accordance with the provisions of the Insurance Act, 1996 and related regulations by the Company's Appointed Actuary. In the event the actuarial valuation indicates that a transfer is required from the Shareholder's fund, the transfer from the income statement to the life insurance fund is made in the financial year of the actuarial valuation.

Premium income

Premium income includes premium recognised in the Life fund and the Investment-linked funds.

Premium income of the Life fund is recognised as soon as the amount of the premium can be reliably measured. First premium is recognised from inception date and subsequent premium is recognised when it is due.

At the end of the financial year, all due premiums are accounted for to the extent that they can be reliably measured.

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

Premium income of the Investment-linked funds is in respect of the net creation of units which represents premiums paid by policyholders as payment for a new contract or subsequent payments to increase the amount of that contract. Net creation of units is recognised on a receipt basis.

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(o) Life insurance underwriting results (continued)

Commission and agency expenses

Commission and agency expenses, which are costs directly incurred in securing premium on insurance policies, net of income derived from reinsurers in the course of ceding of premium to reinsurers, are charged to the life insurance revenue account in the financial year in which they are incurred.

Provision for claims

Claims and settlement costs that are incurred during the financial year are recognised when a claimable event occurs and /or the insurer is notified.

Recoveries on reinsurance claims are accounted for in the same financial year as the original claims are recognised.

Claims and provisions for claims arising on life insurance policies including settlement costs, less reinsurance recoveries, are accounted for using the case basis method and for this purpose, the benefits payable under a life insurance policy are recognised as follows:

- (a) maturity or other policy benefit payments due on specified dates are treated as claims payable on the due dates; and
- (b) death, surrender and other benefits without due dates are treated as claims payable, on the date of receipt of intimation of death of the assured or occurrence of contingency covered.

The benefits payable under investment-linked business are in respect of net cancellation of units and are recognised as surrenders.

(p) Other revenue recognition

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

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

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

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

UNI.ASIA LIFE ASSURANCE BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(q) Income taxes

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

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

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

Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred tax.

(r) Foreign currencies

The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

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

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of Significant Accounting Policies (continued)

(s) Financial instruments

Description

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

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

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

Fair value estimation for disclosure purposes

The fair value of publicly traded financial instruments is based on quoted market prices at the balance sheet date.

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

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

2.3 Critical accounting estimates and judgements

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

UNI.ASIA LIFE ASSURANCE BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Critical accounting estimates and judgements (continued)

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting will by definition rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Company's results and financial position are tested for sensitivity to changes in the underlying parameters. 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.

(i) Liabilities of insurance business

For life insurance contracts, estimates are made for future deaths, disabilities, voluntary terminations, investment returns and administration expenses. The principles on which the valuation of the actuarial liabilities was made were determined by the appointed actuary having regard to the Insurance Regulations, 1996. In case of life policies where the minimum valuation basis is specified under the Insurance Regulations, 1996, a reserve was set up such that it would not fall below the reserve determined on the minimum valuation basis. For other policies where the nature of benefit suggested that the minimum valuation basis was not applicable, a reserve was set up such that this reserve together with future premiums would be sufficient to meet the future policy liabilities.

The mortality table employed for life policies was the Statutory Valuation Mortality Table 1996 Ultimate Mortality Table. The rate of interest assumed was 4% per annum for regular premium policies and 4.5% for single premium.

For Investment-linked non-capital guaranteed policies, the non-unit reserves are determined from the unearned portion of monthly cost of insurance and additional reserve as present value of future benefits and expenses, reduced by the present value of future charges. The mortality table employed is based on 100% of M83-88 (Malaysia 1983-1988) with interest rate at 4%. For Investment-linked capital guaranteed policies, the non-unit reserve based on net premium valuation method is equal to the present value of the future sum at risk of 25% or 10%, depending on age, of Initial Single Premium and maintenance expense. The additional reserves required are calculated based on the difference between the Present Value of Benefits (which includes the explicit guarantees of principal and interests) and the sum of Unit Reserve and Non-Unit Reserve of the Fund. If Present Value of Benefits is lower than the sum of Unit Reserve and Non-Unit Reserve of the Fund, then no additional reserve is required.

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Critical accounting estimates and judgements (continued)

Critical accounting estimates and assumptions (continued)

The Present Value of Benefits is the greater of the following methods:

1. Present value of benefits based on the explicit guarantees based on minimum valuation interest rate of 4.5%.
2. Present value of benefits based on the explicit guarantees based on stochastically generated future interest rates at 75% confidence level.

In the event that there is a change in the said assumptions, with all other things remaining equal, then a reduction in the interest assumption will increase the computed actuarial liabilities. Conversely, an increase (i.e. deterioration) in the mortality assumption would (for most type of plans) increase the computed actuarial liabilities. Due to the inherent risk of uncertainty in any estimate of those obligations, the future provisions for liabilities may vary significantly from the estimations.

At each reporting date, these estimates are reassessed for adequacy and changes will be reflected as adjustments to the liability. In addition to the expected outcome, solvency margins prescribed by regulations are included in these key estimates.

Critical judgement in applying the Company'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. However, the Directors are of the opinion that there are currently no accounting policies, which require significant judgement to be exercised.

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

3 PROPERTY, PLANT AND EQUIPMENT

Shareholder's fund

	<u>Freehold land</u> RM'000	<u>Building</u> RM'000	<u>Total</u> RM'000
<u>At valuation</u>			
At 1 April 2008 / 31 March 2009	1,200	600	1,800
<u>Accumulated depreciation</u>			
At 1 April 2008	-	18	18
Depreciation charge	-	18	18
At 31 March 2009	-	36	36
<u>Net book value</u>			
At 31 March 2009	<u>1,200</u>	<u>564</u>	<u>1,764</u>

Shareholder's fund

	<u>Freehold land</u> RM'000	<u>Building</u> RM'000	<u>Total</u> RM'000
<u>At valuation</u>			
At 1 April 2007 / 31 March 2008	1,200	600	1,800
<u>Accumulated depreciation</u>			
At 1 April 2007	-	-	-
Depreciation charge	-	18	18
At 31 March 2008	-	18	18
<u>Net book value</u>			
At 31 March 2008	<u>1,200</u>	<u>582</u>	<u>1,782</u>

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

3 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Life fund

	Freehold land	Freehold building	Furniture, fixtures, fittings and office equipment	Motor vehicles	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Cost/valuation</u>					
At 1 April 2008	7,850	4,368	13,288	1,546	27,052
Additions	-	-	2,081	-	2,081
Disposals	-	-	(344)	(818)	(1,162)
At 31 March 2009	7,850	4,368	15,025	728	27,971
<u>Accumulated depreciation</u>					
At 1 April 2008	-	86	10,961	461	11,508
Depreciation charge	-	93	1,402	230	1,725
Disposals	-	-	(185)	(589)	(774)
At 31 March 2009	-	179	12,178	102	12,459
<u>Net book value</u>					
At 31 March 2009	7,850	4,189	2,847	626	15,512

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

3 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Life fund

	Freehold land	Freehold building	Furniture, fixtures, fittings and office equipment	Motor vehicles	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Cost/valuation</u>					
At 1 April 2007	7,850	4,335	12,439	1,179	25,803
Additions	-	33	961	565	1,559
Disposals	-	-	(112)	(198)	(310)
At 31 March 2008	7,850	4,368	13,288	1,546	27,052
<u>Accumulated depreciation</u>					
At 1 April 2007	-	-	9,628	571	10,199
Depreciation charge	-	86	1,375	67	1,528
Disposals	-	-	(42)	(177)	(219)
At 31 March 2008	-	86	10,961	461	11,508
<u>Net book value</u>					
At 31 March 2008	7,850	4,282	2,327	1,085	15,544

- (a) The land and building were revalued in 2007 based on open market values of the properties on existing use basis carried out by an independent professional valuer, Knight Frank, Registered Valuer (V-335). The valuation of these properties was adopted by the Directors on 31 March 2007.
- (b) Had the freehold land and building been carried at historical cost less accumulated depreciation, the carrying amount that would have been included in the financial statements at the end of the financial year is RM1,422,000 (2008: RM1,440,000) and RM1,904,809 (2008: RM1,969,967) respectively for the Shareholder's fund and Life fund.

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

4 INTANGIBLE ASSETS

Life fund

	<u>2009</u>	<u>2008</u>
	RM'000	RM'000
<u>Net book value</u>		
At beginning of financial year	216	288
Additions	1,094	-
Amortisation charge	(93)	(72)
At end of financial year	<u>1,217</u>	<u>216</u>
<u>At 31 March</u>		
Cost	1,454	360
Accumulated amortisation	(237)	(144)
Net book value	<u>1,217</u>	<u>216</u>

5 INVESTMENT PROPERTIES

Life fund

	<u>2009</u>	<u>2008</u>
	RM'000	RM'000
<u>Valuation</u>		
At beginning/ end of financial year	<u>8,200</u>	<u>8,200</u>
Comprising of:		
- Leasehold buildings	<u>8,200</u>	<u>8,200</u>
	<u>8,200</u>	<u>8,200</u>

The investment properties were valued in 2007 at fair value based on open market values of the properties on the existing use basis carried out by an independent qualified valuer, Knight Frank, Registered Valuer (V-335). The valuation of these properties was adopted by the Directors on 31 March 2007. Based on an assessment made by the Directors, the fair values of the investment properties at 31 March 2009 were not significantly different from the 2007 valuation.

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

6 PREPAID LAND LEASE PAYMENT

Life fund

	<u>2009</u>	<u>2008</u>
	RM'000	RM'000
<u>Net book value</u>		
At beginning of the financial year	262	265
Amortisation charge	<u>(3)</u>	<u>(3)</u>
At end of financial year	<u>259</u>	<u>262</u>
<u>At 31 March</u>		
Cost	265	265
Accumulated amortisation	<u>(6)</u>	<u>(3)</u>
	<u>259</u>	<u>262</u>

7 INVESTMENTS

Shareholder's fund

	<u>2009</u>		<u>2008</u>	
	Carrying value	Market value	Carrying value	Market value
	RM'000	RM'000	RM'000	RM'000
Quoted in Malaysia:				
Shares/warrants, at cost	13,650		22,041	
Allowance for diminution in value	<u>(5,405)</u>		<u>(4,749)</u>	
	<u>8,245</u>	<u>8,245</u>	<u>17,292</u>	<u>17,292</u>
Real estate investment trust, at cost	496		768	
Allowance for diminution in value	<u>(99)</u>		<u>-</u>	
	<u>397</u>	<u>397</u>	<u>768</u>	<u>797</u>
Unquoted in Malaysia:				
Corporate debt securities, at cost	9,827		9,827	
Accretion of discounts net of amortisation of premiums	<u>865</u>		<u>645</u>	
	<u>10,692</u>		<u>10,472</u>	
Fixed and call deposits with: Licensed banks	<u>73,727</u>		<u>7,041</u>	
TOTAL INVESTMENTS- SHAREHOLDER'S FUND	<u>93,061</u>		<u>35,573</u>	

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

7 INVESTMENTS (CONTINUED)

Life fund

Non Investment-linked fund

	2009		2008	
	Carrying value RM'000	Market value RM'000	Carrying value RM'000	Market Value RM'000
Malaysian Government Securities:				
Malaysian Government Securities, at cost	80,012		76,345	
Amortisation of premiums net of accretion of discounts	(404)		(323)	
	<u>79,608</u>	<u>81,574</u>	<u>76,022</u>	<u>77,795</u>
Quoted in Malaysia:				
Shares/warrants, at cost	112,921		182,216	
Allowance for diminution in value	(30,139)		(27,781)	
	<u>82,782</u>	<u>82,782</u>	<u>154,435</u>	<u>154,435</u>
Quoted outside Malaysia:				
Shares/warrants, at cost	35,903		-	
Allowance for diminution in value	(9,671)		-	
	<u>26,232</u>	<u>26,232</u>	<u>-</u>	<u>-</u>
Real estate investment trust, at cost	19,769		9,836	
Allowance for diminution in value	(5,396)		-	
	<u>14,373</u>	<u>14,373</u>	<u>9,836</u>	<u>10,847</u>
Unquoted in Malaysia:				
Corporate debt securities, at cost	521,438		442,013	
Accretion of discounts net of amortisation of premiums	8,664		7,440	
Allowance for diminution in value	(1,073)		(1,073)	
	<u>529,029</u>		<u>448,380</u>	

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

7 INVESTMENTS (CONTINUED)

Life fund (continued)

Non Investment-linked fund (continued)

	2009		2008	
	Carrying Value RM'000	Market value RM'000	Carrying Value RM'000	Market value RM'000
Shares, at cost	2,160		2,160	
Allowance for diminution in value	(55)		(55)	
	<u>2,105</u>		<u>2,105</u>	
Fixed and call deposits with:				
Licensed banks	151,328		104,700	
Other licensed financial institutions	41,165		47,463	
	<u>192,493</u>		<u>152,163</u>	
TOTAL INVESTMENTS- NON INVESTMENT-LINKED FUND	<u>926,622</u>		<u>842,941</u>	

The maturity structure of Malaysian Government Securities, corporate debt securities and fixed and call deposits held as at the balance sheet date is as follows:

	Shareholder's fund		Life fund	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Maturing within 12 months	73,727	7,041	218,252	161,895
Maturing after 12 months	10,692	10,472	582,878	514,670
	<u>84,419</u>	<u>17,513</u>	<u>801,130</u>	<u>676,565</u>

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

7 INVESTMENTS (CONTINUED)

Life fund (continued)

Investment-linked fund

	2009	2008
	Carrying value	Carrying value
	RM'000	RM'000
Quoted in Malaysia:		
Shares/warrants, at cost	14,089	18,742
Unrealised capital (loss)/gain	(1,148)	1,502
At market value	<u>12,941</u>	<u>20,244</u>
Quoted outside Malaysia:		
Shares/warrants, at cost	6,253	6,114
Unrealised capital loss	(2,205)	(480)
At market value	<u>4,048</u>	<u>5,634</u>
Unquoted in Malaysia:		
Corporate debt securities, at cost	16,213	16,143
Amortisation of premiums net of accretion of discounts	-	(19)
Unrealised capital loss	(200)	(59)
At indicative market value	<u>16,013</u>	<u>16,065</u>
Unit trusts:		
Unit trusts, at cost	136,530	130,382
Unrealised capital loss	(56,995)	(18,117)
	<u>79,535</u>	<u>112,265</u>
Structured investments:		
Structured investments, at cost	200,797	205,850
Unrealised capital loss	(3,354)	(10,116)
	<u>197,443</u>	<u>195,734</u>
Fixed and call deposits with:		
Licensed banks	8,149	6,539
Other licensed financial institutions	11,095	5,901
	<u>19,244</u>	<u>12,440</u>
TOTAL INVESTMENTS- INVESTMENT-LINKED FUND	<u>329,224</u>	<u>362,382</u>

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

7 INVESTMENTS (CONTINUED)

The maturity structure of corporate debt securities, structured investments and fixed and call deposits held as at the balance sheet date is as follows:

	Investment-linked fund	
	2009	2008
	RM'000	RM'000
Maturing within 12 months	98,568	14,382
Maturing after 12 months	134,132	209,857
	<u>232,700</u>	<u>224,239</u>

As at the balance sheet date, the following investments of the Shareholder's fund totalling RM10,000,000 were assigned by the Company to the Life fund to meet the solvency margin requirement of the Life fund.

	2009	2008
	RM'000	RM'000
Corporate debt securities	8,683	8,462
Fixed and call deposits	1,317	1,538
	<u>10,000</u>	<u>10,000</u>

8 LOANS RECEIVABLE

	Shareholder's fund		Life fund	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Policy loans	-	-	15,506	15,077
Secured loans	2,000	2,000	43,000	43,000
Secured staff loans	-	-	697	778
	<u>2,000</u>	<u>2,000</u>	<u>59,203</u>	<u>58,855</u>
Receivable within 12 months	-	-	15,590	15,178
Receivable after 12 months	2,000	2,000	43,613	43,677
	<u>2,000</u>	<u>2,000</u>	<u>59,203</u>	<u>58,855</u>

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

9 RECEIVABLES

	Shareholder's fund		Life fund	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Trade:				
Outstanding premiums including agents and brokers balances	-	-	2,753	2,961
Amounts due from reinsurers	-	-	2,180	858
Allowance for doubtful debts	-	-	(109)	(148)
	-	-	4,824	3,671
Others:				
Income due and accrued	233	140	13,290	12,995
Other receivables, deposits and prepayment	465	56	3,683	4,612
Amount due from Investment- linked funds (Note 22)	-	-	914	-
Amount due from Life fund (Note 12)	53,801	55,733	-	-
Allowance for doubtful debts	-	-	(118)	(141)
	54,499	55,929	17,769	17,466
TOTAL RECEIVABLES	54,499	55,929	22,593	21,137

10 CASH AND CASH EQUIVALENTS

	2009	2008
	RM'000	RM'000
Cash and bank balances:		
Shareholder's fund	140	1,925
Life fund	18,870	20,850
Investment-linked fund (Note 22)	190	135
	19,200	22,910

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

11 PROVISION FOR OUTSTANDING CLAIMS

	<u>2009</u>	<u>Life fund</u> <u>2008</u>
	RM'000	RM'000
Provision for outstanding claims	13,604	12,397
Less: Recoverable from reinsurers	<u>(2,262)</u>	<u>(1,803)</u>
Net outstanding claims	<u>11,342</u>	<u>10,594</u>

12 PAYABLES

	<u>Shareholder's fund</u>		<u>Life fund</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	RM'000	RM'000	RM'000	RM'000
Trade:				
Amounts due to reinsurers	-	-	1,867	1,390
Amounts due to agents /brokers and insureds	<u>-</u>	<u>-</u>	<u>4,368</u>	<u>3,780</u>
	<u>-</u>	<u>-</u>	<u>6,235</u>	<u>5,170</u>
Others:				
Other payables and accruals	761	379	65,619	15,091
Amount due to Shareholder's fund (Note 9)	-	-	53,801	55,733
Amount due to Investment- linked fund (Note 22)	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,642</u>
	<u>761</u>	<u>379</u>	<u>119,420</u>	<u>74,466</u>
TOTAL PAYABLES	<u>761</u>	<u>379</u>	<u>125,655</u>	<u>79,636</u>

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

13 DEFERRED TAX

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

	Shareholder's fund	
	2009	2008
	RM'000	RM'000
Deferred tax assets		
- subject to income tax	3,345	3,839
At beginning of financial year	3,839	4,462
Charged income statement (Note 21):		
- investments	93	1,185
- tax losses	(587)	(1,924)
	(494)	(739)
Credited to equity	-	116
At end of financial year	3,345	3,839
Subject to income tax:		
Deferred tax assets (before offsetting)		
- investments	1,376	1,067
- tax losses	2,185	2,772
	3,561	3,839
Offsetting	(216)	-
Deferred tax asset (after offsetting)	3,345	3,839
Subject to income tax:		
Deferred tax liabilities (before offsetting)		
- investments	(216)	-
Offsetting	216	-
Deferred tax liabilities (after offsetting)	-	-

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

13 DEFERRED TAX (CONTINUED)

	2009	Life fund 2008
	RM'000	RM'000
Deferred tax assets		
- subject to income tax	<u>2,994</u>	<u>904</u>
At beginning of financial year	904	(1,284)
Credited to income statement (Note 21):		
- temporary difference not recognised in previous financial year	-	204
- investments	1,363	1,835
- property, plant and equipment	727	149
	<u>2,090</u>	<u>2,188</u>
At end of financial year	<u>2,994</u>	<u>904</u>
Subject to income tax:		
Deferred tax assets (before offsetting)		
- investments	3,740	1,741
- property, plant and equipment	10	-
Offsetting	(756)	(837)
Deferred tax assets (after offsetting)	<u>2,994</u>	<u>904</u>
Subject to income tax:		
Deferred tax liabilities (before offsetting)		
-investments	(636)	-
-property, plant and equipment	(62)	(779)
-investment properties	(58)	(58)
	<u>(756)</u>	<u>(837)</u>
Offsetting	756	837
Deferred tax liabilities (after offsetting)	<u>-</u>	<u>-</u>

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

13 DEFERRED TAX (CONTINUED)

	Investment-linked fund	
	2009 RM'000	2008 RM'000
Deferred tax assets		
- Subject to income tax	5,062	2,564
Deferred tax liabilities		
- Subject to income tax	(8)	(443)
	<u>5,054</u>	<u>2,121</u>
As at beginning of the financial year	2,121	(432)
Credited to statement of income and expenditure (Note 22):		
- investments	2,933	2,553
As at end of the financial year	<u>5,054</u>	<u>2,121</u>
<u>Subject to income tax:</u>		
Deferred tax assets (before offsetting):		
- investments	5,062	2,196
Offsetting	-	368
Deferred tax assets (after offsetting)	<u>5,062</u>	<u>2,564</u>
<u>Subject to income tax:</u>		
Deferred tax liabilities (before offsetting):		
- investments	(8)	(811)
Offsetting	-	368
Deferred tax liabilities (after offsetting)	<u>(8)</u>	<u>(443)</u>

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

14 SUBORDINATED TERM LOAN

	Shareholders' fund	
	2009	2008
	RM'000	RM'000
Subordinated term loan	53,000	-

On 18 February 2009, a subordinated term loan of RM53 million was obtained from the holding Company, Uni.Asia Capital Sdn Bhd, to supplement company's capital requirements. The term of the loan facility is for a period of ten (10) years commencing from the date of first drawdown on 27 February 2009. The subordinated term loan shall be repaid in full on the maturity date (i.e. on 26 February 2019) and prior approval from Bank Negara Malaysia is required for prepayment of the loan in whole or in part before the maturity date.

The rate of interest payable is KLIBOR plus 2% per annum for the first five (5) years of the tenure and KLIBOR plus 4% per annum for the remaining five (5) years of the tenure. The Company shall not be obligated to pay any interest which is otherwise payable if the Company does not record operating profit in the relevant financial year of such payment of interest. Accordingly, the related unpaid interest shall cease to accrue or accumulate to the holding company.

Interest expense on the loan, amounting to RM216,000, is reported within finance cost in the income statement.

As this is a floating rate subordinated loan, the fair value is equivalent to its carrying amount.

15 LIFE POLICYHOLDERS' FUND

Based on the actuarial valuation of the Life fund made up to 31 March 2009, the appointed actuary of the Company was satisfied that the assets available in the Life fund are sufficient to meet its long term liabilities to policyholders.

	2009	2008
	RM'000	RM'000
<u>Actuarial liabilities</u>		
At beginning of financial year	1,174,687	1,027,994
Add: Increase in policy reserves	14,280	126,725
Bonus allocated to participating policyholders, including interim bonus from normal surplus	20,444	20,524
Less: Interim bonus	(591)	(556)
At end of financial year	<u>1,208,820</u>	<u>1,174,687</u>
<u>Unallocated surplus</u>		
At beginning of financial year	76,129	62,695
Add/Less: (Deficit)/surplus arising during the financial year	(2,363)	38,958
Less: Bonus allocated to policyholders, including interim bonus from normal surplus	(20,444)	(20,524)
Transfer to Income Statement	(3,000)	(5,000)
	<u>50,322</u>	<u>76,129</u>

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

15 LIFE POLICYHOLDERS' FUND (CONTINUED)

Life policyholders' fund at end of financial year:

	<u>2009</u>	<u>2008</u>
	RM'000	RM'000
Actuarial liabilities	1,208,820	1,174,687
Unallocated surplus	<u>50,322</u>	<u>76,129</u>
	<u>1,259,142</u>	<u>1,250,816</u>

The surplus arising from the revaluation of the life fund assets may be distributed by way of bonuses to life policyholders, subject to the limit that the amount distributed should not be more than 30% of the additional amount from the revaluation or 10% of the market value of the revalued property, whichever is lower.

16 SHARE CAPITAL

	Shareholder's fund	
	<u>2009</u>	<u>2008</u>
	RM'000	RM'000
Authorised issued and paid up share capital:		
At beginning / end of financial year	<u>125,000</u>	<u>125,000</u>

17 OPERATING REVENUE

Operating revenue represents gross premiums for life insurance business and investment income as set out below:

	<u>2009</u>	<u>2008</u>
	RM'000	RM'000
Gross premium	222,590	323,100
Investment income:		
- Shareholder's fund (Note 19)	1,885	1,434
- Life fund (Note 19)	47,090	42,504
- Investment-linked funds (Note 22)	<u>4,458</u>	<u>5,569</u>
	<u>276,023</u>	<u>372,607</u>

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

18 MANAGEMENT EXPENSES

	Shareholder's fund		Life fund	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Staff salaries and bonus	-	6	14,371	11,785
Defined contribution plans	-	-	2,023	1,723
Others	113	115	1,234	959
Staff costs	113	121	17,628	14,467
Non-executive Directors' remuneration	310	310	-	-
Auditors' remuneration	6	6	186	89
Rental of offices paid to third parties	-	-	-	417
Depreciation of property, plant and equipment	18	18	1,725	1,528
Amortisation of intangible asset	-	-	93	72
Amortisation of prepaid land lease payment	-	-	3	3
Training expenses	-	-	2,406	2,023
Printing and stationery	-	-	331	219
Postage, telephone, telax and telefax	-	-	804	689
EDP expenses	-	-	477	553
Bad debt written off	-	-	-	46
Writeback of doubtful debts	-	-	(62)	(8)
Other expenses	55	43	11,499	7,897
	389	377	17,462	13,528
	502	498	35,090	27,995

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

18 MANAGEMENT EXPENSES (CONTINUED)

Included in staff costs of the Life fund is RM56,073 (2008: RM67,735) accrued for accumulated annual leave.

The remuneration, including benefits-in-kind, attributable to the Chief Executive Officer of the Company during the financial year amounted to RM717,757 (2008: RM622,490).

The Directors of the Company in office during the financial year were as follows:

Non-executive Directors
Board Members

Category of Directorship

YAM Tan Sri Dato' Seri Syed Anwar Jamalullail (Chairman)	Independent director
Lee Chin Yong (Deputy Chairman)	Non-Independent director
Dato' Dr. Mohd. Shahari bin Ahmad Jabar	Independent director
Lee Siang Korn @ Lee Siang Chin	Independent director
Yeong Chee Wah	Independent director
Chan Kok Seong	Non-Independent director
Khalid bin Abdol Rahman	Non-Independent director
Toi See Jong	Non-Independent director

19 INVESTMENT INCOME

	Shareholder's fund		Life fund	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Interest from:				
- Malaysian Government Securities	-	-	3,881	3,599
- policy loans	-	-	1,798	1,951
- fixed and call deposits	610	449	5,672	7,771
- corporate debt securities	366	91	23,392	19,812
- secured staff loans	-	-	30	32
- secured loan	120	14	2,580	594
Accretion of discounts net of amortisation of premiums	220	207	2,818	2,473
Gross dividends:				
- quoted shares in Malaysia	451	556	5,890	5,938
- quoted shares outside Malaysia	-	-	523	-
Gross rental income	120	120	1,300	1,106
Less: Rates and maintenance for investment properties	(2)	(3)	(794)	(772)
	<u>1,885</u>	<u>1,434</u>	<u>47,090</u>	<u>42,504</u>

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

20 OTHER OPERATING EXPENSES– NET

	Shareholder's fund		Life fund	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
(Loss) /gain on disposal of investments	(2,530)	574	(39,334)	20,406
Allowance for diminution in value of investments	(755)	(4,749)	(17,425)	(26,516)
Loss on disposal of property, plant and equipment	-	-	(55)	(91)
Realised exchange gain	-	-	2	3
Other income	-	11	82	154
Investment-linked fund management fee	-	-	1,028	2,085
Other operating expenses – net	<u>(3,285)</u>	<u>(4,164)</u>	<u>(55,702)</u>	<u>(3,959)</u>

21 TAXATION

	Shareholder's fund		Life fund	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Current tax	1	-	(1,889)	5,792
Deferred tax (Note 13)	494	739	(2,090)	(2,188)
	<u>495</u>	<u>739</u>	<u>(3,979)</u>	<u>3,604</u>
<u>Current tax</u>				
Current year	1	-	171	5,546
(Over)/under provision in prior years	-	-	(2,060)	246
<u>Deferred tax</u>				
Origination and reversal of temporary differences	494	739	(2,090)	(2,188)
	<u>495</u>	<u>739</u>	<u>(3,979)</u>	<u>3,604</u>

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

21 TAXATION (CONTINUED)

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

	<u>2009</u>	<u>2008</u>
	RM'000	RM'000
<u>Shareholders' fund</u>		
Profit before taxation	<u>882</u>	<u>1,772</u>
Taxation calculated at the Malaysian tax rate of 25% (2008: 26%)	221	461
Tax effect of:		
- income not subject to tax	(38)	(28)
- expenses not deductible for tax purposes	125	134
- impact of changes in tax rate	<u>187</u>	<u>172</u>
	<u>495</u>	<u>739</u>

The taxation charge in the income statement of the Company relates to income attribute to the Shareholders' fund.

The taxation charge on the Life fund is based on the method prescribed under the Income Tax Act, 1967 for life business, where the income tax in the Life fund is calculated at 8% on investment income.

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

22 INVESTMENT-LINKED FUND

	2009	2008
	RM'000	RM'000
<u>BALANCE SHEET</u>		
<u>ASSETS</u>		
Investments (Note 7)	329,224	362,382
Interest income due and accrued	260	264
Amount due from Life fund (Note 12)	-	3,642
Receivables	-	3,933
Tax recoverable	407	-
Deferred tax assets (Note 13)	5,062	2,564
Cash and cash equivalents (Note 10)	190	135
	<u>335,143</u>	<u>372,920</u>
<u>LIABILITIES</u>		
Amount due to Life fund (Note 9)	914	-
Payables	147	29
Current tax payable	-	687
Deferred tax liabilities (Note 13)	8	443
	<u>1,069</u>	<u>1,159</u>
NET ASSET VALUE OF FUNDS	<u><u>334,074</u></u>	<u><u>371,761</u></u>
<u>REPRESENTED BY:</u>		
<u>UNITHOLDERS' ACCOUNT</u>		
At beginning of financial year	371,761	273,789
Creation of units	38,535	215,044
Cancellation of units	(43,832)	(102,163)
Net deficit for the financial year after taxation	<u>(32,390)</u>	<u>(14,909)</u>
At end of the financial year	<u><u>334,074</u></u>	<u><u>371,761</u></u>
	<u>2009</u>	<u>2008</u>
	RM'000	RM'000
<u>STATEMENT OF INCOME AND EXPENDITURE</u>		
Investment income (Note 17)	4,458	5,569
Other operating expense –net	(37,074)	(19,389)
Management expenses	<u>(2,116)</u>	<u>(2,188)</u>
Deficit for the financial year before taxation	(34,732)	(16,008)
Taxation:		
- current tax	(591)	(1,454)
- deferred tax (Note13)	<u>2,933</u>	<u>2,553</u>
Net deficit for the financial year after taxation	<u><u>(32,390)</u></u>	<u><u>(14,909)</u></u>

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

23 EARNINGS PER SHARE

The earnings per ordinary share have been calculated based on the net profit for the financial year of RM387,000 (2008: RM1,033,000) and the weighted average number of ordinary shares in issue during the financial year of RM125 million (2008: RM125 million).

24 CASH FLOW SEGMENT INFORMATION

	Shareholder's fund	Life fund	Investment- linked fund	Total
	RM'000	RM'000	RM'000	RM'000
<u>2009</u>				
Cash (outflows)/inflows from:				
Operating activities	(54,785)	861	55	(53,869)
Investing activities	-	(2,841)	-	(2,841)
Financing activities	53,000	-	-	53,000
	<u>(1,785)</u>	<u>(1,980)</u>	<u>55</u>	<u>(3,710)</u>
Net (decrease)/increase in cash and cash equivalents:				
Cash and cash equivalents:	(1,785)	(1,980)	55	(3,710)
At beginning of the financial year	1,925	20,850	135	22,910
At end of the financial year	<u>140</u>	<u>18,870</u>	<u>190</u>	<u>19,200</u>
<u>2008</u>				
Cash inflows/(outflows) from:				
Operating activities	1,693	4,112	(112)	5,693
Investing activities	-	7,441	-	7,441
	<u>1,693</u>	<u>11,553</u>	<u>(112)</u>	<u>13,134</u>
Net increase/(decrease) in cash and cash equivalents:				
Cash and cash equivalents:	1,693	11,553	(112)	13,134
At beginning of the financial year	232	9,297	247	9,776
At end of the financial year	<u>1,925</u>	<u>20,850</u>	<u>135</u>	<u>22,910</u>

25 CAPITAL COMMITMENTS

	2009	2008
	RM'000	RM'000
Capital commitments for property, plant and equipment approved by Directors but not provided for in the financial statements:		
Contracted for	<u>3,603</u>	<u>2,154</u>

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

26 RELATED PARTY DISCLOSURES

(a) Related parties and relationship

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

<u>Related companies</u>	<u>Country of incorporation</u>	<u>Relationship</u>
DRB-HICOM Berhad	Malaysia	Ultimate holding company
Uni.Asia Capital Sdn Bhd	Malaysia	Immediate holding company
<u>Affiliated company</u>		
United Overseas Bank Berhad	Malaysia	Substantial shareholder of the immediate holding company
Key management personnel		Key management personnel are those people defined as having authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly.

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

26 RELATED PARTY DISCLOSURES (CONTINUED)

(b) Related party balances

	<u>2009</u> RM'000	<u>2008</u> RM'000
Amounts due from related parties included in loan receivables (Note 8) are as follows:		
- Loan due from key management personnel	<u>472</u>	<u>531</u>
Amounts due from related parties included in receivables (Note 9) are as follows:		
- Outstanding premiums due from related companies	<u>169</u>	<u>558</u>
Amount due to related parties included in payables (Note 12) is as follows:		
- Outstanding premiums due to related companies	(43)	(84)
- Outstanding interest due to holding company	(203)	-
- Outstanding commissions due to other related parties	<u>(611)</u>	<u>(325)</u>
Amount due to related parties included in loan (Note 14) is as follows:		
- Subordinated term loan from holding company	<u>(53,000)</u>	<u>-</u>
Fixed and call deposits included in investments (Note 7) placed with:		
- Other related companies	<u>50,073</u>	<u>51,823</u>
Bank balances included in cash and cash equivalents (Note 10) placed with:		
- Other related companies	<u>6,768</u>	<u>15,551</u>

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

26 RELATED PARTY DISCLOSURES (CONTINUED)

(c) Significant related party transactions

In the normal course of business, the Company undertakes various transactions with other companies deemed related parties by virtue of being subsidiaries and associated companies of DRB-HICOM. The Company sold insurance policies to related parties on terms and conditions no more favourable than those available on similar transactions to its unrelated parties.

The significant related party transactions during the financial year are as follows:

	2009 RM'000	2008 RM'000
i) Gross premium received/receivable from:		
- Related companies	900	1,003
- Other related parties	-	-
- Key management personnel	19	19
ii) Commission paid/payable to:		
- Other related parties	3,737	4,084
iii) Interest received/receivable from deposits:		
- Other related parties	-	662
- Key management personnel	84	30
iv) Purchase of securities		
- Other related parties	9,598	14,802
v) Purchase of fixed assets		
- other related companies	-	564
vi) Sales of securities		
- Other related parties	-	15,152
vii) Sales of fixed assets		
- Key management personnel	84	-
viii) Management fees paid		
- Other related parties	577	241
xi) Subordinated term loan from:		
- Holding company	53,000	-
x) Interest paid/ payable to:		
- Holding company	216	-

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

26 RELATED PARTY DISCLOSURES (CONTINUED)

(d) Key management personnel compensation

The compensation of the key management personnel including the Chief Executive Officer is as follows :

	2009	2008
	RM'000	RM'000
Short term employee benefits	2,108	2,011
Defined contribution plan	312	302
Other employee benefits	20	45
	<u>2,440</u>	<u>2,358</u>

27 FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

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

Credit risk

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

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

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

	Carrying amount	
	2009	2008
	RM'000	RM'000
Analysed by rating:		
AAA	159,487	102,601
AA	279,014	239,780
A	93,522	107,999
BBB	13,998	4,909
Non-rated-government guaranteed debt securities	5,101	14,744
Non-rated	4,612	4,884
	<u>555,734</u>	<u>474,917</u>

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

Company No.

277714	A
--------	---

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

27 FINANCIAL INSTRUMENTS (CONTINUED)

Insurance risk

The principal activity of the Company is to provide insurance protection against risks such as mortality, morbidity, disability and personal accidents. The mortality and morbidity risks are managed through risk assessment before a policy is underwritten. The maximum underwriting exposure is limited through exclusion, cover limits and reinsurance arrangements.

Pricing risk

This is the risk of inadequacy of premium. Re-pricing of product is conducted at regular intervals of two (2) years or shorter, if required. Experience studies are conducted to determine realistic assumptions. Stress tests and bonus reserve valuation are done by the Appointed Actuary to assess the solvency position. Furthermore, the investment mandate which provides guidance on the investment policies and guidelines, is reviewed regularly and approved by both the Investment Committee and Board of Directors.

Market risk

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

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

Interest rate risk

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

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

Company No.

277714

A

UNI.ASIA LIFE ASSURANCE BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

27 FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk (Continued)

	Non- interest bearing	Interest bearing: Earlier of contractual repricing or maturity date						Total carrying amount	Weighted average effective interest rate
		1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
<u>2009</u>									
Financial assets:									
Investments									
- Malaysian Government Securities	20,066	-	-	5,035	-	54,507	-	79,608	4.33
- Corporate debt securities	43,344	24,988	13,007	59,406	83,943	57,823	273,223	555,734	5.63
- Structured investments	295	81,410	84,553	31,185	-	-	-	197,443	2.35
- Shares/warrants	136,353	-	-	-	-	-	-	136,353	-
- Real estate investment trusts/unit trust	94,305	-	-	-	-	-	-	94,305	-
- Fixed and call deposits	-	279,401	-	2,085	-	3,978	-	285,464	2.02
Loans receivable	-	15,590	87	78	79	82	45,287	61,203	6.48
Receivables	74,708	-	-	-	-	-	-	74,708	
Cash and cash equivalents	19,200	-	-	-	-	-	-	19,200	
	<u>388,271</u>	<u>401,389</u>	<u>97,647</u>	<u>97,789</u>	<u>84,022</u>	<u>116,390</u>	<u>318,510</u>	<u>1,504,018</u>	
Other financial assets*									
- Outstanding premiums including agents' and brokers' balances								2,644	
Total financial assets								<u>1,506,662</u>	
Other assets								<u>45,428</u>	
Total assets per balance sheet								<u><u>1,552,090</u></u>	

Company No.

277714	A
--------	---

UNI.ASIA LIFE ASSURANCE BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

27 FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk (Continued)

	Non- interest bearing	Interest bearing: Earlier of contractual repricing or maturity date						Total carrying amount	Weighted average effective interest rate
		1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
<u>2009</u>									
Financial liabilities:									
- Other payables and accruals	121,242	-	-	-	-	-	-	121,242	
- Long term borrowing	-	-	-	-	-	-	53,000	53,000	4.11
	<u>121,242</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,000</u>	<u>174,242</u>	
Other financial liabilities*									
- Life policyholders' fund								1,259,142	
- Provision for outstanding claims								11,342	
- Amount due to reinsurers								1,867	
- Amount due to agents/brokers/insureds								4,368	
Total financial liabilities								<u>1,450,961</u>	
Other liabilities								<u>8</u>	
Total liabilities per balance sheet								<u><u>1,450,969</u></u>	

Company No.

277714 A

UNI.ASIA LIFE ASSURANCE BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

27 FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk (Continued)

	Non- interest bearing	Interest bearing: Earlier of contractual repricing or maturity date						Total carrying amount	Weighted average effective interest rate
		1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
<u>2008</u>									
Financial assets:									
Investments									
- Malaysian Government Securities	-	11,286	20,194	-	-	5,043	39,499	76,022	4.23
- Corporate debt securities	101	9,733	24,382	29,286	59,773	61,990	289,652	474,917	5.71
- Structured investments	1,896	1,942	78,723	55,358	57,815	-	-	195,734	3.69
- Shares/warrants	199,710	-	-	-	-	-	-	199,710	-
- Real estate investment trusts/unit trust	122,869	-	-	-	-	-	-	122,869	-
- Fixed and call deposits	-	171,644	-	-	-	-	-	171,644	3.40
Loans receivable	-	15,178	48	50	52	54	45,473	60,855	6.47
Receivables	82,092	-	-	-	-	-	-	82,092	-
Cash and cash equivalents	22,910	-	-	-	-	-	-	22,910	-
	<u>429,578</u>	<u>209,783</u>	<u>123,347</u>	<u>84,694</u>	<u>117,640</u>	<u>67,087</u>	<u>374,624</u>	<u>1,406,753</u>	
Other financial assets*									
- Outstanding premiums including agents' and brokers' balances								2,813	
Total financial assets								<u>1,409,566</u>	
Other assets								<u>33,752</u>	
Total assets per balance sheet								<u>1,443,318</u>	

Company No.

277714 A

UNI.ASIA GENERAL INSURANCE BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2009 (CONTINUED)

27 FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk (Continued)

	Non- interest bearing RM'000	Interest bearing: Earlier of contractual repricing or maturity date						Total carrying amount RM'000	Weighted average effective interest rate %
		1 year or less RM'000	1 to 2 years RM'000	2 to 3 years RM'000	3 to 4 years RM'000	4 to 5 years RM'000	More than 5 years RM'000		
<u>2008</u>									
Financial liabilities:									
- Other payables and accruals	74,874	-	-	-	-	-	-	74,874	
Other financial liabilities*									
- Life policyholders' fund								1,250,816	
- Provision for outstanding claims								10,594	
- Amount due to reinsurers								1,390	
- Amount due to agents/brokers/insureds								3,780	
Total financial liabilities								1,341,454	
Other liabilities								1,130	
Total liabilities per balance sheet								1,342,584	

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

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

27 FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity and cash flow risk

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

Fair values

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

	Shareholder's fund		2009 Life fund	
	Carrying Amount	Fair value	Carrying amount	Fair value
	RM'000	RM'000	RM'000	RM'000
Investments:				
- Malaysian Government Securities	-	-	79,608	81,574
- Real estate investment trust	397	397	14,373	14,373
- Corporate debt securities*	10,692	10,897	529,029	531,325
	<u>11,089</u>	<u>11,294</u>	<u>623,010</u>	<u>627,272</u>
	Shareholder's fund		2008 Life fund	
	Carrying Amount	Fair value	Carrying amount	Fair value
	RM'000	RM'000	RM'000	RM'000
Investments:				
- Malaysian Government Securities	-	-	76,022	77,795
- Real estate investment trust	768	797	9,836	10,847
- Corporate debt securities*	10,472	10,688	448,380	450,600
	<u>11,240</u>	<u>11,485</u>	<u>534,238</u>	<u>539,242</u>

Company No.

277714	A
--------	---

UNI.ASIA LIFE ASSURANCE BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009 (CONTINUED)

27 FINANCIAL INSTRUMENTS (CONTINUED)

Foreign exchange risk

The currency exposure of the investments in securities of corporations quoted outside Malaysia and unit trusts that are not denominated in the functional currency of the funds is set out below.

Currency exposure at 31 March

	<u>Singapore Dollar</u> RM'000	<u>Hong Kong Dollar</u> RM'000	<u>Korean Won</u> RM'000	<u>Taiwan Dollar</u> RM'000	<u>US Dollar</u> RM'000	<u>RM</u> RM'000	<u>Total</u> RM'000
<u>Functional currency</u> <u>Ringgit Malaysia</u>							
<u>2009</u>							
Investments	91,734	19,859	267	113	4,153	-	116,126
Other assets	3	-	-	-	-	-	3
	<u>91,737</u>	<u>19,859</u>	<u>267</u>	<u>113</u>	<u>4,153</u>	<u>-</u>	<u>116,129</u>
<u>2008</u>							
Investments	117,922	13	-	421	-	-	118,356
Other assets	100	-	10	-	-	109	219
	<u>118,022</u>	<u>13</u>	<u>10</u>	<u>421</u>	<u>-</u>	<u>109</u>	<u>118,575</u>