

A large, colorful collage of various images representing different aspects of life, including people, cars, buildings, and nature. The text "years of making dreams come true" is overlaid on the collage. The collage includes images of families, children, cars, buildings, and people in various settings, all contributing to a sense of achievement and fulfillment.

ANNUAL REPORT
2009



DIRECTORS' REPORT & AUDITED FINANCIAL STATEMENTS

30 JUNE 2009

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The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2009.

PRINCIPAL ACTIVITIES

The Company is engaged principally in the underwriting of life and investment-linked insurance, and all classes of general insurance business.

The principal activity of the subsidiary is described in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

| | Group RM'000 | Company RM'000 |
|-------------------------|-----------------|-------------------|
| Net profit for the year | 32,230 | 32,183 |

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the statement of changes in equity.

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

DIVIDENDS

The amount of dividends paid by the Company since the end of the previous financial year were as follows:

| | RM'000 |
|---|---------------|
| Final dividend of 10% less 25% tax, amounting to RM7,521,305 in respect of the financial year ended 30 June 2008 paid on 19 December 2008 | 7,521 |
| Interim dividend of 5% less 25% tax, amounting to RM3,760,653 in respect of the financial year ended 30 June 2009 paid on 31 July 2009 | 3,761 |
| | <u>11,282</u> |

At the forthcoming Annual General Meeting, a final dividend in respect of the current financial year ended 30 June 2009 of 10%, less 25% tax on 100,284,071 ordinary shares amounting to a total dividend of RM7,521,305 (7.5 sen per share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in the shareholders' equity as an appropriation of retained profits in the next financial year ending 30 June 2010.

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Balaram a/l Petha Naidu (Chairman)
Non-independent, non-executive director

Datuk Haji Mohamed Al Amin bin Haji Abdul Majid
Independent, non-executive director

Mr. Arokiasamy a/l Savarimuthu
Non-independent, non-executive director

Mr. Gregory Joseph Della
Non-independent, non-executive director

Tuan Haji Mustapha @ Mustapa bin Md Nasir
Non-independent, non-executive director

Datuk Tan Kim Leong @ Tan Chong Min
Independent, non-executive director

Denny Chan Yung Leung
Non-independent, non-executive director



CORPORATE GOVERNANCE

The Board of directors ("the Board") confirms that the Company has complied with all the prescriptive requirements of, and adopts management practices that are consistent with, the principles prescribed under Bank Negara Malaysia's ("BNM") Guideline JPI/GPI 25: Prudential Framework of Corporate Governance for Insurers.

Corporate Governance Standards

The memberships, roles and terms of reference of the Audit, Risk Management, Nominating, Remuneration and Investment Committees of the Board are as follows:

(I) Audit Committee

The Audit Committee ("AC") comprises two independent, non-executive directors and two non-independent, non-executive directors. The composition of the AC is as follows:

Datuk Tan Kim Leong @ Tan Chong Min (Chairman)

Datuk Haji Mohamed Al Amin bin Haji Abdul Majid

Mr. Gregory Joseph Della

Tuan Haji Mustapha @ Mustapa bin Md Nasir

The AC's terms of reference include the reinforcement of the independence and objectivity of the internal audit function and the specification of its scope, the review of the Company's financial statements which includes the findings of both the internal and external auditors and the propriety of disclosure of related party transactions. It also makes recommendations to the Board on the appointment and re-appointment of the external auditors and the maintenance of a sound system of internal controls to safeguard the Company's assets.

The AC met 6 times during the year and during those meetings, deliberated on 15 internal audit reports. All these reports were tabled within the 1 month time-frame prescribed by JPI/GPI 25.

(II) Risk Management Committee

The Risk Management Committee ("RMC") comprises one independent, non-executive director and three non-independent, non-executive directors. The composition of the RMC is as follows:

Datuk Haji Mohamed Al-Amin bin Haji Abdul Majid (Chairman)

Mr. Arokiasamy a/I Savarimuthu

Mr. Gregory Joseph Della

Tuan Haji Mustapha @ Mustapa bin Md Nasir

CORPORATE GOVERNANCE (CONTD.)

(ii) Risk Management Committee (Contd.)

The RMC oversees senior management's activities in managing the key risks of the Company, in order to ensure that the risk management process is in place and functioning effectively. The responsibilities of the RMC include the review, assessment and recommendation of the risk management strategies and risk tolerance of the Company. It also assesses the adequacy and effectiveness of the internal policies and frameworks for identifying, measuring, monitoring and controlling risks.

The RMC met 3 times during the financial year.

(iii) Nominating Committee

The Nominating Committee ("NC") comprises one independent, non-executive director and four non-independent, non-executive directors. The composition of the NC is as follows:

Datuk Haji Mohamed Al-Amin bin Haji Abdul Majid (Chairman)

Mr. Gregory Joseph Della

Tuan Haji Mustapha @ Mustapa bin Md Nasir

Mr. Arokiasamy a/l Savarimuthu

Denny Chan Yung Leung (appointed 21st July 2008)

The NC is empowered to consider and evaluate the appointment of new directors and directors to fill the seats on Committees of the Board. It also recommends suitable, competent candidates to the Board and BNM for appointment and re-appointment or re-election. In addition to that, the NC is also entrusted with the responsibility for both the appointment and evaluation of the Chief Executive Officer and key senior officers of the Company.

The NC will review annually, the structure, size, composition and mix of skills required for the Board to discharge its duties effectively. It also assesses on an annual basis, the effectiveness of the Board as a whole, including the various Committees of the Board.

The NC met 3 times during the financial year.

(iv) Remuneration Committee

The Remuneration Committee ("RC") comprises one independent, non-executive director and two non-independent, non-executive directors. The composition of the RC is as follows:

Datuk Tan Kim Leong @ Tan Chong Min (Chairman)

Mr. Arokiasamy a/l Savarimuthu

Mr. Gregory Joseph Della



CORPORATE GOVERNANCE (CONTD.)

(iv) Remuneration Committee (Contd.)

The Board recognises that levels of remuneration must be sufficient to attract, retain and motivate directors of the quality required to manage the business of the Company and to align the interests of the directors with those of the shareholders. In this respect, the RC is responsible for reviewing and recommending the remuneration packages of executive directors.

The RC met 4 times during the financial year.

(v) Investment Committee

The Investment Committee ("IC") comprises one independent, non-executive director and two non-independent, non-executive directors. The composition of the IC is as follows:

Datuk Tan Kim Leong @ Tan Chong Min (Chairman)

Mr. Arokiasamy a/l Savarimuthu

Mr. Gregory Joseph Della

The IC oversees the Management Investment Committee. The responsibilities of the IC include the review and approval of the overall investment policies, compliance and risk management policies with respect to investment, asset liability management, strategic asset allocation and monitoring the performance of the Investment Division. The IC also review and approve the appointments of external investment managers. The IC considers and approves significant investment decisions proposed by the Management Investment Committee.

The IC met 3 times during the financial year.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 22 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 he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company during the financial year were as follows:

| Directors | Number of Ordinary Shares of RM1.00 Each | | | |
|---|--|--------|------|-----------------|
| | 1 July 2008 | Bought | Sold | 30 June 2009 |
| Dato' Balaram a/l Petha Naidu | 32,201 | - | - | 32,201 |
| Mr. Arokiasamy a/l Savarimuthu | 56,469 | - | - | 56,469 |
| Tuan Haji Mustapha @ Mustapa bin Md Nasir | 6,489 | - | - | 6,489 |

Other than as stated above, none of the directors in office at the end of the financial year had any interest in shares in the Company or its related companies during the financial year.

PROVISION FOR OUTSTANDING CLAIMS

Before the income statements and balance sheets of the Group and 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.

OTHER STATUTORY INFORMATION

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.



OTHER STATUTORY INFORMATION (CONTD.)

- (b) At the date of this report, the directors are not aware of any circumstances which would:
- (i) require any amount to be written as bad debts or render the provision for doubtful debts of the Group and of the Company inadequate to any substantial extent; and
 - (ii) render the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

For the purpose of paragraphs (e) and (f), contingent and other liabilities do not include liabilities arising from contracts of insurance underwritten in the ordinary course of business of the Company.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors

Balaram a/l Petha Naidu

Tan Kim Leong @ Tan Chong Min

Petaling Jaya, Malaysia
17 September 2009

STATEMENT BY DIRECTORS

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

We, Balaram a/l Petha Naidu and Tan Kim Leong @ Tan Chong Min being two of the directors of MCIS ZURICH Insurance Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 28 to 98 are drawn up in accordance with applicable Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2009 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors

Balaram a/l Petha Naidu

Tan Kim Leong @ Tan Chong Min

Petaling Jaya, Malaysia
17 September 2009

STATUTORY DECLARATION

Pursuant To Section 169(16) Of The Companies Act, 1965

I, Md. Adnan bin Md. Zain, being the officer primarily responsible for the financial management of MCIS ZURICH Insurance Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 28 to 98 are in my opinion, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Md. Adnan bin Md. Zain
at Petaling Jaya in Selangor Darul Ehsan
on 17 September 2009

Md. Adnan bin Md. Zain

Before me,
A. Rathnasamy AMN
B348
Commissioner for Oaths





Report on the financial statements

We have audited the financial statements of MCIS ZURICH Insurance Berhad, which comprise the balance sheets as at 30 June 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 28 to 98.

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 Financial Reporting Standards and the Companies Act, 1965 in Malaysia. 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 the 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 Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2009 and of their financial performance and cash flows of the Group and of the Company for the year then ended.



Reporting on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report on the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the accounts of the subsidiary that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (c) The auditors' report on the accounts of the subsidiary was not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Other matters

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

Ernst & Young
AF: 0039
Chartered Accountants

Gloria Goh Ewe Gim
No.1685/04/11(J)
Chartered Accountant

Kuala Lumpur, Malaysia
17 September 2009



BALANCE SHEETS

As at 30 June 2009



ASSETS

General business and shareholders' fund assets

| | Note | Group | | Company | |
|---|------|------------------|------------------|------------------|------------------|
| | | 2009 RM'000 | 2008 RM'000 | 2009 RM'000 | 2008 RM'000 |
| Property, plant and equipment | 3(a) | 866 | 924 | 866 | 924 |
| Intangible assets | 5 | 5 | 37 | 5 | 37 |
| Investments | 6(a) | 440,355 | 387,960 | 440,355 | 387,960 |
| Investment in subsidiary | 7 | - | - | - | - |
| Receivables | 9(a) | 45,898 | 44,038 | 45,898 | 44,038 |
| Deferred tax assets | 12 | 2,411 | 2,307 | 2,411 | 2,307 |
| Cash and bank balances | | 2,195 | 3,352 | 2,195 | 3,352 |
| Total general business and shareholders' fund assets | | 491,730 | 438,618 | 491,730 | 438,618 |
| Total life business assets (page 32) | | 2,919,570 | 2,690,540 | 2,919,570 | 2,690,540 |
| Total assets | | 3,411,300 | 3,129,158 | 3,411,300 | 3,129,158 |

LIABILITIES

General business and shareholders' fund liabilities

| | | | | | |
|--|-------|----------------|----------------|----------------|----------------|
| Provision for outstanding claims | 10(a) | 96,150 | 83,088 | 96,150 | 83,088 |
| Payables | 11(a) | 74,176 | 64,362 | 74,171 | 64,310 |
| Provision for taxation | | 8,371 | 5,310 | 8,371 | 5,310 |
| Total general business and shareholders' fund liabilities | | 178,697 | 152,760 | 178,692 | 152,708 |
| Total life business liabilities (page 32) | | 121,917 | 103,791 | 121,917 | 103,791 |
| Total liabilities | | 300,614 | 256,551 | 300,609 | 256,499 |

INSURANCE RESERVES

| | | | | | |
|---------------------------------------|-------|------------------|------------------|------------------|------------------|
| Unearned premium reserves | 13 | 51,060 | 44,619 | 51,060 | 44,619 |
| Life policyholders' fund | 14 | 2,696,891 | 2,493,984 | 2,696,891 | 2,493,984 |
| Unitholders' investment - linked fund | 26(a) | 68,996 | 59,658 | 68,996 | 59,658 |
| Asset revaluation reserve | 15 | 20,102 | 21,657 | 20,102 | 21,657 |
| Total insurance reserves | | 2,837,049 | 2,619,918 | 2,837,049 | 2,619,918 |

SHAREHOLDERS' FUNDS

| | | | | | |
|--|----|------------------|------------------|------------------|------------------|
| Share capital | 16 | 100,284 | 100,284 | 100,284 | 100,284 |
| Share premium | | 24,740 | 24,740 | 24,740 | 24,740 |
| Merger reserve | 17 | 40,672 | 40,672 | 40,672 | 40,672 |
| Retained profits | | 107,941 | 86,993 | 107,946 | 87,045 |
| Total shareholders' funds | | 273,637 | 252,689 | 273,642 | 252,741 |
| Total liabilities, insurance reserves and shareholders' funds | | 3,411,300 | 3,129,158 | 3,411,300 | 3,129,158 |

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

STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2009

| <-----Attributable to Equity holders of the Company-----> | | | | | |
|---|---------------|---------------|----------------|--------------------------------|----------|
| Note | Share capital | Share premium | Merger reserve | Distributable Retained profits | Total |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Group | | | | | |
| At 30 June 2007 | 100,284 | 24,740 | 40,672 | 66,170 | 231,866 |
| Net profit for the year | - | - | - | 31,854 | 31,854 |
| Dividends | - | - | - | (11,031) | (11,031) |
| At 30 June 2008 | 100,284 | 24,740 | 40,672 | 86,993 | 252,689 |
| Net profit for the year | - | - | - | 32,230 | 32,230 |
| Dividends | - | - | - | (11,282) | (11,282) |
| At 30 June 2009 | 100,284 | 24,740 | 40,672 | 107,941 | 273,637 |
| Company | | | | | |
| At 30 June 2007 | 100,284 | 24,740 | 40,672 | 66,217 | 231,913 |
| Net profit for the year | - | - | - | 31,859 | 31,859 |
| Dividends | - | - | - | (11,031) | (11,031) |
| At 30 June 2008 | 100,284 | 24,740 | 40,672 | 87,045 | 252,741 |
| Net profit for the year | - | - | - | 32,183 | 32,183 |
| Dividends | - | - | - | (11,282) | (11,282) |
| At 30 June 2009 | 100,284 | 24,740 | 40,672 | 107,946 | 273,642 |

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



INCOME STATEMENTS

For the year ended 30 June 2009



| | | Group | | Company | |
|---|------|----------|----------|----------|----------|
| | Note | 2009 | 2008 | 2009 | 2008 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| Operating revenue | 19 | 808,474 | 733,329 | 808,474 | 733,329 |
| Surplus transferred from: | | | | | |
| General Insurance Revenue Account (page 31) | | 26,917 | 28,933 | 26,917 | 28,933 |
| Life Insurance Revenue Account (page 33) | | 11,664 | 11,450 | 11,664 | 11,450 |
| | | 38,581 | 40,383 | 38,581 | 40,383 |
| Investment income | 20 | 5,194 | 5,535 | 5,194 | 5,535 |
| Net other operating income | 21 | 1,217 | 402 | 1,217 | 402 |
| Management expenses | 22 | (1,343) | (1,704) | (1,390) | (1,699) |
| Profit before taxation | | 43,649 | 44,616 | 43,602 | 44,621 |
| Taxation | 23 | (11,419) | (12,762) | (11,419) | (12,762) |
| Net profit for the year | | 32,230 | 31,854 | 32,183 | 31,859 |
| Earnings per share (sen) | 24 | 32.1 | 31.8 | 32.1 | 31.8 |

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

GENERAL INSURANCE REVENUE ACCOUNT

For the year ended 30 June 2009

| Group and Company | Note | Fire | | Motor | | Marine, Aviation and Transit | | Miscellaneous ("Misc.") | | Total | |
|---|------|----------------|----------------|----------------|----------------|---------------------------------|----------------|----------------------------|----------------|----------------|----------------|
| | | 2009 RM'000 | 2008 RM'000 | 2009 RM'000 | 2008 RM'000 | 2009 RM'000 | 2008 RM'000 | 2009 RM'000 | 2008 RM'000 | 2009 RM'000 | 2008 RM'000 |
| Operating revenue | 19 | | | | | | | | | 222,286 | 202,262 |
| Gross premium | | 67,619 | 65,078 | 53,815 | 40,961 | 32,070 | 38,286 | 56,210 | 48,573 | 209,714 | 192,898 |
| Reinsurance | | (47,881) | (45,222) | (3,408) | (2,602) | (24,948) | (30,652) | (27,665) | (21,190) | (103,902) | (99,666) |
| Net premium | | 19,738 | 19,856 | 50,407 | 38,359 | 7,122 | 7,634 | 28,545 | 27,383 | 105,812 | 93,232 |
| Decrease/(increase) in unearned premium reserves | 13 | 4,590 | (970) | (10,668) | (1,478) | (123) | (870) | (240) | (1,830) | (6,441) | (5,148) |
| Earned premium | | 24,328 | 18,886 | 39,739 | 36,881 | 6,999 | 6,764 | 28,305 | 25,553 | 99,371 | 88,084 |
| Net claims incurred | 25 | (6,587) | (6,153) | (30,337) | (30,564) | (5,400) | (4,058) | (18,837) | (8,687) | (61,161) | (49,462) |
| Net commission | | 6,205 | 3,465 | (5,077) | (3,725) | 811 | 1,050 | (2,789) | (3,066) | (850) | (2,276) |
| Underwriting surplus before management expenses | | 23,946 | 16,198 | 4,325 | 2,592 | 2,410 | 3,756 | 6,679 | 13,800 | 37,360 | 36,346 |
| Management expenses | 22 | | | | | | | | | (23,593) | (19,603) |
| Underwriting surplus | | | | | | | | | | 13,767 | 16,743 |
| Investment income | 20 | | | | | | | | | 12,572 | 9,364 |
| Net other operating income | 21 | | | | | | | | | 960 | 3,259 |
| Provision for doubtful debts | | | | | | | | | | (382) | (433) |
| Surplus transferred to Income Statement (page 30) | | | | | | | | | | 26,917 | 28,933 |

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

LIFE FUND BALANCE SHEET

As at 30 June 2009



ASSETS

Property, plant and equipment
Prepaid land lease payments
Intangible assets
Investments
Loans
Receivables
Cash and bank balances
Investment-linked business assets
Total life business assets (page 28)

| Note | Group and Company | |
|-------|-------------------|------------------|
| | 2009 RM'000 | 2008 RM'000 |
| 3(b) | 64,897 | 70,836 |
| 4 | 22,552 | 22,944 |
| 5 | 665 | 1,213 |
| 6(b) | 2,325,593 | 2,117,123 |
| 8 | 381,896 | 351,776 |
| 9(b) | 45,213 | 49,808 |
| | 7,968 | 17,057 |
| 26(a) | 70,786 | 59,783 |
| | 2,919,570 | 2,690,540 |

LIABILITIES

Provision for outstanding claims
Payables
Provision for taxation
Deferred tax liabilities
Investment-linked business liabilities
Total life business liabilities (page 28)
Due to general business and shareholders' fund
Total liabilities

| | | |
|-------|----------------|----------------|
| 10(b) | 26,295 | 20,144 |
| 11(b) | 87,469 | 81,270 |
| | 5,017 | 1,379 |
| 12 | 1,346 | 873 |
| 26(a) | 1,790 | 125 |
| | 121,917 | 103,791 |
| 9(a) | 11,664 | 11,450 |
| | 133,581 | 115,241 |

INSURANCE RESERVES

Unitholders' investment-linked fund
Life policyholders' fund
Asset revaluation reserve
Total insurance reserves

| | | |
|-------|------------------|------------------|
| 26(a) | 68,996 | 59,658 |
| 14 | 2,696,891 | 2,493,984 |
| 15 | 20,102 | 21,657 |
| | 2,785,989 | 2,575,299 |

**Total life business liabilities
and insurance reserves**

2,919,570 2,690,540

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

LIFE INSURANCE REVENUE ACCOUNT

For the year ended 30 June 2009

| | Note | Group and Company | |
|---|------|-------------------|----------------|
| | | 2009 RM'000 | 2008 RM'000 |
| Operating revenue | 19 | 580,994 | 525,532 |
| Gross premium | | 414,459 | 378,700 |
| Less: Reinsurance | | (8,781) | (5,628) |
| Net premium | | 405,678 | 373,072 |
| Benefits paid and payable: | | | |
| Death | | (26,961) | (17,515) |
| Maturities | | (99,570) | (88,794) |
| Surrenders | | (42,640) | (49,194) |
| Annuity | | (21,898) | (24,706) |
| Others | | (33,409) | (28,248) |
| | | (224,478) | (208,457) |
| Commission and agency expenses | | (78,318) | (74,679) |
| Management expenses | 22 | (49,937) | (48,933) |
| | | (128,255) | (123,612) |
| Investment income | 20 | 145,432 | 123,697 |
| Net other operating income | 21 | 30,075 | 39,841 |
| Write-back of doubtful debts | | 11 | 1,131 |
| Surplus for the year before taxation | | 228,463 | 205,672 |
| Taxation | 23 | (13,892) | (12,004) |
| Surplus for the year after taxation | | 214,571 | 193,668 |
| Life policyholders' fund at beginning of year | | 2,493,984 | 2,311,766 |
| Surplus transferred to Income Statement (page 30) | | (11,664) | (11,450) |
| Life policyholders' fund at end of year | 14 | 2,696,891 | 2,493,984 |

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



CASH FLOW STATEMENTS

For the year ended 30 June 2009



CASH FLOW FROM OPERATING ACTIVITIES

| Note | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2009 RM'000 | 2008 RM'000 | 2009 RM'000 | 2008 RM'000 |
| Profit before taxation | 43,649 | 44,616 | 43,602 | 44,621 |
| Adjustments: | | | | |
| Depreciation of property, plant and equipment | 4,699 | 8,086 | 4,699 | 8,086 |
| Amortisation of prepaid land lease payments | 392 | 392 | 392 | 392 |
| Amortisation of intangible assets | 670 | 722 | 670 | 722 |
| Provision for doubtful debts | 382 | 433 | 382 | 433 |
| Gain on disposal of property, plant and equipment | - | (182) | - | (182) |
| Property, plant and equipment written-off | 490 | 67 | 490 | 67 |
| Intangible assets written-off | - | 10 | - | 10 |
| Revaluation deficit on property, plant and equipment | 261 | - | 261 | - |
| Gain on disposal of investments | (25,196) | (21,337) | (25,196) | (21,337) |
| Gain on disposal of investment properties | - | (31) | - | (31) |
| Revaluation surplus on investment properties | (5,236) | - | (5,236) | - |
| Write-back of provision for diminution in value of investments | (1,714) | (16,055) | (1,714) | (16,055) |
| Life fund surplus for the year before taxation | 228,463 | 205,672 | 228,463 | 205,672 |
| Investment-linked fund surplus for the year before taxation | 9,420 | 10,918 | 9,420 | 10,918 |
| Life fund surplus transferred to income statement | (11,664) | (11,450) | (11,664) | (11,450) |
| Increase in unearned premium reserves | 6,441 | 5,148 | 6,441 | 5,148 |
| Net (accretion of discounts)/ amortisation of premiums of investments | (2,148) | 6,643 | (2,148) | 6,643 |
| Investment income | (163,101) | (143,857) | (163,101) | (143,857) |
| Operating profit before working capital changes | 85,808 | 89,795 | 85,761 | 89,800 |
| Decrease/(increase) in receivables | 2,296 | (17,021) | 2,296 | (17,021) |
| Increase in payables | 17,662 | 8,335 | 17,715 | 8,347 |
| Increase in loans | (30,120) | (10,108) | (30,120) | (10,108) |
| Increase/(decrease) in provision for outstanding claims | 19,213 | (6,894) | 19,213 | (6,894) |
| Decrease in fixed and call deposits | 151,707 | 12,285 | 151,707 | 12,285 |
| Increase in amount due from subsidiary | 6 | 13 | - | - |
| Purchase of investments | (762,822) | (346,131) | (762,822) | (346,131) |
| Proceeds from disposal of investments | 374,326 | 169,870 | 374,326 | 169,870 |
| Proceeds from disposal of investment properties | - | 431 | - | 431 |
| Investment income received | 157,097 | 143,856 | 157,097 | 143,856 |
| Cash generated from operations | 15,173 | 44,431 | 15,173 | 44,435 |
| Taxes paid (net of recoveries) | (18,496) | (22,660) | (18,496) | (22,660) |
| Net cash (used in)/generated from operating activities | (3,323) | 21,771 | (3,323) | 21,775 |

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CASH FLOW STATEMENTS

For the year ended 30 June 2009 (Contd.)

CASH FLOW FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment and intangible assets

Proceeds from disposal of property, plant and equipment

Net cash used in investing activities

Note

Group

Company

2009

2008

2009

2008

RM'000

RM'000

RM'000

RM'000

(1,100)

(1,402)

(1,100)

(1,402)

-

236

-

236

27

(1,100)

(1,166)

(1,100)

(1,166)

CASH FLOW FROM FINANCING ACTIVITY

Dividends paid representing cash used in financing activity

27

(11,282)

(11,031)

(11,282)

(11,031)

Net (decrease)/increase in cash and cash equivalents

27

(15,705)

9,574

(15,705)

9,578

Cash and cash equivalents at beginning of year

28,251

18,677

28,251

18,673

Cash and cash equivalents at end of year

12,546

28,251

12,546

28,251

CASH AND CASH EQUIVALENTS COMPRISE

Cash on hand and at banks

12,546

28,251

12,546

28,251

Cash on hand and at banks are derived from:

General business and shareholders' fund

2,195

3,352

2,195

3,352

Life fund

7,968

17,057

7,968

17,057

Investment-linked fund

26(a)

2,383

7,842

2,383

7,842

12,546

28,251

12,546

28,251

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





1. CORPORATE INFORMATION

The Company is engaged principally in the underwriting of life and investment-linked insurance, and all classes of general insurance business.

The principal activity of the subsidiary is described in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The principal place of business of the Company is located at Wisma MCIS ZURICH, Jalan Barat 46200 Petaling Jaya, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 17 September 2009.

2. SIGNIFICANT ACCOUNTING POLICIES

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 applicable Financial Reporting Standards ("FRS") in Malaysia, the provisions of the Companies Act, 1965, the Insurance Act and Regulations, 1996 and the Guidelines/Circulars issued by Bank Negara Malaysia ("BNM").

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

General business assets and liabilities relate to both the general insurance and shareholders' funds.

2.2 Summary of Significant Accounting Policies

(a) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary. A subsidiary is a company in which the Group has a long-term equity interest and where it has power to exercise control over the financial and operating policies so as to obtain benefits therefrom.

The subsidiary is consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of the subsidiary are included in the consolidated income statement from the effective date of acquisition to the effective date of disposal, as appropriate. The difference between the cost of acquisition and the fair value of the Group's share of the net assets of the subsidiary at the date of acquisition is treated as goodwill. As a result of using merger relief provisions, under Section 60(4) of the Companies Act, 1965, a merger reserve is created in place of a share premium account. The goodwill arising on consolidation and any provision for impairment in value of the investment in subsidiary is written-off immediately against the merger reserve at acquisition date. The resulting difference, being a net merger reserve is carried forward as part of shareholders' equity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(a) Basis of Consolidation (Contd.)

Intragroup transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets.

(b) Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. 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 accounts during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment, except for freehold land and the buildings of the Life fund, are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land and the buildings of the Life fund are stated at revalued amounts, which is the fair value at the date of the revaluation less accumulated depreciation and any accumulated impairment losses. Fair value is determined from market-based evidence by appraisals that are undertaken by professionally qualified valuers. Revaluations are performed with sufficient regularity of at least once in every three years with additional valuations in the intervening years where market conditions indicate that the carrying values of the revalued assets are materially different from the market values. Any increase in the carrying amount arising from the revaluation of land and buildings of the Life fund is credited to an Asset Revaluation Reserve as a revaluation surplus, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the life insurance revenue account, in which case the increase is recognised in the life insurance revenue account to the extent of the decrease previously recognised. A revaluation deficit is first offset against unutilised previously recognised revaluation surplus in respect of the same asset in the balance sheet, and any remaining deficit is thereafter recognised in the life insurance revenue account. Upon disposal or retirement of an asset, any revaluation reserve relating to the particular asset is transferred directly to life fund surplus.

Included in the Life fund's property, plant and equipment are freehold land, and leasehold and freehold buildings occupied for own use for the operations of the Company. Leasehold land are classified as prepaid land lease payment.



2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(b) Property, Plant and Equipment (Contd.)

Depreciation of property, plant and equipment is calculated on a straight-line basis to write off the cost of each asset to its residual value over their estimated useful life. Work-in-progress is not depreciated and is stated at cost, until such time when such assets are completed and are ready for active use. No depreciation is provided for freehold land. Leasehold buildings are depreciated over their estimated useful lives or over the remaining lease term of the leasehold land on which the building resides, if the remaining leasehold term of the leasehold land is shorter than the estimated useful life of the building. The annual depreciation rates of other property, plant and equipment are:

| | |
|----------------------------------|---|
| Freehold buildings | 2% |
| Leasehold buildings | Over the remaining leasehold period or 2% whichever is lower |
| Motor vehicles | 20% |
| Furniture, fixtures and fittings | 10% |
| Computer equipment | 20% |
| Office equipment | 10% |
| Renovation | 20% |

The residual values, useful lives and depreciation methods are reviewed at each balance sheet date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of an asset is included in the income statement and/or revenue accounts in the year the asset is derecognised.

(c) Financial Instruments

Financial instruments are recognised in the balance sheet when the Company has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangements. Interest, dividends and gains and losses relating to a financial instrument classified as liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(c) Financial Instruments (Contd.)

Disclosure information for financial assets and liabilities that relate to rights and obligations arising under insurance contracts are excluded from the scope of FRS 132: Financial Instruments - Disclosure and Presentation.

(i) Malaysian Government Securities and other approved investments

Malaysian Government Securities and other investments 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, from the dates of purchase to the maturity dates. The amortisation of premiums and accretion of discounts are recognised in the income statement and/or revenue accounts.

(ii) Corporate Bonds

Corporate bonds which are secured or which carry a minimum rating of "BBB" or "P3" are valued at cost adjusted for the amortisation of premiums or accretion of discounts, calculated on an effective yield basis from the dates of purchase to the maturity dates. Any bond with a lower rating is valued at the lower of cost or net realisable value. The amortisation of premiums and accretion of discounts are recognised in the income statement and/or revenue accounts.

(iii) Quoted investments

Quoted investments other than quoted corporate bonds are stated at the lower of cost and market value determined on an aggregate portfolio basis by category of investment except that if diminution in value of a particular investment is not regarded as temporary in accordance with the requirements of BNM, provision is made against the value of that investment. Quoted corporate bonds are valued using the method prescribed in (ii) above as it is the intention of the Group and the Company to hold these investments to the maturity dates.

(iv) Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(v) Unquoted and other investments

Unquoted and other investments are stated at cost less provision for impairment.

(vi) Investments of the investment-linked business

Investments of the investment-linked business are stated at the closing market prices as at the balance sheet date. Unrealised gains and losses on these investments are taken into the investment-linked business income statement.



2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(c) Financial Instruments (Contd.)

(vii) Loans

Secured Loans

Specific provisions are made for non-performing loans which are considered doubtful. The specific provision is calculated based on the collateral shortfall on loans receivable classified as non-performing, upon a default of six months in the principal or interest.

Policy Loans

Policy loans are extended by the Company to policyholders and are secured on the cash surrender values of the individual policies. Policy loans are carried at unpaid principal balances and interests.

(viii) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date. Specific provisions are made for any motor and non-motor insurance premiums including agents, brokers and reinsurance balances which remain outstanding for a period of more than 30 days and 6 months respectively.

(ix) Payables

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

(d) Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate professional qualification and recent experience in the location and category of properties being valued.

Gains or losses arising from changes in the values of investment properties are recognised in the life insurance revenue account in the period in which they arise.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(d) Investment Properties (Contd.)

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the life insurance revenue account in the period in which they arise.

(e) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at least at each financial year-end. The amortisation expense on intangible assets with finite useful lives is recognised in the income statement and/or revenue accounts.

Intangible assets with indefinite useful lives are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the useful life assessment continues to be supportable. Any gains or losses arising on derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the income statement and/or revenue accounts when the asset is derecognised.

The cost of significant development of knowledge-based software and computer applications to meet the unique requirements of the insurance business is capitalised and recognised as an intangible asset in accordance with FRS 138. The Company establishes that these development costs will generate economic benefits beyond one year and are associated with identifiable software applications controlled by the Company. Software development costs are amortised from the date of system commissioning, on a straight line basis over its useful economic life of five (5) years. The carrying amount is assessed for impairment on an annual basis.

(f) Impairment of Assets

The carrying amount of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.



2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(f) Impairment of Assets (Contd.)

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An impairment loss is recognised in income statement and/or revenue accounts in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

An impairment loss is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised in the income statement and/or revenue accounts, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(g) Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group, all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets. The land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases except that property held under operating leases that would otherwise meet the definition of an investment property, is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease (Note 2.2(d)).

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(g) Leases (Contd.)

(ii) Finance Leases – The Group of Lessee

Useful lives of all leasehold buildings are shorter than the lease term of the leasehold land on which the buildings are located. As such, all risks and rewards incidental to the ownership of such assets would be deemed to have been substantially transferred to the Group at the end of their useful lives. All leasehold buildings are therefore classified as finance lease in the financial statements.

Buildings held under finance lease are recognised as assets in the balance sheet of the Group and measured in accordance with FRS 116 - Property, Plant and Equipment and FRS 140 - Investment Properties.

(iii) Operating Leases – The Group as Lessee

Operating lease payments are recognised as expense on a straight-line basis over the term of the relevant lease.

In the case of a lease of land and buildings, the minimum lease payments or the up-front payment made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

(h) General Insurance Underwriting Results

The general insurance underwriting results, other than those arising from inward treaty business, are determined for each class of business, after taking into account reinsurances, unearned premium reserves, net commissions, net claims incurred and any other additional reserves.

(i) Premium Income

Premium is recognised in a financial period in respect of risks assumed during that particular financial period. Inward treaty reinsurance premium is recognised on the basis of periodic advices received from ceding insurers.

(ii) Unearned Premium Reserves

The Unearned Premium Reserves ("UPR") represent the portion of the net premiums of insurance policies written that relate to the unexpired periods of policies at the end of the financial year. In determining the UPR at the balance sheet date the following methods are used:



2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(h) General Insurance Underwriting Results (Contd.)

(ii) Unearned Premium Reserves (Contd.)

- 25% method for marine cargo, aviation cargo and transit business;
- 1/24th method for all other classes of Malaysian policies reduced by the corresponding percentage of accounted gross direct business commissions and agency-related expenses not exceeding the limits specified by BNM as follows:

| | |
|---|-----|
| Motor | 10% |
| Fire, engineering, aviation and marine hull | 15% |
| Medical and health | |
| - Standalone individuals | 15% |
| - Group of 3 or more | 10% |
| Workmen's compensation and employers' liability | |
| - Foreign workers | 10% |
| - Others | 25% |
| Other classes | 25% |

- 1/8th method for all other classes of overseas inward treaty business with a deduction of 20% for commission;
- Non-annual policies are time apportioned over the periods of the risks.

(iii) Provision for Claims

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

Provision is also made for the cost of claims together with related expenses incurred but not reported ("IBNR") at balance sheet date, using a mathematical method of estimation carried out by an external actuary.

(iv) Acquisition Costs

The cost of acquiring and renewing insurance policies net of income derived from ceding reinsurance premiums is recognised as incurred and properly allocated to the periods in which it is probable they will give rise to income.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(I) Life Insurance Underwriting Results

The surplus transferable from the life 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 by the Company's in-house qualified actuary ("appointed actuary"). Any deficit arising from the actuarial valuation is recoverable from the shareholders' fund.

(i) Premium Income

Premium Income includes premium recognized in the Life fund and the investment-linked fund.

Premium Income of Life fund is recognized as soon as the amount of premium can be reliably measured. First premium income is recognized on assumption of risks and subsequent premiums are recognized on due dates. Premium outstanding at balance sheet date is recognized as income for the period provided it is still within the grace period allowed for payment.

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 recognized on a receipt basis.

(ii) 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 premium to reinsurers, are charged to the revenue account in the period in which they are incurred.

(iii) Provision for Claims

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

Claims and provisions for claims arising on life insurance policies, including settlement costs, 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 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.



2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(j) Other Revenue Recognition

- (i) Interest income on loans receivable is recognised on an accrual basis except where a loan is considered non-performing, i.e. where repayments are in arrears for more than six months, in which case, recognition of such interest is suspended. Subsequent to suspension, interest is recognised on a receipt basis until all arrears have been paid.
- (ii) Other interest income is recognised on an accrual basis.
- (iii) Interest income is recognised on a time proportion basis that reflects the effective yield on the asset except where an event of default on interest payment has occurred, and the said interest remains outstanding for a period of more than six months. In such a case, the recognition of interest will be suspended. Subsequent to suspension, interest is recognised on receipt basis until all arrears have been paid.
- (iv) Dividend income is recognised on a declared basis when the right to receive payment is established.
- (v) Rental income is recognised on an accrual basis except where a default in the payment of rent has already occurred and rent due remains outstanding for more than six months, in which case recognition of rental income is suspended. Subsequent to suspension, rental income is recognised on a receipt basis until all arrears have been paid.

(k) Foreign Currencies

Functional and Presentation Currency

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

Foreign Currency Transactions

Transactions in currencies other than the Company's functional currency (foreign currencies) are recorded in the functional currency using the exchange rates prevailing at the dates of transactions. At each balance sheet date, foreign currency monetary items are translated into Ringgit Malaysia at exchange rates ruling at that date. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition and non-monetary items which are carried at fair value are translated using the exchange rates that existed when the values were determined. All exchange rate differences are taken to the income statement/revenue accounts.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(k) Foreign Currencies (Contd.)

Foreign Currency Transactions (Contd.)

The principal exchange rate for every unit of United States Dollar ruling at balance sheet date used is RM3.52 (2008: RM3.27).

(l) Income Tax

Income tax on the profit and loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit/surplus for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

(m) Employee Benefits

(i) Short Term Benefits

Wages, salaries and other salary related expenses are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined Contribution Plan

As required by law, the Group makes contributions to the national pension scheme, the Employees Provident Fund ("EPF"). The Group also makes additional contributions to the EPF for eligible employees by reference to their length of service and earnings. Such contributions are recognised as an expense in the income statement and/or revenue account as incurred.



2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(n) Cash and Cash Equivalents

Cash and cash equivalents consists of cash on hand and at banks, excluding fixed and call deposits. The cash flow statement has been prepared using the indirect method.

(o) 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 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.

2.3 Financial Reporting Standards ("FRS") and Interpretations of Issues Committee ("IC Interpretations") Issued But Not Yet Effective

At the date of authorisation of these financial statements, the following new FRSs, amendment to FRS and IC Interpretations have been issued but are not yet effective and have not been applied by the Company.

| Standard/Interpretation | Effective date |
|---|----------------|
| (i) FRS 4: Insurance Contracts | 1 January 2010 |
| (ii) FRS 7: Financial Instruments - Disclosure | 1 January 2010 |
| (iii) FRS 8: Operating Segments | 1 July 2009 |
| (iv) FRS 139: Financial Instruments - Recognition and Measurement | 1 January 2010 |
| (v) FRS 123: Borrowing Costs | 1 January 2010 |
| (vi) Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: | 1 January 2010 |
| Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate | 1 January 2010 |
| (vii) Amendments to FRS 2 Share-based Payment - Vesting Conditions and Cancellations | 1 January 2010 |
| (viii) IC Interpretation 9: Reassessment of Embedded Derivatives | 1 January 2010 |
| (ix) IC Interpretation 10: Interim Financial Reporting and Impairment | 1 January 2010 |
| (x) IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions | 1 January 2010 |
| (xi) IC Interpretation 13: Customer Loyalty Programmes | 1 January 2010 |
| (xii) IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction | 1 January 2010 |

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Financial Reporting Standards ("FRS") and Interpretations of Issues Committee ("IC Interpretations") Issued But Not Yet Effective (Contd.)

The impact of applying FRS 4 and FRS 139 on the financial statements upon first adoption as required by paragraph 30(b) of FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed by virtue of the exemptions given in the respective FRSs.

FRS 7, FRS 8, FRS 123, Amendments to FRS 1, 2 and 127, IC Interpretations 9, 10, 11, 13 and 14 are not expected to have significant impact on the financial statements of the Company except for changes in disclosures arising from the adoption of FRS 7.

2.4 Significant Accounting Estimates and Judgements

(a) Critical Judgement Made in Applying Accounting Policies

The following are judgements made by management in the process of applying the Group and Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements. Judgements are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Classification between investment properties and property, plant and equipment

The Company has developed certain criteria based on FRS 140 : Investment Property in making judgements whether a property qualifies to be classified as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for administrative purpose. If these portions could be sold separately (or leased out separately under finance lease), the Company would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for administrative purpose.

(b) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below.



2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Significant Accounting Estimates and Judgements (Contd.)

(b) Key Sources of Estimation Uncertainty (Contd.)

(i) Depreciation and amortisation

Depreciation and amortisation is based on management's estimates of the future estimated average useful lives and residual values of property, plant and equipment and intangible assets. Estimates may change due to technological developments, expected level of usage, competition, market conditions and other factors, and could impact the estimated average useful lives and the residual values of these assets. This may result in future changes in the estimated useful lives and in the depreciation or amortisation expenses. It is currently estimated that the property, plant and equipment and intangible assets of the Company will not have any residual values.

(ii) Impairment

Assets are tested for impairment when indications of potential impairment exist. Indicators of impairment which could trigger an impairment review include evidence of obsolescence or physical damage, a significant fall in market values, significant underperformance relative to historical or projected future operating results, significant changes in the use of assets or the strategy of the business, and significant adverse industry or economic changes.

Recoverable amounts of assets are based on management's estimates and assumptions of the net realisable value, cash flows arising from the future operating performance and revenue generating capacity of the assets and CGUs, and future market conditions. Changes in circumstances may lead to changes in estimates and assumptions, and result in changes to the recoverable amounts of assets and impairment losses needed.

Impairment of unquoted investments is made after considering several factors, including business viability of the investee, potential recovery of capital invested and present values of any future dividend or income streams thereon. The present values of future income streams are measured by applying an expected rate of return that reflects the risk profile of the investment. These are compared against the carrying cost of investments and appropriate judgement and consideration is made by management to ascertain if the current carrying costs continue to be relevant. This assessment is performed at each balance sheet date and is critically reviewed by management, taking into consideration specific industry and economic factors relevant to the investment concerned.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Significant Accounting Estimates and Judgements (Contd.)

(b) Key Sources of Estimation Uncertainty (Contd.)

(iii) Uncertainties in accounting estimates

General insurance business

The principal uncertainty in the general insurance business arises from the technical provisions which include the provisions of premium and claims liabilities. The premium liabilities comprise unearned premium reserves while claim liabilities comprises provision for outstanding claims. The estimation bases for unearned premium reserves is explained in the related accounting policy statement.

Generally, claims liabilities are determined based upon previous claims experience, existing knowledge of events, the terms and conditions of the relevant policies and interpretation of circumstances. Particularly relevant is past experience with similar cases, historical claims development trends, legislative changes, judicial decisions and economic conditions. It is certain that actual future premiums and claims liabilities will not exactly develop as projected and may vary from the projections.

The estimates of premiums and claims liabilities are therefore sensitive to various factors and uncertainties. The establishment of technical provisions is an inherently uncertain process and, as a consequence of this uncertainty, the eventual settlement of premiums and claims liabilities may vary from the initial estimates.

There may be significant reporting lags between the occurrence of an insured event and the time it is actually reported. Following the identification and notification of an insured loss, there may still be uncertainty as to the magnitude of the claim. There are many factors that will determine the level of uncertainty such as inflation, inconsistent judicial interpretations, legislative changes and claims handling procedures.

Life fund

The estimation of the ultimate liability arising from claims made under life insurance policies is a critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimation of the liabilities that the life insurance will ultimately be required to pay as claims.

For life insurance contracts, estimates are made for future deaths, disabilities, maturities, investment returns, voluntary terminations and expenses in accordance with contractual and regulatory requirements. The company bases the estimate of expected number of deaths on statutory mortality tables, adjusted where appropriate to reflect the company's unique risk exposures. The estimated number of deaths determines the value of possible future benefits to be paid out, which will be factored into ensuring sufficient cover by reserves, which in return is monitored against current and future premiums.



2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Significant Accounting Estimates and Judgements (Contd.)

(b) Key Sources of Estimation Uncertainty (Contd.)

(III) Uncertainties in accounting estimates (Contd.)

Life fund (Contd.)

The actuarial liabilities as at June 30, 2009 and 2008 were calculated in accordance with the reserving requirements stated in the Insurance Regulations, 1996 whereby the assumptions on interest and mortality are prescribed. For those contracts where the provisions for liabilities are not explicitly prescribed under the Insurance Regulations, 1996, the Appointed Actuary shall set aside such liabilities on an appropriate basis which is disclosed in a valuation report to Bank Negara Malaysia.

(iv) Deferred tax assets

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the balance sheet date. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the balance sheet date, changes in business strategy, future operating performance and other factors could impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in the income statement in the period in which actual realisation and settlement occurs.

Deferred tax assets are recognised for all provisions for diminution in value of investments, unearned premium reserves, provision for doubtful debts, net amortisation of premium in investments and other temporary differences to the extent that it is probable that taxable profit will be available against which the benefits can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

3. PROPERTY, PLANT AND EQUIPMENT

(a) General business and shareholders' fund

| | <----- Group and Company -----> | | | | |
|-------------------------------------|---------------------------------|---|---|--------------------------------|-----------------|
| | Motor vehicles RM'000 | Furniture, fixtures and fittings RM'000 | Office and computer equipment RM'000 | Office renovation RM'000 | Total RM'000 |
| 2009 | | | | | |
| Cost | | | | | |
| At 1 July 2008 | 1,289 | 1,066 | 3,754 | 68 | 6,177 |
| Additions | - | 34 | 48 | - | 82 |
| Disposals | - | - | (1) | - | (1) |
| At 30 June 2009 | 1,289 | 1,100 | 3,801 | 68 | 6,258 |
| Accumulated Depreciation | | | | | |
| At 1 July 2008 | 719 | 912 | 3,565 | 57 | 5,253 |
| Charge for the year | - | 34 | 101 | 4 | 139 |
| At 30 June 2009 | 719 | 946 | 3,666 | 61 | 5,392 |
| Net Book Value | | | | | |
| At 30 June 2009 | 570 | 154 | 135 | 7 | 866 |



3. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

(a) General business and shareholders' fund (Contd.)

| | <----- Group and Company -----> | | | | |
|-------------------------------------|---------------------------------|---|---|--------------------------------|-----------------|
| | Motor vehicles RM'000 | Furniture, fixtures and fittings RM'000 | Office and computer equipment RM'000 | Office renovation RM'000 | Total RM'000 |
| 2008 | | | | | |
| Cost | | | | | |
| At 1 July 2007 | 1,048 | 1,049 | 4,366 | 68 | 6,531 |
| Additions | 241 | 13 | 20 | - | 274 |
| Transfer from | | | | | |
| Life fund | - | 4 | - | - | 4 |
| Write-offs | - | - | (632) | - | (632) |
| At 30 June 2008 | 1,289 | 1,066 | 3,754 | 68 | 6,177 |
| Accumulated Depreciation | | | | | |
| At 1 July 2007 | 653 | 876 | 3,998 | 53 | 5,580 |
| Charge for the year | 66 | 35 | 197 | 4 | 302 |
| Transfer from | | | | | |
| Life fund | - | 1 | - | - | 1 |
| Write-offs | - | - | (630) | - | (630) |
| At 30 June 2008 | 719 | 912 | 3,565 | 57 | 5,253 |
| Net Book Value | | | | | |
| At 30 June 2008 | 570 | 154 | 189 | 11 | 924 |

3. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

(b) Life fund

| Cost/Valuation | Group and Company | | | | | | | |
|--|-----------------------|---|--------------------------------------|--------------------------|-------------------------|----------------------|------------------|--------------|
| | At Cost | | | | At Valuation | | | |
| | Motor vehicles RM'000 | Furniture, fixtures and fittings RM'000 | Office and computer equipment RM'000 | Office renovation RM'000 | Work-in-progress RM'000 | Freehold Land RM'000 | Buildings RM'000 | Total RM'000 |
| At 1 July 2008 | 1,365 | 8,925 | 17,328 | 5,617 | 899 | 12,730 | 63,600 | 110,464 |
| Revaluation surplus/(deficit) transferred to Asset revaluation reserve (Note 15) | - | - | - | - | - | 465 | (17,774) | (17,309) |
| Revaluation deficit transferred to Other Operating Expenses (Note 21) | - | - | - | - | - | - | (261) | (261) |
| Additions | 249 | 134 | 395 | - | 150 | - | - | 928 |
| Disposal | - | - | (1) | - | - | - | - | (1) |
| Write-offs | - | - | - | - | (490) | - | - | (490) |
| At 30 June 2009 | 1,614 | 9,059 | 17,722 | 5,617 | 559 | 13,195 | 45,565 | 93,331 |
| Accumulated Depreciation | | | | | | | | |
| At 1 July 2008 | 662 | 5,623 | 14,164 | 4,603 | - | - | 14,576 | 39,628 |
| Charge for the year | 62 | 764 | 1,011 | 655 | - | - | 2,068 | 4,560 |
| Revaluation surplus/(deficit) transferred to Asset revaluation reserve (Note 15) | - | - | - | - | - | - | (15,754) | (15,754) |
| At 30 June 2009 | 724 | 6,387 | 15,175 | 5,258 | - | - | 890 | 28,434 |
| Net Book Value | | | | | | | | |
| At 30 June 2009 | 890 | 2,672 | 2,547 | 359 | 559 | 13,195 | 44,675 | 64,897 |



3. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

(b) Life fund (Contd.)

| Cost/Valuation | Group and Company | | | | | | | |
|---|-----------------------------|--|---|--------------------------------|--------------------------------|----------------------------|---------------------|-----------------|
| | At Cost | | | | At Valuation | | | |
| | Motor vehicles RM'000 | Furniture, fixtures and fittings RM'000 | Office and computer equipment RM'000 | Office renovation RM'000 | Work- in-progress RM'000 | Freehold Land RM'000 | Buildings RM'000 | Total RM'000 |
| At 1 July 2007 | 1,832 | 8,798 | 17,833 | 5,466 | 566 | 12,730 | 63,600 | 110,825 |
| Additions | 250 | 153 | 101 | 173 | 333 | - | - | 1,010 |
| Disposals | (717) | - | - | - | - | - | - | (717) |
| Transfer to general business and shareholders fund | - | (4) | - | - | - | - | - | (4) |
| Write-offs | - | (22) | (606) | (22) | - | - | - | (650) |
| At 30 June 2008 | 1,365 | 8,925 | 17,328 | 5,617 | 899 | 12,730 | 63,600 | 110,464 |
| Accumulated Depreciation | | | | | | | | |
| At 1 July 2007 | 1,257 | 4,870 | 13,456 | 3,791 | - | - | 9,717 | 33,091 |
| Charge for the year | 68 | 766 | 1,263 | 828 | - | - | 4,859 | 7,784 |
| Disposals | (663) | - | - | - | - | - | - | (663) |
| Transfer to general business and shareholders fund | - | (1) | - | - | - | - | - | (1) |
| Write-offs | - | (12) | (555) | (16) | - | - | - | (583) |
| At 30 June 2008 | 662 | 5,623 | 14,164 | 4,603 | - | - | 14,576 | 39,628 |
| Net Book Value | | | | | | | | |
| At 30 June 2008 | 703 | 3,302 | 3,164 | 1,014 | 899 | 12,730 | 49,024 | 70,836 |

3. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

(b) Life Fund (Contd.)

Freehold land and buildings were revalued in February and April 2009. The properties were valued by independent professional valuers and the fair values have been determined by reference to observable prices in an active market or recent market transactions on arm's length terms, adjusted if necessary, for any differences in the nature, location or condition of the specific properties.

Details of the freehold land and buildings stated at revalued amounts are as follows:

(i) Freehold land and buildings:

| Year of Valuation | Location of Property | District | Valuation by professional valuer RM'000 |
|-------------------|-------------------------------|----------------|---|
| 2009 | Muar, Johor | Muar | 1,000 |
| 2009 | Sungai Petani, Kedah | Kuala Muda | 780 |
| 2009 | Kulim, Kedah | Kulim | 280 |
| 2009 | Seremban, Negeri Sembilan | Seremban | 280 |
| 2009 | Bentong, Pahang | Bentong | 620 |
| 2009 | Kuantan, Pahang | Kuala Kuantan | 1,000 |
| 2009 | Butterworth, Penang | Seberang Perai | 700 |
| 2009 | George Town, Penang | Timur Laut | 6,000 |
| 2009 | Taiping, Perak | Larut & Matang | 600 |
| 2009 | Ipoh, Perak | Kinta | 3,300 |
| 2009 | Sitiawan, Perak | Manjung | 90 |
| 2009 | Kuching, Sarawak | Kuching | 2,700 |
| 2009 | Kuala Lumpur | Kuala Lumpur | 2,470 |
| 2009 | Kuala Lumpur | Kuala Lumpur | 3,150 |
| 2009 | Kuala Lumpur | Kuala Lumpur | 2,510 |
| 2009 | Port Dickson, Negeri Sembilan | Port Dickson | 320 |
| 2009 | Teluk Intan, Perak | Hilir Perak | 350 |
| | | | <u>26,150</u> |

(ii) Leasehold buildings:

| | | | |
|------|-------------------------------|---------------|---------------|
| 2009 | Kluang, Johor | Kluang | 320 |
| 2009 | Alor Setar, Kedah | Kota Setar | 145 |
| 2009 | Melaka | Melaka Tengah | 800 |
| 2009 | Port Dickson, Negeri Sembilan | Port Dickson | 180 |
| 2009 | Kangar, Perlis | Utan Aji | 180 |
| 2009 | Kota Bahru, Kelantan | Kota Bahru | 320 |
| 2009 | Kota Kinabalu, Sabah | Kota Kinabalu | 690 |
| 2009 | Petaling Jaya, Selangor | Petaling | 29,975 |
| | | | <u>32,610</u> |
| | | | <u>58,760</u> |



4. PREPAID LAND LEASE PAYMENTS

Life Fund

Long term leasehold land

Cost

At beginning and end of year

Accumulated amortisation

At beginning of year

Charge for the year

At end of year

Net carrying amount

| Group and Company | |
|-------------------|--------|
| 2009 | 2008 |
| RM'000 | RM'000 |
| | |
| | |
| 24,120 | 24,120 |
| | |
| 1,176 | 784 |
| 392 | 392 |
| 1,568 | 1,176 |
| | |
| 22,552 | 22,944 |

5. INTANGIBLE ASSETS

Software development costs

Cost

At beginning of year

Additions

Write-offs

At end of year

Accumulated amortisation

At beginning of year

Charge for the year

Write-offs

At end of year

Net Book Value

| Group and Company | | | |
|---|--------|-----------|--------|
| General business and shareholders' fund | | Life fund | |
| 2009 | 2008 | 2009 | 2008 |
| RM'000 | RM'000 | RM'000 | RM'000 |
| | | | |
| 7,910 | 7,908 | 5,858 | 5,789 |
| - | 2 | 90 | 115 |
| - | - | - | (46) |
| 7,910 | 7,910 | 5,948 | 5,858 |
| | | | |
| 7,873 | 7,817 | 4,645 | 4,015 |
| 32 | 56 | 638 | 666 |
| - | - | - | (36) |
| 7,905 | 7,873 | 5,283 | 4,645 |
| | | | |
| 5 | 37 | 665 | 1,213 |

6. INVESTMENTS

(a) General business and shareholders' fund

2009

| | Group and Company | |
|---|-------------------|---------------------------|
| | Cost RM'000 | Market Value RM'000 |
| Malaysian Government Securities | 86,651 | |
| Net amortisation of premiums | (1,233) | |
| | 85,418 | 86,644 |
| Government Investment Issues | 18,863 | |
| Net amortisation of premiums | (2) | |
| | 18,861 | 18,600 |
| Malaysian Government Guaranteed bonds | 24,235 | |
| Net amortisation of premiums | (1,814) | |
| | 22,421 | 21,572 |
| Corporate bonds | 114,733 | |
| Net accretion of discounts | 3,111 | |
| Provision for diminution in value | (6,285) | |
| | 111,559 | 112,347 |
| Quoted shares of corporations in Malaysia | 10,815 | |
| Provision for diminution in value | (725) | |
| | 10,090 | 10,090 |
| Unit-linked investment | 4,480 | |
| Provision for diminution in value | (37) | |
| | 4,443 | 5,926 |
| Institutional Trust Fund | 91 | 91 |
| Fixed and call deposits with licensed banks | 187,472 | |
| | 440,355 | |

2008

| | Group and Company | |
|---------------------------------------|-------------------|---------------------------|
| | Cost RM'000 | Market Value RM'000 |
| Malaysian Government Securities | 92,821 | |
| Net amortisation of premiums | (1,054) | |
| | 91,767 | 90,799 |
| Malaysian Government Guaranteed bonds | 24,235 | |
| Net amortisation of premiums | (1,482) | |
| | 22,753 | 20,207 |



6. INVESTMENTS (CONTD.)

(a) General business and shareholders' fund (Contd.)

2008

Corporate bonds
Net accretion of discounts
Provision for diminution in value

Quoted shares of corporations in Malaysia
Provision for diminution in value

Unit-linked investment
Provision for diminution in value

Institutional Trust Fund

Fixed and call deposits with:
Licensed banks
Licensed discount houses

| Group and Company | |
|-------------------|--------|
| Cost | Market |
| RM'000 | Value |
| | RM'000 |
| 100,490 | |
| 3,840 | |
| (7,785) | |
| 96,545 | 96,800 |
| 6,649 | |
| (780) | |
| 5,869 | 5,869 |
| 4,480 | |
| (64) | |
| 4,416 | 5,912 |
| 22,491 | 22,491 |
| 122,055 | |
| 22,064 | |
| 144,119 | |
| 387,960 | |

The range of effective interest rates and the earlier of the contractual re-pricing or maturity dates for each class of interest-bearing investment and placements with licensed financial institutions, at net carrying amounts, of the general business and shareholders' fund of the Group and Company are as follows:

Malaysian Government Securities
Government Investment Issues
Malaysian Government Guaranteed bonds
Corporate bonds
Fixed and call deposits placed with licensed financial institutions

| Group and Company | |
|---|-------------|
| Range of effective interest rates (per annum) | |
| 2009 | 2008 |
| % | % |
| 2.51 - 6.84 | 3.70 - 7.00 |
| 3.08 - 3.91 | - |
| 3.58 - 7.00 | 3.58 - 7.00 |
| 3.00 - 8.45 | 3.00 - 7.95 |
| 1.80 - 3.80 | 3.00 - 3.80 |

6. INVESTMENTS (CONTD.)

(a) General business and shareholders' fund (Contd.)

Group and Company

2009

Malaysian Government
Securities
Government Investment
Issues
Malaysian Government
Guaranteed bonds
Corporate bonds
Fixed and call deposits placed
with licensed banks

| Interest-bearing contractual re-pricing or maturity dates (whichever is earlier) | | | |
|---|--------------------------------|--------------------------------|------------------|
| 1 year or less RM'000 | 1 year to 5 years RM'000 | More than 5 years RM'000 | Total RM '000 |
| 5,014 | 75,397 | 5,007 | 85,418 |
| - | 11,797 | 7,064 | 18,861 |
| 5,000 | - | 17,421 | 22,421 |
| 7,910 | 80,016 | 23,633 | 111,559 |
| 187,472 | - | - | 187,472 |
| 205,396 | 167,210 | 53,125 | 425,731 |

2008

Malaysian Government
Securities
Malaysian Government
Guaranteed bonds
Corporate bonds
Fixed and call deposits placed
with licensed financial
institutions

| | | | |
|---------|---------|--------|---------|
| 1,053 | 75,697 | 15,017 | 91,767 |
| - | 5,000 | 17,753 | 22,753 |
| 9,996 | 44,017 | 42,532 | 96,545 |
| 144,119 | - | - | 144,119 |
| 155,168 | 124,714 | 75,302 | 355,184 |



6. INVESTMENTS (CONTD.)

(b) Life fund

(i) At valuation:

Investment properties (Note (c)):

Freehold land and buildings

At valuation

47,885

42,749

Disposals

-

(400)

47,885

42,349

Leasehold land and buildings

At valuation

1,000

1,300

48,885

43,649

(ii) At cost:

Malaysian Government
Securities

399,885

167,518

Net amortisation
of premiums

(757)

(818)

399,128

398,319

166,700

165,040

Government Investment
Issues

53,396

-

Net amortisation
of premiums

(13)

-

53,383

51,481

-

-

Malaysian Government
Guaranteed bonds
Amortisation of
premiums

341,802

281,896

(14,280)

(11,727)

327,522

326,201

270,169

258,857

Negotiable certificates
of deposit

20,398

20,398

Amortisation of
premiums

(335)

(267)

20,063

20,131

Corporate bonds

800,512

744,333

Net accretion of
discounts

35,431

24,431

Provision for diminution
in value

(6,282)

(7,781)

829,661

844,600

760,983

749,920

6. INVESTMENTS (CONTD.)

(b) Life fund (contd.)

(ii) At cost (contd.):

Quoted securities of corporations
in Malaysia:

Shares
Provision for diminution
in value

207,571

(5,239)

202,332

234,407

186,685

(5,239)

181,446

243,876

Unit trusts
Provision for diminution
in value

10,517

(1,661)

8,856

8,860

13,131

(294)

12,837

13,308

Institutional Trust Fund

90,857

112,529

Unquoted shares of
corporations in
Malaysia
Provision for diminution
in value

7,408

(11)

7,397

7,408

(11)

7,397

Fixed and call deposits with:
Licensed banks
Licensed foreign bank
Other licensed financial
institutions

336,789

720

-

337,509

2,325,593

474,379

711

66,192

541,282

2,117,123



6. INVESTMENTS (CONTD.)

(b) Life fund (contd.)

The range of effective interest rates and the earlier of the contractual re-pricing or maturity dates for each class of interest-bearing investments and placements with licensed financial institutions at net carrying values, of the Life fund of the Group and Company are as follows:

| | Group and Company Range of effective interest rates (per annum) | |
|---|---|--------------|
| | 2009 | 2008 |
| | % | % |
| Malaysian Government Securities | 3.50 - 5.73 | 3.50 - 6.45 |
| Government Investment Issues | 3.08 - 3.91 | - |
| Malaysian Government Guaranteed bonds | 3.58 - 7.75 | 3.58 - 7.75 |
| Negotiable certificates of deposit | 6.50 | 6.50 |
| Corporate bonds | 2.50 - 10.35 | 2.50 - 10.35 |
| Fixed and call deposits placed with licensed financial institutions | 0.50 - 4.00 | 1.70 - 4.00 |

Group and Company

| | Interest-bearing contractual re-pricing or maturity dates (whichever is earlier) | | | |
|---|---|---------------------------------|---------------------------------|------------------|
| | 1 year or less RM '000 | 1 year to 5 years RM '000 | More than 5 years RM '000 | Total RM '000 |
| 2009 | | | | |
| Malaysian Government Securities | - | 103,847 | 295,281 | 399,128 |
| Government Investment Issues | - | 4,997 | 48,386 | 53,383 |
| Malaysian Government Guaranteed bonds | 30,000 | 10,000 | 287,522 | 327,522 |
| Negotiable certificates of deposit | - | 20,063 | - | 20,063 |
| Corporate bonds | 34,842 | 199,779 | 595,040 | 829,661 |
| Fixed and call deposits placed with licensed banks | 337,509 | - | - | 337,509 |
| | 402,351 | 338,686 | 1,226,229 | 1,967,266 |
| 2008 | | | | |
| Malaysian Government Securities | 24,143 | 57,272 | 85,285 | 166,700 |
| Malaysian Government Guaranteed bonds | - | 30,000 | 240,169 | 270,169 |
| Negotiable certificates of deposit | - | 20,131 | - | 20,131 |
| Corporate bonds | 5,027 | 171,076 | 584,880 | 760,983 |
| Fixed and call deposits placed with licensed financial institutions | 541,282 | - | - | 541,282 |
| | 570,452 | 278,479 | 910,334 | 1,759,265 |

6. INVESTMENTS (CONTD.)

(c) Investment properties – Life fund

Freehold land and buildings were revalued in February and April 2009. The properties were valued by independent professional valuers and the fair values have been determined by reference to observable prices in an active market or recent market transactions on arm's length terms, adjusted if necessary, for any differences in the nature, location or condition of the specific properties.

Details of the freehold land and buildings stated at revalued amounts are as follows:

(i) Freehold land and buildings:

| Year of Valuation | Location of Property | District | Valuation by professional valuer RM'000 |
|-------------------|-------------------------|----------------|---|
| 2009 | Johor Bahru, Johor | Johor Bahru | 1,000 |
| 2009 | Johor Bahru, Johor | Johor Bahru | 6,865 |
| 2009 | Kulim, Kedah | Sungai Seluang | 440 |
| 2009 | Ipoh, Perak | Kinta | 110 |
| 2009 | Ipoh, Perak | Kinta | 50 |
| 2009 | Hulu Selangor, Selangor | Hulu Selangor | 700 |
| 2009 | Johor Bahru, Johor | Johor Bahru | 3,500 |
| 2009 | Kuala Lumpur | Kuala Lumpur | 16,320 |
| 2009 | Kuala Lumpur | Kuala Lumpur | 16,300 |
| 2009 | Kuala Lumpur | Kuala Lumpur | 2,600 |
| | | | <u>47,885</u> |

(ii) Leasehold land and buildings:

| Year of Valuation | Location of Property | District | Valuation by professional valuer RM'000 |
|-------------------|----------------------|------------|---|
| 2009 | Kuala Lumpur | Batu Caves | 1,000 |



7. SUBSIDIARY

General business and shareholders' fund

Unquoted shares, at cost
Less: Provision for impairment loss

| Company | |
|----------------|----------------|
| 2009 RM'000 | 2008 RM'000 |
| 100 | 100 |
| (100) | (100) |
| - | - |

Details of subsidiary:

| Name | Country of Incorporation | Proportion of Equity Interest | | Principal Activity |
|-------------------------|-----------------------------|----------------------------------|-----------|-----------------------|
| | | 2009 % | 2008 % | |
| Cramson (Malaysia) Bhd. | Malaysia | 100 | 100 | Dormant |

8. LOANS

Policy loans
Mortgage loans
Term loan to a related party (Note 29(a)(i))
Other secured loans
Unsecured loans

Interest-in-suspense
Provision for doubtful debts

Loans receivable within 12 months
Loans receivable after 12 months

The average effective interest rates of the loans receivable were as follows:

Policy loans
Mortgage loans
Term loan
Other loans

| Group and Company Life fund | |
|--------------------------------|----------------|
| 2009 RM'000 | 2008 RM'000 |
| 349,528 | 316,136 |
| 23,263 | 37,901 |
| 17,000 | 19,000 |
| 707 | 881 |
| 11 | 33 |
| 390,509 | 373,951 |
| (5,017) | (4,467) |
| (3,596) | (17,708) |
| 381,896 | 351,776 |
| 14,823 | 2,914 |
| 367,073 | 348,862 |
| 381,896 | 351,776 |

| 2009 % | 2008 % |
|-----------|-----------|
| per annum | per annum |
| 8.45 | 8.61 |
| 7.86 | 7.86 |
| 7.00 | 7.00 |
| 4.00 | 4.00 |

9. RECEIVABLES

(a) General business and shareholders' fund

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2009 RM'000 | 2008 RM'000 | 2009 RM'000 | 2008 RM'000 |
| Trade receivables: | | | | |
| Outstanding premiums, including agents, brokers and co-insurers balances | 38,476 | 37,183 | 38,476 | 37,183 |
| Amounts due from reinsurers | 4,632 | 2,437 | 4,632 | 2,437 |
| | 43,108 | 39,620 | 43,108 | 39,620 |
| Provision for doubtful debts | (3,707) | (3,325) | (3,707) | (3,325) |
| | 39,401 | 36,295 | 39,401 | 36,295 |
| Other receivables: | | | | |
| Other receivables, deposits and prepayments | 3,035 | 2,504 | 3,035 | 2,504 |
| Income due and accrued | 3,462 | 5,239 | 3,462 | 5,239 |
| | 6,497 | 7,743 | 6,497 | 7,743 |
| Total receivables | 45,898 | 44,038 | 45,898 | 44,038 |
| Due from life fund * | 11,664 | 11,450 | 11,664 | 11,450 |

- * There are no balances receivable or payable between the general business and shareholders' fund, and the life fund. This is because the amounts due from life fund in the Company's balance sheet at page 28, amounting to RM11,664,000 (2008: RM11,450,000) has been offset against the amount due to general business and shareholder's fund in the life fund balance sheet at page 32, amounting to RM11,664,000 (2008: RM11,450,000).



9. RECEIVABLES (CONTD.)

(b) Life fund

| | Group and Company | |
|---|-------------------|---------------|
| | 2009 | 2008 |
| | RM'000 | RM'000 |
| Trade receivables: | | |
| Outstanding premiums, including agents balances | 11,816 | 12,635 |
| Amounts due from reinsurers | 2,794 | 2,115 |
| | 14,610 | 14,750 |
| Other receivables: | | |
| Other receivables, deposits and prepayments * | 6,902 | 9,402 |
| Income due and accrued | 25,438 | 28,483 |
| | 32,340 | 37,885 |
| Provision for doubtful debts | (264) | (639) |
| Rental-in-suspense | (1,473) | (2,188) |
| | 30,603 | 35,058 |
| Total receivables | 45,213 | 49,808 |

* Included in other receivables, deposits and prepayments of the Life fund is an amount of RM1,819,619 (2008: RM5,979,735), being tax recoverable from the Inland Revenue Board in respect of the current and previous years' taxation on dividend income.

10. PROVISION FOR OUTSTANDING CLAIMS

(a) General business

| | Group and Company | |
|---|-------------------|---------------|
| | 2009 | 2008 |
| | RM'000 | RM'000 |
| Gross provision for outstanding claims | 209,253 | 156,037 |
| Recoverable from reinsurers | (113,103) | (72,949) |
| Net provision for outstanding claims | 96,150 | 83,088 |

(b) Life fund

| | Group and Company | |
|---|-------------------|---------------|
| | 2009 | 2008 |
| | RM'000 | RM'000 |
| Gross provision for outstanding claims | 28,609 | 21,505 |
| Recoverable from reinsurers | (2,314) | (1,361) |
| Net provision for outstanding claims | 26,295 | 20,144 |

11. PAYABLES

(a) General business and shareholders' fund

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2009 RM'000 | 2008 RM'000 | 2009 RM'000 | 2008 RM'000 |
| Trade payables: | | | | |
| Due to reinsurers | 57,985 | 50,296 | 57,985 | 50,296 |
| Due to agents, brokers and co-insurers | 8,634 | 9,509 | 8,634 | 9,509 |
| | 66,619 | 59,805 | 66,619 | 59,805 |
| Other payables and accruals | 7,557 | 4,557 | 7,552 | 4,505 |
| Total payables | 74,176 | 64,362 | 74,171 | 64,310 |

(b) Life fund

| | Group and Company | |
|---------------------------------------|-------------------|----------------|
| | 2009 RM'000 | 2008 RM'000 |
| Trade payables: | | |
| Due to reinsurers | 2,862 | 3,899 |
| Due to agents | 19,382 | 16,643 |
| | 22,244 | 20,542 |
| Other payables: | | |
| Due to policyholders | 20,456 | 17,092 |
| Provision for agency related expenses | 15,512 | 14,936 |
| Other payables and accruals | 29,257 | 28,700 |
| | 65,225 | 60,728 |
| Total payables | 87,469 | 81,270 |



12. DEFERRED TAX (ASSETS)/LIABILITIES

Group and Company

| | General business and shareholders' fund | | Life fund | |
|---|---|----------------|----------------|----------------|
| | 2009 RM'000 | 2008 RM'000 | 2009 RM'000 | 2008 RM'000 |
| At beginning of year | (2,307) | (2,871) | 873 | (118) |
| Recognised in the Income Statement/Life Insurance Revenue Account (Note 23) | (104) | 564 | 473 | 991 |
| At end of year | (2,411) | (2,307) | 1,346 | 873 |

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 income taxes relate to the same fiscal authority. The net deferred tax (assets)/liabilities shown in the Balance Sheets have been determined after appropriate offsetting as follows:

| | General business and shareholders' fund | | Life fund | |
|--------------------------|---|----------------|----------------|----------------|
| | 2009 RM'000 | 2008 RM'000 | 2009 RM'000 | 2008 RM'000 |
| Deferred tax liabilities | 1,728 | 1,134 | 4,567 | 5,650 |
| Deferred tax assets | (4,139) | (3,441) | (3,221) | (4,777) |
| | (2,411) | (2,307) | 1,346 | 873 |

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

2009

Deferred Tax Liabilities of the Group and Company:

General business and shareholders' fund

| | Accelerated capital allowance on property, plant and equipment RM'000 | Others RM'000 | Total RM'000 |
|------------------------------------|--|------------------|-----------------|
| At 1 July 2008 | 300 | 834 | 1,134 |
| Recognised in the Income Statement | 69 | 525 | 594 |
| At 30 June 2009 | 369 | 1,359 | 1,728 |

12. DEFERRED TAX (ASSETS)/LIABILITIES (CONTD.)

2009 (Contd.)

Life fund

| | Accelerated capital allowance on property, plant and equipment RM'000 | Accretion of discounts on investments RM'000 | Total RM'000 |
|--|--|---|-----------------|
| At 1 July 2008 | 1,807 | 3,843 | 5,650 |
| Recognised in the Life Insurance Revenue Account | (1,429) | 346 | (1,083) |
| At 30 June 2009 | 378 | 4,189 | 4,567 |

Deferred Tax Assets of the Group and Company:

General business and shareholders' fund

| | Accelerated capital allowance on property, plant and equipment RM'000 | Amortisation of premiums RM'000 | Others RM'000 | Total RM'000 |
|------------------------------------|--|------------------------------------|------------------|-----------------|
| At 1 July 2008 | (746) | (2,587) | (108) | (3,441) |
| Recognised in the Income Statement | (95) | (520) | (83) | (698) |
| At 30 June 2009 | (841) | (3,107) | (191) | (4,139) |

Life fund

| | Provision for investments RM'000 | Amortisation of premiums RM'000 | Total RM'000 |
|--|-------------------------------------|------------------------------------|-----------------|
| At 1 July 2008 | (1,203) | (3,574) | (4,777) |
| Recognised in the Life Insurance Revenue Account | 1,203 | 353 | 1,556 |
| At 30 June 2009 | - | (3,221) | (3,221) |



12. DEFERRED TAX (ASSETS)/LIABILITIES (CONTD.)

2008

Deferred Tax Liabilities of the Group and Company:

General business and shareholders' fund

At 1 July 2007
Recognised in the Income Statement
At 30 June 2008

| Accelerated capital allowance on property, plant and equipment RM'000 | Others RM'000 | Total RM'000 |
|---|------------------|-----------------|
| 163 | 80 | 243 |
| 137 | 754 | 891 |
| 300 | 834 | 1,134 |

Life fund

At 1 July 2007
Recognised in the Life
Insurance Revenue Account
At 30 June 2008

| Revaluation surplus RM'000 | Accelerated capital allowance on property, plant and equipment RM'000 | Accretion of discounts on investments RM'000 | Total RM'000 |
|----------------------------------|---|---|-----------------|
| - | 632 | 3,295 | 3,927 |
| - | 1,175 | 548 | 1,723 |
| - | 1,807 | 3,843 | 5,650 |

12. DEFERRED TAX (ASSETS)/LIABILITIES (CONTD.)

2008 (Contd.)

Deferred Tax Assets of the Group and Company:

General business and shareholders' fund

| | Accelerated capital allowance on property, plant and equipment RM'000 | Amortisation of premiums RM'000 | Others RM'000 | Total RM'000 |
|---------------------------------------|---|---------------------------------------|------------------|-----------------|
| At 1 July 2007 | (575) | (2,457) | (82) | (3,114) |
| Recognised in the Income Statement | (171) | (130) | (26) | (327) |
| At 30 June 2008 | (746) | (2,587) | (108) | (3,441) |

Life fund

| | Provision for investments RM'000 | Amortisation of premiums RM'000 | Total RM'000 |
|---|--|---------------------------------------|-----------------|
| At 1 July 2007 | (242) | (3,803) | (4,045) |
| Recognised in the Life Insurance Revenue Account | (961) | 229 | (732) |
| At 30 June 2008 | (1,203) | (3,574) | (4,777) |



13. UNEARNED PREMIUM RESERVES

General business

2009

At beginning of year
(Decrease)/Increase
in unearned
premium
reserves
At end of year

<----- Group and Company ----->

| Fire RM'000 | Motor RM'000 | Marine, Aviation and Transit RM'000 | Misc. RM'000 | Total RM'000 |
|----------------|-----------------|---|-----------------|-----------------|
| 10,982 | 17,996 | 2,561 | 13,080 | 44,619 |
| (4,590) | 10,668 | 123 | 240 | 6,441 |
| 6,392 | 28,664 | 2,684 | 13,320 | 51,060 |

2008

At beginning of year
Increase
in unearned
premium
reserves
At end of year

| | | | | |
|--------|--------|-------|--------|--------|
| 10,012 | 16,518 | 1,691 | 11,250 | 39,471 |
| 970 | 1,478 | 870 | 1,830 | 5,148 |
| 10,982 | 17,996 | 2,561 | 13,080 | 44,619 |

14. LIFE POLICYHOLDERS' FUND

Based on the actuarial valuation of the Life fund made up to 30 June 2009, the appointed actuary was satisfied that the assets available in the life policyholders' fund is sufficient to meet its long term liabilities to policyholders.

Life fund

| |
|--|
| Policyholders' fund before transfer to income statement |
| Surplus transferred to income statement |
| Policyholders' fund at end of year |
| Liability to policyholders as established by actuarial valuation as at 30 June |
| Allocation of bonus to participating policyholders |
| Unallocated surplus carried forward |
| Surplus for the year after taxation |
| Increase in policy reserves |
| Surplus arising during the year |
| Unallocated surplus brought forward |
| Total surplus available |
| Interim bonus |
| Allocation of bonus to participating policyholders |
| Surplus transferred to income statement |
| Unallocated surplus carried forward |

| <----- Group and Company -----> | | |
|---------------------------------|---------------------------------|-----------------|
| <----- 2009 -----> | | |
| Participating RM'000 | Non- Participating RM'000 | Total RM'000 |
| 2,428,295 | 280,260 | 2,708,555 |
| (11,664) | - | (11,664) |
| 2,416,631 | 280,260 | 2,696,891 |
| (2,098,800) | (230,108) | (2,328,908) |
| (69,449) | - | (69,449) |
| 248,382 | 50,152 | 298,534 |
| 188,354 | 26,217 | 214,571 |
| (46,252) | (24,596) | (70,848) |
| 142,102 | 1,621 | 143,723 |
| 204,710 | 48,531 | 253,241 |
| 346,812 | 50,152 | 396,964 |
| (17,317) | - | (17,317) |
| (69,449) | - | (69,449) |
| (11,664) | - | (11,664) |
| 248,382 | 50,152 | 298,534 |

| |
|--|
| Policyholders' fund before transfer to income statement |
| Surplus transferred to income statement |
| Policyholders' fund at end of year |
| Liability to policyholders as established by actuarial valuation as at 30 June |
| Allocation of bonus to participating policyholders |
| Unallocated surplus carried forward |
| Surplus for the year after taxation |
| Increase in policy reserves |
| Surplus arising during the year |
| Unallocated surplus brought forward |
| Total surplus available |
| Interim bonus |
| Allocation of bonus to participating policyholders |
| Surplus transferred to income statement |
| Unallocated surplus carried forward |

| <----- Group and Company -----> | | |
|---------------------------------|---------------------------------|-----------------|
| <----- 2008 -----> | | |
| Participating RM'000 | Non- Participating RM'000 | Total RM'000 |
| 2,251,391 | 254,043 | 2,505,434 |
| (11,450) | - | (11,450) |
| 2,239,941 | 254,043 | 2,493,984 |
| (1,967,437) | (205,512) | (2,172,949) |
| (67,794) | - | (67,794) |
| 204,710 | 48,531 | 253,241 |
| 168,428 | 25,240 | 193,668 |
| (31,368) | (24,417) | (55,785) |
| 137,060 | 823 | 137,883 |
| 163,066 | 47,708 | 210,774 |
| 300,126 | 48,531 | 348,657 |
| (16,172) | - | (16,172) |
| (67,794) | - | (67,794) |
| (11,450) | - | (11,450) |
| 204,710 | 48,531 | 253,241 |



15. ASSET REVALUATION RESERVE

Life fund

| | Group and Company | |
|--|-------------------|----------------|
| | 2009 RM'000 | 2008 RM'000 |
| At beginning of year | 21,657 | 21,657 |
| Revaluation surplus/(deficit) transferred from property, plant and equipment (Note 3 (b)) | | |
| Freehold land | 465 | - |
| Buildings | (2,020) | - |
| At end of year | 20,102 | 21,657 |

The asset revaluation reserve includes the cumulative net change in fair value of the freehold land and buildings of the Life fund.

16. SHARE CAPITAL

| | Number of Ordinary Shares of RM1.00 Each | | Amount | |
|--------------------------|---|--------------|----------------|----------------|
| | 2009 '000 | 2008 '000 | 2009 RM'000 | 2008 RM'000 |
| Authorised | 200,000 | 200,000 | 200,000 | 200,000 |
| Issued and fully paid-up | 100,284 | 100,284 | 100,284 | 100,284 |

17. MERGER RESERVE

- (a) The Company acquired the entire equity interest in the subsidiary for a purchase consideration amounting to RM123,349,408, via the issuance of 30,085,221 new ordinary shares of RM1.00 each to the vendors of the subsidiary at an issue price of RM4.10 per ordinary share.

As a result of using merger relief provisions, under Section 60(4) of the Companies Act, 1965, the merger reserve was created in place of a share premium account and this reserve has been utilised to write-off the goodwill arising from the business combination in the Group financial statements and impairment in value of the investment in subsidiary at the effective date of acquisition, in the Company's financial statements.

17. MERGER RESERVE (CONTD.)

- (b) The merger reserve was arrived at after considering the fair value of the subsidiary acquired, the nominal value of ordinary shares issued as consideration for the acquisition and the write-off of goodwill on consolidation in June 2002 as follows:

| | RM'000 |
|---|---------------|
| Fair value of subsidiary acquired | 123,349 |
| Nominal value of shares issued as consideration | (30,085) |
| Merger reserve on acquisition | 93,264 |
| Write-off of goodwill on consolidation | (52,592) |
| | <u>40,672</u> |

18. DIVIDENDS

| | <----- Company -----> | | | |
|--|-----------------------|----------------|------------------------|-------------|
| | Shareholders' fund | | Net dividend per share | |
| | 2009 RM'000 | 2008 RM'000 | 2009 Sen | 2008 Sen |
| Approved and paid | | | | |
| Interim dividend of 5% (2008: 5%), less 25% (2008:26%) tax paid on 31 July 2009 | 3,761 | 3,710 | 3.7 | 3.7 |
| Final dividend of 10%, less 25 % tax in respect of the financial year ended 30 June 2008 paid on 19 December 2008 | 7,521 | - | 7.5 | - |
| Final dividend of 10%, less 27 % tax in respect of the financial year ended 30 June 2007 paid on 19 December 2007 | - | 7,321 | - | 7.3 |
| | <u>11,282</u> | <u>11,031</u> | <u>11.2</u> | <u>11.0</u> |
| Proposed | | | | |
| Final dividend of 10%, less 25% tax in respect of the financial year ended 30 June 2009 * | 7,521 | - | 7.5 | - |

- * At the forthcoming Annual General Meeting, a final dividend in respect of the current financial year ended 30 June 2009 of 10%, less 25% tax on 100,284,071 ordinary shares amounting to a total dividend of RM7,521,305 (7.5 sen per share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in the shareholders' equity as an appropriation of retained profits in the next financial year ending 30 June 2010.



19. OPERATING REVENUE

2009

Gross premium
Investment-linked units created
(Note 26(b))
Investment income (Note 20)
Investment income -
investment-linked business
(Note 26(b))

| <----- Group and Company -----> | | | |
|---------------------------------|---------------------|---------------------------------|-----------------|
| General business RM'000 | Life fund RM'000 | Shareholders' fund RM'000 | Total RM'000 |
| 209,714 | 414,459 | - | 624,173 |
| - | 18,166 | - | 18,166 |
| 12,572 | 145,432 | 5,194 | 163,198 |
| - | 2,937 | - | 2,937 |
| 222,286 | 580,994 | 5,194 | 808,474 |

2008

Gross premium
Investment-linked units created
(Note 26(b))
Investment income (Note 20)
Investment income -
investment-linked business
(Note 26(b))

| | | | |
|---------|---------|-------|---------|
| 192,898 | 378,700 | - | 571,598 |
| - | 21,569 | - | 21,569 |
| 9,364 | 123,697 | 5,535 | 138,596 |
| - | 1,566 | - | 1,566 |
| 202,262 | 525,532 | 5,535 | 733,329 |

20. INVESTMENT INCOME

| | <----- Group and Company -----> | | | |
|---|---------------------------------|----------------|----------------|----------------|
| | General business | | Life fund | |
| | 2009 RM'000 | 2008 RM'000 | 2009 RM'000 | 2008 RM'000 |
| Interest income from: | | | | |
| Malaysian Government Securities | 2,634 | 2,663 | 11,855 | 7,433 |
| Government Investment Issues | 79 | - | 674 | - |
| Malaysian Government Guaranteed bonds | 1,235 | 1,237 | 16,798 | 15,437 |
| Negotiable certificates of deposit | - | - | 1,300 | 1,300 |
| Corporate bonds | 4,932 | 3,027 | 45,311 | 37,713 |
| Term loan | - | - | 1,225 | 1,371 |
| Fixed and call deposits | 3,109 | 3,119 | 14,970 | 20,108 |
| Policy loans | - | - | 28,961 | 23,824 |
| Mortgage and other loans | - | - | 814 | 1,373 |
| Gross dividends from: | | | | |
| Quoted investments in Malaysia | 317 | 145 | 11,951 | 13,953 |
| Unit trusts | 5 | - | 1,163 | 764 |
| Institutional Trust Fund | 500 | 551 | 5,290 | 5,488 |
| Net rental income | - | - | 3,282 | 1,564 |
| Net (amortisation of premiums)/ accretion of discounts on investments | (221) | (1,358) | 3,065 | (2,778) |
| Sundry investment expenses | (18) | (20) | (1,227) | (894) |
| Mortgage loans interest-in-suspense | - | - | - | (2,959) |
| | 12,572 | 9,364 | 145,432 | 123,697 |

| | Group and Company Shareholders' fund | |
|---|---|----------------|
| | 2009 RM'000 | 2008 RM'000 |
| | | |
| Interest income from: | | |
| Malaysian Government Securities | 1,172 | 1,193 |
| Government Investment Issues | 103 | - |
| Corporate bonds | 1,136 | 822 |
| Fixed and call deposits | 2,119 | 2,552 |
| Net accretion of discount on investments | 190 | 442 |
| Gross dividends from Institutional Trust Fund | 474 | 526 |
| | 5,194 | 5,535 |



21. NET OTHER OPERATING INCOME/(EXPENSES)

| | <----- Group and Company -----> | | | |
|---|---------------------------------|----------------|----------------|----------------|
| | General business | | Life fund | |
| | 2009 RM'000 | 2008 RM'000 | 2009 RM'000 | 2008 RM'000 |
| Gain on disposal of property, plant and equipment | - | - | - | 182 |
| Gain on disposal of investment properties | - | - | - | 31 |
| (Loss)/gain on disposal of investments | (647) | 7 | 24,317 | 19,782 |
| Revaluation deficit transferred from Property, plant and equipment (Note 3 (b)) | - | - | (261) | - |
| Gain on revaluation of Investment properties | - | - | 5,236 | - |
| Write-back of diminution in value of investments | 1,555 | 3,104 | 132 | 13,017 |
| Intangible assets written-off | - | - | - | (10) |
| Investment-linked administrative income | - | - | 644 | 6,771 |
| Sundry income | 52 | 148 | 7 | 68 |
| | 960 | 3,259 | 30,075 | 39,841 |

| | Group and Company Shareholders' fund | |
|---|--------------------------------------|----------------|
| | 2009 RM'000 | 2008 RM'000 |
| | | |
| Sundry expenses | (6) | (12) |
| Write back of /(provision for) diminution in value of investments | 27 | (66) |
| Gain on disposal of investments | 1,196 | 480 |
| | 1,217 | 402 |

22. MANAGEMENT EXPENSES

| | <----- Group and Company -----> | | | |
|---|---------------------------------|----------------|----------------|----------------|
| | General business | | Life fund | |
| | 2009 RM'000 | 2008 RM'000 | 2009 RM'000 | 2008 RM'000 |
| Staff costs: | | | | |
| Chief Executive Officer's ("CEO") remuneration (Note (a)) | 292 | 298 | 566 | 580 |
| EPF contributions | 1,683 | 1,306 | 2,534 | 1,901 |
| Salaries | 11,814 | 9,169 | 18,334 | 14,253 |
| Bonus | 1,063 | 2,070 | 1,730 | 3,264 |
| Social Security costs | 112 | 102 | 168 | 162 |
| Other related costs | 1,763 | 1,053 | 2,726 | 2,246 |
| | 16,727 | 13,998 | 26,058 | 22,406 |

22. MANAGEMENT EXPENSES (CONTD.)

| | <----- Group and Company -----> | | | |
|---|---------------------------------|----------------|----------------|----------------|
| | General business | | Life fund | |
| | 2009 RM'000 | 2008 RM'000 | 2009 RM'000 | 2008 RM'000 |
| Auditors' remuneration: | | | | |
| Statutory Audit | 50 | 59 | 151 | 130 |
| Others | 4 | - | 143 | - |
| Insurance guarantee scheme fund levy | 336 | 304 | - | - |
| Office rental | 818 | 224 | 887 | 896 |
| Depreciation of property, plant and equipment | 139 | 302 | 4,560 | 7,784 |
| Amortisation of prepaid land lease payments | - | - | 392 | 392 |
| Amortisation of intangible assets | 32 | 56 | 638 | 666 |
| Entertainment | 226 | 229 | 86 | 57 |
| EDP expenses | 1,449 | 948 | 2,651 | 4,063 |
| Advertising and promotion | 223 | 231 | 2,043 | 2,192 |
| Repair and maintenance | 282 | 357 | 996 | 1,595 |
| Agency training | 184 | 144 | 811 | 796 |
| Printing and stationery | 411 | 337 | 956 | 707 |
| Electricity and water | 304 | 239 | 1,081 | 890 |
| Telephone and postages | 295 | 360 | 767 | 773 |
| Legal and consultancy fees | 122 | 58 | 1,336 | 559 |
| Finance charges | 511 | 386 | 3,731 | 3,533 |
| Property, plant and equipment written-off | - | 1 | 490 | 66 |
| Other expenses | 1,480 | 1,370 | 2,160 | 1,428 |
| | 23,593 | 19,603 | 49,937 | 48,933 |

Group

| | Shareholders' fund | |
|--|--------------------|----------------|
| | 2009 RM'000 | 2008 RM'000 |
| Non-executive directors' remuneration (Note (b)) | 823 | 1,031 |
| Auditors' remuneration | 14 | 13 |
| Other expenses | 506 | 660 |
| | 1,343 | 1,704 |

Company

| | | |
|--|-------|-------|
| Non-executive directors' remuneration (Note (b)) | 823 | 1,031 |
| Auditors' remuneration | 10 | 9 |
| Other expenses | 557 | 659 |
| | 1,390 | 1,699 |

- (a) The remuneration including benefits-in-kind, attributable to the Chief Executive Officer of the Company during the year amounted to RM857,793 (2008: RM878,792).



22. MANAGEMENT EXPENSES (CONTD.)

(b) Non-executive directors' remuneration for the year are detailed below:

| | Group and Company Shareholders' fund | |
|---------------------------------|--------------------------------------|----------------|
| | 2009 RM'000 | 2008 RM'000 |
| Non-executive directors: | | |
| Fees | 310 | 440 |
| Allowances and other emoluments | 513 | 591 |
| | 823 | 1,031 |

Included in the non-executive directors' remuneration of the shareholders' fund is an amount of RM274,980 (2008: RM256,000), being remuneration paid during the year for the services rendered for the previous financial years.

The number of non-executive directors of the Company whose remuneration during the financial year fell within the following bands is analysed below:

| | Number of directors | |
|---------------------------------|---------------------|------|
| | 2009 | 2008 |
| Non-executive directors: | | |
| Below RM50,000 | - | 2 |
| RM100,001 - RM150,000 | 7 | 6 |

23. TAXATION

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2009 RM'000 | 2008 RM'000 | 2009 RM'000 | 2008 RM'000 |
| General business and shareholders' fund | | | | |
| Tax expense for the year: | | | | |
| Malaysian income tax | 11,523 | 12,198 | 11,523 | 12,198 |
| Deferred tax: | | | | |
| Relating to origination and reversal of temporary differences (Note 12) | (104) | 564 | (104) | 564 |
| | 11,419 | 12,762 | 11,419 | 12,762 |

23. TAXATION (CONTD.)

Life fund

Tax expense for the year:

Malaysian income tax

Deferred tax:

Relating to origination and reversal of temporary differences (Note 12)

| Group and Company | |
|-------------------|---------------|
| 2009 | 2008 |
| RM'000 | RM'000 |
| 13,419 | 11,013 |
| 473 | 991 |
| 13,892 | 12,004 |

Domestic income tax for general business and shareholders' fund is calculated at the Malaysian statutory rate of 25% (2008: 26%) of the estimated assessable profit for the year.

The amount of tax charged on the Life fund is based on the method prescribed under the Income Tax Act, 1967 for life insurance business.

The domestic statutory tax rate for the current year rate is 25% and is effective for year of assessment 2009 and subsequent years of assessment. The computation of deferred tax as at 30 June 2009 is based on the statutory tax rate.

A reconciliation of income tax expenses applicable to profit/surplus before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2009 RM'000 | 2008 RM'000 | 2009 RM'000 | 2008 RM'000 |
| General business and shareholders' fund | | | | |
| Profit before taxation | 43,649 | 44,616 | 43,602 | 44,621 |
| Taxation at Malaysian statutory tax rate of 25% (2008: 26%) | 10,912 | 11,601 | 10,901 | 11,601 |
| Effect of reduction in Malaysian income tax rate on opening deferred tax | (11) | 118 | - | 118 |
| Business outside Malaysia taxed at 5% (2008: 5%) | (403) | (25) | (403) | (25) |
| Income not subject to tax | - | (38) | - | (38) |
| Expenses not deductible for tax purposes | 921 | 1,030 | 921 | 1,030 |
| Under provision of deferred tax expenses in prior years | - | 76 | - | 76 |
| Tax expense for the year | 11,419 | 12,762 | 11,419 | 12,762 |



23. TAXATION (CONTD.)

| | Group and Company | |
|---|-------------------|----------------|
| | 2009 RM'000 | 2008 RM'000 |
| Life fund | | |
| Surplus before taxation | 228,463 | 205,672 |
| Taxation at Malaysian applicable tax rate of 8% (2008: 8%) | 18,277 | 16,454 |
| Income not subject to tax | (4,691) | (4,867) |
| Expenses not deductible for tax purposes | 306 | 417 |
| Tax expense for the year | 13,892 | 12,004 |

Prior to the year of assessment 2009, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the Section 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the Section 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company did not elect for the irrevocable option to disregard the Section 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the Section 108 balance as at 30 June 2009 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007. As at 30 June 2009, the Company has sufficient credit in the Section 108 account to pay franked dividends out of its entire retained profits.

24. EARNINGS PER SHARE

The earnings per ordinary share of the Group and of the Company has been calculated based on the net profit for the year of RM32,230,273 (2008: RM31,853,608) and RM32,183,757 (2008: RM31,858,656) respectively and the number of ordinary shares in issue during the year of 100,284,071 (2008: 100,284,071).

25. NET CLAIMS INCURRED

Group and Company

| | General Business | | | | |
|--------------------------------|------------------|-----------------|---|-----------------|-----------------|
| | Fire RM'000 | Motor RM'000 | Marine, Aviation and Transit RM'000 | Misc. RM'000 | Total RM'000 |
| 2009 | | | | | |
| Gross claims paid less salvage | 8,949 | 28,813 | 22,342 | 25,237 | 85,341 |
| Reinsurance recoveries | (5,395) | (1,388) | (18,122) | (12,337) | (37,242) |
| Net claims paid (a) | 3,554 | 27,425 | 4,220 | 12,900 | 48,099 |
| Net outstanding claims: | | | | | |
| At end of year (b) | 13,264 | 45,915 | 11,441 | 25,530 | 96,150 |
| At beginning of year (c) | 10,231 | 43,003 | 10,261 | 19,593 | 83,088 |
| Net claims incurred (a+b-c) | 6,587 | 30,337 | 5,400 | 18,837 | 61,161 |
| 2008 | | | | | |
| Gross claims paid less salvage | 12,022 | 30,582 | 11,807 | 18,342 | 72,753 |
| Reinsurance recoveries | (5,693) | (1,536) | (9,268) | (8,731) | (25,228) |
| Net claims paid (a) | 6,329 | 29,046 | 2,539 | 9,611 | 47,525 |
| Net outstanding claims: | | | | | |
| At end of year (b) | 10,231 | 43,003 | 10,261 | 19,593 | 83,088 |
| At beginning of year (c) | 10,407 | 41,485 | 8,742 | 20,517 | 81,151 |
| Net claims incurred (a+b-c) | 6,153 | 30,564 | 4,058 | 8,687 | 49,462 |

26. INVESTMENT-LINKED BUSINESS

(a) Statement of Assets and Liabilities as at 30 June 2009

ASSETS

Investments (Note (c))
Receivables (Note (d))
Deferred taxation (Note (e))
Cash and bank balances

LIABILITIES

Provision for taxation
Sundry payable

NET ASSET VALUE OF FUNDS

REPRESENTED BY:

Unitholders' accounts

| Group and Company | |
|-------------------|----------------|
| 2009 RM'000 | 2008 RM'000 |
| 67,697 | 51,471 |
| 527 | 470 |
| 179 | - |
| 2,383 | 7,842 |
| 70,786 | 59,783 |
| | |
| 119 | 109 |
| 1,671 | 16 |
| 1,790 | 125 |
| 68,996 | 59,658 |
| | |
| 68,996 | 59,658 |



26. INVESTMENT-LINKED BUSINESS (CONTD.)

(b) Statement of Income and Expenditure for the year ended 30 June 2009

| | Group and Company | |
|--|-------------------|----------|
| | 2009 | 2008 |
| | RM'000 | RM'000 |
| Units created | 18,166 | 21,569 |
| Investment income (Note (f)) | 2,937 | 1,566 |
| Other income (Note (g)) | 7,397 | 4,936 |
| Benefits paid and payable | (10,467) | (11,603) |
| Other expenses (Note (h)) | (8,613) | (5,550) |
| Surplus before taxation | 9,420 | 10,918 |
| Taxation (Note (i)) | (82) | (39) |
| Net surplus for the year after taxation | 9,338 | 10,879 |
| Unitholders' investment-linked fund at beginning of year | 59,658 | 48,779 |
| Unitholders' investment-linked fund at end of year | 68,996 | 59,658 |

(c) Investments

| | Group and Company | |
|--|-------------------|---------|
| | 2009 | 2008 |
| | RM'000 | RM'000 |
| Quoted securities of corporations in Malaysia: | | |
| Shares, at cost | 31,802 | 23,189 |
| Unrealised capital loss | (2,733) | (1,230) |
| Shares, at market value | 29,069 | 21,959 |
| Unit Trust, at cost: | 1,363 | 1,463 |
| Unrealised capital (loss)/gain | (230) | 1 |
| Unit Trust, at market value | 1,133 | 1,464 |
| Corporate bonds, at cost | 17,106 | 17,160 |
| Unrealised capital gain | 728 | 8 |
| Corporate bonds, at market value | 17,834 | 17,168 |
| Fixed and call deposits with: | | |
| Licensed banks | 19,661 | 1,235 |
| Licensed discount houses | - | 9,645 |
| | 19,661 | 10,880 |
| | 67,697 | 51,471 |

26. INVESTMENT-LINKED BUSINESS (CONTD.)

(c) Investments (Contd.)

Group and Company

The range of effective interest rates and the earlier of the contractual re-pricing or maturity dates for corporate bonds and placements with licensed financial institutions of the investment-linked business are as follows:

| | Range of effective interest rates (per annum) | |
|---|---|-------------|
| | 2009 % | 2008 % |
| Corporate bonds | 2.50 - 5.00 | 2.50 - 7.20 |
| Fixed and call deposits placed with licensed financial institutions | 1.80 - 3.70 | 3.00 - 3.70 |

| | Interest-bearing contractual re-pricing or maturity dates (whichever is earlier) | | | |
|---|--|------------------------------|------------------------------|------------------|
| | 1 year or less RM '000 | 1 year to 5 years RM '000 | More than 5 years RM '000 | Total RM '000 |
| 2009 | | | | |
| Corporate bonds | - | 4,738 | 13,096 | 17,834 |
| Fixed and call deposits placed with licensed financial institutions | 19,661 | - | - | 19,661 |
| | 19,661 | 4,738 | 13,096 | 37,495 |
| 2008 | | | | |
| Corporate bonds | - | - | 17,168 | 17,168 |
| Fixed and call deposits placed with licensed financial institutions | 10,880 | - | - | 10,880 |
| | 10,880 | - | 17,168 | 28,048 |

(d) Receivables

| | Group and Company | |
|------------------------|-------------------|----------------|
| | 2009 RM'000 | 2008 RM'000 |
| Income due and accrued | 306 | 327 |
| Tax recoverable | 221 | 143 |
| | 527 | 470 |



26. INVESTMENT-LINKED BUSINESS (CONTD.)

(e) Deferred taxation

| | Group and Company | |
|--|-------------------|--------|
| | 2009 | 2008 |
| | RM'000 | RM'000 |
| At beginning of year | - | 171 |
| Recognised in the income statement (Note (ii)) | (179) | (171) |
| At end of year | (179) | - |

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 income taxes relate to the same fiscal authority.

The deferred tax asset arises entirely from net unrealised capital loss recognised in the financial statements.

(f) Investment income

| | Group and Company | |
|--|-------------------|--------|
| | 2009 | 2008 |
| | RM'000 | RM'000 |
| Gross dividends from shares quoted in Malaysia | 1,522 | 624 |
| Gross dividends from unit trust | 144 | 63 |
| Interest income from: | | |
| Fixed and call deposits with licensed financial institutions | 498 | 612 |
| Corporate bonds | 773 | 267 |
| | 2,937 | 1,566 |

(g) Other income

| | Group and Company | |
|---------------------------------|-------------------|--------|
| | 2009 | 2008 |
| | RM'000 | RM'000 |
| Gain on disposal of investments | 564 | 1,091 |
| Miscellaneous income | - | 1,698 |
| Unrealised capital gains, net | 6,833 | 2,147 |
| | 7,397 | 4,936 |

(h) Other expenses

| | Group and Company | |
|---------------------------------|-------------------|--------|
| | 2009 | 2008 |
| | RM'000 | RM'000 |
| Loss on disposal of investments | 234 | 23 |
| Unrealised capital losses, net | 7,719 | 5,096 |
| Sundry expenses | 660 | 431 |
| | 8,613 | 5,550 |

26. INVESTMENT-LINKED BUSINESS (CONTD.)

(i) Taxation

Tax expense for the year:
Malaysian income tax

Deferred tax:
Relating to origination and reversal of
temporary differences (Note (e))

| Group and Company | |
|-------------------|--------|
| 2009 | 2008 |
| RM'000 | RM'000 |
| 261 | 210 |
| (179) | (171) |
| 82 | 39 |

The Malaysian tax charge on the investment-linked business is based on the method prescribed under the Income Tax Act, 1967 for life insurance business.

A reconciliation of income tax expenses applicable to surplus before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

Surplus before taxation

Taxation at Malaysian applicable tax
rate of 8% (2007: 8%)
Income not subject to tax
Expenses not deductible for tax purposes
Tax expense for the year

| Group and Company | |
|-------------------|---------|
| 2009 | 2008 |
| RM'000 | RM'000 |
| 1,721 | (5,409) |
| 138 | (433) |
| (108) | (134) |
| 52 | 606 |
| 82 | 39 |



27. SEGMENT INFORMATION ON CASH FLOW

| Group | General business RM'000 | Life fund RM'000 | Shareholders' fund RM'000 | Total RM'000 |
|---|-------------------------------|---------------------|---------------------------------|-----------------|
| 2009 | | | | |
| Net cash (used in)/generated from: | | | | |
| Operating activities | (1,009) | (13,530) | 11,216 | (3,323) |
| Investing activities | (75) | (1,018) | (7) | (1,100) |
| Financing activity | - | - | (11,282) | (11,282) |
| | (1,084) | (14,548) | (73) | (15,705) |
| Net decrease in cash and cash equivalents: | | | | |
| At beginning of year | 3,241 | 24,899 | 111 | 28,251 |
| At end of year | 2,157 | 10,351 | 38 | 12,546 |
| | (1,084) | (14,548) | (73) | (15,705) |

| | General business RM'000 | Life fund RM'000 | Shareholders' fund RM'000 | Total RM'000 |
|---|-------------------------------|---------------------|---------------------------------|-----------------|
| 2008 | | | | |
| Net cash generated from/(used in): | | | | |
| Operating activities | 3,150 | 7,503 | 11,118 | 21,771 |
| Investing activities | (263) | (889) | (14) | (1,166) |
| Financing activity | - | - | (11,031) | (11,031) |
| | 2,887 | 6,614 | 73 | 9,574 |
| Net increase in cash and cash equivalents: | | | | |
| At beginning of year | 354 | 18,285 | 38 | 18,677 |
| At end of year | 3,241 | 24,899 | 111 | 28,251 |
| | 2,887 | 6,614 | 73 | 9,574 |

27. SEGMENT INFORMATION ON CASH FLOW (CONTD.)

| Company | General business RM'000 | Life fund RM'000 | Shareholders' fund RM'000 | Total RM'000 |
|---|-------------------------------|---------------------|---------------------------------|-----------------|
| 2009 | | | | |
| Net cash generated from/(used in): | | | | |
| Operating activities | (1,009) | (13,530) | 11,216 | (3,323) |
| Investing activities | (75) | (1,018) | (7) | (1,100) |
| Financing activity | - | - | (11,282) | (11,282) |
| | (1,084) | (14,548) | (73) | (15,705) |
| Net decrease in cash and cash equivalents: | | | | |
| At beginning of year | 3,241 | 24,899 | 111 | 28,251 |
| At end of year | 2,157 | 10,351 | 38 | 12,546 |
| | (1,084) | (14,548) | (73) | (15,705) |

| | General business RM'000 | Life fund RM'000 | Shareholders' fund RM'000 | Total RM'000 |
|---|-------------------------------|---------------------|---------------------------------|-----------------|
| 2008 | | | | |
| Net cash generated from/(used in): | | | | |
| Operating activities | 3,150 | 7,503 | 11,122 | 21,775 |
| Investing activities | (263) | (889) | (14) | (1,166) |
| Financing activity | - | - | (11,031) | (11,031) |
| | 2,887 | 6,614 | 77 | 9,578 |
| Net increase in cash and cash equivalents: | | | | |
| At beginning of year | 354 | 18,285 | 34 | 18,673 |
| At end of year | 3,241 | 24,899 | 111 | 28,251 |
| | 2,887 | 6,614 | 77 | 9,578 |



28. OPERATING LEASE ARRANGEMENTS

(a) The Company as Lessee

The Company has entered into lease agreement for rental of equipment, software and services.

The future aggregate minimum lease payments under operating lease contracted for as at the balance sheet date but not recognised as liabilities are as follows:

Future minimum rental payments:

Payable within one year
Payable after one year

| 2009 RM'000 | 2008 RM'000 |
|----------------|----------------|
| 477 | 477 |
| 438 | 955 |
| 915 | 1,432 |

(b) The Company as Lessor

The Company has entered into non-cancellable operating lease arrangements on its portfolio of investment properties. The leases have remaining non-cancellable lease terms of between 1 and 3 years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

The future minimum lease payments receivable under non-cancellable operating leases contracted for as at the balance sheet date but not recognised as receivables, are as follows:

Receivable within one year
Receivable after one year

| 2009 RM'000 | 2008 RM'000 |
|----------------|----------------|
| 2,815 | 4,459 |
| 3,743 | 4,115 |
| 6,558 | 8,574 |

Rental income on investment properties recognised in income statement / revenue account during the financial year is disclosed in Note 20.

29. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Related parties

The related parties and their relationship with the Company as at 30 June 2009 are as follow:

| Name | Relationship |
|--|---|
| Zurich Asia Holdings Ltd ("Z AHL") | Corporate shareholder |
| Koperasi MCIS Berhad | Corporate shareholder |
| Associated Marine Insurers | Related company of Z AHL |
| Zurich American Insurance Company | Related company of Z AHL |
| Zurich International (Deutschland) | Related company of Z AHL |
| Zurich International (UK) Limited | Related company of Z AHL |
| Zurich Forsaking (Sweden) | Related company of Z AHL |
| Zurich Insurance Company (Switzerland) | Related company of Z AHL |
| Zurich Services (Hong Kong) Limited | Related company of Z AHL |
| National Land Finance Co-operative Society | A company in which a director, Dato' Balaram a/l Petha Naidu is also a director |

The Company undertakes various transactions with related companies of Z AHL. The Directors are of the opinion that the reinsurance premiums ceded to related companies and related parties are contracted on terms and conditions no more favourable than those available with other reinsurance counterparties. Other related party transactions were also carried out on terms and conditions no more favourable than those available on similar transactions with unrelated parties, unless otherwise stated.

Life fund

Transactions and balances with related parties:

(i) Term Loan granted to:

National Land Finance Co-operative Society Limited

Term loan balance (Note 8)

Interest income received

(ii) Rental income received from:

Koperasi MCIS Berhad

| 2009 RM'000 | 2008 RM'000 |
|----------------|----------------|
| | |
| | |
| 17,000 | 19,000 |
| 1,225 | 1,371 |
| | |
| 86 | 86 |



29. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)

(a) Related parties (Contd.)

General business and shareholders' fund

| | 2009 RM'000 | 2008 RM'000 |
|---|----------------|----------------|
| Balances with related parties: | | |
| (i) Included in amount trade receivables (Note 9 (a)): | | |
| Associated Marine Insurers | 2,631 | 368 |
| (ii) Included in trade payables (Note 11 (a)): | | |
| Zurich American Insurance Company | 1,058 | 976 |
| Zurich Forsakring (Sweden) | 385 | - |
| Zurich International (Deutschland) | 1,912 | 3,128 |
| Zurich International (UK) Limited | 6,278 | 9,731 |
| Zurich Insurance Company (Switzerland) | 9,773 | 8,169 |
| | 19,406 | 22,004 |
| Transactions with related parties: | | |
| (i) Reinsurance premium ceded to: | | |
| Zurich American Insurance Company | 3,047 | 2,088 |
| Zurich International (Deutschland) | 5,230 | 8,389 |
| Zurich International (UK) Limited | 8,496 | 5,368 |
| Zurich Forsakring (Sweden) | 787 | 944 |
| Zurich Insurance Company (Switzerland) | 20,171 | 18,372 |
| | 37,731 | 35,161 |
| (ii) Reimbursable costs to: | | |
| Zurich Services (Hong Kong) Limited | 445 | - |
| Zurich Insurance Company (Switzerland) | 230 | 313 |
| | 675 | 313 |
| (iii) Reimbursable costs from: | | |
| Zurich Services (Hong Kong) Limited | 235 | - |
| Zurich Insurance Company (Switzerland) | 430 | 467 |
| | 665 | 467 |

The directors are of the opinion that all transactions entered into with related companies of Z AHL have been entered into in the normal course of business and have been established on terms and conditions that are determined on a negotiated basis. The transactions with NLFC S have been established on an arm's length basis.

29. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)

(b) Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company, directly or indirectly. In line with this classification, the key management personnel of the Group and Company includes directors and the Chief Executive Officer.

Compensation of key management personnel

The remuneration of key management personnel during the year was as follows:

| | 2009 RM'000 | 2008 RM'000 |
|----------------------|----------------|----------------|
| Salaries and bonuses | 731 | 695 |
| Contributions to EPF | 93 | 148 |
| Fees and allowances | 823 | 1,031 |
| Benefits-in-kind | 34 | 35 |
| | 1,681 | 1,909 |

30. CAPITAL COMMITMENTS

General business

Property, plant and equipment:
- Approved but not contracted for

Life fund

Property, plant and equipment:
- Approved but not contracted for

| | Group and Company 2009 RM'000 | 2008 RM'000 |
|--|-------------------------------------|----------------|
| | 766 | 5,339 |
| | 9,145 | 19,824 |



31. CONTINGENT LIABILITIES

- (a) There are claims made against the Company by former agents and an ex-employee:
- (i) A former agent had filed a suit against the Company for general damages for libel and malicious prosecution, loss of profits, punitive and exemplary damages and interest amounting to RM30 million with an interest rate of 8% thereon, as a result of winding up proceedings instituted by the Company against the agency involved.
 - (ii) An ex-employee is claiming for loss of earning for incentive bonus which has been allegedly promised to him of approximately RM4.6 million. The Company's defence is that the claim does not form part of the employment contract.

The Company is contesting the above claims and in the opinion of the directors, based on legal advice, no material losses are anticipated.

- (b) The Group and Company also has other on-going disputes with certain former agents. Based on legal advice, no material losses are anticipated as a result of these disputes.

32. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the Group's business activities whilst managing the currency, interest rate, liquidity, market and credit risks. The Group operates within guidelines that are approved by the Board of Directors and its policy is to not engage in speculative transactions. The Group's policy in respect of the major areas of treasury activity are set out as follows:

(a) Currency risk

The Group's foreign currency transaction exposure arises primarily on reinsurance transactions with foreign reinsurance companies and brokers, which are transacted in United States Dollars ("USD"). Foreign currency exposures arising therewith are minimal, as the USD is not expected to fluctuate significantly.

(b) Interest rate risk

The Group's interest rate risk arises principally from differences in maturities of its assets and liabilities and the reinvestment of interest-bearing assets to meet long-term liabilities. The Group's primary interest rate risk in this respect, relates to its interest-bearing assets. It does not have any borrowings or interest bearing debt as at 30 June 2009.

The interest bearing assets are made up primarily of fixed and call deposits with licensed financial institutions, Malaysian Government Securities, Cagamas bonds, Malaysian Government Guaranteed bonds, Treasury bills and corporate bonds. The interest rate risk in this respect arises from fluctuations in market interest rate which may affect reinvestment decisions for these interest-bearing assets.

Management of interest rate risk is also largely guided by the need to comply with the solvency requirements of Section 96 of the Insurance Act, 1996, wherein the Group is required to invest a minimum amount of funds in low risk assets, defined by Bank Negara Malaysia to include the above mentioned instruments. Consequently, the maintenance of a prudent mix of short and longer term interest-bearing assets as well as continuous reviews of the portfolio mix therewith are key factors in ensuring that the returns generated from these assets are commensurate, given the risk profiles of the instruments involved.

32. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (CONTD.)

(c) Liquidity risk

A significant amount of investible funds are placed with licensed financial institutions as fixed and call deposits, and other money market instruments. The Group continuously endeavours to manage the maturity profiles of these instruments in order to ensure that sufficient funds are available at all times, to meet the day-to-day working capital requirements.

(d) Market risk

The Group's investments in quoted securities and unit trust funds are subject to fluctuations in market prices. The Group does not use derivative financial instruments to manage market related risks.

The quoted securities portfolio of the Group is made up of shares issued by fundamentally sound corporations, and which have a proven dividend payment track record. In addition, the Group has clear investment guidelines and trade authority limits to ensure that the funds invested are not exposed to significant risks.

(e) Credit risk

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via limiting associations to business partners with good creditworthiness and ratings.

Nevertheless, the Group does not have significant exposures to any individual customer or borrower nor does it have any significant concentration of credit risk related to any financial instrument.

A significant portion of investments are placed in Malaysian Government Securities, Cagamas bonds, Treasury bills, corporate bonds and placements with licensed financial institutions in Malaysia, which are generally considered low risk assets. The counterparties to these financial instruments consist of corporations with commendable and high credit ratings. The Group does not expect any of these counterparties to default.

The Group monitors all loan balances receivable on a timely manner and does not anticipate any significant exposures to arise over and above what has already been provided for in the financial statements. The credit ratings of corporate bonds obtained from reputable rating agencies, based on their market values are as follows:

Rating of corporate bonds
on market value basis:

AAA
AA
A
BBB

| < ----- Market Value ----- > | | | |
|--|--------|-----------|---------|
| General business and shareholders' fund | | Life fund | |
| 2009 | 2008 | 2009 | 2008 |
| RM'000 | RM'000 | RM'000 | RM'000 |
| 53,231 | 17,761 | 406,955 | 222,262 |
| 51,121 | 62,611 | 382,667 | 425,549 |
| 7,995 | 16,428 | 46,594 | 102,109 |
| - | - | 8,384 | - |
| 112,347 | 96,800 | 844,600 | 749,920 |



32. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (CONTD.)

(f) Fair values

Generally, the carrying amount of the financial assets and financial liabilities of the Group and Company approximate their fair values owing to their relatively short term maturities, except for the following:

- (i) Investments in Malaysian Government Securities, Government Investment Issues, Malaysian Government Guaranteed bonds, corporate bonds, quoted shares of corporations in Malaysia, unit linked investment and unit trusts:

The market values of the above investments are indicative of their fair values as at the financial year end and are determined as follows:

- Malaysian Government Securities - determined by reference to indicative market prices as provided by Bank Negara Malaysia.
- Government Investment Issues, Malaysia Government Guaranteed bonds and corporate bonds - determined by reference to the indicative market bid prices provided by brokers and as quoted on Bondweb, a bond pricing corporation approved by the Securities Commission of Malaysia.
- Quoted shares of corporations in Malaysia - determined by reference to market bid prices quoted on the Bursa Malaysia Securities Berhad at the close of business on the balance sheet date.
- Unit linked investment and unit trusts - determined by reference to the Net Asset Values of the funds as at the financial year end.

Information relating to the fair values of the investments mentioned above are disclosed in Note 6 to the financial statements.

- (ii) Investments in subsidiary and unquoted shares:

It is not practical to estimate the fair values of the above investments because of the lack of quoted market prices and the inability to estimate fair values without incurring excessive costs.

- (iii) Mortgage, term and other loans

The fair values of variable rate loans are estimated to approximate their carrying values. For fixed rate loans, the fair values are estimated based on expected future cash flows of contractual instalment payments, discounted at applicable and prevailing rates at balance sheet date offered for similar facilities to new borrowers with similar credit profiles. In respect of non-performing loans, the fair values are deemed to approximate the carrying values which are net of interest/income-in-suspense and specific provision for bad and doubtful debts.

Financial assets and liabilities that relate to rights and obligations arising from insurance contracts are not considered as they do not fall within the scope of FRS 132: Financial Instruments - Disclosure and Presentation.

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 20 OCTOBER 2009

| SIZE OF SHAREHOLDINGS | NUMBER OF SHAREHOLDERS | % OF SHAREHOLDERS | NUMBER OF SHARES HELD | % OF SHAREHOLDINGS |
|--|------------------------|-------------------|-----------------------|--------------------|
| Less than 1,000 | 1,302 | 32.87 | 384,545 | 0.38 |
| 1,001 - 10,000 | 2,483 | 62.68 | 6,085,180 | 6.07 |
| 10,001 - 100,000 | 165 | 4.17 | 3,797,359 | 3.79 |
| 100,001 to less than 5% of issued shares | 9 | 0.23 | 6,093,357 | 6.07 |
| 5% and above of issued shares | 2 | 0.05 | 83,923,630 | 83.69 |
| TOTAL | 3,961 | 100.00 | 100,284,071 | 100.00 |

LIST OF TWENTY (20) LARGEST SHAREHOLDERS AS AT 20 OCTOBER 2009

| NO | NAME | NUMBER OF SHARES | % |
|----|---|------------------|-------|
| 1 | KOPERASI MCIS BERHAD | 43,810,002 | 43.69 |
| 2 | ZURICH ASIA HOLDINGS LTD | 40,113,628 | 40.00 |
| 3 | ANTALANTIK SDN BHD | 4,362,357 | 4.35 |
| 4 | KOPERASI KOSWIP MALAYSIA BERHAD | 492,974 | 0.49 |
| 5 | KOPERASI KEBANGSAAN PERMODALAN TANAH BHD | 270,376 | 0.27 |
| 6 | SPP CEMERLANG SDN BHD | 230,840 | 0.23 |
| 7 | MOKHTAR BIN MOHD YUSOF | 226,541 | 0.23 |
| 8 | NYIOH HAI CHAU | 172,500 | 0.17 |
| 9 | K RENGASAMY @ RANGGI SAMI A/L KARPAN | 138,000 | 0.14 |
| 10 | KOPERATIF TENAGA NASIONAL BHD | 119,000 | 0.12 |
| 11 | KOPERASI ANGKATAN TENTERA (M) BHD | 113,500 | 0.11 |
| 12 | LAKSHMANAN MEYYAPPAN | 105,269 | 0.10 |
| 13 | TAI SEOW SIAN | 81,000 | 0.08 |
| 14 | KOPERASI PEGAWAI-PEGAWAI KERAJAAN | 75,000 | 0.07 |
| 15 | KOPERASI PEKERJA-PEKERJA KERAJAAN HILIR PERAK BHD | 75,000 | 0.07 |
| 16 | KOPERASI KREDIT PEKERJA-PEKERJA BHD | 71,630 | 0.07 |
| 17 | GURDEV SINGH A/L NAND SINGH | 70,116 | 0.07 |
| 18 | TAN CHEE LAN @ TAN KWI LAN | 68,761 | 0.07 |
| 19 | LAI ONG ANG ENG | 68,761 | 0.07 |
| 20 | KOPERASI NEW STRAITS TIMES PRESS M'SIA BHD | 59,000 | 0.06 |



PERLIS

Kangar

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01000 Kangar, Perlis.
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Fax : 604-976 0319

KEDAH

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Fax : 604-731 1102

Sg Petani

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Fax : 604-422 5658

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09000 Kulim, Kedah.
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Fax : 604-490 1157

PULAU PINANG

Pulau Pinang

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Fax : 604-229 9609

Butterworth

Bangunan MCIS ZURICH,
No. 83, Jalan Selat, Taman Selat,
12000 Butterworth, Pulau Pinang.
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Fax : 604-331 0598

PERAK

Ipoh

Bangunan MCIS ZURICH,
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30000 Ipoh, Perak.
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Fax : 605-255 0758

Taiping

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18, Jalan Long Jaafar, 34000 Taiping, Perak.
Tel : 605-808 1210
Fax : 605-808 1211

Teluk Intan

Bangunan MCIS ZURICH,
No. 17, Taman Rose, Jalan Sultan Abdullah,
36000 Teluk Intan, Perak.
Tel : 605-622 5966
Fax : 605-621 5611

TERENGGANU

134 N, Jalan Sultan Zainal Abidin,
20000 Kuala Terengganu, Terengganu.
Tel : 609-622 1532 / 1880
Fax : 609-623 2972

KELANTAN

Kota Bharu

Bangunan MCIS ZURICH,
Lot 201 & 202, Jalan Pengkalan Chepa,
15400 Kota Bharu, Kelantan.
Tel : 609-748 1070
Fax : 609-748 1178

PAHANG

Kuantan

Bangunan MCIS ZURICH,
21, Jalan Tun Ismail, 25000 Kuantan, Pahang.
Tel : 609-515 7277
Fax : 609-514 1119

Bentong

Bangunan MCIS ZURICH, 10, Taman Ban Hua,
28700 Bentong, Pahang.
Tel : 609-222 1094
Fax : 609-222 2299

LIST OF BRANCHES

SELANGOR

Klang

No. 33, Jalan Kepayang, Off Jalan Meru,
41050 Klang, Selangor.

Tel : 603-3341 4093 / 3343 2075

Fax : 603-3343 0985

KUALA LUMPUR

Kuala Lumpur

Bangunan MCIS ZURICH,
No. 305, Medan Tuanku,
Jalan Tuanku Abdul Rahman,
50100 Kuala Lumpur.

Tel : 603-2698 0441 / 0922 / 0655

Fax : 603-2692 9784

Jalan Ipoh

1st Floor, Bangunan Tan Chee Hoe,
No. 297A, 2 ½ Miles, Jalan Ipoh,
51200 Kuala Lumpur.

Tel : 603-4043 5742

Fax : 603-4043 5805

Brickfields

Bangunan MCIS ZURICH,
No. 34, Jalan Tun Sambanthan 3,
50470 Brickfields, Kuala Lumpur.

Tel : 603-2273 4659 / 4660

Fax : 603-2273 4661

NEGERI SEMBILAN

Seremban

26 & 27, Wisma Kerjasama,
Jalan Dato' Abd Malek,
70000 Seremban, Negeri Sembilan.

Tel : 606-761 3766

Fax : 606-763 6441

Port Dickson

Bangunan MCIS ZURICH,
No. 532/531, Jalan Pantai, Taman Mewah,
71000 Port Dickson, Negeri Sembilan.

Tel : 606-647 1458

Fax : 606-647 4706

MELAKA

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Bangunan MCIS ZURICH,
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Jalan Munshi Abdullah, 75100 Melaka.

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Fax : 606-284 7676

JOHOR

Johor Bharu

No. 3, Jalan Susur Larkin Perdana 1,
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Fax : 607-232 0755

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Fax : 607-773 8552

SABAH

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Fax : 6088-241 859

Tawau

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Fajar Complex, 91000 Tawau, Sabah.

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Fax : 6089-775 611

SARAWAK

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Fax : 6082-241 826

Miri

Lot 1294, Ground Floor, Jalan Merpati,
98000 Miri, Sarawak.

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