

# Report of the Auditors

We have audited the accompanying balance sheet as of 31 March 2004 and the related statements of income, insurance revenue accounts, cash flows and changes in equity for the year then ended. These financial statements are the responsibility of the Company's directors. 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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the abovementioned financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of:
  - (i) the state of affairs of the Company as of 31 March 2004 and of the results and the cash flows of the Company for the year ended on that date; and
  - (ii) the matters required by Section 169 of the Act to be dealt with in the financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



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**DELOITTE KASSIMCHAN**  
AF 0080  
Chartered Accountants



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**KEK AH FONG**  
1880/4/06 (J)  
Partner

28 May 2004



# Balance Sheet

As Of 31 March 2004

	Note	2004 RM'000	2003 RM'000
<b>ASSETS</b>			
<b>General business and shareholders' fund assets</b>			
Property, plant and equipment	4	14,542	13,783
Unconsolidated subsidiary company	5	6,000	6,000
Investments	6	392,179	304,655
Loans	7	837	517
Receivables	8	43,017	35,403
Cash and bank balances		10,783	2,996
<b>Total general business and shareholders' fund assets</b>		<b>467,358</b>	<b>363,354</b>
<b>Total life business assets (page 16)</b>		<b>739,799</b>	<b>540,107</b>
<b>TOTAL ASSETS</b>		<b>1,207,157</b>	<b>903,461</b>
<b>LIABILITIES</b>			
<b>General business and shareholders' fund liabilities</b>			
Provision for outstanding claims	9	170,205	133,267
Payables	10	45,441	37,900
Amount owing to a subsidiary company	5	7,565	7,565
Subordinated term loan	11	30,000	30,000
Deferred tax liabilities	12	877	-
<b>Total general business and shareholders' fund liabilities</b>		<b>254,088</b>	<b>208,732</b>
<b>Life business liabilities (page 16)</b>		<b>61,319</b>	<b>40,685</b>
		<b>315,407</b>	<b>249,417</b>
Unearned premium reserves	13	133,867	85,957
Life policyholders' fund	14	631,920	463,116
		<b>765,787</b>	<b>549,073</b>
<b>SHAREHOLDERS' EQUITY</b>			
Issued capital	15	100,000	100,000
Unappropriated profit		25,963	4,971
Shareholders' Equity - Net		125,963	104,971
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,207,157</b>	<b>903,461</b>

The accompanying Notes form an integral part of the Financial Statements.

# Statement of Changes in Equity

For The Year Ended 31 March 2004

	Note	Issued capital RM'000	Unappropriated profit/ (Accumulated loss) RM'000	Total/Net RM'000
<b>Balance as of 1 April 2002</b>		100,000	(3,336)	96,664
Net profit for the year		-	8,307	8,307
<b>Balance as of 31 March 2003</b>		100,000	4,971	104,971
Net profit for the year		-	26,032	26,032
Dividends	16	-	(5,040)	(5,040)
<b>Balance as of 31 March 2004</b>		100,000	25,963	125,963

The accompanying Notes form an integral part of the Financial Statements.



# Income Statement

For The Year Ended 31 March 2004

	Note	2004 RM'000	2003 RM'000
Operating revenue	17	628,290	440,887
Shareholders' fund:			
Investment income	18	325	321
Other operating income/(expenses) - net	19	(8)	7
		317	328
Transfers from/(to) insurance revenue accounts:			
General business		40,016	15,200
Life fund		(5,000)	(2,050)
Profit before tax		35,333	13,478
Income tax expense	21	(9,301)	(5,171)
<b>Net profit for the year</b>		<b>26,032</b>	<b>8,307</b>
Earnings per ordinary share (sen)	23	26.0	8.3

The accompanying Notes form an integral part of the Financial Statements.