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**ORIENTAL CAPITAL ASSURANCE BERHAD**  
**(Incorporated in Malaysia)**

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**ORIENTAL CAPITAL ASSURANCE BERHAD**  
(Incorporated in Malaysia)

**CONDENSED BALANCE SHEETS**  
**AS AT 30 JUNE 2011**

<b>Group</b>	<b>Note</b>	<b>30.06.2011 RM'000</b>	<b>31.12.2010 RM'000</b>
<b>Assets</b>			
Property and equipment		12,244	12,433
Investment property		2,428	2,439
Intangible assets		115	115
Investments	3	412,724	384,157
Malaysian government securities		20,017	30,135
Debt securities		136,309	126,328
Equity securities		29,363	21,709
Unit and property trust funds		25,645	24,905
Loans		840	913
Deposit with financial institutions		200,550	180,167
Investment in subsidiary		-	-
Reinsurance Assets	4	191,180	183,333
Insurance receivables		63,877	36,630
Other receivables		20,712	17,346
Deferred tax assets		-	39
Cash and bank balances		3,862	3,142
<b>Total assets</b>		<b>707,142</b>	<b>639,634</b>
<b>Equity and liabilities</b>			
Share capital		100,013	100,013
Share premium account		3,335	3,335
Retained earnings		26,383	25,252
Available-for-sale fair value reserves		8,155	6,690
<b>Total equity</b>		<b>137,886</b>	<b>135,290</b>
Insurance contract liabilities	5	462,409	429,724
Deferred tax liabilities		714	-
Insurance payables		85,382	49,305
Other payables		19,323	23,767
Retirement benefits		1,428	1,548
<b>Total liabilities</b>		<b>569,256</b>	<b>504,344</b>
<b>Total equity and liabilities</b>		<b>707,142</b>	<b>639,634</b>

The Condensed Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010.

**ORIENTAL CAPITAL ASSURANCE BERHAD**  
(Incorporated in Malaysia)

**CONDENSED BALANCE SHEETS (CONT'D.)**  
**AS AT 30 JUNE 2011**

**Company**

	<b>Note</b>	<b>30.06.2011</b> <b>RM'000</b>	<b>31.12.2010</b> <b>RM'000</b>
<b>Assets</b>			
Property and equipment		12,244	12,433
Investment property		2,428	2,439
Intangible assets		115	115
Investments	3	412,724	384,157
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Investment in subsidiary		-	-
Reinsurance Assets	4	191,180	183,333
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Other receivables		20,712	17,346
Deferred tax assets		-	39
Cash and bank balances		3,862	3,142
<b>Total assets</b>		<b>707,142</b>	<b>639,634</b>
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<b>Total equity and liabilities</b>		<b>707,142</b>	<b>639,634</b>

The Condensed Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010.

**ORIENTAL CAPITAL ASSURANCE BERHAD**  
(Incorporated in Malaysia)

**CONDENSED INCOME STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2011**

Group and Company		6 months ended 30.06.2011 RM'000	12 months ended 31.12.2010 RM'000
	Note		
<b>Operating revenue</b>		<u>121,615</u>	<u>257,266</u>
Gross earned premiums	6 (a)	114,208	244,146
Premiums ceded to reinsurers	6 (b)	<u>(49,770)</u>	<u>(121,484)</u>
<b>Net earned premiums</b>		<u>64,438</u>	<u>122,662</u>
Investment income		7,407	13,120
Realised gains and losses		3,278	3,089
Commission income		9,184	15,747
Other operating income		<u>68</u>	<u>428</u>
<b>Other revenue</b>		<u>19,937</u>	<u>32,384</u>
Gross claims paid		(71,947)	(129,574)
Claims ceded to reinsurers		29,543	47,533
Gross change in contract liabilities		(3,829)	47,995
Change in contract liabilities ceded to reinsurers		<u>(7,093)</u>	<u>(58,084)</u>
<b>Net claims incurred</b>		<u>(53,326)</u>	<u>(92,130)</u>
Commission expense		(13,804)	(23,831)
Management expenses		<u>(14,844)</u>	<u>(23,229)</u>
<b>Other expenses</b>		<u>(28,648)</u>	<u>(47,060)</u>
<b>Profit before Taxation</b>		2,401	15,856
Taxation		<u>(1,270)</u>	<u>(5,665)</u>
<b>Net profit for the year</b>		<u>1,131</u>	<u>10,191</u>
<b>Earnings per share (sen)</b>		<u>1.1</u>	<u>10.2</u>

The Condensed Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010.

**ORIENTAL CAPITAL ASSURANCE BERHAD**  
(Incorporated in Malaysia)

**CONDENSED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2011**

**Group and Company**

	<b>6 months ended 30.06.2011 RM'000</b>	<b>12 months ended 31.12.2010 RM'000</b>
<b>Net profit for the year</b>	1,131	10,191
Other comprehensive income:		
Available-for-sale fair value reserves:		
Net gain on fair value changes	5,231	7,233
Net gain transferred to income statement	(3,278)	(3,089)
	1,953	4,144
Tax effects @ 25%	(488)	(1,036)
Other comprehensive income for the year, net of tax	1,465	3,108
<b>Total comprehensive income for the year</b>	<b>2,596</b>	<b>13,299</b>

The Condensed Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010.

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**ORIENTAL CAPITAL ASSURANCE BERHAD**  
(Incorporated in Malaysia)

**CONDENSED STATEMENTS OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 JUNE 2011**

**Group and Company**

	<b>I--Non-Distributable--I</b>			<b>Distributable</b>	
	<b>Share Capital RM'000</b>	<b>Share Premiums RM'000</b>	<b>Available- for-sale fair value reserves RM'000</b>	<b>Retained Earnings RM'000</b>	<b>Total Equity RM'000</b>
<b>At 1 January 2010</b>	100,013	3,335	3,582	15,061	121,991
Total comprehensive income for the year	-	-	3,108	10,191	13,299
<b>At 31 December 2010</b>	100,013	3,335	6,690	25,252	135,290
Total comprehensive income for the half year ended 30.06.2011	-	-	1,465	1,131	2,596
<b>At 30 June 2011</b>	100,013	3,335	8,155	26,383	137,886

The Condensed Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010.

**ORIENTAL CAPITAL ASSURANCE BERHAD**  
(Incorporated in Malaysia)

**CONDENSED CASH FLOW STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2011**

**Group and Company**

	<b>6 months ended 30.06.2011 RM'000</b>	<b>12 months ended 31.12.2010 RM'000</b>
<b>Operating activities</b>		
Cash (used in)/generated from operating activities	13,795	(21,776)
Net interest received	5,626	10,831
Net dividend received	816	908
Rental received	172	356
Retirement benefits paid	(120)	(774)
Income tax paid	(1,771)	(2,648)
<b>Net cash flows (used in)/generated from operating activities</b>	<u>18,518</u>	<u>(13,103)</u>
<b>Investing activities</b>		
Proceeds from disposal of property and equipment	-	631
Purchase of property and equipment	(235)	(227)
<b>Net cash flows from investing activities</b>	<u>(235)</u>	<u>404</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	18,283	(12,699)
<b>Cash and cash equivalents at beginning of year</b>	76,427	89,126
<b>Cash and cash equivalents at end of year</b>	<u>94,710</u>	<u>76,427</u>
<b>Cash and cash equivalents comprise:</b>		
Fixed and call deposits (with maturity of less than three months) with licensed financial institutions	90,848	73,285
Cash and bank balances	3,862	3,142
	<u>94,710</u>	<u>76,427</u>

The Condensed Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 JUNE 2011**

**1. Basis of Preparation**

The interim financial statements of the Group and Company are unaudited and have been prepared in accordance with the Financial Reporting Standards ("FRS") and the Companies Act 1965, in Malaysia, the Insurance Act, 1996 and Guidelines/Circulars issued by Bank Negara Malaysia ("BNM"). The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the audited financial statements for the year ended 31 December 2010.

The notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company since the last financial year ended 31 December 2010.

**2. Contingent liabilities**

There were no contingent liabilities as at the date of this report since the last financial year ended 31 December 2010.



**ORIENTAL CAPITAL ASSURANCE BERHAD**  
(Incorporated in Malaysia)

**3. INVESTMENTS**

<b>Group and Company</b>	<b>6 months ended 30.06.2011 RM'000</b>	<b>12 months ended 31.12.2010 RM'000</b>
Malaysian government securities	20,017	30,135
Debt securities	136,309	126,328
Equity securities	29,363	21,709
Unit and property trust funds	25,645	24,905
Loans	840	913
Deposits with financial institutions	200,550	180,167
	<u>412,724</u>	<u>384,157</u>

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

	<b>6 months ended 30.06.2011 RM'000</b>	<b>12 months ended 31.12.2010 RM'000</b>
Held-to-maturity ("HTM") financial assets	20,017	30,135
Loans and receivables ("LAR")	201,390	181,080
Available-for-sale ("AFS") financial assets	191,317	172,942
	<u>412,724</u>	<u>384,157</u>

The following investments mature after 12 months:

LAR ( Staff loan)	838	806
AFS financial assets	98,208	111,166
	<u>99,046</u>	<u>111,972</u>

**(a) HTM financial assets**

<b>Group and Company</b>	<b>6 months ended 30.06.2011 RM'000</b>	<b>12 months ended 31.12.2010 RM'000</b>
<b>Amortised cost</b>		
Malaysian government securities	<u>20,017</u>	<u>30,135</u>
<b>Fair value</b>		
Malaysian government securities	<u>20,020</u>	<u>30,202</u>

**ORIENTAL CAPITAL ASSURANCE BERHAD**  
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**3. INVESTMENTS (CONT'D.)**

**(b) LAR**

<b>Group and Company</b>	<b>6 months ended 30.06.2011 RM'000</b>	<b>12 months ended 31.12.2010 RM'000</b>
<b>Amortised cost</b>		
Fixed and call deposits with licensed financial institutions	200,550	180,167
Staff loans:		
Mortgage loans	783	829
Others:		
Secured	57	68
Unsecured	-	16
	<u>201,390</u>	<u>181,080</u>
<b>Fair value</b>		
Fixed and call deposits with licensed financial institutions	200,550	180,167
Staff loans:		
Mortgage loans	783	829
Others:		
Secured	57	68
Unsecured	-	16
	<u>201,390</u>	<u>181,080</u>

The carrying value of the fixed and call deposits approximate their fair values due to the relatively short term maturities.

The carrying value of the staff mortgage loans and other staff loans are reasonably approximations of the fair values due to the insignificant impact of discounting.

**(c) AFS financial assets**

<b>Group and Company</b>	<b>6 months ended 30.06.2011 RM'000</b>	<b>12 months ended 31.12.2010 RM'000</b>
<b>Fair Value</b>		
Equity securities:		
Quoted in Malaysia	54,787	46,343
Unquoted in Malaysia	221	271
Debt securities:		
Quoted in Malaysia	136,309	126,328
	<u>191,317</u>	<u>172,942</u>

**ORIENTAL CAPITAL ASSURANCE BERHAD**  
(Incorporated in Malaysia)

**3. INVESTMENTS (CONT'D.)**

**(d) Carrying values of financial instruments**

**Group and Company**

	<b>HTM RM'000</b>	<b>LAR RM'000</b>	<b>AFS RM'000</b>	<b>FVTPL RM'000</b>	<b>Total RM'000</b>
<b>At 31 December 2010</b>	30,135	181,080	172,942	-	384,157
Purchases	-	978,739	25,991	-	1,004,730
Maturities/disposals	(10,000)	(958,429)	(9,598)	-	(978,027)
Fair value gains recorded in:					
Other comprehensive income	-	-	1,953	-	1,953
Movement in impairment			(21)		(21)
Amortisation	(118)	-	50	-	(68)
<b>At 30 June 2011</b>	<u>20,017</u>	<u>201,390</u>	<u>191,317</u>	<u>-</u>	<u>412,724</u>

**(e) Fair values of financial investments**

**Group and Company**

	<b>AFS RM'000</b>	<b>Total RM'000</b>
<b>At 30 June 2011</b>		
Quoted market bid price	<u>191,317</u>	<u>191,317</u>
<b>At 31 December 2010</b>		
Quoted market bid price	<u>172,942</u>	<u>172,942</u>

**4. REINSURANCE ASSETS**

**Group and Company**

	<b>6 months ended 30.06.2011 RM'000</b>	<b>12 months ended 31.12.2010 RM'000</b>
Reinsurance of insurance contracts (Note 8):		
- premium liabilities	37,821	22,881
- claims liabilities	<u>153,359</u>	<u>160,452</u>
	<u>191,180</u>	<u>183,333</u>

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**5. INSURANCE CONTRACT LIABILITIES**

	Group and Company 30.06.2011			Group and Company 31.12.2010		
	Gross RM'000	Re- insurance RM'000	Net RM'000	Gross RM'000	Re- insurance RM'000	Net RM'000
Provision for claims reported by policyholders	250,474	114,579	135,895	274,474	130,211	144,263
Provision for risk margin for adverse deviations ("PRAD")	83,014	38,780	44,234	55,185	30,241	24,944
Claims liabilities	333,488	153,359	180,129	329,659	160,452	169,207
Premium liabilities	128,921	37,821	91,100	100,065	22,881	77,184
Insurance contract liabilities	462,409	191,180	271,229	429,724	183,333	246,391

**ORIENTAL CAPITAL ASSURANCE BERHAD**  
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**6. NET EARNED PREMIUMS**
**Group and Company**

	6 months ended 30.06.2011 RM'000	12 months ended 31.12.2010 RM'000
<b>(a) Gross Earned Premiums</b>		
General insurance contracts	143,064	217,366
Change in premium liabilities	(28,856)	26,780
	<u>114,208</u>	<u>244,146</u>
<b>(b) Premiums ceded to reinsurers</b>		
General insurance contracts	64,710	85,619
Change in premiums liabilities	(14,940)	35,865
	<u>49,770</u>	<u>121,484</u>
<b>Net Earned Premiums</b>	<u>64,438</u>	<u>122,662</u>

**7. EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the net profit for the financial period attributed to shareholders by the total number of ordinary shares in issue during the financial period.

**Group and Company**

	6 months ended 30.06.2011 RM'000	12 months ended 31.12.2010 RM'000
Net profit for the year	1,131	10,191
Number of ordinary shares in issue ('000)	10,013	10,013
Basic earnings per share (sen)	<u>1.1</u>	<u>10.2</u>

**ORIENTAL CAPITAL ASSURANCE BERHAD**  
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**8. REGULATORY CAPITAL REQUIREMENT**

The capital structure of the Company as at 30 June 2011, as prescribed under the Risk-Based Capital Framework is provided below:

	<b>6 months ended 30.06.2011 RM'000</b>	<b>12 months ended 31.12.2010 RM'000</b>
<b>Eligible Tier 1 Capital</b>		
Share capital (paid-up)	100,013	100,013
Reserves, including retained earnings	<u>29,718</u>	<u>28,587</u>
	<u>129,731</u>	<u>128,600</u>
<b>Tier 2 Capital</b>		
Eligible reserves	<u>8,155</u>	<u>6,690</u>
Deduction (intangible assets and utilities deposits)	<u>299</u>	<u>115</u>
<b>Total Capital Available</b>	<u>137,587</u>	<u>135,175</u>