

APPENDIX IV

UNAUDITED CONSOLIDATED RESULTS OF ALLIANZ GENERAL FOR THE SIX (6) MONTHS PERIOD ENDED 30 JUNE 2002 TOGETHER WITH EXPLANATORY NOTES THEREON

(Prepared for the inclusion in this Abridged Prospectus)

ALLIANZ GENERAL INSURANCE MALAYSIA BERHAD
(Formerly known as Malaysia British Assurance Berhad)
UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2002
CONSOLIDATED BALANCE SHEET

	AS AT END OF CURRENT QUARTER 30/6/02 RM'000	AS AT PRECEDING FINANCIAL YEAR END 30/6/01 RM'000
1 Property, Plant and Equipment	37,269	36,303
2 Investments	871,477	688,931
3 Loans	20,230	31,807
4 Goodwill on consolidation	7,455	8,161

5 Other Assets

Outstanding premium including agents/brokers and co-insurers balances	61,510	77,441
Amount due from reinsurers/ceding companies	21,573	14,906
Trade debtors	1,909	600
Other debtors, deposits and prepayments	16,688	18,601
Income due and accrued	4,020	4,408
Cash and bank balances	7,245	7,812
	112,945	123,768

6 Other Liabilities

Provision for outstanding claims	248,519	242,708
Amount due to reinsurers/ceding companies	81,988	80,976
Amount due to agents/brokers and co-insurers	20,962	27,447
Trade creditors	2,526	2,964
Other creditors and accrued expenses	121,905	100,809
Provision for taxation	1,843	1,057
Bank overdrafts (unsecured)	-	968
	477,743	456,929

7 Net Other Liabilities	(364,798)	(333,161)
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	571,633	432,041
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FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2002

CONSOLIDATED BALANCE SHEET

	AS AT END OF CURRENT QUARTER 30/6/02 RM'000	AS AT PRECEDING FINANCIAL YEAR END 30/6/01 RM'000
8 Share Capital	54,980	54,574
Reserves		
Share premium	5,997	4,895
Assets revaluation reserve	5,142	5,142
Capital reserve	478	478
Translation adjustment account	2,244	2,236
Unappropriated profit	87,417	45,318
	101,278	58,069
Shareholders' Funds	156,258	112,643
9 Minority Interests	2,493	2,615
10 Provision For Insurance Liabilities		
Reserve for unexpired risks	102,226	106,100
Life policyholders' fund	310,656	210,683
	412,882	316,783
	571,633	432,041
Net Tangible Assets per share (RM)	2.71	1.91

ALLIANZ GENERAL INSURANCE MALAYSIA BERHAD
(Formerly known as Malaysia British Assurance Berhad)
UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2002

CONSOLIDATED INCOME STATEMENT

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Year	Preceding Year	Current Year	Preceding Year
		Quarter	Corresponding	To-Date	Corresponding
			Quarter		Period
		30/06/02	30/06/01	30/06/02	30/06/01
		RM'000	RM'000	RM'000	RM'000
1 (a) *	Revenue	172,171	163,791	641,386	521,529
(b)	Investment income				
(c)	Other income	18,654	(7,346)	55,303	(32,521)
2 (a)	Profit/(Loss) before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items.	10,930	5,777	63,237	(13,196)
(b)	Finance Cost				
(c)	Depreciation and amortisation	(1,804)	(1,430)	(6,878)	(5,081)
(d)	Exceptional items	0	0	(5,499)	0
(e)	Profit/(Loss) before income tax, minority interests and extraordinary items	9,126	4,347	50,860	(18,277)
(f)	Share of profits and losses				
(g)	Profit/(Loss) before income tax, minority interests and extraordinary items after share of profit and losses of associated companies	9,126	4,347	50,860	(18,277)
(h)	Income tax	(4,823)	(4,414)	(8,882)	(4,603)

* Consists of Gross Premium and Investment Income.

ALLIANZ GENERAL INSURANCE MALAYSIA BERHAD
(Formerly known as Malaysia British Assurance Berhad)
UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2002

CONSOLIDATED INCOME STATEMENT

			INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
			Current Year	Preceding Year	Current Year	Preceding Year
			Quarter	Corresponding	To-Date	Corresponding
			30/06/02	Quarter	30/06/02	Period
			RM'000	30/06/01	RM'000	30/06/01
				RM'000		RM'000
2	(i)	Profit/(Loss) after income tax before deducting minority	4,303	(67)	41,978	(22,880)
	(ii)	Minority interests	178	38	121	191
(j)		Pre-acquisition profit/(Loss), if applicable				
(k)		Net Profit/(Loss) from ordinary activities attributable to members of the company	4,481	(29)	42,099	(22,689)
(l)	(i)	Extraordinary items				
	(ii)	Minority interest				
	(iii)	Extraordinary items attributable to members of the company				
(m)		Net Profit/(Loss) attributable to members of the company	4,481	(29)	42,099	(22,689)
3		Earnings per share based on 2(m) above after deducting any provision for preference dividends, if any				
	(a)	Basic				
		2001 53,837,561		(0.05)		(42.14)
		2002 54,956,311	8.15		76.60	
		(Based on ordinary shares in issue) (sen)				
	(b)	Fully diluted	*	*	*	*
4	(a)	Dividend per share (sen)				
	(b)	Dividend Description				
			As at end of		As at preceding	
			current quarter		financial year end	
5		Net tangible assets per share (RM)	2.71		1.91	

Remark :

* EPS Fully diluted - For the previous quarter ended 30/06/01, the diluted EPS is anti-dilutive whereas there is no dilutive effect for the quarter ended 30/06/02.

ALLIANZ GENERAL INSURANCE MALAYSIA BERHAD (12428-W)
(Formerly known as Malaysia British Assurance Berhad)
UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD FINANCIAL QUARTER ENDED 30 JUNE 2002

NOTES

1) Accounting Policies

The quarterly financial statements have been prepared using the same accounting policies and methods of computation as compared with the most recent annual financial statement. The Company also complied with the accounting standards that are applicable for the current financial year.

2) Exceptional Items

There was no exceptional item included in the financial statements for the current quarter. However, there was a provision of RM5.5 million for the financial period ended 30 June 2002 on the outstanding amount due from Lion Plaza Sdn Bhd. The outstanding amount was in respect of deposits paid towards a proposed development of an office block for the Company's headquarter. The proposed development was mutually terminated.

3) Extraordinary Items

There was no extraordinary item for the current quarter and financial year to date.

4) Taxation

The tax figures do not contain any deferred taxation or adjustment for under or over provision in respect of prior years.

The effective tax rate of the Group for the current quarter and financial period ended 30 June 2002 is lower than the statutory tax rate mainly due to unrealised gain on equities.

5) Profits/(Losses) on Sale of Unquoted Investments/Properties

There was no sale of unquoted investments and/or properties for the current quarter and financial year to date.

6) Purchase or Disposal of Quoted Securities

The Company is exempted from disclosing the particulars of its purchases or disposal of quoted securities by the Kuala Lumpur Stock Exchange ("KLSE").

7) Changes in Group Composition

There were no changes in the composition of the Group for the current quarter and financial year to date other than as mentioned below:-

- (a) The Company became a subsidiary of Allianz Aktiengesellschaft ("Allianz") on 4 September 2001 following the successfully completion of the voluntary take-over of Allianz on the shares of the Company.
- (b) MBA Insurance Limited, a wholly-owned subsidiary of the Company incorporated in Hong Kong had been officially dissolved on 30 November 2001.
- (c) Target Nominees (Tempatan) Sdn Bhd had been placed under members' voluntary winding-up pursuant to Section 254(1)(b) of the Companies Act, 1965.
- (d) The Company had on 14 March 2002, entered into a sale and purchase agreement with LKH Holdings Pte Ltd ("LKH") to dispose of the Company's entire 51% equity interest comprising 255,000 ordinary shares of S\$1.00 each fully paid in Target Insurance Brokers Pte Ltd, a company incorporated in Singapore, to LKH for a total cash consideration of S\$153,000.00 (equivalent to approximately RM322,830.00 based on the currency exchange of S\$1.00 : RM2.11) ("Proposed Disposal"). The Monetary Authority of Singapore however, had rejected the application for LKH to acquire from the Company, the 51% equity interest in Target Insurance Brokers Pte Ltd.

The Company is currently reviewing the Proposed Disposal.

8) Status of Corporate Proposals

The status of the Company's corporate proposals are as follows:-

A) Proposed Right Issue and Proposed Increase In Authorised Share Capital

Commerce International Merchant Bankers Berhad ("CIMB"), on behalf of the Company, had on 10 January 2002 announced that the Company proposed to implement the following proposals (the "Proposals") :-

- (a) a renounceable rights issue of up to 98,964,560 new ordinary shares of RM1.00 each held in the Company ("Rights share(s)") at an issue price to be determined later on the basis of nine (9) Rights Shares for every five (5) existing ordinary shares of RM1.00 each held in the Company ("Proposed Rights Issue"); and
- (b) an increase in the authorised share capital of the Company from RM100,000,000 comprising 100,000,000 ordinary shares to RM200,000,000 comprising 200,000,000 ordinary shares (Proposed Increase In Authorised Share Capital).

The Proposals are conditional upon approvals being obtained from the following ("conditions"):-

- (i) the Securities Commission ("SC") for the Proposed Rights Issue including the approval for the listing of and quotation for the Rights Shares on the Main Board of the KLSE;
- (ii) Bank Negara Malaysia ("BNM") or the Minister of Finance;
- (iii) the KLSE for the listing of and quotation for the Rights Shares on the Main Board of the KLSE;
- (iv) the shareholders of the Company at an Extraordinary General Meeting ("EGM") to be convened ; and
- (v) any other relevant authorities.

SC had vide its letter dated 3 May 2002, gave a conditional approval to the following (the detail of the conditions imposed by the SC are set out in the announcement released by CIMB on behalf of the Company to the KLSE on 10 May 2002) :-

- (a) the Proposed Rights Issue; and
- (b) the listing of and quotation for the Rights Shares arising from the Proposed Rights Issue on the Main Board of the KLSE.

The Board of Directors of the Company had agreed to accept the conditions imposed by the SC in its abovementioned letter.

BNM had vide its letter dated 6 March 2002, approved the following:-

- (a) the issuance, the circulation or the distribution of the prospectus in relation to the Proposed Rights Issue; and
- (b) the Proposed Increase In Authorised Share Capital.

On 19 July 2002, the company announced the revision of item (iii) of the conditions to “approval-in-principle from the KLSE for the listing of the Rights Shares on the Main Board of the KLSE”.

The shareholders of the Company had at the EGM held on 5 August 2002 approved the Proposed Rights Issue and the Proposed Increase In Authorised Share Capital.

On 8 August 2002, CIMB on behalf of the Co. announced that the issue price of the new ordinary shares to be issued pursuant to the Proposed Rights Issue was fixed at RM1.00 per Rights Share.

9) Issuance and Repayment of Debt and Equity Securities

There were no issuances and repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the financial period ended 30 June 2002 except for the issuance of 406,000 ordinary shares pursuant to the Executive Share Option Scheme.

10) Group Borrowing and Debt Securities

There were no group borrowings and debt securities as at 30 June 2002.

11) Contingent Liabilities, bank and other credit facilities

There were no contingent liabilities as at the date of this Report.

As of 30 June 2002, the bank guarantee and other credit facilities of the Group have been utilised up to about RM 189.55 million. The bank guarantees utilised are mainly in respect of the Company's performance bond business, which, as a matter of business practice, are substantially reinsured with international reinsurers.

12) Off Balance Sheet Financial Instruments

As at the date of this Report, there were no financial instruments with off balance sheet risk.

13) Material Litigation

Save as disclosed below, neither the Company nor its subsidiaries are engaged in any material litigation, claims and/or arbitration (other than litigation, claims and/or arbitration arising from the ordinary course of insurance business) either as plaintiff or defendant, which have a material effect on the financial position or the business of the Company or its subsidiaries and the Board of Directors of the Company does not have any knowledge of any proceedings, pending or threatened against the Company or its subsidiaries or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Company or its subsidiaries:-

- a) Pursuant to the unconditional mandatory general offer ("MGO") undertaken by Langkah Bahagia Sdn. Bhd. ("LBSB") in 1997 for the remaining 9,862,440 ordinary shares of RM1.00 each in International Bank Malaysia Bhd. (formerly known as Hock Hua Bank (Sabah) Berhad) ("IBMB") not already owned by LBSB at a cash offer price of RM17.92 per share, LBSB had rejected the Company's acceptance of the MGO in respect of 3,000,000 shares in IBMB owned by the Company ("Said Shares") on the grounds that the Company had failed to obtain prior written approval under Section 45 of the Banking and Financial Institutions Act, 1989 ("BAFIA") for the sale of the Said Shares ("BAFIA Approval").

The Company had been advised by its solicitors that it was under no legal obligation to obtain the BAFIA Approval and that there was a concluded contract ("Contract") between the Company and LBSB to acquire from the Company the Said Shares for a total cash consideration of RM53,760,000.

The Company filed an action (O.S.No. D2-24-377-1997) at the Kuala Lumpur High Court ("Court Proceedings") on 16 December 1997 in which it sought, inter-alia, declarations that the acceptance by the Company of the MGO was a valid and enforceable contract and that the purported rejection by LBSB of the Company's acceptance of the MGO was invalid and of no effect.

On 29 September 2000, the Company announced that the Company had entered into a conditional sale and purchase agreement with Multi-Purpose Bank Berhad ("MPBB") and Malaysian Plantations Berhad ("MPlant") for the disposal of the Company's entire equity interest in IBMB comprising 10,500,000 ordinary shares of RM1.00 each fully paid in IBMB to MPBB for a consideration of RM28,014,724 ("Disposal").

In view of the Disposal, LBSB has agreed and a court order has been obtained for the postponement of the Court Proceedings and for the Company to amend the pleadings in respect of the Court Proceedings to include a prayer for damages in addition to or in lieu of specific performance of the said Contract by LBSB, which was obtained on 23 October 2000 and 9 October 2000 respectively.

On 11 January 2001, the Company announced that the Disposal was deemed completed on 9 January 2001 by a notice given by MPlant to the Company. The 14,744,592 ordinary shares of RM1.00 each in MPlant issued to the Company in satisfaction of the consideration for the Disposal were listed on the Kuala Lumpur Stock Exchange on 10 January 2001.

As a result of the completion of the Disposal, the Company will now be claiming for damages against LBSB. The Court Proceedings is part-heard and fixed for continued hearing on 17 October 2002.

The Directors of the Company are presently working closely with the solicitors engaged in relation to the matter and have been advised by the solicitors that it is premature to predict the probable outcome of the case.

- b) A dispute has arisen between the Company and one of its reinsurers ("Reinsurer") in relation to certain representations made by an ex-facultative underwriter ("Underwriter") of the Reinsurer pertaining to certain risks ("Relevant Risks") which the Company had sought to reinsure.

The Reinsurer has purported to repudiate the acceptance of certain portions of the Relevant Risks, claiming that certain representations of the Underwriter had been made without their authority. A claim has been made in respect of one of the Relevant Risks, thereby exposing the Company to a liability in excess of its customary net retention. The Company has since entered into an agreement with the Reinsurer regarding the liability arising from the claim and following such agreement, the Company's exposure to liability under the claim is estimated to be approximately RM570,000. The Company has since made a full provision of RM570,000 in its accounts arising from its exposure to liability under the claim.

Further the Company had, in accordance with its normal operational procedures and practices, made various payments through reinsurance brokers to the Reinsurer in respect of reinsurance premium for the Relevant Risks ("Relevant Premiums"). It appears that a sum of RM2,704,305.98 from the Relevant Premiums had been paid by a reinsurance broker into a suspected false account.

The Company has, through its solicitors ("Solicitors"), issued a letter of demand to the reinsurance broker, i.e. Minories Insurance Brokers (L) Ltd (formerly known as FIF International (L) Ltd ("Minories")) on 5 February 2002 for the refund of the sum of RM2,704,305.98 ("Amount"). As at 12 March 2002, Minories had failed to refund the Amount to the Company. Accordingly, the Company decided to immediately institute legal proceedings ("Legal Proceedings") against Minories. On 13 March 2002, the Solicitors filed on behalf of the Company a Writ of Summons against Minories in the High Court claiming from Minories, inter-alia:

- (a) the refund of the Amount;
- (b) interest at the rate of 8 per cent per annum on the Amount from the date of the Summons to the date of full and final settlement; and
- (c) costs.

The Company has been advised by the Solicitors that based on the current available facts, it has a good case for recovery of the Amount.

A further sum of RM2,202,474.61 constituting the remainder of the Relevant Premiums was negligently, wrongfully and without authority of the relevant reinsurance brokers namely, Anika Insurance Brokers Sdn Bhd (“Anika”) and Pacific World Global Limited (“Pacific”), credited by Public Bank Berhad (“PBB”) into the suspected false account contrary to the express instructions by the relevant reinsurance brokers as stated on the face of the relevant cheques.

Letters of demand had been issued to PBB by the Solicitors on 20 February 2002 whereby the Solicitors demanded from PBB for the refund of the remainder of the Relevant Premiums. As at 11 June 2002, PBB had failed to refund the remainder of the Relevant Premiums. Accordingly, on 12 June 2002, Pacific, Anika and the Company decided to institute legal proceedings against PBB by filing the following Writs of Summons against PBB:

- (a) Writ of Summons against PBB on behalf of Pacific and the Company in the High Court at Kuala Lumpur claiming, inter-alia, from PBB:
 - (i) the refund of the sum of RM514,590.97;
 - (ii) interest at the rate of 8 per cent per annum on the sum of RM514,590.97 from the date of the Summons to the date of full and final settlement; and
 - (iii) costs.
- (b) Writ of Summons against PBB on behalf of Anika and the Company in the High Court at Kuala Lumpur claiming, inter-alia, from PBB:
 - (i) the refund of the sum of RM1,687,883.64;
 - (ii) interest at the rate of 8 per cent per annum on the sum of RM1,687,883.64 from the date of the Summons to the date of full and final settlement; and
 - (iii) costs.

The Company has been advised by the Solicitors that based on the current available facts, there is a strong likelihood of success for recovery of the remainder of the Relevant Premiums.

14) Segmental Reporting

The segmental reporting for the Group for the year to date was as follows:-

	Net Operating Revenue RM'000	Profit/(Loss) Before Taxation RM'000	Assets Employed RM'000
General insurance business	236,106	48,316	739,520
Life insurance business	168,893	3,263	363,118
Others	895	(45)	4,319
	405,894	51,534	1,106,957
Consolidation adjustments	-	(674)	(57,581)
	405,894	50,860	1,049,376

The Group operates predominantly in Malaysia and, accordingly, the Directors are of the opinion that financial information by geographical segments of the Group's operations is not necessary to be presented.

15) Material Changes in Profit Before Taxation

The Group recorded a profit before taxation of RM 9.1 million for the fourth quarter ended 30 June 2002 compared to a profit of RM 19.0 million in the immediate preceding quarter. The decrease was mainly due to a provision for diminution in value of quoted share of RM6.0 million for quarter ended 30 June 2002 as compared to RM14.6 million write back in the previous quarter.

16) Review of Results

The Group's revenue increased by 5% or RM 8.4 million to RM 172.2 million compared to the same quarter last year. The revenue for the twelve months period increased by 23% or RM119.9 million to RM641.4 million compared to the same period last year. The improved revenue was contributed from the continuing growth in the industrial and personal lines business of the non-life insurance business. Meanwhile the revenue of its

wholly-owned subsidiary, Allianz Life Insurance Malaysia Berhad (formerly known as MBA Life Assurance Berhad) also recorded a growth of 52% from RM114.7 million to RM174.1 million.

The significant growth in the revenue of the life subsidiary came mainly from the launching of a saving and protection plan. New business sales from Alternative Distribution and Corporate Business also contributed significantly to the growth.

The Group recorded a profit before tax of RM 9.1 million compared to a profit of RM 4.3 million in the same quarter last year. For the twelve months to 30 June 2002, the Group recorded a profit before tax of RM50.9 million as compared to a loss of RM18.3 million last year. Besides better returns from equity investments in tandem with the improved performance of the KLSE, the improved results was also due to better underwriting profit of the non-life business.

The profit for the fourth quarter excludes any surplus to be transferred from the Life Fund to the Shareholder's Fund. The surplus from the Life Fund will be determined at the end of financial period after the statutory valuation of the Life Fund's actuarial liabilities has been carried out by the actuary.

17) Subsequent Material Events

As at the date of this Report, KLSE has not reverted with its decision on the Company's application for an extension of time of up to 31 December 2003 to comply with Paragraphs 8.15 (1) and 3.05 (1) of the KLSE Listing Requirements, the lifting of suspension of trading in the shares of the Company and trading of the rights entitlements pursuant to the Proposed Rights Issue.

18) Seasonal or Cyclical Factors

The Company's principal business operations are not significantly affected by seasonal and cyclical factors.

19) Prospects

The Malaysian economy has shown signs of recovery and is projected to grow by 3.5% in 2002. The insurance industry and the Group is expected to benefit from the recovery of the economy.

Barring any unforeseen circumstances, the Directors are confident the results for the current financial period to be satisfactory.

20) Variance of Actual Profit from Profit Forecast or Profit Guarantee

Not applicable

21) Dividend

The Directors do not recommend the payment of any dividend for the financial quarter ended 30 June 2002.

By Order of the Board

Ng Siew Gek
Liew Lai Ling
Secretaries

Kuala Lumpur
22 August 2002