

**MANULIFE HOLDINGS BERHAD (24851-H)**  
**Interim financial statements for the financial year ended 31 December 2018**

**Unaudited Condensed Consolidated Statement of Financial Position**

	<b>As at 31.12.2018 RM'000</b>	<b>As at 31.12.2017 RM'000</b>
<b>Assets</b>		
Property and equipment	41,072	42,107
Investment property	82,709	82,600
Intangible assets	110,040	115,213
Available-for-sale financial assets	3,089,541	3,090,586
Financial assets at fair value through profit or loss	1,561,729	1,536,831
Loans and receivables	479,200	586,605
Reinsurance assets	10,068	6,412
Insurance receivables	24,344	23,971
Current tax assets	5,258	686
Cash and cash equivalents (Note 28)	130,893	148,973
<b>Total Assets</b>	<b>5,534,854</b>	<b>5,633,984</b>
<b>Equity, Policyholders' Fund and Liabilities</b>		
Share capital	103,069	103,069
Retained earnings	704,924	694,863
Other reserves	11,788	16,197
<b>Equity attributable to the owners of the Company</b>	<b>819,781</b>	<b>814,129</b>
Non-controlling interests	2,090	1,195
<b>Total Equity</b>	<b>821,871</b>	<b>815,324</b>
Insurance contract liabilities (Note 27)	3,873,195	3,948,122
Insurance claims liabilities	55,014	56,489
Financial liabilities at fair value through profit or loss	116	-
Deferred tax liabilities	16,802	36,540
Insurance payables	559,159	526,936
Current tax liabilities	178	2,456
Other payables	208,519	248,117
<b>Total Liabilities</b>	<b>4,712,983</b>	<b>4,818,660</b>
<b>Total Equity, Policyholders' Fund and Liabilities</b>	<b>5,534,854</b>	<b>5,633,984</b>
<b>Net Assets Per Share (RM)</b>	<b>4.05</b>	<b>4.02</b>

The accompanying notes form an integrated part of these interim financial statements.

**MANULIFE HOLDINGS BERHAD (24851-H)**  
**Interim financial statements for the financial year ended 31 December 2018**

**Unaudited Condensed Consolidated Statement of Profit or Loss**

	3 months ended		Cumulative 12 months ended	
	<u>31.12.2018</u>	<u>31.12.2017</u>	<u>31.12.2018</u>	<u>31.12.2017</u>
	RM'000	RM'000	RM'000	RM'000
Premium income				
Gross premiums	251,537	275,406	913,371	896,375
Premiums ceded to reinsurers	(14,402)	(11,223)	(47,965)	(38,895)
Net premiums ( <i>Note 21</i> )	237,135	264,183	865,406	857,480
Investment income ( <i>Note 22</i> )	50,174	49,979	197,088	187,287
Net realised (loss)/ gains	(8,958)	20,731	37,746	50,147
Net fair value (losses)/gains	(117,234)	39,857	(211,977)	159,291
Fee income	22,703	26,185	106,734	96,105
Other operating income	1,097	423	2,849	2,193
<b>Total revenue</b>	<u>184,917</u>	<u>401,358</u>	<u>997,846</u>	<u>1,352,503</u>
Gross benefits and claims paid	(181,782)	(167,772)	(671,041)	(647,404)
Claims ceded to reinsurers	5,550	5,186	13,790	13,252
Gross change in contract liabilities	66,411	(114,001)	(2,863)	(294,323)
Change in insurance contract liabilities ceded to reinsurers	526	171	1,578	(3,213)
<b>Net claims</b>	<u>(109,295)</u>	<u>(276,416)</u>	<u>(658,536)</u>	<u>(931,688)</u>
Fee and commission expenses	(26,492)	(33,825)	(120,842)	(120,601)
Investment expenses	(1,049)	(936)	(4,058)	(4,404)
Management expenses	(44,943)	(49,710)	(178,878)	(172,962)
Other operating income/(expenses) ( <i>Note 23</i> )	5,799	(29,511)	2,695	(81,289)
<b>Other expenses</b>	<u>(66,685)</u>	<u>(113,982)</u>	<u>(301,083)</u>	<u>(379,256)</u>
<b>Profit before taxation</b> ( <i>Note 24</i> )	8,937	10,960	38,227	41,559
Taxation ( <i>Note 25</i> )	(2,029)	(4,305)	(11,915)	(13,506)
<b>Net profit for the financial year</b>	<u>6,908</u>	<u>6,655</u>	<u>26,312</u>	<u>28,053</u>
<b>Net profit attributable to:</b>				
Owners of the Company	6,890	6,644	26,251	28,018
Non-controlling interests	18	11	61	35
	<u>6,908</u>	<u>6,655</u>	<u>26,312</u>	<u>28,053</u>
Basic and diluted earnings per share (sen) ( <i>Note 26</i> )	<u>3.40</u>	<u>3.28</u>	<u>12.97</u>	<u>13.84</u>

The accompanying notes form an integrated part of these interim financial statements.

**MANULIFE HOLDINGS BERHAD (24851-H)**  
**Interim financial statements for the financial year ended 31 December 2018**

**Unaudited Condensed Consolidated Statement of Total Comprehensive Income**

	3 months ended		Cumulative 12 months ended	
	<u>31.12.2018</u> RM'000	<u>31.12.2017</u> RM'000	<u>31.12.2018</u> RM'000	<u>31.12.2017</u> RM'000
<b>Net profit for the financial year</b>	6,908	6,655	26,312	28,053
<b>Other comprehensive (loss)/income, net of tax:</b>				
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:-				
Net (loss)/gain on foreign currency translation	(108)	(486)	24	(786)
Fair value change of available-for-sale financial assets:				
- Gross fair value change	(44,172)	(991)	(89,388)	77,276
- Deferred tax	3,384	214	6,730	(6,330)
	(40,788)	(777)	(82,658)	70,946
Changes in insurance contract liabilities arising from unrealised net fair value change	35,102	(650)	77,975	(62,024)
Net (loss)/income	(5,686)	(1,427)	(4,683)	8,922
<b>Net other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods</b>	(5,794)	(1,913)	(4,659)	8,136
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:-				
Surplus from revaluation of property:				
- Gross surplus from revaluation	419	834	419	834
	419	834	419	834
- Changes in insurance contract liabilities arising from revaluation of property	(169)	(364)	(169)	(364)
- Net gains	250	470	250	470
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>	250	470	250	470
<b>Other comprehensive (loss)/income for the financial year, net of tax</b>	(5,544)	(1,443)	(4,409)	8,606
<b>Total comprehensive income for the financial year</b>	1,364	5,212	21,903	36,659
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	1,346	5,201	21,842	36,624
Non-controlling interests	18	11	61	35
	1,364	5,212	21,903	36,659

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**MANULIFE HOLDINGS BERHAD (24851-H)**  
**Interim financial statements for the financial year ended 31 December 2018**

**Unaudited Condensed Consolidated Statement of Changes in Equity**

	Attributable to owners of the Company						Total RM'000	Non- controlling interests RM'000	Total RM'000
	← Non - distributable			→ Distributable					
	Share capital RM'000	Share premium RM'000	Asset revaluation reserve RM'000	Currency translation reserve RM'000	Fair value reserve RM'000	Retained earnings* RM'000			
<b>At 1 January 2018</b>	103,069	-	5,548	(786)	11,435	694,863	814,129	1,195	815,324
Changes in ownership interest in a unit trust fund managed by a subsidiary	-	-	-	-	-	-	-	834	834
Net profit for the financial year	-	-	-	-	-	26,251	26,251	61	26,312
Other comprehensive income for the financial year	-	-	250	24	(4,683)	-	(4,409)	-	(4,409)
Total comprehensive income for the financial year	-	-	250	24	(4,683)	26,251	21,842	61	21,903
Final dividend for the financial year ended 31 December 2017	-	-	-	-	-	(16,190)	(16,190)	-	(16,190)
<b>At 31 December 2018</b>	<u>103,069</u>	<u>-</u>	<u>5,798</u>	<u>(762)</u>	<u>6,752</u>	<u>704,924</u>	<u>819,781</u>	<u>2,090</u>	<u>821,871</u>
<b>At 1 January 2017</b>	101,185	1,884	5,078	-	2,513	688,094	798,754	365	799,119
Transition to no-par value regime **	1,884	(1,884)	-	-	-	-	-	-	-
Changes in ownership interest in a unit trust fund managed by a subsidiary	-	-	-	-	-	-	-	795	795
Net profit for the financial year	-	-	-	-	-	28,018	28,018	35	28,053
Other comprehensive income/(loss) for the financial year	-	-	470	(786)	8,922	-	8,606	-	8,606
Total comprehensive (loss)/income for the financial year	-	-	470	(786)	8,922	28,018	36,624	35	36,659
Final dividend for the financial year ended 31 December 2016	-	-	-	-	-	(21,249)	(21,249)	-	(21,249)
<b>At 31 December 2017</b>	<u>103,069</u>	<u>-</u>	<u>5,548</u>	<u>(786)</u>	<u>11,435</u>	<u>694,863</u>	<u>814,129</u>	<u>1,195</u>	<u>815,324</u>

\* Included in the retained earnings are surplus from Non-participating life fund of the insurance subsidiary of the Group (net of deferred tax) of approximately RM 69,495,000 (31 December 2017: RM68,988,000). These amounts are only distributable upon the actual recommended transfer from the Non-participating life fund to the Shareholder's fund of the insurance subsidiary of the Group by the Appointed Actuary.

\*\* Pursuant to Section 618(2) of the Companies Act, 2016, any amount standing to the credit of the share premium account shall become part of share capital.

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**MANULIFE HOLDINGS BERHAD (24851-H)**  
**Interim financial statements for the financial year ended 31 December 2018**

**Unaudited Condensed Consolidated Statement of Cash Flows**

	<b>12 months ended 31.12.2018 RM'000</b>	<b>12 months ended 31.12.2017 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit for the financial year	26,312	28,053
Adjustments for non-cash items	(9,661)	(294,205)
Operating profit/(loss) before changes in operating assets and liabilities	<u>16,651</u>	<u>(266,152)</u>
Purchase of investments	(1,936,830)	(1,430,212)
Proceeds from disposal and maturity of investments	1,746,600	1,222,192
Interest income received	133,939	125,292
Dividend income received	57,112	52,574
Rental income received	6,091	6,965
(Increase)/decrease in insurance receivables	(375)	4,811
(Increase)/decrease in reinsurance assets	(3,656)	2,199
Decrease/(increase) in fixed and call deposits	104,976	(125,352)
Decrease in loan receivables	9,383	10,190
Increase in other receivables	(7,085)	(17,741)
Increase in insurance contract liabilities	2,879	294,323
(Decrease)/increase in insurance claims liabilities	(1,475)	725
(Decrease)/increase in payables	(6,562)	140,425
Cash generated from operations	<u>121,648</u>	<u>20,239</u>
Income taxes paid	(32,255)	(34,061)
Net cash inflow/(outflow) from operating activities	<u>89,393</u>	<u>(13,822)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(1,428)	(1,908)
Purchase of intangible assets	(1,371)	(1,368)
Purchase of investments	(209,483)	(98,173)
Proceeds from disposal and maturity of investments	119,851	147,944
Proceeds from disposal of property and equipment	314	1
Acquisition of subsidiary, balance of cash consideration	-	(1,446)
Net cash (outflow)/inflow from investing activities	<u>(92,117)</u>	<u>45,050</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid to shareholders	(16,190)	(21,249)
Changes in Non-controlling interests	834	795
Net cash outflow from financing activities	<u>(15,356)</u>	<u>(20,454)</u>
Net (decrease)/increase during the financial year	(18,080)	10,774
Cash and cash equivalents at 1 January	148,973	138,199
Cash and cash equivalents at 31 December <i>(Note 28)</i>	<u>130,893</u>	<u>148,973</u>

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the unaudited condensed consolidated statement of cash flows comprise the following:

	<b>As at 31.12.2018 RM'000</b>	<b>As at 31.12.2017 RM'000</b>
Cash and bank balances	105,971	130,643
Short-term deposits	24,922	18,330
Cash and cash equivalents	<u>130,893</u>	<u>148,973</u>

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