

MANULIFE HOLDINGS BERHAD (197501003360 (24851-H))
Interim financial statements for the six month period ended 30 June 2021

Unaudited Condensed Consolidated Statement of Financial Position

| | As at 30.06.2021 RM'000 | As at 31.12.2020 RM'000 |
|--|--|--|
| Assets | | |
| Property and equipment | 42,487 | 43,548 |
| Investment property | 77,974 | 77,974 |
| Intangible assets | 131,736 | 135,389 |
| Available-for-sale financial assets | 3,213,401 | 3,485,271 |
| Financial assets at fair value through profit or loss | 2,140,592 | 2,008,611 |
| Loans and receivables | 674,053 | 506,749 |
| Reinsurance assets | 19,892 | 12,472 |
| Insurance receivables | 9,228 | 16,877 |
| Right-of-use assets | 2,109 | 3,027 |
| Deferred tax assets | 108 | 108 |
| Current tax assets (Note 28) | 23,141 | 24,278 |
| Cash and cash equivalents (Note 29) | 220,277 | 189,492 |
| Total Assets | 6,554,998 | 6,503,796 |
| Equity, Policyholders' Fund and Liabilities | | |
| Share capital | 111,974 | 111,974 |
| Retained earnings | 774,123 | 741,519 |
| Other reserves | 24,999 | 53,784 |
| Equity attributable to the owners of the Company | 911,096 | 907,277 |
| Non-controlling interests | - | 78 |
| Total Equity | 911,096 | 907,355 |
| Insurance contract liabilities (Note 27) | 4,510,312 | 4,538,054 |
| Insurance claims liabilities | 72,090 | 56,474 |
| Financial liability at fair value through profit or loss | 372 | 21 |
| Deferred tax liabilities | 43,467 | 56,538 |
| Reinsurance liabilities | 3,501 | 4,257 |
| Insurance payables | 712,245 | 672,721 |
| Lease liabilities | 2,256 | 3,136 |
| Current tax liabilities (Note 28) | 23,303 | 22,360 |
| Other payables | 276,356 | 242,880 |
| Total Liabilities | 5,643,902 | 5,596,441 |
| Total Equity, Policyholders' Fund and Liabilities | 6,554,998 | 6,503,796 |
| Net Assets Per Share (RM) | 4.40 | 4.38 |

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

MANULIFE HOLDINGS BERHAD ((197501003360 (24851-H))
Interim financial statements for the six month period ended 30 June 2021

Unaudited Condensed Consolidated Statement of Profit or Loss

| | 3 months ended | | Cumulative 6 months ended | |
|--|-----------------------------|-----------------------------|------------------------------|-----------------------------|
| | <u>30.06.2021</u> RM'000 | <u>30.06.2020</u> RM'000 | <u>30.06.2021</u> RM'000 | <u>30.06.2020</u> RM'000 |
| Premium income | | | | |
| Gross premiums | 262,306 | 218,365 | 511,167 | 507,583 |
| Premiums ceded to reinsurers | (24,098) | (22,741) | (48,642) | (44,871) |
| Net premiums (<i>Note 21</i>) | <u>238,208</u> | <u>195,624</u> | <u>462,525</u> | <u>462,712</u> |
| Investment income (<i>Note 22</i>) | 46,265 | 43,387 | 102,806 | 94,050 |
| Net realised gains/(losses) | 56,433 | (5,216) | 100,793 | (36,939) |
| Net fair value gains/(losses) | 2,196 | 163,144 | (5,622) | (131,561) |
| Fee income | 33,552 | 23,774 | 72,342 | 51,884 |
| Other operating income | 993 | 1,081 | 1,935 | 2,027 |
| Total revenue | <u>377,647</u> | <u>421,794</u> | <u>734,779</u> | <u>442,173</u> |
| Gross benefits and claims paid | (189,335) | (169,435) | (400,713) | (392,887) |
| Claims ceded to reinsurers | 10,942 | 5,766 | 18,629 | 14,521 |
| Gross change in insurance contract liabilities | (77,499) | (181,527) | (103,584) | 67,762 |
| Change in insurance contract liabilities ceded to reinsurers | 1,619 | 12,270 | 2,945 | 14,681 |
| Net claims | <u>(254,273)</u> | <u>(332,926)</u> | <u>(482,723)</u> | <u>(295,923)</u> |
| Fee and commission expenses | (40,084) | (21,826) | (81,992) | (51,818) |
| Investment expenses | (1,319) | (978) | (2,418) | (2,425) |
| Management expenses | (49,541) | (46,023) | (101,581) | (97,578) |
| Other operating (expenses)/income (<i>Note 23</i>) | (8,109) | (18,613) | (9,496) | 20,500 |
| Other expenses | <u>(99,053)</u> | <u>(87,440)</u> | <u>(195,487)</u> | <u>(131,321)</u> |
| Profit before taxation (<i>Note 24</i>) | 24,321 | 1,428 | 56,569 | 14,929 |
| Taxation (<i>Note 25</i>) | (3,430) | (2,528) | (9,382) | (6,186) |
| Net profit/(loss) for the financial period | <u>20,891</u> | <u>(1,100)</u> | <u>47,187</u> | <u>8,743</u> |
| Net profit/(loss) attributable to: | | | | |
| Owners of the Company | 20,891 | (1,103) | 47,187 | 8,732 |
| Non-controlling interests | - | 3 | - | 11 |
| | <u>20,891</u> | <u>(1,100)</u> | <u>47,187</u> | <u>8,743</u> |
| Basic and diluted earnings/(loss) per share (sen) (<i>Note 26</i>) | <u>10.10</u> | <u>(0.55)</u> | <u>22.80</u> | <u>4.31</u> |

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

MANULIFE HOLDINGS BERHAD (197501003360 (24851-H))
Interim financial statements for the six month period ended 30 June 2021

Unaudited Condensed Consolidated Statement of Total Comprehensive Income

| | 3 months ended | | Cumulative 6 months ended | |
|---|-----------------------------|-----------------------------|------------------------------|-----------------------------|
| | <u>30.06.2021</u> RM'000 | <u>30.06.2020</u> RM'000 | <u>30.06.2021</u> RM'000 | <u>30.06.2020</u> RM'000 |
| Net profit/(loss) for the financial period | 20,891 | (1,100) | 47,187 | 8,743 |
| Other comprehensive (loss)/income, net of tax: | | | | |
| Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:- | | | | |
| Net gain/(loss) on foreign currency translation | 95 | (107) | 470 | 1,515 |
| Fair value change of available-for-sale financial assets: | | | | |
| - Gross fair value change | (31,626) | 183,389 | (178,814) | 101,158 |
| - Deferred tax | 3,398 | (13,887) | 12,102 | (7,370) |
| | (28,228) | 169,502 | (166,712) | 93,788 |
| Changes in insurance contract liabilities arising from unrealised net fair value change | 21,442 | (138,465) | 137,457 | (75,085) |
| Net (loss)/income | (6,786) | 31,037 | (29,255) | 18,703 |
| Net other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods | (6,691) | 30,930 | (28,785) | 20,218 |
| Other comprehensive (loss)/income for the financial period | (6,691) | 30,930 | (28,785) | 20,218 |
| Total comprehensive income for the financial period | <u>14,200</u> | <u>29,830</u> | <u>18,402</u> | <u>28,961</u> |
| Total comprehensive income attributable to: | | | | |
| Owners of the Company | 14,200 | 29,827 | 18,402 | 28,950 |
| Non-controlling interests | - | 3 | - | 11 |
| | <u>14,200</u> | <u>29,830</u> | <u>18,402</u> | <u>28,961</u> |

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MANULIFE HOLDINGS BERHAD (197501003360 (24851-H))
Interim financial statements for the six month period ended 30 June 2021

Unaudited Condensed Consolidated Statement of Changes in Equity

| | Attributable to owners of the Company | | | | | Non-controlling interests RM'000 | Total RM'000 |
|--|---------------------------------------|-------------------------------------|--|------------------------------|------------------------------|-------------------------------------|-----------------|
| | Non - distributable | | Distributable | | | | |
| | Share capital RM'000 | Asset revaluation reserve RM'000 | Currency translation reserve RM'000 | Fair value reserve RM'000 | Retained earnings* RM'000 | | |
| At 1 January 2021 | 111,974 | 6,897 | (324) | 47,211 | 741,519 | 78 | 907,355 |
| Changes in ownership interest in a unit trust fund managed by a subsidiary | - | - | - | - | (94) | (78) | (172) |
| Net profit for the financial period | - | - | - | - | 47,187 | - | 47,187 |
| Other comprehensive income/(loss) for the financial period | - | - | 470 | (29,255) | - | - | (28,785) |
| Total comprehensive income/(loss) for the financial period | - | - | 470 | (29,255) | 47,187 | - | 18,402 |
| Final dividend for the financial year ended 31 December 2020 | - | - | - | - | (14,489) | - | (14,489) |
| At 30 June 2021 | <u>111,974</u> | <u>6,897</u> | <u>146</u> | <u>17,956</u> | <u>774,123</u> | <u>-</u> | <u>911,096</u> |
| At 1 January 2020 | 103,069 | 6,202 | (1,251) | 12,473 | 716,874 | 256 | 837,623 |
| Changes in ownership interest in a unit trust fund managed by a subsidiary | - | - | - | - | - | 772 | 772 |
| Net profit for the financial period | - | - | - | - | 8,732 | 11 | 8,743 |
| Other comprehensive income for the financial period | - | - | 1,515 | 18,703 | - | - | 20,218 |
| Total comprehensive income for the financial period | - | - | 1,515 | 18,703 | 8,732 | 11 | 28,961 |
| Final dividend for the financial year ended 31 December 2019 | - | - | - | - | (14,165) | - | (14,165) |
| At 30 June 2020 | <u>103,069</u> | <u>6,202</u> | <u>264</u> | <u>31,176</u> | <u>711,441</u> | <u>1,039</u> | <u>853,191</u> |

* Included in the retained earnings are surplus from Non-participating life fund of the insurance subsidiaries of the Group (net of deferred tax) of approximately RM 120,799,000 (1 January 2021: RM 89,831,000 / 30 June 2020: RM 106,997,000 / 1 January 2020: RM 68,835,000). 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.

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

MANULIFE HOLDINGS BERHAD (197501003360 (24851-H))
Interim financial statements for the six month period ended 30 June 2021

Unaudited Condensed Consolidated Statement of Cash Flows

| | 6 months ended 30.06.2021 RM'000 | 6 months ended 30.06.2020 RM'000 |
|--|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net profit for the financial period | 47,187 | 8,743 |
| Adjustments for non-cash items | (176,661) | 62,734 |
| Operating (loss)/profit before changes in operating assets and liabilities | <u>(129,474)</u> | <u>71,477</u> |
| Purchase of investments | (1,432,406) | (1,499,709) |
| Proceeds from disposal and maturity of investments | 1,497,797 | 1,408,094 |
| Interest income received | 70,849 | 71,081 |
| Dividend income received | 32,919 | 23,653 |
| Rental income received | 1,760 | 1,669 |
| Decrease in insurance receivables | 7,649 | 10,993 |
| Increase in reinsurance assets | (8,176) | (13,774) |
| Increase in fixed and call deposits | (153,616) | (35,274) |
| (Increase)/decrease in loan receivables | (10,009) | 1,070 |
| Increase in other receivables | (4,915) | (29,279) |
| Increase/(decrease) in insurance contract liabilities | 109,715 | (61,373) |
| Increase in insurance claims liabilities | 15,616 | 9,478 |
| Increase in payables | 55,105 | 65,284 |
| Cash generated from operations | <u>52,814</u> | <u>23,390</u> |
| Interest paid | (45) | (58) |
| Income taxes paid | (20,556) | (10,829) |
| Net cash inflow from operating activities | <u>32,213</u> | <u>12,503</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property and equipment | (675) | (4,399) |
| Purchase of intangible assets | (438) | (8,516) |
| Purchase of investments | (11,014) | (12,543) |
| Proceeds from disposal and maturity of investments | 11,660 | 10,711 |
| Net cash outflow from investing activities | <u>(467)</u> | <u>(14,747)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Payment of lease liabilities | (789) | (873) |
| Changes in non-controlling interests | (172) | 772 |
| Net cash outflow from financing activities | <u>(961)</u> | <u>(101)</u> |
| Net increase/(decrease) during the financial period | 30,785 | (2,345) |
| Cash and cash equivalents at 1 January | 189,492 | 207,145 |
| Cash and cash equivalents at 30 June (Note 29) | <u>220,277</u> | <u>204,800</u> |

CASH AND CASH EQUIVALENTS

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

| | As at 30.06.2021 RM'000 | As at 30.06.2020 RM'000 |
|---------------------------|--|--|
| Cash and bank balances | 215,895 | 188,220 |
| Short-term deposits | 4,382 | 16,580 |
| Cash and cash equivalents | <u>220,277</u> | <u>204,800</u> |

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