

**LPI CAPITAL BHD**
**Condensed Consolidated Statement of Profit or Loss for the Quarter Ended 30 June 2020 - Unaudited**

	Individual Period		Cumulative Period	
	Current Year Quarter Ended <b>30.06.2020</b> RM'000	Preceding Year Corresponding Quarter Ended <b>30.06.2019</b> RM'000	Current Year To Date Ended <b>30.06.2020</b> RM'000	Preceding Year Corresponding Period Ended <b>30.06.2019</b> RM'000
<b>Operating revenue</b>	399,545	386,902	803,453	779,604
Gross written premiums	340,907	366,627	826,902	827,514
Change in unearned premiums provision	40,699	1,347	(77,757)	(101,316)
Gross earned premiums	381,606	367,974	749,145	726,198
Gross written premiums ceded to reinsurers	(116,361)	(117,924)	(307,807)	(297,476)
Change in unearned premiums provision	(13,808)	1,955	47,209	58,918
Premiums ceded to reinsurers	(130,169)	(115,969)	(260,598)	(238,558)
<b>Net earned premiums</b>	251,437	252,005	488,547	487,640
Investment income	17,939	18,928	54,308	53,406
Realised gains	1	2	1	2
Fair value gains	11,481	1,020	4,666	1,753
Commission income	26,356	25,074	63,530	53,595
Net reversal of impairment loss on insurance receivables	-	918	-	-
Net reversal of impairment loss on investments carried at amortised cost	-	3	-	6
Other operating income	741	1,722	2,187	3,404
<b>Other income</b>	56,518	47,667	124,692	112,166
Gross claims paid	(96,328)	(152,343)	(236,149)	(274,773)
Claims ceded to reinsurers	29,322	55,254	72,092	84,239
Gross change in claims liabilities	(59,328)	52,264	(53,196)	23,833
Change in claims liabilities ceded to reinsurers	11,713	(68,416)	(7,065)	(58,317)
<b>Net claims incurred</b>	(114,621)	(113,241)	(224,318)	(225,018)
Fair value losses	-	(16)	(1,138)	(16)
Commission expense	(42,471)	(43,025)	(85,993)	(83,858)
Management expenses	(50,052)	(50,974)	(103,216)	(101,027)
Net impairment loss on insurance receivables	(596)	-	(1,464)	(2,597)
Net impairment loss on investments carried at amortised cost	-	-	(1)	-
<b>Other expenses</b>	(93,119)	(94,015)	(191,812)	(187,498)
<b>Operating profit</b>	100,215	92,416	197,109	187,290
Finance cost	(465)	(244)	(936)	(434)
Share of profit after tax of equity accounted associated company	547	453	2,040	1,213
<b>Profit before tax</b>	100,297	92,625	198,213	188,069
Tax expense	(22,896)	(21,843)	(42,895)	(40,129)
<b>Profit for the period</b>	77,401	70,782	155,318	147,940
<b>Profit attributable to:</b>				
Owners of the Company	77,401	70,782	155,318	147,940
Earnings per ordinary share (sen)				
- Basic	19.43	17.77	38.99	37.14
- Diluted	N/A	N/A	N/A	N/A

N/A - *Not Applicable.*

**Note :** The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019.

**LPI CAPITAL BHD**

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Quarter Ended 30 June 2020 - Unaudited**

	Individual Period		Cumulative Period	
	Current Year Quarter Ended <u>30.06.2020</u> RM'000	Preceding Year Corresponding Quarter Ended <u>30.06.2019</u> RM'000	Current Year To Date Ended <u>30.06.2020</u> RM'000	Preceding Year Corresponding Period Ended <u>30.06.2019</u> RM'000
<b>Profit for the period</b>	77,401	70,782	155,318	147,940
<b>Other comprehensive income</b>				
<b>Items that are or may be reclassified subsequently to profit or loss</b>				
Foreign currency translation differences for foreign operation	(140)	1,954	1,440	95
<b>Items that will not be reclassified to profit or loss</b>				
Net gains/(losses) on investments in equity instruments designated at fair value through other comprehensive income	26,398	(7,099)	(129,546)	(77,557)
Income tax relating to these items	(142)	77	821	495
<b>Total other comprehensive income/(loss) for the period, net of tax</b>	26,116	(5,068)	(127,285)	(76,967)
<b>Total comprehensive income for the period attributable to owners of the Company</b>	103,517	65,714	28,033	70,973

**Note : The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019.**

## LPI CAPITAL BHD

### Condensed Consolidated Statement of Financial Position As At 30 June 2020 - Unaudited

	As At <b><u>30.06.2020</u></b>	As At <b><u>31.12.2019</u></b>
	RM'000	RM'000
<b>Assets</b>		
Plant and equipment	6,451	7,033
Right-of-use assets	44,578	46,732
Investment properties	27,630	27,540
Intangible assets	9,719	10,514
Investment in an associated company	36,170	33,064
Other investments	1,571,076	1,265,567
Fair value through other comprehensive income	726,971	856,505
Fair value through profit or loss	781,075	326,062
Amortised cost	63,030	83,000
Reinsurance assets	772,065	731,806
Loans and receivables, excluding insurance receivables	1,215,296	1,539,910
Insurance receivables	211,508	149,778
Deferred acquisition costs	39,552	43,877
Current tax assets	3,881	3,881
Cash and cash equivalents	167,313	186,188
<b>Total assets</b>	<b><u>4,105,239</u></b>	<b><u>4,045,890</u></b>
<b>Equity</b>		
Share capital	398,383	398,383
Reserves	1,430,244	1,573,516
<b>Total equity</b>	<b><u>1,828,627</u></b>	<b><u>1,971,899</u></b>
<b>Liabilities</b>		
Insurance contract liabilities	1,938,603	1,807,222
Deferred tax liabilities	3,110	3,375
Lease liabilities	45,600	47,375
Insurance payables	150,092	93,289
Other payables	111,766	100,491
Current tax payables	27,441	22,239
<b>Total liabilities</b>	<b><u>2,276,612</u></b>	<b><u>2,073,991</u></b>
<b>Total equity and liabilities</b>	<b><u>4,105,239</u></b>	<b><u>4,045,890</u></b>

**Note : The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019.**

## LPI CAPITAL BHD

### Condensed Consolidated Statement of Changes in Equity for the Period Ended 30 June 2020 - Unaudited

	← Non-distributable	Foreign currency translation reserve	→ Fair value reserve	Distributable Retained earnings	Total
	Share capital RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>6 Months Period Ended 30 June 2020</u></b>					
At 1 January 2020	398,383	23,852	697,450	852,214	1,971,899
Foreign currency translation differences for foreign operation	-	1,440	-	-	1,440
Net losses on investments in equity instruments designated at fair value through other comprehensive income	-	-	(128,725)	-	(128,725)
Total other comprehensive income/(loss) for the period	-	1,440	(128,725)	-	(127,285)
Profit for the period	-	-	-	155,318	155,318
Total comprehensive income/(loss) for the period	-	1,440	(128,725)	155,318	28,033
Distributions to owners of the Company					
Dividends to owners of the Company	-	-	-	(171,305)	(171,305)
Total transaction with owners of the Company	-	-	-	(171,305)	(171,305)
At 30 June 2020	398,383	25,292	568,725	836,227	1,828,627

## LPI CAPITAL BHD

### Condensed Consolidated Statement of Changes in Equity for the Period Ended 30 June 2020 - Unaudited (continued)

	← Non-distributable →		Distributable		
	Share capital	Foreign currency translation reserve	Fair value reserve	Retained earnings	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>6 Months Period Ended 30 June 2019</u></b>					
At 1 January 2019	398,383	23,283	930,382	804,737	2,156,785
Foreign currency translation differences for foreign operation	-	95	-	-	95
Net losses on investments in equity instruments designated at fair value through other comprehensive income	-	-	(77,062)	-	(77,062)
Total other comprehensive income/(loss) for the period	-	95	(77,062)	-	(76,967)
Profit for the period	-	-	-	147,940	147,940
Total comprehensive income/(loss) for the period	-	95	(77,062)	147,940	70,973
Distributions to owners of the Company					
Dividends to owners of the Company	-	-	-	(167,321)	(167,321)
Total transaction with owners of the Company	-	-	-	(167,321)	(167,321)
At 30 June 2019	398,383	23,378	853,320	785,356	2,060,437

**Notes :** The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019.

**LPI CAPITAL BHD****Condensed Consolidated Statement of Cash Flow  
for the Period Ended 30 June 2020 - Unaudited**

	Current Year To Date Ended <b><u>30.06.2020</u></b> RM'000	Preceding Year Corresponding Period Ended <b><u>30.06.2019</u></b> RM'000
<b>Operating activities</b>		
Profit before tax	198,213	188,069
Investment income	(54,308)	(53,406)
Net realised gains recorded in profit or loss	(1)	(2)
Net fair value gains recorded in profit or loss	(3,528)	(1,737)
Share of profit of equity accounted associated company	(2,040)	(1,213)
Purchase of financial assets carried at fair value through profit or loss	(464,573)	(25,984)
Maturity of financial assets carried at amortised cost	20,000	10,000
Maturity of financial assets carried at fair value through profit or loss	13,070	40,000
Interest on lease liabilities	936	434
<b>Non-cash items:</b>		
Depreciation of plant and equipment	1,524	2,210
Depreciation of right-of-use assets	3,309	3,584
Amortisation of intangible assets	1,444	-
Unrealised foreign exchange gain	(357)	(94)
Net impairment loss on insurance receivables	1,464	2,597
Net impairment loss/(Net reversal of impairment loss) on investments carried at amortised cost	1	(6)
<b>Changes in working capital:</b>		
Decrease/(Increase) in loans and receivables	324,743	(75,442)
Increase in reinsurance assets	(40,144)	(600)
Increase in insurance receivables	(63,145)	(56,941)
Decrease in deferred acquisition costs	4,332	2,162
Increase in insurance contract liabilities	130,954	77,482
Increase in insurance payables	56,797	35,837
Increase in other payables	11,220	6,164
Cash generated from operating activities	139,911	153,114
Dividend income received	26,786	20,436
Interest income received	27,284	32,594
Rental income on investment property received	312	423
Interest paid	(936)	(434)
Income tax paid	(37,142)	(34,698)
<b>Net cash flows generated from operating activities</b>	<b>156,215</b>	<b>171,435</b>

## LPI CAPITAL BHD

### Condensed Consolidated Statement of Cash Flow for the Period Ended 30 June 2020 - Unaudited (continued)

	Current Year To Date Ended <b>30.06.2020</b> RM'000	Preceding Year Corresponding Period Ended <b>30.06.2019</b> RM'000
<b>Investing activities</b>		
Proceeds from disposal of plant and equipment	1	2
Purchase of plant and equipment	(938)	(1,585)
Purchase of intangible assets	(647)	-
<b>Net cash flows used in investing activities</b>	<b>(1,584)</b>	<b>(1,583)</b>
<b>Financing activities</b>		
Dividends paid to owners of the Company	(171,305)	(167,321)
Payment of lease liabilities	(2,932)	(3,336)
<b>Net cash flows used in financing activities</b>	<b>(174,237)</b>	<b>(170,657)</b>
Net decrease in cash and cash equivalents	(19,606)	(805)
Cash and cash equivalents at 1 January	186,188	418,509
Effect of movement in exchange rates	731	450
<b>Cash and cash equivalents at 30 June</b>	<b>167,313</b>	<b>418,154</b>

**Note : The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019.**

**PART A – NOTES TO THE QUARTERLY FINANCIAL STATEMENTS  
PURSUANT TO MALAYSIAN FINANCIAL REPORTING  
STANDARD (“MFRS”) 134**

**A1. BASIS OF PREPARATION**

The condensed consolidated interim financial statements have been prepared in accordance with MFRS 134, Interim Financial Reporting in Malaysia and with IAS 34, Interim Financial Reporting, and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements. They do not include all of the information required for a complete set of MFRS/IFRS financial statements, and should be read in conjunction with the Group’s last annual consolidated audited financial statements as at and for the year ended 31 December 2019 (“last annual consolidated audited financial statements”). Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual consolidated audited financial statements.

The accounting policies and presentation adopted by the Group for the quarterly financial statements are consistent with those adopted in the Group’s last annual consolidated audited financial statements, except for the adoption of the following:

<b>MFRSs/Amendments/Interpretations</b>	<b>Effective date</b>
Amendments to MFRS 3, <i>Business Combination – Definition of a Business</i>	1 January 2020
Amendments to MFRS 101, <i>Presentation of Financial Statements</i> and MFRS 108, <i>Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material</i>	1 January 2020
Amendments to MFRS 9, <i>Financial Instruments</i> , MFRS 139, <i>Financial Instruments: Recognition and Measurement</i> and MFRS 7, <i>Financial Instruments: Disclosures – Interest Rate Benchmark Reform</i>	1 January 2020

The initial application of the abovementioned standards, amendments and interpretations did not have any material impact to the current and prior periods financial statements upon their first adoption.



## A2. COMMENTS ON SEASONALITY OR CYCLICALITY

The Group's insurance business operations were not significantly affected by seasonality or cyclical factors for the period under review.

However, for the investment holding segment, the dividend income generated from the dividend stocks are subject to timing of the payment of dividend which may fluctuate when comparing quarter to quarter. The Group's investment income is seasonally stronger in 1<sup>st</sup> Quarter and 3<sup>rd</sup> Quarter.

## A3. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no items affecting assets, liabilities, equity, net income, or cash flows which are unusual because of their nature, size, or incidence in the current interim period ended 30 June 2020.

## A4. CHANGES IN ESTIMATES

The preparation of these condensed consolidated interim financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated audited financial statements.

## A5. ISSUES, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities by LPI Capital Bhd ("LPI") in the current interim period ended 30 June 2020.

## A6. DIVIDEND PAID

In the current interim period ended 30 June 2020, the Company paid a second interim single tier dividend of 43.00 sen per ordinary share amounting to RM171,304,584 in respect of the financial year ended 31 December 2019 on 26 February 2020.

## A7. OPERATING SEGMENTS

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units are managed separately based on the Group's management and internal reporting structure. For each of the strategic business units, the Group's Chief Executive Officer (the chief operating decision maker) reviews internal management reports on a monthly basis. Inter-segment pricing, if any, is determined based on negotiated terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment assets and liabilities are measured based on all assets and liabilities of a segment, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer. Unallocated items mainly comprise interest-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

### Business segments

The Group comprises the following main business segments:

General insurance - Underwriting of all classes of general insurance business, mainly carried out by Lonpac Insurance Bhd

Investment holding - Investment holding operations, mainly carried out by LPI Capital Bhd

Segment reporting:

RM'000	← 6 Months Ended →					
	General insurance		Investment holding		Total	
	2020	2019	2020	2019	2020	2019
External revenue	784,272	760,696	19,181	18,908	803,453	779,604
Inter-segment revenue	-	-	130,000	130,000	130,000	130,000
Segment profit before tax	182,972	173,812	145,241	144,257	328,213	318,069
Segment assets	3,289,676	3,191,846	1,015,563	1,313,548	4,305,239	4,505,394
Segment liabilities	2,274,528	2,242,771	2,084	2,186	2,276,612	2,244,957

## A7. OPERATING SEGMENTS (CONTINUED)

### Business segments (continued)

#### i) Reconciliation of reportable segment profit:

RM'000	← 6 Months Ended →	
	<u>2020</u>	<u>2019</u>
Total profit for reportable segments	328,213	318,069
Elimination of inter-segment profit	(130,000)	(130,000)
Consolidated profit before tax	<u>198,213</u>	<u>188,069</u>

#### ii) Reconciliation of reportable segment assets:

RM'000	← 6 Months Ended →	
	<u>2020</u>	<u>2019</u>
Total assets for reportable segments	4,305,239	4,505,394
Elimination of inter-segment assets	(200,000)	(200,000)
Consolidated assets	<u>4,105,239</u>	<u>4,305,394</u>

## A8. EVENTS AFTER THE INTERIM PERIOD

There were no material events after the interim period that have not been reflected in the financial statements for the interim period.

## A9. EFFECT OF CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the quarterly period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinued operations.

#### A10. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

On 22 February 2017, Lonpac Insurance Bhd (“Lonpac”), a wholly-owned subsidiary of LPI Capital Bhd (“LPI”), received a Notice of Proposed Decision (“Proposed Decision”) by the Malaysia Competition Commission (“MyCC”) under Section 36 of the Competition Act 2010 (“The Act”).

MyCC informed that pursuant to its investigation, the commission on the preliminary basis finds that Lonpac together with the other 21 members of Persatuan Insurans Am Malaysia (“PIAM”) have infringed the prohibition under Section 4(2)(a) of the Act for fixing parts trade discounts and labour rates for repair workshops and are therefore liable for an infringement under Section 4(3) of the Act.

MyCC has also proposed to impose a financial penalty of RM8,301,445 on Lonpac for the alleged infringement. The Proposed Decision is not final as at the date of this report, and Lonpac in consultation with its legal advisers will take such appropriate actions to defend its position that it has not been in infringement of Section 4(2)(a) of the Act.

Saved as disclosed above, the Group does not have any other contingent assets and liabilities since the last annual balance sheet date.

#### A11. FINANCIAL INSTRUMENTS

Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

## A11. FINANCIAL INSTRUMENTS (CONTINUED)

### Fair value information (continued)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the condensed consolidated statement of financial position.

<b>RM'000</b>	<b>Fair value of financial instruments carried at fair value</b>				<b>Fair value of financial instruments not carried at fair value</b>				<b>Total fair value</b>	<b>Carrying amount</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>		
<b>30.06.2020</b>										
<b>Financial assets</b>										
<i>Designated at fair value through other comprehensive income</i>										
- Quoted shares	726,971	-	-	726,971	-	-	-	-	726,971	726,971
<i>Mandatorily at fair value through profit or loss</i>										
- Unit trust	697,839	-	-	697,839	-	-	-	-	697,839	697,839
- Real estate investment trusts ("REITs")	2,689	-	-	2,689	-	-	-	-	2,689	2,689
- Exchange-traded fund ("ETF")	640	-	-	640	-	-	-	-	640	640
- Quoted shares	3,255	-	-	3,255	-	-	-	-	3,255	3,255
- Unquoted shares	-	-	1,375	1,375	-	-	-	-	1,375	1,375
- Corporate bonds and sukuk	-	75,277	-	75,277	-	-	-	-	75,277	75,277
<i>Amortised cost</i>										
- Malaysian government guaranteed loans	-	-	-	-	-	31,019	-	31,019	31,019	30,000
- Corporate bonds and sukuk	-	-	-	-	-	33,760	-	33,760	33,760	33,030
	<b>1,431,394</b>	<b>75,277</b>	<b>1,375</b>	<b>1,508,046</b>	<b>-</b>	<b>64,779</b>	<b>-</b>	<b>64,779</b>	<b>1,572,825</b>	<b>1,571,076</b>

A11. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value information (continued)

**31.12.2019**

RM'000	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
<b>Financial assets</b>										
<i>Designated at fair value through other comprehensive income</i>										
- Quoted shares	856,505	-	-	856,505	-	-	-	-	856,505	856,505
<i>Mandatorily at fair value through profit or loss</i>										
- Unit trust	235,519	-	-	235,519	-	-	-	-	235,519	235,519
- Real estate investment trusts ("REITs")	2,466	-	-	2,466	-	-	-	-	2,466	2,466
- Exchange-traded fund ("ETF")	714	-	-	714	-	-	-	-	714	714
- Quoted shares	3,734	-	-	3,734	-	-	-	-	3,734	3,734
- Unquoted shares	-	-	1,312	1,312	-	-	-	-	1,312	1,312
- Corporate bonds and sukuk	-	82,317	-	82,317	-	-	-	-	82,317	82,317
<i>Amortised cost</i>										
- Malaysian government guaranteed loans	-	-	-	-	-	40,904	-	40,904	40,904	40,010
- Corporate bonds and sukuk	-	-	-	-	-	43,640	-	43,640	43,640	42,990
	<u>1,098,938</u>	<u>82,317</u>	<u>1,312</u>	<u>1,182,567</u>	<u>-</u>	<u>84,544</u>	<u>-</u>	<u>84,544</u>	<u>1,267,111</u>	<u>1,265,567</u>

## A11. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value information (continued)

### **Policy on transfer between levels**

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

### **Level 1 fair value**

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

### **Level 2 fair value**

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

### ***Transfers between Level 1 and Level 2 fair values***

There has been no transfer between Level 1 and 2 fair values during the current interim period ended 30 June 2020 (31.12.2019: no transfer in either directions).

### **Level 3 fair value**

The following table shows a reconciliation of Level 3 fair values:

	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Unquoted shares</b>		
As at 1 January	1,312	1,328
Fair value gains/(losses) in profit or loss	<u>63</u>	<u>(16)</u>
Balance as at 30 June 2020 / 31 December 2019	<u><u>1,375</u></u>	<u><u>1,312</u></u>

## A11. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value information (continued)

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

### Financial instruments carried at fair value

Type	Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Unquoted shares	The fair value is determined to approximate the net assets value of the investee as it is immaterial in the context of the condensed interim financial statements.	Net assets value	The higher the value of net assets the higher the fair value.

## A12. CAPITAL AND OTHER COMMITMENTS

RM'000	<u>30.06.2020</u>	<u>31.12.2019</u>
<b>Capital expenditure commitments</b>		
<b>Intangible assets</b>		
Contracted but not provided for	-	3,728



### A13. SIGNIFICANT RELATED PARTY TRANSACTIONS

The significant related party transactions of the Group are as follows:-

RM'000	Associated Company		Companies in which a Director has substantial financial interest	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
<b>Income earned:</b>				
Premium income	422	313	28,792	28,545
Dividend income	-	-	17,870	16,506
Fixed deposits income	-	-	5,741	2,757
Corporate bonds and sukuk income	-	-	814	1,462
Information technology services	-	6	-	-
	<u>422</u>	<u>319</u>	<u>53,217</u>	<u>49,270</u>
<b>Expenditure incurred:</b>				
Rental paid	-	-	(1,671)	(1,494)
Insurance commission	(115)	(82)	(24,597)	(28,059)
Stock broking commission	-	-	(1)	-
	<u>(115)</u>	<u>(82)</u>	<u>(26,269)</u>	<u>(29,553)</u>

**PART B – ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**

**B1. REVIEW OF GROUP PERFORMANCE**

Table 1: Financial review for current quarter and financial year to date

RM' mil	Individual Period		Changes		Cumulative Period		Changes	
	Current Year Quarter Ended	Preceding Year Corresponding Quarter Ended			Current Year To Date Ended	Preceding Year Corresponding Period Ended		
	30.06.2020	30.06.2019	Amount	% / ppt (*)	30.06.2020	30.06.2019	Amount	% / ppt (*)
<b>Revenue by segments</b>								
General insurance segment	398.5	385.5	13.0	3.4%	784.3	760.7	23.6	3.1%
Gross earned premiums	381.6	368.0	13.6	3.7%	749.2	726.2	23.0	3.2%
Investment income	16.9	17.5	(0.6)	(3.4)%	35.1	34.5	0.6	1.7%
Investment holding segment								
Investment income	1.0	1.4	(0.4)	(28.6)%	19.2	18.9	0.3	1.6%
Total revenue	399.5	386.9	12.6	3.3%	803.5	779.6	23.9	3.1%
<b>Revenue by geographical locations</b>								
Malaysia	373.9	364.7	9.2	2.5%	752.5	737.4	15.1	2.0%
Singapore	25.6	22.2	3.4	15.3%	51.0	42.2	8.8	20.9%
Total revenue	399.5	386.9	12.6	3.3%	803.5	779.6	23.9	3.1%
Operating profit	100.2	92.4	7.8	8.4%	197.1	187.3	9.8	5.2%

(\* ppt – percentage points)

B1. REVIEW OF GROUP PERFORMANCE (CONTINUED)

Table 1: Financial review for current quarter and financial year to date (continued)

	Individual Period		Changes		Cumulative Period		Changes	
	Current Year Quarter Ended	Preceding Year Corresponding Quarter Ended			Current Year To Date Ended	Preceding Year Corresponding Period Ended		
	30.06.2020	30.06.2019	Amount	% / ppt (*)	30.06.2020	30.06.2019	Amount	% / ppt (*)
<b>Profit before tax by segments</b>								
General insurance (RM'mil)	101.4	93.9	7.5	8.0%	183.0	173.8	9.2	5.3%
Investment holding (RM'mil)	(1.1)	(1.3)	0.2	15.4%	15.2	14.3	0.9	6.3%
Total profit before tax	100.3	92.6	7.7	8.3%	198.2	188.1	10.1	5.4%
<b>Profit before tax by geographical locations</b>								
Malaysia (RM'mil)	97.1	90.2	6.9	7.6%	191.3	183.1	8.2	4.5%
Singapore (RM'mil)	2.7	1.9	0.8	42.1%	4.9	3.8	1.1	28.9%
Cambodia (RM'mil)	0.5	0.5	-	-	2.0	1.2	0.8	66.7%
Total profit before tax	100.3	92.6	7.7	8.3%	198.2	188.1	10.1	5.4%
Profit attributable to owners of the Company (RM'mil)	77.4	70.8	6.6	9.3%	155.3	147.9	7.4	5.0%
Net return on equity (%)	4.2	3.4	-	0.8 ppt	8.5	7.2	-	1.3 ppt
Earnings per share (sen)	19.43	17.77	1.66	9.3%	38.99	37.14	1.85	5.0%

(\* ppt – percentage points)

B1. REVIEW OF GROUP PERFORMANCE (CONTINUED)

Table 1: Financial review for current quarter and financial year to date (continued)

	Individual Period		Changes		Cumulative Period		Changes	
	Current Year Quarter Ended	Preceding Year Corresponding Quarter Ended			Current Year To Date Ended	Preceding Year Corresponding Period Ended		
	30.06.2020	30.06.2019	Amount	% / ppt (*)	30.06.2020	30.06.2019	Amount	% / ppt (*)
General insurance gross written premiums (RM'mil)	340.9	366.6	(25.7)	(7.0)%	826.9	827.5	(0.6)	(0.1)%
General insurance net earned premiums (RM'mil)	251.4	252.0	(0.6)	(0.2)%	488.5	487.6	0.9	0.2%
General insurance underwriting profit (RM'mil)	71.5	73.0	(1.5)	(2.1)%	139.9	132.6	7.3	5.5%
General insurance claims incurred ratio (%)	45.6	44.9	-	0.7 ppt	45.9	46.1	-	(0.2) ppt
General insurance management expenses ratio (%)	19.6	19.0	-	0.6 ppt	20.9	20.5	-	0.4 ppt
General insurance commission ratio (%)	6.4	7.1	-	(0.7) ppt	4.6	6.2	-	(1.6) ppt
General insurance combined ratio (%)	71.6	71.0	-	0.6 ppt	71.4	72.8	-	(1.4) ppt

(\* ppt – percentage points)

## B1. REVIEW OF GROUP PERFORMANCE (CONTINUED)

Table 3: Underwriting results of general insurance for the 3 months period ended 30 June 2020:

RM'000	Fire		Motor		Marine, Aviation & Transit		Miscellaneous		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Gross written premiums	151,093	149,111	76,794	83,030	24,335	35,139	88,685	99,347	340,907	366,627
Change in unearned premiums provision	12,668	931	10,380	929	(7,028)	(13,547)	24,679	13,034	40,699	1,347
Gross earned premiums	163,761	150,042	87,174	83,959	17,307	21,592	113,364	112,381	381,606	367,974
Gross written premiums ceded to reinsurers	(51,645)	(38,671)	(3,527)	(3,773)	(21,085)	(30,912)	(40,104)	(44,568)	(116,361)	(117,924)
Change in unearned premiums provision	(7,019)	(7,260)	285	(75)	7,177	14,157	(14,251)	(4,867)	(13,808)	1,955
Premiums ceded to reinsurers	(58,664)	(45,931)	(3,242)	(3,848)	(13,908)	(16,755)	(54,355)	(49,435)	(130,169)	(115,969)
Net earned premiums	105,097	104,111	83,932	80,111	3,399	4,837	59,009	62,946	251,437	252,005
Net claims incurred	(16,343)	(13,930)	(58,052)	(59,006)	(222)	513	(40,004)	(40,818)	(114,621)	(113,241)
Commission income	12,890	11,323	473	440	1,058	1,104	11,935	12,207	26,356	25,074
Commission expense	(18,239)	(18,359)	(8,451)	(8,110)	(732)	(907)	(15,049)	(15,649)	(42,471)	(43,025)
Net commission	(5,349)	(7,036)	(7,978)	(7,670)	326	197	(3,114)	(3,442)	(16,115)	(17,951)
Total out-go	(21,692)	(20,966)	(66,030)	(66,676)	104	710	(43,118)	(44,260)	(130,736)	(131,192)
Underwriting surplus before management expenses	83,405	83,145	17,902	13,435	3,503	5,547	15,891	18,686	120,701	120,813
Management expenses of the insurance fund									(49,223)	(47,796)
Underwriting surplus after management expenses									71,478	73,017
Net claims incurred ratio (%)	15.6	13.4	69.2	73.7	6.5	(10.6)	67.8	64.8	45.6	44.9

## B1. REVIEW OF GROUP PERFORMANCE (CONTINUED)

Table 3: Underwriting results of general insurance for the financial period ended 30 June 2020:

RM'000	Fire		Motor		Marine, Aviation & Transit		Miscellaneous		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Gross written premiums	352,982	353,608	168,951	171,068	46,237	64,721	258,732	238,117	826,902	827,514
Change in unearned premiums provision	(44,297)	(52,509)	7,114	(5,980)	(6,293)	(19,660)	(34,281)	(23,167)	(77,757)	(101,316)
Gross earned premiums	308,685	301,099	176,065	165,088	39,944	45,061	224,451	214,950	749,145	726,198
Gross written premiums ceded to reinsurers	(136,931)	(124,417)	(7,735)	(7,770)	(38,458)	(54,520)	(124,683)	(110,769)	(307,807)	(297,476)
Change in unearned premiums provision	20,473	23,399	1,126	(582)	6,863	19,667	18,747	16,434	47,209	58,918
Premiums ceded to reinsurers	(116,458)	(101,018)	(6,609)	(8,352)	(31,595)	(34,853)	(105,936)	(94,335)	(260,598)	(238,558)
Net earned premiums	192,227	200,081	169,456	156,736	8,349	10,208	118,515	120,615	488,547	487,640
Net claims incurred	(28,135)	(26,993)	(122,378)	(113,128)	(1,298)	(2,852)	(72,507)	(82,045)	(224,318)	(225,018)
Commission income	32,363	22,279	879	834	3,467	4,328	26,821	26,154	63,530	53,595
Commission expense	(36,530)	(36,614)	(17,072)	(15,879)	(1,806)	(2,182)	(30,585)	(29,183)	(85,993)	(83,858)
Net commission	(4,167)	(14,335)	(16,193)	(15,045)	1,661	2,146	(3,764)	(3,029)	(22,463)	(30,263)
Total out-go	(32,302)	(41,328)	(138,571)	(128,173)	363	(706)	(76,271)	(85,074)	(246,781)	(255,281)
Underwriting surplus before management expenses	159,925	158,753	30,885	28,563	8,712	9,502	42,244	35,541	241,766	232,359
Management expenses of the insurance fund									(101,880)	(99,734)
Underwriting surplus after management expenses									139,886	132,625
Net claims incurred ratio (%)	14.6	13.5	72.2	72.2	15.5	27.9	61.2	68.0	45.9	46.1

## B1. REVIEW OF GROUP PERFORMANCE (CONTINUED)

### **Revenue**

The Group's revenue grew by RM12.6 million to RM399.5 million from RM386.9 million in the second quarter of 2020, an increase of 3.3% as compared to the corresponding quarter last year. The increase was mainly driven by growth in gross earned premium of 3.7% or RM13.6 million from its general insurance segment. Investment holding segment recorded lower revenue of RM1.0 million as compared to RM1.4 million in the corresponding quarter in 2019 due to lower interest income received.

Revenue of the Group for the six months period ended 30 June 2020 grew by 3.1% or RM23.9 million to RM803.5 million from RM779.6 million in the corresponding period in 2019. Of the total amount of RM803.5 million, RM784.3 million was generated from general insurance segment and RM19.2 million from investment holding segment. The growth in revenue was largely contributed by the general insurance segment, which registered an increase of 3.1% to RM784.3 million compared to RM760.7 million in 30 June 2019. The investment holding segment recorded higher revenue of RM19.2 million as compared to RM18.9 million in 2019 mainly due to higher dividend income received during the current financial period.

## B1. REVIEW OF GROUP PERFORMANCE (CONTINUED)

### **Profit Before Tax**

Profit before tax of the Group for the second quarter of 2020 grew by 8.3% to RM100.3 million from RM92.6 million in the corresponding quarter in 2019. The growth was contributed by profit from the general insurance segment, which increased by 8.0% to RM101.4 million from RM93.9 million in the second quarter of 2019. Underwriting profit for the current quarter decreased by 2.1% to RM71.5 million from RM73.0 million previously mainly due to decline in net earned premium, higher claims incurred and management expenses as compared to the corresponding quarter in 2019. The investment holding segment recorded a lower loss before tax of RM1.1 million as compared to RM1.3 million in the corresponding quarter in 2019 mainly due to lower management expenses during the current quarter ended 30 June 2020.

Profit before tax of the Group for the six months period ended 30 June 2020 grew by 5.4% or RM10.1 million to RM198.2 million from RM188.1 million in the corresponding period in 2019. The increase was contributed by profit from general insurance segment, which increased by 5.3% or RM9.2 million to RM183.0 million from RM173.8 million in the corresponding period in 2019. The investment holding segment recorded a higher profit before tax of RM15.2 million as compared to RM14.3 million in the corresponding period in 2019 due to higher dividend income received and lower management expenses during the current period ended 30 June 2020.

Business operation in Malaysia contributed 96.8% of the Group's total profit before tax in the second quarter of 2020 and 96.5% for the six months period ended 30 June 2020.



B1. REVIEW OF GROUP PERFORMANCE (CONTINUED)

Table 4: Other comprehensive income for current quarter and financial year to date

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30.06.2020	Preceding Year Corresponding Quarter Ended 30.06.2019	Current Year To Date Ended 30.06.2020	Preceding Year Corresponding Period Ended 30.06.2019
RM' mil				
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operation	(0.1)	1.9	1.4	0.1
Items that will not be reclassified to profit or loss				
Net gains/(losses) on investments in equity instruments designated at fair value through other comprehensive income	26.3	(7.1)	(129.5)	(77.6)
Income tax relating to these items	(0.1)	0.1	0.8	0.5
Total other comprehensive income/(loss) for the period, net of tax	26.1	(5.1)	(127.3)	(77.0)

The Group's total other comprehensive income for the six months period ended 30 June 2020 recorded a net loss of RM127.3 million as compared to RM77.0 million in the corresponding period in 2019. The higher net loss was mainly due to unrealised fair value loss on its investment in quoted equities.

## B1. REVIEW OF GROUP PERFORMANCE (CONTINUED)

Table 5: Review of assets and liabilities

RM' mil	As at 30.06.2020	As at 31.12.2019	Changes	
			Amount	%
Total assets	4,105.2	4,045.9	59.3	1.5
Total liabilities	2,276.6	2,074.0	202.6	9.8
Total equity	1,828.6	1,971.9	(143.3)	(7.3)

### **Total assets**

As at 30 June 2020, the Group's total assets increased by RM59.3 million to RM4,105.2 million from RM4,045.9 million as at 31 December 2019. The increase was mainly due to additional investment in unit trust (classified as fair value through profit or loss) and growth in insurance receivables. The general insurance segment accounted for 80.1% of the Group's total assets as at 30 June 2020.

### **Total liabilities**

As at 30 June 2020, total liabilities of the Group increased by RM202.6 million to RM2,276.6 million from RM2,074.0 million as at 31 December 2019. This mainly consists of RM131.4 million increase in insurance contract liabilities and RM56.8 million in insurance payables of its general insurance segment.

### **Total equity**

The Group's total equity decreased by 7.3% or RM143.3 million to RM1,828.6 million from RM1,971.9 million as at 31 December 2019 after the payment of dividend amounting to RM171.3 million. The Group's retained earnings recorded a net decrease of RM16.0 million contributed by the current period's net profit of RM155.3 million offset by the payment of dividends of RM171.3 million. The fair value reserves decreased by RM128.7 million due to the lower market value of quoted equity investment designated as fair value through other comprehensive income, caused the decrease in the Group's total equity. Therefore, net tangible asset per share also decreased to RM4.57 from RM4.92 as at 31 December 2019.

B1. REVIEW OF GROUP PERFORMANCE (CONTINUED)

Table 6: Breakdown of Key Financial Information of Foreign Operation - Lonpac Insurance Bhd (Singapore Branch)

Exchange rate as at 30.06.2020 SGD1.00 = RM3.07	Functional Currency SGD'000	Reporting Currency RM'000
Gross earned premiums	15,826	48,588
Investment income	793	2,434
<b>Total revenue</b>	<b>16,619</b>	<b>51,022</b>
Profit before tax	1,592	4,889
Profit after tax	1,645	5,051
Total assets	66,563	204,348
Total liabilities	58,216	178,722

For consolidation purpose, the financial statements of Singapore Branch of its subsidiary, Lonpac Insurance Bhd are translated from SGD to RM at exchange rate at the end of the reporting period.

B1. REVIEW OF GROUP PERFORMANCE (CONTINUED)

Table 7: Review of statement of cash flow

RM'mil	Current Year To Date Ended 30.06.2020	Preceding Year Corresponding Period Ended 30.06.2019
Profit after tax	155.3	147.9
Net cash flows generated from operating activities	156.2	171.4
Net cash flows used in investing activities	(1.6)	(1.6)
Net cash flows used in financing activities	(174.2)	(170.6)
Net decrease in cash and cash equivalents	(19.6)	(0.8)
Cash and cash equivalents at 1 January	186.2	418.5
Effect of movement in exchange rates	0.7	0.5
Cash and cash equivalents at 30 June	167.3	418.2

For the six months period ended 30 June 2020, the operating cash flow of the Group remains healthy at RM156.2 million. The ratio of cash flow from operating activities to net income was 100.6% (RM156.2 million / RM155.3 million). The ratio indicates the ability of the Group to generate sufficient positive cash flow to maintain and grow its operation. It is worth to note that for the current financial period under review, the Group has increased its investment in unit trusts (classified as fair value through profit or loss) by RM458.8 million.

## B1. REVIEW OF GROUP PERFORMANCE (CONTINUED)

### Review of statement of cash flow (continued)

The Group had relatively low spending on plant and equipment and intangible assets as its core business of underwriting of general insurance. The Group's capital expenditure for the current financial period under review was RM1.6 million. The Group's main investing activities are in information technology and purchase of computer equipment.

The Group's balance sheet does not carry any debts other than insurance contract liabilities which increased by RM131.4 million to RM1,938.6 million for the six months period ended 30 June 2020. The Group had generated sufficient cash flow to pay a second interim dividend of 43.0 sen per share amounting to RM171.3 million on 26 February 2020 in respect of the financial year ended 31 December 2019.

B2. MATERIAL CHANGES IN THE PROFIT BEFORE TAX FOR THE QUARTER REPORTED ON WITH THE IMMEDIATE PRECEDING QUARTER

	Current Year Quarter Ended 30.06.2020	Immediate Preceding Quarter Ended 31.03.2020	Changes	
			Amount	% / ppt
Gross earned premiums (RM'mil)	381.6	367.5	14.1	3.8%
Investment income (RM'mil)	17.9	36.4	(18.5)	(50.8)%
<b>Total revenue (RM'mil)</b>	<b>399.5</b>	<b>403.9</b>	<b>(4.4)</b>	<b>(1.1)%</b>
Operating profit (RM'mil)	100.2	96.9	3.3	3.4%
Profit before tax (RM'mil)	100.3	97.9	2.4	2.5%
Profit attributable to owners of the Company (RM'mil)	77.4	77.9	(0.5)	(0.6)%
Net return on equity (%)	4.2	4.5	-	(0.3) ppt
Earnings per share (sen)	19.43	19.56	(0.13)	(0.7)%
General insurance gross written premiums (RM'mil)	340.9	486.0	(145.1)	(29.9)%
General insurance net earned premiums (RM'mil)	251.4	237.1	14.3	6.0%
General insurance underwriting profit (RM'mil)	71.5	68.4	3.1	4.5%
General insurance claims incurred ratio (%)	45.6	46.3	-	(0.7) ppt
General insurance management expenses ratio (%)	19.6	22.2	-	(2.6) ppt
General insurance commission ratio (%)	6.4	2.7	-	3.7 ppt
General insurance combined ratio (%)	71.6	71.2	-	0.4 ppt

For the second quarter ended 30 June 2020, the Group recorded a higher profit before tax of RM100.3 million as compared to RM97.9 million in the preceding quarter ended 31 March 2020. The increase in the profit before tax for the said quarter was mainly due to higher net earned premiums and lower management expenses.

### B3. CURRENT YEAR PROSPECTS

- a) Malaysia is currently making good progress in its fight against COVID-19. However, there is still a high degree of uncertainty on global recovery as long as a vaccine is not available and fear of a second wave of infections. The LPI Group is poised to pursue growth and business opportunities when the business environment improves. Meanwhile, it will focus on sustainable revenue streams, further strengthening its risk management capabilities and intensifying prudent cost management measures. We will remain vigilant for the rest of 2020 and will continue to support our process re-engineering and business enhancements programmes leveraging on technology.
- b) Commentary on the Company's progress to achieve the financial estimate, forecast, projection or internal targets in the remaining period to the end of the financial year and the forecast period which was previously announced or disclosed in a public document and steps taken or proposed to be taken to achieve the financial estimate, forecast, projection or internal targets. – Not Applicable.

### B4. STATEMENT ON FINANCIAL ESTIMATE, FORECAST, PROJECTION OR INTERNAL TARGETS PREVIOUSLY ANNOUNCED OR DISCLOSED IN A PUBLIC DOCUMENT

A statement of the Board of Directors' opinion as to whether the financial estimate, forecast, projection or internal targets in the remaining period to the end of the financial year and the forecast period which was previously announced or disclosed in a public document are likely to be achieved. – Not Applicable.

B5. EXPLANATORY NOTE FOR VARIANCE FROM A FINANCIAL ESTIMATE, FORECAST OR PROJECTION OR PROFIT GUARANTEE PREVIOUSLY ANNOUNCED OR DISCLOSED IN A PUBLIC DOCUMENT

- a) Any variance of actual profit after tax and minority interest and the profit after tax and minority interest stated in the financial estimate, forecast or projection (where the variance exceeds 10%). – Not Applicable.
- b) Any shortfall in the profit guarantee received by the Company and steps to recover the shortfall. – Not Applicable.

B6. TAXATION

RM'000	Individual Period		Cumulative Period	
	Current Year Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year To Date Ended	Preceding Year Corresponding Period Ended
	<u>30.06.2020</u>	<u>30.06.2019</u>	<u>30.06.2020</u>	<u>30.06.2019</u>
Profit before tax	100,297	92,625	198,213	188,069
Income tax:				
Current tax charge	20,298	21,382	42,339	40,331
Deferred taxation	2,598	461	556	(202)
Total tax expense	<u>22,896</u>	<u>21,843</u>	<u>42,895</u>	<u>40,129</u>
Effective tax rate on current tax charge	23%	24%	22%	21%

The effective tax rate on the current tax charge of the Group for the current quarter and financial period ended 30 June 2020 is lower than the statutory tax rate mainly due to tax-exempt dividends received and certain income being taxed at a reduced rate.



**B7. STATUS OF CORPORATE PROPOSALS**

- a) There was no corporate proposal announced but not completed as at 10 August 2020, the latest practicable date which is not earlier than 7 days from the date of the issue of this quarterly report.
- b) Brief explanation of the status of utilisation of proceeds raised from any corporate proposal – Not Applicable.

**B8. GROUP BORROWINGS AND DEBT SECURITIES**

The Group has no outstanding borrowings and debt securities for the current interim period ended 30 June 2020.

**B9. DISCLOSURE OF DERIVATIVES**

A disclosure on outstanding derivatives (including financial instruments designated as hedging instruments) as at 30 June 2020. – Not Applicable.

**B10. GAINS/ LOSSES ARISING FROM FAIR VALUE CHANGES OF FINANCIAL LIABILITIES**

There were no gains/ losses arising from fair value changes of the financial liabilities for the current quarter and financial period ended 30 June 2020.

**B11. CHANGES IN MATERIAL LITIGATION**

There were no pending material litigations since the last annual balance sheet date up to 10 August 2020, which is not earlier than 7 days from date of issue of this quarterly report.

## B12. DIVIDEND

a) i) An interim dividend has been declared by the Directors.

ii) The amount per share:

	<u>Net per share</u> <u>(sen)</u>
• Single tier dividend	28.00

iii) The previous corresponding period:

	<u>Net per share</u> <u>(sen)</u>
• Single tier dividend	27.00

iv) The date payable: 11 September 2020.

v) In respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at 3 September 2020.

b) The total dividend for the 6 months ended 30 June 2020: 28.00 sen single tier dividend per share.

### B13. EARNINGS PER SHARE

#### a) Basic earnings per share

	Individual Period		Cumulative Period	
	Current Year Quarter Ended <u>30.06.2020</u>	Preceding Year Corresponding Quarter Ended <u>30.06.2019</u>	Current Year To Date Ended <u>30.06.2020</u>	Preceding Year Corresponding Period Ended <u>30.06.2019</u>
Profit after tax (RM'000)	77,401	70,782	155,318	147,940
Weighted average no. of ordinary shares in issue (‘000)	398,383	398,383	398,383	398,383
Basic earnings per share (sen)	19.43	17.77	38.99	37.14

#### b) Diluted earnings per share. – Not Applicable.

## B14. PROFIT FOR THE PERIOD

	Individual Period		Cumulative Period	
	Current Year Quarter Ended <b>30.06.2020</b> RM'000	Preceding Year Corresponding Quarter Ended <b>30.06.2019</b> RM'000	Current Year To Date Ended <b>30.06.2020</b> RM'000	Preceding Year Corresponding Period Ended <b>30.06.2019</b> RM'000
<b>Profit for the period is arrived at after charging:</b>				
Finance costs	465	244	936	434
Depreciation of plant and equipment (NI)	774	1,370	1,524	2,210
Depreciation of right-of-use assets (NI)	1,672	1,793	3,309	3,584
Amortisation of intangible assets (NI)	742	-	1,444	-
Net impairment loss on insurance receivables	596	-	1,464	2,597
Net impairment loss on investments carried at amortised cost	-	-	1	-
Net foreign exchange loss (NI)	161	-	-	-
<b>and after crediting:</b>				
Interest income (N2)	12,038	16,577	27,210	32,547
Dividend income (N2)	5,789	2,139	26,786	20,436
Rental income (N2)	112	212	312	423
Net reversal of impairment loss on insurance receivables	-	918	-	-
Net reversal of impairment loss on investments carried at amortised cost	-	3	-	6
Net foreign exchange gain (NI)	-	110	417	115

#### B14. PROFIT FOR THE PERIOD (CONTINUED)

Other than the items above which have been included in the Condensed Consolidated Statement of Profit or Loss, there were no impairment of assets, gain or loss on derivatives and exceptional items for the current financial period ended 30 June 2020.

(N1) Depreciation of plant and equipment, depreciation of right-of-use assets, amortisation of intangible assets and net foreign exchange gain/(loss) are reported under item management expenses in the Condensed Consolidated Statement of Profit or Loss.

(N2) Interest income, dividend income and rental income are reported under item investment income in the Condensed Consolidated Statement of Profit or Loss.

#### B15. ADDITIONAL DISCLOSURE INFORMATION

##### Trade receivables

The credit terms of trade receivables granted to related parties are no different from those granted to non-related parties.

A trade receivable is deemed past due when the counterparty has failed to make payment when the outstanding amount are contractually due.

Age analysis of trade receivables past due but not impaired:

	<b>&lt;30 Days RM'000</b>	<b>31 - 60 days RM'000</b>	<b>61 - 90 days RM'000</b>	<b>91 - 180 days RM'000</b>	<b>&gt;180 days RM'000</b>	<b>Total RM'000</b>
<b>30.06.2020</b>						
Insurance receivables	13,147	6,687	15,994	1,355	-	37,183
<b>31.12.2019</b>						
Insurance receivables	7,605	3,617	4,956	-	-	16,178

The past due trade receivables above are collectable.

The following table show reconciliations from the opening balance to the closing balance of the allowance for impairment by class of financial instrument.

B15. ADDITIONAL DISCLOSURE INFORMATION (CONTINUED)

Trade receivables (continued)

RM'000

	30.06.2020				31.12.2019			
	12-months ECL Due from Corporate bonds and sukuk	12-months ECL Due from reinsurers and cedants	Lifetime ECL Due premiums including agents and brokers and co-insurers	Total	12-months ECL Due from Corporate bonds and sukuk	12-months ECL Due from reinsurers and cedants	Lifetime ECL Due premiums including agents and brokers and co-insurers	Total
As at 1 January	4	148	1,902	2,054	22	101	2,056	2,179
Net remeasurement of allowance for impairment	1	(90)	1,554	1,465	(18)	47	(154)	(125)
As at 30 June 2020 / 31 December 2019	5	58	3,456	3,519	4	148	1,902	2,054

B16. DISCLOSURE ON QUALIFICATION OF AUDIT REPORT

The audit report of the Group's preceding annual financial statements was not qualified.