



**HONG LEONG MSIG TAKAFUL BERHAD**

Company No. 200601018337 (738090-M)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

**HONG LEONG MSIG TAKAFUL BERHAD**  
Company No. 200601018337 (738090-M)  
(Incorporated in Malaysia)

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**HONG LEONG MSIG TAKAFUL BERHAD**

Company No. 200601018337 (738090-M)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019**

	Note	31.12.2019			30.06.2019		
		Takaful Operator RM'000	Family Takaful Fund RM'000	Company RM'000	Takaful Operator RM'000	Family Takaful Fund RM'000	Company RM'000
<b>Assets</b>							
Property and equipments		5,288	-	5,288	3,335	-	3,335
Intangible assets		3,512	-	3,512	2,821	-	2,821
Financial assets	3	206,944	522,103	723,177	203,969	469,807	668,040
Amortised cost/Loans and receivables		-	21,679	21,679	-	6,511	6,511
Tax recoverable		566	-	566	-	-	-
Retakaful assets	4	-	65,703	65,703	-	36,888	36,888
Takaful receivables		-	5,886	5,886	-	5,880	5,880
Qard receivables		19	-	-	19	-	-
Other receivables		11,624	447	3,302	20,019	1,998	4,417
Cash and cash equivalents		17,386	51,665	69,052	14,445	74,079	88,524
		<u>245,339</u>	<u>667,483</u>	<u>898,164</u>	<u>244,608</u>	<u>595,163</u>	<u>816,416</u>

**HONG LEONG MSIG TAKAFUL BERHAD**

Company No. 200601018337 (738090-M)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019 (CONTINUED)**

	Note	31.12.2019			30.06.2019		
		Takaful Operator	Family Takaful Fund	Company	Takaful Operator	Family Takaful Fund	Company
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Shareholders' equity</b>							
Share capital		200,000	-	200,000	200,000	-	200,000
Accumulated losses		(8,894)	-	(8,894)	(7,461)	-	(7,461)
<b>Total equity</b>		<b>191,106</b>	<b>-</b>	<b>191,106</b>	<b>192,539</b>	<b>-</b>	<b>192,539</b>
<b>Liabilities</b>							
Takaful contract liabilities	5	-	617,791	611,921	-	542,641	536,905
Tax payables		-	1,963	1,963	283	979	1,262
Deferred tax liabilities		2,455	2,309	4,764	2,047	2,067	4,114
Takaful payables		-	21,642	21,641	-	12,231	12,231
Expense liabilities		13,294	-	13,293	13,098	-	13,098
Qard payables		-	19	-	-	19	-
Other payables		37,339	23,760	52,329	35,898	37,226	55,524
Due to related companies		1,146	-	1,146	744	-	744
<b>Total liabilities</b>		<b>54,233</b>	<b>667,483</b>	<b>707,058</b>	<b>52,069</b>	<b>595,163</b>	<b>623,877</b>
<b>Total equity and liabilities</b>		<b>245,339</b>	<b>667,483</b>	<b>898,164</b>	<b>244,608</b>	<b>595,163</b>	<b>816,416</b>

*These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 30 June 2019 and the accompanying explanatory notes attached to the unaudited condensed interim financial statements.*

**HONG LEONG MSIG TAKAFUL BERHAD**

Company No. 200601018337 (738090-M)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENT OF INCOME  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

	6 months ended 31.12.2019			6 months ended 31.12.2018		
	Takaful Operator RM'000	Family Takaful Fund RM'000	Company RM'000	Takaful Operator RM'000	Family Takaful Fund RM'000	Company RM'000
Gross contributions	-	131,949	131,949	-	104,412	104,412
Contributions ceded to retakaful	-	(26,184)	(26,184)	-	(21,778)	(21,778)
Net Contributions	-	105,765	105,765	-	82,634	82,634
Wakalah Income	35,497	-	-	27,419	-	-
Share of investment profit from Family Takaful	1,133	-	-	717	-	-
Investment Income	4,423	10,401	15,957	3,223	7,953	11,893
Realised gains/(losses)	364	2,803	3,167	(57)	(615)	(672)
Fair value gains/(losses)	1,767	2,718	4,485	(294)	35	(259)
Other operating income	768	336	768	458	521	749
Other income	43,952	16,258	24,377	31,466	7,894	11,711
Gross benefits and claim paid	-	(45,065)	(45,065)	-	(27,819)	(27,819)
Claims ceded to retakaful	-	26,889	26,889	-	16,244	16,244
Gross change to Takaful contract liabilities	-	(67,464)	(67,464)	-	(48,189)	(48,189)
Change in Takaful contract liabilities ceded to retakaful	-	2,158	2,158	-	(1,359)	(1,359)
Net benefits and claims	-	(83,482)	(83,482)	-	(61,123)	(61,123)

**HONG LEONG MSIG TAKAFUL BERHAD**

Company No. 200601018337 (738090-M)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENT OF INCOME****FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2019 (CONTINUED)**

	6 months ended 31.12.2019			6 months ended 31.12.2018		
	Takaful Operator	Family Takaful Fund	Company	Takaful Operator	Family Takaful Fund	Company
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Wakalah expenses	-	(35,497)	-	-	(27,419)	-
Fees and commission expense	(17,866)	-	(17,866)	(12,892)	-	(12,892)
Management expenses	(24,316)	-	(24,316)	(17,913)	-	(17,913)
Change to expense liability	(196)	-	(196)	125	-	125
Other operating expenses	(1,086)	(1,780)	(2,529)	(232)	(1,270)	(1,272)
Other expenses	(43,462)	(37,277)	(44,907)	(30,912)	(28,689)	(31,952)
Profit before zakat and taxation	490	1,265	1,754	554	716	1,270
Tax expense attributable to participants	-	(1,265)	(1,265)	-	(716)	(716)
Profit before taxation attributable to						
Takaful Operator	490	-	489	554	-	554
Taxation	(1,923)	(1,265)	(3,188)	(580)	(716)	(1,297)
Tax expense attributable to participants	-	1,265	1,265	-	716	716
Tax expense attributable to Takaful Operator	(1,923)	-	(1,923)	(580)	-	(580)
Zakat	-	-	-	-	-	-
Loss after zakat and taxation from continuing operations	(1,434)	-	(1,434)	(26)	-	(26)
Discontinued operations:						
Profit after zakat and taxation from discontinued operations	-	-	-	1,919	-	1,919
Net (loss)/profit for the financial period	(1,434)	-	(1,434)	1,893	-	1,893
Earning per share (sen)	(0.72)	-	(0.72)	0.95	-	0.95

**HONG LEONG MSIG TAKAFUL BERHAD**

Company No. 200601018337 (738090-M)

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**UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2019 (CONTINUED)**

	6 months ended 31.12.2019			6 months ended 31.12.2018		
	Takaful Operator RM'000	Family Takaful Fund RM'000	Company RM'000	Takaful Operator RM'000	Family Takaful Fund RM'000	Company RM'000
Net (loss)/profit for the financial period	(1,434)	-	(1,434)	1,893	-	1,893
Total comprehensive income for the financial period	<u>(1,434)</u>	<u>-</u>	<u>(1,434)</u>	<u>1,893</u>	<u>-</u>	<u>1,893</u>
Comprising:						
- Continuing operations	(1,434)	-	(1,434)	(26)	-	(26)
- Discontinued operations	-	-	-	1,919	-	1,919
	<u>(1,434)</u>	<u>-</u>	<u>(1,434)</u>	<u>1,893</u>	<u>-</u>	<u>1,893</u>

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**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

	Issued and fully paid ordinary shares of RM1 each		Non- distributable	Distributable	
	No. of shares '000	Share capital RM'000	Fair value reserve RM'000	Accumulated losses RM'000	Total RM'000
At 1 July 2018	100,000	100,000	1,857	(13,335)	88,522
- Effect on adoption of MRFS 9	-	-	(1,857)	1,857	-
- as stated 1 July 2018	100,000	100,000	-	(11,478)	88,522
Profit for the financial period	-	-	-	1,893	1,893
Additions	100,000	100,000	-	-	100,000
At 31 December 2018	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>(9,585)</u>	<u>190,415</u>
At 1 July 2019	200,000	200,000	-	(7,460)	192,540
Profit for the financial period	-	-	-	(1,434)	(1,434)
At 31 December 2019	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>(8,894)</u>	<u>191,106</u>

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**HONG LEONG MSIG TAKAFUL BERHAD**

Company No. 200601018337 (738090-M)

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**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

	<u>6 months</u> <u>ended</u> <u>31.12.2019</u> RM'000	<u>6 months</u> <u>ended</u> <u>31.12.2018</u> RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss)/profit for the financial period	(1,434)	1,893
Adjustments for:		
Write back of impairment of takaful receivables	-	(372)
Depreciation of property and equipment	164	194
Amortisation of intangible assets	782	1,020
Gain on disposal of investments	(3,167)	(486)
Unrealised fair value (gain)/loss on financial assets	(4,485)	633
(Accretion of discounts)/amortisation of premiums-net	(3)	18
Profits and dividend income	(15,954)	(13,410)
Taxation	<u>3,188</u>	<u>2,443</u>
Losses from operations before change in operating assets and liabilities	(20,909)	(8,067)
Proceeds from disposal of investments	49,891	180,203
Maturity of investments	10,254	5,200
Purchase of investments	(109,046)	(333,047)
Increase in loans and receivables	(15,135)	(107)
Increase in retakaful assets	(28,815)	(803)
(Increase)/decrease in takaful receivables	(7)	2,060
Decrease in other receivables	1,116	3,801
Increase/(decrease) in expenses liabilities	196	(4,121)
Increase in family takaful contract liabilities	75,016	49,158
Decrease in general takaful contract liabilities	-	(34,867)
Increase in takaful payables	9,411	4,826
(Decrease)/increase in other payables	(3,195)	21,714
Increase in amount due to related companies	402	1,752
Increase in share capital	<u>-</u>	<u>100,000</u>
	(30,820)	(12,298)
Tax paid	(2,112)	(2,883)
Profit received	13,021	9,604
Dividend received	<u>2,342</u>	<u>2,147</u>
Net cash used in operating activities	<u>(17,569)</u>	<u>(3,430)</u>

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**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2019 (CONTINUED)**

	<u>6 months</u> <u>ended</u> <u>31.12.2019</u> RM'000	<u>6 months</u> <u>ended</u> <u>31.12.2018</u> RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property and equipment	115	-
Purchase of property and equipment	(544)	(349)
Purchase of intangible assets	(1,474)	(140)
Net cash used in investing activities	<u>(1,903)</u>	<u>(489)</u>
Net decrease in cash and cash equivalents	(19,472)	(3,919)
Cash and cash equivalents at beginning of the financial period	88,524	102,905
Transfer to assets of disposal group classified as Held-For-Sale	-	(1,650)
<b>Cash and cash equivalents at the end of the financial period</b>	<u>69,052</u>	<u>97,336</u>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	7,146	9,945
Short term deposits	61,906	87,391
	<u>69,052</u>	<u>97,336</u>

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# HONG LEONG MSIG TAKAFUL BERHAD

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## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION

The unaudited condensed interim financial statements for the six months ended 31 December 2019 of Hong Leong MSIG Takaful Berhad ("the Company") have been prepared in accordance with MFRS 134: Interim Financial Reporting as issued by the Malaysian Accounting Standards Board (MASB) and International Accounting Standard (IAS) 34: Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and Guidelines/Circulars issued by Bank Negara Malaysia (BNM).

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation applied in the unaudited condensed financial statements are consistent with those adopted in the annual audited financial statements for the financial year ended 30 June 2019 except for the adoption of the following new Malaysian Financial Reporting Standards (MFRSs), Issues Committee (IC) Interpretations, amendments to MFRSs and annual improvements to MFRSs which are effective for the financial period beginning on or after 1 July 2019:

- MFRS 16 *Leases*
- IC Interpretation 23 *Uncertainty over Income Tax Treatments*
- Annual Improvements to MFRSs 2015-2017 Cycle:
  - (i) Amendments to MFRS 112 *Income Tax*
  - (ii) Amendments to MFRS 9 *'Prepayment Features with Negative Compensation'*

The adoption of the above new MFRSs, IC Interpretation, amendments to MFRSs and annual improvements to MFRSs do not have any significant financial implication to the Company's financial statements, other than as disclosed below:

#### MFRS 16 Leases

MFRS 16 'Leases' (effective from 1 January 2019) supersedes MFRS 117 'Leases' and the related interpretations.

Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

MFRS 16 eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet). MFRS 16 requires a lessee to recognise a "right-of-use" ("ROU") of the underlying asset and a lease liability reflecting future lease payments for most leases.

The ROU asset is depreciated in accordance with the principle as set out in MFRS 116 'Property, Plant and Equipment' and the lease liability is accreted over time with interest expense recognised in statements of income.

# HONG LEONG MSIG TAKAFUL BERHAD

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## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

The Company has adopted this standard from its mandatory adoption date of 1 July 2019. As permitted by MFRS 16, the Company has applied the modified retrospective approach and will not restate comparative amounts for the financial year prior to the first adoption. ROU assets for property leases will be measured on transition as if the new rules had always been applied. All other ROU assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

On adoption of MFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of MFRS 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the borrowing rate as of 1 July 2019.

The table below summarises the effect upon adoption of MFRS 16 as at 1 July:

#### Takaful Operator/Company

	As at 30 June 2019 RM'000	Effects of adopting MFRS 16 RM'000	As restated 1 July 2019 RM'000
<b>Asset</b>			
Right-of-use assets	-	1,608	1,608
<b>Liabilities</b>			
Lease liabilities	-	1,608	1,608

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

3. FINANCIAL ASSETS

	Takaful Operator RM'000	Family Takaful Fund RM'000	Company RM'000
<u>31 December 2019</u>			
Government Investment Issues	2,780	47,784	50,564
Islamic bonds	145,856	356,442	502,299
Equity securities quoted in Malaysia	24,383	101,911	126,295
Unit and property trust funds	26,238	7,189	33,427
Investments in investment-linked funds	5,870	-	-
Structured investments	-	4,383	4,383
Accrued profit	1,817	4,393	6,210
Total	<u>206,944</u>	<u>522,103</u>	<u>723,177</u>
<u>30 June 2019</u>			
Government Investment Issues	2,740	36,464	39,204
Islamic bonds	147,256	330,194	477,450
Equity securities quoted in Malaysia	23,007	89,307	112,314
Unit and property trust funds	23,425	5,522	28,947
Investments in investment-linked funds	5,736	-	-
Structured investments	-	4,309	4,309
Accrued profit	1,805	4,011	5,816
Total	<u>203,969</u>	<u>469,807</u>	<u>668,040</u>

**HONG LEONG MSIG TAKAFUL BERHAD**

Company No. 200601018337 (738090-M)

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)****3. FINANCIAL ASSETS (CONTINUED)**

(a) The Company's financial assets are summarised by categories as follows:

	Takaful Operator RM'000	Family Takaful Fund RM'000	Company RM'000
<u>31 December 2019</u>			
FVTPL financial assets	206,944	522,103	723,177
	<u>206,944</u>	<u>522,103</u>	<u>723,177</u>
Current	1,816	4,393	6,209
Non-current	205,128	517,710	716,968
	<u>206,944</u>	<u>522,103</u>	<u>723,177</u>
(i) FVTPL			
<u>31 December 2019</u>			
Government Investment Issues	2,780	47,784	50,564
Islamic bonds	145,856	356,442	502,299
Equity securities quoted in Malaysia	24,384	101,911	126,295
Unit and property trust funds	26,238	7,189	33,427
Investments in investment-linked funds	5,870	-	-
Structured investments	-	4,383	4,383
Accrued profit	1,817	-	-
	<u>206,944</u>	<u>522,103</u>	<u>723,177</u>

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

3. FINANCIAL ASSETS (CONTINUED)

(a) The Company's financial assets are summarised by categories as follows: (continued)

	Takaful Operator RM'000	Family Takaful Fund RM'000	Company RM'000
<u>30 June 2019</u>			
FVTPL financial assets	203,969	469,807	668,040
	<u>203,969</u>	<u>469,807</u>	<u>668,040</u>
Current	1,805	4,011	5,816
Non-current	202,164	465,796	662,224
	<u>203,969</u>	<u>469,807</u>	<u>668,040</u>
(i) FVTPL			
<u>30 June 2019</u>			
Government Investment Issues	2,740	36,464	39,204
Islamic sukuk	147,256	330,194	477,450
Equity securities quoted in Malaysia	23,007	89,307	112,314
Islamic Unit and property trust funds	23,425	5,522	28,947
Investments in investment-linked	5,736	-	-
Islamic Structured investments	-	4,309	4,309
Accrued profit	1,805	4,011	5,816
	<u>203,969</u>	<u>469,807</u>	<u>668,040</u>

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

3. FINANCIAL ASSETS (CONTINUED)

(b) Carrying value of financial instruments

	Takaful Operator RM'000	Family Takaful Fund RM'000	Company RM'000
<u>FVTPL</u>			
At 1 July 2019	203,969	469,807	668,040
Purchases	13,552	96,983	110,534
Maturities	(10,000)	(254)	(10,254)
Disposals	(2,313)	(47,578)	(49,891)
Fair value gain recorded in profit or loss	1,767	2,718	4,352
Accretion of discount, net of amortisation of premium	(43)	45	3
Movement in accrued profit	12	382	393
At 31 December 2019	<u>206,944</u>	<u>522,103</u>	<u>723,177</u>

	Takaful Operator RM'000	Family Takaful Fund RM'000	Company RM'000
<u>FVTPL</u>			
At 1 July 2018	-	33,211	33,211
- Effect on adoption of MFRS 9	71,410	272,802	338,761
- as restated 1 July 2018	<u>71,410</u>	<u>306,013</u>	<u>371,972</u>
Purchases	258,210	243,546	501,756
Maturities	(15,000)	(7,700)	(22,700)
Disposals	(118,854)	(98,846)	(217,700)
Fair value gain recorded in profit or loss	7,032	25,275	32,022
Accretion of discount, net of amortisation of premium	(32)	78	46
Movement in accrued profit	1,203	1,441	2,644
At 30 June 2019	<u>203,969</u>	<u>469,807</u>	<u>668,040</u>

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

3. FINANCIAL ASSETS (CONTINUED)

(c) Fair value hierarchy

The table below shows the financial assets recorded at fair value by their

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly

	Takaful Operator RM'000	Family Takaful Fund RM'000	Company RM'000
FVTPL			
<u>31 December 2019</u>			
Level 1	50,622	109,100	159,722
Level 2	156,322	413,003	563,455
	<u>206,944</u>	<u>522,103</u>	<u>723,177</u>

	Takaful Operator RM'000	Family Takaful Fund RM'000	Company RM'000
FVTPL			
<u>30 June 2019</u>			
Level 1	46,431	94,830	141,261
Level 2	157,538	374,977	526,779
	<u>203,969</u>	<u>469,807</u>	<u>668,040</u>

4. RETAKAFUL ASSETS

	Family Takaful Fund RM'000	Company RM'000
<u>31 December 2019</u>		
Retakaful of Takaful contracts	<u>65,703</u>	<u>65,703</u>
<u>30 June 2019</u>		
Retakaful of Takaful contracts	<u>36,888</u>	<u>36,888</u>

**HONG LEONG MSIG TAKAFUL BERHAD**

Company No. 200601018337 (738090-M)

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

## 5. TAKAFUL CONTRACT LIABILITIES

Note	31.12.2019			30.6.2019		
	Gross RM'000	Re-takaful RM'000	Net RM'000	Gross RM'000	Re-takaful RM'000	Net RM'000
Family Takaful	617,791	(65,703)	552,088	542,641	(36,888)	505,752
Elimination of investment in investment-linked funds Company	(5,870)	-	(5,870)	(5,736)	-	(5,737)
	<u>611,921</u>	<u>(65,703)</u>	<u>546,218</u>	<u>536,905</u>	<u>(36,888)</u>	<u>500,015</u>

(a) Family Takaful contract liabilities

The Family Takaful contract liabilities and its movements are further analysed as follows:

	31.12.2019			30.6.2019		
	Gross RM'000	Re-takaful RM'000	Net RM'000	Gross RM'000	Re-takaful RM'000	Net RM'000
Certificateholders' liabilities	531,366	(27,152)	504,215	456,735	(24,993)	431,741
Net asset value attributable to certificateholders	52,628	-	52,628	51,873	-	51,873
Actuarial liabilities	583,994	(27,152)	556,842	508,608	(24,993)	483,614
Claims liabilities	24,825	(38,551)	(13,726)	17,499	(11,895)	5,604
Unallocated surplus	8,971	-	8,971	16,534	-	16,534
	<u>617,791</u>	<u>(65,703)</u>	<u>552,088</u>	<u>542,641</u>	<u>(36,888)</u>	<u>505,752</u>

**HONG LEONG MSIG TAKAFUL BERHAD**

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

## 5. TAKAFUL CONTRACT LIABILITIES (CONTINUED)

(a) Family Takaful contract liabilities (continued)

	31.12.2019			30.6.2019		
	Gross RM'000	Re-takaful RM'000	Net RM'000	Gross RM'000	Re-takaful RM'000	Net RM'000
At 30 June 2019 / 30 June 2018	542,641	(36,888)	505,753	396,128	(43,446)	352,682
- Effect of adoption of MFRS 9	-	-	-	(2,586)	-	(2,586)
- as restated 1 July 2018	542,641	(36,888)	505,753	393,542	(43,446)	350,096
Contribution received	131,949	(26,184)	105,765	257,533	(44,002)	213,531
Liabilities paid for death, maturities, surrenders, benefits and claims	(45,065)	26,889	(18,176)	(58,247)	34,377	(23,870)
Movement in claims liabilities	(7,326)	26,656	19,331	(572)	1,304	732
Reserve on new policies	9,749	(4,514)	5,234	10,305	(4,915)	5,390
Change in assumptions	(10,811)	8,002	(2,810)	(14,553)	12,948	(1,605)
Miscellaneous	20,977	(59,665)	(38,688)	(27,629)	6,846	(20,784)
Net asset value attributable to unit holders	755	-	755	22,652	-	22,652
Fees deducted	(35,497)	-	(35,497)	(65,699)	-	(65,699)
Investment income	10,401	-	10,401	42,217	-	42,217
Surplus distributed to Takaful Operator	-	-	-	(8,472)	-	(8,472)
Transfer surplus distribution to other liabilities	-	-	-	(8,435)	-	(8,435)
Qardhul Hassan	19	-	19	-	-	-
At 31 December 2019 / 30 June 2019	<u>617,791</u>	<u>(65,703)</u>	<u>552,088</u>	<u>542,641</u>	<u>(36,888)</u>	<u>505,752</u>

**HONG LEONG MSIG TAKAFUL BERHAD**

Company No. 200601018337 (738090-M)

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)****6. TOTAL CAPITAL AVAILABLE**

The capital structure of the company as at the date of the statement of financial position, consisting of all funds as prescribed under the RBC Framework is provided below:

	<u>31.12.2019</u>	<u>30.6.2019</u>
	RM'000	RM'000
Eligible Tier 1 capital		
- Share capital	200,000	200,000
- Reserves, including retained earnings	17,644	9,103
Eligible Tier 2 capital		
- Eligible reserves	19	19
Amount deducted from capital	<u>(3,530)</u>	<u>(2,840)</u>
Total capital available	<u>214,133</u>	<u>206,282</u>

**7. ITEMS OF AN UNUSUAL NATURE**

The results of the Company for the financial period under review were not substantially affected by any item, transaction or event of a material and unusual nature.

**8. SEASONAL OR CYCLICAL FACTORS**

The operations of the Company for the financial period under review were not significantly affected by seasonality or cyclical factors.

**9. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS**

There were no material contingent liabilities or contingent assets as at date of this report.

**10. DEBTS AND EQUITY SECURITIES**

There were no issuance, cancellation, repurchases, resale and repayment of debt and equity securities during the financial period ended 31 December 2019.

**11. SIGNIFICANT EVENTS SUBSEQUENT TO END OF REPORTING PERIOD**

There was no material and significant event after the interim financial period ended 31 December 2019 that require disclosures and adjustments to the unaudited condensed interim financial statement.