

GREAT EASTERN GENERAL INSURANCE (MALAYSIA) BERHAD
198301007025 (102249-P)
(A Member of Great Eastern Holdings Limited)

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021

GREAT EASTERN GENERAL INSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

Interim Condensed Financial Statements for Six Months Period Ended 30 June 2021

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GREAT EASTERN GENERAL INSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	30.06.2021 RM	31.12.2020 RM
Assets			
Intangible assets		52,786,541	48,916,925
Property and equipment			
- Owned		3,929,635	3,793,548
- Right-of-use assets		14,966,513	15,998,550
Investments	9	716,883,490	759,036,573
Reinsurance assets	10	593,040,349	236,586,027
Insurance receivables		74,042,275	83,933,925
Other receivables		62,008,368	66,133,984
Deferred tax assets		407,064	-
Tax recoverable		1,115,161	1,584,586
Cash and bank balances		27,343,036	16,772,188
Total assets		<u>1,546,522,432</u>	<u>1,232,756,306</u>
Equity			
Share capital		100,000,000	100,000,000
Retained earnings		340,084,009	364,721,355
Fair value reserves		8,319,633	15,729,939
Total equity		<u>448,403,642</u>	<u>480,451,294</u>
Liabilities			
Insurance contract liabilities	11	966,219,131	613,865,894
Lease liabilities		14,907,061	15,850,067
Deferred tax liabilities		-	1,606,011
Deposits from reinsurers		3,499,853	2,314,929
Insurance payables		56,465,263	57,934,022
Other payables		57,027,482	60,734,089
Total liabilities		<u>1,098,118,790</u>	<u>752,305,012</u>
Total equity and liabilities		<u>1,546,522,432</u>	<u>1,232,756,306</u>

The accompanying notes form an integral part of the financial statements.

GREAT EASTERN GENERAL INSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

CONDENSED STATEMENT OF PROFIT OR LOSS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021

	Note	6 months period ended 30.06.2021 RM	6 months period ended 30.06.2020 RM
Gross earned premiums		265,324,467	265,603,149
Premiums ceded to reinsurers		<u>(95,434,565)</u>	<u>(81,503,685)</u>
Net earned premiums		<u>169,889,902</u>	<u>184,099,464</u>
Investment income		14,005,699	17,154,463
Realised gains		1,996,212	1,283,868
Fair value (losses)/gains		(4,269,698)	1,479,477
Changes in allowance for ECL on investment assets		(1,006,298)	(81,099)
Fee and commission income		21,138,073	21,739,360
Other operating (expense)/revenue		<u>(1,842,427)</u>	<u>572,408</u>
Other revenue		<u>30,021,561</u>	<u>42,148,477</u>
Gross claims paid		(119,836,813)	(122,626,497)
Claims ceded to reinsurers		37,295,103	37,934,620
Gross change in contract liabilities		(353,349,150)	(19,471,547)
Change in contract liabilities ceded to reinsurers		<u>363,536,913</u>	<u>9,707,903</u>
Net claims		<u>(72,353,947)</u>	<u>(94,455,521)</u>
Fee and commission expense		(39,277,695)	(37,829,226)
Management expenses		(47,787,276)	(49,043,216)
Finance cost		<u>(308,273)</u>	<u>(396,596)</u>
Other expenses		<u>(87,373,244)</u>	<u>(87,269,038)</u>
Profit before taxation		40,184,272	44,523,382
Taxation	12	<u>(9,232,489)</u>	<u>(10,487,672)</u>
Net profit for the period		<u>30,951,783</u>	<u>34,035,710</u>
Earnings per share (sen)			
Basic and diluted	13	<u>30.95</u>	<u>34.04</u>

The accompanying notes form an integral part of the financial statements.

GREAT EASTERN GENERAL INSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021

	6 months period ended 30.06.2021 RM	6 months period ended 30.06.2020 RM
Net profit for the period	30,951,783	34,035,710
Other comprehensive income:		
<u>Items that may be reclassified to income statement in subsequent periods:</u>		
Fair value through other comprehensive income reserves:		
Net (losses)/gains on fair value changes	(9,503,870)	3,975,212
Realised gains transferred to statement of profit or loss	(2,028,002)	(857,752)
Reclassification from FVOCI reserves to retained earnings arising from realised losses on disposal of FVOCI equities	775,172	317,405
Changes in allowance for ECL	1,006,298	87,004
	(9,750,402)	3,521,869
Tax effect	2,340,096	(845,248)
	<u>(7,410,306)</u>	<u>2,676,621</u>
Total comprehensive income for the period	<u>23,541,477</u>	<u>36,712,331</u>

The accompanying notes form an integral part of the financial statements.

GREAT EASTERN GENERAL INSURANCE (MALAYSIA) BERHAD
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CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021

	Non-Distributable Share capital RM	FVOCI reserves RM	Distributable Retained earnings RM	Total equity RM
At 1 January 2020	100,000,000	8,998,128	351,337,684	460,335,812
Total comprehensive income for the period	-	2,435,393	34,035,710	36,471,103
Reclassification from FVOCI reserves to retained earnings arising from realised losses on disposal of FVOCI equities	-	241,228	(241,228)	-
Dividend paid during the period	-	-	(40,000,000)	(40,000,000)
At 30 June 2020	<u>100,000,000</u>	<u>11,674,749</u>	<u>345,132,166</u>	<u>456,806,915</u>
At 1 January 2021	100,000,000	15,729,939	364,721,355	480,451,294
Total comprehensive income for the period	-	(7,999,435)	30,951,783	22,952,348
Reclassification from FVOCI reserves to retained earnings arising from realised losses on disposal of FVOCI equities	-	589,129	(589,129)	-
Dividend paid during the period	-	-	(55,000,000)	(55,000,000)
At 30 June 2021	<u>100,000,000</u>	<u>8,319,633</u>	<u>340,084,009</u>	<u>448,403,642</u>

The accompanying notes form an integral part of the financial statements.

GREAT EASTERN GENERAL INSURANCE (MALAYSIA) BERHAD
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CONDENSED CASH FLOW STATEMENT
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021

		6 months ended 30.06.2021 RM	6 months ended 30.06.2020 RM
	Note		
Operating activities			
Cash generated from operating activities	14	68,190,238	59,221,661
Dividend income received		4,367,595	5,900,834
Interest income received		11,621,214	13,000,218
Interest paid		(16,545)	(4,236)
Income tax paid		(8,249,999)	(8,124,996)
Net cash flows generated from operating activities		<u>75,912,503</u>	<u>69,993,481</u>
Investing activities			
Proceeds from disposal of equipment		-	630
Purchase of equipment		(818,750)	(4,598,064)
Purchase of intangible assets		(5,593,523)	-
Net cash flows used in investing activities		<u>(6,412,273)</u>	<u>(4,597,434)</u>
Financing activity			
Payment of lease liabilities		(1,779,382)	(1,784,943)
Dividend paid		(55,000,000)	(40,000,000)
Net cash flows used in financing activity		<u>(56,779,382)</u>	<u>(41,784,943)</u>
Net increase in cash and cash equivalents		12,720,848	23,611,104
Cash and cash equivalents at beginning of period		<u>24,622,188</u>	<u>28,952,878</u>
Cash and cash equivalents at end of period		<u>37,343,036</u>	<u>52,563,982</u>
Cash and cash equivalents comprise:			
Cash and bank balances		27,343,036	27,563,982
Deposits with licensed financial institutions	9(a)	10,000,000	25,000,000
		<u>37,343,036</u>	<u>52,563,982</u>

The accompanying notes form an integral part of the financial statements.

GREAT EASTERN GENERAL INSURANCE (MALAYSIA) BERHAD
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2021

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The interim condensed financial statements of the Company are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134 - Interim Financial Reporting, and International Accounting Standards (“IAS”) 34 - Interim Financial Reporting. The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited financial statements for the financial year ended 31 December 2020.

The notes attached to the interim condensed financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial statements of the company since the financial year ended 31 December 2020.

1.2 CHANGES IN ACCOUNTING POLICIES

New and amended standards and interpretations

The significant accounting policies in these interim condensed financial statements are consistent with those adopted in the financial statements for the financial year ended 31 December 2020, except for the adoption of the following MFRS, Amendments and Improvements to MFRSs:

Effective for the financial periods beginning on or after 1 January 2021

- Amendments to MFRS 9, 139, 7, 4 & 16 - *Interest Rate Benchmark Reform*
- Amendments to MFRS 16 *Leases - COVID-19-Related Rent Concessions*

The adoption of the above did not have any significant effects on the interim condensed financial statements upon their initial application.

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2. SEASONALITY OF OPERATIONS

The business and operations of the Company was not materially affected by any seasonal or cyclical fluctuations during the interim financial period.

3. UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim financial period ended 30 June 2021.

4. CHANGE IN ESTIMATES

There were no changes in the basis used for accounting estimates for the interim financial period.

5. DEBT AND EQUITY SECURITIES

There were no issuance, repurchase and repayment of debt and equity securities by the Company during the interim financial period.

6. DIVIDENDS

During the interim period ended 30 June 2021, the Company paid a final single-tier dividend of RM0.55 per ordinary shares on 100,000,000 ordinary shares, amounting to RM55,000,000 in respect of the financial year ended 31 December 2020 on 4 May 2021.

7. EVENT SUBSEQUENT TO THE END OF THE INTERIM PERIOD

There is no material event subsequent to the end of the interim reporting period that has not been reported in the interim condensed financial statements.

8. CHANGES IN THE COMPOSITION OF THE COMPANY

There is no change in the composition of the Company during the interim financial period.

GREAT EASTERN GENERAL INSURANCE (MALAYSIA) BERHAD
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9. INVESTMENTS

	30.06.2021	31.12.2020
	RM	RM
Malaysian government securities	105,149,460	82,497,785
Debt securities	371,565,974	435,473,855
Equity securities	46,958,100	49,810,094
Collective investment schemes	182,538,044	182,606,112
Loans	671,912	798,727
Deposits with financial institutions	10,000,000	7,850,000
	<u>716,883,490</u>	<u>759,036,573</u>

The Company's investments are summarised by categories as follows:

	30.06.2021	31.12.2020
	RM	RM
Financial assets at amortised cost	10,671,912	8,648,727
Financial assets at FVOCI	478,701,305	517,864,853
Financial assets at FVTPL	227,510,273	232,522,993
	<u>716,883,490</u>	<u>759,036,573</u>

The following investments mature after 12 months:

	30.06.2021	31.12.2020
	RM	RM
Financial assets at amortised cost	664,012	752,628
Financial assets at FVOCI	400,552,693	486,109,044
Financial assets at FVTPL	218,157,201	232,522,993
	<u>619,373,906</u>	<u>719,384,665</u>

Included in financial assets at FVOCI are quoted equity securities of RM29,087,616 (2020: RM31,753,529) with no maturity date.

Included in financial assets at FVTPL are unquoted equity securities of RM9,708,850 (2020: RM18,026,740), perpetual debt securities RM15,315,150 (2020: RM18,380,242) and collective investment schemes of RM182,538,044 (2020: RM182,606,113) with no maturity date.

GREAT EASTERN GENERAL INSURANCE (MALAYSIA) BERHAD
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9. INVESTMENTS (CONT'D.)

(a) Financial assets measured at amortised cost

	30.06.2021	31.12.2020
	RM	RM
Deposits with licensed financial institutions	10,000,000	7,850,000
Vehicle loans	671,912	797,012
Computer loans	-	1,715
	<u>10,671,912</u>	<u>8,648,727</u>

The carrying value of fixed and call deposits approximate their fair values due to the relatively short term maturities.

The carrying value of financial assets measured at amortised cost, other than fixed and call deposits, are reasonable approximations of fair values due to the insignificant impact of discounting.

(b) Financial assets measured at FVOCI

	30.06.2021	31.12.2020
	RM	RM
Malaysian government securities	105,149,460	82,497,785
Unquoted debt securities in Malaysia	344,464,229	403,613,539
Quoted equity securities in Malaysia	29,087,616	31,753,529
	<u>478,701,305</u>	<u>517,864,853</u>

Allowance for ECL has been provided for Malaysian government securities and unquoted debt securities measured at FVOCI amount to RM2,946,337 (2020: RM1,940,038).

Quoted equities securities measured at FVOCI are not subject to impairment assessment.

During the financial year ended 30 June 2021, the Company sold listed equity securities due to portfolio rebalancing activities. These investments had a fair value of RM1,828,521 (2020: RM11,509,672) at the date of disposal. The cumulative loss on disposal (net of tax) of RM589,129 (2020: cumulative loss on disposal (net of tax) of RM1,989,164) was reclassified from fair value reserve to retained earnings.

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9. INVESTMENTS (CONT'D.)

(c) Financial assets measured at FVTPL

	30.06.2021	31.12.2020
	RM	RM
Unquoted debt securities in Malaysia	27,101,745	31,860,316
Quoted equity securities in Malaysia	21,474	29,825
Unquoted equity securities in Malaysia	17,849,010	18,026,740
Collective investment schemes	182,538,044	182,606,112
	<u>227,510,273</u>	<u>232,522,993</u>

Financial assets measured at FVTPL primarily comprise perpetual debt securities, collective investment schemes, unquoted equity securities, warrants and structured deposits. In accordance with MFRS 9, these have been designated as FVTPL upon initial recognition.

(d) Carrying values of investments

	Amortised Cost	FVOCI	FVTPL	Total
	RM	RM	RM	RM
At 1 January 2020	33,230,327	470,814,159	245,203,222	749,247,708
Purchases	471,610,000	298,568,892	32,679,171	802,858,063
Maturities/disposals	(496,194,224)	(259,386,056)	(47,205,845)	(802,786,125)
Fair value gains recorded in other comprehensive income	-	8,778,945	-	8,778,945
Fair value gains recorded in statement of profit or loss	-	-	1,846,445	1,846,445
Provision for ECL	5,905	-	-	5,905
Amortisation	(3,281)	(911,087)	-	(914,368)
At 31 December 2020 / At 1 January 2021	<u>8,648,727</u>	<u>517,864,853</u>	<u>232,522,993</u>	<u>759,036,573</u>
Purchases	267,438,000	150,904,948	4,988,768	423,331,716
Maturities/disposals	(265,414,815)	(178,576,262)	(5,731,790)	(449,722,867)
Fair value loss recorded in other comprehensive income	-	(10,756,700)	-	(10,756,700)
Fair value loss recorded in statement of profit or loss	-	-	(4,269,698)	(4,269,698)
Amortisation	-	(735,534)	-	(735,534)
At 30 June 2021	<u>10,671,912</u>	<u>478,701,305</u>	<u>227,510,273</u>	<u>716,883,490</u>

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10. REINSURANCE ASSETS

	30.06.2021	31.12.2020
	RM	RM
Reinsurers' share of claim liabilities	532,461,434	168,925,771
Accumulated impairment losses	(24,145)	(25,395)
Reinsurers' share of claim liabilities (Note 11)	<u>532,437,289</u>	<u>168,900,376</u>
Reinsurers' share of premium liabilities (Note 11)	60,603,060	67,685,651
	<u>593,040,349</u>	<u>236,586,027</u>

Movement of accumulated impairment losses account:

	Individually Impaired	
	30.06.2021	31.12.2020
	RM	RM
At beginning of year	25,395	32,132
Reversal of impairment losses	(1,250)	(4,806)
Transfer of impairment losses to insurance receivables	-	(1,931)
At end of period/year	<u>24,145</u>	<u>25,395</u>

The Company have provided for impairment losses for reinsurance assets of reinsurers who are fully impaired as a result of deteriorating financial performance and credit ratings of the reinsurers. During the year, the Company has recognised reversal of impairment losses of RM1,250 (2020: RM4,806) provided earlier due to the closure of time-barred losses and the impairment losses transferred to insurance receivables (2020: RM1,931) due to settlement of claims.

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11. INSURANCE CONTRACT LIABILITIES

	30.06.2021			31.12.2020		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	RM	RM	RM	RM	RM	RM
Provision for claims reported by policyholders	671,823,473	(500,207,663)	171,615,810	323,629,114	(143,630,575)	179,998,539
Provision for incurred but not reported claims (“IBNR”) and provision for risk margin for adverse deviations (“PRAD”)	70,899,136	(32,229,626)	38,669,510	65,744,345	(25,269,801)	40,474,544
Claim liabilities (i)	742,722,609	(532,437,289)	210,285,320	389,373,459	(168,900,376)	220,473,083
Premium liabilities (ii)	223,496,522	(60,603,060)	162,893,462	224,492,435	(67,685,651)	156,806,784
	966,219,131	(593,040,349)	373,178,782	613,865,894	(236,586,027)	377,279,867
(i) Claim liabilities						
At beginning of period/year	389,373,459	(168,900,376)	220,473,083	385,619,297	(167,542,668)	218,076,629
Claims incurred in the current accident period (direct and facultative)	206,603,057	(112,194,568)	94,408,489	270,341,242	(81,213,464)	189,127,778
Movement in PRAD of claim liabilities	7,941,189	(8,445,458)	(504,269)	1,255,279	(149,929)	1,105,350
Movement in unallocated loss adjustment expenses (“ULAE”)	(297)	-	(297)	564,394	-	564,394
Other movement in claims incurred in prior accident years (direct and facultative)	260,725,745	(280,191,990)	(19,466,245)	(13,989,742)	8,606,084	(5,383,658)
Movement in claims incurred (treaty inwards claims)	(2,083,731)	-	(2,083,731)	(719,881)	-	(719,881)
Claims paid during the period	(119,836,813)	37,295,103	(82,541,710)	(253,697,130)	71,399,601	(182,297,529)
At end of period/year	742,722,609	(532,437,289)	210,285,320	389,373,459	(168,900,376)	220,473,083
(ii) Premium liabilities						
At beginning of period/year	224,492,435	(67,685,651)	156,806,784	215,979,551	(56,827,055)	159,152,496
Premiums written in the period	264,328,554	(88,351,974)	175,976,580	527,041,024	(166,557,051)	360,483,973
Premiums earned during the period	(265,324,467)	95,434,565	(169,889,902)	(518,528,140)	155,698,455	(362,829,685)
At end of period/year	223,496,522	(60,603,060)	162,893,462	224,492,435	(67,685,651)	156,806,784

As at 30 June 2021, the insurance contract liabilities above includes the Company’s share of MMIP’s claim and premium liabilities amounting to RM22,562,312 (2020: RM26,084,791) and RM1,254,000 (2020: RM1,833,615).

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12. TAXATION

	30.06.2021	30.06.2020
	RM	RM
Current income tax:		
Malaysian income tax	8,905,467	9,839,932
	<u>8,905,467</u>	<u>9,839,932</u>
Deferred tax:		
Relating to origination and reversal of temporary differences	327,022	647,740
	<u>327,022</u>	<u>647,740</u>
	<u>9,232,489</u>	<u>10,487,672</u>

Income tax is based on the statutory tax rate of 24% of the estimated assessable profit for the financial year.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expenses at the effective income tax rate is as follows:

	30.06.2021	30.06.2020
	RM	RM
Profit before taxation	<u>40,184,272</u>	<u>44,523,382</u>
Taxation at Malaysian statutory tax rate of 24%	9,644,225	10,685,612
Income not subject to tax	(971,009)	(1,292,210)
Expenses not deductible for tax purposes	559,273	1,094,270
Tax expense for the year	<u>9,232,489</u>	<u>10,487,672</u>

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13. EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit for the financial period attributable to ordinary equity holders of the Company by the number of ordinary shares in issue during the financial period.

	30.06.2021	30.06.2020
	RM	RM
Profit attributable to ordinary equity holder	30,951,783	34,035,710
Number of ordinary shares in issue during the period	100,000,000	100,000,000
Basic earnings per share (sen)	<u>30.95</u>	<u>34.04</u>

There were no dilutive potential ordinary shares as at the reporting date. There have been no other transactions involving ordinary shares between the reporting date and the date of completion of the financial statements.

14. CASH GENERATED FROM OPERATING ACTIVITIES

	30.06.2021	30.06.2020
	RM	RM
Profit before taxation	40,184,272	44,523,382
Investment income	(15,314,018)	(17,951,445)
Finance cost	308,273	396,596
Realised gains on financial assets at FVOCI and FVTPL	(1,996,212)	(1,283,868)
Fair value losses/(gains) recorded in statement of profit or loss	4,269,698	(1,479,477)
Purchases of financial assets at FVTPL	(4,988,768)	(4,861,275)
Purchases of financial assets at FVOCI	(150,904,948)	(87,793,063)
Proceeds from maturities/disposals of financial assets at FVOCI	179,829,091	62,862,114
Proceeds from maturities/disposals of financial assets at FVTPL	5,700,000	40,623,109
Decrease in financial assets at amortised cost	126,815	20,219,045
Non-cash items:		
Depreciation of property and equipment and right-of-use assets	2,345,554	3,528,050
Amortisation on intangible assets	1,723,907	325,135
Changes in allowance for ECL on investment assets	1,006,298	81,099
Changes in allowance for ECL on insurance receivables	(968,911)	571,372

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14. CASH GENERATED FROM OPERATING ACTIVITIES (CONT'D.)

	30.06.2021	30.06.2020
	RM	RM
Non-cash items (cont'd.):		
Write back of impairment losses on reinsurance assets	(1,250)	(4,393)
(Write back)/write off of bad debts	(52,512)	5,721
Property and equipment written off	1	(624)
Net amortisation of discounts	735,534	305,036
Changes in working capital:		
Right-of-use assets	(630,855)	(1,088,447)
Reinsurance assets	(356,453,072)	(13,429,775)
Insurance receivables	10,913,073	(29,570,546)
Other receivables	3,450,825	(1,046,987)
Insurance contract liabilities	352,353,237	24,590,608
Deposits from reinsurers	1,184,924	208,728
Insurance payables	(1,468,759)	12,585,655
Lease liabilities	555,770	958,829
Other payables	(3,717,729)	5,947,082
Cash generated from operating activities	<u>68,190,238</u>	<u>59,221,661</u>

The Company classifies the cash flows from the acquisition and disposal of financial assets as operating cash flows, as the purchases are funded from cash flows associated with the origination of insurance contracts, net of the cash flows for payments of claims incurred for insurance contracts, which are classified under operating activities.

15. CAPITAL COMMITMENTS

The capital commitments of the Company as at the financial period are as follows:

	30.06.2021	30.06.2020
	RM	RM
Capital expenditure:		
Approved and contracted for:		
Property and equipment	3,329,771	5,371,698
Approved but not contracted for:		
Property and equipment	7,566,480	17,667,227
	<u>10,896,251</u>	<u>23,038,925</u>

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16. REGULATORY CAPITAL REQUIREMENTS

The capital structure of the Company as at 30 June 2021, as prescribed under the RBC Framework is provided below:

	30.06.2021	30.06.2020
	RM	RM
Eligible Tier 1 Capital:		
Share capital (paid up)	100,000,000	100,000,000
Reserves, including retained earnings	340,084,011	345,132,169
	<u>440,084,011</u>	<u>445,132,169</u>
Tier 2 Capital:		
Eligible Reserves	<u>8,319,633</u>	<u>11,674,749</u>
Deductions	<u>(53,193,605)</u>	<u>(22,162,694)</u>
Total Capital Available	<u>395,210,039</u>	<u>434,644,224</u>

17. CONTINGENT LIABILITY

On 22 February 2017, the Malaysian Competition Commission (“MyCC”) issued its Proposed Decision on an alleged infringement by the General Insurance Association of Malaysia (“PIAM”) and its 22 members under the Section 4(2)(a) of the Competition Act 2010 (“the Act”). MyCC’s Proposed Decision is with respect to the agreement reached between PIAM and the Federation of Automobile Workshop Owners’ Association of Malaysia (“FAWOAM”) in respect to the trade discount rates for parts of certain vehicle makes and labour rates for workshops under the PIAM Approved Repairers Scheme.

A final decision dated 14 September 2020 was issued by the MyCC with a finding of infringement and the general insurance industry was imposed a financial penalty of about RM130 million. For GEGM, specifically, the financial penalty imposed is in the sum of RM1.9mil. The Company has filed its appeal against the MyCC’s final decision on 13 October 2020 and a stay application (pending disposal of the appeal) on 6 November 2020. The Competition Appeal Tribunal delivered its decision with regard to the stay application on 23 March 2021, unanimously deciding to allow the insurers’ respective stay applications and ordered that the Cease and Desist order and financial penalty imposed on all insurers be stayed pending disposal of the appeal before the Competition Appeal Tribunal. The provisional hearing dates for the insurers’ appeal have been fixed on 12, 15, 16, 19 and 26 November 2021.

The Management of the Company believes that the criteria to disclose the above as a contingent liability is met. Except as disclosed above, the Company does not have any other contingent assets or liabilities.