

**GREAT EASTERN LIFE ASSURANCE (MALAYSIA)
BERHAD**

**198201013982 (93745-A)
(Incorporated in Malaysia)**

**Interim condensed financial statements
For the six months ended 30 June 2021**

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

Interim condensed financial statements for the six months ended 30 June 2021

CONTENTS	PAGE
Statement by Directors	1
Condensed Statement of Financial Position	2
Condensed Statement of Profit or Loss	3
Condensed Statement of Comprehensive Income.....	4
Condensed Statement of Changes in Equity	5
Condensed Statement of Cash Flow	6
Notes to the Interim Condensed Financial Statements	7 - 59

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

Statement by Directors

We, Ng Hon Soon and Siew Kah Toong, being two of the directors of Great Eastern Life Assurance (Malaysia) Berhad, do hereby state that, in the opinion of the Directors, the accompanying interim condensed financial statements set out on pages 2 to 59 are drawn up in accordance with Malaysian Financial Reporting Standard 134: Interim Financial Reporting ("MFRS 134") and International Accounting Standard 34: Interim Financial Reporting ("IAS 34"), and Bank Negara Malaysia's policy document on Financial Reporting [BNM/RH/PD 032-13] dated 27 September 2019 so as to give a true and fair view of the financial position of the Company as at 30 June 2021 and of the results and cash flows of the Company for the period then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 21 July 2021.

Ng Hon Soon

Siew Kah Toong

Kuala Lumpur
21 July 2021

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	30.06.2021 RM'000	31.12.2020 RM'000
Assets			
Property and equipment			
- Owned		424,707	531,178
- Right-of-use assets		18,691	19,366
Intangible assets		154,437	3,644
Investment properties		1,129,619	1,129,470
Investments	11	85,342,367	87,227,809
Derivatives	15	2,836	18,250
Reinsurance assets	12	117,416	119,373
Insurance receivables	13	357,602	284,633
Other receivables		907,371	996,304
Cash and bank balances		1,814,242	742,842
Total assets		90,269,288	91,072,869
Equity			
Share capital		100,000	100,000
Retained earnings		3,864,199	3,586,186
Other comprehensive income fair value reserves		(13,615)	39,547
Total equity		3,950,584	3,725,733
Liabilities			
Insurance contract liabilities	14	83,407,387	83,998,807
Derivatives	15	52,997	49,861
Agents' retirement benefits		899,582	885,877
Deferred tax liabilities		766,997	832,129
Other financial liabilities		71,616	271,171
Insurance payables	16	322,689	390,659
Provision for taxation		196,994	313,903
Lease liabilities		3,225	3,827
Other payables		597,217	600,902
Total liabilities		86,318,704	87,347,136
Total equity and liabilities		90,269,288	91,072,869

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

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

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

	Note	01.01.2021 to 30.06.2021 RM'000	01.01.2020 to 30.06.2020 RM'000
Gross earned premiums	17(a)	4,511,969	4,335,658
Earned premiums ceded to reinsurers	17(b)	(200,068)	(105,896)
Net earned premiums		<u>4,311,901</u>	<u>4,229,762</u>
Investment income	18	1,748,595	1,778,092
Realised gains and losses		(131,465)	(129,364)
Fair value gains and losses		(2,571,264)	(1,807,238)
Decrease/(increase) in provision for impairment of:			
Insurance receivables		1,101	(8,057)
Other receivables		(42)	(55)
Investments		(20,810)	(72)
Fees and commission income		107,275	29,896
Other operating revenue		66,666	214,975
Other revenue		<u>(799,944)</u>	<u>78,177</u>
Gross benefits and claims paid	19(a)	(3,001,242)	(2,765,147)
Claims ceded to reinsurers	19(b)	164,901	70,314
Gross change in contract liabilities	19(c)	849,878	2,316,422
Change in contract liabilities ceded to reinsurers	19(d)	2,269	(449)
Net benefits and claims		<u>(1,984,194)</u>	<u>(378,860)</u>
Fees and commission expense		(675,127)	(604,906)
Management expenses	20	(271,064)	(260,836)
Other operating expenses		(466)	(520)
Taxation attributable to life insurance business	22(a)	114,027	35,652
Other expenses		<u>(832,630)</u>	<u>(830,610)</u>
Profit before taxation attributable to shareholders		695,133	3,098,469
Taxation		(50,319)	(118,321)
Taxation attributable to life insurance business		(114,027)	(35,652)
Taxation attributable to shareholders	22(b)	(164,346)	(153,973)
Net profit for the period		<u>530,787</u>	<u>2,944,496</u>
Earnings per share (sen)			
Basic and diluted		<u>531</u>	<u>2,944</u>

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

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

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

	01.01.2021	01.01.2020
	to	to
	30.06.2021	30.06.2020
	RM'000	RM'000
Net profit for the period	530,787	2,944,496
Other comprehensive income/(loss):		
Other comprehensive income/(loss) that will not be reclassified to statement of profit or loss in subsequent periods:		
Net gain/(loss) on equity instrument designated at fair value through other comprehensive income ("FVOCI")	675	(121,348)
Tax effects thereon	(99)	27,055
Net other comprehensive income/(loss) that will not be reclassified to statement of profit or loss in subsequent periods (net of tax)	<u>576</u>	<u>(94,293)</u>
Other comprehensive (loss)/income that may be reclassified to statement of profit or loss in subsequent periods:		
Debt instruments at FVOCI:		
Net (loss)/gain arising during the period	(65,936)	38,673
Changes in allowance for Expected Credit Loss ("ECL")	6,722	5,132
Net realised gain transferred to statement of profit or loss	(3,109)	(39,448)
Tax effects thereon	(62,323)	4,357
Net other comprehensive (loss)/income that may be reclassified to statement of profit or loss in subsequent periods (net of tax)	<u>(56,512)</u>	<u>3,786</u>
Other comprehensive loss for the period, net of tax	<u>(55,936)</u>	<u>(90,507)</u>
Total comprehensive income for the period, net of tax	<u>474,851</u>	<u>2,853,989</u>

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

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Share Capital RM'000	Non-Distributable			Distributable			Total Equity RM'000
		Fair Value Reserves			Retained Earnings			
		Non- participating Fund RM'000	Shareholder's Fund RM'000	Sub-total RM'000	Non- participating Fund* RM'000	Shareholder's Fund RM'000	Sub-total RM'000	
At 1 January 2020	100,000	87,622	(9,443)	78,179	777,742	1,711,100	2,488,842	2,667,021
Net profit for the period	-	-	-	-	346,854	2,597,642	2,944,496	2,944,496
Other comprehensive loss for the period	-	(62,976)	(27,531)	(90,507)	-	-	-	(90,507)
Total comprehensive (loss)/income for the period	-	(62,976)	(27,531)	(90,507)	346,854	2,597,642	2,944,496	2,853,989
Dividends paid during the period (Note 7)	-	-	-	-	-	(2,470,000)	(2,470,000)	(2,470,000)
At 30 June 2020	100,000	24,646	(36,974)	(12,328)	1,124,596	1,838,742	2,963,338	3,051,010
At 1 January 2021	100,000	56,251	(16,704)	39,547	985,297	2,600,889	3,586,186	3,725,733
Net profit for the period	-	-	-	-	531,187	(400)	530,787	530,787
Other comprehensive loss for the period	-	(52,231)	(3,705)	(55,936)	-	-	-	(55,936)
Total comprehensive (loss)/income for the period	-	(52,231)	(3,705)	(55,936)	531,187	(400)	530,787	474,851
Transfer of fair value reserve of equity instruments designated at FVOCI (net of tax)	-	4,444	(1,670)	2,774	(4,444)	1,670	(2,774)	-
Dividends paid during the period (Note 7)	-	-	-	-	-	(250,000)	(250,000)	(250,000)
At 30 June 2021	100,000	8,464	(22,079)	(13,615)	1,512,040	2,352,159	3,864,199	3,950,584

* The non-distributable retained earnings represent the unallocated surplus from the Non-participating Funds. In accordance with Section 83 *Withdrawal from insurance funds* of the Financial Services Act, 2013, the unallocated surplus of Non-participating Funds is only available for distribution to the shareholder upon approval/recommendation by the Appointed Actuary.

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

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

CONDENSED STATEMENT OF CASH FLOW
FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Note	01.01.2021 to 30.06.2021 RM'000	01.01.2020 to 30.06.2020 RM'000
Operating activities			
Cash used in operating activities	23	(308,930)	(1,172,750)
Dividend/distribution income received		635,909	556,579
Interest/profit income received		1,123,517	1,181,359
Rental income on investment properties received		35,288	32,480
Agents' retirement benefit paid		(27,476)	(32,769)
Income tax paid		(226,647)	(116,655)
Net cash flows generated from operating activities		<u>1,231,661</u>	<u>448,244</u>
Investing activities			
Purchase of property and equipment		(70,312)	(45,931)
Purchase of investment properties		(149)	(68)
Net cash flows used in investing activities		<u>(70,461)</u>	<u>(45,999)</u>
Financing activities			
Dividends paid to equity holder		(250,000)	(2,470,000)
Payment of principal portion of lease liabilities		(500)	(555)
Net cash flows used in financing activities		<u>(250,500)</u>	<u>(2,470,555)</u>
Net increase/(decrease) in cash and cash equivalents		910,700	(2,068,310)
Cash and cash equivalents at beginning of period		<u>3,544,142</u>	<u>4,985,829</u>
Cash and cash equivalents at end of period		<u>4,454,842</u>	<u>2,917,519</u>
Cash and cash equivalents comprise:			
Cash and bank balances		1,814,242	1,764,077
Short term deposits with original maturity periods of less than 3 months		2,640,600	1,153,442
		<u>4,454,842</u>	<u>2,917,519</u>

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

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

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 Great Eastern Life Assurance (Malaysia) Berhad ("the Company") are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard ("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").

The interim condensed financial statements of the Company have been prepared under the historical cost convention, unless otherwise stated in the accounting policies.

As at the reporting date, the Company has met the minimum capital adequacy requirements as prescribed under the Risk-Based Capital ("RBC") Framework issued by Bank Negara Malaysia ("BNM").

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 gain an understanding of the changes in the financial position and performance of the Company since the financial year ended 31 December 2020.

The interim condensed financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

The interim condensed financial statements were approved for issue by the Board of Directors on 21 July 2021.

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

1.2 CHANGES IN ACCOUNTING POLICIES

(a) 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 standards, amendments to standards and interpretation of standards:

On 1 January 2021, the Company adopted the following amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2021.

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 *Interest Rate Benchmark Reform - Phase 2*

On 1 April 2021, the Company adopted the following amended MFRSs mandatory for annual financial periods beginning on or after 1 April 2021.

- Amendments to MFRS 16 *COVID-19-Related Rent Concessions beyond 30 June 2021*

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

(b) Standards issued but not yet effective

The following are standards, amendments to standards and interpretation to standards issued by MASB that will be effective for the Company in future years. The Company intends to adopt these standards, amendments to standards and interpretation to standards, if applicable, when they become effective.

Effective for financial periods beginning on or after 1 January 2022

- Amendments to MFRS 116 *Proceeds before Intended Use*
- Amendments to MFRS 3 *Reference to the Conceptual Framework*
- Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRSs 2018 – 2020 Cycle)*
- Amendments to MFRS 9 *Financial Instruments (Annual Improvements to MFRSs 2018 – 2020 Cycle)*
- Amendments to MFRS 16 *Leases (Annual Improvements to MFRSs 2018 – 2020 Cycle)*
- Amendments to MFRS 141 *Agriculture (Annual Improvements to MFRSs 2018 – 2020 Cycle)*
- Amendments to MFRS 137 *Onerous Contracts – Cost of Fulfilling a Contract*

**GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)**

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

1.2 CHANGES IN ACCOUNTING POLICIES (CONT'D.)

(b) Standards issued but not yet effective (Cont'd.)

Effective for financial periods beginning on or after 1 January 2023

- Amendments to MFRS 101 *Classification of liabilities as current or non-current*
- Amendments to MFRS 101, MFRS Practice Statement 2 *Disclosure of Accounting Policies* and MFRS 108 *Definition of Accounting Estimates*
- Amendments to MFRS 17 *Insurance Contracts*

Deferred

- Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The management expects that the adoption of the above standards, amendments to standards and interpretation to standards issued by MASB, but not yet effective, will have no material impact on the financial statements in the period of initial application except as discussed below:

MFRS 17 *Insurance Contracts*

In August 2017, MFRS 17 was issued, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure, which replaces MFRS 4.

**GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)**

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

1.2 CHANGES IN ACCOUNTING POLICIES (CONT'D.)

(b) Standards issued but not yet effective (Cont'd.)

MFRS 17 Insurance Contracts (Cont'd.)

The original effective date for MFRS 17 was for annual periods beginning on or after 1 January 2021. On 25 June 2020, the International Accounting Standards Board (“IASB”) has issued amendments to the IFRS 17 Insurance Contracts which has deferred the effective dates of IFRS 17 and temporary exemption of the adoption of IFRS 9 for qualifying insurers to annual reporting periods beginning on or after 1 January 2023.

The Malaysian Accounting Standard Board has issued the amendments to MFRS 17 Insurance Contracts on 17 August 2020.

The Company plans to adopt the new standard on the required effective date and a Project Steering Committee has been formed to oversee the implementation of MFRS 17. The Company expects that the new standard will result in an important change to the accounting policies for insurance contract liabilities of the Company and is likely to have a significant impact on profit and total equity together with the Company’s financial statements’ presentation and disclosures.

2. SIGNIFICANT EVENT IN THE CURRENT REPORTING PERIOD

The current COVID-19 pandemic and uncertainty over the global economic outlook could impact the performance of the Company. We expect volatility in the financial markets and the low interest rate environment to continue, resulting in fluctuations in the mark-to-market valuation of our assets and liabilities, which will impact our profit. Key factors are the direction of interest rates, credit spreads and equity prices. As our bonds are mostly investment grade, the default risk is likely to be low.

As the situation continues to progress and evolve, it is challenging at this juncture, to predict the full extent and duration of its business and economic impact. The Company will continue to monitor the progress of the pandemic and measure the impact, if any, on the financial statements as they occur.

3. SEASONALITY OF OPERATIONS

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

**GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)**

4. UNUSUAL ITEMS

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

5. CHANGE IN ESTIMATES

There were no significant changes in the bases used for applying accounting estimates of the Company for the interim financial period.

6. DEBT AND EQUITY SECURITIES

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

7. DIVIDENDS

A final single tier dividend of RM2.50 (2019: RM1.00) per ordinary share on 100,000,005 ordinary shares amounting to RM250,000,013 (2019: RM100,000,005) for the financial year ended 31 December 2020 was approved at the last Annual General Meeting held on 7 April 2021 and this dividend was paid in full on 4 May 2021.

8. MATERIAL EVENTS SUBSEQUENT TO THE END OF INTERIM PERIOD

There are no material events subsequent to the end of the interim reporting period that have not been reflected in the interim condensed financial statements.

9. CHANGES IN THE COMPOSITION OF THE COMPANY

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

10. PROPERTY AND EQUIPMENT

During the six months ended 30 June 2021, the Company acquired assets with a cost of RM70,312,000 (the six months ended 30 June 2020: RM45,931,000).

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

11. INVESTMENTS

	30.06.2021				31.12.2020			
	Shareholder's	Life Insurance			Shareholder's	Life Insurance		
	Fund	Fund	Unit-linked	Total	Fund	Fund	Unit-linked	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysian government securities	254,708	8,437,059	240,427	8,932,194	66,461	6,753,074	594,248	7,413,783
Debt securities	516,748	34,638,157	1,920,590	37,075,495	536,758	36,726,475	2,124,553	39,387,786
Equity securities	663,702	18,640,166	7,546,376	26,850,244	492,946	20,562,558	6,901,747	27,957,251
Unit and property trust funds	-	2,914,313	208,105	3,122,418	-	2,757,695	160,661	2,918,356
Loans	210	5,417,985	-	5,418,195	844	5,420,633	-	5,421,477
Deposits with financial institutions	200,000	2,454,000	210,600	2,864,600	50,000	2,445,000	556,300	3,051,300
Investment in subsidiary:								
Collective investment scheme	11(e) 828,294	250,927	-	1,079,221	827,257	250,599	-	1,077,856
	<u>2,463,662</u>	<u>72,752,607</u>	<u>10,126,098</u>	<u>85,342,367</u>	<u>1,974,266</u>	<u>74,916,034</u>	<u>10,337,509</u>	<u>87,227,809</u>

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

AC (Note 11(a))	200,210	7,871,985	210,600	8,282,795	50,844	7,865,633	556,300	8,472,777
FVOCI (Note 11(b))	1,363,953	2,010,082	-	3,374,035	1,013,703	2,283,585	-	3,297,288
FVTPL (Note 11(c))	899,499	62,870,540	9,915,498	73,685,537	909,719	64,766,816	9,781,209	75,457,744
	<u>2,463,662</u>	<u>72,752,607</u>	<u>10,126,098</u>	<u>85,342,367</u>	<u>1,974,266</u>	<u>74,916,034</u>	<u>10,337,509</u>	<u>87,227,809</u>

The following investments mature after 12 months:

AC	210	803,808	-	804,018	844	843,792	-	844,636
FVOCI	567,925	1,257,067	-	1,824,992	510,636	1,586,152	-	2,096,788
FVTPL	58,994	36,870,594	2,391,685	39,321,273	73,876	39,791,932	2,637,490	42,503,298
	<u>627,129</u>	<u>38,931,469</u>	<u>2,391,685</u>	<u>41,950,283</u>	<u>585,356</u>	<u>42,221,876</u>	<u>2,637,490</u>	<u>45,444,722</u>

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

11. INVESTMENTS (CONT'D.)

(a) AC

	30.06.2021				31.12.2020			
	Shareholder's	Life Insurance			Shareholder's	Life Insurance		
	Fund	Fund	Unit-linked	Total	Fund	Fund	Unit-linked	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At Amortised Cost:								
Deposits with financial institutions:								
Licensed banks	200,000	2,454,000	210,600	2,864,600	50,000	2,445,000	556,300	3,051,300
Policy loans	-	4,601,497	-	4,601,497	-	4,567,192	-	4,567,192
Mortgage loans	-	351,500	-	351,500	-	362,245	-	362,245
Secured loans	-	1,781	-	1,781	-	1,698	-	1,698
Unsecured loans	210	489,749	-	489,959	844	501,952	-	502,796
	<u>200,210</u>	<u>7,898,527</u>	<u>210,600</u>	<u>8,309,337</u>	<u>50,844</u>	<u>7,878,087</u>	<u>556,300</u>	<u>8,485,231</u>
Provision for expected credit loss ("ECL") (Note 11(d))	-	(26,542)	-	(26,542)	-	(12,454)	-	(12,454)
	<u>200,210</u>	<u>7,871,985</u>	<u>210,600</u>	<u>8,282,795</u>	<u>50,844</u>	<u>7,865,633</u>	<u>556,300</u>	<u>8,472,777</u>

Included in deposits with financial institutions of the Company are short term deposits with original maturity periods of less than 3 months amounting to RM2,640,600,000 (2020: RM2,801,300,000), which have been classified as cash and cash equivalents for the purpose of the statement of cash flow.

The carrying value of the deposits with financial institutions approximates fair value due to the relatively short term maturities. The carrying value of the policy loans, secured loans and unsecured loans are reasonable approximations of fair value due to the insignificant impact of discounting.

The fair values of the mortgage loans have been established by comparing current market interest rates for similar financial instruments to the rates offered when the mortgage loans were first recognised together with appropriate market credit adjustments.

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

11. INVESTMENTS (CONT'D.)

(b) FVOCI

	30.06.2021				31.12.2020			
	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Unit-linked RM'000	Total RM'000	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Unit-linked RM'000	Total RM'000
At Fair Value:								
Equity securities:								
Quoted in Malaysia								
- Kuala Lumpur Stock Exchange	408,677	268,026	-	676,703	332,899	313,660	-	646,559
Quoted outside Malaysia								
- Singapore Exchange	83,167	148,154	-	231,321	76,131	134,650	-	210,781
- Hong Kong Exchange	145,365	144,536	-	289,901	83,916	132,369	-	216,285
Unquoted in Malaysia	-	73,599	-	73,599	-	78,203	-	78,203
Malaysian government securities	254,708	225,433	-	480,141	66,461	211,591	-	278,052
Debt securities:								
Unquoted in Malaysia	472,036	1,150,334	-	1,622,370	454,296	1,413,112	-	1,867,408
	<u>1,363,953</u>	<u>2,010,082</u>	<u>-</u>	<u>3,374,035</u>	<u>1,013,703</u>	<u>2,283,585</u>	<u>-</u>	<u>3,297,288</u>

During the financial period ended 30 June 2021, the Company sold listed equity securities as the underlying investments are no longer aligned with the Company's long-term investment strategy. These investments had a fair value of RM134,207,178 (2020: RM85,666,801) at the date of disposal. The cumulative loss on disposal (net of tax) of RM2,774,000 (2020: cumulative loss on disposal (net of tax) of RM22,311,000) was reclassified from fair value reserve to retained earnings.

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

11. INVESTMENTS (CONT'D.)

(c) FVTPL

	30.06.2021				31.12.2020			
	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Unit-linked RM'000	Total RM'000	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Unit-linked RM'000	Total RM'000
At Fair Value:								
Mandatorily measured:								
Equity securities:								
Quoted in Malaysia	-	14,100,570	6,624,986	20,725,556	-	16,536,549	6,574,815	23,111,364
Quoted outside Malaysia	-	3,280,550	525,526	3,806,076	-	3,283,797	326,932	3,610,729
Unquoted in Malaysia	26,493	516,370	374,190	917,053	-	83,330	-	83,330
Unquoted outside Malaysia	-	108,361	21,674	130,035	-	-	-	-
Debt securities:								
Quoted outside Malaysia	-	346,816	-	346,816	-	559,963	20,870	580,833
Unquoted in Malaysia	44,712	1,977,931	149,715	2,172,358	82,462	2,472,701	385,902	2,941,065
Unquoted outside Malaysia	-	181,207	30,291	211,498	-	306,895	54,753	361,648
Unit and property trust funds:								
Quoted in Malaysia	-	368,235	112,965	481,200	-	360,965	94,343	455,308
Quoted outside Malaysia	-	276,915	92,857	369,772	-	259,294	63,682	322,976
Unquoted outside Malaysia	-	2,269,163	2,283	2,271,446	-	2,137,436	2,636	2,140,072
Collective investment scheme - subsidiary								
Unquoted in Malaysia	828,294	250,927	-	1,079,221	827,257	250,599	-	1,077,856
	<u>899,499</u>	<u>23,677,045</u>	<u>7,934,487</u>	<u>32,511,031</u>	<u>909,719</u>	<u>26,251,529</u>	<u>7,523,933</u>	<u>34,685,181</u>
Designated upon initial recognition:								
Malaysian government securities	-	8,211,626	240,427	8,452,053	-	6,541,483	594,248	7,135,731
Debt securities:								
Unquoted in Malaysia	-	30,919,570	1,740,584	32,660,154	-	31,912,328	1,663,028	33,575,356
Unquoted outside Malaysia	-	62,299	-	62,299	-	61,476	-	61,476
	<u>-</u>	<u>39,193,495</u>	<u>1,981,011</u>	<u>41,174,506</u>	<u>-</u>	<u>38,515,287</u>	<u>2,257,276</u>	<u>40,772,563</u>
	<u>899,499</u>	<u>62,870,540</u>	<u>9,915,498</u>	<u>73,685,537</u>	<u>909,719</u>	<u>64,766,816</u>	<u>9,781,209</u>	<u>75,457,744</u>

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

11. INVESTMENTS (CONT'D.)

(d) Provision for ECL

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instruments.

	30.06.2021			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
	RM'000	not credit impaired	credit impaired	Total
	RM'000	RM'000	RM'000	RM'000
Loans at amortised cost				
Opening balance	1,672	10,782	-	12,454
Net remeasurement of loss allowance	(20)	14,178	-	14,158
New financial assets purchased	25	-	-	25
Financial assets that have been derecognised	(44)	(51)	-	(95)
Closing balance	<u>1,633</u>	<u>24,909</u>	<u>-</u>	<u>26,542</u>

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

11. INVESTMENTS (CONT'D.)

(d) Provision for ECL (Cont'd.)

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instruments. (Cont'd.)

	31.12.2020			Total RM'000
	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	
Loans at amortised cost				
Opening balance	996	14,226	-	15,222
Transfer to 12-month ECL	1,649	(1,649)	-	-
Additional loss allowance due to transfer	(1,453)	-	-	(1,453)
Net remeasurement of loss allowance	(312)	1,677	-	1,365
New financial assets purchased	15	236	-	251
Financial assets that have been derecognised	(483)	(1,282)	-	(1,765)
Changes in models/risk parameters	1,260	(2,426)	-	(1,166)
Closing balance	<u>1,672</u>	<u>10,782</u>	<u>-</u>	<u>12,454</u>

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

11. INVESTMENTS (CONT'D.)

(d) Provision for ECL (Cont'd.)

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instruments. (Cont'd.)

	30.06.2021			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
	RM'000	not credit impaired	credit impaired	RM'000
	RM'000	RM'000	RM'000	RM'000
Debt investment securities at FVOCI				
Opening balance	9,819	1,067	-	10,886
Transfer to lifetime ECL not credit-impaired	(623)	623	-	-
Additional loss allowance due to transfer	-	3,249	-	3,249
Net remeasurement of loss allowance	2,022	3,755	-	5,777
New financial assets purchased	719	-	-	719
Financial assets that have been derecognised	(2,496)	(526)	-	(3,022)
Changes in models/risk parameters	-	-	-	-
Closing balance	9,441	8,168	-	17,609

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

11. INVESTMENTS (CONT'D.)

(d) Provision for ECL (Cont'd.)

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instruments. (Cont'd.)

	31.12.2020			Total RM'000
	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	
Debt investment securities at FVOCI				
Opening balance	2,923	1,810	-	4,733
Transfer to 12-month ECL	471	(471)	-	-
Transfer to lifetime ECL not credit-impaired	(139)	139	-	-
Transfer to lifetime ECL credit-impaired	-	-	-	-
Additional loss allowance due to transfer	(437)	139	-	(298)
Net remeasurement of loss allowance	(39)	(194)	-	(233)
New financial assets purchased	5,780	-	-	5,780
Financial assets that have been derecognised	(3,569)	(76)	-	(3,645)
Changes in models/risk parameters	4,829	(280)	-	4,549
Closing balance	9,819	1,067	-	10,886

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

11. INVESTMENTS (CONT'D.)

(e) Investment in subsidiary - collective investment scheme

	30.06.2021	31.12.2020
	RM'000	RM'000
At fair value:		
FVTPL (Note 11(c))	1,079,221	1,077,856

Details of the Company's investment in subsidiary - collective investment scheme in Malaysia are as follows:

Name of wholesale unit trust fund	Principal activities	% of ownership interest held by the Company	
		30.06.2021	31.12.2020
Affin Hwang Wholesale Income Fund (i)	Investment in debt securities and money market	93.44%	93.44%
Aminstitutional Income Bond Fund (ii)	Investment in debt securities and money market	70.32%	70.32%

The Company has determined that it has control over the Fund, based on the following rationale:

- (i) By virtue of clause 17.1.2 of the Trust Deed signed between TMF Trustees Malaysia Berhad ("the Trustee") and Affin Hwang Asset Management Berhad ("the Fund Manager"), the Unitholders of the Fund may apply to the Fund Manager to summon a meeting for any purpose, without limitation, for the purpose of requiring the retirement or removal of the Fund Manager.
- (ii) By virtue of clause 17.1.2 of the Deed signed between AmanahRaya Trustees Berhad ("the Trustee") and AmFunds Management Berhad ("the Fund Manager"), the Unitholders of the Fund may apply to the Fund Manager to summon a meeting for any purpose, without limitation, for the purpose of requiring the retirement or removal of the Fund Manager.

The Company has determined that it is able to exert its power in order to influence returns from its investment in the Fund by virtue of clause 17.1.2 as disclosed above.

The Company by virtue of holding the units in the Fund also has exposure, or rights to variable returns from the investment.

12. REINSURANCE ASSETS

Life Insurance Fund

	30.06.2021	31.12.2020
	RM'000	RM'000
Reinsurance of insurance contracts (Note 14)	117,416	119,373

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

13. INSURANCE RECEIVABLES

Life Insurance Fund

	30.06.2021	31.12.2020
	RM'000	RM'000
Due premiums including agents/brokers and co-insurers balances	230,649	240,962
Due from reinsurers	141,809	59,628
	<u>372,458</u>	<u>300,590</u>
Allowance for impairment	(14,856)	(15,957)
	<u>357,602</u>	<u>284,633</u>
 Movement in impairment allowance account:		
At 1 January	15,957	4,735
(Reversal of impairment)/impairment for the period	(1,101)	11,222
At 30 June / 31 December	<u>14,856</u>	<u>15,957</u>

The carrying amounts disclosed above approximate fair values due to their relatively short term nature.

The Company's amounts due from reinsurers that have been offset against amount due to reinsurers are as follows:

	Gross carrying amount	Gross amounts offset in the statement of financial position	Net amounts in the statement of financial position
	RM'000	RM'000	RM'000
30 June 2021			
Premiums ceded	(350,961)	-	(350,961)
Commissions receivable	-	246,716	246,716
Claims recoveries	-	246,054	246,054
	<u>(350,961)</u>	<u>492,770</u>	<u>141,809</u>
 31 December 2020			
Premiums ceded	(181,585)	-	(181,585)
Commissions receivable	-	140,396	140,396
Claims recoveries	-	100,817	100,817
	<u>(181,585)</u>	<u>241,213</u>	<u>59,628</u>

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

14. INSURANCE CONTRACT LIABILITIES

Life Insurance Fund

	30.06.2021			31.12.2020		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Provision for outstanding claims	11,434,260	(26,868)	11,407,392	11,175,801	(31,095)	11,144,706
Actuarial liabilities	53,921,225	(90,548)	53,830,677	53,725,394	(88,278)	53,637,116
Unallocated surplus	7,181,443	-	7,181,443	8,492,523	-	8,492,523
Net asset value attributable to unitholders	10,870,459	-	10,870,459	10,605,089	-	10,605,089
	<u>83,407,387</u>	<u>(117,416)</u>	<u>83,289,971</u>	<u>83,998,807</u>	<u>(119,373)</u>	<u>83,879,434</u>

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

14. INSURANCE CONTRACT LIABILITIES (CONT'D.)

	Gross			Reinsurance			Net RM'000
	With DPF RM'000	Without DPF RM'000	Total RM'000	With DPF RM'000	Without DPF RM'000	Total RM'000	
At 1 January 2021	67,735,651	16,263,156	83,998,807	(25,579)	(93,794)	(119,373)	83,879,434
Premiums received	1,102,324	802,209	1,904,533	(26,780)	(173,289)	(200,069)	1,704,464
Liabilities paid for death, maturities, surrenders, benefits and claims	(1,938,058)	(253,953)	(2,192,011)	24,746	140,154	164,900	(2,027,111)
Policy movements	(132,594)	677,207	544,613	1,135	(3,927)	(2,792)	541,821
Interest rate	(5,639)	(341,562)	(347,201)	-	522	522	(346,679)
<i>Adjustments due to changes in assumptions:</i>							
<i>Mortality/morbidity</i>	-	-	-	-	-	-	-
<i>Expenses</i>	-	-	-	-	-	-	-
<i>Lapse</i>	-	-	-	-	-	-	-
<i>Others</i>	-	-	-	-	-	-	-
Model change	(42)	(1,540)	(1,582)	-	-	-	(1,582)
One off transfer from Participating fund to Shareholder's fund (Note 28)	-	-	-	-	-	-	-
Claims benefit experience variation	283,599	(25,141)	258,458	5,123	34,273	39,396	297,854
Net asset value attributable to unitholders	-	(282,886)	(282,886)	-	-	-	(282,886)
Unallocated surplus	(475,344)	-	(475,344)	-	-	-	(475,344)
At 30 June 2021	66,569,897	16,837,490	83,407,387	(21,355)	(96,061)	(117,416)	83,289,971

Policy benefits bear interest at 5% per annum.

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

14 INSURANCE CONTRACT LIABILITIES (CONT'D.)

	← Gross →			← Reinsurance →			Net RM'000
	With DPF RM'000	Without DPF RM'000	Total RM'000	With DPF RM'000	Without DPF RM'000	Total RM'000	
At 1 January 2020	68,323,935	13,471,753	81,795,688	(26,131)	(81,882)	(108,013)	81,687,675
Premiums received	2,661,788	1,728,908	4,390,696	(72,455)	(294,862)	(367,317)	4,023,379
Liabilities paid for death, maturities, surrenders, benefits and claims	(4,129,461)	(463,550)	(4,593,011)	30,908	165,758	196,666	(4,396,345)
Policy movements	1,071,736	925,652	1,997,388	2,872	(8,215)	(5,343)	1,992,045
Interest rate	1,767	188,123	189,890	-	(698)	(698)	189,192
<i>Adjustments due to changes in assumptions:</i>							
<i>Mortality/morbidity</i>	(213,511)	(13,806)	(227,317)	-	3,601	3,601	(223,716)
<i>Expenses</i>	20,513	8,073	28,586	-	-	-	28,586
<i>Lapse</i>	(256,076)	8,106	(247,970)	-	-	-	(247,970)
<i>Others</i>	3,045,052	(12,972)	3,032,080	-	(30)	(30)	3,032,050
Model change	(3,313,739)	(4,499)	(3,318,238)	-	-	-	(3,318,238)
One off transfer from Participating fund to Shareholder's fund (Note 28)	(2,636,000)	-	(2,636,000)	-	-	-	(2,636,000)
Claims benefit experience variation	726,851	24,720	751,571	39,227	122,534	161,761	913,332
Net asset value attributable to unitholders	-	402,648	402,648	-	-	-	402,648
Unallocated surplus	2,432,796	-	2,432,796	-	-	-	2,432,796
At 31 December 2020	67,735,651	16,263,156	83,998,807	(25,579)	(93,794)	(119,373)	83,879,434

Policy benefits bear interest at 5% per annum.

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

15. DERIVATIVES

	Asset		Liability	
	Notional Principal RM'000	Fair Value RM'000	Notional Principal RM'000	Fair Value RM'000
30 June 2021				
Life Insurance Fund				
Derivatives held for trading:				
Currency swaps	153,257	2,583	387,610	48,841
Interest rate swap	1,000	8	-	-
Bond Forward	30,000	245	20,000	620
	<u>184,257</u>	<u>2,836</u>	<u>407,610</u>	<u>49,461</u>
Unit-linked				
Derivatives held for trading:				
Currency swaps	-	-	48,360	3,535
Forward Contract	-	-	161	1
	<u>184,257</u>	<u>2,836</u>	<u>456,131</u>	<u>52,997</u>
31 December 2020				
Life Insurance Fund				
Derivatives held for trading:				
Currency swaps	185,518	8,766	355,350	46,456
Interest rate swap	1,000	17	-	-
Synthetic cash flow swaps	700,000	8,887	100,000	9
	<u>886,518</u>	<u>17,670</u>	<u>455,350</u>	<u>46,465</u>
Unit-linked				
Derivatives held for trading:				
Currency swaps	20,740	580	27,620	3,396
	<u>907,258</u>	<u>18,250</u>	<u>482,970</u>	<u>49,861</u>

16. INSURANCE PAYABLES

Life Insurance Fund	30.06.2021	31.12.2020
	RM'000	RM'000
Due to reinsurers	22,005	20,893
Due to agents and intermediaries	300,684	369,766
	<u>322,689</u>	<u>390,659</u>

The carrying amounts disclosed above approximate fair value at the reporting date.

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

16. INSURANCE PAYABLES (CONT'D.)

The Company's amounts due to reinsurers that have been offset against amount due from reinsurers are as follows:

	Gross carrying amount RM'000	Gross amounts offset in the statement of financial position RM'000	Net amounts in the statement of financial position RM'000
30 June 2021			
Premiums ceded	73,442	-	73,442
Commissions receivable	-	(4,134)	(4,134)
Claims recoveries	-	(47,303)	(47,303)
	<u>73,442</u>	<u>(51,437)</u>	<u>22,005</u>
31 December 2020			
Premiums ceded	74,053	-	74,053
Commissions receivable	-	(6,428)	(6,428)
Claims recoveries	-	(46,732)	(46,732)
	<u>74,053</u>	<u>(53,160)</u>	<u>20,893</u>

17. NET EARNED PREMIUMS

Life Insurance Fund

	01.01.2021 to 30.06.2021 RM'000	01.01.2020 to 30.06.2020 RM'000
(a) Gross earned premiums		
Life insurance contracts	<u>4,511,969</u>	<u>4,335,658</u>
(b) Earned premiums ceded to reinsurers		
Life insurance contracts	<u>(200,068)</u>	<u>(105,896)</u>
Net earned premiums	<u>4,311,901</u>	<u>4,229,762</u>

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

18. INVESTMENT INCOME

01.01.2021 to 30.06.2021	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
Rental income from:			
- investment properties	-	24,917	24,917
- owner occupied properties	-	13,418	13,418
Financial assets at FVTPL			
- mandatorily measured:			
Interest income	1,161	43,395	44,556
Dividend income:			
- equity securities quoted in Malaysia	15,884	512,392	528,276
- equity securities quoted outside Malaysia	-	55,844	55,844
- equity securities unquoted in Malaysia	736	24,158	24,894
- equity securities unquoted outside Malaysia	-	4,964	4,964
- designated upon initial recognition:			
Interest income	-	829,740	829,740
Financial assets at FVOCI:			
Interest income	10,139	28,413	38,552
Dividend income*:			
- equity securities quoted in Malaysia	11,668	9,413	21,081
- equity securities quoted outside Malaysia	6,770	8,063	14,833
LAR interest income	24	160,418	160,442
Cash and bank balances interest income	2,876	32,758	35,634
Gross investment income	49,258	1,747,893	1,797,151
Less: investment expenses	(161)	(48,395)	(48,556)
	<u>49,097</u>	<u>1,699,498</u>	<u>1,748,595</u>

* During the period ended 30 June 2021, dividend income earned in respect of equity investments measured at FVOCI were as follows:

	RM'000
On investments derecognised during the reporting period	1,786
On investments held at the end of the reporting period	34,128
	<u>35,914</u>

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

18. INVESTMENT INCOME (CONT'D.)

01.01.2020 to 30.06.2020	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
Rental income from:			
- investment properties	-	23,983	23,983
- owner occupied properties	-	11,886	11,886
Financial assets at FVTPL			
- mandatorily measured:			
Interest income	1,827	112,709	114,536
Dividend income:			
- equity securities quoted in Malaysia	15,471	450,022	465,493
- equity securities quoted outside Malaysia	-	80,250	80,250
- equity securities unquoted in Malaysia	-	6,069	6,069
- designated upon initial recognition:			
Interest income	-	813,880	813,880
Financial assets at FVOCI:			
Interest income	9,468	27,499	36,967
Dividend income*:			
- equity securities quoted in Malaysia	5,350	7,698	13,048
- equity securities quoted outside Malaysia	4,317	5,970	10,287
- equity securities unquoted in Malaysia	-	10,115	10,115
LAR interest income	35	190,914	190,949
Cash and bank balances interest income	7,849	40,665	48,514
Gross investment income	44,317	1,781,660	1,825,977
Less: investment expenses	(55)	(47,830)	(47,885)
	<u>44,262</u>	<u>1,733,830</u>	<u>1,778,092</u>

* During the period ended 30 June 2020, dividend income earned in respect of equity investments measured at FVOCI were as follows:

	RM'000
On investments derecognised during the reporting period	652
On investments held at the end of the reporting period	<u>32,798</u>
	<u>33,450</u>

Included in rental income from properties is contingent rent for the period amounting to RM Nil (30.06.2020: RM16,255). Contingent rental arrangements are computed based on sales or profit achieved by tenants.

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

19. NET BENEFITS AND CLAIMS

Life Insurance Fund

	01.01.2021	01.01.2020
	to	to
	30.06.2021	30.06.2020
	RM'000	RM'000
(a) Gross benefits and claims paid		
Life insurance contracts:		
Death	(272,902)	(205,911)
Maturity	(344,979)	(270,870)
Surrender	(835,479)	(801,912)
Cash bonus	(611,769)	(619,876)
Others	(936,113)	(866,578)
	<u>(3,001,242)</u>	<u>(2,765,147)</u>
(b) Claims ceded to reinsurers		
Life insurance contracts	<u>164,901</u>	<u>70,314</u>
(c) Gross change in contract liabilities		
Life insurance contracts	<u>849,878</u>	<u>2,316,422</u>
(d) Change in contract liabilities ceded to reinsurers		
Life insurance contracts	<u>2,269</u>	<u>(449)</u>

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

20. MANAGEMENT EXPENSES

	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
01.01.2021 to 30.06.2021			
Employee benefits expense (Note (a))	136	125,403	125,539
Non-executive directors' remuneration (Note (b))	-	759	759
Auditor's remuneration:			
- statutory audits	5	324	329
- regulatory related fees	-	209	209
Depreciation of:			
- property and equipment	-	11,998	11,998
- right-of-use assets	-	503	503
Amortisation of:			
- right-of-use assets	-	69	69
- intangible assets	336	13,416	13,752
Rental of properties	17	152	169
Advertising and promotion	580	12,170	12,750
Finance charges	135	32,060	32,195
Group service fees	-	4,648	4,648
IT and computer expenses	-	26,245	26,245
Policyholder expenses	9,248	6,024	15,272
Postal and telecommunication	-	5,194	5,194
Printing and stationery	-	603	603
Professional fees	1	5,139	5,140
Repairs and maintenance	-	1,397	1,397
Transport and travelling	-	80	80
Utilities	-	1,677	1,677
Interest expense on lease liabilities	-	70	70
Expense relating to leases			
of low-value assets	-	43	43
Expense relating to short-term leases	-	3	3
Others	6,746	5,674	12,420
	<u>17,204</u>	<u>253,860</u>	<u>271,064</u>

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

20. MANAGEMENT EXPENSES (CONT'D.)

(a) Employee Benefits Expense

	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
01.01.2021 to 30.06.2021			
Wages and salaries	136	104,911	105,047
Social security contributions	-	732	732
Defined contribution plans - EPF	-	17,094	17,094
Other employee benefits expense	-	2,666	2,666
	<u>136</u>	<u>125,403</u>	<u>125,539</u>

(b) Chief Executive Officer's (CEO) and Directors' Remuneration

The details of remuneration received by CEO and Directors during the period are as follows:

	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
CEO:			
Salaries and other emoluments	-	1,871	1,871
Bonus	-	977	977
Estimated money value of benefits-in-kind	-	18	18
	<u>-</u>	<u>2,866</u>	<u>2,866</u>
Non-executive:			
Fees	-	759	759
Total directors' remuneration	<u>-</u>	<u>3,625</u>	<u>3,625</u>
Represented by:			
Directors' fees	-	759	759
Amount included in employee benefits expense	-	2,866	2,866
	<u>-</u>	<u>3,625</u>	<u>3,625</u>

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

20. MANAGEMENT EXPENSES (CONT'D.)

	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
01.01.2020 to 30.06.2020			
Employee benefits expense (Note (a))	102	117,941	118,043
Non-executive directors' remuneration (Note (b))	-	654	654
Auditor's remuneration:			
- statutory audits	5	401	406
- regulatory related fees	-	120	120
- other services	-	38	38
Depreciation of:			
- property and equipment	-	24,794	24,794
- right-of-use assets	-	506	506
Amortisation of:			
- right-of-use assets	-	69	69
- intangible assets	325	-	325
Rental of properties	13	136	149
Advertising and promotion	178	16,315	16,493
Finance charges	129	29,773	29,902
Group service fees	-	2,395	2,395
IT and computer expenses	-	24,017	24,017
Policyholder expenses	223	5,842	6,065
Postal and telecommunication	-	7,412	7,412
Printing and stationery	-	759	759
Professional fees	3,928	2,023	5,951
Repairs and maintenance	-	1,451	1,451
Transport and travelling	-	345	345
Utilities	-	1,596	1,596
Interest expense on lease liabilities	-	103	103
Expense relating to leases			
of low-value assets	-	28	28
Expense relating to short-term leases	-	8	8
Others	13,795	5,412	19,207
	<u>18,698</u>	<u>242,138</u>	<u>260,836</u>

(a) Employee Benefits Expense

Wages and salaries	102	98,162	98,264
Social security contributions	-	719	719
Defined contribution plans - EPF	-	15,883	15,883
Other employee benefits expense	-	3,177	3,177
	<u>102</u>	<u>117,941</u>	<u>118,043</u>

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

20. MANAGEMENT EXPENSES (CONT'D.)

(b) CEO and Directors' Remuneration

The details of remuneration received by CEO and Directors during the period are as follows:

	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
CEO:			
Salaries and other emoluments	-	1,237	1,237
Bonus	-	1,014	1,014
Estimated money value of benefits-in-kind	-	18	18
	<u>-</u>	<u>2,269</u>	<u>2,269</u>
Non-executive:			
Fees	-	654	654
Total directors' remuneration	<u>-</u>	<u>2,923</u>	<u>2,923</u>
Represented by:			
Directors' fees	-	654	654
Amount included in employee benefits expense	-	2,269	2,269
	<u>-</u>	<u>2,923</u>	<u>2,923</u>

The directors' fees are subject to the recommendation of the Board Nominations and Remuneration Committee to the Board of Directors for endorsement and approval by shareholder at the Annual General Meeting ("AGM").

The number of Directors whose total remuneration received from the Company during the period that fall within the following bands is analysed below:

	Number of Directors	
	30.06.2021	30.06.2020
Non-Executive Directors		
RM50,001 - RM100,000	1	3
RM100,001 - RM150,000	4	3
RM150,001 - RM200,000	1	-
	<u>1</u>	<u>-</u>

The Executive Director does not receive any director fees.

198201013982 (93745-A)

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

21. CEO AND DIRECTORS' REMUNERATION

Name		01.01.2021 to 30.06.2021				Total RM'000
		Salaries RM'000	Bonus RM'000	Fees RM'000	Benefits-in-kind RM'000	
Y Bhg Dato Koh Yaw Hui	CEO	1,871	977	-	18	2,866
Total CEO's remuneration		1,871	977	-	18	2,866
	Status of directorship					
Mr Norman Ka Cheung Ip	Non - Executive	-	-	199	-	199
Mr Tan Yam Pin	Non - Executive	-	-	102	-	102
Mr Koh Poh Tiong	Non - Executive	-	-	93	-	93
Mr Ng Hon Soon	Non - Executive	-	-	138	-	138
Mr Siew Kah Toong	Non - Executive	-	-	107	-	107
Mr Ou Shian Waei	Non - Executive	-	-	120	-	120
Total Non-Executive Directors' remuneration		-	-	759	-	759
Total remuneration		1,871	977	759	18	3,625

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

21. CEO AND DIRECTORS' REMUNERATION (CONT'D.)

Name		01.01.2020 to 30.06.2020				Total RM'000
		Salaries RM'000	Bonus RM'000	Fees RM'000	Benefits-in-kind RM'000	
Y Bhg Dato Koh Yaw Hui	CEO	1,237	1,014	-	18	2,269
Total CEO's remuneration		1,237	1,014	-	18	2,269
	Status of directorship					
Mr Norman Ka Cheung Ip	Non - Executive	-	-	139	-	139
Mr Tan Yam Pin	Non - Executive	-	-	123	-	123
Mr Koh Poh Tiong	Non - Executive	-	-	73	-	73
Mr Ng Hon Soon	Non - Executive	-	-	131	-	131
Mr Siew Kah Toong	Non - Executive	-	-	97	-	97
Mr Ou Shian Waei	Non - Executive	-	-	91	-	91
Total Non-Executive Directors' remuneration		-	-	654	-	654
Total remuneration		1,237	1,014	654	18	2,923

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

22. TAXATION

		01.01.2021	01.01.2020
		to	to
		30.06.2021	30.06.2020
	Note	RM'000	RM'000
Taxation of life insurance business	(a)	(114,027)	(35,652)
Taxation of the Company	(b)	164,346	153,973
		<u>50,319</u>	<u>118,321</u>

(a) Taxation of life insurance business

Current income tax:			
Malaysian income tax		96,223	86,583
Tax on foreign dividend income		1,383	963
		<u>97,606</u>	<u>87,546</u>
Deferred tax:			
Relating to origination and reversal of temporary differences			
- Life Insurance Fund		(183,394)	(104,603)
- Unit-linked		(28,239)	(18,595)
		<u>(114,027)</u>	<u>(35,652)</u>

The Malaysian tax charge on the life business is based on the method prescribed under the Income Tax Act 1967 for life business.

The income tax for the life fund is calculated based on tax rate of 8% (2020: 8%) of the assessable investment income net of allowable deductions for the financial period.

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

22. TAXATION (CONT'D.)

(b) Taxation of the Company

	01.01.2021	01.01.2020
	to	to
	30.06.2021	30.06.2020
	RM'000	RM'000
Current income tax:		
Malaysian income tax	165,534	58,719
Tax on foreign dividend income	271	-
Underprovided in prior years	3,738	3,799
	<u>169,543</u>	<u>62,518</u>
Deferred tax:		
Relating to origination and reversal of temporary differences	(5,197)	91,455
	<u>164,346</u>	<u>153,973</u>

The current income tax is calculated at 24% (2020: 24%) of the estimated assessable profit for the financial period.

The deferred tax for the Shareholder's Fund is calculated based on the tax rate of 24% (2020: 24%).

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

	01.01.2021	01.01.2020
	to	to
	30.06.2021	30.06.2020
	RM'000	RM'000
Profit before taxation	<u>695,133</u>	<u>3,098,469</u>
Taxation at Malaysian statutory tax rate of 24% (2020: 24%)	166,832	743,633
Income not subject to tax	(6,727)	(962)
Tax exemption relating to the one off Participating fund transfer to Shareholder's fund	-	(568,800)
Expenses not deductible for tax purposes	7,956	1,845
Estimated double taxation relief	(7,453)	(25,542)
Underprovided in prior years	3,738	3,799
Tax expense for the period	<u>164,346</u>	<u>153,973</u>

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

23. CASH USED IN OPERATING ACTIVITIES

		01.01.2021	01.01.2020
		to	to
		30.06.2021	30.06.2020
	Note	RM'000	RM'000
Profit before taxation attributable to shareholders		695,133	3,098,469
<i>Adjustments for:</i>			
Taxation attributable to life insurance business	22(a)	(114,027)	(35,652)
Investment income	18	(1,797,151)	(1,825,977)
Realised losses recorded in the statement of profit or loss		131,465	129,364
Fair value losses recorded in the statement of profit or loss		2,571,264	1,807,238
Depreciation of:			
- property and equipment		11,998	24,794
- right-of-use assets		503	506
Amortisation of:			
- right-of-use assets		69	69
- intangible assets		13,752	325
(Write-back of)/impairment loss on:			
Insurance and other receivables		(1,059)	8,112
Investments		20,810	72
Changes in agents' retirement benefit		41,182	11,633
Property and equipment written-off		238	-
Realised foreign exchange loss on disposal receipt of dividend		-	7
Realised foreign exchange gain on disposal of investments		(2,483)	(25,469)
Unrealised exchange loss on derivatives		11,173	25,248
Unrealised exchange gain on bonds		(69,521)	(200,975)
Cash flow before working capital changes		<u>1,513,346</u>	<u>3,017,764</u>

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

23. CASH USED IN OPERATING ACTIVITIES (CONT'D.)

	01.01.2021	01.01.2020
	to	to
	30.06.2021	30.06.2020
Note	RM'000	RM'000
<i>Changes in working capital:</i>		
Purchases of FVTPL financial investments	(12,992,893)	(12,941,323)
Proceeds from disposals/maturities of FVTPL financial investments	12,138,761	11,329,174
Purchases of FVOCI financial investments	(1,123,298)	(1,652,954)
Proceeds from disposals/maturities of FVOCI financial investments	976,734	1,007,850
Decrease in LAR	15,193	360,944
Decrease/(increase) in reinsurance assets	1,957	(1,401)
Increase in insurance receivables	(71,868)	(59,811)
Decrease/(increase) in other receivables	95,870	(106,948)
Decrease in insurance contract liabilities	(591,420)	(2,047,830)
Decrease in other financial liabilities	(199,555)	(1,135)
Decrease in insurance payables	(67,970)	(10,708)
(Decrease)/increase in lease liabilities	(102)	387
Decrease in other payables	(3,685)	(66,759)
Cash used in from operating activities	<u>(308,930)</u>	<u>(1,172,750)</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 benefits and claims incurred for insurance contracts, which are operating activities of the Company.

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

24. COMMITMENTS AND OTHER CONTINGENCIES

(a) Capital commitments

	30.06.2021	31.12.2020
	RM'000	RM'000
Capital expenditure		
Approved and contracted for:		
- Investment properties	9,895	44,970
- Property and equipment	39,625	47,872
Approved but not contracted for:		
- Investment properties	8,583	9,931
	<u>58,103</u>	<u>102,773</u>

25. REGULATORY CAPITAL REQUIREMENT

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

	30.06.2021	31.12.2020
	RM'000	RM'000
Eligible Tier 1 Capital		
Share capital (paid-up)	100,000	100,000
Reserves, including retained earnings	22,057,247	21,658,808
	<u>22,157,247</u>	<u>21,758,808</u>
Tier 2 Capital		
Eligible reserves	(13,615)	39,547
	<u>(13,615)</u>	<u>39,547</u>
Deductions: Intangible assets & deferred tax assets	164,200	5,566
	<u>164,200</u>	<u>5,566</u>
Total Capital Available	<u>21,979,432</u>	<u>21,792,789</u>

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

26. RELATED PARTY DISCLOSURES

- (a) In addition to the transactions detailed elsewhere in the interim condensed financial statements, the Company had the following transactions and balances with related parties during the financial period:

	01.01.2021	01.01.2020
	to	to
	30.06.2021	30.06.2020
	RM'000	RM'000
Transactions with related parties during the period:		
Income/(expense):		
Property rentals received (note i)		
- OCBC Bank (Malaysia) Berhad	419	419
- Great Eastern General Insurance (Malaysia) Berhad	1,549	1,571
- Great Eastern Takaful Berhad	701	747
Service charges paid (note ii)		
- OCBC Bank (Malaysia) Berhad	(27,432)	(26,950)
- E2 Power Sdn Bhd	(2,148)	(2,698)
- E2 Power Pte Ltd	(1,558)	(481)
- Pacific Mutual Fund Bhd	-	(169)
Service charges received (note ii)		
- Great Eastern General Insurance (Malaysia) Berhad	3,566	3,599
- Great Eastern Takaful Berhad	7,623	5,776
Premium paid (note iii)		
- Great Eastern General Insurance (Malaysia) Berhad	(1,989)	(2,079)
Premium received (note iii)		
- Great Eastern General Insurance (Malaysia) Berhad	1,296	1,251
- OCBC Bank (Malaysia) Berhad	25,552	17,889
- PAC Lease Berhad	259	161
- Pacific Mutual Fund Bhd	-	19
- Key Management Personnel	213	219

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

26. RELATED PARTY DISCLOSURES (CONT'D)

- (a) In addition to the transactions detailed elsewhere in the interim condensed financial statements, the Company had the following transactions and balances with related parties during the financial period (Cont'd):

	01.01.2021	01.01.2020
	to	to
	30.06.2021	30.06.2020
	RM'000	RM'000
Transactions with related parties during the period (Cont'd.):		
Income/(expense):		
Claims paid		
- Key Management Personnel	(520)	(908)
Commission received		
- Great Eastern General Insurance (Malaysia) Berhad	293	316
Commission fees paid		
- OCBC Bank (Malaysia) Berhad	(30,024)	(28,577)
- OCBC Securities Private Limited	(261)	(373)
- PAC Lease Berhad	(11)	(4)
Interest income (note iv)		
- OCBC Bank (Malaysia) Berhad	9,915	39,642
- OCBC Al-Amin Bank Berhad	2,360	1,307
- PAC Lease Berhad	437	702
Dividend income (note v)		
- Affin Hwang Wholesale Income Fund	16,276	20,768
- Aminstitutional Income Bond Fund	4,443	1,615
Bank charges		
- OCBC Bank (Malaysia) Berhad	(372)	(427)
Other services		
- OCBC Bank (Malaysia) Berhad	(3)	(8)
Policy payments		
- OCBC Bank (Malaysia) Berhad	(614)	(186)

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

26. RELATED PARTY DISCLOSURES (CONT'D)

- (a) In addition to the transactions detailed elsewhere in the interim condensed financial statements, the Company had the following transactions and balances with related parties during the financial period (Cont'd):

	01.01.2021	01.01.2020
	to	to
	30.06.2021	30.06.2020
	RM'000	RM'000
Transactions with related parties during the period (Cont'd.):		
Income/(expense):		
Employee Share Purchase Plan		
- Oversea-Chinese Banking Corporation Ltd.	(448)	(358)
Employee Share Option Scheme paid		
- Oversea-Chinese Banking Corporation Ltd.	(14)	(49)
Deferred Share Plan		
- Oversea-Chinese Banking Corporation Ltd.	(650)	(642)
Charges for group services (note vi)		
- The Great Eastern Life Assurance Company Limited	(7,974)	(5,822)
Purchase of investments from		
- Great Eastern General Insurance (Malaysia) Berhad	(5,039)	(11,966)
- Pac Lease Berhad	(124,748)	-
- Affin Hwang Wholesale Income Fund	(16,276)	(120,768)
- Aminstitutional Income Bond Fund	(4,372)	(1,933)
Maturity of medium term note		
- Pac Lease Berhad	130,000	-
Redemption of Structure Deposit		
- OCBC Bank (Malaysia) Berhad	96,000	-
Purchase of Equity Linked Note		
- OCBC Bank (Malaysia) Berhad	(250,000)	-
Realised losses arising from the sales and maturity of Synthetic cash flow swap arrangement		
- OCBC Bank (Malaysia) Berhad	(38,262)	-

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

26. RELATED PARTY DISCLOSURES (CONT'D)

- (a) In addition to the transactions detailed elsewhere in the interim condensed financial statements, the Company had the following transactions and balances with related parties during the financial period (Cont'd):

	30.06.2021	31.12.2020
	RM'000	RM'000
Balances with related parties at reporting date:		
Due from/(due to):		
Investment in Synthetic cash flow		
- OCBC Bank (Malaysia) Berhad	-	8,878
Investment in wholesale unit trust fund		
- Affin Hwang Wholesale Income Fund	775,874	774,042
- Aminstitutional Income Bond Fund	303,348	303,814
Investment in medium term note		
- Pac Lease Berhad	44,920	50,113
Cash and bank balances		
- OCBC Bank (Malaysia) Berhad	48,280	31,842
- OCBC Al-Amin Bank Berhad	630	61,124
Fixed deposits, structured deposits and repurchase agreements		
- OCBC Bank (Malaysia) Berhad	1,481,130	441,947
- OCBC Al-Amin Bank Berhad	10,600	303,700
Investment in Equity Linked Note		
- OCBC Bank (Malaysia) Berhad	245,469	-

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

26. RELATED PARTY DISCLOSURES (CONT'D)

- (a) In addition to the transactions detailed elsewhere in the interim condensed financial statements, the Company had the following transactions and balances with related parties during the financial period (Cont'd):

	30.06.2021	31.12.2020
	RM'000	RM'000
Balances with related parties at reporting date (Cont'd):		
Amount due from related companies:		
- Great Eastern General Insurance (Malaysia) Berhad	3,880	4,729
- Great Eastern Takaful Berhad	4,106	7,249
- P.T. Great Eastern Life Indonesia	-	25
Amount due to ultimate holding company:		
- Oversea-Chinese Banking Corporation Ltd.	(1,228)	(780)
Amount due to intermediate holding company:		
- The Great Eastern Life Assurance Company Limited	(43,521)	(27,145)
Amount due to intermediate holding company:		
- Great Eastern Holdings Limited	-	-
Amount due to holding company:		
- Great Eastern Capital (M) Sdn Bhd	(3,057)	(3,068)

Related companies are companies within the OCBC group:

- (i) Rental of property to related parties are made according to normal market prices, terms and conditions.
- (ii) Payment of service charges to/from related parties are made according to normal market prices.
- (iii) The sale and purchase of insurance policies to/from related companies are made according to normal market prices and at terms and conditions no more favourable than those to other customers and employees.
- (iv) The interest income arose mainly from investment in fixed deposits, repurchase agreements, other debt securities and medium term notes which are made according to prevailing market rates, terms and conditions.
- (v) The dividend income arose from investment in wholesale unit trust fund which are made according to prevailing market terms and conditions.
- (vi) Payment of group function costs based on allocation rates governed by corporate service agreement and in line with Malaysian Transfer Pricing Guidelines and Organisation for Economic Co-operation and Development ("OECD") Transfer Pricing Guidelines. Group function services are derived from the immediate parent company in Singapore.

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

26. RELATED PARTY DISCLOSURES (CONT'D)

Related companies are companies within the OCBC group: (Cont'd.)

(vi) The table below shows the breakdown by type of services received and geographical location for inter company charges:

Geographical Location	Type of Services	01.01.2021 to 30.06.2021 RM	01.01.2020 to 30.06.2020 RM
Singapore	Group service charges for services rendered, which include those in respect of finance, legal, actuarial, support, human resources, operations, investment management, IT, internal audit and risk management services.	7,974	5,822
		<u>7,974</u>	<u>5,822</u>

(b) Compensation of Key Management Personnel

The remuneration of Directors and other members of key management during the period was as follows:

	30.06.2021 RM'000	30.06.2020 RM'000
Non-Executive Directors' fees	759	654
Short-term employee benefits	7,513	7,719
Post-employments benefits:		
Defined contribution plan - EPF	1,115	1,192
Share-based payment	<u>1,253</u>	<u>-</u>
	<u>10,640</u>	<u>9,565</u>
Share-based payment (in units)	<u>33,259</u>	<u>45,508</u>
Included in the total key management personnel remuneration are:		
CEO's and Directors' remuneration (Note 21)	<u>3,625</u>	<u>2,923</u>

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel include all Directors, CEO, Senior Management Team, Chief Internal Auditor and Head of Compliance of the Company.

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

27. FAIR VALUES OF ASSETS AND LIABILITIES

The management assessed that cash and short-term deposits, insurance and other receivables, insurance and other payables and other liabilities approximate their carrying amounts largely due to the short-term maturities of these assets and liabilities.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The carrying amounts of the Company's assets and liabilities approximate their respective fair values.

The following methods and assumptions were used to estimate the fair values which are carried or disclosed in the financial statements:

- The fair value of financial assets that are actively traded in organised financial markets is determined by reference to quoted market bid prices and closing prices as appropriate for assets at the close of business on the reporting date.
- For investments in quoted unit and real estate investment trusts, fair value is determined by reference to published net asset values. Investments in equity that do not have quoted market prices in an active market will be stated at adjusted net asset value.
- For financial instruments where there is no active market such as unquoted fixed income securities i.e. unquoted bonds, fair value is obtained from Bond Pricing Agency Malaysia Sdn. Bhd. ("BPAM") while for foreign bonds, fair value is obtained from ICE Data Service (IDC).
- For unquoted and unrated bonds, fair value is obtained from Bond Pricing Agency Malaysia Sdn. Bhd. ("BPAM").
- For structured deposits and derivatives, the fair value is obtained from Markit.
- For investment properties, the fair value is obtained from valuations as performed by the external valuers using the income method and comparison method.

If the fair value cannot be measured reliably, these financial instruments are measured at cost, being the fair value of the consideration paid for the acquisition of the instrument or the amount received on issuing the financial liability. All transaction costs directly attributable to the acquisition are also included in the cost of the investment.

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

27. FAIR VALUE OF ASSETS AND LIABILITIES (CONTD.)

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

	Level 1	Level 2	Level 3	
		Valuation Techniques - Market Observable Inputs	Valuation Techniques - Unobservable Inputs	Total Fair Value
30 June 2021	Quoted market price RM'000	RM'000	RM'000	RM'000
<u>(a) Assets measured at fair value:</u>				
<u>Financial assets:</u>				
<u>FVOCI financial assets (Note 11(b)):</u>				
Equity securities:				
Quoted in Malaysia				
- Kuala Lumpur Stock Exchange	676,703	-	-	676,703
Quoted outside Malaysia				
- Singapore Exchange	231,321	-	-	231,321
- Hong Kong Exchange	289,901	-	-	289,901
Unquoted in Malaysia	-	-	73,599	73,599
Malaysian government securities				
Unquoted in Malaysia	-	480,141	-	480,141
Debt securities:				
Unquoted in Malaysia	-	1,622,370	-	1,622,370
<u>FVTPL financial assets (Note 11(c)):</u>				
<u>Mandatorily measured</u>				
Equity securities:				
Quoted in Malaysia	20,725,556	-	-	20,725,556
Quoted outside Malaysia	3,806,076	-	-	3,806,076
Unquoted in Malaysia	-	846,694	70,359	917,053
Unquoted outside Malaysia	-	130,035	-	130,035
Debt securities:				
Quoted outside Malaysia	346,816	-	-	346,816
Unquoted in Malaysia	-	2,172,358	-	2,172,358
Unquoted outside Malaysia	-	211,498	-	211,498
Unit and property trust funds:				
Quoted in Malaysia	481,200	-	-	481,200
Quoted outside Malaysia	369,772	-	-	369,772
Unquoted outside Malaysia	-	2,266,695	4,751	2,271,446

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

27. FAIR VALUE OF ASSETS AND LIABILITIES (CONTD.)

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities (Cont'd.).

	Level 1	Level 2	Level 3	
	Valuation			
	Quoted market price	Techniques - Market Observable Inputs	Techniques - Unobservable Inputs	Total Fair Value
30 June 2021 (Cont'd.)	RM'000	RM'000	RM'000	RM'000
<u>(a) Assets measured at fair value</u>				
<u>(Cont'd.):</u>				
<u>Financial assets: (Cont'd.)</u>				
<u>FVTPL financial assets (Note 11(c)):</u>				
<u>(Cont'd):</u>				
<u>Mandatorily measured (Cont'd)</u>				
Investment in subsidiary:				
Collective investment schemes				
Unquoted in Malaysia	-	1,079,221	-	1,079,221
<u>Designated upon initial recognition:</u>				
Malaysian government securities				
	-	8,452,053	-	8,452,053
Debt securities:				
Unquoted in Malaysia	-	32,660,154	-	32,660,154
Unquoted outside Malaysia	-	62,299	-	62,299
Financial assets	<u>26,927,345</u>	<u>49,983,518</u>	<u>148,709</u>	<u>77,059,572</u>
<u>Derivatives (Note 15):</u>				
Currency swaps	-	2,583	-	2,583
Interest rate swaps	-	8	-	8
Bond Forward	-	245	-	245
	<u>-</u>	<u>2,836</u>	<u>-</u>	<u>2,836</u>
<u>Non financial assets:</u>				
Investment Properties				
Commercial	-	-	892,599	892,599
Residential	-	-	237,020	237,020
Non financial assets	<u>-</u>	<u>-</u>	<u>1,129,619</u>	<u>1,129,619</u>
<u>(b) Liabilities measured at fair value:</u>				
<u>Financial liabilities</u>				
<u>Derivatives (Note 15):</u>				
Currency swaps	-	52,376	-	52,376
Bond Forward	-	620	-	620
Forward Contract	-	1	-	1
Financial liabilities	<u>-</u>	<u>52,997</u>	<u>-</u>	<u>52,997</u>

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

27. FAIR VALUE OF ASSETS AND LIABILITIES (CONTD.)

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities (Cont'd.).

	Level 1	Level 2	Level 3	
		Valuation Techniques - Market Observable Inputs	Valuation Techniques - Unobservable Inputs	Total Fair Value RM'000
	Quoted market price RM'000	RM'000	RM'000	RM'000
31 December 2020				
<u>(a) Assets measured at fair value:</u>				
<u>Financial assets:</u>				
<u>FVOCI financial assets (Note 11(b)):</u>				
Equity securities:				
Quoted in Malaysia				
- Kuala Lumpur				
Stock Exchange	646,559	-	-	646,559
Quoted outside Malaysia				
- Singapore Exchange	210,781	-	-	210,781
- Hong Kong Exchange	216,285	-	-	216,285
Unquoted in Malaysia	-	-	78,203	78,203
Malaysian government securities	-	278,052	-	278,052
Debt securities:				
Unquoted in Malaysia	-	1,867,408	-	1,867,408
<u>FVTPL financial assets (Note 11(c)):</u>				
<u>Mandatorily measured</u>				
Equity securities:				
Quoted in Malaysia	23,111,364	-	-	23,111,364
Quoted outside Malaysia	3,610,729	-	-	3,610,729
Unquoted in Malaysia	-	-	83,330	83,330
Debt securities:				
Quoted outside Malaysia	580,833	-	-	580,833
Unquoted in Malaysia	-	2,941,065	-	2,941,065
Unquoted outside Malaysia	-	361,648	-	361,648
Unit and property trust funds:				
Quoted in Malaysia	455,308	-	-	455,308
Quoted outside Malaysia	322,976	-	-	322,976
Unquoted in Malaysia	-	2,140,072	-	2,140,072

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

27. FAIR VALUE OF ASSETS AND LIABILITIES (CONTD.)

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities (Cont'd.).

	Level 1	Level 2	Level 3	
		Valuation Techniques - Market	Valuation Techniques - Unobservable	
	Quoted market price RM'000	Observable Inputs RM'000	Inputs RM'000	Total Fair Value RM'000
31 December 2020 (Cont'd.)				
<u>(a) Assets measured at fair value</u>				
<u>(Cont'd.):</u>				
<u>Financial assets: (Cont'd.)</u>				
<u>FVTPL financial assets (Note 11(c)):</u>				
<u>(Cont'd):</u>				
<u>Mandatorily measured (Cont'd)</u>				
Investment in subsidiary:				
Collective investment schemes				
Unquoted in Malaysia	-	1,077,856	-	1,077,856
<u>Designated upon initial recognition:</u>				
Malaysian government securities	-	7,135,731	-	7,135,731
Debt securities:				
Unquoted in Malaysia	-	33,575,356	-	33,575,356
Unquoted outside Malaysia	-	61,476	-	61,476
Financial assets	29,154,835	49,438,664	161,533	78,755,032
<u>Derivatives (Note 15):</u>				
Currency swaps	-	9,346	-	9,346
Interest rate swaps	-	17	-	17
Synthetic cash flow swaps	-	8,887	-	8,887
	-	18,250	-	18,250
<u>Non financial assets:</u>				
Investment Properties				
Commercial	-	-	892,470	892,470
Residential	-	-	237,000	237,000
Non financial assets	-	-	1,129,470	1,129,470
<u>(b) Liabilities measured at fair value:</u>				
<u>Financial liabilities</u>				
Derivatives (Note 15):				
Currency swaps	-	49,852	-	49,852
Synthetic cash flow swaps	-	9	-	9
	-	49,861	-	49,861

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

27. FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D.)

(i) Information about significant unobservable inputs used in Level 3 fair value measurements:

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value as at 30 June 2021 RM'000	Valuation techniques	Unobservable inputs	Range (weighted average)
<u>Investment properties</u>				
Commercial properties	250,129	Income approach	Rental per square foot ("p.s.f.") per month Rental growth rate (upon Revisionary) Long-term vacancy rate Discount rate	RM2.35 - RM5.80 12.50% 7.50% 6.0% - 6.25%
Commercial properties	545,000	Income approach	Estimated Value p.s.f	RM1,191
Commercial properties	97,470	Comparison approach	Estimated Value p.s.f	RM33 - RM1,250
Residential properties	237,020	Comparison approach	Estimated Value p.s.f	RM40 - RM885
<u>FVOCI financial assets</u>				
Unquoted equities	73,599	Adjusted net asset value ⁽¹⁾	Net tangible assets	not applicable
<u>FVTPL financial assets</u>				
Unquoted equities	70,359	Adjusted net asset value ⁽¹⁾	Net tangible assets	not applicable
Unit and property trust funds	4,751	Adjusted net asset value ⁽¹⁾	Net tangible assets	not applicable

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

27. FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D.)

(i) Information about significant unobservable inputs used in Level 3 fair value measurements: (Cont'd.)

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3): (Cont'd.)

Description	Fair value as at 31 December 2020 RM'000	Valuation techniques	Unobservable inputs	Range (weighted average)
<u>Investment properties</u>				
Commercial properties	250,000	Income approach	Rental per square foot ("p.s.f.") per month Rental growth rate (upon Revisionary) Long-term vacancy rate Discount rate	RM2.35 - RM5.80 12.50% 7.50% 6.0% - 6.25%
Commercial properties	545,000	Income approach	Estimated Value p.s.f	RM1,191
Commercial properties	97,470	Comparison approach	Estimated Value p.s.f	RM33 - RM1,250
Residential properties	237,000	Comparison approach	Estimated Value p.s.f	RM40 - RM885
<u>FVOCI financial assets</u>				
Unquoted equities	78,203	Adjusted net asset value ⁽¹⁾	Net tangible assets	not applicable
<u>FVTPL financial assets</u>				
Unquoted equities	83,330	Adjusted net asset value ⁽¹⁾	Net tangible assets	not applicable

⁽¹⁾ These investments are valued using adjusted net asset value. The net asset value of these investments as at the reporting period is an unobservable input as it is not published. Accordingly, these investments are classified as Level 3 investments within the fair value hierarchy. A reasonable change to the significant unobservable inputs is not expected to have material impact to the total equity of the Company.

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

27. FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D.)

(ii) Movements in level 3 assets and liabilities measured at fair value:

The following tables present the reconciliation for all assets measured at fair value based on significant unobservable inputs (Level 3):

	Fair value measurements using significant unobservable inputs (Level 3)				Total
	<u>FVOCI</u> <u>financial assets</u>	<u>FVTPL</u> <u>financial assets</u>	<u>FVTPL</u> <u>financial assets</u>		
	Unquoted equities	Unquoted equities	Unit and property trust funds	Investment properties	
	RM'000	RM'000	RM'000	RM'000	RM'000
30 June 2021					
Opening balance	78,203	83,330	-	1,129,470	1,291,003
Total gain for the period:					
Changes in fair value					
- Included in statement of profit or loss	-	(12,971)	11	-	(12,960)
- Included in other comprehensive income	(4,604)	-	-	-	(4,604)
Addition for the period:					
Additions	-	-	4,901	149	5,050
Disposal	-	-	(161)	-	(161)
Closing balance	73,599	70,359	4,751	1,129,619	1,278,328

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

27. FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D.)

(ii) Movements in level 3 assets and liabilities measured at fair value: (Cont'd.)

The following tables present the reconciliation for all assets measured at fair value based on significant unobservable inputs (Level 3):

	Fair value measurements using significant unobservable inputs (Level 3)				Total
	<u>FVOCI</u> <u>financial assets</u>	<u>FVTPL</u> <u>financial assets</u>	<u>FVTPL</u> <u>financial assets</u> Unit and property trust funds	Investment properties	
31 December 2020	Unquoted equities RM'000	Unquoted equities RM'000	RM'000	RM'000	RM'000
Opening balance	87,332	84,187	-	1,145,950	1,317,469
Total gain for the year:					
Changes in fair value					
- Included in statement of profit or loss	-	(857)	-	(16,813)	(17,670)
- Included in other comprehensive income	(9,129)	-	-	-	(9,129)
Addition for the year:					
Transfer from property and equipment	-	-	-	333	333
Closing balance	78,203	83,330	-	1,129,470	1,291,003

**GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)**

27. FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D.)

Fair value Hierarchy

The Company classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 Assets/liabilities are those of which market values are determined in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those process represent actual and regularly occurring market transactions on an arm's length basis.
- Level 2 Assets/liabilities are those of which market values are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. These type of assets/liabilities includes assets/liabilities of which pricing is obtained via pricing services but where prices have not been determined in an active market, financial assets/financial liabilities with fair values based on broker quotes, investments in private equity funds with fair values obtained from counterparties and assets/liabilities that are valued using the Company's own model whereby the majority of assumptions are market observable.
- Level 3 Assets/liabilities are those of which market values are measured using a valuation technique based on assumptions formed from unobservable inputs. Unobservable inputs are inputs not supported by market data, but which are set on the basis that they represent what is reasonable given the prevailing market conditions.

There have been no transfers of assets between Level 1 and Level 2 of the fair value hierarchy during the current interim period and the comparative period.

198201013982 (93745-A)

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

28. INSURANCE FUNDS

The Company's activities are organised by funds and segregated into Life Insurance (including Unit-Linked business) and Shareholder's Funds in accordance with the Financial Services Act, 2013. The Condensed Statement of Profit or Loss and Condensed Statement of Financial Position by funds are presented as follows:

Condensed Statement of Financial Position by Funds
As at 30 June 2021

	Shareholder's Funds		Life Insurance Fund		Elimination*		Total	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020	30.06.2021	31.12.2020	30.06.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets								
Financial investments	2,463,662	1,974,266	82,878,705	85,253,543	-	-	85,342,367	87,227,809
Reinsurance assets	-	-	117,416	119,373	-	-	117,416	119,373
Insurance receivables	-	-	357,602	284,633	-	-	357,602	284,633
Other assets	1,803,853	2,051,292	4,325,240	3,412,926	(1,677,190)	(2,023,164)	4,451,903	3,441,054
	<u>4,267,515</u>	<u>4,025,558</u>	<u>87,678,963</u>	<u>89,070,475</u>	<u>(1,677,190)</u>	<u>(2,023,164)</u>	<u>90,269,288</u>	<u>91,072,869</u>
Equity, Policyholders' Fund and Liabilities								
Total Equity	<u>3,950,584</u>	<u>3,725,733</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,950,584</u>	<u>3,725,733</u>
Insurance contract liabilities	-	-	83,407,387	83,998,807	-	-	83,407,387	83,998,807
Other liabilities	316,931	299,825	4,271,576	5,071,668	(1,677,190)	(2,023,164)	2,911,317	3,348,329
	<u>316,931</u>	<u>299,825</u>	<u>87,678,963</u>	<u>89,070,475</u>	<u>(1,677,190)</u>	<u>(2,023,164)</u>	<u>86,318,704</u>	<u>87,347,136</u>
Total Policyholders' Fund and Liabilities	<u>4,267,515</u>	<u>4,025,558</u>	<u>87,678,963</u>	<u>89,070,475</u>	<u>(1,677,190)</u>	<u>(2,023,164)</u>	<u>90,269,288</u>	<u>91,072,869</u>

* Refers to elimination of Interfund balances.

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

28. INSURANCE FUNDS (CONT'D.)

Condensed Statement of Profit or Loss by Funds
For the six months ended 30 June 2021

	Shareholder's Funds		Life Insurance Fund		Elimination **		Total	
	01.01.2021 to 30.06.2021 RM'000	01.01.2020 to 30.06.2020 RM'000	01.01.2021 to 30.06.2021 RM'000	01.01.2020 to 30.06.2020 RM'000	01.01.2021 to 30.06.2021 RM'000	01.01.2020 to 30.06.2020 RM'000	01.01.2021 to 30.06.2021 RM'000	01.01.2020 to 30.06.2020 RM'000
Gross earned premiums	-	-	4,515,322	4,341,488	(3,353)	(5,830)	4,511,969	4,335,658
Premiums ceded to reinsurers	-	-	(200,068)	(105,896)	-	-	(200,068)	(105,896)
Net earned premiums	-	-	4,315,254	4,235,592	(3,353)	(5,830)	4,311,901	4,229,762
Investment income	49,096	44,261	1,699,499	1,733,831	-	-	1,748,595	1,778,092
Fees and commission income	-	-	107,275	29,896	-	-	107,275	29,896
Gains and losses and other operating revenue	(18,955)	(33)	(2,636,859)	(1,729,778)	-	-	(2,655,814)	(1,729,811)
Other revenue	30,141	44,228	(830,085)	33,949	-	-	(799,944)	78,177
Gross benefits and claims paid	-	-	(3,001,242)	(2,765,147)	-	-	(3,001,242)	(2,765,147)
Claims ceded to reinsurers	-	-	164,901	70,314	-	-	164,901	70,314
Gross change in contract liabilities	-	-	849,878	2,316,422	-	-	849,878	2,316,422
Change in contract liabilities ceded to reinsurers	-	-	2,269	(449)	-	-	2,269	(449)
Net benefits and claims	-	-	(1,984,194)	(378,860)	-	-	(1,984,194)	(378,860)
Depreciation and amortisation	(336)	(325)	(25,986)	(25,369)	-	-	(26,322)	(25,694)
Other operating and management expenses	(38,520)	(37,820)	(885,168)	(808,578)	3,353	5,830	(920,335)	(840,568)
Taxation attributable to life insurance business	-	-	114,027	35,652	-	-	114,027	35,652
Other expenses	(38,856)	(38,145)	(797,127)	(798,295)	3,353	5,830	(832,630)	(830,610)
Profit from operations	(8,715)	6,083	703,848	3,092,386	-	-	695,133	3,098,469
Transfer from Life Insurance Fund*	703,848	456,386	(703,848)	(456,386)	-	-	-	-
One off Shareholder profit (Note 14)	-	2,636,000	-	(2,636,000)	-	-	-	-
Profit before taxation	695,133	3,098,469	-	-	-	-	695,133	3,098,469
Taxation attributable to shareholders (Note 22(b))	(164,346)	(153,973)	-	-	-	-	(164,346)	(153,973)
Net profit for the period	530,787	2,944,496	-	-	-	-	530,787	2,944,496

* The amount transferred from the Life Insurance Fund to the Shareholder's Fund is net of tax.

** Refers to elimination of interfund transactions

GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(Incorporated in Malaysia)

28. INSURANCE FUNDS (CONT'D.)

Condensed Statement of Cash Flow by Funds
For the six months ended 30 June 2021

	Shareholder's Funds		Life Insurance Fund		Total	
	01.01.2021 to 30.06.2021 RM'000	01.01.2020 to 30.06.2020 RM'000	01.01.2021 to 30.06.2021 RM'000	01.01.2020 to 30.06.2020 RM'000	01.01.2021 to 30.06.2021 RM'000	01.01.2020 to 30.06.2020 RM'000
Cash flow from:						
Operating activities	480,407	2,528,909	751,254	(2,080,665)	1,231,661	448,244
Investing activities	-	-	(70,461)	(45,999)	(70,461)	(45,999)
Financing activities	(250,000)	(2,470,000)	(500)	(555)	(250,500)	(2,470,555)
Increase/(decrease) in cash and cash equivalents	230,407	58,909	680,293	(2,127,219)	910,700	(2,068,310)
Cash and cash equivalents:						
At beginning of period	63,087	23,626	3,481,055	4,962,203	3,544,142	4,985,829
At end of period	293,494	82,535	4,161,348	2,834,984	4,454,842	2,917,519