

**AmGENERAL INSURANCE BERHAD**  
**197801007153 (44191-P)**  
**(Incorporated in Malaysia)**

**Interim Condensed Financial Statements**  
**For The Period Ended 30 September 2020**

**Company No: 197801007153 (44191-P)**

**AmGENERAL INSURANCE BERHAD  
(Incorporated in Malaysia)**

<b>CONTENTS</b>	<b>PAGE</b>
Interim condensed statement of financial position	1
Interim condensed income statement	2
Interim condensed statement of comprehensive income	3
Interim condensed statement of changes in equity	4
Interim condensed statement of cash flows	5
Notes to the interim condensed financial statements	6 - 29

Company No: 197801007153 (44191-P)

AmGENERAL INSURANCE BERHAD  
(Incorporated in Malaysia)

**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2020**

		<b>Unaudited 30.09.2020 RM'000</b>	<b>Audited 31.03.2020 RM'000</b>
<b>Assets</b>			
Property and equipment		14,210	16,020
Right-of-use assets		50,583	47,545
Intangible assets		47,526	49,873
Investments	13	3,702,486	3,589,124
Reinsurance assets	14	395,435	393,372
Insurance receivables	15	61,604	64,536
Other receivables	16	91,709	105,323
Deferred tax assets		18,309	18,211
Tax recoverable		-	13,338
Cash and short-term deposits		105,960	171,697
Non-current asset held for sale	17	1,562	1,562
<b>Total assets</b>		<b>4,489,384</b>	<b>4,470,601</b>
<b>Equity</b>			
Share capital	18	1,061,000	1,061,000
Retained earnings		555,464	612,732
<b>Total equity</b>		<b>1,616,464</b>	<b>1,673,732</b>
<b>Liabilities</b>			
Insurance contract liabilities	19	2,486,635	2,437,059
Other liabilities		27,792	25,659
Insurance payables		51,450	42,120
Provision for taxation		16,194	-
Lease liabilities		50,800	46,843
Other payables		219,502	225,831
Provision for retirement benefits		20,547	19,357
<b>Total liabilities</b>		<b>2,872,920</b>	<b>2,796,869</b>
<b>Total equity and liabilities</b>		<b>4,489,384</b>	<b>4,470,601</b>

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

Company No: 197801007153 (44191-P)

AmGENERAL INSURANCE BERHAD  
(Incorporated in Malaysia)

**INTERIM CONDENSED INCOME STATEMENT  
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

	<b>Unaudited 01.04.2020 to 30.09.2020 RM'000</b>	<b>Unaudited 01.04.2019 to 30.09.2019 RM'000</b>
Gross earned premiums	773,669	773,846
Earned premiums ceded to reinsurers	<u>(74,168)</u>	<u>(67,669)</u>
<b>Net earned premiums</b>	<u>699,501</u>	<u>706,177</u>
Investment income	80,861	85,465
Realised losses	(1,126)	(754)
Fair value gains	72,005	51,948
Fees and commission income	17,388	17,223
Other operating income	1,951	2,697
<b>Other revenue</b>	<u>171,079</u>	<u>156,579</u>
Gross benefits and claims paid	(394,772)	(510,301)
Claims ceded to reinsurers	35,196	65,033
Gross change in contract liabilities	(32,450)	171,403
Change in contract liabilities ceded to reinsurers	2,711	(130,756)
<b>Net claims</b>	<u>(389,315)</u>	<u>(404,621)</u>
Fees and commission expenses	(93,561)	(92,780)
Management expenses	(201,102)	(165,395)
Other operating expenses	(108)	(244)
Finance costs	(1,435)	(567)
<b>Other expenses</b>	<u>(296,206)</u>	<u>(258,986)</u>
<b>Profit before taxation</b>	185,059	199,149
Taxation	<u>(35,161)</u>	<u>(42,839)</u>
<b>Net profit for the period</b>	<u>149,898</u>	<u>156,310</u>

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

Company No: 197801007153 (44191-P)

**AmGENERAL INSURANCE BERHAD**  
(Incorporated in Malaysia)

**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

	<b>Unaudited 01.04.2020 to 30.09.2020 RM'000</b>	<b>Unaudited 01.04.2019 to 30.09.2019 RM'000</b>
<b>Net profit for the period</b>	149,898	156,310
<b>Other comprehensive loss:</b>		
<b><u>Other comprehensive loss not to be reclassified to the income statement in subsequent periods:</u></b>		
Re-measurement loss on defined benefit plans	(409)	-
Tax effects thereon	98	-
<b>Net other comprehensive loss not to be reclassified to the income statement in subsequent periods</b>	(311)	-
<b>Total other comprehensive loss for the period, net of taxation</b>	(311)	-
<b>Total comprehensive income for the period</b>	<u>149,587</u>	<u>156,310</u>
<b>Earnings per share (sen)</b>		
Basic	<u>25</u>	<u>26</u>
Diluted	<u>24</u>	<u>25</u>

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

Company No: 197801007153 (44191-P)

AmGENERAL INSURANCE BERHAD  
(Incorporated in Malaysia)

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

	<i>Non- distributable</i>	<i>Distributable</i>	
	<b>Share capital RM'000 (Note 18)</b>	<b>Retained earnings RM'000</b>	<b>Total equity RM'000</b>
<b>Unaudited</b>			
<b>At 1 April 2019</b>	1,061,000	653,792	1,714,792
Net profit and total comprehensive income for the period	-	156,310	156,310
Redemption of RNCPS	-	(100,000)	(100,000)
Dividends on ordinary shares	-	(176,000)	(176,000)
Dividends on INCPS and RNCPS	-	(14,355)	(14,355)
<b>At 30 September 2019</b>	<u>1,061,000</u>	<u>519,747</u>	<u>1,580,747</u>
<b>Unaudited</b>			
<b>At 1 April 2020</b>	1,061,000	612,732	1,673,732
Net profit for the period	-	149,898	149,898
Other comprehensive loss	-	(311)	(311)
Total comprehensive income for the period	-	149,587	149,587
Dividends on ordinary shares	-	(198,000)	(198,000)
Dividends on INCPS and RNCPS (Note 8)	-	(8,855)	(8,855)
<b>At 30 September 2020</b>	<u>1,061,000</u>	<u>555,464</u>	<u>1,616,464</u>

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

Company No: 197801007153 (44191-P)

**AmGENERAL INSURANCE BERHAD**  
(Incorporated in Malaysia)

**INTERIM CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

	<b>Unaudited</b> <b>01.04.2020</b> to <b>30.09.2020</b> <b>RM'000</b>	<b>Unaudited</b> <b>01.04.2019</b> to <b>30.09.2019</b> <b>RM'000</b>
Profit before taxation	185,059	199,149
Adjustments for non-operating and non-cash items	<u>(134,570)</u>	<u>(118,742)</u>
Operating profit before working capital changes	50,489	80,407
Changes in working capital:		
Net change in operating assets	46,322	398,760
Net change in operating liabilities	64,207	(250,493)
Income tax paid	(5,629)	(31,209)
Interest paid on lease liabilities	<u>(1,435)</u>	<u>(568)</u>
Net cash generated from operating activities	103,465	116,490
Net cash (used in)/generated from investing activities	(7,021)	85
Financing activities:		
Dividend paid on INCPS and RNCPS	(8,855)	(14,355)
Redemption of RNCPS	-	(100,000)
Dividend paid on ordinary shares	(198,000)	(176,000)
Payment of lease liabilities	<u>(5,815)</u>	<u>(6,519)</u>
Net cash used in financing activities	(212,670)	(296,874)
Net decrease in cash and cash equivalents	(65,737)	(99,892)
Cash and cash equivalents at beginning of financial period	<u>171,697</u>	<u>247,595</u>
Cash and cash equivalents at end of financial period	<u>105,960</u>	<u>147,703</u>

For purposes of Statement of Cash Flows, Cash and cash equivalents comprise cash and bank balances and deposit and placements maturing within three months ("Cash and short-term deposits").

**Company No: 197801007153 (44191-P)**

**AmGENERAL INSURANCE BERHAD**  
**(Incorporated in Malaysia)**

## **NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

### **1. CORPORATE INFORMATION**

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at 22nd Floor, Bangunan AmBank Group, No. 55 Jalan Raja Chulan, 50200 Kuala Lumpur.

The principal place of business of the Company is located at Menara Shell, No. 211 Jalan Tun Sambathan, 50470 Kuala Lumpur.

The immediate holding, penultimate holding and ultimate holding companies are AmGeneral Holdings Berhad, AMAB Holdings Sdn. Bhd. and AMMB Holdings Berhad ("AMMB"), respectively. All the aforesaid companies are incorporated and domiciled in Malaysia. The ultimate holding company, AMMB is listed on the Main Market of Bursa Malaysia Securities Berhad.

The Company is engaged principally in the underwriting of all classes of general insurance business. There have been no significant changes in the nature of the principal activity of the Company during the financial period.

The interim condensed financial statements were approved for issue by Board of Directors on 23 October 2020.

### **2. BASIS OF PREPARATION**

The interim condensed financial statements of the Company is unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 - Interim Financial Reporting as issued by Malaysian Accounting Standard Board ("MASB") and International Accounting Standard ("IAS") 34 - Interim Financial Reporting as issued by the International Accounting Standard Board ("IASB") and the Financial Reporting Guidelines issued by Bank Negara Malaysia.

The unaudited interim condensed financial statements do not include all of 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 March 2020.

The notes attached to the unaudited interim condensed financial statements provide an explanation of events and transactions that are significant to gain an understanding of changes in the financial position and performance of the Company since the financial year ended 31 March 2020.

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



**AmGENERAL INSURANCE BERHAD**  
**(Incorporated in Malaysia)**

**3. SIGNIFICANT ACCOUNTING POLICIES**

**Amended Standards and Interpretations**

The significant accounting policies and methods of computation applied in the preparation of the interim condensed financial statements are consistent with those adopted in the preparation of the Company's audited financial statements for the financial year ended 31 March 2020, except for the following:

<b>MFRSs, Interpretations and amendments</b>	<b>Effective Date</b>
Amendments to MFRS 3 <i>Business Combination - Definition of a Business</i>	1 January 2020
MFRS 7 <i>Interest Rate Benchmark Reform</i> (Amendments to MFRS 7)	1 January 2020
MFRS 9 <i>Prepayment Features with Negative Compensation</i> (Amendments to MFRS 9 and MFRS 7 <i>Interest Rate Benchmark Reform</i> )	1 January 2020
Amendments to MFRS 101 <i>Presentation of Financial Statements - Definition of Material</i>	1 January 2020
Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material</i>	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standard	1 January 2020

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

**Standards and amendments to published standards effective for financial periods beginning on or after 1 January 2023**

**MFRS 17 Insurance Contracts**

In August 2017, the MASB issued MFRS 17 *Insurance Contracts* ("MFRS 17"), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, MFRS 17 will replace MFRS 4 *Insurance Contracts* ("MFRS 4") that was issued in 2005. MFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of MFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in MFRS 4, which are largely based on grandfathering previous local accounting policies, MFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of MFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Standards and amendments to published standards effective for financial periods beginning on or after 1 January 2023 (Cont'd.)**

**MFRS 17 *Insurance Contracts* (Cont'd.)**

MFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies MFRS 9 and MFRS 15 on or before the date it first applies MFRS 17.

The Company plans to adopt MFRS 17 on the required effective date and a Project Steering Committee has been formed to oversee the implementation of MFRS 17. The Company expects that MFRS 17 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.

**Amendments to MFRS 17**

In August 2020, the MASB issued amendments to MFRS 17 to simplify or clarify certain requirements of MFRS 17 without changing the fundamental principles of the standard. The amendments are effective for annual periods beginning on or after 1 January 2023. The Company is considering the impacts of these amendments in its implementation of MFRS 17.

**4. COMMENTS ON SEASONALITY OR CYCLICALITY**

The business and operations of the Company were not significantly affected by any seasonal or fluctuations during the interim financial period ended 30 September 2020.

**5. UNUSUAL ITEMS**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim financial period ended 30 September 2020.

**6. CHANGE IN ESTIMATES**

There were no changes in the basis used for the accounting estimates for the interim financial period ended 30 September 2020.

**7. DEBT AND EQUITY SECURITIES**

There were no issuance and repurchase of debt and equity securities by the Company during the interim financial period ended 30 September 2020.

**AmGENERAL INSURANCE BERHAD**  
(Incorporated in Malaysia)

**8. DIVIDENDS**

In the current interim financial period ended 30 September 2020, the Company paid the following dividends in respect of the financial year ended 31 March 2020.

	<b>RM'000</b>
<b>Ordinary Shares</b>	
Final dividend on ordinary shares declared on 12 June 2020 and paid on 7 September 2020	198,000
<b>Irredeemable non-cumulative convertible preference shares ("INCPS"):</b>	
Dividend of 5.5% per INCPS on 6,100,000 INCPS based on issued price of RM10.00 each declared on 23 April 2020 and paid on 7 September 2020	3,355
<b>Redeemable non-cumulative convertible preference shares ("RNCPS"):</b>	
Dividend of 5.5% per RNCPS on 10,000,000 RNCPS based on issue price of RM10.00 each declared on 23 April 2020 and paid on 7 September 2020	5,500
	<hr/> <b>206,855</b> <hr/>

**9. MATERIAL EVENTS SUBSEQUENT TO THE END OF interim financial period**

There were no material events subsequent to the end of interim financial period.

**10. EFFECT OF CHANGES IN THE COMPOSITION OF THE COMPANY**

There were no changes in the composition of the Company during the interim financial period under review.

**11. SIGNIFICANT EVENT**

There were no significant event subsequent to the end of interim financial period other than as disclosed in Note 25.

**12. CONTINGENT LIABILITIES**

There were no contingent liabilities as at the date of this report since the last financial year ended 31 March 2020.

**AmGENERAL INSURANCE BERHAD**  
(Incorporated in Malaysia)

**13. INVESTMENTS**

	Note	Unaudited 30.09.2020 RM'000	Audited 31.03.2020 RM'000
Equity securities		10,254	31,501
Unit and property trust funds		2,018	10,123
Loans		541	702
Fixed and call deposits		19,306	19,766
Collective investment schemes:			
Investments in subsidiaries	13.3	3,386,377	3,340,126
Investments in others		283,990	186,906
		<u>3,670,367</u>	<u>3,527,032</u>
		<u>3,702,486</u>	<u>3,589,124</u>

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

	Note	Unaudited 30.09.2020 RM'000	Audited 31.03.2020 RM'000
Fair value through profit & loss ("FVTPL")	13.1	3,682,639	3,568,656
Amortised cost ("AC")	13.2	19,847	20,468
		<u>3,702,486</u>	<u>3,589,124</u>

**13.1 FVTPL**

	Unaudited 30.09.2020 RM'000	Audited 31.03.2020 RM'000
<b>At fair value:</b>		
<b>Mandatory measured:</b>		
Collective investment schemes - Quoted in Malaysia		
Investments in subsidiaries (Note 13.3)	3,386,377	3,340,126
Investments in others	283,990	186,906
Equity securities:		
Quoted in Malaysia	10,254	28,766
Unquoted in Malaysia	-	2,735
Unit and property trust funds:		
Quoted in Malaysia	2,018	10,123
	<u>3,682,639</u>	<u>3,568,656</u>

**AmGENERAL INSURANCE BERHAD**  
(Incorporated in Malaysia)

**13. INVESTMENTS (CONT'D.)**

**13.2 AC**

	<b>Unaudited 30.09.2020 RM'000</b>	<b>Audited 31.03.2020 RM'000</b>
<b>At amortised cost:</b>		
Fixed and call deposits with licensed banks	19,306	19,766
Loans:		
Mortgage loans	570	761
Other loans	41	11
	611	772
Less: Provision for expected credit loss ("ECL")	(70)	(70)
	541	702
	19,847	20,468

The carrying value of the fixed and call deposits with licensed banks approximates fair value due to the relatively short term maturities.

The carrying values of the commercial loans, mortgage loans and other loans are reasonable approximates of fair values due to the insignificant impact of discounting.

**13.3 Collective investment schemes - Investments in subsidiaries**

	<b>Unaudited 30.09.2020 RM'000</b>	<b>Audited 31.03.2020 RM'000</b>
<b>At fair value:</b>		
FVTPL (Note 13.1)	3,386,377	3,340,126

Details of the Company's collective investment schemes - investments in subsidiaries in Malaysia are as follows:

<b>Name of wholesale unit trust fund</b>	<b>Principal activities</b>	<b>% of ownership interest held by the Company</b>	
		<b>30.09.2020</b>	<b>31.03.2020</b>
AmIncome Institutional 1	Investment in debt securities and money market	99.05%	99.06%
AmIncome Institutional 3	Investment in debt securities and money market	99.50%	99.52%
AmCash Plus	Investment in government related securities and money market	97.35%	97.35%

**AmGENERAL INSURANCE BERHAD**  
(Incorporated in Malaysia)

**13. INVESTMENTS (CONT'D.)**

**13.4 Carrying values of investments**

	<b>AC RM'000</b>	<b>FVTPL RM'000</b>	<b>TOTAL RM'000</b>
<b>Unaudited</b>			
<b>At 1 April 2020</b>	20,468	3,568,656	3,589,124
Purchases	30	249,975	250,005
Dividend reinvestment	-	79,019	79,019
Maturities	(651)	-	(651)
Disposals	-	(285,890)	(285,890)
Realised losses recorded in income statement	-	(1,126)	(1,126)
Fair value gains recorded in income statement	-	72,005	72,005
<b>At 30 September 2020</b>	<u>19,847</u>	<u>3,682,639</u>	<u>3,702,486</u>
<b>Audited</b>			
<b>At 1 April 2019</b>	16,145	3,684,671	3,700,816
Purchases	4,525	414,338	418,863
Maturities	(202)	-	(202)
Disposals	-	(539,579)	(539,579)
Realised losses recorded in income statement	-	(19,286)	(19,286)
Fair value gains recorded in income statement	-	28,512	28,512
<b>At 31 March 2020</b>	<u>20,468</u>	<u>3,568,656</u>	<u>3,589,124</u>

**AmGENERAL INSURANCE BERHAD**  
(Incorporated in Malaysia)

**14. REINSURANCE ASSETS**

	<b>Note</b>	<b>Unaudited 30.09.2020 RM'000</b>	<b>Audited 31.03.2020 RM'000</b>
Reinsurance assets on:			
Claims liabilities	19.1	343,651	340,940
Premium liabilities	19.2	54,042	54,690
		<u>397,693</u>	<u>395,630</u>
Allowance for impairment losses		(2,258)	(2,258)
		<u>395,435</u>	<u>393,372</u>

**15. INSURANCE RECEIVABLES**

	<b>Unaudited 30.09.2020 RM'000</b>	<b>Audited 31.03.2020 RM'000</b>
Due premiums including agents, brokers and co-insurers balances	73,374	83,266
Due from reinsurers and cedants	9,807	6,025
	<u>83,181</u>	<u>89,291</u>
Allowance for impairment losses	(21,577)	(24,755)
	<u>61,604</u>	<u>64,536</u>

**16. OTHER RECEIVABLES**

	<b>Unaudited 30.09.2020 RM'000</b>	<b>Audited 31.03.2020 RM'000</b>
Income due and accrued	12,874	13,008
Share of net assets held under Malaysian Motor Insurance Pool ("MMIP")	49,957	48,518
Amounts owing by ultimate holding, holding and other related companies *	2,541	2,566
Reinsurance deposits	570	526
Sundry receivables	16,778	17,126
Current account with Custodian	9,401	23,958
	<u>92,121</u>	<u>105,702</u>
Allowance for impairment losses	(412)	(379)
	<u>91,709</u>	<u>105,323</u>

\* The amounts owing by ultimate holding, holding and other related companies are unsecured, interest free and repayable on demand.

Company No: 197801007153 (44191-P)

**AmGENERAL INSURANCE BERHAD**  
(Incorporated in Malaysia)

**17. NON-CURRENT ASSET HELD FOR SALE**

	<b>Unaudited 30.09.2020 RM'000</b>	<b>Audited 31.03.2020 RM'000</b>
At 1 April 2020/2019	1,562	5,029
Transferred from property and equipment	-	3,021
Disposal	-	(6,488)
At 30 September 2020/31 March 2020	<u>1,562</u>	<u>1,562</u>

The property remains classified as non-current asset held for sale as at 30 September 2020.

**18. SHARE CAPITAL**

	<b>&lt;-----No. of shares-----&gt;</b>		<b>&lt;-----Amount-----&gt;</b>	
	<b>Unaudited 30.09.2020 ( '000)</b>	<b>Audited 31.03.2020 ( '000)</b>	<b>Unaudited 30.09.2020 RM'000</b>	<b>Audited 31.03.2020 RM'000</b>
Ordinary shares (a)	600,000	600,000	900,000	800,000
Share capital arising from redemption of RNCPS (a)	-	-	-	100,000
INCPS (b)	6,100	6,100	61,000	61,000
RNCPS (c)	10,000	10,000	100,000	100,000
	<u>616,100</u>	<u>616,100</u>	<u>1,061,000</u>	<u>1,061,000</u>



**AmGENERAL INSURANCE BERHAD**  
(Incorporated in Malaysia)

**18. SHARE CAPITAL (CONT'D.)**

**(a) Ordinary shares**

	Unaudited		Audited	
	<-----30.09.2020----->		<-----31.03.2020----->	
	No. of shares (‘000)	Amount RM'000	No. of shares (‘000)	Amount RM'000
Issued and paid-up:				
At 1 April 2020/2019	600,000	900,000	600,000	800,000
Arising from redemption of RNCPS pursuant to section 72 (4(a)) of the Companies Act, 2016	-	-	-	100,000
At 30 September 2020/ 31 March 2020	<u>600,000</u>	<u>900,000</u>	<u>600,000</u>	<u>900,000</u>

**(b) INCPS**

	Unaudited		Audited	
	<-----30.09.2020----->		<-----31.03.2020----->	
	No. of shares (‘000)	Amount RM'000	No. of shares (‘000)	Amount RM'000
Issued and paid-up:				
At beginning and end of period/year	<u>6,100</u>	<u>61,000</u>	<u>6,100</u>	<u>61,000</u>

The salient features of the INCPS issued by the Company are as follows:

- (i) Subject always to the prior approval of BNM and the discretion of the Board, the INCPS confer on the holders the right to a non-cumulative preferential dividend calculated at 5.5% per annum each year to be declared and paid within six months from the end of each financial year, calculated based on the issue price of the INCPS, in priority to any other classes of shares to the extent that there are profits available for the distribution and compliance with the capital adequacy requirements as stipulated by BNM.
- (ii) The INCPS holders are entitled at any time to convert all or any of the INCPS held to ordinary shares in the Company, pari passu as between themselves, on the basis of one (1) INCPS for one (1) new ordinary share.
- (iii) The INCPS shall not be transferable (in whole or in part) and shall not be redeemed by the Company.

**AmGENERAL INSURANCE BERHAD**  
(Incorporated in Malaysia)

**18. SHARE CAPITAL (CONT'D.)**

**(c) RNCPS**

	Unaudited		Audited	
	<-----30.09.2020----->		<-----31.03.2020----->	
	No. of shares (‘000)	Amount RM'000	No. of shares (‘000)	Amount RM'000
Issued and paid-up:				
At 1 April 2020/2019	10,000	100,000	20,000	200,000
Redemption during the period/year	-	-	(10,000)	(100,000)
At 30 September 2020/ 31 March 2020	<u>10,000</u>	<u>100,000</u>	<u>10,000</u>	<u>100,000</u>

There was no redemption made during the interim financial period (2019: 10,000,000 RNCPS for the total redemption sum of RM100,000,000 at the issue price of RM10.00).

The salient features of the RNCPS issued by the Company are as follows:

- (i) Subject always to the prior approval of BNM and the discretion of the Board, the RNCPS confer on the holders the right to a non-cumulative preferential dividend calculated at 5.5% per annum each year to be declared and paid within six months from the end of each financial year, calculated based on the issue price of the RNCPS, in priority to any other classes of shares to the extent that there are profits available for the distribution and compliance with the capital adequacy requirements as stipulated by BNM.
- (ii) The RNCPS holders are entitled at any time to convert all or any of the RNCPS held to ordinary shares in the Company, pari passu as between themselves, on the basis of one (1) RNCPS for one (1) new ordinary share.
- (iii) The RNCPS shall not be transferable (in whole or in part). Subject to the prior approval of BNM and the Companies Act, 2016 in Malaysia, the RNCPS may at the sole discretion of the Company be redeemed at a redemption price which is equal to the issue price at which the relevant RNCPS have been issued. It should be redeemed upon and subject to the terms hereunder, provided that the Company shall not redeem any RNCPS during the first five years of the issue of the RNCPS.

Company No: 197801007153 (44191-P)

**AmGENERAL INSURANCE BERHAD**  
(Incorporated in Malaysia)

**19. INSURANCE CONTRACT LIABILITIES**

	Note	Unaudited 30.09.2020			Audited 31.03.2020		
		Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
Provision for claims reported by policyholders		938,839	(222,921)	715,918	910,156	(202,793)	707,363
Provision for incurred but not reported claims ("IBNR")		683,789	(92,376)	591,413	682,528	(110,139)	572,389
Provision for fund provision of risk margin for adverse deviation ("FPRAD")		137,161	(28,354)	108,807	134,655	(28,008)	106,647
Claims liabilities	19.1	1,759,789	(343,651)	1,416,138	1,727,339	(340,940)	1,386,399
Less: Impairment loss on reinsurance assets		-	2,258	2,258	-	2,258	2,258
		1,759,789	(341,393)	1,418,396	1,727,339	(338,682)	1,388,657
Premium liabilities	19.2	726,846	(54,042)	672,804	709,720	(54,690)	655,030
		2,486,635	(395,435)	2,091,200	2,437,059	(393,372)	2,043,687

As at 30 September 2020, the insurance contract liabilities above included the Company's share of MMIP's claims and premium liabilities amounting to RM27.9 million (As at 31 March 2020: RM29.0 million) and RM1.5 million (As at 31 March 2020: RM2.3 million) respectively.

Company No: 197801007153 (44191-P)

**AmGENERAL INSURANCE BERHAD**  
(Incorporated in Malaysia)

**19. INSURANCE CONTRACT LIABILITIES (CONT'D.)**

**19.1 Claim liabilities**

	Unaudited			Audited		
	<-----30.09.2020----->			<-----31.03.2020----->		
	Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
<b>At 1 April 2020/2019</b>	1,727,339	(340,940)	1,386,399	1,825,791	(414,176)	1,411,615
Claims incurred in the current accident period/year (direct and facultative)	547,766	(61,856)	485,910	1,243,368	(180,489)	1,062,879
Adjustment to claims incurred in prior accident period/year (direct and facultative)	(120,230)	23,949	(96,281)	(361,052)	151,871	(209,181)
Claims incurred during the period/year (treaty inwards claims)	(314)	-	(314)	(3,427)	-	(3,427)
Claims paid during the period/year	(394,772)	35,196	(359,576)	(977,341)	101,854	(875,487)
<b>At 30 September 2020/31 March 2020</b>	<b>1,759,789</b>	<b>(343,651)</b>	<b>1,416,138</b>	<b>1,727,339</b>	<b>(340,940)</b>	<b>1,386,399</b>

**19.2 Premium liabilities**

	Unaudited			Audited		
	<-----30.09.2020----->			<-----31.03.2020----->		
	Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
<b>At 1 April 2020/2019</b>	709,720	(54,690)	655,030	701,260	(53,322)	647,938
Premiums written during the period/year	790,795	(73,520)	717,275	1,575,869	(140,045)	1,435,824
Premiums earned during the period/year	(773,669)	74,168	(699,501)	(1,567,409)	138,677	(1,428,732)
<b>At 30 September 2020/31 March 2020</b>	<b>726,846</b>	<b>(54,042)</b>	<b>672,804</b>	<b>709,720</b>	<b>(54,690)</b>	<b>655,030</b>

**AmGENERAL INSURANCE BERHAD**  
(Incorporated in Malaysia)

**20. CAPITAL COMMITMENTS**

	<b>Unaudited</b> <b>30.09.2020</b> <b>RM'000</b>	<b>Audited</b> <b>31.03.2020</b> <b>RM'000</b>
<b>Capital expenditure:</b>		
Approved and contracted for:		
Renovation, furniture and fitting and office equipment	919	193
Computer hardware and software	6,726	4,047
	<u>7,645</u>	<u>4,240</u>
Approved and but not contracted for:		
Renovation, furniture and fitting and office equipment	13	1
Computer hardware and software	12,424	1,327
	<u>12,437</u>	<u>1,328</u>

**21. RELATED PARTY DISCLOSURES**

The Company's balances with related parties are as follows:

	<b>Unaudited</b> <b>30.09.2020</b> <b>RM'000</b>	<b>Audited</b> <b>31.03.2020</b> <b>RM'000</b>
<b>Included in insurance receivables (Note 15):</b>		
Due from agents, brokers and co-insurers:		
AmBank (M) Berhad	11,579	11,650
AmInvestment Bank Berhad	7	-
AmCard Services Berhad	-	295
AON Insurance Brokers (Malaysia) Sdn Bhd	1,304	54
	<u>12,890</u>	<u>11,999</u>
<b>Included in amount owing by ultimate holding, holding and other related companies:</b>		
AmGeneral Holdings Berhad	5	-
AMMB Holdings Berhad	-	378
AmMetLife Insurance Berhad	-	13
Insurance Australia Limited	2,536	2,175
	<u>2,541</u>	<u>2,566</u>

Company No: 197801007153 (44191-P)

**AmGENERAL INSURANCE BERHAD**  
(Incorporated in Malaysia)

**21. RELATED PARTY DISCLOSURES (CONT'D.)**

The Company's balances with related parties are as follows (Cont'd.):

	<b>Unaudited</b> <b>30.09.2020</b> <b>RM'000</b>	<b>Audited</b> <b>31.03.2020</b> <b>RM'000</b>
<b>Included in income due and accrued:</b>		
AmBank (M) Berhad	868	5
AmIncome Institutional 1	3,855	4,521
AmIncome Institutional 3	8,067	8,026
AmCash Plus	912	244
	<u>13,702</u>	<u>12,796</u>
<b>Included in cash and short-term deposits :</b>		
AmBank (M) Berhad	<u>78,831</u>	<u>151,049</u>
<b>Included in insurance payables:</b>		
Due to agents, brokers and co-insurers:		
AmBank (M) Berhad	3,538	3,334
AmCard Services Berhad	47	-
AmInvestment Bank Berhad	115	185
AON Insurance Brokers (Malaysia) Sdn Bhd	947	983
	<u>4,647</u>	<u>4,502</u>
<b>Included in amount owing to other related companies:</b>		
AmBank (M) Berhad	<u>5,450</u>	<u>7,213</u>
<b>Included in accrued expenses and deposits:</b>		
AmBank (M) Berhad	6,561	6,561
Insurance Australia Limited	3,086	4,017
AmMetLife Insurance Berhad	13	13
	<u>9,660</u>	<u>10,591</u>
<b>Included in deposit from reinsurers</b>		
IAG Re Singapore Pte Ltd	<u>1,553</u>	<u>-</u>

Company No: 197801007153 (44191-P)

**AmGENERAL INSURANCE BERHAD**  
(Incorporated in Malaysia)

**21. RELATED PARTY DISCLOSURES (CONT'D.)**

The Company's significant transactions with related parties are as follows:

	<b>Income/(Expenses)</b>	
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>01.04.2020</b>	<b>01.04.2019</b>
	<b>to</b>	<b>to</b>
	<b>30.09.2020</b>	<b>30.09.2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Interest and dividend income from:</b>		
AmBank (M) Berhad	77	260
AmIncome Institutional 1	24,130	24,287
AmIncome Institutional 3	44,677	49,356
AmInvestment Bank Berhad	1,579	728
AmCash Plus	6,713	3,997
	<u>77,176</u>	<u>78,628</u>
<b>Commission income from:</b>		
IAG Re Labuan (L) Berhad	(1,242)	4,947
IAG Re Singapore Pte Ltd	2,245	-
	<u>1,003</u>	<u>4,947</u>
<b>Gross premium income from:</b>		
AmBank (M) Berhad	2,142	1,425
AMMB Holdings Berhad	556	467
AmMetLife Insurance Berhad	181	48
AmInvestment Bank Berhad	17	(20)
AmBank Islamic Berhad	1,681	39
AmCorp Properties Berhad	37	11
AmMetLife Takaful Berhad	3	3
AmCorp Energy Services Sdn Bhd	1	1
AmCorp Perting Hydro Sdn Bhd	8	9
AmCorp Realty Sdn Bhd	12	12
AmCorp Services Sdn Bhd	23	28
AmCorp Sibujaya Sdn Bhd	21	-
AmFunds Management Bhd	2	21
	<u>4,684</u>	<u>2,044</u>
<b>Commission expenses to:</b>		
AmBank (M) Berhad	(6,671)	(6,947)
AmInvestment Bank Berhad	(7)	(3)
AON Insurance Brokers (Malaysia) Sdn Bhd	(949)	(2,044)
	<u>(7,627)</u>	<u>(8,994)</u>

Company No: 197801007153 (44191-P)

**AmGENERAL INSURANCE BERHAD**  
(Incorporated in Malaysia)

**21. RELATED PARTY DISCLOSURES (CONT'D.)**

The Company's significant transactions with related parties are as follows (Cont'd.):

	<b>Income/(Expenses)</b>	
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>01.04.2020</b>	<b>01.04.2019</b>
	<b>to</b>	<b>to</b>
	<b>30.09.2020</b>	<b>30.09.2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Administration and operating expenses to:</b>		
AmBank (M) Berhad	(9,805)	(9,952)
AmFunds Management Bhd	(23)	(180)
AmMetLife Insurance Berhad	(2,674)	(2,198)
IERP Sdn. Bhd.	(19)	(38)
Insurance Australia Limited	(1,091)	(911)
Harpers Travel (M) Sdn. Bhd.	(20)	(339)
	<u>(13,632)</u>	<u>(13,618)</u>
<b>Reinsurance premiums ceded to:</b>		
IAG Re Labuan (L) Berhad	1,484	(17,441)
IAG Re Singapore Pte Ltd	(7,017)	-
	<u>(5,533)</u>	<u>(17,441)</u>
<b>Claims recovery from:</b>		
IAG Re Labuan (L) Berhad	21,588	8,664
IAG Re Singapore Pte Ltd	(3,161)	-
	<u>18,427</u>	<u>8,664</u>
<b>Rental expenses to:</b>		
AmMetLife Insurance Berhad	-	(13)
	<u>-</u>	<u>(13)</u>
<b>Rental income from:</b>		
AmMetLife Insurance Berhad	40	40
	<u>40</u>	<u>40</u>
<b>Dividends on INCPS, RNCPS and ordinary share paid to:</b>		
AmGeneral Holdings Berhad	(206,855)	(190,355)
	<u>(206,855)</u>	<u>(190,355)</u>
<b>RNCPS Capital Redemption paid to:</b>		
AmGeneral Holdings Berhad	-	(100,000)
	<u>-</u>	<u>(100,000)</u>



## **22. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**

The Company measures certain financial instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 Valuation techniques for which all input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

**Company No: 197801007153 (44191-P)**

**AmGENERAL INSURANCE BERHAD  
(Incorporated in Malaysia)**

## **22. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONT'D.)**

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no transfers between Level 1 or Level 2 of the fair value hierarchy during the financial period ended 30 September 2020 and financial year ended 31 March 2020.

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date.

For investments in unit and property trust funds and collective investment schemes, fair value is determined by reference to published bid values.

For financial instruments where there is no active market such as unquoted fixed income securities, i.e. unquoted bonds, fair values is obtained from Bond Pricing Agency Malaysia Sdn. Bhd. ("BPAM").

For unquoted shares, fair value is determined to approximate the net assets value of the investments.

Company No: 197801007153 (44191-P)

**AmGENERAL INSURANCE BERHAD**  
**(Incorporated in Malaysia)**

**23. FAIR VALUE HIERARCHY**

The table below analyses those financial instruments carried at fair value and assets for which fair value is disclosed by their valuation methods.

- (a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (b) Level 2 - Valuation techniques for which all input that are significant to the fair value measurement is directly or indirectly observable
- (c) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

<b>Unaudited</b>			<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>30 September 2020</b>	<b>Note</b>		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Assets measured at fair value on a recurring basis:</b>						
FVTPL financial assets:						
Equity securities:						
Quoted in Malaysia	13		10,254	-	-	10,254
Unit and property trust funds	13		2,018	-	-	2,018
Collective investment schemes:						
Investments in subsidiaries	13		3,386,377	-	-	3,386,377
Investments in others	13		283,990	-	-	283,990
<b>Assets measured at fair value on a non-recurring basis:</b>			<b>3,682,639</b>	<b>-</b>	<b>-</b>	<b>3,682,639</b>

Company No: 197801007153 (44191-P)

**AmGENERAL INSURANCE BERHAD**  
**(Incorporated in Malaysia)**

**23. FAIR VALUE HIERARCHY (CONT'D.)**

<b>Audited</b>		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>31 March 2020</b>	<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Assets measured at fair value:</b>					
FVTPL financial assets:					
Equity securities:					
Quoted in Malaysia	13	28,766	-	-	28,766
Unquoted in Malaysia	13	-	-	2,735	2,735
Unit and property trust funds	13	10,123	-	-	10,123
Collective investment schemes:					
Investments in subsidiaries	13	3,340,126	-	-	3,340,126
Investments in others	13	186,906	-	-	186,906
<b>Assets measured at fair values on a non-recurring basis</b>		<b>3,565,921</b>	<b>-</b>	<b>2,735</b>	<b>3,568,656</b>

There were no transfers between Level 1 or Level 2 of the fair value hierarchy during the current period and previous financial year for assets which are carried at fair value.

**AmGENERAL INSURANCE BERHAD**  
(Incorporated in Malaysia)

**24. REGULATORY CAPITAL REQUIREMENTS**

The total capital available of the Company as at 30 September 2020, as prescribed under the RBC Framework is provided below:

	<b>Unaudited 30.09.2020 RM'000</b>	<b>Audited 31.3.2020 RM'000</b>
<b>Eligible Tier 1 capital</b>		
Fully paid-up ordinary shares (Note 18)	900,000	900,000
Paid-up non-cumulative irredeemable preference shares	61,000	61,000
Retained earnings	555,464	612,732
	<u>1,516,464</u>	<u>1,573,732</u>
<b>Tier 2 capital</b>		
RNCPS	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Amounts deducted from capital	(82,320)	(84,666)
Total capital available	<u>1,534,144</u>	<u>1,589,066</u>

**25. SIGNIFICANT AND SUBSEQUENT EVENT**

**25.1 The Malaysian Competition Commission ("MyCC")'s Decision against PIAM and its 22 members**

On 10 August 2016, the Malaysian Competition Commission ("MyCC") commenced an investigation into an alleged infringement by Persatuan Insurans Am Malaysia ("PIAM") and all its members, being 22 general insurers, including AmGeneral Insurance Berhad in respect of Section 4(2)(a) of the Competition Act, 2010 ("CA 2010"). The MyCC alleged that PIAM and all 22 general insurers fixed the parts trade discount rates for certain vehicle makes and labour hourly rates for PIAM Approved Repairers Scheme workshops.

On 22 February 2017, MyCC issued a proposed decision against PIAM and 22 of its members, being general insurers, for an alleged infringement of the CA 2010. The Proposed Decision ("PD") includes proposed financial penalties on all 22 general insurers, including AmGeneral Insurance Berhad. AmGeneral Insurance Berhad's share of the proposed infringement penalties amounted to RM45,156,098.

On 1 March 2017, Bank Negara Malaysia issued a press statement confirming that the arrangement which is the subject of MyCC's PD was put in place in response to a clear directive from Bank Negara Malaysia to the general insurers in 2011. AmGeneral Insurance Berhad has on 25 April 2017, completed the submission of its written representations to MyCC. AmGeneral Insurance Berhad has also indicated its request for oral representations.

**Company No: 197801007153 (44191-P)**

**AmGENERAL INSURANCE BERHAD  
(Incorporated in Malaysia)**

## **25. SIGNIFICANT AND SUBSEQUENT EVENT (CONT'D.)**

### **25.1 The Malaysian Competition Commission ("MyCC")'s Decision against PIAM and its 22 members (CONT'D.)**

On 29 January 2018, AmGeneral Insurance Berhad's legal counsel delivered oral representations to MyCC reiterating its position that it has not infringed Section 4(2)(a) of the CA 2010 and that no infringement penalties should be imposed. Should the PD be upheld, AmGeneral Insurance Berhad will appeal to the Competition Appeals Tribunal and thereafter take any adverse outcome to a judicial review before the Malaysian courts.

On 19 and 20 February 2019, AmGeneral Insurance Berhad's legal counsel delivered 2nd oral representations to MyCC. The other counsel had applied to fix further dates for their respective oral representations, which was granted by MyCC. In view thereof, the final finding of infringement or non-infringement by MyCC will not likely take place until after 18 June 2019.

On 13 May 2019, AmGeneral Insurance Berhad's legal counsel delivered its third oral representations to MyCC and followed up with Members of Commissioner ("MOC") on the proposed undertakings which is reiterating its position that it has not infringed Section 4(2)(a) of the CA 2010 and that no infringement penalties should be imposed.

On 25 September 2020, AmGeneral Insurance Berhad ("AmGeneral") received the Notice ("Notice") of Finding of an infringement by the competition commission under section 40 of the Competition Act 2010.

Pursuant to section 40 of the Competition Act 2010, the Commission has determined that PIAM and its 22 Members have infringed the section 4 prohibition by participating in an agreement which has, as its object, the prevention, restriction or distortion in relation to the market parts of parts trade and labour charges for PIAM Approved Repairers Scheme ("PARS").

There was significant reduction in fines where AmGeneral's portion has gone down from RM45,156,098 to RM18,284,759. In view of Covid-19 pandemic, the commission has granted a further reduction of 25% of the financial penalty imposed bringing the total penalty amount to RM13,713,569.25 which was approximately 70% reduction from the initial proposed amount.

The commission has also directed all insurers to cease and desist their participation in the infringing conduct where AmGeneral will work with supply chain to move BNM's directive.

AmGeneral is currently seeking directive from BNM to address the challenges in cease and desist from implementing the agreed parts trade discount practised and the hourly labour rate for PARS.

AmGeneral will lodge an appeal with the support of Persatuan Insurance Am Malaysia ("PIAM") and apply for a stay against MYCC's decision.

## **25. SIGNIFICANT AND SUBSEQUENT EVENT (CONT'D.)**

### **25.2 COVID-19**

In the first quarter 2020, the rapid spread of the Covid-19 has been declared a pandemic. The Government of Malaysia had issued a Movement Control Order ("MCO") from 18 March 2020 to 3 May 2020. The MCO involved limitation and/or suspension of business operations, travel restrictions, and quarantine measures. Similar measures have also been introduced in various other countries. The MCO was subsequently relaxed to be conditional from 4 May 2020 to 9 June 2020 and most businesses were allowed to resume operations but subject to strict compliance with applicable Standard Operating Procedures ("SOP") as set by the government. The Conditional MCO was replaced with Recovery Movement Control Order ("RMCO") until 31 December 2020 to further ease restrictions in stages according to sectors.

On 13 October 2020, the Government has enforced Conditional Movement Control Order ("CMCO") in certain districts and states due to the cases being widespread in terms of location. Under the CMCO, economic activities, industrial and manufacturing activities are still allowed to operate as usual. Interdistrict travel is only allowed for work purposes with identification issued by employers.

Whilst these measures may not have an immediate and pronounced impact on the insurance industry, it is expected to have some effect in the coming financial year. 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 outbreak and measure the impact, if any, of the outbreak on the Company's financial statements as they occur.