

**Prudential Assurance
Malaysia Berhad**

(Company No. 198301012262 (107655-U))
(Incorporated in Malaysia)

**Unaudited Condensed Interim
Financial Statements
For The Half-Year Ended
30 June 2025**
(In Ringgit Malaysia)

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

<u>Contents</u>	<u>Page</u>
Condensed statement of financial position - unaudited	1
Condensed statement of profit or loss and other comprehensive income - unaudited	2
Condensed statement of changes in equity - unaudited	3 – 4
Condensed statement of cash flows - unaudited	5
Notes to the condensed interim financial statements	6 – 34

Prudential Assurance Malaysia Berhad

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Condensed statement of financial position

As at 30 June 2025 (Unaudited)

	Note	30.06.2025 RM'000	31.12.2024 RM'000
Assets			
Property and equipment		128,033	166,785
Right-of-use assets		130,087	121,737
Intangible assets		327,555	308,191
Investments, including derivatives	10	50,705,563	50,159,713
Insurance contract assets	11	34,405	44,068
Reinsurance contract assets	12	94,815	82,098
Other receivables		293,637	514,272
Tax recoverable		162,214	157,902
Cash and bank balances		77,353	83,552
Total assets		<u>51,953,662</u>	<u>51,638,318</u>
Equity, policyholders' funds and liabilities			
Share capital		100,000	100,000
Retained earnings		8,260,593	7,546,305
Total equity		<u>8,360,593</u>	<u>7,646,305</u>
Insurance contract liabilities	11	40,338,831	40,835,832
Reinsurance contract liabilities	12	196,693	193,889
Deferred tax liabilities		2,643,279	2,503,296
Derivatives		-	1,992
Lease liabilities		142,421	134,687
Tax payable		4,029	41,499
Other payables and provisions		267,816	280,818
Total liabilities		<u>43,593,069</u>	<u>43,992,013</u>
Total equity, policyholders' funds and liabilities		<u>51,953,662</u>	<u>51,638,318</u>

The accompanying notes are an integral part of these condensed interim financial statements.

Prudential Assurance Malaysia Berhad

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Condensed statement of profit or loss and other comprehensive income For the 6 months period ended 30 June 2025 (Unaudited)

	6 months period ended 30.06.2025 RM'000	6 months period ended 30.06.2024 RM'000
Insurance revenue	2,993,052	2,776,239
Insurance service expense for insurance contract issued	(2,384,012)	(2,137,765)
Net expense from reinsurance contracts held	<u>(11,568)</u>	<u>(31,830)</u>
Insurance service result	<u>597,472</u>	<u>606,644</u>
Investment (expense) / income	(201,917)	3,587,653
Total insurance finance income / (expense)	499,223	(3,216,907)
Total reinsurance finance expense	<u>(2,704)</u>	<u>(4,750)</u>
Net investment result	<u>294,602</u>	<u>365,996</u>
Other income	22,921	34,901
Other expenditure	(3,207)	(4,119)
Finance cost	<u>(3,386)</u>	<u>(3,404)</u>
Profit before taxation	908,402	1,000,018
Taxation	<u>(191,056)</u>	<u>(445,503)</u>
Net profit/Total comprehensive income for the period	<u>717,346</u>	<u>554,515</u>
Earnings per share (sen)		
Basic	<u>717.35</u>	<u>554.52</u>

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Prudential Assurance Malaysia Berhad

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Condensed statement of changes in equity For the 6 months period ended 30 June 2025 (Unaudited)

	Note	Share capital RM'000	Retained earnings			Total equity RM'000
			Non-Distributable* RM'000	Distributable RM'000	Total RM'000	
At 1 January 2025		100,000	6,792,908	753,397	7,546,305	7,646,305
Net profit/Total comprehensive income for the period		-	723,665	(6,319)	717,346	717,346
Group share-based payment transaction**		-	-	(3,058)	(3,058)	(3,058)
Dividends paid during the period	15	-	-	-	-	-
At 30 June 2025		<u>100,000</u>	<u>7,516,573</u>	<u>744,020</u>	<u>8,260,593</u>	<u>8,360,593</u>

* Non-distributable retained earnings comprise of the surplus from Life fund, net of deferred tax. This amount is only distributable upon the annual recommendation by the Appointed Actuary to transfer a requisite amount of the Life fund surplus to the shareholder's fund.

** Group share-based payment transaction is the recognition of the settlement of share option scheme granted by the ultimate holding company, Prudential plc, to the eligible agents.

The accompanying notes are an integral part of these condensed interim financial statements.

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))
(Incorporated in Malaysia)

Condensed statement of changes in equity For the 6 months period ended 30 June 2025 (Unaudited) (continued)

	Note	Share capital RM'000	Retained earnings			Total equity RM'000
			Non-Distributable* RM'000	Distributable RM'000	Total RM'000	
At 1 January 2024		100,000	5,773,892	738,735	6,512,627	6,612,627
Net profit/Total comprehensive income for the period		-	557,290	(2,775)	554,515	554,515
Group share-based payment transaction**		-	-	43	43	43
Dividends paid during the period	15	-	-	(100,000)	(100,000)	(100,000)
At 30 June 2024		<u>100,000</u>	<u>6,331,182</u>	<u>636,003</u>	<u>6,967,185</u>	<u>7,067,185</u>

* Non-distributable retained earnings comprise of the surplus from Life fund, net of deferred tax. This amount is only distributable upon the annual recommendation by the Appointed Actuary to transfer a requisite amount of the Life fund surplus to the shareholder's fund.

** Group share-based payment transaction is the recognition of the settlement of share option scheme granted by the ultimate holding company, Prudential plc, to the eligible agents.

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Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

Condensed statement of cash flows

For the 6 months period ended 30 June 2025 (Unaudited)

	6 months period ended 30.06.2025 RM'000	6 months period ended 30.06.2024 RM'000
Cash flows from operating activities		
Profit before taxation	908,402	1,000,018
Adjustments for:		
Gain on disposal of property and equipment	(304)	(135)
Fair value loss/(gain) on investments	1,250,726	(2,423,367)
Depreciation of property and equipment	8,358	8,587
Depreciation of right-of-use assets	16,871	16,923
Amortisation of intangible assets	28,893	24,275
Property and equipment written off	261	163
Interest expense on lease liabilities	1,853	3,109
Operating profit/(loss) before changes in working capital	2,215,060	(1,370,427)
Changes in operating assets and liabilities:		
Investments	(1,798,568)	(1,746,408)
Insurance contract assets	9,663	198
Reinsurance contract assets	(12,717)	28,528
Other receivables	220,635	(43,127)
Insurance contract liabilities	(497,001)	3,343,194
Reinsurance contract liabilities	2,804	(23,442)
Other payables and provisions	(16,060)	3,890
Cash generated from operations	123,816	192,406
Tax paid	(92,855)	(61,445)
Net cash generated from operating activities	30,961	130,961
Cash flows from investing activities		
Acquisition of property and equipment	(10,587)	(6,336)
Acquisition of intangible assets	(9,717)	(21,892)
Proceeds from disposal of property and equipment	2,484	135
Net cash used in investing activities	(17,820)	(28,093)
Cash flows from financing activities		
Payment of lease liabilities	(17,487)	(14,941)
Interest paid on lease liabilities	(1,853)	(3,109)
Dividend paid to owners of the Company	-	(100,000)
Net cash used in financing activities	(19,340)	(118,050)
Net decrease in cash and bank balances	(6,199)	(15,182)
Cash and bank balances at beginning of period	83,552	105,463
Cash and bank balances at end of period	77,353	90,281

The accompanying notes are an integral part of these condensed interim financial statements.

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(Company No. 198301012262 (107655-U))

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Notes to the condensed interim financial statements

1. Basis of preparation

(a) Statement of compliance

These condensed interim financial statements of the Company are unaudited and have been prepared in accordance with Malaysia Financial Reporting Standards (“MFRS”) 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”) and International Accounting Standard (“IAS”) 34, *Interim Financial Reporting* issued by the International Accounting Standards Board (“IASB”). They do not include all of the information required for full annual financial statements and should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2024.

(b) Changes in accounting policies

The accounting policies and presentation adopted by the Company for the condensed interim financial statements are consistent with those adopted in the Company’s audited financial statements for the financial year ended 31 December 2024, except for the adoption of the following:

Amendments to standards effective for annual periods beginning on or after 1 January 2025

- Amendment to MFRS 121 *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

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

(c) Standards, interpretations, and amendments that are issued but not yet effective

The accounting standards and amendments to standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) but not yet effective for annual periods beginning on or after 1 January 2025 are disclosed below. The Company plans to adopt these accounting standards, interpretations, and amendments, if applicable, when they become effective:

Amendments to Standard effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments*
- Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*
- Annual improvements to MFRS Accounting Standards – Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*, MFRS 7 *Financial Instruments: Disclosures*, MFRS 9 *Financial Instruments*, MFRS 10 *Consolidated Financial Statements* and MFRS 107 *Statement of Cash Flows*

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))
(Incorporated in Malaysia)

1. Basis of preparation (continued)

(c) Standards, interpretations, and amendments that are issued but not yet effective (continued)

MFRSs and amendments to Standard effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments*

Amendments to Standard of which the effective date has yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The adoption of the above pronouncements are not expected to have a material financial impact to the financial statements of the Company in the period of initial application except as mentioned below:

(i) MFRS 18 *Presentation and Disclosure in Financial Statements*

MFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures (“MPM”), subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified roles of the primary financial statements (“PFS”) and the notes.

In addition, narrow-scope amendments have been made to MFRS 107 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from ‘profit or loss’ to ‘operating profit or loss’ and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

MFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. MFRS 18 will apply retrospectively.

The Company is currently assessing the impacts the amendments will have on the primary financial statements and notes to the financial statements.

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(Company No. 198301012262 (107655-U))
(Incorporated in Malaysia)

2. Critical accounting policies, estimates and judgements

The preparation of condensed interim financial statements require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Although these estimates and judgements are based on management's best knowledge of current events and actions, actual results may differ.

In preparing the condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited financial statements for the financial year ended 31 December 2024.

3. Comments on seasonality or cyclicity

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

4. Unusual item affecting assets, liabilities, equity, net income or cash flows

There were no items affecting assets, liabilities, equity, net income or cash flows which are unusual due to their nature, size or incidence in the current interim period ended 30 June 2025 but the Company wishes to highlight the following:

- (a) The Company, via its legal advisors, have filed the cause papers with the Special Commissioner of Income Tax ("SCIT") for the additional assessment issued by the Inland Revenue Board ("IRB") relating to the Section 110B set-off applied to the actuarial surplus arising from the Unit Linked Funds being disregarded amounting RM26.9 million for the Years of Assessment 2015, 2016 and 2018. The Company paid the full additional tax amount. The Company is of the view, based on advice received from its tax and legal advisors, that there are strong justifications for its appeal against the matter raised by IRB and has treated the full payment of RM26.9 million as a tax recoverable.
- (b) On 9 September 2024, the IRB issued to the Company notices of additional assessment ("Form JA") for the Years of Assessment from 2020 to 2021 and notice of reduced assessment ("Form JR") for Year of Assessment 2022 relating to S110B set-off applied to the actuarial surplus arising from the Unit Linked Funds being disregarded amounting to RM32.9 million. The Company paid the full additional tax amount on 21 November 2024 and filed an appeal to the Special Commissioners of Income Tax ("SCIT") via Form Q against the Form JA and JR. The Company has maintained a similar position as with (a) above and treated the payments of RM32.9 million as a tax recoverable, consistent with the previous payments made in respect of Years of Assessment 2015, 2016 and 2018.

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))
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5. Changes in estimates

There were no material changes in the basis used for accounting estimates for the current interim period ended 30 June 2025.

6. Issues, repurchases and repayments of debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities by the Company in the current interim period ended 30 June 2025.

7. Events after the interim period

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

8. Effect of changes in the composition of the Company

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

9. Changes in contingent liabilities or contingent assets

There were no material changes in the Company's contingent liabilities and contingent assets since the last annual balance sheet date.

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

10. Investments, including derivatives

	30.06.2025	31.12.2024
	RM'000	RM'000
Malaysian government securities	5,322,423	5,308,112
Debt securities	14,952,917	13,570,113
Equity shares	18,521,822	19,690,538
Real estate investment trusts ("REITs")	446,386	340,564
Exchange traded fund ("ETF")	19,860	18,415
Unit trust funds	2,262,549	2,146,421
Foreign managed funds	5,217,550	4,813,175
Investment in structured products	3,982	4,194
Derivatives	11,067	-
Loans	1,132	1,120
Deposits with financial institutions	3,945,875	4,267,061
	<u>50,705,563</u>	<u>50,159,713</u>

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

	30.06.2025	31.12.2024
	RM'000	RM'000
Amortised cost ("AC")	3,947,007	4,268,181
Fair value through profit or loss ("FVTPL")	46,758,556	45,891,532
	<u>50,705,563</u>	<u>50,159,713</u>

The following investments mature after 12 months:

	30.06.2025	31.12.2024
	RM'000	RM'000
Amortised cost ("AC")	149,077	205,173
Fair value through profit or loss ("FVTPL")	19,605,449	18,221,491
	<u>19,754,526</u>	<u>18,426,664</u>

(a) Amortised Cost

	30.06.2025	31.12.2024
	RM'000	RM'000
Fixed and call deposits with financial institutions	3,945,875	4,267,061
Mortgage loans	9	13
Other loans	1,123	1,107
	<u>3,947,007</u>	<u>4,268,181</u>

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))
(Incorporated in Malaysia)

10. Investments, including derivatives (continued)

(b) Fair value through profit or loss

	30.06.2025	31.12.2024
	RM'000	RM'000
Malaysian government securities	5,322,423	5,308,112
Debt securities	14,952,917	13,570,113
Equity shares	18,521,822	19,690,538
Real estate investment trusts ("REITs")	446,386	340,564
Exchange traded fund ("ETF")	19,860	18,415
Unit trust funds	2,262,549	2,146,421
Foreign managed funds	5,217,550	4,813,175
Investment in structured products	3,982	4,194
Derivatives	11,067	-
	<u>46,758,556</u>	<u>45,891,532</u>

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))
(Incorporated in Malaysia)

11. Insurance contract assets/liabilities

The table below provides an analysis of the portfolio of insurance contract assets and liabilities issued on the Company's condensed statement of financial position:

	Assets	Liabilities	Net liabilities / (assets)
	RM'000	RM'000	RM'000
As at 30 June 2025			
Estimates of present value of future cash flows	-	29,352,954	29,352,954
Risk adjustment for non-financial risks ("RA")	-	1,743,722	1,743,722
Contractual service margin ("CSM")	-	9,230,621	9,230,621
Insurance contracts not measured under Premium Allocation Approach ("PAA")	-	40,327,297	40,327,297
Insurance contracts measured under PAA	(34,405)	11,534	(22,871)
Total insurance contract balances	<u>(34,405)</u>	<u>40,338,831</u>	<u>40,304,426</u>
As at 31 December 2024			
Estimates of present value of future cash flows	-	30,074,701	30,074,701
Risk adjustment for non-financial risks ("RA")	-	1,591,549	1,591,549
Contractual service margin ("CSM")	-	9,159,050	9,159,050
Insurance contracts not measured under Premium Allocation Approach ("PAA")	-	40,825,300	40,825,300
Insurance contracts measured under PAA	(44,068)	10,532	(33,536)
Total insurance contract balances	<u>(44,068)</u>	<u>40,835,832</u>	<u>40,791,764</u>

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

11. Insurance contract assets/liabilities (continued)

a) Roll-forward of the net asset/liability of insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims:

	30.06.2025				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Loss component RM'000	Excluding loss component RM'000	PAA Estimates of the present value of future cash flows RM'000	Non-PAA RM'000	Total RM'000
At 1 January 2025					
Opening (assets)	-	(29,771)	(14,297)	-	(44,068)
Opening liabilities	235,173	38,727,959	110	1,872,590	40,835,832
Net opening liabilities/(assets)	235,173	38,698,188	(14,187)	1,872,590	40,791,764
Insurance revenue					
Expected incurred claims and other insurance service result	-	(1,791,584)	-	-	(1,791,584)
Change in risk adjustment for non-financial risk expired	-	(68,705)	-	-	(68,705)
CSM recognised for services provided	-	(498,546)	-	-	(498,546)
Recovery of insurance acquisition cash flows	-	(619,274)	-	-	(619,274)
Premium and other adjustments	-	29,049	-	-	29,049
Contracts measured under PAA	-	(43,992)	-	-	(43,992)
Insurance service expense					
Adjustments to liability for incurred claims	-	-	16,661	103,627	120,288
Amortisation of insurance acquisition cash flows	-	619,274	-	-	619,274
Incurred claims and other expenses	(7,605)	-	9,593	1,624,428	1,626,416
Losses and/or reversal of losses on onerous contracts	18,034	-	-	-	18,034
Insurance Service Result	10,429	(2,373,778)	26,254	1,728,055	(609,040)

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))
(Incorporated in Malaysia)

11. Insurance contract assets/liabilities (continued)

- a) Roll-forward of the net asset/liability of insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued):

	30.06.2025				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Loss component RM'000	Excluding loss component RM'000	PAA Estimates of the present value of future cash flows RM'000	Non-PAA RM'000	Total RM'000
Investment components	-	(1,588,365)	-	1,588,365	-
Net insurance finance expense / (income)	4,282	(482,105)	-	(21,400)	(499,223)
Total changes in the Statement of Profit or Loss and Other Comprehensive Income	14,711	(4,444,248)	26,254	3,295,020	(1,108,263)
Cash flows					
Claims & other insurance services expenses paid	-	-	(23,809)	(3,234,747)	(3,258,556)
Insurance acquisition cash flows	-	(748,399)	-	-	(748,399)
Premiums and other amounts received for insurance contracts	-	4,627,880	-	-	4,627,880
Total cash flows	-	3,879,481	(23,809)	(3,234,747)	620,925
Net closing liabilities	249,884	38,133,421	(11,742)	1,932,863	40,304,426
At 30 June 2025					
Closing (assets)	-	(22,314)	(12,091)	-	(34,405)
Closing liabilities	249,884	38,155,735	349	1,932,863	40,338,831
Net closing liabilities/(assets)	249,884	38,133,421	(11,742)	1,932,863	40,304,426

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))
(Incorporated in Malaysia)

11. Insurance contract assets/liabilities (continued)

- a) Roll-forward of the net asset/liability of insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued):

	31.12.2024				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Loss component RM'000	Excluding loss component RM'000	PAA Estimates of the present value of future cash flows RM'000	Non-PAA RM'000	Total RM'000
At 1 January 2024					
Opening (assets)	-	(26,091)	(10,329)	-	(36,420)
Opening liabilities	203,695	34,256,831	1,727	1,747,270	36,209,523
Net opening liabilities/(assets)	203,695	34,230,740	(8,602)	1,747,270	36,173,103
Insurance revenue					
Expected incurred claims and other insurance service result	-	(3,266,898)	-	-	(3,266,898)
Change in risk adjustment for non-financial risk expired	-	(119,035)	-	-	(119,035)
CSM recognised for services provided	-	(1,006,409)	-	-	(1,006,409)
Recovery of insurance acquisition cash flows	-	(1,179,662)	-	-	(1,179,662)
Premium and other adjustments	-	(142,913)	-	-	(142,913)
Contracts measured under PAA	-	(86,701)	-	-	(86,701)
Insurance service expense					
Adjustments to liability for incurred claims	-	-	18,814	54,527	73,341
Amortisation of insurance acquisition cash flows	-	1,179,662	-	-	1,179,662
Incurred claims and other expenses	(15,951)	-	23,973	3,318,090	3,326,112
Losses and/or reversal of losses on onerous contracts	39,254	-	-	-	39,254
Insurance Service Result	23,303	(4,621,956)	42,787	3,372,617	(1,183,249)

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

11. Insurance contract assets/liabilities (continued)

- a) Roll-forward of the net asset/liability of insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued):

	31.12.2024				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Loss component RM'000	Excluding loss component RM'000	PAA Estimates of the present value of future cash flows RM'000	Non-PAA RM'000	Total RM'000
Investment components	-	(2,961,007)	-	2,961,007	-
Net insurance finance expense	8,175	4,366,800	-	35,773	4,410,748
Total changes in the Statement of Profit or Loss and Other Comprehensive Income	31,478	(3,216,163)	42,787	6,369,397	3,227,499
Cash flows					
Claims & other insurance services expenses paid	-	-	(48,372)	(6,244,077)	(6,292,449)
Insurance acquisition cash flows	-	(1,315,857)	-	-	(1,315,857)
Premiums and other amounts received for insurance contracts	-	8,999,468	-	-	8,999,468
Total cash flows	-	7,683,611	(48,372)	(6,244,077)	1,391,162
Net closing liabilities	235,173	38,698,188	(14,187)	1,872,590	40,791,764
At 31 December 2024					
Closing (assets)	-	(29,771)	(14,297)	-	(44,068)
Closing liabilities	235,173	38,727,959	110	1,872,590	40,835,832
Net closing liabilities/(assets)	235,173	38,698,188	(14,187)	1,872,590	40,791,764

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

11. Insurance contract assets/liabilities (continued)

- b) Roll-forward of the net asset/liability of insurance contracts issued that are not measured under the premium allocation approach, showing the estimates of the present value of future cash flows, risk adjustment and CSM:

	30.06.2025			
	Estimates of the present value of future cash flows RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000
At 1 January 2025				
Opening (assets)	-	-	-	-
Opening liabilities	30,074,701	1,591,549	9,159,050	40,825,300
Net opening liabilities	30,074,701	1,591,549	9,159,050	40,825,300
Changes that relate to current services				
CSM recognised for services provided	-	-	(498,546)	(498,546)
Risk adjustment recognised for the risk expired	-	(68,510)	-	(68,510)
Experience adjustments	(157,504)	-	-	(157,504)
Changes that relate to future services				
Contracts initially recognised in the period	(338,512)	45,541	293,944	973
Changes in estimates that adjust the CSM	(256,021)	126,100	129,921	-
Changes in estimates that do not adjust the CSM	17,986	(925)	-	17,061
Changes that relate to past services				
Adjustments to liabilities for incurred claims	103,627	-	-	103,627
Insurance Service Result	(630,424)	102,206	(74,681)	(602,899)
Net insurance finance (income)/expense	(695,442)	49,967	146,252	(499,223)
Total changes in the Statement of Profit or Loss and Other Comprehensive Income	(1,325,866)	152,173	71,571	(1,102,122)

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))
(Incorporated in Malaysia)

11. Insurance contract assets/liabilities (continued)

- b) Roll-forward of the net asset/liability of insurance contracts issued that are not measured under the premium allocation approach, showing the estimates of the present value of future cash flows, risk adjustment and CSM (continued):

	30.06.2025			
	Estimates of the present value of future cash flows RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000
Cash flows				
Claims & other insurance services expenses paid	(3,234,747)	-	-	(3,234,747)
Insurance acquisition cash flows	(736,385)	-	-	(736,385)
Premiums and other amounts received for insurance contracts	4,575,251	-	-	4,575,251
Total cash flows	604,119	-	-	604,119
Net closing liabilities	29,352,954	1,743,722	9,230,621	40,327,297
At 30 June 2025				
Closing (assets)	-	-	-	-
Closing liabilities	29,352,954	1,743,722	9,230,621	40,327,297
Net closing liabilities	29,352,954	1,743,722	9,230,621	40,327,297

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

11. Insurance contract assets/liabilities (continued)

- b) Roll-forward of the net asset/liability of insurance contracts issued that are not measured under the premium allocation approach, showing the estimates of the present value of future cash flows, risk adjustment and CSM (continued):

	31.12.2024			
	Estimates of the present value of future cash flows RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000
At 1 January 2024				
Opening (assets)	-	-	-	-
Opening liabilities	25,666,154	1,383,399	9,153,516	36,203,069
Net opening liabilities	25,666,154	1,383,399	9,153,516	36,203,069
Changes that relate to current services				
CSM recognised for services provided	-	-	(1,006,409)	(1,006,409)
Risk adjustment recognised for the risk expired	-	(118,680)	-	(118,680)
Experience adjustments	(123,099)	-	-	(123,099)
Changes that relate to future services				
Contracts initially recognised in the period	(759,738)	106,216	658,182	4,660
Changes in estimates that adjust the CSM	(193,674)	136,180	57,494	-
Changes in estimates that do not adjust the CSM	32,391	2,203	-	34,594
Changes that relate to past services				
Adjustments to liabilities for incurred claims	54,527	-	-	54,527
Insurance Service Result	(989,593)	125,919	(290,733)	(1,154,407)
Net insurance finance expenses	4,032,250	82,231	296,267	4,410,748
Total changes in the Statement of Profit or Loss and Other Comprehensive Income	3,042,657	208,150	5,534	3,256,341

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

11. Insurance contract assets/liabilities (continued)

- b) Roll-forward of the net asset/liability of insurance contracts issued that are not measured under the premium allocation approach, showing the estimates of the present value of future cash flows, risk adjustment and CSM (continued):

	31.12.2024			
	Estimates of the present value of future cash flows RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000
Cash flows				
Claims & other insurance services expenses paid	(6,244,077)	-	-	(6,244,077)
Insurance acquisition cash flows	(1,303,394)	-	-	(1,303,394)
Premiums and other amounts received for insurance contracts	8,913,361	-	-	8,913,361
Total cash flows	1,365,890	-	-	1,365,890
Net closing liabilities	30,074,701	1,591,549	9,159,050	40,825,300
At 31 December 2024				
Closing (assets)	-	-	-	-
Closing liabilities	30,074,701	1,591,549	9,159,050	40,825,300
Net closing liabilities	30,074,701	1,591,549	9,159,050	40,825,300

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))
(Incorporated in Malaysia)

12. Reinsurance contract assets/liabilities

The table below provides an analysis of the portfolio of reinsurance contract assets and liabilities held on the Company's condensed statement of financial position:

	Assets	Liabilities	Net (liabilities) / assets
	RM'000	RM'000	RM'000
As at 30 June 2025			
Estimates of present value of future cash flows	107,199	(205,188)	(97,989)
Risk adjustment for non-financial risks ("RA")	39,897	18,534	58,431
Contractual service margin ("CSM")	(66,549)	(5,927)	(72,476)
Reinsurance contracts not measured under PAA	80,547	(192,581)	(112,034)
Reinsurance contracts measured under PAA	14,268	(4,112)	10,156
Total reinsurance contract balances	<u>94,815</u>	<u>(196,693)</u>	<u>(101,878)</u>
As at 31 December 2024			
Estimates of present value of future cash flows	94,218	(207,627)	(113,409)
Risk adjustment for non-financial risks ("RA")	37,618	18,961	56,579
Contractual service margin ("CSM")	(63,579)	(940)	(64,519)
Reinsurance contracts not measured under PAA	68,257	(189,606)	(121,349)
Reinsurance contracts measured under PAA	13,841	(4,283)	9,558
Total reinsurance contract balances	<u>82,098</u>	<u>(193,889)</u>	<u>(111,791)</u>

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))
(Incorporated in Malaysia)

12. Reinsurance contract assets/liabilities (continued)

a) Roll-forward of the net asset/liability of reinsurance contracts held showing the asset for remaining coverage and the asset for incurred claims:

	30.06.2025				
	Assets for remaining coverage		Assets for incurred claims		
	Loss-recovery component RM'000	Excluding loss-recovery component RM'000	PAA Estimates of the present value of future cash flows RM'000	Non-PAA RM'000	Total RM'000
At 1 January 2025					
Opening assets	3,267	(33,613)	2,868	109,576	82,098
Opening (liabilities)	843	(366,430)	(82)	171,780	(193,889)
Net opening assets/(liabilities)	4,110	(400,043)	2,786	281,356	(111,791)
Allocation of reinsurance premiums					
Amounts relating to the changes in the assets for remaining coverage	-	(199,793)	-	-	(199,793)
Amounts recoverable from reinsurers					
Recognition/Reversal of loss-recovery from onerous underlying contracts	2,856	-	-	-	2,856
Amounts recoverable for claims and other expenses incurred in the period	-	-	1,874	147,146	149,020
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	9,014	27,335	36,349
Net income/(expense) from reinsurance contracts held	2,856	(199,793)	10,888	174,481	(11,568)
Reinsurance finance expense	-	(2,704)	-	-	(2,704)
Total changes in the Statement of Profit or Loss and Other Comprehensive Income	2,856	(202,497)	10,888	174,481	(14,272)

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

12. Reinsurance contract assets/liabilities (continued)

- a) Roll-forward of the net asset/liability of reinsurance contracts held showing the asset for remaining coverage and the asset for incurred claims (continued):

	30.06.2025				
	Assets for remaining coverage		Assets for incurred claims		Total RM'000
	Loss-recovery component RM'000	Excluding loss-recovery component RM'000	PAA Estimates of the present value of future cash flows RM'000	Non-PAA RM'000	
Cash flows					
Premiums paid	-	160,966	-	-	160,966
Amounts recovered	-	-	-	(136,781)	(136,781)
Total cash flows	-	160,966	-	(136,781)	24,185
Net closing assets/(liabilities)	6,966	(441,574)	13,674	319,056	(101,878)
At 30 June 2025					
Closing assets	3,838	(81,139)	13,686	158,430	94,815
Closing (liabilities)	3,128	(360,435)	(12)	160,626	(196,693)
Net closing assets/(liabilities)	6,966	(441,574)	13,674	319,056	(101,878)

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))
(Incorporated in Malaysia)

12. Reinsurance contract assets/liabilities (continued)

- a) Roll-forward of the net asset/liability of reinsurance contracts held showing the asset for remaining coverage and the asset for incurred claims (continued):

	31.12.2024				
	Assets for remaining coverage		Assets for incurred claims		
	Loss-recovery component RM'000	Excluding loss-recovery component RM'000	PAA Estimates of the present value of future cash flows RM'000	Non-PAA RM'000	Total RM'000
At 1 January 2024					
Opening assets	2,169	(157,614)	19,453	246,486	110,494
Opening (liabilities)	368	(362,626)	(1,614)	161,927	(201,945)
Net opening assets/(liabilities)	2,537	(520,240)	17,839	408,413	(91,451)
Allocation of reinsurance premiums					
Amounts relating to the changes in the assets for remaining coverage	-	(363,099)	-	-	(363,099)
Amounts recoverable from reinsurers					
Recognition of loss-recovery from onerous underlying contracts	1,573	-	-	-	1,573
Amounts recoverable for claims and other expenses incurred in the period	-	-	7,110	283,457	290,567
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	6,544	12,389	18,933
Net income/(expense) from reinsurance contracts held	1,573	(363,099)	13,654	295,846	(52,026)
Reinsurance finance expense	-	(6,615)	-	-	(6,615)
Total changes in the Statement of Profit or Loss and Other Comprehensive Income	1,573	(369,714)	13,654	295,846	(58,641)

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

12. Reinsurance contract assets/liabilities (continued)

- a) Roll-forward of the net asset/liability of reinsurance contracts held showing the asset for remaining coverage and the asset for incurred claims (continued):

	31.12.2024				
	Assets for remaining coverage		Assets for incurred claims		
	Loss-recovery component RM'000	Excluding loss-recovery component RM'000	PAA Estimates of the present value of future cash flows RM'000	Non-PAA RM'000	Total RM'000
Cash flows					
Premiums paid	-	489,911	-	-	489,911
Amounts recovered	-	-	(28,707)	(422,903)	(451,610)
Total cash flows	-	489,911	(28,707)	(422,903)	38,301
Net closing assets/(liabilities)	4,110	(400,043)	2,786	281,356	(111,791)
At 31 December 2024					
Closing assets	3,267	(33,613)	2,868	109,576	82,098
Closing (liabilities)	843	(366,430)	(82)	171,780	(193,889)
Net closing assets/(liabilities)	4,110	(400,043)	2,786	281,356	(111,791)

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

12. Reinsurance contract assets/liabilities (continued)

- b) Roll-forward of the net asset/liability of reinsurance contracts held that are not measured under the premium allocation approach, showing the estimates of the present value of future cash flows, risk adjustment and CSM:

	30.06.2025			
	Estimates of the present value of future cash flows RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000
At 1 January 2025				
Opening assets	94,218	37,618	(63,579)	68,257
Opening (liabilities)	(207,627)	18,961	(940)	(189,606)
Net opening (liabilities)/assets	(113,409)	56,579	(64,519)	(121,349)
Changes that relate to current services				
CSM recognised for services received	-	-	4,113	4,113
Risk adjustment recognised for the risk expired	-	(3,260)	-	(3,260)
Experience adjustments	(42,696)	-	-	(42,696)
Changes that relate to future services				
Contracts initially recognised in the period	1,460	2,152	(3,497)	115
Changes in estimates that adjust the CSM	6,537	820	(7,357)	-
Changes in estimates that do not adjust the CSM	2,789	-	-	2,789
Changes that relate to past services				
Changes in amounts recoverable arising from changes in liability for incurred claims	27,335	-	-	27,335
Net expense from reinsurance contracts held	(4,575)	(288)	(6,741)	(11,604)
Net reinsurance finance (expense)/income	(3,628)	2,140	(1,216)	(2,704)
Total changes in the Statement of Profit or Loss and Other Comprehensive Income	(8,203)	1,852	(7,957)	(14,308)

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))
(Incorporated in Malaysia)

12. Reinsurance contract assets/liabilities (continued)

- b) Roll-forward of the net asset/liability of reinsurance contracts held that are not measured under the premium allocation approach, showing the estimates of the present value of future cash flows, risk adjustment and CSM (continued):

	30.06.2025			
	Estimates of the present value of future cash flows RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000
Cash flows				
Premiums paid	160,404	-	-	160,404
Amounts recovered	(136,781)	-	-	(136,781)
Total cash flows	<u>23,623</u>	<u>-</u>	<u>-</u>	<u>23,623</u>
Net closing (liabilities)/assets	<u>(97,989)</u>	<u>58,431</u>	<u>(72,476)</u>	<u>(112,034)</u>
At 30 June 2025				
Closing assets	107,199	39,897	(66,549)	80,547
Closing (liabilities)	(205,188)	18,534	(5,927)	(192,581)
Net closing (liabilities)/assets	<u>(97,989)</u>	<u>58,431</u>	<u>(72,476)</u>	<u>(112,034)</u>

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))
(Incorporated in Malaysia)

12. Reinsurance contract assets/liabilities (continued)

- b) Roll-forward of the net asset/liability of reinsurance contracts held that are not measured under the premium allocation approach, showing the estimates of the present value of future cash flows, risk adjustment and CSM (continued):

	31.12.2024			
	Estimates of the present value of future cash flows RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000
At 1 January 2024				
Opening assets	117,964	17,131	(34,846)	100,249
Opening (liabilities)	(212,942)	2,703	14,087	(196,152)
Net opening (liabilities)/assets	(94,978)	19,834	(20,759)	(95,903)
Changes that relate to current services				
CSM recognised for services received	-	-	4,338	4,338
Risk adjustment recognised for the risk expired	-	(5,804)	-	(5,804)
Experience adjustments	(60,852)	-	-	(60,852)
Changes that relate to future services				
Contracts initially recognised in the period	6,781	2,788	(9,311)	258
Changes in estimates that adjust the CSM	1,031	36,100	(37,131)	-
Changes in estimates that do not adjust the CSM	1,322	-	-	1,322
Changes that relate to past services				
Changes in amounts recoverable arising from changes in liability for incurred claims	12,389	-	-	12,389
Net expense from reinsurance contracts held	(39,329)	33,084	(42,104)	(48,349)
Net reinsurance finance (expense)/income	(8,620)	3,661	(1,656)	(6,615)
Total changes in the Statement of Profit or Loss and Other Comprehensive Income	(47,949)	36,745	(43,760)	(54,964)

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))
(Incorporated in Malaysia)

12. Reinsurance contract assets/liabilities (continued)

- b) Roll-forward of the net asset/liability of reinsurance contracts held that are not measured under the premium allocation approach, showing the estimates of the present value of future cash flows, risk adjustment and CSM (continued):

	31.12.2024			
	Estimates of the present value of future cash flows RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000
Cash flows				
Premiums paid	452,421	-	-	452,421
Amounts recovered	(422,903)	-	-	(422,903)
Total cash flows	29,518	-	-	29,518
Net closing (liabilities)/assets	(113,409)	56,579	(64,519)	(121,349)
At 31 December 2024				
Closing assets	94,218	37,618	(63,579)	68,257
Closing (liabilities)	(207,627)	18,961	(940)	(189,606)
Net closing (liabilities)/assets	(113,409)	56,579	(64,519)	(121,349)

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

13. Regulatory capital requirements

The capital structure of the Company as at 30 June 2025, as prescribed under Bank Negara Malaysia's Risk Based Capital Framework for Insurers is provided below:

	30.06.2025	31.12.2024
	RM'000	RM'000
Eligible Tier 1 Capital		
Share capital (paid-up)	100,000	100,000
Reserves, including retained earnings	<u>4,694,732</u>	<u>4,550,090</u>
	4,794,732	4,650,090
Deduction		
Intangible assets and deferred tax assets	<u>327,555</u>	<u>308,195</u>
Total capital available	<u><u>4,467,177</u></u>	<u><u>4,341,895</u></u>

For life insurer with participating business, the Capital Adequacy Ratio ("CAR") shall be computed as the lower of CAR which takes into account all the insurance and shareholders funds; and CAR which takes into account all the insurance and shareholders funds, excluding the participating life insurance fund.

The Company is in compliance with the RBC Framework.

14. Capital commitments

The capital commitments are in respect of:

- property and equipment
- intangible assets
- relocation cost

	30.06.2025	31.12.2024
	RM'000	RM'000
Authorised and contracted for	<u>30,900</u>	<u>28,729</u>

15. Dividends

In the prior interim financial period ended 30 June 2024, the Company paid a final single tier dividend of 100.0% totalling RM100.0 million for the financial year ended 31 December 2023 on 6 June 2024.

For the current interim financial period ended 30 June 2025, no dividend has been declared or paid by the Company for the financial year ended 31 December 2024.

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

16. Related party disclosures

The significant related party transactions and balances of the Company are as follows:

	6 months period ended 30.06.2025 RM'000	6 months period ended 30.06.2024 RM'000
Transactions:		
Outsourcing fees and other charges		
- Prudential Services Asia Sdn Bhd	8,951	6,584
- Prudential Services Singapore Pte Ltd	1,412	4,699
- Pulse Ecosystem Pte Ltd	12,514	37,647
Recharge expenses		
- Prudential Corporation Holdings Limited	32,648	19,832
Recharge income		
- Prudential BSN Takaful Berhad	(26,716)	(33,632)
Investment management fees		
- Eastspring Investments Berhad	45,745	45,629
- Eastspring Al-Wara' Investments Berhad	2,113	1,789
Advisory fees		
- Prudential Investment Management Private Limited	757	630
	30.06.2025 RM'000	31.12.2024 RM'000
Balances:		
Amount due to related companies:		
- Prudential Services Asia Sdn Bhd	(1,963)	(23,682)
- Prudential Corporation Holdings Limited	(112,312)	(107,226)
- Eastspring Al-Wara' Investments Berhad	(695)	(1,092)
- Prudential Services Singapore Pte Ltd	(34,344)	(13,229)
- Eastspring Investment Berhad	(16,287)	(23,759)
- Pulse Ecosystem Pte Ltd	-	(26,954)
- Prudential Investment Management Private Limited	(1,073)	(1,166)
Amount due from related companies:		
- Prudential BSN Takaful Berhad	4,387	18,592
- Prudential Foundation Ltd	-	159
- Prudential Hong Kong Limited	24	37

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))
(Incorporated in Malaysia)

17. Fair value information

The carrying amounts of fixed and call deposits with financial institutions, mortgage loans, unsecured loans, cash and bank balances, short-term receivables and short-term payables reasonably approximate their fair value due to relatively short-term nature of these financial instruments.

The table below analyses financial instruments carried at fair value by valuation hierarchy. There are no financial instruments not carried at fair value for which fair value is disclosed during the financial period.

	Financial instruments carried at fair value			Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
30 June 2025					
Financial assets					
Malaysian government securities	-	5,322,423	-	5,322,423	5,322,423
Debt securities	-	14,901,317	51,600	14,952,917	14,952,917
Equity shares	18,516,526	-	5,296	18,521,822	18,521,822
Real estate investment trusts ("REITs")	446,386	-	-	446,386	446,386
Exchange traded fund ("ETF")	19,860	-	-	19,860	19,860
Unit trust funds	-	2,262,549	-	2,262,549	2,262,549
Foreign managed funds	-	5,217,550	-	5,217,550	5,217,550
Investment in structured products	-	3,982	-	3,982	3,982
Derivatives	-	11,067	-	11,067	11,067
	<u>18,982,772</u>	<u>27,718,888</u>	<u>56,896</u>	<u>46,758,556</u>	<u>46,758,556</u>

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))

(Incorporated in Malaysia)

17. Fair value information (continued)

	Financial instruments carried at fair value			Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
31 December 2024					
Financial assets					
Malaysian government securities	-	5,308,112	-	5,308,112	5,308,112
Debt securities	-	13,516,013	54,100	13,570,113	13,570,113
Equity shares	19,685,243	-	5,296	19,690,539	19,690,539
Real estate investment trusts ("REITs")	340,564	-	-	340,564	340,564
Exchange traded fund ("ETF")	18,415	-	-	18,415	18,415
Unit trust funds	-	2,146,421	-	2,146,421	2,146,421
Foreign managed funds	-	4,813,175	-	4,813,175	4,813,175
Investment in structured products	-	4,194	-	4,194	4,194
	20,044,222	25,787,915	59,396	45,891,533	45,891,533
Financial liability					
Derivatives	-	1,992	-	1,992	1,992

Prudential Assurance Malaysia Berhad

(Company No. 198301012262 (107655-U))
(Incorporated in Malaysia)

17. Fair value information (continued)

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

Level 1 principally includes exchange listed equities, mutual funds with quoted prices and exchange traded derivatives such as futures and options, unless there is evidence that trading in a given instrument is so infrequent that the market could not possibly be considered active.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 2 principally includes corporate bonds, foreign managed funds, national and non-national government debt securities which are valued using observable inputs, together with over-the-counter derivatives such as forward exchange contracts, unit and property trust funds and structured products.

There has been no transfer between Level 1 and 2 fair values during the current interim period ended 30 June 2025 (30 June 2024: no transfer in either directions).

Level 3: Significant inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Level 3 principally includes investment in unquoted equities and debt securities which are internally valued or subject to a significant number of unobservable assumptions. The inherent nature of the vast majority of these assets means that, in normal market conditions, there is unlikely to be significant change in the specific underlying assets classified as Level 3.

Financial assets measured at fair value based on Level 3:

	Unquoted equity securities RM'000	Unquoted debt securities RM'000	Total RM'000
At 1 January 2024	5,296	56,600	61,896
Transfer out of Level 3	<u>-</u>	<u>(2,500)</u>	<u>(2,500)</u>
At 31 December 2024	5,296	54,100	59,396
Transfer out of Level 3	<u>-</u>	<u>(2,500)</u>	<u>(2,500)</u>
At 30 June 2025	<u>5,296</u>	<u>51,600</u>	<u>56,896</u>

The transfer out of Level 3 comprises of a tranche of unquoted debt securities which matured in April 2025.