

G R E A T E A S T E R N L I F E A S S U R A N C E (M A L A Y S I A)
B E R H A D
198201013982 (93745-A)
(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements
31 December 2025

198201013982 (93745-A)

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

CONTENTS	PAGE(S)
Directors' Report	1 - 28
Statement by Directors	29
Statutory Declaration	29
Statement of Financial Position	30
Statement of Profit or Loss	31
Statement of Comprehensive Income	32
Statement of Changes in Equity	33
Statement of Cash Flows	34 - 36
Notes to the Financial Statements	37 - 200
Independent Auditors' Report	201 - 203

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

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITY

The Company is engaged principally in the underwriting of life insurance business including investments-linked business.

RESULTS

	RM'000
Net profit for the financial year	<u>1,534,140</u>

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

ULTIMATE HOLDING COMPANY

The ultimate holding company is Oversea-Chinese Banking Corporation Limited ("OCBC Bank"), a public listed company incorporated in the Republic of Singapore.

DIVIDENDS

The amount of dividends paid by the Company since 31 December 2024 were as follows:

	RM'000
In respect of financial year ended 31 December 2024:	
Single tier final dividend of RM7.55 per ordinary share on 100,000,005 ordinary shares declared on 10 April 2025 and paid on 15 May 2025	755,000
In respect of financial year ended 31 December 2025:	
Single tier interim dividend of RM3.70 per ordinary share on 100,000,005 ordinary shares declared on 22 July 2025 and paid on 17 November 2025	370,000
	<u>1,125,000</u>

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

DIRECTORS

The names of the Directors of the Company in office since the beginning of the financial year to the date of this report are:

Mr Norman Ka Cheung Ip (Chairman)
Mr Siew Kah Toong
Mr Ou Shian Waei
Mr Foong Soo Hah
Ms Tan Ley Ley
Mr Gregory Thomas Hingston (Appointed with effect from 14 February 2025)
Ms Mimi Sze Ho (Stepped down with effect from 31 December 2025)
Ms Beh Cheng Hoon (Appointed with effect from 1 January 2026)

In accordance with Clause 70 of the Company's Constitution, Mr Norman Ka Cheung Ip and Mr Ou Shian Waei will retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with Clause 74 of the Company's Constitution, Ms Beh Cheng Hoon will retire at the forthcoming Annual General Meeting and, being eligible, offers herself for re-appointment.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than the options over shares in the Company's ultimate holding company as disclosed in this report.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company amounting to RM1,517,200 as shown in Note 21(b) and 27(b) to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member or with a company in which the Director has a substantial financial interest required to be disclosed under Fifth Schedule, Part 1 Section 3 of the Companies Act 2016.

A Director and officer's liability insurance has been entered into by Great Eastern Capital (Malaysia) Sdn Bhd ("GEC") on behalf of all the Directors and officers within the GEC Group for the financial year ended 31 December 2025 pursuant to Section 289 of the Companies Act 2016. The cost of insurance effected amounted to RM171,037.

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

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares and options over shares in the Company's ultimate holding company, Oversea-Chinese Banking Corporation Limited ("OCBC Bank") during the financial year were as follows:

	Shareholdings in which Directors have a direct interest			
	1.1.2025	Acquired	Disposed	31.12.2025
(a) Ordinary shares in the capital of OCBC Bank				
Mr Norman Ka Cheung Ip	4,646	-	-	4,646
Mr Siew Kah Toong	4,474	-	-	4,474
Mr Foong Soo Hah	12,064	-	-	12,064
Ms Mimi Sze Ho	2,756	-	-	2,756
Ms Tan Ley Ley	880	7,275	(8,000)	155
Shareholdings in which Directors are deemed to have an interest				
	1.1.2025	Granted	Vested	31.12.2025
Mr Norman Ka Cheung Ip	10,340	-	-	10,340 ⁽¹⁾
Ms Mimi Sze Ho	11,357	-	-	11,357 ⁽²⁾
Ms Tan Ley Ley	13,785	388	(7,275)	6,898 ⁽³⁾
Mr Gregory Thomas Hingston	-	12,318	-	12,318 ⁽⁴⁾

Notes:

- (1) *Deemed interest arising from shareholdings by Spouse.*
- (2) *Deemed interest arising from shareholdings by Spouse.*
- (3) *Deemed interest arising from the OCBC Deferred Share Plan.*
- (4) *Deemed interest arising from the OCBC Deferred Share Plan.*

Other than as disclosed above, none of the Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

CORPORATE GOVERNANCE DISCLOSURES

The Company has taken concerted steps to comply with Bank Negara Malaysia's ("BNM") Policy Document on Corporate Governance issued on 3 August 2016. The Company is committed to the standards and practices prescribed in this policy document.

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

OTHER STATUTORY INFORMATION

- (a) Before the statement of financial position, statement of profit or loss and statement of comprehensive income of the Company were made out, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
- (i) it necessary to write-off any bad debts or the amount of provision for doubtful debts in the financial statements of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to current assets in the financial statements of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Company to meet its obligations as and when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.
- (g) Before the statement of financial position and statement of profit or loss of the Company were made out, the Directors took reasonable steps to ascertain that there was adequate provision for its insurance liabilities in accordance with the valuation method specified in Part D of the Risk-Based Capital Framework for insurers issued by BNM and MFRS17 Insurance Contracts.

For the purpose of paragraphs (e) and (f) above, contingent and other liabilities do not include liabilities arising from contracts of insurance underwritten in the ordinary course of business of the Company.

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

AUDITORS' REMUNERATION

Details of auditors' remuneration amounting to RM2,063,684 are set out in Note 21 to the financial statements.

There was no indemnity given to, or insurance effected for auditors of the Company in respect of the liability for any act or omission in their capacity as auditors of the Company during the financial year.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to accept re-appointment as auditors.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 30 March 2026.



Siew Kah Toong



Ou Shian Waei

Kuala Lumpur

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

CORPORATE GOVERNANCE DISCLOSURES (as referred to in the Directors' Report)

The Board of Directors (the "Board") of Great Eastern Life Assurance (Malaysia) Berhad (the "Company"), together with Management, place great importance on high standards of corporate governance and are committed to upholding the values of integrity, honesty, and proper corporate conduct at all times in the Company's business operations and dealings.

The Company adopts corporate governance practices as guided by the Bank Negara Malaysia ("BNM") Policy Document on Corporate Governance issued on 3 August 2016 (the "CG PD") and continues to enhance its overall governance standards.

BOARD MATTERS

The Board's Conduct of Affairs

The prime stewardship responsibilities of the Board are to ensure the Company's viability and sustainability, and that it is managed in the best interests of the shareholders and other stakeholders. The Company has a Board Charter approved by the Board.

The Board provides strategic direction to and oversight of the Company's operations. The principal roles and functions of the Board, as set out in the Board Charter include the following:

- (a) reviewing and approving the overall business strategy as well as organization structure of the Company, developed and recommended by Management;
- (b) ensuring that the decisions and investments are consistent with the long-term strategic goals for the Company, and reasonable standards of fair dealing with all stakeholders;
- (c) approving corporate policies on critical areas of operations;
- (d) ensuring that obligations to shareholders, policyholders and other stakeholders are understood and met;
- (e) ensuring that the necessary human resources are in place for the Company to achieve its objectives;
- (f) ensuring that the Company is operated in accordance with the relevant laws and regulations, as well as policies, processes and guidelines approved by the Board, so as to preserve its financial integrity;
- (g) approving the annual business plans and budgets for the Company and reviewing the business performance against budgets and key market participants;
- (h) ensuring that its expectations of Management are understood, that the appropriate matters come before the Board and that the Board is kept informed of relevant Shareholders feedback;
- (i) reviewing any transaction for the acquisition or disposal of assets that is material to the Company;
- (j) promoting timely and effective communications between the Company and regulators on matters affecting or which may affect the safety and soundness of the Company;

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

BOARD MATTERS (CONT'D.)

The Board's Conduct of Affairs (Cont'd.)

The Board provides strategic direction to and oversight of the Company's operations. The principal roles and functions of the Board, as set out in the Board Charter include the following (Cont'd.):

- (k) identifying key business risks, determining and approving the risk appetite of the Company and ensuring the implementation of appropriate systems to manage risks within established risk-tolerance limits;
- (l) overseeing the implementation of a governance framework and internal controls, compliance and risk management systems and periodically review whether these remain appropriate in light of material changes to the nature, scale and complexity of the business and structure of the Company;
- (m) overseeing that the risk appetite and activities of the Company are consistent with the strategic intent, operating environment, effective internal controls, capital sufficiency and regulatory standards;
- (n) overseeing, through the Board Audit Committee, the quality and integrity of the accounting and financial reporting systems, disclosure controls and procedures, and system of internal controls;
- (o) overseeing, through the Board Risk Management Committee, the establishment and operation of an independent risk management system for managing risks on an enterprise-wide basis, the adequacy of the risk management function (including ensuring that it is sufficiently resourced to monitor risk by the various risk categories and that it has appropriate independent reporting lines), and the capital management strategy, including the optimal allocation of capital resources, and the quality of the risk management processes and systems;
- (p) overseeing, through the Board Audit Committee and Board Risk Management Committee, investigations into areas of deficiencies and where applicable, approving the necessary corrective measures;
- (q) overseeing and approving the recovery and resolution as well as business continuity plans for the Company to restore its financial strength, and maintain or preserve critical operations and critical services when it comes under stress;
- (r) overseeing the adequacy, effectiveness and implementation of anti-corruption function;
- (s) ensuring that capital adequacy requirements are met in accordance with regulations and business practices, and balancing these with the need to obtain an adequate return on capital;
- (t) appointing the Directors, Members of Board Committees, Chief Executive Officer ("CEO"), Senior Officers¹, Non-Senior Officers² and Key Responsible Persons;
- (u) ensuring management continuity by formalising the process that governs long-term management development and succession and identifying suitable successors for the CEO and Senior Officers and Non-Senior Officers. The Company shall at all times have a Chief Executive Officer;

Notes:

¹ Senior Officers of the Company referred throughout this Corporate Governance Disclosures are the Senior Management Team and such other executives as the Board and/or regulator should determine.

² Non-Senior Officers of the Company referred throughout this Corporate Governance Disclosures are officers with rank of Senior Vice President and above who are not members of the Senior Management Team and officers who are categorised as Other Material Risk Takers.

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

BOARD MATTERS (CONT'D.)

The Board's Conduct of Affairs (Cont'd.)

The Board provides strategic direction to and oversight of the Company's operations. The principal roles and functions of the Board, as set out in the Board Charter include the following (Cont'd):

- (v) overseeing the performance of the CEO, Senior Officers and Non-Senior Officers, such that the Board is satisfied with the collective competence of the Senior Management to effectively lead the operations of the Company. Establishing the performance requirements of the CEO, Senior Officers and Non-Senior Officers and reviewing their performance against the requirements and providing them with feedback on their performance;
- (w) reviewing the recommendation of the Board Nominations and Remuneration Committee on the performance compensation of the CEO, Senior Officers and Non-Senior Officers and determining an appropriate remuneration package;
- (x) reviewing the appointment and removal of CEO, Senior Officers / Key Responsible Persons, as deemed necessary;
- (y) ensuring that Management formulates policies and processes to promote fair practices and high standards of business conduct by staff, as well as a sound corporate culture within the Company which reinforces ethical, prudent and professional behaviour;
- (z) conducting an annual review of the Board and Board Committees' performance;
- (aa) ensuring that Directors are provided with relevant continuing education and are updated on changes in laws, regulations, standards, strategy, new business lines, risk profile, etc.;
- (ab) identifying the skills that the Board collectively needs to discharge its responsibilities effectively, and assessing if the Board or Board Committees lack any skills to perform their roles and identifying steps to improve their effectiveness;
- (ac) reviewing and approving the recommendations of the Board Nominations and Remuneration Committee on compensation for Non-Executive Directors;
- (ad) establishing corporate values and risk cultures, emphasizing integrity and ethics, honesty and proper conduct at all times, with respect to internal dealings and external transactions, including situations where there are potential conflicts of interests, so as to uphold fair-dealing standards;
- (ae) reviewing the time commitment expected of each Director;
- (af) ensuring that there is a reliable and transparent financial reporting process within the Company for providing a balanced and objective assessment of the performance, position and prospects of the Company, and this extends to interim and other price-sensitive public reports, and reports to regulators;
- (ag) maintaining records of all meetings of the Board and Board Committees, especially with regards to records of discussion on key deliberations and decisions taken;

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

BOARD MATTERS (CONT'D.)

The Board's Conduct of Affairs (Cont'd.)

The Board provides strategic direction to and oversight of the Company's operations. The principal roles and functions of the Board, as set out in the Board Charter include the following (Cont'd):

- (ah) considering sustainability issues e.g. environmental, social and governance factors, as part of strategy formulation;
- (ai) overseeing, through the Board Nominations and Remuneration Committee, the design and operation of an appropriate remuneration framework for the Directors, CEO, Senior Officers and Non-Senior Officers;
- (aj) overseeing through the Board Nominations and Remuneration Committee, the design and operation of an appropriate remuneration framework for the Directors, CEO, Senior Officers and Non-Senior Officers; and
- (ak) ensuring that the remuneration practices are aligned and in accordance with the remuneration framework.

Conflicts of Interest

The Company has implemented a Directors' Conflict of Interest ("COI") Guide which sets out the procedures to address actual or potential conflicts of interest of the Directors. The COI Guide serves to safeguard against the risk that a Director's decision may be unduly influenced by other secondary interests, instead of the interests of the Company. Pursuant to the COI Guide, the Directors of the Company shall disclose to the Board the nature and extent of their interest whether directly or indirectly, in a material transaction or material arrangement with the Company.

Directors with conflicts of interest would recuse themselves from discussions and decisions involving the issues of conflict.

Board Approval

The Company has adopted internal guidelines on matters that require Board approval. These guidelines are communicated to Management in writing. Matters requiring Board approval include but are not limited to the overall business strategy and direction, significant policies governing the operations of the Company, strategic or significant acquisitions or disposal of assets by the Company, corporate restructuring, major corporate initiatives and other activities of a significant nature, dividend policy and dividend declaration, all material related party transactions, authority levels for the Company's core functions and outsourcing of core business functions.

The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below the threshold limits to the Board Committees and Management to optimise operational efficiency.

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

BOARD MATTERS (CONT'D.)

Board Committees

While the Board has the ultimate responsibility for the affairs of the Company, it has established a number of Board Committees to assist it in carrying out more effective oversight of the operations and business affairs of the Company. These Board Committees consist of the Board Audit Committee, Board Nominations and Remuneration Committee, and Board Risk Management Committee. All the Board Committees have been constituted with clear Board-approved written terms of reference setting out their compositions, authorities and duties, and any changes thereto also require the Board's approval.

The Board Committees, in carrying out their responsibilities in accordance with their respective terms of reference, are also actively involved in assisting the Board to ensure compliance with good corporate governance practices by the Company. Minutes of the Board Committees' meetings, which provide a fair and accurate record of the discussions, key deliberations and decisions taken during the meetings, are maintained and circulated to the Board. The composition and details of principal roles and responsibilities of the Board Committees are set out below.

Under the CG PD, the Board Committees are required to comprise at least three Non-Executive Directors, with a majority of them being Independent Directors. The Board Committees must be chaired by an Independent Director who is not the Chairman of the Company.

Board Audit Committee

The Board Audit Committee comprises the following Directors:

- Mr Siew Kah Toong, Chairman
- Mr Norman Ka Cheung Ip, Member
- Mr Ou Shian Waei, Member

Majority of the Members (including the Board Audit Committee Chairman) are Independent Directors.

The Board Audit Committee has explicit authority to investigate any matter within its terms of reference and has the full co-operation of and access to Management. It has full discretion to invite any Director or Senior Officer to attend its meetings. It also has resources to discharge its functions properly.

The functions performed by the Board Audit Committee and details of the Board Audit Committee's activities during 2025 included the following:

- (a) Reviewed with the Internal Auditors –
 - (i) their audit plan, evaluation of the system of internal controls and audit reports;
 - (ii) the scope and results of the internal audits; and
 - (iii) the assistance given by the officers of the Company to the internal auditors.
- (b) Reviewed with the External Auditors –
 - (i) their audit plan prior to the commencement of the annual audit;
 - (ii) the interim financial statements and the audited financial statements of the Company for the financial year and the auditors' report thereon for submission to the Board for consideration and approval thereafter;
 - (iii) the scope and results of the audit procedures and cost effectiveness, and their independence and objectivity taking into consideration factors including the nature and extent of non-audit services provided by them (if any);

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

BOARD MATTERS (CONT'D.)

Board Audit Committee (Cont'd.)

The functions performed by the Board Audit Committee and details of the Board Audit Committee's activities during 2025 included the following (Cont'd.):

- (b) Reviewed with the External Auditors – (Cont'd.)
 - (iv) the implications and impact of new or proposed changes in financial reporting standards, accounting policies and regulatory requirements on the financial statements together with the Senior Officers;
 - (v) any significant financial reporting issues, to ensure the integrity of the financial statements of the Company; and
 - (vi) the assistance given by the officers of the Company, including the internal auditors, to the external auditors.
- (c) Reviewed the adequacy, independence and effectiveness of the internal audit function of the Company.
- (d) Maintained an appropriate relationship with both the internal and external auditors.
- (e) Recommended the re-appointment of the external auditors to the Board.
- (f) Recommended the remuneration and terms of engagement of the external auditors to the Board.
- (g) Reviewed and updated the Board on all related-party transactions.
- (h) Monitored compliance with the COI Guide.

The Board Audit Committee, in performing its functions, meets at least once annually with the internal and external auditors in separate sessions without the presence of Management, to consider any other matters which may be raised privately.

The Board Audit Committee held a total of seven scheduled meetings (comprising six scheduled and one ad hoc meetings) in 2025. By invitation, the Board Audit Committee meetings were also attended by the internal and external auditors, Executive Director, Group Chief Financial Officer, Group Chief Internal Auditor and relevant Senior Officers.

Board Nominations and Remuneration Committee

The Board Nominations and Remuneration Committee comprises the following Directors:

- Mr Foong Soo Hah, Chairman
- Mr Norman Ka Cheung Ip, Member
- Mr Siew Kah Toong, Member

Majority of the Members (including the Board Nominations and Remuneration Committee Chairman) are Independent Directors.

The responsibilities of the Board Nominations and Remuneration Committee are set out in its Board-approved terms of reference. The Board Nominations and Remuneration Committee reviews the Board and Board Committee compositions annually and ensures that there is progressive renewal of the Board. It is responsible for identifying candidates for directorship, reviewing and recommending nominations and re-nominations of Directors on the Board and Board Committees. It also reviews nominations and dismissals or resignations of Senior Officer and Non-Senior Officer positions in the Company.

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

BOARD MATTERS (CONT'D.)

Board Nominations and Remuneration Committee (Cont'd.)

The Board Nominations and Remuneration Committee is also responsible for recommending to the Board for endorsement a framework of Directors' fees, as well as remuneration of the Senior Officers and Non-Senior Officers. For Senior Officers and Non-Senior Officers, the framework covers all aspects of total compensation packages, including basic salary, various performance bonuses, allowances, deferred share awards and benefits. The variable components have been designed to link rewards to corporate and individual performance, based on appropriate and meaningful performance measures set up by the Company, and approved by the Board Nominations and Remuneration Committee and the Board. The Board Nominations and Remuneration Committee also ensures that the Company's remuneration policies and practices are aligned with the approved framework and that remuneration packages are appropriate to attract, retain and motivate the Senior Officers and Non-Senior Officers to successfully manage the Company for the long term without being excessive.

The Board Nominations and Remuneration Committee held a total of eight meetings (comprising six scheduled and two ad hoc meetings) in 2025.

Board Risk Management Committee

The Board Risk Management Committee comprises the following Directors:

- Mr Ou Shian Waei, Chairman (Appointed as Chairman with effect from 1 January 2026)
- Mr Norman Ka Cheung Ip, Member
- Mr Foong Soo Hah, Member
- Ms Tan Ley Ley, Member
- Ms Beh Cheng Hoon (Appointed with effect from 1 January 2026)

Majority of the Members (including the Board Risk Management Committee Chairman) are Independent Directors.

The Board Risk Management Committee is responsible for overseeing all risk management and compliance matters which the Company is or may be exposed to (including strategic, market, credit, liquidity, insurance, operational, technology, cyber security, information/data loss, regulatory and compliance, sustainability and any other category of risks); as well as technology-related matters as delegated by the Board or as deemed necessary by the Board Risk Management Committee.

These are executed by reviewing various output and mechanisms such as the risk profile, risk appetite and tolerance level, and risk and capital management strategy, guided by the overall corporate strategy and risk appetite approved by the Board. The Board Risk Management Committee also assists the Board in monitoring the effectiveness and adequacy of the risk management processes and systems set up by the Company. It oversees the cultivation of a strong risk culture that promotes risk awareness and sound risk taking.

The Board Risk Management Committee performs its functions pursuant to its Board-approved terms of reference. Its terms of reference include endorsement or approval of (where applicable) frameworks, policies, charters and strategies for effective risk management of various risk exposures including those arising from investment management and asset-liability management; as well as review of other financial transactions that exceed the authority limits of the Management Committees. Material investment and liquidity management-related activities and transactions are approved or reviewed by the Board Risk Management Committee and recommended to the Board for information or approval, as applicable.

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

BOARD MATTERS (CONT'D.)

Board Risk Management Committee (Cont'd.)

The Board Risk Management Committee reviews the appointment, annual performance evaluation, remuneration and termination of (i) Division Head, Risk Management and (ii) Division Head, Compliance, as both positions report directly to the Board Risk Management Committee. Its recommendation is then submitted to the Board Nominations and Remuneration Committee for endorsement, and the Board for approval.

The Board Risk Management Committee meets with the Division Head, Risk Management and the Division Head, Compliance at least once a year without the presence of Management to discuss matters which may be raised privately.

The Risk Management Department has adequate resources and is staffed by experienced and qualified personnel who are sufficiently independent to perform their duties objectively. The Risk Management Department regularly engages Senior Officers to develop enterprise-wide risk controls and risk mitigation procedures.

The Board Risk Management Committee held a total of eight meetings (comprising six scheduled and two ad hoc meetings) in 2025.

The Company's enterprise risk governance and management objectives and policies and other pertinent details are disclosed in Note 29 of the notes to the financial statements.

Meetings and Directors' Attendance

The Board meets regularly during the year to review the business performance and key activities of the Company, and to deliberate significant business proposals presented by the Management. All members of the Board participate actively in Board discussions and decisions are taken objectively in the interests of the Company. The Board works with Management to achieve its stated goals and Management remains accountable to the Board. Where warranted by particular circumstances, ad hoc Board or Board Committee meetings will be convened. In 2025, the Board convened eight scheduled and one ad hoc Board meetings.

The contributions of the Directors go beyond attendance at meetings. They individually or collectively engage with other Directors and Management outside formal meetings in their oversight of the affairs of the Company.

Meetings of the Board and Board Committees via telephone, video conference, or any other similar communications equipment are permitted by the Company's Constitution. If a Director is unable to attend a Board or Board Committee meeting, he will still be able to access all the papers and materials to be tabled for discussion at that meeting. Directors are provided with complete, adequate and timely information relating to agenda items before each meeting. Directors are also equipped with electronic tablets that allow secured access to Board and Board Committee meeting materials.

All Directors have complied with the annual minimum requirement of 75% attendance at Board meetings as stipulated in the CG PD and Board Charter.

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

BOARD MATTERS (CONT'D.)

Meetings and Directors' Attendance (Cont'd.)

The number of meetings of the Board and Board Committees held in 2025 and the attendance of the Directors at those meetings are tabulated in the following table.

Directors' attendance at Board and Board Committee meetings in 2025

Director	Board	Board Audit Committee	Board Nominations and Remuneration Committee	Board Risk Management Committee	Annual General Meeting	Adjourned Annual General Meeting
Mr Norman Ka Cheung Ip	9/9	7/7	8/8	8/8	√	√
Mr Siew Kah Toong	9/9	7/7	8/8	-	√	√
Mr Ou Shian Waei	9/9	7/7	-	8/8	√	√
Mr Foong Soo Hah	8/9	-	7/8	8/8	√	√
Ms Mimi Sze Ho ⁽¹⁾	8/9	-	-	8/8	√	√
Ms Tan Ley Ley	9/9	-	-	8/8	√	√
Mr Gregory Thomas Hingston ⁽²⁾	7/7	-	-	-	√	√

Notes:

- (1) Stepped down as a Director with effect from 31 December 2025.
(2) Appointed as a Director with effect from 14 February 2025.
(-) Not applicable to the Non-Member of the respective Board Committees.

Two Joint Board Audit Committee – Board Risk Management Committee meetings were held in 2025. Directors' attendance at this meeting is not included in the above table.

Access to Information

The Directors are provided with relevant and timely information by Management on matters to be discussed or considered at meetings of the Board and Board Committees. For matters requiring approval, information furnished by Management usually includes background explanatory information, relevant facts and/or analysis to support the proposal, implications or merits of the case, risk analysis and mitigating strategies, the budget (if applicable) and Management's recommendation. The Senior Officers who can provide additional information and insight or provide clarifications to queries raised, are usually present at the meeting during discussion on such matters. Occasionally, external consultants engaged on specific projects may also be invited to brief the Board or Board Committees, where relevant. All Board and Board Committees' members have unfettered access to information, which the Company is in possession of or has access to, for the purpose of carrying out their responsibilities.

Directors have separate and independent access to the Company Secretary and Senior Officers at all times. The Company Secretary attends all Board meetings and prepares minutes of Board proceedings. She assists the Chairman to ensure that appropriate Board procedures are followed and that applicable regulations are complied with. Under the direction of the Chairman, she ensures good information flows within the Board and Board Committees, and between Senior Officers and Directors. The Company Secretary also facilitates the orientation of new Directors and professional development of Directors, as required. The appointment and removal of the Company Secretary is considered to be a matter for the Board as a whole.

The Directors may take independent professional advice as and when necessary to enable them to discharge their duties effectively. Similarly, the Board and Board Committees may obtain professional advice, whenever necessary and appropriate, so as to effectively discharge their roles and responsibilities. All engagements of external advisors are at the Company's expense.

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

BOARD MATTERS (CONT'D.)

Board Orientation and Development

A formal appointment letter will be issued to a newly appointed Director, together with a Director's orientation kit which will include key information of the Company, the terms of reference of the Board and Board Committees, duties and obligations of Directors as well as relevant rules and regulations. As part of the induction programme for new Directors, the Senior Officers will conduct presentation sessions on the Company's principal activities, business operations, staff strengths, and applicable rules and regulation. The induction programme will be tailored to the specific development needs of the new Directors. The Company constantly reviews and improves on the contents of such presentations to new Directors, taking into account any new legislative changes which affect them and to enable Directors to have a more comprehensive understanding of the Company, the insurance business and practices, as well as the Company's financial position.

The Board Nominations and Remuneration Committee ensures that there is a continuous development programme for all Directors, to ensure that they are equipped with the appropriate skills and knowledge to perform their roles on the Board and Board Committees effectively. The Company arranges for new Directors to be briefed on areas such as accounting, risk management, insurance, cybersecurity and environmental, social and governance matters; and facilitates their attendance at the mandatory "Financial Institutions Directors' Education ("FIDE") Core Programme. Industry-related and topical articles are regularly circulated to Directors as part of the Directors' continuous development programme. The Board Nominations and Remuneration Committee also encourages the Directors to be continually updated on developments affecting the insurance industry by offering them attendance at appropriate courses, conferences and seminars conducted by professional bodies within the industry or other professional organisations including programmes conducted by the FIDE FORUM, at their convenience. The Company has dedicated sufficient resources towards the on-going development of its Directors. The Company arranges for and funds the training and development programmes for existing and new Directors. The Company also maintains formal records of the training and development received by its Directors.

From time to time, in collaboration with the Board Nominations and Remuneration Committee, the Board Risk Management Committee organises Board Educational Series, with briefings or presentations by external professionals, consultants or Management staff on topics relevant to the insurance industry and provides updates on developments in the industry locally.

Continuous development programmes arranged by the Company for Directors in 2025 included the following topics:

- Board Educational Series:
 - Great Eastern Data Centre (Cyberjaya) Visit
 - Actuarial Liability Valuation and Participating Fund Bonus Study
 - Money Laundering/Terrorism Financing/Proliferation Financing: Complexity & Its Impact on Law & Compliance to Financial Institutions
 - 2024 Ransomware Exercise Report and Recommended Framework
 - Distribution Expenses - Key Campaigns and Contests
 - Information Technology Strategy
 - Cybersecurity Defence Roadmap
 - Regional Services Centre
 - Introduction to IFRS Sustainability Disclosure Standards

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

BOARD MATTERS (CONT'D.)

Board Orientation and Development (Cont'd.)

Continuous development programmes arranged by the Company for Directors in 2025 included the following topics (Cont'd.):

- FIDE FORUM - Special Lecture: How Global Events Will Affect the Outlook for the Financial Industry in 2025
- Asian Institute of Insurance - Safeguarding the Board Navigating Anti-Money Laundering
- FIDE FORUM - E-Invoice & Service Tax Impact on Independent Directors
- FIDE FORUM - AI's Next Wave: Chips, Code, and Localisation
- FIDE FORUM - Navigating Digital Disruption: How can Boards in Financial Institutions enhance Strategic Digital Governance
- FIDE FORUM - Economic Outlook & Post-Budget 2026
- FIDE FORUM - Future of Directorship in the Digital Era
- FIDE FORUM - Climate Talk...Or Last?
- FIDE FORUM - Cloud for Directors of Regulated Financial Institutions

BOARD COMPOSITION AND GUIDANCE

Board Membership

The Company's present Board of seven Directors comprises a Non-Executive Chairman, Mr Norman Ka Cheung Ip, five Non-Executive Directors and one Executive Director. The five Non-Executive Directors are Mr Siew Kah Toong, Mr Ou Shian Waei, Mr Foong Soo Hah, Ms Tan Ley Ley and Ms Beh Cheng Hoon. Mr Gregory Thomas Hingston is the Executive Director.

Ms Mimi Sze Ho stepped down from the Board with effect from 31 December 2025.

All appointments and re-appointments of Directors of the Company are subject to the approval of BNM.

Key Information on Directors

Key information on the Directors' qualifications, background, directorships and appointments is provided under the section "Board of Directors" of the Company's Annual Report³. The Directors' memberships in various Board Committees are also set out therein. Information on their shareholdings in the Company's ultimate holding company, Oversea-Chinese Banking Corporation Limited ("OCBC") is disclosed in the Directors' Report that accompanies the Company's Financial Statements for the financial year ended 31 December 2025 ("FY2025"). The Directors do not hold any shares in the Company or its penultimate holding company, Great Eastern Holdings Limited ("GEH").

Board Composition and Independence

An Independent Director of the Company is one who is independent in character and judgement, and free from associations or circumstances that may impair the exercise of his or her independent judgement. He or she or any person linked to him or her is also independent from management, substantial shareholder and business or other contractual relationships with the Company or any of its affiliates within the last two years and has not served for more than nine years on the Board. Each Director is required to abstain from the deliberations of the Board Nominations and Remuneration Committee and the Board's deliberations respectively on his or her own independence.

Note:

³ Available at the Company's website at https://www.greatasteernlife.com/my/en/about-us/investor-relations/annual-reports.html#2025_ar.

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

BOARD COMPOSITION AND GUIDANCE (CONT'D.)

Board Composition and Independence (Cont'd.)

The Company's Board comprises a majority of Independent Directors. The Board Nominations and Remuneration Committee determines annually whether a Director is independent. The Board Nominations and Remuneration Committee has determined that five out of the seven Directors of the Company are independent, and they are Mr Siew Kah Toong, Mr Ou Shian Waei, Mr Foong Soo Hah, Ms Tan Ley Ley and Ms Beh Cheng Hoon.

Mr Norman Ka Cheung Ip is deemed as non-independent as he has served for more than nine years on the Board. Notwithstanding his non-independent status, Mr Norman Ka Cheung Ip remains independent from management and has no business or contractual relationships with the Company or any of its affiliates.

Mr Gregory Thomas Hingston is an Executive Director as he is the Group CEO of GEH.

The Board, through its Board Nominations and Remuneration Committee, is of the view that the current Board and Board Committees are of an appropriate size to facilitate effective decision making, taking into account the scope and nature of the operations of the Company.

Further, the Board Nominations and Remuneration Committee also annually assesses the diversity of its members' competency profiles, and determines the collective skills required to discharge its responsibilities effectively.

The Company's Directors have diverse backgrounds, experience and qualifications, and bring a wide range of financial and commercial experience to the Board. Collectively, they provide the necessary business acumen, knowledge, capabilities and core competencies to the Company, including industry knowledge in insurance and actuarial science, investment and asset management, banking, accounting, finance, strategy formulation, information technology, management experience, risk management, familiarity with regulatory requirements and knowledge of cybersecurity risks. The diversity of experience and competencies of the Directors enhance the effectiveness of the Board in discharging its responsibilities. Directors who serve on Board Committees have an appropriate mix of skills and capabilities, taking into account the skill set required for such Board Committees to perform their respective roles and responsibilities.

The Company's Directors have a sound understanding of the Company's business strategy, nature of the business activities and its associated risks. With the knowledge, objectivity and balance contributed by its members, the Board constructively challenges and enhances proposals on strategy, reviews the performance of Management against agreed goals and objectives, and monitors the reporting of performances.

CHAIRMAN AND CEO

The Chairman and the CEO are not related to each other. The roles of the Chairman, Mr Norman Ka Cheung Ip, and the CEO, YBhg Dato Koh Yaw Hui, are distinct and separate, with a clear division of responsibilities between them to ensure an appropriate balance of power, increased accountability and greater independence in decision making.

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

CHAIRMAN AND CEO (CONT'D.)

The principal responsibilities of the Chairman include leading the Board to ensure it effectively discharges its roles and responsibilities, approving agendas of Board meetings, monitoring the quality and timeliness of the flow of information from Management to the Board and promoting effective communication with shareholders. The Chairman also facilitates robust discussions and deliberations in Board meetings, encourages constructive relations between the Board and Management, and promotes high standards of corporate governance with the full support of other Directors, the Company Secretary and Management.

The CEO manages the Company and oversees the Company's operations and implementation of its strategies, plans and policies to achieve planned corporate performance and financial goals. His management of the Company's businesses, including implementing the Board's decisions, is carried out with the assistance of the Senior Officers. Collectively, they are responsible for the day-to-day operations and administration of the Company, ensuring, inter alia, operational and organisational efficiency, profitable performance, regulatory compliance, good corporate governance and effective risk management. The Board reviews the CEO's performance against his performance targets annually.

BOARD MEMBERSHIP

Process for Appointment of New Directors and Re-appointment of Existing Directors

The Board Nominations and Remuneration Committee has a key role in carrying out the formal and transparent process established for the appointment and re-appointment of Directors to the Board. Proposals for the appointment of new Directors and re-appointment of existing Directors are reviewed by the Board Nominations and Remuneration Committee. For the appointment of new Directors, the Board Nominations and Remuneration Committee meets with the candidates to assess their suitability and commitment. Amongst others, the Board Nominations and Remuneration Committee takes into consideration the candidate's professional qualifications, integrity, prior experience as a director, other directorships and principal commitments, relationships (if any) with other members of the Board, the Company or the substantial shareholder of the Company, financial and commercial business experience, and field of expertise relevant to the Company, as well as his or her potential to contribute to the effectiveness of the Board and to complement the skills, knowledge and expertise of the Board. Competent individuals are nominated for the Board's consideration, before submitting the application to BNM for approval.

The proposed candidate is required to confirm that he or she is not an active politician as defined in the CG PD. Further, he or she must not have prior involvement as an external auditor for the Company either in the capacity of an officer who is directly involved in the Company's engagement or partner of the external auditor firm; until at least two years after he ceases to be an officer or partner of the external auditor firm or the firm last served as an auditor of the Company. The proposed candidate is expected to provide such confirmation to BNM prior to his or her respective appointment and re-appointment as Director.

In addition, the Board Nominations and Remuneration Committee further determines the proposed candidate's independence status under the CG PD and ensures that the proposed candidate will satisfy the criteria under the CG PD in that his or her appointment or re-appointment will not result in non-compliance with any of the composition requirements for the Board and Board Committees, and that he or she is a fit and proper person for the office, taking into account his or her track record, age, experience, capabilities, skills and other relevant factors as may be determined by the Board Nominations and Remuneration Committee. Such reviews are also conducted on an annual basis to ensure that each Director remains qualified for the office based on the above criteria.

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

BOARD MEMBERSHIP (CONT'D.)

Re-election and Re-appointment of Directors at Annual General Meeting

All Directors of the Board are required to retire from office at regular intervals, at least once every three years. At each Annual General Meeting of the Company, one-third of the Directors, being those who have served longest in office since their re-election, are required to retire by rotation in accordance with the Company's Constitution. Pursuant to the Company's Constitution, newly appointed Directors will hold office until the next Annual General Meeting and, if eligible, can stand for re-appointment. Retiring Directors are eligible for re-election when re-nominated by the Board Nominations and Remuneration Committee, taking into account their expertise, knowledge and commitment, and their contributions to Board discussions and to the effectiveness of the Board.

The Directors who are retiring by rotation pursuant to Clauses 70 and 72 of the Company's Constitution and standing for re-election under Clause 71 of the Company's Constitution, at the 2026 Annual General Meeting are Mr Norman Ka Cheung Ip and Mr Ou Shian Waei.

Ms Beh Cheng Hoon was appointed to the Board with effect from 1 January 2026. She will retire pursuant to Clause 74 of the Company's Constitution and is eligible to be re-appointed to the Board at the Company's Annual General Meeting to be convened on 9 April 2026.

Directors are expected to set aside adequate time for their oversight of matters relating to the Company. Directors provide declarations of changes to their other appointments, which are disseminated to all Directors.

The Company has established guidelines on meeting attendance and the extent of other appointments outside of the Company that a Director may assume. Each of the Directors' listed company directorships and principal commitments is provided under the section "Board of Directors" of this Annual Report. The Board Nominations and Remuneration Committee annually assesses each Director's independence, attendance record and meeting participation to determine if a Director is able to and has been diligently discharging his or her duties as a Director of the Company.

Board Performance

The Board has an annual performance evaluation process, carried out by the Board Nominations and Remuneration Committee, to assess the effectiveness of the Board, Board Committees and each Director's contributions. This annual assessment process consists principally of evaluation by and feedback from each Director.

Each Director evaluates the performance of the Board and Board Committees. The assessment of the contributions of individual Directors to the effectiveness of the Board is also performed annually. Such assessments are made against established performance criteria consistent with those approved by the Board and used in the previous year. A member of the Board Nominations and Remuneration Committee will abstain from participating in the Board Nominations and Remuneration Committee's discussion upon his or her performance to avoid conflicts of interest.

An external party is engaged once every three years to facilitate the Board Evaluation process and to provide the Board with an independent perspective of the Board's performance, including benchmarks against peer boards and industry best practices.

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

BOARD MEMBERSHIP (CONT'D.)

Board Performance (Cont'd.)

The Board Evaluation questionnaire focused on areas such as competency and independence, information quality and timeliness, conduct of meetings, environmental, social and corporate governance, managing performance, succession planning, Directors' development, internal controls and risk management as well as culture and conduct, and Board Committees. With regard to the individual Director's assessment criteria, this would include attributes such as each Director's contribution, integrity, knowledge and abilities.

The purpose of the evaluation is to increase the overall effectiveness of the Board. The Board has found the evaluation process useful and constructive since its implementation. This collective process has also provided an opportunity to obtain insightful feedback from each Director on suggestions to enhance the effectiveness of the Board and the Board Committees.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies, Level and Mix of Remuneration and Disclosure on Remuneration

The objective of the Company's remuneration policy is to attract, motivate, reward and retain quality personnel.

In considering its recommendations to the Board and in approving remuneration, the Board Nominations and Remuneration Committee ensures that remuneration policies are in line with the relevant regulations and guidelines, the strategic objectives of the Company, as well as the Company's Code of Conduct and ethics, and do not give rise to conflicts between objectives of the Company and interests of individual Directors and employees.

The Board Nominations and Remuneration Committee also ensures that remuneration is aligned to specific job functions undertaken and where the employee undertakes any control job functions, the performance and remuneration package of that employee is determined independently of the business functions of the Company, and is further aligned to the risks that the Company undertakes in its operations that is relevant to the specific job function.

The Board Nominations and Remuneration Committee also considers inputs from relevant control job functions on performance evaluation and remuneration outcomes, seeks input from the Board Risk Management Committee and Board Audit Committee to ensure that remuneration practices do not create incentives for excessive or inappropriate risk-taking behaviour.

The Board Nominations and Remuneration Committee is tasked to review and recommend to the Board the general remuneration policy framework as well as the specific remuneration of each Director and for each Senior Officers and Non-Senior Officers. No Director is involved in the deliberations regarding any remuneration, compensation or any form of benefits to be granted to himself or herself.

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

REMUNERATION MATTERS (CONT'D.)

Level and Mix of Remuneration

Remuneration of Non-Executive Directors

The Non-Executive Directors are paid Directors' fees, which take into account factors such as the Directors' contributions, effort and time spent, attendance at and frequency of meetings, the respective responsibilities of Directors, including the Board Committees on which they serve, market practices and the need to pay competitive fees to attract, retain and motivate Directors.

The Board Nominations and Remuneration Committee performs an annual review of the Directors' fee structure and of the computation of the aggregate Directors' fees based on the earlier Board-approved fee structure, before recommending any proposed changes to the Board for endorsement. The Directors' fees proposed by the Board each year are subject to the shareholders' approval at the Company's Annual General Meeting.

The Board Nominations and Remuneration Committee has considered the market practices for Non-Executive Director remuneration, and on its recommendation, the Board has decided to use the same Non-Executive Directors' fee structure as set out in the table below for computing the fee for each Non-Executive Director for FY2025 as used in the previous financial year.

		Annual Retainer	
Board	Chairman	RM230,000	
	Member	RM80,000	
Board Committees	<u>Chairman:</u> • Board Audit Committee • Board Risk Management Committee	RM50,900	
	<u>Member:</u> • Board Audit Committee • Board Risk Management Committee	RM25,400	
	<u>Chairman:</u> • Board Nominations and Remuneration Committee	RM45,000	
	<u>Member:</u> • Board Nominations and Remuneration Committee	RM27,000	
	Attendance fees per Board or Board Committee meeting		RM3,000

Attendance fees are paid to Non-Executive Directors to recognise their contributions and time spent in attending meetings.

Remuneration Policy in respect of Senior Officers and Non-Senior Officers

The remunerations of the CEO, the Senior Officers and Non-Senior Officers of the Company are reviewed annually by the Board Nominations and Remuneration Committee, based on the overall remuneration framework approved by the Board. Currently, there are sixteen identified Senior Officers and six identified Non-Senior Officers under the purview of the Board Nominations and Remuneration Committee.

Staff engaged in all control functions, including Compliance, Risk Management, Actuarial Valuation, Audit and others do not carry business profit targets in their goal sheets, and hence are compensated independently of the business profit achievements. Their compensation is dependent on the achievement of key results in their respective domain.

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

REMUNERATION MATTERS (CONT'D.)

Remuneration Policy in respect of Senior Officers and Non-Senior Officers (Cont'd.)

Pursuant to the CG PD, Other Material Risk Takers is defined to include an officer who can materially commit or control significant amounts of the Company's resources or whose actions are likely to have a significant impact on the Company's risk profile. There are six identified Other Material Risk Takers who are subject to risk control Key Performance Indicators and risk-adjusted variable compensation.

In such annual reviews, the Board Nominations and Remuneration Committee takes into consideration factors such as market competitiveness and market benchmarks, and that the remuneration is commensurate with specific job function undertaken, individual performance and contribution and the overall performance of the organisation. The Board Nominations and Remuneration Committee also takes into account the time horizon of risks that the organisation is exposed to, including ensuring that all variable compensation payments shall not be fully drawn down over short periods when risks are realised over longer periods.

As part of the Company's continuous efforts to create sustainable value for stakeholders through broad-based growth across its core markets, delivering sustained earnings, driving core competencies of disciplined risk management, prudent investment and continued upgrading of technology and people, and ensuring sustainable business practices, the performance measures set for each business unit embeds these objectives, which match their functions and are consistent with the Company's risk appetite. In determining the remuneration of Senior Officers and Non-Senior Officers, risk and control indicators as well as audit findings and compliance issues are taken into account when assessing their overall performance, in addition to their achievement in business and operational performance. Senior Officers and Non-Senior Officers are remunerated based on the achievements of their own performance measures, which are in turn determined in accordance with their roles, and the demonstration of core values and competencies, while taking into account market compensation data for their respective job roles.

Disclosure on Remuneration

To ensure that its remuneration packages are competitive, the Company regularly reviews salary levels and benefits packages based on market data provided by recognised consultants who conduct surveys on comparative groups in the financial sector. The determination of the Company's variable bonus pool is fully discretionary, and the factors taken into consideration include financial and non-financial metrics such as the Company's performance, audit ratings, risk indicators and compliance issues, market conditions and competitive market practices.

The total compensation packages for Senior Officers and Non-Senior Officers comprise basic salary, variable performance bonus, allowances, deferred share awards and benefits.

The variable components have been designed to link rewards to corporate and individual performance, based on appropriate and meaningful performance measures set up by the Company, and approved by the Board Nominations and Remuneration Committee and the Board.

The annual budgets for salary increments and performance-related variable bonus, reviewed and endorsed by the Board Nominations and Remuneration Committee, prior to be submitted to the Board for approval.

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

REMUNERATION MATTERS (CONT'D.)

Disclosure on Remuneration (Cont'd.)

As a consequence of the financial crisis in recent years, financial institutions globally have been reviewing compensation practices to reduce incentives that encourage excessive risk-taking. While the Company has adopted compensation practices that take into account the principles and implementation standards issued by the Financial Stability Forum for Sound Compensation Practices, it also continues to review its compensation practices on an on-going basis to further ensure that decisions made are conducive for sustained business performance. In its deliberations, the Board Nominations and Remuneration Committee also takes into account both financial and non-financial factors that are consistent with the long-term objectives and financial soundness of the Company, the remuneration principles, practices and standards that may be specified by regulations and guidelines issued by the regulator from time to time.

The Company has adopted a framework to foster a strong environment of culture and conduct within the Company. The Employee Culture & Conduct Indicators (“ECCI”) framework was introduced to enhance employees’ risk awareness and inculcate better risk management behaviours. Under this structured methodology based on clear and measurable conduct indicators, each employee is assessed against prescribed ECCI before remuneration decisions are finalised and awarded for the year. When determining the amount of remuneration to be adjusted, all relevant indicators of the severity of any incident for misconduct would be taken into account. The ECCI framework and the approach in which risk indicators are embedded in performance management and rewards are clearly set out in the staff handbook and communicated to employees.

In collaboration with the Board Nominations and Remuneration Committee, the Company has designed and developed its Performance Assessment and Remuneration Framework, which takes into consideration the prevailing regulatory requirements, and with the inputs from the Senior Officers. The Performance Assessment and Remuneration Framework is independently reviewed by the Joint Board Audit Committee and Board Risk Management Committee. The Board Risk Management Committee may with the assistance of Risk Management Department assess how the Performance Assessment and Remuneration Framework affects the Company’s risk profile.

The CEO, Senior Officers and Non-Senior Officers are identified “Material Risk Takers” as their authorities and actions are deemed to have a major influence on the long-term performance of the Company. The Company has a well-defined risk governance framework for “Material Risk Takers” including appropriate incentive arrangement that is aligned with Financial Stability Board’s standards. For the “Material Risk Takers” with performance bonuses equal to or exceeding RM210,000, 40% of their entire variable performance bonuses are deferred in the form of shares and subject to vesting over a period of three years, to account for the time horizon of risks that the Company is exposed to.

The Company’s variable compensation varies in line with its financial performance and corporate governance requirements.

Share-based Incentives

The Company does not have any share option scheme or share plan based on the Company’s shares. Instead, the Company provides deferred share-based compensation to eligible Senior Officers and Non-Senior Officers based on recommendations of the Board Nominations and Remuneration Committee as describe below.

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

REMUNERATION MATTERS (CONT'D.)

Share-based Incentives (Cont'd.)

Deferred compensations for eligible employees, as approved by the Board Nominations and Remuneration Committee and the Board, are administered under the Deferred Share Plan (“DSP”) of the ultimate holding company, OCBC. The Company has ceased granting OCBC share options to eligible Senior Officers with effect from 2019.

All grants and awards are subject to cancellation and clawback if it is determined that they were made on the basis of materially inaccurate financial statements and/or the employee has engaged in conduct that results in financial loss, reputational harm, restatement of financial results and/or adverse changes of the Company’s risk profile/rating, which takes into consideration the risks that could have a long-term negative impact on the Company.

Disclosure of Directors’ and CEO’s Remuneration

The total Directors’ and CEO’s Remuneration in respect of FY2025 is shown under Note 21 of the notes to the financial statements. Non-Executive Directors will be paid Directors’ Fees totalling RM1,517,200.00 in respect of FY2025, subject to shareholders’ approval at the 2026 Annual General Meeting.

Disclosure of Senior Officers’ and Non-Senior Officers’ Remuneration

The details of the remuneration granted to the eligible Senior Officers and Non-Senior Officers are disclosed in the table below:

Total value of remuneration awards for FY2025:

	Unrestricted		Deferred	
	No. of pax	RM	No. of pax	Units
Fixed remuneration				
- Cash-based*	22	13,558,545		
- Other*	1	22,700		
Variable remuneration				
- Cash-based*	21	4,873,270		
- Shares and share-linked instruments*	13	4,374,520	14	61,360 Units (Deferred Share and Employee Share Purchase Plan)
- Other*	22	4,063,221		
		26,892,256		

* The headcount excluded the cessation of a Non-Senior Officer during the year.
The number of pax of unrestricted shares refers to the number of share-based payments in 2025, and the number of deferred shares refers to the number of unit shares in 2025.

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

INTERNAL CONTROL FRAMEWORK

The internal control framework comprises among others, the infrastructure in the form of risk oversight committees at the Board and Management level; frameworks, policies and procedures; risk and compliance self-assessment processes for all departments to assess and manage the adequacy and effectiveness of their systems of internal controls and their level of compliance with applicable rules and regulations; and a monitoring and reporting process.

Risk Management

The Board is responsible for the governance of risk. It sets the tone for the Company's risk culture and monitors, through the Board Risk Management Committee, the effectiveness and adequacy of the risk management processes and systems of the Company. The Board approves the Company's risk appetite and has oversight of the risk activities to ensure that the Company's strategic intent, operating environment, internal control mechanisms and capital sufficiency are consistent with the Company's risk appetite and regulatory standards. Further details of the Enterprise Risk Management Framework implemented by the Company are set out in Note 29 of the notes to the financial statements.

The Board emphasises the importance of institutionalising a strong risk culture within the Company. As a subset of the broader organisational culture, a strong risk culture supports appropriate risk awareness, bolsters effective risk management and promotes sound risk taking to ensure that the Company's risk profile remains within its risk appetite. The Board also approves the risk culture principles and, along with it, the set of desired risk culture behaviours to support the target risk culture throughout the Company.

Regular reports are submitted to apprise the Board Risk Management Committee and the Board on the Company's risk profile and the various measures put in place to ensure that the solvency requirements are met at all times.

Internal Controls

The Board is responsible for ensuring that the system of internal controls is adequate to safeguard stakeholders' interests and the Company's assets. There are processes for all departments to assess the adequacy and effectiveness of their systems and processes of internal controls, and their level of compliance with applicable rules and regulations. The results of the evaluation are reviewed by the Senior Officers, who in turn would provide an annual assurance to the CEO on the adequacy and effectiveness of the Company's operational risk management and internal control systems and compliance with the relevant statutory and regulatory requirements. This self-assessment process is further supplemented by an annual assurance report on risk management and internal controls, submitted by Risk Management and tabled to the Board Audit Committee, the Board Risk Management Committee and the Board for notation.

The system of internal controls provides reasonable but not absolute assurance that the Company would not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. Therefore, the Board notes that no system of internal controls can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

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

INTERNAL CONTROL FRAMEWORK (CONT'D.)

Infrastructure

While the Board is ultimately responsible for the management of risks within the Company, there are risk oversight committees that facilitate in-depth review of the risks associated with specific aspects of the business such as the Board Risk Management Committee, Board Audit Committee, the Senior Management Team, Asset Liability Committee, Information Technology and Data Strategy Committee, Investment Committee, Product Development Committee and Financial Crime Committee. The duties and scope of work of these committees are documented in their respective approved terms of reference.

The authority delegated by the Board to the Board Committees and the CEO is formalised in the Company's Authority Grid. Other documents that guide the delegation of the CEO's authority include underwriting limits, claim limits and investment limits.

The segregation of duties is paramount in ensuring that members of staff are not assigned potentially conflicting responsibilities that relate to matters such as approvals, disbursements and administration of policies, execution and recording of investments, operational and internal audit/compliance functions, underwriting and credit controls.

Frameworks, Policies and Procedures

Frameworks, policies and procedures have been established to set the means by which the Company shall evaluate and manage the risks inherent in the business, especially in areas such as:

- Investments
- Operations
- Technology, information and cyber
- Fraud and market conduct
- Money laundering and the financing of terrorism
- Capital management, capital contingency and stress testing
- Related party and interested party transactions
- Third party services
- Reinsurance
- Business continuity
- Bribery and corruption
- Personal data
- Sustainability (including climate)

The frameworks, policies and procedures are reviewed regularly to ensure continued relevance and to capture the latest regulatory, statutory and Group requirements. These will be subsequently approved by the Board, or the relevant Board Committee or Management Committee.

Monitoring and Reporting

An Enterprise Risk Dashboard, which features the Company's risk profile from various perspectives namely strategic risk, financial risk, operational risk, technology risk, market conduct and compliance risk, and sustainability risk, is submitted to the Board, Board Risk Management Committee, Board Audit Committee and Senior Management Team for notation.

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

INTERNAL CONTROL FRAMEWORK (CONT'D.)

Monitoring and Reporting (Cont'd.)

Regulatory breaches, risk concerns and operational/data/technology incidents are reported in the Enterprise Risk Dashboard, while investment breaches are reported via the limits report and compliance assurance reports. The respective departments are required to provide action plans once a regulatory breach or operational incident is discovered. The Company has a process to collate Key Risk Indicators for reporting internally as well as to BNM on a regular basis.

Stress test scenarios and the corresponding stress factors are developed annually. The scenarios and factors are used to stress the financial positions of the Company and thereafter, the results of the stress test are tabled to and reviewed by the Board.

Whistleblowing Policy

The Company has a whistleblowing policy in place whereby employees of the Company and any other persons may raise concerns about possible improprieties in matters of financial reporting or other matters in confidence. The whistleblowing policy and procedures for raising such concerns are disclosed and clearly communicated to employees. All whistleblowing incidents are reported to the Board Audit Committee. Concerns expressed anonymously are considered and investigated on the basis of their merits. The Board Audit Committee ensures that arrangements are in place for the independent investigation of such matters and appropriate follow-up actions. If fraud is determined, appropriate remedial actions will be taken and the Board Audit Committee will be updated regularly on their status. The whistleblower will have protection against reprisals provided he has acted in good faith. The Board Audit Committee Chairman is responsible for the effective implementation of the whistleblowing policy, which includes evaluating periodic reports that monitor and assess how concerns are escalated and dealt with, and overseeing the periodic review of the effectiveness of the policy.

Internal Audit

The internal audit function ("Internal Audit") serves to enhance and protect organisational value by strengthening the Company's ability to create, protect, and sustain value by providing the Board Audit Committee and Management with independent, risk-based and objective assurance, advice, insight, and foresight.

The Internal Audit Charter is approved by the Board. Internal Audit resides in-house and is independent of the activities it audits. Internal Audit is staffed by executives with relevant qualifications and experience, and the Board Audit Committee ensures that Internal Audit is adequately resourced. The Chief Internal Auditor reports to the Chairman of the Board Audit Committee and administratively to the CEO. Her annual remuneration and evaluation are approved by the Board Audit Committee.

Internal Audit has unrestricted access to the Board, Board Audit Committee, and all functions, records, property and personnel of the Company. Internal Audit meets the Global Internal Audit Standards of The Institute of Internal Auditors as well as applicable local regulatory requirements for internal audit.

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

RELATED PARTY TRANSACTIONS

The Company has implemented policies and procedures on related party transactions covering the definitions of relatedness, limits applied, terms of transactions, and the authorities and procedures for approving, monitoring whenever necessary, and writing-off of such transactions. All related party transactions are conducted on reasonable commercial terms and in the ordinary course of business. The terms and conditions of such transactions are carried out on an arm's length basis. Directors with conflicts of interest are excluded from the approval process of granting and managing related party transactions. Material related party transactions and the write-off of related party transactions are reported to the Board Audit Committee for endorsement and to the Board for approval.

Details of the Company's related party transactions during FY2025 are set out in Note 27 of the notes to the financial statements.

ETHICAL STANDARDS AND CONDUCT

The Directors and Management are committed to promoting and maintaining values which emphasise integrity, honesty and proper conduct at all times in the business operations and dealings of the Company. The Company has adopted a Code of Conduct that sets out the guiding principles and standards expected of its employees such as the highest standards of conduct and professional integrity. The Code of Conduct also provides guidance on areas such as responsible stewardship of the Company's resources, the Company's position against fraudulent conduct, conflicts of interests and the appropriate disclosures to be made, and maintaining confidentiality of information. The Code of Conduct is available on the Company's staff intranet. The Human Capital Division provides an annual attestation to the Group Human Capital that all staff have declared their understanding of the Code of Conduct.

The Company has a suite of policies in place for proper governance and management that staff have to comply with. All policies are prepared in accordance with the Company's risk management and internal control systems and processes, including Management's self-assessment and independent audits.

The Company treats feedback and complaints from its customers seriously, and has instituted channels whereby customers may provide feedback or complaints. The Company aims to resolve feedback and complaints professionally and fairly in accordance with the service standards indicated on its website⁴.

Note:

⁴ Available at the Company's website at <https://www.greateasternlife.com/my/en/client-charter/client-charter-and-privacy-policy.html>

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

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Siew Kah Toong and Ou Shian Waei, being two of the Directors of Great Eastern Life Assurance (Malaysia) Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 30 to 200 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2025 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 30 March 2026.



Siew Kah Toong

Kuala Lumpur



Ou Shian Waei

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Loke Chang Yueh, being the officer primarily responsible for the financial management of Great Eastern Life Assurance (Malaysia) Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 30 to 200 are in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared
by the abovenamed Loke Chang Yueh
at Kuala Lumpur in the Federal Territory
30 March 2026.



Loke Chang Yueh

Before me,



225, JALAN TUN SAMBANTHAN
50470 KUALA LUMPUR

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	2025 RM'000	2024 RM'000
Assets			
Property and equipment			
- Owned	3(a)	297,025	291,294
- Right-of-use assets	3(b)	16,939	16,404
Intangible assets	4	183,914	188,384
Investment properties	5	962,000	968,500
Investments	6	99,257,099	93,441,830
Loans	7	204,801	228,449
Derivatives	11	4,355	8,166
Reinsurance contract assets	8	439,296	239,175
Insurance contract assets	8	18,589	16,317
Current tax asset		143,888	45,837
Other receivables	9	801,791	772,547
Cash and cash equivalents		2,046,812	3,288,389
Total assets		104,376,509	99,505,292
Equity			
Share capital	10	100,000	100,000
Retained earnings		3,610,125	3,200,344
Other comprehensive income fair value reserves		355,381	218,368
Insurance/Reinsurance finance reserve		(132,266)	(151,983)
Total equity		3,933,240	3,366,729
Liabilities			
Insurance contract liabilities	8	96,115,225	93,105,215
Reinsurance contract liabilities	8	233,591	237,017
Derivatives	11	7,948	6,242
Borrowings	12	500,000	-
Agents' retirement benefits	13	1,161,876	1,090,159
Deferred tax liabilities	14	1,096,450	752,961
Other financial liabilities	15	579,640	221,368
Lease liabilities	3(c)	2,073	1,612
Other payables	16	746,466	723,989
Total liabilities		100,443,269	96,138,563
Total equity and liabilities		104,376,509	99,505,292

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

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

STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 RM'000	2024 RM'000
Insurance service revenue	17	8,885,767	8,368,948
Insurance service expenses		(7,101,472)	(6,621,802)
Net expenses from reinsurance contracts held		63,063	(115,692)
Insurance service result		1,847,358	1,631,454
Interest income on			
Financial assets not measured at FVTPL		331,745	369,880
Financial assets measured at FVTPL		2,188,828	2,063,402
Other investment income		1,387,210	1,374,674
Rental income		74,883	68,297
Loss on exchange differences		(425,059)	(367,772)
Net realised gains and losses	19	(116,117)	2,333
Net fair value gains and losses	20	2,165,265	5,073,818
(Increase)/Decrease in provision for impairment of:			
Other receivables		(125)	(14,926)
Investments		(64)	34,146
Net investment income	18	5,606,566	8,603,852
Net finance expenses from insurance contracts issued		(5,125,009)	(7,983,872)
Net finance expenses from reinsurance contracts held		(2,862)	(9,309)
Net insurance finance expenses	18	(5,127,871)	(7,993,181)
Net investment and insurance result		2,326,053	2,242,125
Other revenue		1,658	1,640
Other expenses	21	(63,326)	(119,371)
Other income and expenses		(61,668)	(117,731)
Profit before taxation		2,264,385	2,124,394
Taxation	22	(730,245)	(825,406)
Net profit for the financial year		1,534,140	1,298,988
Earnings per share (sen)			
Basic and diluted	23	1,534	1,299

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

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	2025	2024
	RM'000	RM'000
Net profit for the financial year	1,534,140	1,298,988
Other comprehensive income/(loss):		
Other comprehensive income that will not be reclassified to statement of profit or loss in subsequent periods:		
Net gain on equity instrument designated at fair value through other comprehensive income ("FVOCI")	76,952	140,052
Tax effects thereon	<u>(12,002)</u>	<u>(19,473)</u>
Net other comprehensive income that will not be reclassified to statement of profit or loss in subsequent periods (net of tax)	<u>64,950</u>	<u>120,579</u>
Other comprehensive income/(loss) that may be reclassified to statement of profit or loss in subsequent periods:		
Debt instruments at FVOCI:		
Net gain arising during the year	88,570	34,957
Changes in allowance for Expected Credit Loss ("ECL")	4,816	(23,409)
Net realised (gain)/loss transferred to statement of profit or loss	<u>(12,845)</u>	<u>9,868</u>
	80,541	21,416
Net insurance financial result		
Finance income/(expenses) from insurance contracts issued	21,605	(192,737)
Finance (expense)/income from reinsurance contracts held	(174)	10,847
Tax effects thereon	<u>(9,551)</u>	<u>12,592</u>
Net other comprehensive income/(loss) that may be reclassified to statement of profit or loss in subsequent periods (net of tax)	<u>92,421</u>	<u>(147,882)</u>
Other comprehensive income/(loss) for the financial year, net of tax	<u>157,371</u>	<u>(27,303)</u>
Total comprehensive income for the financial year, net of tax	<u>1,691,511</u>	<u>1,271,685</u>

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

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	<u>Attributable to shareholders of the Company</u>					
	Share Capital RM'000	<u>Other reserves</u>			Retained Earnings RM'000	Total Equity RM'000
		Reserves RM'000	Insurance / reinsurance finance reserve RM'000	-		
At 1 January 2024	100,000	71,546	15,355	2,001,143	2,188,044	
Net profit for the financial year	-	-	-	1,298,988	1,298,988	
Other comprehensive income/(loss) for the financial year	-	140,035	(167,338)	-	(27,303)	
Total comprehensive income/(loss) for the financial year	-	140,035	(167,338)	1,298,988	1,271,685	
Transfer of fair value reserve of equity instruments designated at FVOCI (net of tax) (Note 6(a))	-	6,787	-	(6,787)	-	
Dividends paid during the financial year (Note 24)	-	-	-	(93,000)	(93,000)	
At 31 December 2024	100,000	218,368	(151,983)	3,200,344	3,366,729	
At 1 January 2025	100,000	218,368	(151,983)	3,200,344	3,366,729	
Net profit for the financial year	-	-	-	1,534,140	1,534,140	
Other comprehensive income for the financial year	-	137,654	19,717	-	157,371	
Total comprehensive income for the financial year	-	137,654	19,717	1,534,140	1,691,511	
Transfer of fair value reserve of equity instruments designated at FVOCI (net of tax) (Note 6(a))	-	(641)	-	641	-	
Dividends paid during the financial year (Note 24)	-	-	-	(1,125,000)	(1,125,000)	
At 31 December 2025	100,000	355,381	(132,266)	3,610,125	3,933,240	

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

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 RM'000	2024 RM'000
Profit before taxation attributable to shareholders		2,264,385	2,124,394
<i>Adjustments for non-cash items:</i>			
Investment income	18	(3,907,783)	(3,807,956)
Rental income		(74,883)	(68,297)
Realised losses/(gains) recorded in the statement of profit or loss		116,117	(2,333)
Fair value gains recorded in the statement of profit or loss	20	(2,165,265)	(5,073,818)
Depreciation of:			
- property and equipment	3(a), 21	26,948	24,175
- right-of-use assets	3(b), 21	905	594
Amortisation of:			
- right-of-use assets	3(b), 21	131	131
- intangible assets	4, 21	38,199	30,297
Impairment loss on/(write-back of):			
Other receivables		125	14,926
Investments		64	(34,146)
Changes in agents' retirement benefit	13	153,969	210,986
Property and equipment written-off		-	1,406
Intangible asset written-off		22	-
Realised foreign exchange gain on disposal of investments		(138)	(32,260)
Unrealised exchange loss/(gain) on derivatives		1,117	(41,418)
Unrealised exchange loss on investments		419,076	435,402
Changes in insurance and reinsurance contract assets/liabilities		3,355,032	6,441,581
Finance costs	12, 21	735	-
Interest expense from lease liabilities	3(c), 21	90	70
Cash flow before working capital changes		228,846	223,734
<i>Changes in working capital:</i>			
Other debtors			
Decrease/(increase) in other receivables		97,261	(44,143)
Other creditors			
Increase/(decrease) in other financial liabilities		357,537	(220,797)
Increase in other payables		22,088	46,158
Cash generated from operating activities		705,732	4,952

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D.)

	Note	2025 RM'000	2024 RM'000
Insurance services paid		(508,747)	(334,698)
Premiums received		10,850,650	10,732,935
Claims and other expenses paid		(9,578,763)	(9,216,269)
Insurance acquisition cash flows		(1,637,115)	(1,637,944)
RI Premiums paid		(507,769)	(640,201)
RI amounts received		364,250	426,781
Dividend/distribution income received		1,331,086	1,385,305
Interest/profit income received		2,457,318	2,419,506
Rental income on investment properties received		74,134	68,679
Agents' retirement benefits paid		(82,252)	(129,670)
Income tax paid		(527,023)	(530,232)
Net cash flows generated from operating activities		3,450,248	2,883,842
Investing activities			
Purchase of property and equipment	3(a)	(32,699)	(35,031)
Purchase of intangible assets	4	(33,751)	(40,055)
Proceeds from disposal of intangible assets	4	-	609
Purchase of investment properties	5	-	(21,779)
Purchases of FVTPL financial investments		(21,902,005)	(20,969,878)
Proceeds from disposals/maturities of FVTPL financial investments		18,227,271	18,925,846
Purchases of FVOCI financial investments		(3,174,050)	(1,720,887)
Proceeds from disposals/maturities of FVOCI financial investments		2,820,820	1,997,752
Decrease in LAR		28,400	201,960
Net cash flows used in investing activities		(4,066,014)	(1,661,463)
Financing activities			
Dividends paid to equity holder	24	(1,125,000)	(93,000)
Proceeds from borrowings	12	500,000	-
Payment of principal portion of lease liabilities		(811)	(671)
Net cash flows used in financing activities		(625,811)	(93,671)
Net (decrease)/increase in cash and cash equivalents		(1,241,577)	1,128,708
Cash and cash equivalents at beginning of period		3,288,389	2,159,681
Cash and cash equivalents at end of period		2,046,812	3,288,389
Cash and cash equivalents comprise of:			
Cash and bank balances		1,222,312	899,989
Short term deposits		824,500	2,388,400
		2,046,812	3,288,389

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D.)

	Note	2025 RM'000	2024 RM'000
Reconciliation of liabilities arising from financing activities:			
Lease liabilities			
Beginning of period		1,612	1,989
Additions		1,571	224
Payment of lease liabilities		(811)	(671)
Interest expense on lease liabilities (Note 21)		90	70
Reclassification		(389)	-
End of period	3(c)	2,073	1,612

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

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

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025

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 Level 20, Menara Great Eastern, 303 Jalan Ampang, 50450 Kuala Lumpur.

The principal activity of the Company is the underwriting of life insurance business including investment-linked business.

There has been no significant change in the principal activity during the financial year.

The immediate holding company is Great Eastern Capital (Malaysia) Sdn Bhd, a company incorporated in Malaysia. The intermediate holding company is Great Eastern Life Assurance Company Limited, a company incorporated in the Republic of Singapore. The ultimate holding company is Oversea-Chinese Banking Corporation Limited ("OCBC Bank"), a public-listed company incorporated in the Republic of Singapore.

The financial statements are authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 30 March 2026.

2. MATERIAL ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") as issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Company have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The Company has met the minimum capital requirements as prescribed by the Risk-based Capital ("RBC") Framework as at the reporting date.

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

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Property and Equipment and Depreciation

Property and equipment comprise of owned and leased assets. Leased assets refer to right-of-use assets as described in Leases Note 2.2(c)(i).

Property and equipment are stated at cost less accumulated depreciation and impairment losses. The initial cost of property and equipment comprises its purchase price, including non-refundable taxes and any costs to enhance the working condition of the asset for its intended use.

Expenditure incurred after the property and equipment have been put into operation, such as repairs and maintenance and overhaul costs, is charged to the statement of profit or loss in the period in which the costs are incurred. Where the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditure is capitalised as an additional cost of property and equipment.

Depreciation of property and equipment is calculated on a straight-line basis to write off the cost of each amount to its residual value over its estimated useful life. No depreciation is provided for freehold land as it has an unlimited useful life and capital work in progress as it is not ready for active use. The annual depreciation rates are:

Buildings - Owner occupied properties	2 %
Motor vehicles	20 %
Office machinery	6 - 20 %
Office furniture and fittings	10 %
Computer equipment	10 - 33 %

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

Leasehold buildings are depreciated over their estimated useful lives or over the remaining lease term of the leasehold land on which the building resides, if the remaining lease term of the leasehold land is shorter than the estimated useful life of the building. The right-of-use assets are depreciated on straight-line basis over the earlier of its useful life or the term of the lease (refer Note 2.2(c)(i)).

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property and equipment.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(a) Property and Equipment and Depreciation (Cont'd.)

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal are determined by comparing proceeds with the carrying amounts and are included in the statement of profit or loss.

Included in the Life Insurance Fund's property and equipment are freehold land, and leasehold and freehold buildings occupied for own use for the operations of the Company.

In line with the adoption of MFRS 16 Leases, the Company has reclassified its leasehold prepaid land lease payment to right-of-use assets as described in Note 3(b). Prepaid land lease payment refers to long term lease with an unexpired period of fifty years or more.

(b) Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year in which they arise.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in paragraph Note 2.2(a) up to the date of change in use.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(c) Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves the use of an identified asset and conveys the right to control the use of the asset for a period of time in exchange for consideration – i.e. the customer has the right to:

- obtain substantially all of the economic benefits from using the asset; and
- direct the use of the asset.

(i) As Lessee

The Company recognises a right-of-use asset and a lease liability at the commencement date of the lease. The right-of-use asset is initially measured at cost, which comprises the amount of lease liability, any lease payments made or before the commencement date, any indirect costs incurred and an estimate of the costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company generally uses its incremental borrowing rate as the discount rate.

Subsequently, the right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment (see Note 2.2(a)). In addition, the carrying amount of the right-of-use asset is reduced by any impairment losses and adjusted for certain remeasurements of the lease liability.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured to reflect any lease modifications or reassessments.

The Company presents its right-of-use assets in 'property and equipment' and 'lease liabilities' in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(c) Leases (Cont'd.)

(i) As Lessee (Cont'd.)

Short-term leases and leases of low-value assets (Cont'd.)

The Company applies the fair value model to ROU assets that meet the definition of investment property of MFRS 140 consistent with those investment property owned by the Company. Refer to Note 2.2(b) for accounting policy on investment property.

The Company presents ROU assets that meet the definition of investment property in the statement of financial position as investment property. ROU assets that are not investment properties are presented as a separate line item in the statement of financial position.

(ii) As Lessor

The Company classifies all leases for which it is a lessor as operating leases, because each of these leases does not transfer substantially all of the risks and rewards incidental to ownership of the underlying asset.

Lease payments from operating leases are recognised as income on a straight-line basis over the lease term and are reported as rental income. The accounting policy for rental income is set out in Note 2.2(n).

(d) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(d) Intangible Assets (Cont'd.)

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Intangible Assets of the Company comprise of the following:

- A portal ("Distribution Platform") developed to sell or distribute the Company's products digitally. This Distribution Platform is recognized at cost on initial recognition. Following initial recognition, this Distribution Platform is amortised on a straight-line basis over its estimated useful life of 6.5 years.
- Software intangible assets are capitalised on a basis of the costs incurred to acquire and bring to use the specific software. Software development costs are incurred for the development of software for systems. These costs are amortised over a period of 5 years or 20% on a straight-line basis from the date of system commissioning.

Cost associated with maintaining computer software programmes are recognised as an expense when incurred. Costs that are directly associated with identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets.

(e) Investments and Financial Assets

Initial Recognition and Measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial assets. The Company determines the classification of its financial assets and liabilities at initial recognition.

At initial recognition, the Company measures a financial asset at its fair value, plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs for financial assets carried at fair value through profit or loss are recognised as expense in the statement of profit or loss.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(e) Investments and Financial Assets (Cont'd.)

Initial Recognition and Measurement (Cont'd.)

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or derecognised on trade date i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

Classification

On initial recognition, a financial asset is classified as measured at amortised cost ("AC"), FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as measured at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt security is measured at FVOCI only if it meets both of the following conditions and is not designated as measured at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity security that is not held for trading may by irrevocable election, be designated and measured at FVOCI. This election is made on an investment-by-investment basis. The Company has designated certain equity securities held for strategic purposes as measured at FVOCI.

A financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI may, by irrevocable election, be designated and measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. The Company has designated certain debt securities which are held with the intent to hold to collect contractual cash flows and sell to be measured at FVTPL.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(e) Investments and Financial Assets (Cont'd.)

Initial Recognition and Measurement (Cont'd.)

Classification (Cont'd.)

All other financial assets are measured as FVTPL.

Business model assessment

The Company assesses the objective of the business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice;
- How the performance of the portfolio is evaluated and reported to management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated; and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed, and whose performance is evaluated on a fair value basis, are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

The business model assessment is based on reasonably expected scenarios without taking "worst case" or "stress case" scenarios into account. If the cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(e) Investments and Financial Assets (Cont'd.)

Initial Recognition and Measurement (Cont'd.)

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers the following key aspects:

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the Company's claim to cash flows from specified assets; and
- Features that modify consideration of the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

Subsequent measurement

I Debt Instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised Cost ("AC")

Debt instruments that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit or loss. Gains or losses are also recognised in statement of profit or loss when the assets are derecognised.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(e) Investments and Financial Assets (Cont'd.)

Subsequent measurement (Cont'd.)

I Debt Instruments (Cont'd.)

(ii) Fair value through other comprehensive income ("FVOCI")

Debt instruments that are held for collection of contractual cash flows and for sale, where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Any gains or losses from changes in fair value are recognised in other comprehensive income and accumulated in fair value reserve. Impairment, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in statement of profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to statement of profit or loss when the financial asset is de-recognised.

(iii) Fair value through profit or loss ("FVTPL")

Debt instruments that do not meet the criteria for classification as amortised cost or FVOCI are measured at FVTPL. Any gains or losses from changes in fair value and interest are recognised in the statement of profit or loss.

Fair value changes of financial assets at FVTPL are analysed between change resulting from foreign currency fluctuation and other fair value changes. Foreign currency fluctuation and other fair value changes are included under other operating income/(expense) and fair value gains/(losses) in the statement of profit or loss respectively.

II Equity Instruments

The Company subsequently measures all equity instruments at fair value. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. The Company's policy is to designate equity investments as FVOCI when those investments are held for purposes other than held for trading. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to the statement of profit or loss, including upon disposal. Equity instruments designated at FVOCI are not subject to impairment assessment. Dividends, when representing a return from such investments are to be recognised in the statement of profit or loss when the Company's right to receive payments is established.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(e) Investments and Financial Assets (Cont'd.)

Subsequent measurement (Cont'd.)

II Equity Instruments (Cont'd.)

Changes in fair value of financial assets at FVTPL are recognised in the statement of profit or loss.

III Derivatives and Hedging Activities

The Company applies economic hedge for currency and foreign exchange risks involving derivatives such as cross currency swap and forward currency contracts. All derivatives are carried as financial asset when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value. Fair value adjustments and realised gains and losses are recognised in the statement of profit or loss.

IV Loans and Receivables ("LAR")

LAR are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

These investments are initially recognised at cost, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are also included in the cost of the investment.

(f) Financial Liabilities

Financial liabilities is recognised on the statement of financial position when the Company becomes a party to the contractual obligations of the financial instrument.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

The financial liabilities include provision for agents' retirement benefits, borrowings, derivative financial liabilities, other financial liabilities and other payables.

(i) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(f) Financial Liabilities (Cont'd.)

(i) Financial liabilities at FVTPL (Cont'd.)

Financial liabilities held for trading include derivatives entered into by the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in the statement of profit or loss. Net gains or losses on derivatives include exchange differences.

The Company has not designated any financial liabilities at FVTPL.

(ii) Other financial liabilities and borrowings

Other financial liabilities and borrowings are recognised when due and measured on initial recognition at the fair value of the consideration received plus directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective yield method.

(iii) Agents' Retirement Benefits

Agents' Retirement Benefit ("ARB") is considered a financial instrument as it gives rise to a financial asset in one entity and a financial liability of another entity. The contractual obligation to pay ARB arises from the agency agreement i.e. Life Assurance Sales Representative Agreements ("Agreements") signed between the Company and insurance agents, thus creating a financial liability for the Company.

The carrying amount for ARB is calculated in accordance with the terms and conditions in the respective Agreements. The carrying amount for ARB is initially recognised at fair value and subsequent to initial recognition, it is measured at amortised cost. The accrued interest is recognised in statement of profit or loss.

The terms and conditions of the Agreements stipulate that upon the agent maintaining his position for the qualifying year and achieving the required personal sales and minimum new business, the Company shall allocate to the agent a deferred benefit/retirement benefit.

The deferred benefit/retirement benefit accumulated at the reporting date includes an element of accrued interest, which is calculated at the Participating fund rate of return for the year/dividend rate as announced by the Employees' Provident Fund ("EPF") for that year.

The accrued deferred benefit shall only become payable provided the Agreements have been in force for certain continuous contract years.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(f) Financial Liabilities (Cont'd.)

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Gains or losses are recognised in the statement of profit or loss.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(g) Fair Value Measurement

The Company measures financial instruments, such as, derivatives, and non-financial assets such as investment properties, at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 7.

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 to 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.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(g) Fair Value Measurement (Cont'd.)

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 the lowest level input that is significant to the fair value measurement is directly or indirectly observable including quotes from brokers and market makers, discounted cash flows and other valuation techniques commonly used by market participants
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided upon annually by the Properties Department. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. A valuation is done on an annual basis.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies.

The Company and its appointed external valuers also compares the changes in the fair value of each property with relevant external sources to determine whether the change is reasonable.

The valuation results, as performed by the Company's external valuers, are presented to the Board in the year the valuation is performed.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(g) Fair Value Measurement (Cont'd.)

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(h) Impairment of Financial Assets

The Company recognises loss allowances for expected credit losses ("ECL") on the following financial instruments that are not measured at FVTPL:

- (i) Debt instruments measured at FVOCI;
- (ii) Loans and receivables measured at amortised cost;
- (iii) Loan commitments; and
- (iv) Debt instruments measured at amortised cost.

The Company assesses on a forward looking basis the ECL associated with its loans and debt instruments carried at amortised cost and FVOCI and its loan commitments. For trade and insurance receivables, the Company measures the loss allowance at an amount equal to the lifetime ECL. The Company recognises a loss allowance for ECL at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company measures loss allowances at an amount equal to lifetime ECL, except for financial instruments on which credit risk has not increased significantly since their initial recognition.

12-month ECL represent the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Not credit-impaired financial assets

For financial assets that are not credit-impaired at the reporting date, the ECL is the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(h) Impairment of Financial Assets (Cont'd.)

Modified financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made whether the financial asset should be derecognised and ECL are measured as follows:

- If the expected modification will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset; or
- If the expected modification will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets measured at amortised cost and debt financial assets measured at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company considers factors as evidence that a financial instrument is credit impaired:

- Significant financial difficulty of the counterparty or issuer;
- A breach of contract such as default or past due event;
- The restructuring of a loan or receivable of the Company on terms that the Company would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(h) Impairment of Financial Assets (Cont'd.)

Credit-impaired financial assets (Cont'd.)

For financial assets that are credit-impaired at the reporting date: the ECL is the difference between the gross carrying amount and the present value of estimated future cash flows.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(i) Derecognition of Financial Assets and Liabilities

A financial asset is derecognised when:

- The contractual right to receive cash flows from the financial asset has expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flow in full without material delay to a third party under a 'pass through' arrangement and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(i) Derecognition of Financial Assets and Liabilities (Cont'd.)

On derecognition of a financial asset in its entirety except for equity securities measured at FVOCI, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of asset derecognised) and the sum of (a) the consideration received (including any new asset obtained less any new liability assumed) and (b) any cumulative gain or loss that has been recognised directly in equity is recognised in the statement of profit or loss.

On derecognition of equity securities measured at FVOCI, any cumulative gain/loss recognised in other comprehensive income is not recognised in the statement of profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(j) Impairment of Non-Financial Assets

The carrying amount of non-financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of the fair value less cost of disposal and the value in use, which is measured by reference to discounted cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash-generating unit.

An impairment loss is recognised in the statement of profit or loss in the period in which it arises. Subsequent increases in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. A reversal of impairment loss is recognised in the statement of profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(k) Insurance and Reinsurance Contracts

Definition and Classification

Contracts under which the Company accepts significant insurance risk are classified as insurance contracts. Contracts held by the Company under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts. Insurance and reinsurance contracts also expose the Company to financial risk.

Insurance contracts may be issued and reinsurance contracts may be initiated by the Company, or they may be acquired in a business combination or in a transfer of contracts that do not form a business. All references in these accounting policies to 'insurance contracts' and 'reinsurance contracts' include contracts issued, initiated or acquired by the Company unless otherwise stated.

Contracts that have a legal form of insurance but do not transfer significant insurance risk and expose the Company to financial risk are classified as investment contracts, and they follow financial instruments accounting under MFRS 9. The Company does not have any contracts that fall under this category.

Contracts are subject to different requirements depending on whether they are classified as direct participating contracts or contracts without direct participation features. Insurance contracts with direct participation features are insurance contracts that are substantially investment-related service contracts under which the Company promises an investment return based on underlying items; they are contracts for which, at inception:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Company expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Company expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

Direct participating contracts issued by the Company are contracts with direct participation features where the Company holds the pool of underlying assets and accounts for these group of contracts under the Variable Fee Approach ("VFA"). The VFA modifies the accounting model in MFRS 17 to reflect that the consideration that the Company receives for the contracts is a variable fee.

All other insurance contracts and all reinsurance contracts are classified as contracts without direct participation features.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(k) Insurance and Reinsurance Contracts (Cont'd.)

Separation

(i) Separating Components from Insurance and Reinsurance Contracts

The Company assesses its insurance and reinsurance contracts to determine whether they contain components which must be accounted for under another MFRS rather than MFRS 17 (distinct non insurance components). After separating any distinct components, the Company applies MFRS 17 to all remaining components of the (host) insurance contract. Currently, the Company's contracts do not include distinct components that require separation.

Some life contracts issued by the Company include a surrender option under which the surrender value is paid to the policyholder on maturity or earlier lapse of the contract. These surrender options have been assessed to meet the definition of a non-distinct investment component in MFRS 17. MFRS 17 defines investment components as the amounts that an insurance contract requires an insurer to repay to a policyholder in all circumstances, regardless of whether an insured event has occurred. Investment components which are highly interrelated with the insurance contract of which they form a part are considered non-distinct and are not separately accounted for. However, receipts and payments of the investment components are excluded from insurance revenue and insurance service expenses. The surrender options are considered non-distinct investment components as the Company is unable to measure the value of the surrender option component separately from the life insurance portion of the contract.

For premium refund or experience refund components which are not subject to any conditions in the contracts, these have been assessed to be highly interrelated with the insurance component of the reinsurance contracts and are, therefore, non-distinct investment components which are not accounted for separately. However, receipts and payments of these investment components are recognised outside of profit or loss.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(k) Insurance and Reinsurance Contracts (Cont'd.)

Level of aggregation

(i) Insurance contracts

Insurance contracts are aggregated into groups for measurement purposes. Groups of insurance contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together, and dividing each portfolio into quarters (by quarter of issuance) for life insurance, into three groups based on the expected profitability of the contracts:

- (i) contracts that are onerous at initial recognition, if any;
- (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently, if any; or
- (iii) remaining group of contracts, if any.

These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. The profitability groupings are not reassessed under subsequent remeasurement.

Level of aggregation is also affected by law or regulation which specifically constrains the Company's practical ability to set a different price or level of benefits for policyholders with different characteristics.

The Company broadly groups its insurance contracts by how the contracts are managed, product type, currency, measurement model and insurance risks. For life insurance contracts, sets of contracts usually correspond to pricing risk groups that the Company determined to have similar insurance risk and that are priced together by assessing the profitability of a best estimate pool of contracts on the same basis. The Company determines the profitability of contracts within portfolios and the likelihood of changes in insurance, financial and other exposures resulting in these contracts becoming more onerous at the level of these pricing groups, with no information available at a more granular level. This level of granularity determines sets of contracts.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(k) Insurance and Reinsurance Contracts (Cont'd.)

Level of aggregation (Cont'd.)

(ii) Reinsurance contracts

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Company aggregates reinsurance contracts into quarters (by quarter of issuance) for life reinsurance treaties into groups of:

- (i) contracts for which there is a net gain at initial recognition, if any;
- (ii) contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and
- (iii) remaining contracts in the portfolio, if any.

Reinsurance contracts held are assessed for aggregation requirements on an individual reinsurance treaty basis.

Recognition

A group of insurance contracts issued by the Company is recognised from the earliest of:

- the beginning of its coverage period (i.e. the period during which the Company provides services in respect of any premiums within the boundary of the contract);
- when the first payment from the policyholder becomes due or, if there is no contractual due date, when it is received from the policyholder; and
- when facts and circumstances indicate that the contract is onerous.

The Company recognises a group of reinsurance contracts held from the earliest of the following:

- The beginning of the coverage period of the group of reinsurance contracts held. However, the Company delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date when any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held; and
- The date the Company recognises an onerous group of underlying insurance contracts if the Company entered into the related reinsurance contract in the group of reinsurance contracts held at or before that date.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(k) Insurance and Reinsurance Contracts (Cont'd.)

Recognition (Cont'd.)

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts are added. Composition of the groups is not reassessed in subsequent periods.

Contract boundary

The Company includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the premiums, or in which the Company has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- The Company has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks, or
- Both of the following criteria are satisfied:
 - The Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and
 - The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

Fulfilment cash flows outside the boundary of the insurance contract are not recognised. Such amounts relate to future insurance contracts.

For life insurance contracts with renewal periods, the Company assesses whether premiums and related cash flows that arise from the renewed contract are within the contract boundary. The pricing of the renewals is established by the Company by considering all the risks covered for the policyholder by the Company, that the Company would consider when underwriting equivalent contracts on the renewal dates for the remaining service. Therefore, the cash flows related to renewals of insurance contracts will not be included in the contract boundary.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(k) Insurance and Reinsurance Contracts (Cont'd.)

Contract boundary (Cont'd.)

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Company that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or in which the Company has a substantive right to receive insurance contract services from the reinsurer.

A substantive right to receive services from the reinsurer ends either when the reinsurer can reprice the contract to fully reflect the reinsured risk, or when the reinsurer has a substantive right to terminate coverage.

The Company reassesses contract boundary of each group at the end of each reporting period.

Measurement

(i) Measurement – contracts not measured under the PAA

On initial recognition, the Company measures a group of insurance contracts as the total of (a) the fulfilment cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and (b) the CSM. The fulfilment cash flows of a group of insurance contracts do not reflect the Company's non-performance risk.

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils insurance contracts.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Company to the reinsurer.

Methods and assumptions used to determine the risk adjustment for non-financial risk are discussed in Note 2.5.

On initial recognition of a group of insurance contracts, if the total of (a) the fulfilment cash flows, (b) any cash flows arising at that date and (c) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group is a net inflow, then the group is not onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(k) Insurance and Reinsurance Contracts (Cont'd.)

Measurement (Cont'd.)

(i) Measurement – contracts not measured under the PAA (Cont'd.)

If the total is a net outflow, then the group is onerous. A loss from onerous insurance contracts is recognised in profit or loss immediately, with no CSM recognised on the balance sheet on initial recognition, and a loss component is established in the amount of loss recognised (refer to the Onerous contracts – Loss component section in Note 2.2(k)(iv)).

(ii) Fulfilment Cash Flows

The FCF are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Company expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:

- (a) are based on a probability-weighted mean of the full range of possible outcomes;
- (b) are determined from the perspective of the Company, provided that the estimates are consistent with observable market prices for market variables; and
- (c) reflect conditions existing at the measurement date.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgment and estimation. Refer to Note 2.5.

(iii) Contractual Service Margin

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Company will recognise as it provides insurance contract services in the future.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(k) Insurance and Reinsurance Contracts (Cont'd.)

Measurement (Cont'd.)

(iii) Contractual Service Margin (Cont'd.)

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous or insurance revenue and insurance service expenses are recognised as in (d) below) arising from:

- (a) the initial recognition of the FCF;
- (b) cash flows arising from the contracts in the group at that date;
- (c) the derecognition of any insurance acquisition cash flows asset; and
- (d) the derecognition of any other pre-recognition cash flows.

Insurance revenue and insurance service expenses are recognised immediately for any such assets derecognised.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Company recognises the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Company will recognise as a reinsurance expense as it receives insurance contract services from the reinsurer in the future and is calculated as the sum of:

- (a) the initial recognition of the FCF;
- (b) cash flows arising from the contracts in the group at that date;
- (c) the amount derecognised at the date of initial recognition of any asset or liability previously recognised for cash flows related to the group of reinsurance contracts held (other pre-recognition cash flows); and
- (d) any income recognised in profit or loss when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(k) Insurance and Reinsurance Contracts (Cont'd.)

Measurement (Cont'd.)

(iv) Subsequent Measurement – Contracts Not Measured Under the PAA

Subsequently, the carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage (“LRC”) and the liability for incurred claims (“LIC”). The LRC comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The LIC includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

- The fulfilment cash flows of groups of contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in fulfilment cash flows are recognised as follows:

Changes relating to future service	Adjusted against CSM (or recognised in the insurance service result in profit or loss if the group is onerous)
Changes relating to current or past services	Recognised in the insurance service result in profit or loss
Effects of the time value of money, financial risk and changes therein on estimated cash flows	Recognised as insurance finance income or expenses in profit or loss, except for certain portfolios measured using the GMM where the OCI option is applied.

- The CSM is adjusted subsequently only for changes in FCF that relate to future services and other specified amounts and is recognised in profit or loss as services are provided. The CSM at each reporting date represents the profit in the group of contracts that has not yet been recognised in profit or loss because it relates to future services.

The Company reports its financial results on a quarterly basis. The Company has elected to treat every quarter as a discrete interim reporting period, and estimates made by the Company in previous interim financial results are not changed when applying MFRS 17 in subsequent interim periods or in the annual financial statements.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(k) Insurance and Reinsurance Contracts (Cont'd.)

Measurement (Cont'd.)

(iv) Subsequent Measurement – Contracts Not Measured Under the PAA (Cont'd.)

Onerous contracts- Loss component

When adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and the Company recognises the excess in insurance service expenses, and it records the excess as a loss component of the LRC.

When a loss component exists, the Company allocates the following between the loss component and the remaining component of the LRC for the respective group of contracts, based on the ratio of the loss component to the FCF relating to the expected future cash outflows:

- (a) expected incurred claims and other directly attributable expenses for the period;
- (b) changes in the risk adjustment for non-financial risk for the risk expired;
- (c) finance income (expenses) from insurance contracts issued.

The amounts of the loss component allocation in (a) and (b) above reduce the respective components of insurance revenue and are reflected in insurance service expenses.

Decreases in the FCF in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF in subsequent periods increase the loss component.

(v) Reinsurance Contracts

The Company will apply the same accounting policies to measure a group of reinsurance contracts, with the following modifications.

The carrying amount of a group of reinsurance contracts at each reporting date is the sum of the asset for remaining coverage ("ARC") and the asset for incurred claims ("AIC"). The ARC comprises (a) the FCF that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(k) Insurance and Reinsurance Contracts (Cont'd.)

Measurement (Cont'd.)

(v) Reinsurance Contracts (Cont'd.)

The Company will measure the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

The risk adjustment for non-financial risk represents the amount of risk being transferred by the Company to the reinsurer.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Company recognises the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Company will recognise as a reinsurance income or expenses as it receives insurance contract services from the reinsurer in the future.

A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised above. This amount is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Company expects to recover from the reinsurance contracts held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

(vi) Insurance Acquisition Cash Flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the group belongs. If insurance acquisition cash flows are directly attributable to a group of contracts, then they are allocated to that group.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(k) Insurance and Reinsurance Contracts (Cont'd.)

Measurement (Cont'd.)

(vi) Insurance Acquisition Cash Flows (Cont'd.)

Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis. Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated to that group; and to groups that will include insurance contracts that are expected to arise from renewals of the insurance contracts in that group.

Insurance acquisition cash flows not directly attributable to a group of contracts but directly attributable to a portfolio of contracts are allocated to groups of contracts in the portfolio or expected to be in the portfolio.

The insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and tested for recoverability, whereas other insurance acquisition cash flows are included in the estimates of the present value of future cash flows as part of the measurement of the related insurance contracts.

The Company assesses at each reporting date whether facts and circumstances indicate that an asset for insurance acquisition cash flows may be impaired, then the Company:

- (a) recognises an impairment in profit or loss so that the carrying amount of the asset does not exceed the expected net cash inflow for the related group; and
- (b) if the asset relates to future renewals, recognises an impairment loss in profit or loss to the extent that it expects those insurance acquisition cash flows to exceed the net cash inflow for the expected renewals and this excess has not already been recognised as an impairment loss under (a).

The Company reverses any impairment losses in profit or loss and increases the carrying amount of the asset to the extent that the impairment conditions no longer exist or have improved.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(k) Insurance and Reinsurance Contracts (Cont'd.)

Measurement (Cont'd.)

(vii) Derecognition and Contract Modification

An insurance contract is derecognised when it is:

- extinguished (that is, when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- the contract is modified and certain additional criteria discussed below are met.

When an insurance contract is modified by the Company as a result of an agreement with the counterparties or due to a change in regulations, the Company treats changes in cash flows caused by the modification as changes in estimates of the FCF, unless the conditions for the derecognition of the original contract are met. The Company derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

- (a) if the modified terms had been included at contract inception and the Company would have concluded that the modified contract:
 - i. is not within the scope of MFRS 17;
 - ii. results in different separable components;
 - iii. results in a different contract boundary; or
 - iv. belongs to a different group of contracts;
- (b) the original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa.

When a new contract is required to be recognised as a result of modification and it is within the scope of MFRS 17, the new contract is recognised from the date of modification and is assessed for, amongst other things, contract classification, including the VFA eligibility and component separation requirements and contract aggregation requirements.

When an insurance contract not accounted for under the PAA is derecognised from within a group of insurance contracts, the Company:

- (a) adjusts the FCF to eliminate the present value of future cash flows and risk adjustment for non-financial risk relating to the rights and obligations removed from the group;

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(k) Insurance and Reinsurance Contracts (Cont'd.)

Measurement (Cont'd.)

(vii) Derecognition and Contract Modification (Cont'd.)

When an insurance contract not accounted for under the PAA is derecognised from within a group of insurance contracts, the Company (cont'd.):

- (b) adjusts the CSM (unless the decrease in the FCF is allocated to the loss component of the LRC of the group) in the following manner, depending on the reason for the derecognition:
- i. if the contract is extinguished, in the same amount as the adjustment to the FCF relating to future service;
 - ii. if the contract is transferred to a third party, in the amount of the FCF adjustment in (a) less the premium charged by the third party;
 - iii. if the original contract is modified resulting in its derecognition, in the amount of the FCF adjustment in (a) adjusted for the premium that the Company would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification; when recognising the new contract in this case, the Company assumes such a hypothetical premium as actually received; and
- (c) adjusts the number of coverage units for the expected remaining insurance contract services, to reflect the number of coverage units removed.

(viii) Presentation and Disclosure

The Company aggregates portfolios of insurance and reinsurance contracts held and present separately in the statement of financial position:

- Portfolios of insurance contracts that are assets;
- Portfolios of reinsurance contracts held that are assets;
- Portfolios of insurance contracts that are liabilities; and
- Portfolios of reinsurance contracts held that are liabilities.

The portfolios referred to above are those established at initial recognition in accordance with the MFRS 17 requirements.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(k) Insurance and Reinsurance Contracts (Cont'd.)

Measurement (Cont'd.)

(viii) Presentation and Disclosure (Cont'd.)

The descriptions of the line items in the Statement of Profit or Loss have been changed significantly compared with the previous year. Previously the Company reported the following line items: gross premiums, gross claims, maturities, surrenders and annuities and change in insurance contract liabilities. MFRS 17 requires separate presentation of:

- Insurance revenue
- Insurance service expense
- Insurance finance income or expense; and
- Income or expenses from reinsurance contracts held.

The Company will provide disaggregated qualitative and quantitative information in the notes to the financial statements about:

- The amounts recognised in its financial statements from insurance contracts and reinsurance contracts; and
- Significant judgments, and changes in those judgments made when applying the standard.

(ix) Transition

The Company's transition approaches applied at the date of transition to MFRS 17 on 1 January 2022 continue to impact a significant part of how the CSM balance as at 31 December 2025 and 31 December 2024 has been determined. The accounting policies for how the CSM on the date of transition was determined for groups measured applying the modified retrospective approach and the fair value approach are summarised as follows:

Modified retrospective approach

The modified retrospective approach was applied to certain groups of insurance contracts that were originated less than 10 years prior to the transition date.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(k) Insurance and Reinsurance Contracts (Cont'd.)

Measurement (Cont'd.)

(ix) Transition (Cont'd.)

Modified retrospective approach (Cont'd.)

The Company has used the following procedures to determine the CSM at initial recognition for these contracts:

- Estimated future cash flows at the date of initial recognition as the amount of the future cash flows at the transition date, adjusted by the cash flows that have occurred between the date of initial recognition and the transition date. The cash flows that are known to have occurred include cash flows resulting from contracts that ceased to exist before the transition date;
- Estimated historical discount rates applied to cash flows in the period prior to 2012 using an observable market interest curve for that period, adjusted by the spread between observable market yield curves and the yield curve used to determine current discount rates for the years between 1 January 2012 and 1 January 2022; and
- Estimated the risk adjustment for non-financial risk at the date of initial recognition by adjusting the risk adjustment at the transition date by the expected release of risk in the periods before the transition date. The expected release of risk was determined with reference to the release of risk for similar contracts that the group has issued subsequent to the transition date.

The CSM at transition date has been further determined by:

- Using the modified discount rates determined at initial recognition to accrete interest on the CSM; and
- Applying the amount of the CSM recognised in profit or loss because of the transfer of services before the transition date, by comparing the remaining coverage units at that date with the coverage units provided under the group of contracts before the transition date.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(k) Insurance and Reinsurance Contracts (Cont'd.)

Measurement (Cont'd.)

(ix) Transition (Cont'd.)

Fair value approach

The Company applied the fair value approach to the remaining insurance contracts. Under the fair value approach, the group determined the CSM of the liability for remaining coverage ("LRC") at the date of transition, as the difference between the fair value of a group of insurance contracts, measured in accordance with MFRS 13 Fair Value Measurement, and its fulfilment cash flows ("FCF") at that date.

The Company has aggregated contracts issued more than one year apart in determining groups of insurance contracts under the fair value approach at transition.

For the application of the fair value approach, the Company has used reasonable and supportable information available at the transition date in order to:

- Identify groups of insurance contracts;
- Determine whether any contracts are direct participating insurance contracts; and
- Identify any discretionary cash flows for insurance contracts without direct participation features.

The discount rate for the group of contracts inceptioned after 2012 applying the fair value approach was determined based on the inception year discount rate. Whereas, the discount rate for the group of contracts inceptioned before 2012 applying the fair value approach was determined on transition date.

The discount rate used for accretion of interest on the CSM is determined using the bottom-up approach at inception.

The Company used the income approach to determine the fair value amount used for establishing the insurance contract liabilities at the transition date.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(I) Insurance Service Result From Insurance Contracts Issued

Insurance service result comprises insurance revenue and insurance service expenses. Income and expenses from reinsurance contracts held, other than insurance finance income or expenses, are presented on a net basis as 'net expenses from reinsurance contracts' in the insurance service result.

Insurance revenue

As the Company provides insurance contract services under the group of insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that the Company expects to be entitled to in exchange for those services.

Insurance revenue comprises the following:

- Amounts relating to the changes in the LRC:
 - (a) Expected claims and other directly attributable expenses incurred in the period excluding:
 - amounts allocated to the loss component;
 - repayments of investment components and policyholder rights to withdraw an amount;
 - amounts of transaction-based taxes collected in a fiduciary capacity;
 - insurance acquisition expenses; and
 - amounts related to the risk adjustment for non-financial risk (see (b));
 - (b) changes in the risk adjustment for non-financial risk, excluding:
 - changes included in insurance finance income (expenses);
 - changes that relate to future coverage (which adjust the CSM); and
 - amounts allocated to the loss component;
 - (c) amounts of the CSM recognised for the services provided in the period;
 - (d) experience adjustments – arising from premiums received in the period other than those that relate to future service; and
 - (e) other amounts, including any other pre-recognition cash flows assets derecognised at the date of initial recognition.
- Insurance acquisition cash flows recovery is determined by allocating the portion of premiums related to the recovery of those cash flows on the basis of the passage of time over the expected coverage of a group of contracts.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(l) Insurance Service Result From Insurance Contracts Issued (Cont'd.)

Insurance service expenses

Insurance service expenses include the following:

- (a) incurred claims and benefits, excluding investment components reduced by loss component allocations;
- (b) other incurred directly attributable expenses, including amounts of any other pre-recognition cash flows assets (other than insurance acquisition cash flows) derecognised at the date of initial recognition;
- (c) insurance acquisition cash flows amortisation;
- (d) changes that relate to past service – changes in the FCF relating to the LIC;
- (e) changes that relate to future service – changes in the FCF that results in onerous contract losses or reversals of those losses; and
- (f) insurance acquisition cash flows assets impairment.

For contracts not measured under the PAA, amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue, as described above.

Other expenses not meeting the above categories are included in other operating expenses in the statement of profit or loss.

(m) Insurance Service Result from Reinsurance Contracts Held

Net income/(expenses) from reinsurance contracts held

The Company presents financial performance of groups of reinsurance contracts held on a net basis in net income/(expenses) from reinsurance contracts held, comprising the following amounts:

- (a) reinsurance expenses;
- (b) for groups of reinsurance contracts measured under the PAA, broker fees are included within reinsurance expenses;
- (c) incurred claims recovery, excluding investment components reduced by loss-recovery component allocations;
- (d) other incurred directly attributable expenses;
- (e) changes that relate to past service – changes in the FCF relating to incurred claims recovery; and

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(m) Insurance Service Result from Reinsurance Contracts Held (Cont'd.)

Net income/(expenses) from reinsurance contracts held (Cont'd.)

The Company presents financial performance of groups of reinsurance contracts held on a net basis in net income/(expenses) from reinsurance contracts held, comprising the following amounts: (Cont'd.)

- (f) amounts relating to accounting for onerous groups of underlying insurance contracts issued:
 - (i) income on initial recognition of onerous underlying contracts;
 - (ii) reinsurance contracts held under the GMM: reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held; and
 - (iii) reinsurance contracts held under the GMM: changes in the FCF of reinsurance contracts held from onerous underlying contracts.

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received insurance contract services at an amount that reflects the portion of ceding premiums that the Company expects to pay in exchange for those services. Additionally, for reinsurance contracts held measured under the PAA, broker fees are included in reinsurance expenses.

For contracts not measured under the PAA, reinsurance expenses comprise the following amounts relating to changes in the remaining coverage:

- (a) claims and other directly attributable expenses recovery in the period, measured at the amounts expected to be incurred at the beginning of the period, excluding:
 - amounts allocated to the loss-recovery component;
 - repayments of investment components; and
 - amounts related to the risk adjustment for non-financial risk (see (b));
- (b) changes in the risk adjustment for non-financial risk, excluding:
 - changes included in finance income (expenses) from reinsurance contracts held;
 - changes that relate to future coverage (which adjust the CSM); and
 - amounts allocated to the loss-recovery component;
- (c) amounts of the CSM recognised for the services received in the period; and
- (d) experience adjustments – arising from premiums paid in the period other than those that relate to future service.

For groups of reinsurance contracts held measured under the PAA, the group recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(m) Insurance Service Result from Reinsurance Contracts Held (Cont'd.)

Net income/(expenses) from reinsurance contracts held (Cont'd.)

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses. Ceding commissions that are contingent on claims of the underlying contracts issued reduce incurred claims recovery.

(n) Insurance Finance Income or Expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- (a) the effect of the time value of money and changes in the time value of money; and
- (b) the effect of financial risk and changes in financial risk.

For contracts measured under the GMM, the main amounts within insurance finance income or expenses are:

- (a) interest accreted on the FCF and the CSM;
- (b) the effect of changes in interest rates and other financial assumptions, and
- (c) foreign exchange differences.

For contracts measured under the VFA, insurance finance income or expenses comprise changes in the value of underlying items (excluding additions and withdrawals).

The Company disaggregates changes in the risk adjustment for non-financial risk between insurance service results and insurance finance income or expenses for life insurance.

For conventional life, the Company includes all insurance finance income or expenses for the period in profit or loss, except for certain portfolios measured using the GMM where the Other Comprehensive Income ("OCI") option is applied. This is expected to reduce accounting mismatches in profit or loss, considering that many of the supporting financial assets will be debt investments measured at fair value through other comprehensive income ("FVOCI").

The Company systematically allocates expected total insurance finance income or expenses over the duration of the group of contracts to profit or loss using discount rates determined on initial recognition of the group of contracts.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(n) Insurance Finance Income or Expenses (Cont'd.)

In the event of transfer of a group of insurance contracts or derecognition of an insurance contract, the Company reclassifies the insurance finance income or expenses to profit or loss as a reclassification adjustment to any remaining amounts for the group (or contract) that were previously recognised in other comprehensive income.

The groups of insurance contracts, including the CSM, that generate cash flows in a foreign currency are treated as monetary items.

(o) Other Revenue Recognition

Interest income is recognised on a time proportion basis that takes into account the effective yield of the asset.

Rental is recognised on an accrual basis.

Dividend is recognised when the right to receive payment is established.

All sales of investments are recognised on their trade dates i.e., the date the Company commits to sell the assets. Gains or losses arising from the sale of investments are calculated as the difference between net sales proceeds and the original or carrying amount and are credited or charged to the statement of profit or loss.

(p) Foreign Currencies

(i) Functional and Presentation Currency

The financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional and presentation currency.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(p) Foreign Currencies (Cont'd.)

(ii) Foreign Currency Transactions

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency ("foreign currencies") are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Exchange differences arising on the settlement of monetary items and on the translation of monetary items are included in the statement of profit or loss. Exchange differences on equity investments classified as Fair Value Through Comprehensive Income financial assets are included in the fair value reserve in equity.

(q) Income Tax

Income tax in the statement of profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the reporting date.

In addition to paying tax on shareholder's profit, the life insurance business pays tax on policyholders' investment returns at a tax rate of 8%. Tax on policyholders is recognised as an expense and disclosed separately under taxation of life insurance business in the statement of profit or loss.

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(q) Income Tax (Cont'd.)

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the statement of profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

(r) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term, highly liquid investments with original maturity of three months or less from the date of acquisition, or are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

(s) Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provision is discounted using a current pre-tax rate that reflects the risk specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(t) Offsetting of Financial Assets and Financial Liabilities

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expenses are not offset in the statement of profit or loss unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(u) Investment in subsidiary

A subsidiary is an entity over which the Company has all the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

In the Company's financial statements, investment in subsidiary, which relates to investment in collective investment scheme, is carried at fair value.

On disposal of such investment, the difference between the net disposal proceeds and its carrying amount is recognised as gain or loss on disposal in the statement of profit or loss.

The Company is exempted from presenting consolidated financial statements based on the criteria set out in Paragraph 4 of MFRS 10 *Consolidated Financial Statements*.

The immediate holding company, Great Eastern Capital (Malaysia) Sdn. Bhd., prepares the consolidated financial statements in accordance with MFRS in Malaysia, which are available for inspection at the registered office of the immediate holding company.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following are standards, amendments to standards and interpretations to standards issued by MASB, but not yet effective, up to the date of issuance of the Company's financial statements. The Company intends to adopt these standards, amendments to standards and interpretations to standards, if applicable, when they become effective:

Effective for financial periods beginning on or after 1 January 2026

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

Effective for financial 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 121 The Effects of Changes in Foreign Exchange Rates

Deferred

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

Management expects that the adoption of the above standards, amendments to standards and interpretations to standards issued by MASB, but not yet effective, will have no material impact on the financial statements in the period of initial application, except for MFRS 18 as it has impact on presentation and disclosure, in particular those related to the Statement of Profit or Loss and additional disclosures required for management-defined performance measures. The Company is currently assessing the detailed implication of applying the new standard on the financial statements.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the preparation of the Company's financial statements, management makes estimates, assumptions and judgements that affect the reported amounts of revenues, expenses, assets and liabilities at reporting date. Estimates, assumptions and judgements are continually evaluated and based on internal studies of actual historical experience and other factors. Best estimates and assumptions are constantly reviewed to ensure that they remain relevant and valid. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The following are judgements made by management in the process of applying the Company's accounting policies that have significant effect on the amounts recognised in the financial statements.

(i) Insurance business

The Company makes estimates, assumptions and judgments in its estimates of FCF, discount rates used, risk adjustments for non-financial risk, and CSM.

Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk free rate, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the observable market yields of Government Securities in the currency of the insurance contract liabilities. The illiquidity premium is determined by reference to observable market rates.

The Company adopts a bottom-up approach in which discount rates are based on risk-free yield curve and an adjustment for illiquidity premium.

- (a) For risk-free yield curves and Ultimate Forward Rate ("UFR"), references are made in particular to the Bank Negara Malaysia Risk Based Capital Framework ("BNM RBC") which is also aligned with the approach taken by the International Associations of Insurance Supervisors ("IAIS") on the design of the global insurance capital standards ("ICS").
- (b) For illiquidity premium, illiquidity buckets ("illiquidity application ratio") are assigned using an objective scoring system that is based on illiquidity characteristics of products in each group of contracts. Market observable illiquidity premium levels are derived every month-end based on a credit-risk adjusted market spread of reference assets for each currency.

The adjustment of illiquidity premium in (b) is added as a layer in addition to the risk-free yield curve in (a) based on the illiquidity application ratio of each group of contracts.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D.)

(i) Insurance business (Cont'd.)

Discount rates (Cont'd.)

The yield curves that were used to discount the estimates of future cash flows are as follows:

		2025					
		1 year	5 years	10 years	15 years	20 years	30 years
Whole life	MYR	2.846% - 3.274%	3.308% - 3.486%	3.561% - 3.655%	3.871% - 4.043%	4.098% - 4.347%	4.368% - 4.617%
		2.846% - 3.274%	3.308% - 3.486%	3.561% - 3.655%	3.871% - 4.043%	4.098% - 4.347%	4.368% - 4.617%
Endowment	MYR	2.846% - 3.274%	3.308% - 3.486%	3.561% - 3.655%	3.871% - 4.043%	4.098% - 4.347%	4.368% - 4.617%
		2.846% - 3.274%	3.308% - 3.486%	3.561% - 3.655%	3.871% - 4.043%	4.098% - 4.347%	4.368% - 4.617%
Term	MYR	2.846% - 3.274%	3.308% - 3.486%	3.561% - 3.655%	3.871% - 4.043%	4.098% - 4.347%	4.368% - 4.617%
		2.846% - 3.274%	3.308% - 3.486%	3.561% - 3.655%	3.871% - 4.043%	4.098% - 4.347%	4.368% - 4.617%
Annuity	MYR	3.274%	3.486%	3.655%	4.043%	4.347%	4.617%

		2024					
		1 year	5 years	10 years	15 years	20 years	30 years
Whole life	MYR	3.392% - 3.498%	3.717% - 3.773%	3.879% - 3.898%	4.040% - 4.050%	4.196%	4.424%
		3.392% - 3.498%	3.717% - 3.773%	3.879% - 3.898%	4.040% - 4.050%	4.196%	4.424%
Endowment	MYR	3.392% - 3.498%	3.717% - 3.773%	3.879% - 3.898%	4.040% - 4.050%	4.196%	4.424%
		3.392% - 3.498%	3.717% - 3.773%	3.879% - 3.898%	4.040% - 4.050%	4.196%	4.424%
Term	MYR	3.285% - 3.392%	3.661% - 3.717%	3.859% - 3.879%	4.030% - 4.040%	4.196%	4.424%
		3.285% - 3.392%	3.661% - 3.717%	3.859% - 3.879%	4.030% - 4.040%	4.196%	4.424%
Annuity	MYR	3.392%	3.717%	3.879%	4.040%	4.196%	4.424%

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Company's degree of risk aversion. The Company estimates an adjustment for non-financial risk separately from all other estimates. The Company does not consider the effect of reinsurance in the risk adjustment for non-financial risk of the underlying insurance contracts.

The confidence level technique was used to derive the overall risk adjustment for non-financial risk. Applying a confidence level technique, the Company estimates the probability distribution of the expected present value of the future cash flows from the contracts at each reporting date and calculate the risk adjustment for non-financial risk as the excess of the value at risk at the target confidence level over the expected present value of the future cash flows allowing for the associate risks over all future years. The target confidence level will be at 85th percentile.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D.)

(i) Insurance business (Cont'd.)

Estimates of future cash flows

In estimating future cash flows, the Company incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience updated to reflect current expectations of future events.

The estimates of future cash flows will reflect the Company's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

When estimating future cash flows, the Company takes into account current expectations of future events that might affect cash flows. Cash flows within the boundary of a contract are those that relate directly to the fulfilment of the contract, including those for which the Company has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts. Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

Cash flows will be attributed to acquisition activities, other fulfilment activities and other activities at local entity level using activity-based costing techniques. Cash flows attributable to acquisition and other fulfilment activities will be allocated to groups of contracts using methods that are systematic and rational and will be consistently applied to all costs that have similar characteristics.

Coverage units

The number of coverage units in a group is the quantity of coverage provided by the contracts in the group, determined by considering for each contract the quantity of the benefits provided under a contract and its expected coverage duration. The coverage units are assessed at each reporting period-end prospectively by considering:

- a. the quantity of benefits provided by contracts in the group;
- b. the expected coverage period of contracts in the group; and
- c. the likelihood of insured events occurring, only to the extent that they affect the expected coverage period of contracts in the group.

The Company uses the amount that it expects the policyholder to be able to validly claim in each period if an insured event occurs as the basis for the quantity of benefits with respect to insurance coverage.

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

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D.)

(ii) Agents' Retirement Benefits

The carrying amount for agents' retirement benefits is calculated in accordance with the terms and conditions of the agreement, which stipulate that upon the agent maintaining his position for the qualifying year and achieving the required personal sales and minimum new business, the Company shall allocate to the agent a deferred benefit/retirement benefit. Interest will be accrued based on an estimated rate at the end of the financial year on the deferred benefit/retirement benefit accumulated with adjustment made subsequent to the year end when the participating fund rate of return is known or when the dividend rate is declared by the Employees' Provident Fund ("EPF").

The Company will adjust the carrying amount of ARB to reflect the actual and revised estimated cash flows, to cover estimated liability for future benefits payable. The ARB shall become vested and payable upon fulfilment of the stipulated conditions.

Judgement is required to:

- (i) determine whether the Agreements contain significant insurance risk; and
- (ii) estimate the changes in ARB to be made, based upon the likely fulfilment of the conditions and occurrence of the claimable event.

At each reporting year, these estimates are reassessed for adequacy and changes will be reflected as adjustments to the carrying amount.

198201013982 (93745-A)

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

3. PROPERTY AND EQUIPMENT

(a) OWNED

	Properties			Capital Work-in- Progress RM'000	Motor Vehicles RM'000	Office Machinery RM'000	Office Furniture and Fittings RM'000	Computer Equipment RM'000	Total RM'000
	Freehold Land RM'000	Buildings on Freehold Land RM'000	Buildings on Leasehold Land RM'000						
Cost									
At 1 January 2025	11,907	341,363	101,116	4,225	1,626	97,417	55,458	284,881	897,993
Additions	-	-	-	9,043	-	5,502	5,212	12,942	32,699
Disposals	-	-	-	-	-	-	-	(3,541)	(3,541)
Reclassification	-	-	-	(20)	-	-	-	-	(20)
At 31 December 2025	11,907	341,363	101,116	13,248	1,626	102,919	60,670	294,282	927,131
Accumulated Depreciation and Impairment									
At 1 January 2025	-	180,790	33,666	-	1,265	91,630	34,703	264,645	606,699
Depreciation charge for the financial year (Note 21)	-	8,855	-	-	104	2,406	3,432	12,151	26,948
Disposals	-	-	-	-	-	-	-	(3,541)	(3,541)
At 31 December 2025	-	189,645	33,666	-	1,369	94,036	38,135	273,255	630,106
Net Book Value									
At 31 December 2025	11,907	151,718	67,450	13,248	257	8,883	22,535	21,027	297,025

198201013982 (93745-A)

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

3. PROPERTY AND EQUIPMENT (CONT'D.)

(a) OWNED (CONT'D.)

	Properties			Capital Work-in- Progress RM'000	Motor Vehicles RM'000	Office Machinery RM'000	Office Furniture and Fittings RM'000	Computer Equipment RM'000	Total RM'000
	Freehold Land RM'000	Buildings on Freehold Land RM'000	Buildings on Leasehold Land RM'000						
Cost									
At 1 January 2024	11,907	341,363	101,116	532	1,648	93,999	41,683	272,850	865,098
Additions	-	-	-	3,693	150	3,418	13,775	13,995	35,031
Disposals	-	-	-	-	(172)	-	-	(558)	(730)
Written off	-	-	-	-	-	-	-	(1,406)	(1,406)
At 31 December 2024	11,907	341,363	101,116	4,225	1,626	97,417	55,458	284,881	897,993
Accumulated Depreciation and Impairment									
At 1 January 2024	-	171,935	33,666	-	1,241	89,643	32,009	254,760	583,254
Depreciation charge for the financial year (Note 21)	-	8,855	-	-	196	1,987	2,694	10,443	24,175
Disposals	-	-	-	-	(172)	-	-	(558)	(730)
At 31 December 2024	-	180,790	33,666	-	1,265	91,630	34,703	264,645	606,699
Net Book Value									
At 31 December 2024	11,907	160,573	67,450	4,225	361	5,787	20,755	20,236	291,294

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

3. PROPERTY AND EQUIPMENT (CONT'D.)

(a) OWNED (CONT'D.)

Included in property and equipment are the cost of fully depreciated assets which are still in use amounting to RM375,343,963 (2024: RM361,671,822).

Included in property and equipment are properties with a total net book value amounting to RM28,260,945 (2024: RM28,954,291) for which title deeds are still in the process of being transferred to the Life Insurance Fund.

(b) RIGHT-OF-USE ASSETS

	Long Term Leasehold Land RM'000	Other Right-of- Use Assets RM'000	Total RM'000
Cost			
At 1 January 2025	17,906	6,581	24,487
Additions	-	1,571	1,571
At 31 December 2025	<u>17,906</u>	<u>8,152</u>	<u>26,058</u>
Accumulated amortisation/depreciation			
At 1 January 2025	(2,474)	(5,609)	(8,083)
Charge for the financial year (Note 21)	(131)	(905)	(1,036)
At 31 December 2025	<u>(2,605)</u>	<u>(6,514)</u>	<u>(9,119)</u>
Net Book Value			
At 31 December 2025	<u>15,301</u>	<u>1,638</u>	<u>16,939</u>
Cost			
At 1 January 2024	17,906	6,357	24,263
Additions	-	224	224
At 31 December 2024	<u>17,906</u>	<u>6,581</u>	<u>24,487</u>
Accumulated amortisation/depreciation			
At 1 January 2024	(2,343)	(5,015)	(7,358)
Charge for the financial year (Note 21)	(131)	(594)	(725)
At 31 December 2024	<u>(2,474)</u>	<u>(5,609)</u>	<u>(8,083)</u>
Net Book Value			
At 31 December 2024	<u>15,432</u>	<u>972</u>	<u>16,404</u>

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

3. PROPERTY AND EQUIPMENT (CONT'D.)

(b) RIGHT-OF-USE ASSETS (CONT'D.)

This note provides information for leases where the Company is a lessee.

The Company has entered into operating lease agreements for computer equipment and office rental. These non-cancellable leases have remaining non-cancellable lease terms of between 3 and 5 years. Several of these lease contracts also include extension and termination options.

The Company also has certain leases of office equipment and carparks with lease terms of 12 months or less and leases with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The following are the amounts recognised in profit or loss:

	2025	2024
	RM'000	RM'000
Depreciation expense of right-of-use assets	905	594
Interest expense on lease liabilities	90	70
Expense relating to leases of low-value assets	76	420
Expense relating to short-term leases	42	54
Total amount recognised in profit or loss	<u>1,113</u>	<u>1,138</u>

The total cash outflow for leases in 2025 was RM928,895 (2024: RM1,144,597).

(c) LEASE LIABILITIES

	Lease Liabilities: Buildings RM'000	Lease Liabilities: Office equipment RM'000	Total RM'000
Lease liabilities			
At 1 January 2025	1,612	-	1,612
Additions	127	1,444	1,571
Payment of lease liabilities	(504)	(307)	(811)
Interest expense on lease liabilities (Note 21)	46	44	90
Reclassification	(389)	-	(389)
At 31 December 2025	<u>892</u>	<u>1,181</u>	<u>2,073</u>
At 1 January 2024	1,824	165	1,989
Additions	224	-	224
Payment of lease liabilities	(505)	(166)	(671)
Interest expense on lease liabilities (Note 21)	69	1	70
At 31 December 2024	<u>1,612</u>	<u>-</u>	<u>1,612</u>

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

4. INTANGIBLE ASSETS

	Distribution Platform RM'000	Computer Software RM'000	Total RM'000
Cost			
At 1 January 2025	4,372	575,090	579,462
Additions	-	33,751	33,751
Write-offs	-	(22)	(22)
At 31 December 2025	<u>4,372</u>	<u>608,819</u>	<u>613,191</u>
Accumulated Amortisation			
At 1 January 2025	(3,420)	(387,658)	(391,078)
Amortisation for the financial year (Note 21)	(673)	(37,526)	(38,199)
At 31 December 2025	<u>(4,093)</u>	<u>(425,184)</u>	<u>(429,277)</u>
Net Book Value			
At 31 December 2025	<u>279</u>	<u>183,635</u>	<u>183,914</u>
Cost			
At 1 January 2024	4,372	535,821	540,193
Additions	-	40,055	40,055
Disposals	-	(786)	(786)
At 31 December 2024	<u>4,372</u>	<u>575,090</u>	<u>579,462</u>
Accumulated Amortisation			
At 1 January 2024	(2,747)	(358,211)	(360,958)
Amortisation for the financial year (Note 21)	(673)	(29,624)	(30,297)
Disposals	-	177	177
At 31 December 2024	<u>(3,420)</u>	<u>(387,658)</u>	<u>(391,078)</u>
Net Book Value			
At 31 December 2024	<u>952</u>	<u>187,432</u>	<u>188,384</u>

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

5. INVESTMENT PROPERTIES

	2025	2024
	RM'000	RM'000
At 1 January	968,500	969,650
Additions	-	21,779
Reclassification	20	
Fair value (loss)/gain (Note 20)	(6,520)	(22,929)
At 31 December	<u>962,000</u>	<u>968,500</u>

The Company's investment properties consist of commercial and residential properties in Malaysia.

As at 31 December 2025, the fair values of the properties are based on valuations performed by CBRE WTW Valuation & Advisory Sdn. Bhd. (formerly known as Messrs. C H Williams Talhar & Wong Sdn. Bhd.) (2024: CBRE WTW Valuation & Advisory Sdn. Bhd.), an accredited independent firm of property valuers. The property valuers are specialists in valuing these types of investment properties. The valuation models applied are in accordance with that recommended by the International Valuation Standards Committee and meets the requirements of MFRS 13 *Fair Value Measurements*.

The amount of rental income and expenses recorded in the statement of profit or loss in respect of investment properties of the Company, is as follows:

	2025	2024
	RM'000	RM'000
Rental income derived from investment properties	47,751	40,924
Direct operating expenses (including repairs and maintenance) incurred in generating rental income	(18,880)	(13,987)
	<u>28,871</u>	<u>26,937</u>

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value disclosures for investment properties have been provided in Note 30.

The Company has determined that the highest and best use of the properties used for commercial and residential purposes is its current use.

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

6. INVESTMENTS

UNDERLYING ITEMS

The following table sets out the composition and the fair value of underlying items of the Company's contracts measured under the VFA.

	2025	2024
	RM'000	RM'000
Property and equipment	286,573	279,964
Investment properties	891,548	897,268
Equity securities	27,454,037	27,634,946
Debt securities	54,472,919	50,608,076
Collective investment schemes	5,028,404	4,826,820
Loans	150,555	166,126
Derivative financial instruments	3,884	3,034
Cash and cash equivalents	1,469,940	2,095,347
Total	89,757,860	86,511,581

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

6. INVESTMENTS (CONT'D.)

	2025	2024
	RM'000	RM'000
Malaysian government securities	17,697,346	15,306,421
Debt securities	44,618,713	42,472,447
Equity securities	28,994,899	29,238,472
Unit and property trust funds	5,443,379	4,109,837
Investment in subsidiary:		
Collective investment scheme	2,502,762	2,314,653
	<u>99,257,099</u>	<u>93,441,830</u>

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

FVOCI (Note 6(a))	7,504,267	6,992,018
FVTPL (Note 6(b))	91,752,832	86,449,812
	<u>99,257,099</u>	<u>93,441,830</u>

The following investments mature after 12 months:

FVOCI	5,505,204	5,195,110
FVTPL	53,279,288	50,432,416
	<u>58,784,492</u>	<u>55,627,526</u>

(a) FVOCI

	2025	2024
	RM'000	RM'000
At Fair Value:		
Equity securities:		
Quoted in Malaysia		
- Kuala Lumpur Stock Exchange	744,469	679,155
Quoted outside Malaysia		
- Singapore Exchange	280,810	276,376
- Hong Kong Exchange	345,825	338,491
Unquoted in Malaysia	66,595	64,473
Malaysian government securities	1,347,449	1,371,689
Debt securities:		
Unquoted in Malaysia	4,719,119	4,261,834
	<u>7,504,267</u>	<u>6,992,018</u>

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

6. INVESTMENTS (CONT'D.)

(a) FVOCI (Cont'd.)

The Company has designated its equity investments at FVOCI with a total fair value amounting to RM1,437,699,000 (2024: RM1,358,495,000) with details below:

	2025	2024
	RM'000	RM'000
By sector		
Agriculture	31,655	52,391
Automotive Manufactures	23,047	21,466
Banks	486,284	406,848
Beverages	77,644	67,090
Computers	-	702
Commercial Services	30,997	-
Distribution & Wholesale	21,789	16,739
Electric Companies	686	17,158
Electronics	22,621	17,886
Engineering & Construction	86,155	100,622
Entertainment	12,196	19,591
Financial Services	66,547	45,279
Gas	30,013	31,451
Healthcare Products	-	3,058
Holding Companies	75,132	85,175
Insurance	-	7,052
Investment Companies	22,367	28,910
Lodging	6,179	7,260
Multi Industry	27,045	24,410
Oil & Gas Producers	85,430	92,869
Private Equity	14,333	-
Real Estate	41,668	53,917
Retail	28,822	44,183
Telecommunications	177,548	155,725
Transportation	69,541	58,713
	<u>1,437,699</u>	<u>1,358,495</u>

During the financial year ended 31 December 2025, the Company sold listed equity securities as the underlying investments are no longer aligned with the Company's long-term investment strategy. These investments had a fair value of RM293,199,413 (2024: RM196,041,846) at the date of disposal. The cumulative gain on disposal (net of tax) of RM641,163 (2024: cumulative loss on disposal (net of tax) of RM6,786,601) was reclassified from fair value reserve to retained earnings.

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

6. INVESTMENTS (CONT'D.)

(b) FVTPL

	2025	2024
	RM'000	RM'000
At Fair Value:		
Equity securities:		
Quoted in Malaysia	24,042,397	23,505,273
Quoted outside Malaysia	2,832,228	3,476,888
Unquoted in Malaysia	682,575	897,816
Debt securities:		
Quoted in Malaysia	-	962
Quoted outside Malaysia	209,379	205,588
Unquoted in Malaysia	5,431,077	4,829,633
Unquoted outside Malaysia	148,288	132,140
Unit and property trust funds:		
Quoted in Malaysia	654,133	527,233
Quoted outside Malaysia	586,931	393,958
Unquoted in Malaysia	556,677	409,340
Unquoted outside Malaysia	3,645,638	2,779,306
Collective investment schemes		
- subsidiary		
Unquoted in Malaysia	2,502,762	2,314,653
	<u>41,292,085</u>	<u>39,472,790</u>
Designated upon initial recognition:		
Malaysian government securities	16,349,897	13,934,732
Debt securities:		
Unquoted in Malaysia	34,070,263	32,954,581
Unquoted outside Malaysia	40,587	87,709
	<u>50,460,747</u>	<u>46,977,022</u>
	<u>91,752,832</u>	<u>86,449,812</u>

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

6. INVESTMENTS (CONT'D.)

(c) Investment in subsidiary - collective investment scheme

	2025	2024
	RM'000	RM'000
At fair value:		
FVTPL (Note 6(b))	2,502,762	2,314,653

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

Name of wholesale unit trust fund	Principal activities	% of ownership interest held by the Company	
		2025	2024
AHAM Wholesale Equity Fund 2 (i)	Investment in equity and collective investment schemes	99.54%	93.60%
AHAM Wholesale Income Fund (ii)	Investment in debt securities and money market	97.33%	96.94%
AmInstitutional Income Bond SRI (iii)	Investment in debt securities and money market	81.57%	79.90%

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

- (i) By virtue of clause 16.1.2 of the Deed signed between TMF Trustees Malaysia Berhad ("the Trustee") and Affin Hwang Asset Management Berhad ("the Fund Manager"), the Unitholders of the Fund may apply to the Fund Manager to summon a meeting for any purpose, without limitation, for the purpose of requiring the retirement or removal of the Fund Manager.

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

6. INVESTMENTS (CONT'D.)

(c) Investment in subsidiary - collective investment scheme (Cont'd.)

The Company has determined that it has control over the Fund, based on the following rationale: (Cont'd.)

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

The Company has determined that it is able to exert its power in order to influence returns from its investment in the Fund by virtue of clause 16.1.2 and 17.1.2 as disclosed above.

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

The accounting policy on investment in subsidiary is set out in Note 2.2(u).

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

7. LOANS

	2025	2024
	RM'000	RM'000
Loans and other financial assets at amortised cost		
Loans comprise the following:		
Mortgage loans	179,521	201,524
Secured loans	1,644	1,692
Unsecured loans	36,280	42,627
	<u>217,445</u>	<u>245,843</u>
less: Provision for impairment of mortgage loans (Note 29(g))	(12,611)	(17,365)
less: Provision for impairment of unsecured loans (Note 29(g))	(33)	(29)
	<u>204,801</u>	<u>228,449</u>

The following investments mature after 12 months:

Loans	203,866	227,712
-------	---------	---------

If loans were carried at fair value, the carrying amounts would be as follows:

Loans	<u>224,487</u>	<u>256,809</u>
-------	----------------	----------------

Loans and other financial assets at amortised cost:

Cash and cash equivalents	2,046,812	3,288,389
Other receivables	801,791	772,547
Loans	204,801	228,449
Total loans and financial assets at amortised cost	<u>3,053,404</u>	<u>4,289,385</u>

Loans analysed by Interest Rate Sensitivity and Geography

Fixed

Malaysia	<u>204,801</u>	<u>228,449</u>
	<u>204,801</u>	<u>228,449</u>

The analysis by interest rate sensitivity is based on where the transactions are booked and where the credit risk resides.

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

8. INSURANCE AND REINSURANCE CONTRACTS

The breakdown of groups of insurance and reinsurance contracts issued, and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

	2025	2024
	RM'000	RM'000
Insurance contracts issued		
Insurance contract liabilities	96,115,225	93,105,215
Insurance contract assets	18,589	16,317
Total insurance contracts issued	<u>96,096,636</u>	<u>93,088,898</u>
Reinsurance contracts held		
Reinsurance contract assets	439,296	239,175
Reinsurance contract liabilities	233,591	237,017
Total reinsurance contracts held	<u>205,705</u>	<u>2,158</u>

Detailed reconciliations of changes in insurance contract balances during the year are included in Notes 8.1.

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

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

8. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)

8.1 Life insurance - insurance contracts issued

8.1.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims

A *Roll-forward of net asset or liability for life insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims.*

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for portfolios included in life insurance unit, is disclosed in the table below:

	2025				2024			
	Liabilities for remaining coverage			Total	Liabilities for remaining coverage			Total
	Excluding loss component	Loss component	Liabilities for incurred claims		Excluding loss component	Loss component	Liabilities for incurred claims	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Insurance contract liabilities as at 1 January	76,859,222	786,493	15,459,500	93,105,215	71,688,253	361,462	14,748,376	86,798,091
Insurance contract assets as at 1 January	13,483	-	(29,800)	(16,317)	13,202	-	(29,658)	(16,456)
Net insurance contract liabilities as at 1 January	76,872,705	786,493	15,429,700	93,088,898	71,701,455	361,462	14,718,718	86,781,635
Insurance revenue:								
Contracts under modified retrospective approach	(2,800,370)	-	-	(2,800,370)	(2,624,994)	-	-	(2,624,994)
Contracts under fair value transition approach	(3,675,051)	-	-	(3,675,051)	(3,818,454)	-	-	(3,818,454)
Other contracts	(2,410,347)	-	-	(2,410,347)	(1,925,500)	-	-	(1,925,500)

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

8. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)

8.1 Life insurance - insurance contracts issued (Cont'd.)

8.1.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims (Cont'd.)

	2025				2024			
	Liabilities for remaining coverage			Total	Liabilities for remaining coverage			Total
	Excluding loss component	Loss component	Liabilities for incurred claims		Excluding loss component	Loss component	Liabilities for incurred claims	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Insurance service expenses:								
Incurring claims and other expenses	-	(363,940)	5,875,000	5,511,060	-	(238,987)	5,543,909	5,304,922
Amortisation of insurance acquisition cash flows	736,424	-	-	736,424	663,967	-	-	663,967
Losses on onerous contracts and reversals of those losses	-	643,177	-	643,177	-	656,416	-	656,416
Changes to liabilities for incurred claims	-	-	210,811	210,811	-	-	(3,503)	(3,503)
Insurance service result	(8,149,344)	279,237	6,085,811	(1,784,296)	(7,704,981)	417,429	5,540,406	(1,747,146)
Insurance finance income	4,451,172	13,707	638,525	5,103,404	7,584,128	7,418	585,063	8,176,609
Total changes in the statement of profit or loss and OCI	(3,698,172)	292,944	6,724,336	3,319,108	(120,853)	424,847	6,125,469	6,429,463

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

8. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)

8.1 Life insurance - insurance contracts issued (Cont'd.)

8.1.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims (Cont'd.)

	2025				2024			
	Liabilities for remaining coverage			Total	Liabilities for remaining coverage			Total
	Excluding loss component	Loss component	Liabilities for incurred claims		Excluding loss component	Loss component	Liabilities for incurred claims	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Investment components	(3,823,853)	-	3,823,853	-	(3,853,843)	-	3,853,843	-
Cash flows								
Premiums received	10,850,650	-	-	10,850,650	10,732,935	-	-	10,732,935
Claims and other expenses paid	-	-	(9,578,763)	(9,578,763)	-	-	(9,216,269)	(9,216,269)
Insurance acquisition cash flows	(1,637,115)	-	-	(1,637,115)	(1,637,944)	-	-	(1,637,944)
Total cash flows	9,213,535	-	(9,578,763)	(365,228)	9,094,991	-	(9,216,269)	(121,278)
Other movements	109,497	-	(55,639)	53,858	50,955	184	(52,061)	(922)
Net insurance contract liabilities as at 31 December	78,673,712	1,079,437	16,343,487	96,096,636	76,872,705	786,493	15,429,700	93,088,898
Insurance contract liabilities as at 31 December	78,660,209	1,079,457	16,375,559	96,115,225	76,859,222	786,493	15,459,500	93,105,215
Insurance contract assets as at 31 December	13,503	(20)	(32,072)	(18,589)	13,483	-	(29,800)	(16,317)
Insurance contract liabilities as at 31 December	78,673,712	1,079,437	16,343,487	96,096,636	76,872,705	786,493	15,429,700	93,088,898

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

8. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)

8.1 Life insurance - insurance contracts issued (Cont'd.)

8.1.2 Reconciliation of the measurement components of insurance contract balances - contracts not measured under the PAA

B Roll-forward of the net asset or liability for life insurance contracts issued showing estimates of the present value of future cash flows, risk adjustment and CSM.

The table below presents a roll-forward of the net asset or liability for insurance contracts issued showing estimates of the present value of future cash flows, risk adjustment and CSM for portfolios included in the life insurance unit.

	2025				2024			
	Estimates of the present value of future cash flows RM'000	Risk adjustment for non- financial risk RM'000	CSM RM'000	Total RM'000	Estimates of the present value of future cash flows RM'000	Risk adjustment for non- financial risk RM'000	CSM RM'000	Total RM'000
Insurance contract liabilities as at 1 January	73,106,271	9,726,410	10,272,534	93,105,215	66,297,358	9,755,529	10,745,204	86,798,091
Insurance contract assets as at 1 January	(16,374)	-	57	(16,317)	(16,513)	-	57	(16,456)
Net insurance contract liabilities as at 1 January	73,089,897	9,726,410	10,272,591	93,088,898	66,280,845	9,755,529	10,745,261	86,781,635
Changes that relate to current services								
CSM recognised for services provided	-	-	(1,015,208)	(1,015,208)	-	-	(1,096,737)	(1,096,737)
Risk adjustment recognised for the risk expired	-	(1,403,999)	-	(1,403,999)	-	(1,313,655)	-	(1,313,655)
Experience adjustments	(219,077)	-	-	(219,077)	10,332	-	-	10,332

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

8. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)

8.1 Life insurance - insurance contracts issued (Cont'd.)

8.1.2 Reconciliation of the measurement components of insurance contract balances - contracts not measured under the PAA (Cont'd.)

	2025				2024			
	Estimates of the present value of future cash flows	Risk adjustment for non- financial risk	CSM	Total	Estimates of the present value of future cash flows	Risk adjustment for non- financial risk	CSM	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Changes that relate to future services								
Contracts initially recognised in the period	(1,774,194)	1,070,856	883,511	180,173	(2,090,695)	1,303,969	913,006	126,280
Changes in estimates that adjust the CSM	(602,810)	920,039	(317,229)	-	966,911	(335,059)	(631,852)	-
Changes that result in onerous losses or reversal of such losses	199,528	263,475	-	463,003	450,313	79,823	-	530,136
Changes that relate to past services								
Adjustments to liabilities for incurred claims	190,281	20,530	-	210,811	(6,263)	2,760	-	(3,503)
Insurance service result	(2,206,272)	870,901	(448,926)	(1,784,297)	(669,402)	(262,162)	(815,583)	(1,747,147)
Insurance finance income	4,363,727	437,354	302,323	5,103,404	7,600,653	233,043	342,913	8,176,609
Total changes in the statement of profit or loss and OCI	2,157,455	1,308,255	(146,603)	3,319,107	6,931,251	(29,119)	(472,670)	6,429,462

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

8. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)

8.1 Life insurance - insurance contracts issued (Cont'd.)

8.1.2 Reconciliation of the measurement components of insurance contract balances - contracts not measured under the PAA (Cont'd.)

	2025				2024			
	Estimates of the present value of future cash flows	Risk adjustment for non- financial risk	CSM	Total	Estimates of the present value of future cash flows	Risk adjustment for non- financial risk	CSM	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash flows								
Premiums received	10,850,650	-	-	10,850,650	10,732,935	-	-	10,732,935
Claims and other expenses paid	(9,578,763)	-	-	(9,578,763)	(9,216,269)	-	-	(9,216,269)
Insurance acquisition cash flows	(1,637,115)	-	-	(1,637,115)	(1,637,944)	-	-	(1,637,944)
Total cash flows	(365,228)	-	-	(365,228)	(121,278)	-	-	(121,278)
Transfer to other items in the statement of financial position	53,859	-	-	53,859	(921)	-	-	(921)
Net insurance contract liabilities as at 31 December	74,935,983	11,034,665	10,125,988	96,096,636	73,089,897	9,726,410	10,272,591	93,088,898
Insurance contract liabilities as at 31 December	74,954,629	11,034,665	10,125,931	96,115,225	73,106,271	9,726,410	10,272,534	93,105,215
Insurance contract assets as at 31 December	(18,646)	-	57	(18,589)	(16,374)	-	57	(16,317)
Net insurance contract liabilities as at 31 December	74,935,983	11,034,665	10,125,988	96,096,636	73,089,897	9,726,410	10,272,591	93,088,898

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

8. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)

8.1 Life insurance - insurance contracts issued (Cont'd.)

8.1.3 Impact of contracts recognised during the year - contracts not measured under the PAA

C The components of new business

The components of new business for insurance contracts issued included in the life insurance unit is disclosed in the table below:

	2025			2024		
	Contracts issued			Contracts issued		
	Non-onerous RM'000	Onerous RM'000	Total RM'000	Non-onerous RM'000	Onerous RM'000	Total RM'000
Estimate of present value of future cash outflows						
Claims and other directly attributable expenses	6,569,237	760,551	7,329,788	8,075,813	542,619	8,618,432
Insurance acquisition cash flows	1,550,601	93,583	1,644,184	1,882,489	49,850	1,932,339
Estimate of present value of future cash outflows	8,119,838	854,134	8,973,972	9,958,302	592,469	10,550,771
Estimates of present value of future cash inflows	(9,895,886)	(852,279)	(10,748,165)	(12,049,001)	(592,464)	(12,641,465)
Risk adjustment	892,537	178,318	1,070,855	1,177,694	126,275	1,303,969
CSM	883,511	-	883,511	913,005	-	913,005
Amount included in insurance contract liabilities for the financial year	-	180,173	180,173	-	126,280	126,280

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

8. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)

8.1 Life insurance - insurance contracts issued (Cont'd.)

8.1.4 Amounts determined on transition to MFRS 17

D The impacts on the current period of transition approaches adopted to establishing CSMs

The impact on the current period of the transition approaches adopted to establishing CSMs for insurance contracts portfolios included in the life insurance unit is disclosed in the table below:

	2025				2024			
	Contracts using the modified retrospective approach	Contracts using the fair value approach	All other contracts	Total	Contracts using the modified retrospective approach	Contracts using the fair value approach	All other contracts	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
CSM as at 1 January	6,153,319	1,467,989	2,651,283	10,272,591	7,735,577	1,488,093	1,521,591	10,745,261
Changes that relate to current services								
CSM recognised for services provided	(606,351)	(157,097)	(251,760)	(1,015,208)	(760,264)	(133,867)	(202,605)	(1,096,736)
Changes that relate to future services								
Contracts initially recognised in the period	-	-	883,511	883,511	-	-	913,005	913,005
Changes in estimates that adjust the CSM	(630,127)	347,204	(34,306)	(317,229)	(1,112,108)	108,558	371,698	(631,852)
Insurance service result	(1,236,478)	190,107	597,445	(448,926)	(1,872,372)	(25,309)	1,082,098	(815,583)
Insurance finance expenses	218,939	5,557	77,827	302,323	290,114	5,205	47,594	342,913
Total changes in the statement of profit or loss and OCI	(1,017,539)	195,664	675,272	(146,603)	(1,582,258)	(20,104)	1,129,692	(472,670)
CSM as at 31 December	5,135,780	1,663,653	3,326,555	10,125,988	6,153,319	1,467,989	2,651,283	10,272,591

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

8. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)

8.2 Life insurance - reinsurance contracts held

8.2.1 Reconciliation of the liability for remaining coverage and incurred claims

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising business ceded to reinsurers in the life insurance unit is disclosed in the table below:

	2025				2024				
	Assets for remaining coverage			Assets for incurred claims	Assets for remaining coverage			Assets for incurred claims	Total
	Excluding loss-component	Loss-component	Total		Excluding loss-component	Loss-component	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Reinsurance contract assets as at 1 January	125,492	-	113,683	239,175	13,285	-	132,318	145,603	
Reinsurance contract liabilities as at 1 January	(258,704)	-	21,687	(237,017)	(270,727)	-	28,016	(242,711)	
Net reinsurance contract assets/(liabilities) as at 1 January	(133,212)	-	135,370	2,158	(257,442)	-	160,334	(97,108)	
Allocation of reinsurance premiums	(468,300)	-	-	(468,300)	(428,966)	-	-	(428,966)	
Amounts recoverable from reinsurers:									
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	61,906	-	61,906	-	-	-	-	
Recoveries of incurred claims and other insurance service expenses	-	(8,826)	478,282	469,456	-	-	313,274	313,274	
Net (expense)/income from reinsurance contracts held	(468,300)	53,080	478,282	63,062	(428,966)	-	313,274	(115,692)	
Net finance (expense)/income from reinsurance contracts	(3,453)	419	-	(3,034)	1,538	-	-	1,538	
Total changes in the statement of profit or loss and OCI	(471,753)	53,499	478,282	60,028	(427,428)	-	313,274	(114,154)	
Cash flows									
Premiums paid	507,769	-	-	507,769	640,201	-	-	640,201	
Amounts received	(364,250)	-	-	(364,250)	(426,781)	-	-	(426,781)	
Total cash flows	143,519	-	-	143,519	213,420	-	-	213,420	

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

8. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)

8.2 Life insurance - reinsurance contracts held (Cont'd.)

8.2.1 Reconciliation of the liability for remaining coverage and incurred claims (Cont'd.)

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising business ceded to reinsurers in the life insurance unit is disclosed in the table below: (Cont'd.)

	2025				2024				
	Assets for remaining coverage			Assets for incurred claims	Assets for remaining coverage			Assets for incurred claims	Total
	Excluding loss-component	Loss-component	Total		Excluding loss-component	Loss-component	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Other movements	467,020	-	(467,020)	-	338,238	-	(338,238)	-	
Net reinsurance contract assets/(liabilities) as at 31 December	5,574	53,499	146,632	205,705	(133,212)	-	135,370	2,158	
Reinsurance contract assets as at 31 December	268,842	52,731	117,723	439,296	125,492	-	113,683	239,175	
Reinsurance contract liabilities as at 31 December	(263,268)	768	28,909	(233,591)	(258,704)	-	21,687	(237,017)	
Net reinsurance contract assets/(liabilities) as at 31 December	5,574	53,499	146,632	205,705	(133,212)	-	135,370	2,158	

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

8. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)

8.2 Life insurance - reinsurance contracts held (Cont'd.)

8.2.2 Reconciliation of the measurement components of reinsurance contract balances - contracts not measured under the PAA

B Roll-forward of the net asset or liability for life insurance contracts issued showing estimates of the present value of future cash flows, risk adjustment and CSM.

The table below presents a roll-forward of the net asset or liability for reinsurance contracts held showing estimates of the present value of future cash flows, risk adjustment and CSM for reinsurance held portfolios included in life insurance unit.

	2025				2024			
	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Reinsurance contract assets as at 1 January	(54,336)	882,902	(589,391)	239,175	(128,552)	790,811	(516,656)	145,603
Reinsurance contract liabilities as at 1 January	(395,768)	51,673	111,133	(232,962)	(377,407)	45,861	90,521	(241,025)
Net reinsurance contract assets/(liabilities) as at 1 January	(450,104)	934,575	(478,258)	6,213	(505,959)	836,672	(426,135)	(95,422)
Changes that relate to current service								
CSM recognised for services provided	-	-	24,386	24,386	-	-	84,726	84,726
Risk adjustment recognised for the risk expired	-	(77,236)	-	(77,236)	-	(98,194)	-	(98,194)
Experience adjustments	57,012	-	-	57,012	(99,855)	-	-	(99,855)
Changes that relate to future services								
Contracts initially recognised in the period	(44,120)	103,603	(52,793)	6,690	(16,002)	89,819	(73,817)	-

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

8. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)

8.2 Life insurance - reinsurance contracts held (Cont'd.)

8.2.2 Reconciliation of the measurement components of reinsurance contract balances - contracts not measured under the PAA (Cont'd.)

B Roll-forward of the net asset or liability for life insurance contracts issued showing estimates of the present value of future cash flows, risk adjustment and CSM. (Cont'd.)

The table below presents a roll-forward of the net asset or liability for reinsurance contracts held showing estimates of the present value of future cash flows, risk adjustment and CSM for reinsurance held portfolios included in life insurance unit. (Cont'd.)

	2025				2024			
	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Changes that relate to current service (cont'd.)								
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	55,218	-	-	55,218	-	-	-	-
Changes in estimates that adjust the CSM	(303,069)	(29,706)	332,775	-	(8,123)	53,613	(45,490)	-
Net income/(expense) from reinsurance contracts held	(234,959)	(3,339)	304,368	66,070	(123,980)	45,238	(34,581)	(113,323)
Net finance income/(expenses) from reinsurance contracts held	(24,320)	37,694	(16,409)	(3,035)	(33,585)	52,665	(17,542)	1,538
Total changes in the statement of profit or loss and OCI	(259,279)	34,355	287,959	63,035	(157,565)	97,903	(52,123)	(111,785)

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

8. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)

8.2 Life insurance - reinsurance contracts held (Cont'd.)

8.2.2 Reconciliation of the measurement components of reinsurance contract balances - contracts not measured under the PAA (Cont'd.)

B Roll-forward of the net asset or liability for life insurance contracts issued showing estimates of the present value of future cash flows, risk adjustment and CSM. (Cont'd.)

The table below presents a roll-forward of the net asset or liability for reinsurance contracts held showing estimates of the present value of future cash flows, risk adjustment and CSM for reinsurance held portfolios included in life insurance unit. (Cont'd.)

	2025				2024			
	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash flows								
Premiums paid	507,769	-	-	507,769	640,201	-	-	640,201
Amounts received	(364,250)	-	-	(364,250)	(426,781)	-	-	(426,781)
Total cash flows	143,519	-	-	143,519	213,420	-	-	213,420
Other movements	-	-	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at 31 December	(565,864)	968,930	(190,299)	212,767	(450,104)	934,575	(478,258)	6,213
Reinsurance contract assets as at 31 December	(166,990)	913,102	(306,816)	439,296	(54,336)	882,902	(589,391)	239,175
Reinsurance contract liabilities as at 31 December	(398,874)	55,828	116,517	(226,529)	(395,768)	51,673	111,133	(232,962)
Net reinsurance contract assets/(liabilities) as at 31 December	(565,864)	968,930	(190,299)	212,767	(450,104)	934,575	(478,258)	6,213

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

8. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)

8.2 Life insurance - reinsurance contracts held (Cont'd.)

8.2.3 Impact of contracts recognised during the financial year - contracts not measured under the PAA

C The components of new business

The impacts on the current period of the transition approaches adopted to establishing CSMs for reinsurance contracts held portfolios included in life insurance unit is disclosed in the table below:

	2025			2024		
	Contracts originated not in a net gain	Contracts originated in a net gain	Total	Contracts originated not in a net gain	Contracts originated in a net gain	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Estimate of present value of future cash outflows	(622,161)	(69,678)	(691,839)	(636,324)	-	(636,324)
Estimates of present value of future cash inflows	576,472	71,246	647,718	620,322	-	620,322
Risk adjustment	86,680	16,923	103,603	89,819	-	89,819
CSM	(40,991)	(11,802)	(52,793)	(73,817)	-	(73,817)
Amount included in insurance contract liabilities for the financial year	-	6,689	6,689	-	-	-

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

8. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)

8.2 Life insurance - reinsurance contracts held (Cont'd.)

8.2.4 Amounts determined on transition to MFRS 17

D The impacts on the current period of transition approaches adopted to establishing CSMs

The impacts on the current period of the transition approaches adopted to establishing CSMs for reinsurance contracts held portfolios included in life insurance unit is disclosed in the table below:

	2025			2024		
	Contracts using the fair value approach	All other contracts	Total	Contracts using the fair value approach	All other contracts	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
CSM as at 1 January	-	(478,258)	(478,258)	-	(426,135)	(426,135)
Changes that relate to current services						
CSM recognised for services provided	36,169	(11,783)	24,386	-	84,726	84,726
Changes that relate to future services						
Contracts initially recognised in the period	-	(52,793)	(52,793)	-	(73,817)	(73,817)
Changes in estimates that adjust the CSM	43,822	288,953	332,775	-	(45,491)	(45,491)
	79,991	224,377	304,368	-	(34,582)	(34,582)
Reinsurance finance income	(5,397)	(11,012)	(16,409)	-	(17,541)	(17,541)
Total changes in the statement of profit or loss and OCI	74,594	213,365	287,959	-	(52,123)	(52,123)
Other movements	(206,238)	206,238	-	-	-	-
CSM as at 31 December	(131,644)	(58,655)	(190,299)	-	(478,258)	(478,258)

198201013982 (93745-A)

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

8. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)

8.3 Expected recognition of the contractual service margin

An analysis of the expected recognition of the CSM remaining at the end of the reporting period in profit or loss is provided in the following table:

	2025						Total
	Less than 1	1-2 years	2-3 years	3-4 years	4-5 years	More than 5	
	year					years	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Insurance contracts issued							
Life	916,140	831,905	758,708	703,498	649,377	6,266,360	10,125,988
Total insurance contracts issued	916,140	831,905	758,708	703,498	649,377	6,266,360	10,125,988
Reinsurance contracts held							
Life	10,249	15,320	13,956	12,988	11,990	125,796	190,299
Total reinsurance contracts held	10,249	15,320	13,956	12,988	11,990	125,796	190,299
	2024						
	Less than 1	1-2 years	2-3 years	3-4 years	4-5 years	More than 5	
	year					years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Insurance contracts issued							
Life	1,022,410	947,542	872,300	790,329	720,361	5,919,649	10,272,591
Total insurance contracts issued	1,022,410	947,542	872,300	790,329	720,361	5,919,649	10,272,591
Reinsurance contracts held							
Life	20,061	40,286	35,534	32,726	30,116	319,535	478,258
Total reinsurance contracts held	20,061	40,286	35,534	32,726	30,116	319,535	478,258

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

9. OTHER RECEIVABLES

	2025	2024
	RM'000	RM'000
<u>Non-financial assets</u>		
Prepayments	12,602	11,922
<u>Financial assets</u>		
Income due and accrued	784,230	754,485
Other receivables	21,127	16,082
Amount due from:		
- related companies	23,530	12,571
- intermediate holding company	-	17,180
- holding company	735	615
	<u>829,622</u>	<u>800,933</u>
Allowance for impairment	<u>(40,433)</u>	<u>(40,308)</u>
	<u>789,189</u>	<u>760,625</u>
Total other receivables	<u>801,791</u>	<u>772,547</u>
Receivable after 12 months	<u>6,943</u>	<u>6,983</u>

Related companies in these financial statements refer to companies within Oversea-Chinese Banking Corporation Limited ("OCBC Group"). The amounts due from related companies and holding company are unsecured, interest-free and are repayable on demand.

	2025	2024
	RM'000	RM'000
Movement in impairment allowance account:		
Individual impairment:		
At 1 January	40,308	25,382
Increase in provision for impairment for the financial year	<u>125</u>	<u>14,926</u>
At 31 December	<u>40,433</u>	<u>40,308</u>

There were no collectively impaired other receivables for the financial years ended 31 December 2025 and 2024.

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

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

10. SHARE CAPITAL

	2025		2024	
	No. of shares ('000)	RM'000	No. of shares ('000)	RM'000
Ordinary shares At beginning and end of year	100,000	100,000	100,000	100,000

11. DERIVATIVES

	Asset		Liability	
	Notional Principal RM'000	Fair Value RM'000	Notional Principal RM'000	Fair Value RM'000
31 December 2025				
Derivatives held for trading:				
Interest rate swap	150,000	2,260	-	-
Bond Forward	40,000	308	440,000	7,720
Forward Foreign Exchange	287,001	1,787	54,001	228
	<u>477,001</u>	<u>4,355</u>	<u>494,001</u>	<u>7,948</u>
31 December 2024				
Derivatives held for trading:				
Currency swaps	-	-	82,860	79
Bond Forward	-	-	130,000	1,137
Forward Foreign Exchange	257,578	8,166	84,090	5,026
	<u>257,578</u>	<u>8,166</u>	<u>296,950</u>	<u>6,242</u>

12. BORROWINGS

	Issue Date	Maturity Date	2025 RM'000
RM100 million 3.75% subordinated fixed rate notes ¹	18 December 2025	18 December 2035	100,000
RM400 million 3.85% subordinated fixed rate notes ²	18 December 2025	18 December 2037	400,000
			<u>500,000</u>

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

12. BORROWINGS (CONT'D.)

- (1) On 18 December 2025, the Company issued RM100 million subordinated fixed rate notes ("Series No.1 Tranche 1 Notes") due on 18 December 2035 and first callable on 18 December 2030. The Series No.1 Tranche 1 Notes will bear interest at a fixed rate of 3.75% per annum, payable semi-annually. The subordinated notes qualify as Tier 2 capital of the Company.
- (2) On 18 December 2025, the Company issued RM400 million subordinated fixed rate notes ("Series No.1 Tranche 2 Notes") due on 18 December 2037 and first callable on 18 December 2032. The Series No.1 Tranche 2 Notes will bear interest at a fixed rate of 3.85% per annum, payable semi-annually. The subordinated notes qualify as Tier 2 capital of the Company.

If the borrowings were carried at fair value, the carrying amounts would be as follows:

	2025
	RM'000
Borrowings	<u>500,308</u>
Reconciliation of liabilities arising from financing activities	
<u>Borrowings</u>	
Balance at the beginning of the financial year	-
Proceeds from borrowings	<u>500,000</u>
Balance at the end of the financial year	<u>500,000</u>
<u>Finance cost payable on borrowings</u>	
Balance at the beginning of the financial year	-
Finance costs	<u>735</u>
Balance at the end of the financial year	<u>735</u>

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

13. AGENTS' RETIREMENT BENEFITS

	2025	2024
	RM'000	RM'000
At 1 January	1,090,159	1,008,843
Changes in ARB for the financial year	153,969	210,986
Paid during the year	(82,252)	(129,670)
At 31 December	<u>1,161,876</u>	<u>1,090,159</u>
Payable after 12 months	<u>534,348</u>	<u>538,011</u>

14. DEFERRED TAXATION

	2025	2024
	RM'000	RM'000
At 1 January	752,961	316,488
Recognised in:		
Statement of Profit or Loss	321,578	429,822
Other comprehensive income	21,911	6,651
At 31 December	<u>1,096,450</u>	<u>752,961</u>

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

	2025	2024
	RM'000	RM'000
Presented after appropriate offsetting as follows:		
At 31 December		
Deferred tax liabilities	1,099,089	757,529
Deferred tax assets	(2,639)	(4,568)
	<u>1,096,450</u>	<u>752,961</u>

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

14. DEFERRED TAXATION (CONT'D.)

Deferred Tax Liabilities

The components and movements of deferred tax liabilities during the financial year prior to offsetting are as follows:

	Fair value of investment properties RM'000	Fair value of investment assets RM'000	Accelerated capital allowance on property and equipment RM'000	Insurance/ reinsurance finance reserves RM'000	Insurance contract liabilities RM'000	Total RM'000
At 1 January 2025	6,002	494,426	4,233	(13,216)	266,084	757,529
Recognised in statement of profit or loss	(532)	80,418	4,031	-	236,513	320,430
Recognised in comprehensive income	-	19,416	-	1,714	-	21,130
At 31 December 2025	5,470	594,260	8,264	(11,502)	502,597	1,099,089
At 1 January 2024	7,847	194,392	2,906	1,335	121,694	328,174
Recognised in statement of profit or loss	(1,845)	281,962	1,327	-	144,390	425,834
Recognised in comprehensive income	-	18,072	-	(14,551)	-	3,521
At 31 December 2024	6,002	494,426	4,233	(13,216)	266,084	757,529

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

14. DEFERRED TAXATION (CONT'D.)

The components and movements of deferred tax assets during the financial year prior to offsetting are as follows:

Deferred Tax Assets

	Accretion of discounts on investments RM'000	Fair value of investment assets RM'000	Total RM'000
At 1 January 2025	(2,855)	(1,713)	(4,568)
Recognised in statement of profit or loss	768	380	1,148
Recognised in comprehensive income	-	781	781
At 31 December 2025	<u>(2,087)</u>	<u>(552)</u>	<u>(2,639)</u>
At 1 January 2024	(3,438)	(8,248)	(11,686)
Recognised in statement of profit or loss	583	3,405	3,988
Recognised in comprehensive income	-	3,130	3,130
At 31 December 2024	<u>(2,855)</u>	<u>(1,713)</u>	<u>(4,568)</u>

15. OTHER FINANCIAL LIABILITIES

	2025 RM'000	2024 RM'000
Outstanding purchases of investment securities	578,905	209,196
Interest payable	735	12,172
	<u>579,640</u>	<u>221,368</u>

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

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

16. OTHER PAYABLES

	2025	2024
	RM'000	RM'000
<u>Non-financial liabilities</u>		
Accrued expenses	199,540	200,272
Premium suspense	148,577	150,855
	<u>348,117</u>	<u>351,127</u>
<u>Financial liabilities</u>		
Deposits from tenants	21,887	18,763
Dividends payable	277	2,505
Amount due to intermediate holding company	5,997	-
Amount due to ultimate holding company	271	233
Due to agents and intermediaries	306,170	288,249
Others	63,747	63,112
	<u>398,349</u>	<u>372,862</u>
Total payables	<u>746,466</u>	<u>723,989</u>

The amounts due to intermediate holding and ultimate holding companies are unsecured, interest-free and are repayable on demand.

17. INSURANCE REVENUE

The table below presents an analysis of the total insurance revenue recognised in the period:

	2025	2024
	RM'000	RM'000
Life insurance contracts		
Contracts not measured under the PAA		
Amounts relating to the changes in the liability for remaining coverage:		
- Expected incurred claims and other insurance service expenses	5,807,134	5,387,482
- Change in the risk adjustment for non-financial risk for the risk expired	1,326,648	1,220,772
- CSM recognised in profit or loss for the services provided	1,015,208	1,096,737
Insurance acquisition cash flows recovery	736,777	663,957
Insurance revenue from contracts not measured under the PAA	<u>8,885,767</u>	<u>8,368,948</u>
Total insurance revenue	<u>8,885,767</u>	<u>8,368,948</u>

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

18. NET INVESTMENT AND INSURANCE FINANCIAL RESULT

The table below presents an analysis of net investment income and net insurance financial result recognised in profit or loss and OCI in the period:

	Note	Recognised in Profit or loss RM'000	Recognised in OCI RM'000	Total RM'000
2025				
Investment income				
Interest income	18.1	2,520,573	-	2,520,573
Other investment income	18.2	3,086,182	157,493	3,243,675
Decrease in provision for impairment of financial assets		(189)	-	(189)
Total investment income		5,606,566	157,493	5,764,059
Net insurance finance expenses				
Finance expenses from insurance contracts issued	18.3	(5,125,009)	21,605	(5,103,404)
Finance (expenses)/income from reinsurance contracts held	18.4	(2,862)	(174)	(3,036)
Net insurance finance expenses		(5,127,871)	21,431	(5,106,440)
Total net investment and insurance financial result		478,695	178,924	657,619
18.1 Interest income				
Financial assets not measured at FVTPL				
Financial assets measured at FVOCI		243,188	-	243,188
Financial assets measured at AC		88,557	-	88,557
Total interest income calculated using the effective interest rate		331,745	-	331,745
Financial assets measured at FVTPL		2,188,828	-	2,188,828
Total interest income		2,520,573	-	2,520,573

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

18. NET INVESTMENT AND INSURANCE FINANCIAL RESULT (CONT'D.)

The table below presents an analysis of net investment income and net insurance financial result recognised in profit or loss and OCI in the period: (Cont'd.)

	Recognised in Profit or loss RM'000	Recognised in OCI RM'000	Total RM'000
2025			
18.2 Other investment income			
<u>Underlying assets for contracts with direct participation features</u>			
Dividend income			
- Financial assets measured at FVTPL	1,207,772	-	1,207,772
Changes in fair value of investments			
- Mandatorily measured at FVTPL	1,405,464	-	1,405,464
- Designated as at FVTPL	722,958	-	722,958
Net loss on sale of financial assets measured at FVTPL	(129,427)	-	(129,427)
Changes in fair value of investment properties	(5,738)	-	(5,738)
Rental income	80,582	-	80,582
Loss on exchange differences	(418,032)	-	(418,032)
	<u>2,863,579</u>	<u>-</u>	<u>2,863,579</u>
<u>Other investments</u>			
Dividend income			
- Financial assets measured at FVOCI	93,136	-	93,136
- Financial assets measured at FVTPL	86,302	-	86,302
Changes in fair value of investments			
- Mandatorily measured at FVTPL	25,705	-	25,705
- Designated as at FVTPL	17,658	-	17,658
- Measured at FVOCI	-	165,239	165,239
Net gain on sale of financial assets measured at FVTPL	465	-	465
Net gain/(loss) on sale of financial assets measured at FVOCI	12,845	(12,562)	283
Changes in fair value of investment properties	(782)	-	(782)
Changes in allowance for expected credit losses	-	4,816	4,816
Rental income	(5,699)	-	(5,699)

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

18. NET INVESTMENT AND INSURANCE FINANCIAL RESULT (CONT'D.)

The table below presents an analysis of net investment income and net insurance financial result recognised in profit or loss and OCI in the period: (Cont'd.)

	Recognised in Profit or loss RM'000	Recognised in OCI RM'000	Total RM'000
2025			
18.2 Other investment income (Cont'd.)			
Other investments (Cont'd.)			
Loss on exchange differences	(7,027)	-	(7,027)
	<u>222,603</u>	<u>157,493</u>	<u>380,096</u>
Total other investment income	<u>3,086,182</u>	<u>157,493</u>	<u>3,243,675</u>
18.3 Finance (expenses)/income from insurance contracts issued			
Changes in value of underlying assets of contracts with direct participation features	(3,622,988)	-	(3,622,988)
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	12,758	34,960	47,718
Interest accreted	(771,602)	-	(771,602)
Effect of changes in interest rates and other financial assumptions	(743,177)	(13,355)	(756,532)
Total finance (expenses)/income from insurance contracts issued	<u>(5,125,009)</u>	<u>21,605</u>	<u>(5,103,404)</u>
18.4 Finance expenses from reinsurance contracts held			
Interest accreted to reinsurance contracts using locked-in rate	395	-	395
Effect of changes in interest rates and other financial assumptions	(3,260)	(174)	(3,434)
Changes in non-performance risk of reinsurer	3	-	3
Total finance expenses from reinsurance contracts held	<u>(2,862)</u>	<u>(174)</u>	<u>(3,036)</u>

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

18. NET INVESTMENT AND INSURANCE FINANCIAL RESULT (CONT'D.)

The table below presents an analysis of net investment income and net insurance financial result recognised in profit or loss and OCI in the period: (Cont'd.)

	Note	Recognised in Profit or loss RM'000	Recognised in OCI RM'000	Total RM'000
2024				
Investment income				
Interest income	18.1	2,433,282	-	2,433,282
Other investment income	18.2	6,151,350	161,468	6,312,818
Increase in provision for impairment of financial assets		19,220	-	19,220
Total investment income		<u>8,603,852</u>	<u>161,468</u>	<u>8,765,320</u>
Finance expenses from insurance contracts issued	18.3	(7,983,872)	(192,737)	(8,176,609)
Finance (expenses)/income from reinsurance contracts held	18.4	(9,309)	10,847	1,538
Net insurance finance income/(expenses)		<u>(7,993,181)</u>	<u>(181,890)</u>	<u>(8,175,071)</u>
Total net investment and insurance financial result		<u>610,671</u>	<u>(20,422)</u>	<u>590,249</u>
18.1 Interest income				
Financial assets not measured at FVTPL				
Financial assets measured at FVOCI		228,136	-	228,136
Financial assets measured at AC		141,744	-	141,744
Total interest income calculated using the effective interest rate		<u>369,880</u>	<u>-</u>	<u>369,880</u>
Financial assets measured at FVTPL		<u>2,063,402</u>	<u>-</u>	<u>2,063,402</u>
Total interest income		<u>2,433,282</u>	<u>-</u>	<u>2,433,282</u>

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

18. NET INVESTMENT AND INSURANCE FINANCIAL RESULT (CONT'D.)

The table below presents an analysis of net investment income and net insurance financial result recognised in profit or loss and OCI in the period: (Cont'd.)

	Recognised in Profit or loss RM'000	Recognised in OCI RM'000	Total RM'000
2024			
18.2 Other investment income			
<u>Underlying assets for contracts with direct participation features</u>			
Dividend income			
- Financial assets measured at FVTPL	1,187,991	-	1,187,991
Changes in fair value of investments			
- Mandatorily measured at FVTPL	4,837,838	-	4,837,838
- Designated as at FVTPL	185,897	-	185,897
Net gain on sale of debt securities measured at FVTPL	14,475	-	14,475
Changes in fair value of investment properties	(21,919)	-	(21,919)
Rental income	73,833	-	73,833
Loss on exchange differences	(362,636)	-	(362,636)
	<u>5,915,479</u>	<u>-</u>	<u>5,915,479</u>
<u>Other investments</u>			
Dividend income			
- Financial assets measured at FVOCI	109,132	-	109,132
- Financial assets measured at FVTPL	77,551	-	77,551
Changes in fair value of investments			
- Mandatorily measured at FVTPL	65,437	-	65,437
- Designated as at FVTPL	7,575	-	7,575
- Measured at FVOCI	-	175,009	175,009

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

18. NET INVESTMENT AND INSURANCE FINANCIAL RESULT (CONT'D.)

The table below presents an analysis of net investment income and net insurance financial result recognised in profit or loss and OCI in the period: (Cont'd.)

	Recognised in Profit or loss RM'000	Recognised in OCI RM'000	Total RM'000
2024			
18.2 Other investment income (Cont'd.)			
<u>Other investments (Cont'd.)</u>			
Net loss on sale of debt securities measured at FVTPL	(2,274)	-	(2,274)
Net gain/(loss) on sale of financial assets measured at FVOCI	(9,868)	9,868	-
Changes in fair value of investment properties	(1,010)	-	(1,010)
Changes in allowance for expected credit losses	-	(23,409)	(23,409)
Rental income	(5,536)	-	(5,536)
Gain on exchange differences	(5,136)	-	(5,136)
	<u>235,871</u>	<u>161,468</u>	<u>397,339</u>
Total other investment income	<u>6,151,350</u>	<u>161,468</u>	<u>6,312,818</u>
18.3 Finance (expenses)/income from insurance contracts issued			
Changes in value of underlying assets of contracts with direct participation features	(6,639,287)	-	(6,639,287)
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	56,415	(109,669)	(53,254)
Interest accreted	(765,314)	-	(765,314)
Effect of changes in interest rates and other financial assumptions	(635,686)	(83,068)	(718,754)
Total finance expenses from insurance contracts issued	<u>(7,983,872)</u>	<u>(192,737)</u>	<u>(8,176,609)</u>

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

18. NET INVESTMENT AND INSURANCE FINANCIAL RESULT (CONT'D.)

The table below presents an analysis of net investment income and net insurance financial result recognised in profit or loss and OCI in the period: (Cont'd.)

	Recognised in Profit or loss RM'000	Recognised in OCI RM'000	Total RM'000
2024			
18.4 Finance (expenses)/income from reinsurance contracts held			
Interest accreted to reinsurance contracts using locked-in rate	(531)	-	(531)
Effect of changes in interest rates and other financial assumptions	(8,752)	10,848	2,096
Changes in non-performance risk of reinsurer	(26)	(1)	(27)
Total finance income from reinsurance contracts held	<u>(9,309)</u>	<u>10,847</u>	<u>1,538</u>

During the year ended 31 December 2025, RM7,036,524 (31 December 2024: RM3,221,000) of the dividend income relates to equity investments measured at FVOCI which were derecognised during the reporting period.

18.5 Investment return in OCI related to insurance and reinsurance contracts measured under the modified retrospective or fair value transition approach

On transition to MFRS 17, for certain groups of insurance and reinsurance contracts measured using the GMM where the OCI option is applied, the Group determined the cumulative insurance finance income and expenses recognised in OCI at 1 January 2022 using the modified retrospective approach or the fair value approach. The movement in the fair value reserve for the debt investments at FVOCI related to those groups of contracts was as follows.

	2025 RM'000	2024 RM'000
Balance at 1 January	83,699	65,413
Net gains on investments in debt securities measured at FVOCI	80,879	32,446
Changes in allowance for expected credit losses	2,340	(23,038)
Net (gains)/losses on investments in debt securities measured at FVOCI reclassified to profit or loss	(11,388)	10,468
Income tax relating to these items	(5,746)	(1,590)
Balance at 31 December	<u>149,784</u>	<u>83,699</u>

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

19. REALISED GAINS AND LOSSES

	2025	2024
	RM'000	RM'000
FVOCI financial assets		
Realised gains/(losses):		
Debt securities:		
- unquoted in Malaysia	12,845	(9,868)
Total realised gains/(losses) for FVOCI financial assets	<u>12,845</u>	<u>(9,868)</u>
FVTPL financial assets		
Realised (losses)/gains:		
<u>Mandatorily measured:</u>		
Debt securities:		
- unquoted in Malaysia	(15,785)	(905)
Equity securities:		
- quoted in Malaysia	(160,760)	22,908
- quoted outside Malaysia	39,773	12,416
- unquoted in Malaysia	(1,677)	(32)
- unquoted outside Malaysia	1,229	(21,189)
	<u>(137,220)</u>	<u>13,198</u>
<u>Designated upon initial recognition:</u>		
Debt securities:		
- unquoted in Malaysia	8,396	(997)
- unquoted outside Malaysia	(138)	-
	<u>8,258</u>	<u>(997)</u>
Total realised (losses)/gains for FVTPL financial assets	<u>(128,962)</u>	<u>12,201</u>
Total realised (losses)/gains	<u>(116,117)</u>	<u>2,333</u>

20. FAIR VALUE GAINS AND LOSSES

	2025	2024
	RM'000	RM'000
Investment properties (Note 5)	(6,520)	(22,929)
Financial investments - FVTPL:		
- mandatorily measured	1,431,169	4,903,275
- designated upon initial recognition	740,616	193,472
	<u>2,165,265</u>	<u>5,073,818</u>

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

21. OTHER EXPENSES

	2025	2024
	RM'000	RM'000
Employee benefits expense	377,484	351,583
Non-executive Directors' remuneration	1,517	1,309
Auditors' remuneration:		
- statutory audits	1,202	1,156
- regulatory audit-related fees	633	542
- other services	229	821
Depreciation of:		
- property and equipment	26,948	24,175
- right-of-use assets	905	594
Amortisation of:		
- right-of-use assets	131	131
- intangible assets	38,199	30,297
Rental of properties	542	502
Advertising and promotion	23,992	29,952
Finance charges	57,366	55,217
Finance costs	735	-
IT and computer expenses	92,742	95,317
Policyholder expenses	13,365	12,696
Postal and telecommunication	16,205	13,730
Printing and stationery	918	991
Professional fees	29,317	15,858
Repairs and maintenance	3,625	3,200
Transport and travelling	1,909	2,088
Utilities	5,069	5,301
Interest expense on lease liabilities	90	70
Expense relating to leases of low-value assets	76	420
Expense relating to short-term leases	42	54
Investment related expenses	79,818	89,788
Claims and benefits	5,067,105	4,678,222
Commissions and distribution expenses	1,376,498	1,388,361
Agent retirement benefits	153,969	210,986
Loss on onerous contract	643,177	656,416
Other expenses	51,681	45,373
	8,065,489	7,715,150
Amounts attributed to insurance acquisition cash flows incurred during the financial year	(1,637,115)	(1,637,944)
Amortisation of insurance acquisition cash flows	736,424	663,967
	(900,691)	(973,977)
Represented by:		
Insurance service expenses	7,101,472	6,621,802
Other operating expenses	63,326	119,371
	7,164,798	6,741,173

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

21. OTHER EXPENSES (CONT'D.)

(a) Employee Benefits Expense

	2025	2024
	RM'000	RM'000
Wages and salaries	292,700	275,862
Short term accumulating compensated absences	307	506
Social security contributions	2,417	2,081
Defined contribution plans - EPF	49,456	46,548
Other employee benefits expense	32,604	26,586
	<u>377,484</u>	<u>351,583</u>

(b) CEO and Directors' Remuneration

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

	2025	2024
	RM'000	RM'000
CEO:		
Salaries and other emoluments	4,861	5,453
Bonus	1,200	1,113
Estimated money value of benefits-in-kind	23	35
	<u>6,084</u>	<u>6,601</u>
Non-executive:		
Fees	1,517	1,309
Total Directors' remuneration	<u>7,601</u>	<u>7,910</u>
Represented by:		
Directors' fees	1,517	1,309
Amount included in employee benefits expense	6,084	6,601
	<u>7,601</u>	<u>7,910</u>

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

21. OTHER EXPENSES (CONT'D.)

(b) CEO and Directors' Remuneration (CONT'D.)

The Directors' fees are subject to the recommendation of the Board Nominations and Remuneration Committee to the Board of Directors for endorsement and approval by the shareholder at the AGM.

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

	Number of Directors	
	2025	2024
Non-Executive Directors		
Below RM50,000	-	-
RM50,001 - RM100,000	-	2
RM100,001 - RM150,000	-	-
RM150,001 - RM200,000	-	1
RM200,001 - RM250,000	4	3
RM250,001 - RM300,000	1	-
RM300,001 - RM350,000	1	1

The Executive Director does not receive any Directors' fees.

198201013982 (93745-A)

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

21. OTHER EXPENSES (CONT'D.)

(b) CEO and Directors' Remuneration (Cont'd.)

Name		2025				Total RM'000
		Salaries RM'000	Bonus RM'000	Benefits in kind RM'000	Fees RM'000	
Y Bhg Dato Koh Yaw Hui	CEO	4,861	1,200	23	-	6,084
Total CEO's remuneration		4,861	1,200	23	-	6,084
	Status of directorship					
Mr Norman Ka Cheung Ip	Non - Executive	-	-	-	317	317
Mr Siew Kah Toong	Non - Executive	-	-	-	254	254
Mr Ou Shian Waei	Non - Executive	-	-	-	233	233
Mr Foong Soo Hah	Non - Executive	-	-	-	243	243
Ms Mimi Sze Ho (Resigned with effect from 31 December 2025)	Non - Executive	-	-	-	250	250
Ms Tan Ley Ley	Non - Executive	-	-	-	220	220
Total Non-Executive Directors' remuneration		-	-	-	1,517	1,517
Total remuneration		4,861	1,200	23	1,517	7,601

198201013982 (93745-A)

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

21. OTHER EXPENSES (CONT'D.)

(b) CEO and Directors' Remuneration (Cont'd.)

Name		2024				Total RM'000
		Salaries RM'000	Bonus RM'000	Benefits in kind RM'000	Fees RM'000	
Y Bhg Dato Koh Yaw Hui	CEO	5,453	1,113	35	-	6,601
Total CEO's remuneration		5,453	1,113	35	-	6,601
	Status of directorship					
Mr Norman Ka Cheung Ip	Non - Executive	-	-	-	312	312
Mr Tan Yam Pin (Resigned with effect from 18 April 2024)	Non - Executive	-	-	-	89	89
Mr Siew Kah Toong	Non - Executive	-	-	-	228	228
Mr Ou Shian Waei	Non - Executive	-	-	-	221	221
Mr Foong Soo Hah	Non - Executive	-	-	-	229	229
Ms Mimi Sze Ho	Non - Executive	-	-	-	165	165
Ms Tan Ley Ley	Non - Executive	-	-	-	65	65
Total Non-Executive Directors' remuneration		-	-	-	1,309	1,309
Total remuneration		5,453	1,113	35	1,309	7,910

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

22. TAXATION

	Note	2025 RM'000	2024 RM'000
Taxation of life insurance business	(a)	355,009	529,485
Taxation of the Company	(b)	375,236	295,921
		<u>730,245</u>	<u>825,406</u>

(a) Taxation of life insurance business

Current income tax:			
Malaysian income tax		264,773	269,838
Under provided in prior years		946	753
Tax on foreign dividend income		4,710	4,355
		<u>270,429</u>	<u>274,946</u>
Deferred tax:			
Relating to origination and reversal of temporary differences		84,580	254,539
		<u>355,009</u>	<u>529,485</u>

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

The income tax for the life fund is calculated based on tax rate of 8% (2024: 8%) of the assessable investment income net of allowable deductions for the financial year.

(b) Taxation of the Company

	2025 RM'000	2024 RM'000
Current income tax:		
Malaysian income tax	200,442	218,230
Tax on foreign dividend income	274	246
Section 110B relief	(62,478)	(68,686)
	<u>138,238</u>	<u>149,790</u>
Deferred tax:		
Relating to origination and reversal of temporary differences	236,998	146,131
	<u>375,236</u>	<u>295,921</u>

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

22. TAXATION (CONT'D.)

(b) Taxation of the Company (cont'd.)

The current income tax is calculated at 24% (2024: 24%) of the estimated assessable profit for the financial year.

The deferred tax for the Shareholder's Fund is calculated based on the tax rate of 24% (2024: 24%).

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

	2025	2024
	RM'000	RM'000
Profit before taxation	2,264,385	2,124,394
Taxation at Malaysian statutory tax rate of 24% (2024: 24%)	543,452	509,855
Income not subject to tax	(107,310)	(149,704)
Expenses not deductible for tax purposes	1,298	4,210
Foreign tax not recoverable	274	246
Section 110B relief	(62,478)	(68,686)
Effect of tax attributable to life insurance business	355,009	529,485
Tax expense for the year	<u>730,245</u>	<u>825,406</u>

OECD Pillar Two model rules

The Company is part of Oversea-Chinese Banking Corporation Limited and its subsidiaries, a multinational enterprise group that is within the scope of the Organisation for Economic Co-operation and Development ("OECD") Pillar Two model rules. Malaysia enacted the Pillar Two legislation and implemented the Income Inclusion Rule ("IIR") and a Domestic Minimum Top-up Tax ("DMTT"), effective from 1 January 2025.

The Company applies the MFRS 112 exception to the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Group has estimated that the jurisdictional effective tax rate exceeds 15% or the transitional country-by-country safe harbour is satisfied. Accordingly, the Company does not have any exposure to Pillar Two legislation as at 31 December 2025.

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

23. EARNINGS PER SHARE - BASIC AND DILUTED

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

	2025	2024
Profit attributable to ordinary equity holder (RM'000)	1,534,140	1,298,988
Number of shares in issue ('000)	100,000	100,000
Basic earnings per share (sen)	<u>1,534</u>	<u>1,299</u>

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

24. DIVIDENDS

	2025	2024
	RM'000	RM'000
Recognised during the financial year:		
Dividend on ordinary shares:		
- Final single tier dividend for 2024 of RM7.55 (2023: Nil) per share	755,000	-
- Interim single tier dividend for 2025 of RM3.70 (2024: RM0.93) per share	<u>370,000</u>	<u>93,000</u>
	<u>1,125,000</u>	<u>93,000</u>

25. LEASE ARRANGEMENTS

(a) The Company as lessee

The Company has recognised right-of-use assets for these leases, except for short term and low-value leases, see Note 21 and Note 2.2(c)(i) for further information.

Future minimum lease payments payable under non-cancellable leases contracted for as at 31 December but not recognised as liabilities, are payable as follows:

	2025	2024
	RM'000	RM'000
Not later than 1 year	(37)	(33)
Later than 1 year and not later than 5 years	<u>(54)</u>	<u>(64)</u>
	<u>(91)</u>	<u>(97)</u>

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

25. LEASE ARRANGEMENTS (CONT'D.)

(b) The Company as lessor

The Company, as lessor, has entered into lease agreements on its investment properties portfolio and certain self-occupied properties. These leases have remaining lease terms of between 1 and 5 years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions and certain contracts include contingent rental arrangements computed based on sales achieved by tenants.

The future minimum lease payments receivable under leases contracted for as at the reporting date but not recognised as receivables, are as follows:

	2025	2024
	RM'000	RM'000
Not later than 1 year	67,312	45,442
Later than 1 year and not later than 5 years	59,115	35,583
	<u>126,427</u>	<u>81,025</u>

26. COMMITMENTS AND OTHER CONTINGENCIES

	2025	2024
	RM'000	RM'000
(a) Capital commitments		
Capital expenditure		
Approved and contracted for:		
- Property and equipment	76,584	64,871
	<u>76,584</u>	<u>64,871</u>
(b) Investment commitments		
Commitments for investments not provided for in the financial statements:		
- Private equity fund	616,265	617,552
- Private real estate fund	42,335	55,780
	<u>658,600</u>	<u>673,332</u>

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

27. RELATED PARTY DISCLOSURES

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

	2025	2024
	RM'000	RM'000
Transactions with related parties during the financial year:		
Income/(Expense):		
Property rentals received (Note i)		
- OCBC Bank (Malaysia) Berhad	2,193	847
- Great Eastern General Insurance (Malaysia) Berhad	3,134	3,108
- Great Eastern Takaful Berhad	1,698	1,688
- E2 Power Sdn Bhd	1,215	-
- PAC Lease Bhd	601	50
Service charges paid (Note ii)		
- OCBC Bank (Malaysia) Berhad	(20,675)	(24,696)
- E2 Power Sdn Bhd	(2,254)	(2,279)
- E2 Power Pte Ltd	(454)	(2,161)
- OCBC Wing Hang Bank (China) Limited	-	(496)
Service charges received (Note ii)		
- Great Eastern General Insurance (Malaysia) Berhad	8,310	8,471
- Great Eastern Takaful Berhad	19,588	18,833
Premium paid (Note iii)		
- Great Eastern General Insurance (Malaysia) Berhad	(1,779)	(1,660)
Premium received (Note iii)		
- Great Eastern General Insurance (Malaysia) Berhad	2,513	1,736
- OCBC Bank (Malaysia) Berhad	64,778	76,750
- PAC Lease Berhad	249	283
- BOS Wealth Management Malaysia Berhad	183	122
- Key Management Personnel	2,013	2,474
Claims paid		
- Key Management Personnel	(314)	(735)

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

27. RELATED PARTY DISCLOSURES (CONT'D.)

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

	2025	2024
	RM'000	RM'000
Transactions with related parties during the financial year (Cont'd.):		
Income/(Expense) (Cont'd.):		
Commission fees paid		
- OCBC Bank (Malaysia) Berhad	(34,074)	(41,005)
- OCBC Securities Private Limited	(283)	(439)
- PAC Lease Berhad	(6)	(10)
Interest income (Note iv)		
- OCBC Bank (Malaysia) Berhad	8	1,976
- OCBC Al-Amin Bank Berhad	220	364
- PAC Lease Berhad	-	198
- Great Eastern General Insurance Malaysia Bhd	58	-
Interest expense		
- AHAM Wholesale Income Fund	(11)	-
Dividend income (Note v)		
- AHAM Wholesale Income Fund	30,556	24,882
- AmInstitutional Income Bond SRI	47,499	29,076
- AHAM Wholesale Equity Fund 2	43,588	47,384
Dividend payment		
- Great Eastern Capital (Malaysia) Sdn Bhd	(1,125,000)	(93,000)
Bank charges		
- OCBC Bank (Malaysia) Berhad	(292)	(377)
Employee Share Purchase Plan		
- Oversea-Chinese Banking Corporation Ltd.	(567)	(558)
Deferred Share Plan		
- Oversea-Chinese Banking Corporation Ltd.	474	(1,252)

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

27. RELATED PARTY DISCLOSURES (CONT'D.)

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

	2025	2024
	RM'000	RM'000
Transactions with related parties during the financial year (Cont'd.):		
Charges for group services (Note vi)		
- The Great Eastern Life Assurance Company Limited	(4,666)	(2,341)
Disposal of investment to		
- AHAM Wholesale Equity Fund 2	44,519	126,819
Purchase of investments from		
- AHAM Wholesale Income Fund	(30,556)	(24,882)
- AmInstitutional Income Bond SRI	(148,294)	(300,308)
- AHAM Wholesale Equity Fund 2	(90,972)	(300,000)
Sales/Maturity of medium term note		
- PAC Lease Berhad	-	50,000
Sales of Structure Deposit		
- OCBC Bank (Malaysia) Berhad	-	94,000
Purchase of Structured Deposit		
- OCBC Bank (Malaysia) Berhad	(70,000)	(100,000)
Purchase of Bond forward		
- OCBC Bank (Malaysia) Berhad	(320,000)	(70,000)
Maturity of Bond forward		
- OCBC Bank (Malaysia) Berhad	130,000	270,000
Maturity of Interest rate swap		
- OCBC Bank (Malaysia) Berhad	140,000	-
Purchase of Interest Rate Swap		
- OCBC Bank (Malaysia) Berhad	(180,000)	-
Purchase of Subordinated Notes issued		
- Great Eastern General Insurance (Malaysia) Berhad	(150,000)	-
Cross trade on purchase of corporate bond		
- Great Eastern General Insurance (Malaysia) Berhad	(3,998)	-

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

27. RELATED PARTY DISCLOSURES (CONT'D.)

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

	2025	2024
	RM'000	RM'000
Transactions with related parties during the financial year (Cont'd.):		
Subscription of Subordinated Notes issued		
- AHAM Wholesale Income Fund	7,500	-
Rebate on Management Fee		
- Lion Global Investors Limited	3,561	4,353
- BOS Wealth Management Malaysia Berhad	145	-
Balances with related parties at financial year end:		
Due from/(due to):		
Investment in Subordinated Notes Issued		
- Great Eastern General Insurance (Malaysia) Berhad	150,239	-
Investment in wholesale unit trust fund		
- AHAM Wholesale Income Fund	731,227	698,478
- AmInstitutional Income Bond SRI	1,015,764	868,948
- AHAM Wholesale Equity Fund 2	755,771	747,227
Investment in Structure Deposit		
- OCBC Bank (Malaysia) Berhad	412,106	323,713
Investment in Bond forward		
- OCBC Bank (Malaysia) Berhad	(3,966)	(763)
Investment in Interest Rate Swap		
- OCBC Bank (Malaysia) Berhad	604	-
Cash and bank balances		
- OCBC Bank (Malaysia) Berhad	82,860	31,685
- OCBC Al-Amin Bank Berhad	80,042	154,192
Fixed deposits and repurchase agreements		
- OCBC Bank (Malaysia) Berhad	-	100,000
Accrued interest		
- OCBC Bank (Malaysia) Berhad	8	8
- Great Eastern General Insurance (Malaysia) Berhad	58	-
- AHAM Wholesale Income Fund	(11)	-

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

27. RELATED PARTY DISCLOSURES (CONT'D.)

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

	2025	2024
	RM'000	RM'000
Balances with related parties at financial year end (Cont'd.):		
Amount due (to)/from related companies:		
- Great Eastern General Insurance (Malaysia) Berhad	(659)	(1,701)
- Great Eastern Takaful Berhad	24,021	14,272
- Great Eastern Labuan Limited	168	-
Amount due to ultimate holding company:		
- Oversea-Chinese Banking Corporation Ltd	(271)	(233)
Amount due (to)/from intermediate holding company:		
- The Great Eastern Life Assurance Company Limited	(5,636)	17,180
- Great Eastern Holdings Limited	(361)	-
Amount due from/(to) holding company:		
- Great Eastern Capital (Malaysia) Sdn Bhd	458	(1,891)

Related companies are companies within the OCBC Group:

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

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

27. RELATED PARTY DISCLOSURES (CONT'D.)

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

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

Geographical Location	Type of Services	2025 RM'000	2024 RM'000
Singapore	Group service charges for services rendered, which include those in respect of finance, legal, actuarial, support, human resources, operations, investment management, IT, internal audit and risk management services.	(4,666)	(2,341)
		<u>(4,666)</u>	<u>(2,341)</u>

(b) Compensation of Key Management Personnel

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

	2025 RM'000	2024 RM'000
Non-Executive Directors' fees	1,517	1,309
Short-term employee benefits	16,030	14,566
Post-employments benefits:		
Defined contribution plan - EPF	2,400	2,128
Share-based payment	3,911	3,924
	<u>23,858</u>	<u>21,927</u>
Share-based payment (in units)	<u>54,094</u>	<u>44,611</u>
Included in the total key management personnel remuneration are:		
CEO's and Directors' remuneration (Note 21(b))	<u>7,601</u>	<u>7,910</u>

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

198201013982 (93745-A)

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

28. FINANCIAL INSTRUMENTS BY CATEGORY

	Note	FVTPL RM'000	FVOCI RM'000	AC RM'000	Total RM'000
2025					
Assets					
Investments	6	91,752,832	7,504,267	-	99,257,099
Loans	7	-	-	204,801	204,801
Derivatives	11	4,355	-	-	4,355
Other receivables	9	-	-	789,189	789,189
Cash and bank equivalents		-	-	2,046,812	2,046,812
Total		91,757,187	7,504,267	3,040,802	102,302,256
Liabilities					
Derivatives	11	7,948	-	-	7,948
Borrowings	12	-	500,000	-	500,000
Agents' retirement benefits	13	-	1,161,876	-	1,161,876
Other financial liabilities	15	-	-	579,640	579,640
Other payables	16	-	-	398,349	398,349
Total		7,948	1,661,876	977,989	2,647,813

198201013982 (93745-A)

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

28. FINANCIAL INSTRUMENTS BY CATEGORY (CONT'D.)

	Note	FVTPL RM'000	FVOCI RM'000	AC RM'000	Total RM'000
2024					
Assets					
Investments	6	86,449,812	6,992,018	-	93,441,830
Loans	7	-	-	228,449	228,449
Derivatives	11	8,166	-	-	8,166
Other receivables	9	-	-	760,625	760,625
Cash and cash equivalents		-	-	3,288,389	3,288,389
Total		86,457,978	6,992,018	4,277,463	97,727,459
Liabilities					
Derivatives	11	6,242	-	-	6,242
Agents' retirement benefits	13	-	1,090,159	-	1,090,159
Other financial liabilities	15	-	-	221,368	221,368
Other payables	16	-	-	372,862	372,862
Total		6,242	1,090,159	594,230	1,690,631

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES

Governance Framework

Managing risk is an integral part of the Company's core business and processes. As stated in the Enterprise Risk Management ("ERM") Framework, the Company shall:

- Always operate within the parameters and limits that are calibrated to the Board approved risk appetite, as defined in the Risk Appetite Statement; and
- Ensure commensurate returns for any risk taken.

The Risk Management Department spearheads the development and implementation of the ERM Framework for the Company.

The Board provides oversight in ensuring that the activities of the Company are consistent with the strategic intent, risk appetite, operating environment, effective internal controls, capital sufficiency and regulatory requirements. The Board may delegate this responsibility to the Board Risk Management Committee ("BRMC") and Senior Management for the execution of these initiatives. Detailed risk management and oversight activities are undertaken by the following Management Committees comprising the Chief Executive Officer and key Senior Management Executives:

- Senior Management Team ("SMT")
- Asset-Liability Committee ("ALC")
- Investment Committee ("IC")
- Product Development Committee ("PDC")
- Information Technology & Data Strategy Committee ("ITDSC")
- Financial Crime Committee ("FCC")

The SMT is responsible for providing leadership and direction with regards to all major operational and business issues and sustainable performance of the Company. The SMT is also responsible for ensuring that the Company is operating within the risk appetite set by the Board; and in compliance and alignment with the Company's standards and guidelines.

The ALC is responsible for Balance Sheet Management, involving interactions between assets and liabilities (including Asset-Liability Management, Liquidity Management, and Investment Management). Specifically, the ALC reviews and formulates technical frameworks, policies and methodologies relating to balance sheet management.

The IC is responsible for overseeing all investment management activities of the Company involving the asset side returns and risks of the Company, with the fiduciary responsibility to act in the policyholders' best interest and achieve returns commensurate with the assumed risks. It is also responsible for monitoring and reviewing insurance and shareholders' funds.

The PDC is responsible for the product management of the Company, which includes product designs, product reviews and product endorsements. PDC reviews the frameworks and policies for product endorsements and product reviews at the Company level. In addition, the PDC regularly reviews and monitors the performance of new and existing products.

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES
(CONT'D.)

Governance Framework (cont'd.)

The ITDSC is responsible in providing overall strategic direction and approval of all IT and Data related architecture, initiatives and issues to support the Company's strategic growth into the future.

The FCC provides an independent oversight of fraud investigation and anti-money laundering/counter financing of terrorism ("AML/CFT") review, and ensures that investigations and reviews are conducted in a manner that is fair, consistent and transparent.

Regulatory Framework

As set out in its Compliance Risk Management Framework, the Company operates its business on a sound and responsible basis, which entails compliance with the applicable laws, regulations, rules and standards.

Insurers are regulated by the Financial Services Act 2013 ("FSA") which came into force on 30 June 2013, and other relevant regulations issued by regulators from time to time. The Board exercises oversight of compliance with the applicable laws, regulations, rules and standards to safeguard the interests of policyholders and shareholders.

Capital Management

The Company's capital management policy aims to support balance sheet growth by maintaining a sound capital position with sufficient buffer to meet obligations to policyholders and regulatory requirements. The Company has had no significant changes in the policies and processes relating to its capital structure during the financial year.

Under the Risk-Based Capital Framework for Insurers ("RBC"), the Company has to maintain a capital adequacy level that commensurates with its risk profiles. The Capital Adequacy Ratios of the Company remained at well above the minimum capital requirement of 130% under the RBC Framework as prescribed by BNM.

The Internal Capital Adequacy Assessment Process ("ICAAP") Framework came into effect on 1 September 2012. Under this Framework, the Company has to ensure adequate capital to meet its capital requirements on an ongoing basis. The key elements supporting the Framework include Board and Senior Management oversight, comprehensive risk assessment, individual target capital level and stress testing, sound capital management as well as ongoing monitoring, reporting and review of capital position. Capital management and contingencies policies have been further developed and refined under the Framework to outline the approaches and principles under which the Company's capital will be monitored and managed, as well as the corrective actions to be implemented at various critical capital levels. In addition, a risk appetite statement has been established to outline the Company's capacity to take on risks to achieve its business objectives while managing the expectations of key stakeholders.

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES
(CONT'D.)

Capital Management (Cont'd.)

The following sections provide details regarding the exposure to the key risks faced by the Company and the objectives, policies and processes for the management of these risks. There has been no major change to the Company's exposure to these key risks or the manner in which it manages and measures these risks.

Insurance Risk

The principal activity of the Company is in the underwriting of life insurance business including investment-linked business. The products cover risks such as mortality, morbidity (health, disability, critical illness, personal accident), and property and casualty.

The Company's underwriting strategy is designed to ensure that risks are well diversified. This is largely achieved through diversification of policyholders across industry sectors and geography. Additionally, the use of medical screening ensures that pricing takes into account the current health conditions and family medical history. There is also regular review of the actual claims experience, as well as detailed claims handling procedures. Underwriting limits are also established to enforce appropriate risk acceptance criteria.

Insurance risks arise when the Company underwrites insurance contracts. The types of risks insured, assumptions used in pricing the insurance products and subsequent setting aside of provisions may give rise to potential shortfalls in provision for future claims and expenses when actual claims experience are worse than projections. Assumptions that may cause insurance risks to be underestimated include assumptions on policy lapses, mortality, morbidity and expenses.

The Company utilises reinsurance arrangements to manage mortality and morbidity risks. The Company's reinsurance management strategy and policy are reviewed annually by the SMT, BRMC, and the Board as appropriate. Reinsurance is structured according to the type of risk ceded. Catastrophe reinsurance is procured to limit catastrophic losses.

Only reinsurers meeting a minimum credit rating of Standard & Poor's "A-", or its equivalent, including internal credit rating, are considered. The Company limits its risk to any one reinsurer by ceding different risks to different reinsurers or to a panel of reinsurers.

The SMT reviews the actual experience of mortality, morbidity, expense and persistency, and ensures that the policies, guidelines and limits established for managing the risks remain prudent and appropriate.

A substantial portion of the Company's life insurance funds is participating in nature. In the event of volatile investment climate and/or unusual claims experience, the Company has the option of revising the bonus payable to the policyholders.

For non-participating funds, the risk is that the guaranteed policy benefits must be met even when the investment markets perform below expectations, or claims experience is higher than expected.

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES
(CONT'D.)

Insurance Risk (Cont'd.)

For investment-linked business, the risk exposure for the Company is predominantly limited to the underwriting aspect as investment risks are mainly borne by the policyholders. Nevertheless, the fees earned by the Company for managing the investment-linked funds would fluctuate with the changes in underlying fund values.

Stress Testing ("ST") is performed in accordance with BNM requirements. The purpose of the ST is to test the solvency of the life insurance funds under various scenarios (i.e. Global Trade War, Malaysia Petrol and Diesel Subsidy Cuts, and Mass Surrender) according to regulatory guidelines on stress testing, simulating drastic changes in major parameters. For example, new business volume, market volatilities, expense patterns, mortality/morbidity patterns and lapse rates.

198201013982 (93745-A)

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONT'D.)

Insurance Risk (Cont'd.)

Table 29(A): The table below sets out the concentration of the insurance contract liabilities by distribution of various life insurance risk as at the statement of financial position date:

(i) by Class of business:

	Gross			Reinsurance			Net Total RM'000
	With DPF ⁽¹⁾ RM'000	Without DPF RM'000	Total RM'000	With DPF RM'000	Without DPF RM'000	Total RM'000	
2025							
Whole life	46,975,266	19,888,013	66,863,279	202,877	(282,911)	(80,034)	66,783,245
Endowment	11,562,805	16,418,674	27,981,479	-	(126,190)	(126,190)	27,855,289
Term	-	1,002,754	1,002,754	-	(6,544)	(6,544)	996,210
Annuity	-	249,124	249,124	-	-	-	249,124
Others	-	-	-	-	7,063	7,063	7,063
Total	58,538,071	37,558,565	96,096,636	202,877	(408,582)	(205,705)	95,890,931
2024							
Whole life	46,222,909	19,176,539	65,399,448	219,134	(126,838)	92,296	65,491,744
Endowment	11,802,678	14,699,530	26,502,208	-	(53,420)	(53,420)	26,448,788
Term	-	948,755	948,755	-	(45,089)	(45,089)	903,666
Annuity	-	238,487	238,487	-	-	-	238,487
Others	-	-	-	-	4,055	4,055	4,055
Total	58,025,587	35,063,311	93,088,898	219,134	(221,292)	(2,158)	93,086,740

198201013982 (93745-A)

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONT'D.)

Insurance Risk (Cont'd.)

Table 29(A): The table below sets out the concentration of the insurance contract liabilities by distribution of various life insurance risk as at the statement of financial position date (Cont'd.):

(ii) by Country:

	Gross			Reinsurance		Total	Net Total
	With DPF⁽¹⁾	Without DPF	Total	With DPF	Without DPF		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2025							
Malaysia	58,538,071	37,558,565	96,096,636	202,877	(408,582)	(205,705)	95,890,931
Total	58,538,071	37,558,565	96,096,636	202,877	(408,582)	(205,705)	95,890,931
2024							
Malaysia	58,025,587	35,063,311	93,088,898	219,134	(221,292)	(2,158)	93,086,740
Total	58,025,587	35,063,311	93,088,898	219,134	(221,292)	(2,158)	93,086,740

Note:

(1) DPF is defined as Contracts with Discretionary Participating Features.

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONT'D.)

Insurance Risk (Cont'd.)

Sensitivity analysis

The sensitivity analysis below shows the impact of changes in key parameters on the value of policy liabilities, and hence on the Profit or Loss Statement and Equity.

Table 29(B): Profit/(Loss) after tax and equity sensitivity:

Impact on 1-year's Profit/(Loss) after tax and equity

Change in Assumptions	Impact on Profit/(Loss) After Tax			Impact on Equity			Impact on CSM After Tax			
	Gross of Insurance Contracts RM'000	Reinsurance Ceded RM'000	Net Impact RM'000	Gross of Insurance Contracts RM'000	Reinsurance Ceded RM'000	Net Impact RM'000	Gross of Insurance Contracts RM'000	Reinsurance Ceded RM'000	Net Impact RM'000	
	(Decrease)/Increase									
2025										
Scenario 1 – Mortality and Morbidity	+10%	(216,449)	34,386	(182,063)	(255,787)	60,344	(195,443)	(1,004,118)	494,951	(509,167)
Scenario 2 – Mortality and Morbidity	-10%	192,476	(25,993)	166,483	232,146	(52,261)	179,885	1,047,061	(513,457)	533,604
Scenario 3 – Accident and Health	+10%	(352,441)	15,170	(337,271)	(460,960)	17,816	(443,144)	(1,835,855)	2,385	(1,833,470)
Scenario 4 – Accident and Health	-10%	317,779	(14,785)	302,994	426,230	(17,431)	408,799	1,880,509	(2,884)	1,877,625
Scenario 5 – Persistency	+25%	94,590	(11,474)	83,116	105,760	(8,515)	97,245	796,074	9,978	806,052
Scenario 6 – Persistency	-25%	(88,298)	9,974	(78,324)	(96,612)	7,320	(89,292)	(691,665)	(10,438)	(702,103)
Scenario 7 – Renewal Expenses	+10%	(49,145)	3,023	(46,122)	(67,781)	2,988	(64,793)	(356,437)	(1,794)	(358,231)
2024										
Scenario 1 – Mortality and Morbidity	+10%	(196,306)	29,635	(166,671)	(223,767)	51,699	(172,068)	(933,384)	486,670	(446,714)
Scenario 2 – Mortality and Morbidity	-10%	179,906	(24,153)	155,753	207,546	(46,619)	160,927	964,075	(501,398)	462,677
Scenario 3 – Accident and Health	+10%	(337,706)	13,930	(323,776)	(417,482)	16,321	(401,161)	(1,734,560)	5,846	(1,728,714)
Scenario 4 – Accident and Health	-10%	330,150	(14,406)	315,744	409,916	(16,797)	393,119	1,744,217	(5,214)	1,739,003
Scenario 5 – Persistency	+25%	80,188	(9,975)	70,213	79,781	(6,009)	73,772	666,057	35,413	701,470
Scenario 6 – Persistency	-25%	(74,152)	8,523	(65,629)	(73,001)	5,120	(67,881)	(565,884)	(30,114)	(595,998)
Scenario 7 – Renewal Expenses	+10%	(44,950)	2,601	(42,349)	(57,751)	2,625	(55,126)	(317,122)	(480)	(317,602)

The above tables demonstrate the sensitivity of the Company's profit and loss after tax and equity to a reasonably possible change in actuarial valuation assumptions on an individual basis with all other variables held constant.

The methodology for deriving sensitivities for each scenario has not changed from the previous year.

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES
(CONT'D.)

Market, Credit and Liquidity Risk

Market risk arises when the market values of assets and liabilities are adversely affected by changes in financial markets. Changes in interest rates, credit spreads, foreign exchange rates, equity prices and alternative investment prices can impact present and future investment earnings of the insurance operations as well as shareholder's equity.

The Company is exposed to market risk in the Shareholder's Fund as well as market mismatch risk between the assets and liabilities of the Life Insurance Funds. The ALC and IC actively manage market risk through setting and monitoring of the investment policies, asset allocations, approving portfolio construction, risk measurement methodologies, as well as hedging and alternative risk transfer strategies. In the case of the investment linked funds, investment risks are borne by the policyholders and the Company does not assume any liability in the event of occurrence of loss or write-down in market valuations.

Investment limits are monitored at various levels to ensure that all investment activities are conducted within the Company's risk appetite and in line with the Company's risk management principles and philosophies. Compliance with established limits forms an integral part of the risk governance and financial reporting framework. The approach adopted by the Company in managing the various types of risk, including interest rate risk, foreign exchange risk, equity price risk, credit spread risk, alternative investment risk, liquidity risk, credit risk and concentration risk, is briefly described as follows:

(a) Interest rate risk (including asset liability mismatch and basis risk)

The Company is exposed to interest rate risk through (i) investments in fixed income instruments and money market instruments, (ii) use of derivatives to manage asset liability mismatch and (iii) insurance contract liabilities in the Life Insurance Funds. Since the Shareholder's Fund has exposure to investments in fixed income instruments but no exposure to insurance contract liabilities, it will incur economic losses when interest rates rise. For the Life Insurance Funds, given the long duration of contract liabilities and the uncertainties in the cash flows, it is not possible to hold assets with duration or same reference interest rate that will perfectly match the duration of the insurance contract liabilities. This results in a net interest rate risk, asset liability mismatch risk and basis risk, which is managed and monitored by the ALC. (Refer to Table 29(F)).

Where the liabilities of the portfolios are predominantly measured using the Variable Fee Approach ("VFA") and majority of the backing assets are measured at Fair Value Through Profit and Loss ("FVTPL"), the changes in liabilities due to interest rates are expected to closely match the changes in assets.

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES
(CONT'D.)

Market, Credit and Liquidity Risk (Cont'd.)

(a) Interest rate risk (including asset liability mismatch and basis risk) (Cont'd.)

For portfolios whose liabilities are predominantly measured using the General Measurement Model ("GMM") and Modified GMM, and have elected to disaggregate the insurance finance income and expenses between Profit or Loss and Other Comprehensive Income, the backing assets would also have a similar option elected. Therefore, the effect of changes in assets due to movements in interest rates are also expected to closely match changes in liabilities in profit or loss.

(b) Foreign currency risk

The Company's foreign currency risk arises from assets and liabilities backing insurance operations which are not currency matched. Investments denominated in foreign currencies are limited to 10% of individual funds regardless of country, subject to the foreign investments being in jurisdictions with sovereign ratings at least equivalent to that of Malaysia, as prescribed by the regulator. In addition, net foreign currency exposure at the Company-level is limited to 10% of the total invested assets. (Refer to Table 29(C)).

Foreign exchange positions are regularly monitored. Limits are set to cap the Company's foreign exchange risk.

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risk (Cont'd.)

(b) Foreign currency risk (Cont'd.)

Table 29(C): The table below shows the foreign exchange position of the Company's financial/insurance assets and liabilities by major currencies.

	RM	SGD	USD	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
2025					
Assets					
Property and equipment					
- Owned	297,025	-	-	-	297,025
- Right-of-use assets	16,939	-	-	-	16,939
Intangible assets	183,914	-	-	-	183,914
Investment properties	962,000	-	-	-	962,000
Investments					
Malaysian government securities	17,697,346	-	-	-	17,697,346
Debt securities	44,220,459	-	40,587	357,667	44,618,713
Equity securities	25,536,036	1,114,750	353,627	1,990,486	28,994,899
Unit and property trust funds	1,210,810	110,266	1,434,873	2,687,430	5,443,379
Investment in subsidiary:					
Collective investment schemes	2,502,762	-	-	-	2,502,762
Loans	204,801	-	-	-	204,801
Derivatives	289,570	-	(40,398)	(244,817)	4,355
Reinsurance contract assets	439,296	-	-	-	439,296
Insurance contract assets	18,589	-	-	-	18,589
Current tax asset	143,888	-	-	-	143,888
Other receivables	794,464	226	861	6,240	801,791
Cash and bank balances	1,921,490	22,580	42,650	60,092	2,046,812
Total assets	96,439,389	1,247,822	1,832,200	4,857,098	104,376,509
Liabilities					
Insurance contract liabilities	96,115,225	-	-	-	96,115,225
Reinsurance contract liabilities	233,591	-	-	-	233,591
Derivatives	(46,280)	-	-	54,228	7,948
Borrowings	500,000	-	-	-	500,000
Agents' retirement benefits	1,161,876	-	-	-	1,161,876
Deferred tax liabilities	1,096,450	-	-	-	1,096,450
Other financial liabilities	562,341	363	14,396	2,540	579,640
Lease liabilities	2,073	-	-	-	2,073
Other payables	746,466	-	-	-	746,466
Total liabilities	100,371,742	363	14,396	56,768	100,443,269

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risk (Cont'd.)

(b) Foreign currency risk (Cont'd.)

Table 29(C): The table below shows the foreign exchange position of the Company's financial/insurance assets and liabilities by major currencies. (Cont'd.)

	RM RM'000	SGD RM'000	USD RM'000	Others RM'000	Total RM'000
2024					
Assets					
Property and equipment					
- Owned	291,294	-	-	-	291,294
- Right-of-use assets	16,404	-	-	-	16,404
Intangible assets	188,384	-	-	-	188,384
Investment properties	968,500	-	-	-	968,500
Investments					
Malaysian government securities	15,306,421	-	-	-	15,306,421
Debt securities	42,047,010	-	87,709	337,728	42,472,447
Equity securities	25,146,718	1,382,395	405,353	2,304,006	29,238,472
Unit and property trust funds	936,573	155,346	975,031	2,042,887	4,109,837
Investment in subsidiary:					
Collective investment schemes	2,314,653	-	-	-	2,314,653
Loans	228,449	-	-	-	228,449
Derivatives	256,684	-	447	(248,965)	8,166
Reinsurance contract asset	239,175	-	-	-	239,175
Insurance contract assets	16,317	-	-	-	16,317
Current tax asset	45,837	-	-	-	45,837
Other receivables	763,710	27	1,357	7,453	772,547
Cash and bank balances	3,225,775	16,506	24,551	21,557	3,288,389
Total assets	91,991,904	1,554,274	1,494,448	4,464,666	99,505,292
Liabilities					
Insurance contract liabilities	93,105,215	-	-	-	93,105,215
Reinsurance contract liabilities	237,017	-	-	-	237,017
Derivatives	(166,012)	-	89,116	83,138	6,242
Agents' retirement benefits	1,090,159	-	-	-	1,090,159
Deferred tax liabilities	752,961	-	-	-	752,961
Other financial liabilities	205,641	2,745	482	12,500	221,368
Lease liabilities	1,612	-	-	-	1,612
Other payables	723,989	-	-	-	723,989
Total liabilities	95,950,582	2,745	89,598	95,638	96,138,563

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES
(CONT'D.)

Market, Credit and Liquidity Risk (Cont'd.)

(c) Equity price risk

Exposure to equity price risk exists in investment assets through equity direct investment, equity derivatives and fund investments, where the Company, through investments, bears all or most of the equity volatility and investment risk. Equity price risk also exists in investment-linked products where the revenues of the insurance operations are linked to the performances of underlying equity funds since this has an impact on the level of fees earned.

A robust monitoring process is in place to manage equity risk by having appropriate risk management strategies to limit the downside risk at certain pre-determined levels. Limits are set for single security holdings as a percentage of equity holdings.

(d) Credit spread risk

Exposure to credit spread risk exists in the Company's investments in corporate bonds. Credit spread is the difference between the corporate yields and the risk-free rate of the similar tenure. When spreads widen, it generally implies that the market is factoring a deterioration in the creditworthiness of the bonds. Hence, widening credit spreads will generally result in a fall in the values of the Company's bond portfolio.

(e) Alternative investment risk

The Company is exposed to alternative investment risk through investments in real estate and private equities. Transactions for property and private equity may be subject to review by the BRMC and approval by the Board in accordance with the Authority Grid. The relevant Management Committees assist in deliberating matters relating to property and private equity, including property investment policy, risk management, performance, expenditure, operations and facilities management.

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES
(CONT'D.)

Market, Credit and Liquidity Risk (Cont'd.)

(f) Liquidity risk

Liquidity risk arises when a company is unable to meet its cash flow demands or if the assets backing the liabilities cannot be sold quickly enough without incurring significant losses. For an insurance company, the greatest liquidity needs typically arise from its insurance liabilities. Demands for funds can usually be met through ongoing normal operations via premiums received, sale of assets or borrowings. Unexpected demands for liquidity may be triggered by mass surrender of insurance policies due to negative publicity, deterioration of the economy, adverse news on other companies in the same or similar lines of business, unanticipated policy claims, other unexpected cash demands from policyholders or derivative margin requirements.

Expected liquidity demands are managed through a combination of treasury, investment and asset-liability management practices, which are monitored on an ongoing basis. Actual and projected cash inflows and outflows are regularly monitored and a reasonable amount of liquid assets are maintained at all times.

The projected cash flows from the in-force insurance contract liabilities consist of renewal premiums, expenses, commissions, claims, maturities and surrenders. Renewal premiums, expenses, commissions, claims and maturities are generally stable and predictable. Surrenders can be more uncertain although it has been quite stable over the past several years.

Unexpected liquidity demands are mitigated through product design, risk diversification, credit facilities, investment strategies and systematic monitoring. Surrender penalty in certain insurance contracts also protects the Company from losses due to unexpected surrender trends as well as reduces the sensitivity of surrenders to changes in interest rates (Refer to Table 29(D1) and (D2)).

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risk (Cont'd.)

(f) Liquidity risk (Cont'd.)

Maturity profiles

Table 29(D1): The following table shows the maturity profile of the Company's financial/insurance liabilities and the expected recovery or settlement of financial/insurance assets based on the remaining undiscounted contractual cash flows.

	Carrying value RM'000	Up to a Year* RM'000	1 - 5 Years RM'000	> 5 Years RM'000	No maturity date RM'000	Total RM'000
2025						
Investments:						
FVOCI	7,504,267	865,151	2,502,074	4,729,572	1,437,699	9,534,496
FVTPL	91,752,832	4,205,735	25,039,688	44,196,968	36,914,688	110,357,079
Loans	204,801	16,979	244,571	8,692	-	270,242
Derivatives	4,355	2,095	2,260	-	-	4,355
Other receivables	789,189	782,246	6,943	-	-	789,189
Cash and cash equivalents	2,046,812	2,046,812	-	-	-	2,046,812
Total undiscounted financial/insurance assets	102,302,256	7,919,018	27,795,536	48,935,232	38,352,387	123,002,173

* Expected utilisation or settlement within 12 months from the reporting date.

198201013982 (93745-A)

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risk (Cont'd.)

(f) Liquidity risk (Cont'd.)

Maturity profiles (Cont'd.)

Table 29(D1): The following table shows the maturity profile of the Company's financial/insurance liabilities and the expected recovery or settlement of financial/insurance assets based on the remaining undiscounted contractual cash flows. (Cont'd.)

	Carrying value RM'000	Up to a Year* RM'000	1 - 5 Years RM'000	> 5 Years RM'000	No maturity date RM'000	Total RM'000
2025 (Cont'd.)						
Derivatives	7,948	7,948	-	-	-	7,948
Borrowings	500,000	19,150	76,652	626,645	-	722,447
Agents' retirement benefits	1,161,876	627,527	200,260	334,089	-	1,161,876
Other financial liabilities	579,640	579,640	-	-	-	579,640
Lease liabilities	2,073	1,079	1,027	-	-	2,106
Other payables	398,349	376,463	21,886	-	-	398,349
Total undiscounted financial/insurance liabilities	2,649,886	1,611,807	299,825	960,734	-	2,872,366
Total liquidity surplus	99,652,370	6,307,211	27,495,711	47,974,498	38,352,387	120,129,807

* Expected utilisation or settlement within 12 months from the reporting date.

198201013982 (93745-A)

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risk (Cont'd.)

(f) Liquidity risk (Cont'd.)

Maturity profiles (Cont'd.)

Table 29(D1): The following table shows the maturity profile of the Company's financial/insurance liabilities and the expected recovery or settlement of financial/insurance assets based on the remaining undiscounted contractual cash flows. (Cont'd.)

	Carrying value RM'000	Up to a Year* RM'000	1 - 5 Years RM'000	> 5 Years RM'000	No maturity date RM'000	Total RM'000
2024						
Investments:						
FVOCI	6,992,018	734,392	2,796,516	4,104,686	1,358,494	8,994,088
FVTPL	86,449,812	4,843,510	25,476,682	37,847,268	35,595,896	103,763,356
Loans	228,449	17,975	227,515	39,100	-	284,590
Derivatives	8,166	8,166	-	-	-	8,166
Other receivables	760,625	753,642	6,983	-	-	760,625
Cash and cash equivalents	3,288,389	3,288,389	-	-	-	3,288,389
Total undiscounted financial/insurance assets	97,727,459	9,646,074	28,507,696	41,991,054	36,954,390	117,099,214

* Expected utilisation or settlement within 12 months from the reporting date.

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risk (Cont'd.)

(f) Liquidity risk (Cont'd.)

Maturity profiles (Cont'd.)

Table 29(D1): The following table shows the maturity profile of the Company's financial/insurance liabilities and the expected recovery or settlement of financial/insurance assets based on the remaining undiscounted contractual cash flows. (Cont'd.)

	Carrying value RM'000	Up to a Year* RM'000	1 - 5 Years RM'000	> 5 Years RM'000	No maturity date RM'000	Total RM'000
2024 (Cont'd.)						
Derivatives	6,242	6,242	-	-	-	6,242
Agents' retirement benefits	1,090,159	552,148	203,498	334,513	-	1,090,159
Other financial liabilities	221,368	221,368	-	-	-	221,368
Lease liabilities	1,612	315	1,519	-	-	1,834
Other payables	372,862	354,098	18,764	-	-	372,862
Total undiscounted financial/insurance liabilities	1,692,243	1,134,171	223,781	334,513	-	1,692,465
Total liquidity surplus	96,035,216	8,511,903	28,283,915	41,656,541	36,954,390	115,406,749

* Expected utilisation or settlement within 12 months from the reporting date.

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risk (Cont'd.)

(f) Liquidity risk (Cont'd.)

Maturity Profile for insurance and reinsurance contract liabilities

Table 29(D2): The following tables show the maturity profile of insurance contracts issued and reinsurance contracts held that are liabilities of the Company based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented.

	Up to 1 Year RM'000	1 - 2 Years RM'000	2 - 3 Years RM'000	3 - 4 Years RM'000	4 - 5 Years RM'000	> 5 Years RM'000	Total RM'000
2025							
Insurance contract liabilities	11,929,088	2,008,820	2,113,873	2,006,521	2,341,788	54,554,539	74,954,629
Reinsurance contract liabilities held	101,778	27,588	26,179	24,638	22,964	202,789	405,936
Total	12,030,866	2,036,408	2,140,052	2,031,159	2,364,752	54,757,328	75,360,565
2024							
Insurance contract liabilities	11,028,127	1,895,901	2,246,850	2,163,535	2,274,927	53,496,931	73,106,271
Reinsurance contract liabilities held	83,801	27,350	26,379	24,956	23,380	213,955	399,821
Total	11,111,928	1,923,251	2,273,229	2,188,491	2,298,307	53,710,886	73,506,092

Amounts payable on demand

Term life contracts issued and reinsurance contracts held have zero amounts payable on demand.

The amounts payable on demand representing the policyholders' account values less applicable surrender fees are as follows:

	2025		2024	
	Amounts payable on demand RM'000	Carrying Amount RM'000	Amounts payable on demand RM'000	Carrying Amount RM'000
Universal life contracts	5,493,346	5,763,841	4,891,430	5,174,231
Participating contracts	53,129,244	49,610,524	52,115,370	49,731,330
Investment-linked contracts	18,572,842	18,550,197	17,261,410	17,252,015
Total	77,195,432	73,924,562	74,268,210	72,157,576

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES
(CONT'D.)

Market, Credit and Liquidity Risk (Cont'd.)

Maturity analysis on expected maturity bases

Table 29(D3): The following table shows the current and non-current classification of assets and liabilities of the Company.

	Current* RM'000	Non-current RM'000	Total RM'000
2025			
Property and equipment			
- Owned	-	297,025	297,025
- Right-of-use assets	-	16,939	16,939
Intangible assets	-	183,914	183,914
Investment properties	-	962,000	962,000
Investments:			
FVOCI	1,999,063	5,505,204	7,504,267
FVTPL	38,473,544	53,279,288	91,752,832
Loans	927	203,874	204,801
Derivatives	2,095	2,260	4,355
Reinsurance contract assets	112,207	327,089	439,296
Insurance contract assets	18,589	-	18,589
Current tax asset	143,888	-	143,888
Other receivables	794,848	6,943	801,791
Cash and cash equivalents	2,046,812	-	2,046,812
Total assets	43,591,973	60,784,536	104,376,509
Insurance contract liabilities	14,181,033	81,934,192	96,115,225
Reinsurance contract liabilities	79,563	154,028	233,591
Derivatives	7,948	-	7,948
Borrowings	-	500,000	500,000
Agents' retirement benefits	627,528	534,348	1,161,876
Deferred tax liabilities	448,730	647,720	1,096,450
Other financial liabilities	579,640	-	579,640
Lease liabilities	1,159	914	2,073
Other payables	724,580	21,886	746,466
Total liabilities	16,650,181	83,793,088	100,443,269

* Expected utilisation or settlement within 12 months from the reporting date.

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risk (Cont'd.)

Maturity analysis on expected maturity bases (cont'd.)

Table 29(D3): The following table shows the current and non-current classification of assets and liabilities of the Company.

	Current* RM'000	Non-current RM'000	Total RM'000
2024			
Property and equipment			
- Owned	-	291,294	291,294
- Right-of-use assets	-	16,404	16,404
Intangible assets	-	188,384	188,384
Investment properties	-	968,500	968,500
Investments:			
FVOCI	438,414	6,553,604	6,992,018
FVTPL	36,755,423	49,694,389	86,449,812
Loans	1,643	226,806	228,449
Derivatives	8,166	-	8,166
Reinsurance contract assets	37,061	202,114	239,175
Insurance contract assets	16,317	-	16,317
Current tax asset	45,837	-	45,837
Other receivables	765,564	6,983	772,547
Cash and cash equivalents	3,288,389	-	3,288,389
Total assets	41,356,814	58,148,478	99,505,292
Insurance contract liabilities	13,257,504	79,847,711	93,105,215
Reinsurance contract liabilities	67,012	170,005	237,017
Derivatives	6,242	-	6,242
Agents' retirement benefits	552,148	538,011	1,090,159
Deferred tax liabilities	396,131	356,830	752,961
Other financial liabilities	221,368	-	221,368
Lease liabilities	709	903	1,612
Other payables	705,226	18,763	723,989
Total liabilities	15,206,340	80,932,223	96,138,563

* Expected utilisation or settlement within 12 months from the reporting date.

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES
(CONT'D.)

Market, Credit and Liquidity Risk (Cont'd.)

(g) Credit risk

Credit risk is the risk of loss arising from an obligor failing to discharge an obligation. The Company is exposed to credit risk mainly through (i) investment in cash, deposits and bonds, (ii) corporate lending activities, (iii) exposure to counterparty's credit risk in derivatives transactions and reinsurance contracts and (iv) non-payment of premiums. For all four types of exposures, financial loss may materialise as a result of a downgrading of credit rating or credit default by the borrower or counterparty.

The task of evaluating and monitoring credit risk arising from financial instruments is undertaken by the Credit Risk Committee ("CRC"), which in turn reports to the ALC. The Company establishes internal limits by issuer and counterparty according to their investment credit ratings, which are actively monitored to manage the credit and concentration risk, and are reviewed on a regular basis. The creditworthiness of reinsurers, issuers and banks is assessed on an annual basis by reviewing their financial strength through published credit ratings and other publicly available financial information (Refer to Table 29(E1) and (E2)).

Reinsurance arrangements are placed with counterparties that have a good credit rating and concentration of risk is mitigated through counterparties' limits that are reviewed and approved on an annual basis.

Credit risk arising from outstanding customer balances resulting from the non-payment of premiums. Upon the premium due date, policyholders are given a grace period to settle the outstanding premium. The credit risk arises specifically during the grace period and continues until the premium is fully paid or the policy is cancelled. If premium is not received by the end of the grace period and the policyholder's account value is insufficient, the policy will lapse.

The Company issues investment-linked policies in which policyholders bear the investment risk of assets held in investment-linked funds as the policy benefits are directly linked to the values of these assets. Therefore, the Company has no material credit or market risk on investment-linked financial assets.

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES
(CONT'D.)

Market, Credit and Liquidity Risk (Cont'd.)

(g) Credit risk (Cont'd.)

For corporate lending, the amount and type of collateral required depends on the assessment of the credit risk of the counterparty. Credit risk is mitigated by entering into collateral agreements and collaterals are revalued on a regular basis. The Company monitors the market value of the collateral, requests additional collateral when needed and performs an impairment valuation, when applicable. The fair value of collateral, held by the Company as a lender, for which it is entitled to sell or pledge in the event of default is as follows:

	Type of Collateral	Carrying Amount of Loans RM'000	Fair Value of Collateral RM'000
2025			
Mortgage loans	Properties	22	80
Secured loans			
- Vehicle loans	Vehicle	1,644	1,644
		<u>1,666</u>	<u>1,724</u>
2024			
Mortgage loans	Properties	28	80
Secured loans			
- Vehicle loans	Vehicle	1,692	1,692
		<u>1,720</u>	<u>1,772</u>

Transactions are conducted under terms and conditions that are usual and customary to standard securities borrowing and lending activities.

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES
(CONT'D.)

Market, Credit and Liquidity Risk (Cont'd.)

(g) Credit risk (Cont'd.)

Table 29(E1): The table below shows the maximum exposure to credit risk for the components of the Statement of Financial Position. For derivatives, the fair value shown on the Statement of Financial Position represents the current risk exposure but not the maximum risk exposure that would arise in the future as a result of the change in value.

		2025	2024
		RM'000	RM'000
Financial investments at FVOCI:	6(a)		
Malaysian government securities		1,347,449	1,371,689
Debt securities		4,719,119	4,261,834
Financial investments at FVTPL:	6(b)		
Malaysian government securities		16,349,897	13,934,732
Debt securities		39,899,594	38,210,613
Loans	7	204,801	228,449
Derivatives	11	4,355	8,166
Reinsurance contract assets	8	439,296	239,175
Insurance contract assets	8	18,589	16,317
Other receivables	9	801,791	772,547
		<u>63,784,891</u>	<u>59,043,522</u>

198201013982 (93745-A)

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risk (Cont'd.)

(g) Credit risk (Cont'd.)

Table 29(E2): The following table sets out information about the credit quality of loans and debt securities measured at amortised cost and debt securities at FVOCI for which ECL was provided. The maximum exposure is shown gross basis, before the effect of mitigation through the use of master netting or collateral agreements and the use of credit derivatives.

For explanation of the terms: '12-month ECL', 'lifetime ECL' and 'credit-impaired', refer to Note 2.2 (h).

	12-month ECL RM'000	Lifetime ECL not credit Impaired RM'000	Lifetime ECL credit Impaired RM'000	Total RM'000
2025				
Loans at amortised cost				
Investment Grade* (BBB to AAA)	25,153	179,499	-	204,652
	25,153	179,499	-	204,652
Loss allowance	(33)	(12,611)	-	(12,644)
Carrying amount	25,120	166,888	-	192,008
Debt securities at FVOCI				
Government guaranteed and Low risk bonds	2,192,416	-	-	2,192,416
Investment Grade* (BBB to AAA)	3,727,739	146,413	-	3,874,152
	5,920,155	146,413	-	6,066,568

* Based on internal rating grades which are equivalent to grades of external rating agencies.

198201013982 (93745-A)

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risk (Cont'd.)

(g) Credit risk (Cont'd.)

Table 29(E2): The following table sets out information about the credit quality of loans and debt securities measured at amortised cost and debt securities at FVOCI for which ECL was provided. The maximum exposure is shown gross basis, before the effect of mitigation through the use of master netting or collateral agreements and the use of credit derivatives. (Cont'd.)

For explanation of the terms: '12-month ECL', 'lifetime ECL' and 'credit-impaired', refer to Note 2.2 (h).

	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
2024				
Loans at amortised cost				
Investment Grade* (BBB to AAA)	30,153	201,499	-	231,652
	30,153	201,499	-	231,652
Loss allowance	(29)	(17,365)	-	(17,394)
Carrying amount	30,124	184,134	-	214,258
Debt securities at FVOCI				
Government guaranteed and Low risk bonds	3,302,740	-	-	3,302,740
Investment Grade* (BBB to AAA)	2,187,454	143,329	-	2,330,783
	5,490,194	143,329	-	5,633,523

* Based on internal rating grades which are equivalent to grades of external rating agencies.

198201013982 (93745-A)

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risk (Cont'd.)

(g) Credit risk (Cont'd.)

Table 29(E2): The following table sets out the credit analysis for reinsurance contract assets and financial assets that are not subjected to ECL.

	Neither past-due nor impaired					Total RM'000
	Government guaranteed and low risk bonds RM'000	Investment grade* (BBB to AAA) RM'000	Non- Investment grade* (C to BB) RM'000	Not rated RM'000	Not subject to credit risk RM'000	
2025						
Financial investments at FVOCI:						
Equity securities	-	-	-	-	1,437,699	1,437,699
Financial investments at FVTPL:						
Malaysian government securities	16,349,897	-	-	-	-	16,349,897
Debt securities	9,303,230	29,159,146	1,395,161	42,057	-	39,899,594
Equity securities	-	-	-	-	27,557,200	27,557,200
Unit and property trust funds	-	-	-	-	5,443,379	5,443,379
Collective investment schemes						
- subsidiary	-	-	-	-	2,502,762	2,502,762
Loans	-	-	-	12,793	-	12,793
Derivatives	-	4,355	-	-	-	4,355
Reinsurance contract assets	-	439,296	-	-	-	439,296
Other receivables	296,432	335,715	18,808	138,234	-	789,189
Cash and cash equivalents	-	2,046,812	-	-	-	2,046,812
Total credit risk exposure	25,949,559	31,985,324	1,413,969	193,084	36,941,040	96,482,976

* Based on internal rating grades which are equivalent to grades of external rating agencies.

198201013982 (93745-A)

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risk (Cont'd.)

(g) Credit risk (Cont'd.)

Table 29(E2): The following table sets out the credit analysis for reinsurance contract assets and financial assets that are not subjected to ECL.(Cont'd.)

	Neither past-due nor impaired				Not subject to credit risk RM'000	Total RM'000
	Government guaranteed and low risk bonds RM'000	Investment grade* (BBB to AAA) RM'000	Non-Investment grade* (C to BB) RM'000	Not rated RM'000		
2024						
Financial investments at FVOCI:						
Equity securities	-	-	-	-	1,358,495	1,358,495
Financial investments at FVTPL:						
Malaysian government securities	13,934,732	-	-	-	-	13,934,732
Debt securities	9,070,534	27,990,951	1,149,704	(576)	-	38,210,613
Equity securities	-	-	-	-	27,879,977	27,879,977
Unit and property trust funds	-	-	-	-	4,109,837	4,109,837
Collective investment schemes						
- subsidiary	-	-	-	-	2,314,653	2,314,653
Loans	-	-	-	14,191	-	14,191
Derivatives	-	8,166	-	-	-	8,166
Reinsurance contract assets	-	239,175	-	-	-	239,175
Other receivables	265,220	376,126	-	119,279	-	760,625
Cash and cash equivalents	-	3,288,389	-	-	-	3,288,389
Total credit risk exposure	23,270,486	31,902,807	1,149,704	132,894	35,662,962	92,118,853

* Based on internal rating grades which are equivalent to grades of external rating agencies.

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES
(CONT'D.)

Market, Credit and Liquidity Risk (Cont'd.)

(g) Credit risk (Cont'd.)

This disclosure below relates to MFRS 9 which came into effect in 2018.

Amounts arising from Expected Credit Loss ("ECL")

Measurement of ECL - Explanation of inputs, assumptions and estimation techniques

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default ("PD");
- loss given default ("LGD"); and
- exposure at default ("EAD").

These parameters are derived from the statistical models which are internally developed by the Company based on the historical data. They are adjusted to reflect forward-looking information.

PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months ("12M PD"), or over the remaining lifetime ('Lifetime PD') of the obligation. PD estimates are derived from PD models that incorporate both quantitative and qualitative inputs, which are in turn derived from internally and externally compiled data. The model outputs are adjusted to reflect forward-looking information whenever appropriate.

If a counterparty or exposure migrates between rating classes, this will lead to a change in the estimate of the associated PD. The ECL considers the contractual maturities of exposures.

LGD is the magnitude of the likely loss incurred during a default. LGD is expressed as a percentage of loss per unit of exposure at the time of default and represents an estimate of the economic loss in the event of the default of the counterparty. Factors in determining LGDs include seniority of claims, availability and quality of collateral, legal enforceability processes in the jurisdiction and industry of borrower and existing market conditions. They are estimates at a certain date and are derived using statistical models, which are calculated based on the statistical rating models. These statistical models are developed using internally compiled data incorporate both quantitative and qualitative factors. The model outputs are adjusted to reflect forward-looking information whenever appropriate.

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES
(CONT'D.)

Market, Credit and Liquidity Risk (Cont'd.)

(g) Credit risk (Cont'd.)

Amounts arising from Expected Credit Loss ("ECL") (Cont'd.)

Measurement of ECL - Explanation of inputs, assumptions and estimation techniques (Cont'd.)

EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current and potential future exposure to the counterparty. The EAD of a financial asset is its gross carrying amount.

The ECL is determined by the PD, LGD and EAD for each individual exposure. These three components are multiplied together and adjusted for forward-looking information. This is then discounted back to the reporting date. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Significant increase in credit risk

To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.

A movement of an obligor's credit rating along the rating scale will represent changes in credit risk as measured by the change in PD.

The criteria for assessing whether credit risk has increased significantly will be determined by changes in 12M PDs and other qualitative factors. The credit risk of an obligor is deemed to have increased significantly since initial recognition if, based on the Company's quantitative model, the 12M PD is determined to have increased by more than 100% since origination, except when the obligor remains within the investment grade ratings.

Using its experienced credit judgement and, where possible, relevant historical experience, the Company may determine that an obligor has undergone a significant increase in credit risk based on particular qualitative factors that are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis. The Company uses the watch-list as an additional trigger for the identification of significant increase in credit risk.

The Company considers an obligor to have relatively lower credit risk if it is of investment grade quality, taking into account both internal and external credit ratings.

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES
(CONT'D.)

Market, Credit and Liquidity Risk (Cont'd.)

(g) Credit risk (Cont'd.)

Credit risk grades

The Company assigns each obligor to a credit risk grade that reflects the PD of the obligor. Credit risk grades are established based on qualitative and quantitative factors that are indicative of default risk. These factors vary depending on the nature of the exposure and the type of counterparty. Credit risk grades are defined and calibrated such that the default risk increases as credit risk deteriorates. Each exposure is assigned with a credit risk grade at initial recognition, based on available information on the borrower. Obligors are subject to ongoing monitoring and review, and may be assigned with new credit risk grades that better reflects their creditworthiness. The monitoring typically involves the use of information obtained during periodic review, including published financial statements, external rating (where available), as well as qualitative information on an obligor's industry, competitive positioning, management, financial policy and financial flexibility.

Definition of default

The Company considers a financial asset to be in default by assessing the following criteria:

Quantitative criteria

For other receivables, the obligor is said to be in default if it fails to make a contractual payment within 6 months after it falls due (i.e. after expiration of the maximum granted credit terms). For bonds and loans, the obligor is said to be in default if it fails to meet its contractual obligation and there are non-payments on another debt obligation of the same issuer to the Company.

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES
(CONT'D.)

Market, Credit and Liquidity Risk (Cont'd.)

(g) Credit risk (Cont'd.)

Definition of default (Cont'd.)

Qualitative criteria

The counterparty is bankrupt or has indications of potentially significant financial difficulty such as lawsuits or similar actions that threaten the financial viability of the counterparty; distressed exchange, merger or amalgamation without assumption, restructuring with expected principal haircut or a breach in material loan covenant that is not rectified within a given timeframe.

The criteria above have been applied to all financial instruments held by the Company and are consistent with the definition of default used for credit risk management purposes. The default definition has been applied consistently to model the PD, EAD and LGD throughout the Company's expected loss calculations.

Incorporating of forward-looking information

The Company incorporates forward-looking information in both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and in its measurement of ECL. The Company has performed historical analysis and identified key economic variables impacting credit risk and ECL for each portfolio.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Experienced judgement has also been applied in this process. Forecasts of these economic variables (the "base economic scenario") are obtained from publicly available economic databases published on a quarterly basis and provide the best estimate view of the economy over the next four to five years, and based on such information, to project the economic variables for the full remaining lifetime of each instrument, a mean reversion approach is used. The impact of these economic variables on the PD, EAD and LGD has been determined by regression analysis.

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES
(CONT'D.)

Market, Credit and Liquidity Risk (Cont'd.)

(g) Credit risk (Cont'd.)

Incorporating of forward-looking information (Cont'd.)

In addition to the base economic scenario, the Company uses multiple scenarios to ensure non-linear risks are captured. The number of scenarios and their respective scenario attributes are reviewed at each reporting date. At 31 December 2025, the Company concluded that two particular scenarios are capable of capturing non-linear risks inherent in all portfolios. The scenario weightings are determined by expert credit judgement, taking into account the range of possible outcomes presented by the chosen scenarios. The assessment of significant increase in credit risk is performed using the 12M PD under each scenario multiplied by the associated scenario weights. This determines whether the financial instrument is in Stage 1, 2 or 3, and hence whether 12M or lifetime ECL should be applied. Following this assessment, the Company measures ECL as either a probability-weighted 12M ECL (Stage 1), or a probability-weighted lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weight (as opposed to weighting the inputs).

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of uncertainty and the actual outcomes may be significantly different from projected outcomes. The Company considers these forecasts being representative of the best estimate of the possible outcomes and has analysed the non-linear risks and asymmetries within the Company's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

The sensitivity of the ECL to the economic variable assumptions affecting the calculation of ECL was not material to the Company for the financial year ended 31 December 2025.

198201013982 (93745-A)

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risk (Cont'd.)

(g) Credit risk (Cont'd.)

Loss allowance - Provision for ECL

Table 29(E3): The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instruments.

	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
2025				
Loans at amortised cost				
Opening balance	29	17,365	-	17,394
Net remeasurement of loss allowance	25	(3,903)	-	(3,878)
Financial assets that have been derecognised	(40)	(1,769)	-	(1,809)
Changes in models/risk parameters	19	918	-	937
Closing balance	<u>33</u>	<u>12,611</u>	<u>-</u>	<u>12,644</u>

198201013982 (93745-A)

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risk (Cont'd.)

(g) Credit risk (Cont'd.)

Loss allowance - Provision for ECL

Table 29(E3): The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instruments. (Cont'd.)

	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
2024				
Loans at amortised cost				
Opening balance	70	28,061	-	28,131
Net remeasurement of loss allowance	61	(1,396)	-	(1,335)
Financial assets that have been derecognised	(464)	(6,607)	-	(7,071)
Changes in models/risk parameters	362	(2,693)	-	(2,331)
Closing balance	<u>29</u>	<u>17,365</u>	<u>-</u>	<u>17,394</u>

198201013982 (93745-A)

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risk (Cont'd.)

(g) Credit risk (Cont'd.)

Loss allowance - Provision for ECL

Table 29(E3): The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instruments. (Cont'd.)

	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
2025				
Debt investment securities at FVOCI				
Opening balance	8,398	8,365	-	16,763
Transfer to lifetime ECL not credit-impaired	(12)	12	-	-
Additional loss allowance due to transfer	-	132	-	132
Net remeasurement of loss allowance	92	(1,345)	-	(1,253)
New financial assets purchased	6,044	-	-	6,044
Financial assets that have been derecognised	(2,979)	(109)	-	(3,088)
Changes in models/risk parameters	2,200	779	-	2,979
Closing balance	<u>13,743</u>	<u>7,834</u>	<u>-</u>	<u>21,577</u>

198201013982 (93745-A)

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risk (Cont'd.)

(g) Credit risk (Cont'd.)

Loss allowance - Provision for ECL

Table 29(E3): The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instruments. (Cont'd.)

	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
2024				
Debt investment securities at FVOCI				
Opening balance	10,000	30,172	-	40,172
Transfer to lifetime ECL not credit-impaired	11	(11)	-	-
Additional loss allowance due to transfer	(8)	-	-	(8)
Net remeasurement of loss allowance	(680)	(834)	-	(1,514)
New financial assets purchased	2,290	-	-	2,290
Financial assets that have been derecognised	(2,232)	(9,043)	-	(11,275)
Changes in models/risk parameters	(983)	(11,919)	-	(12,902)
Closing balance	<u>8,398</u>	<u>8,365</u>	<u>-</u>	<u>16,763</u>

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risk (Cont'd.)

(g) Credit risk (Cont'd.)

Loss allowance - Provision for ECL

As debt securities measured at FVOCI are carried at fair value, the related loss allowance as at 31 December 2025 is not deducted from their carrying amount in the statement of financial position.

(h) Concentration risk

An important element of managing market, credit and liquidity risks is to actively manage concentration to specific issuers, counterparties, industry sectors, countries and currencies. Both internal and regulatory limits are put in place and monitored to manage this risk. These limits are reviewed on a regular basis by the respective management committees. The Company's exposures are within the concentration limits set by the regulator. The Company actively manages its investment mix to ensure that there is no significant concentration of market, credit and liquidity risks.

(i) Sensitivity analysis on financial risks

The sensitivity analysis below shows the impact on the Company's net profit after taxation by applying possible shocks to each key variable, with all other variables held constant. While the co-movement of key variables can significantly affect the fair values and/or amortised cost of financial assets, to demonstrate the impact due to changes in each key variable, the variables are changed individually.

The impact on net profit after taxation represents the effect caused by changes in fair value of financial assets whose fair values are recorded in the Profit or Loss Statement, and changes in valuation of insurance and reinsurance contract liabilities/assets. The equity sensitivity represents the impact on net profit after taxation and the effect on changes in fair value of financial assets measured at FVOCI and changes in insurance finance reserves.

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risk (Cont'd.)

(i) Sensitivity analysis on financial risks (Cont'd.)

Table 29(F):

RM (millions)	Impact on profit/(loss) after tax				Impact on Equity ⁽¹⁾				Impact on CSM	
	31 December 2025		31 December 2024		31 December 2025		31 December 2024		31 December 2025	31 December 2024
	Financial assets	Insurance & reinsurance contracts	Financial assets	Insurance & reinsurance contracts	Financial assets	Insurance & reinsurance contracts	Financial assets	Insurance & reinsurance contracts	Insurance & reinsurance contracts	Insurance & reinsurance contracts
Change in variables										
(a) Interest rate										
+ 100 basis points	(2,834.67)	2,683.62	(2,328.50)	2,239.80	(3,195.50)	2,823.75	(2,605.09)	2,357.09	(89.68)	(108.52)
- 100 basis points	3,194.52	(3,095.37)	2,608.71	(2,590.84)	3,602.27	(3,279.70)	2,917.11	(2,748.68)	200.12	82.10
(b) Foreign currency										
5% increase in market value of USD denominated assets	55.53	(54.66)	53.19	(52.39)	55.54	(54.65)	54.20	(53.27)	5.63	5.82
5% decrease in market value of USD denominated assets	(55.53)	54.67	(53.19)	52.39	(55.54)	54.66	(54.20)	53.30	(5.63)	(5.83)
(c) Equity										
20% increase in market indices:										
- STI	127.74	(127.16)	168.53	(167.78)	170.51	(138.16)	210.54	(176.24)	13.08	16.96
- KLCI	3,849.54	(3,793.01)	3,827.75	(3,749.54)	3,973.31	(3,804.96)	3,940.78	(3,758.64)	409.71	408.76
- Total (all indices, not only STI and KLCI)	4,831.04	(4,769.21)	4,754.18	(4,670.55)	5,050.27	(4,807.42)	4,960.67	(4,699.94)	507.86	504.63
20% decrease in market indices:										
- STI	(127.74)	127.16	(168.53)	167.78	(170.51)	138.13	(210.54)	176.25	(13.04)	(17.02)
- KLCI	(3,849.54)	3,791.17	(3,827.75)	3,747.78	(3,973.31)	3,803.31	(3,940.78)	3,757.01	(428.52)	(423.29)
- Total (all indices, not only STI and KLCI)	(4,831.04)	4,763.77	(4,754.18)	4,668.49	(5,050.27)	4,802.36	(4,960.67)	4,697.83	(532.74)	(523.78)

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONT'D.)

Market, Credit and Liquidity Risk (Cont'd.)

(i) Sensitivity analysis on financial risks (Cont'd.)

Table 29(F):

RM (millions)	Impact on profit/(loss) after tax				Impact on Equity ⁽¹⁾				Impact on CSM	
	31 December 2025		31 December 2024		31 December 2025		31 December 2024		31 December 2025	31 December 2024
	Financial assets	Insurance & reinsurance contracts	Financial assets	Insurance & reinsurance contracts	Financial assets	Insurance & reinsurance contracts	Financial assets	Insurance & reinsurance contracts	Insurance & reinsurance contracts	Insurance & reinsurance contracts
Change in variables										
(d) Credit										
Spread + 100 basis points	(1,627.52)	1,599.06	(1,357.56)	1,341.51	(1,888.50)	1,706.00	(1,530.52)	1,370.64	16.99	(40.14)
Spread - 100 basis points	1,781.67	(1,732.56)	1,492.14	(1,458.84)	2,074.55	(1,817.46)	1,682.67	(1,516.59)	201.49	151.21
(e) Alternative Investments ⁽²⁾										
10% increase in market value of all alternative investments	186.82	(184.91)	102.26	(98.88)	194.26	(184.88)	177.67	(168.93)	19.18	17.54
10% increase in market value of all alternative investments	(186.82)	184.91	(102.26)	98.89	(194.26)	184.86	(177.67)	168.95	(19.16)	(17.57)

(1) The impact on equity reflects the after taxation impact, when applicable.

(2) Alternative Investments comprise investments in real estate, private equity, infrastructure and hedge funds.

The above tables demonstrate the sensitivity of the Company's profit and loss after tax and equity to a change in the specified variables on an individual basis with all other variables held constant.

The methodology for deriving sensitivities has not changed from the previous year. Certain variable has been updated to reflect more relevant scenarios for the Company.

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES
(CONT'D.)

Operational, Market Conduct and Compliance Risk

Operational risk is an event or action that may potentially impact partly or completely the achievement of the Company's objectives arising from inadequate or failed internal processes and systems, human factors or external events.

Market conduct risk is an event or action that may potentially impact partly or completely the achievement of the Company's objectives arising from its personnel and intermediaries not conducting themselves in accordance with the ethical standards and in compliance with the relevant laws and regulations governing insurance and investment product for pre-sales, during sales and after sales process. It is synonymous with professional behaviour and customer's protection. There are four areas in which the Company continuously strengthens:

- Fit and Proper;
- Sales Advisory Process;
- Training and Competency; and
- Business Conduct.

Compliance risk is any event or action that may potentially impact partly or completely the achievement of the Company's objectives and its reputation as a result of its failure to comply with the following applicable laws, regulations and standards:

- Laws, regulations and rules governing insurance business and regulated financial licensed activities undertaken by the Company;
- Codes of practice promoted by industry associations of which the Company is a member of; and
- Any other applicable regulations which do not specifically govern the licensed activities undertaken by the Company but can expose the organisation to legal, regulatory or reputational loss.

The day-to-day management of operational, market conduct and compliance risks is through the maintenance of comprehensive internal control framework, supported by an infrastructure of systems and procedures to monitor processes and transactions. The SMT regularly reviews and monitors these issues at its monthly meetings. The Internal Audit team regularly reviews the systems of internal control to assess their ongoing relevance and effectiveness, and reports at least quarterly to the Board Audit Committee. As an added measure, the risk appetite statement explicitly sets the Company's tolerance level to financial loss arising from operational, market conduct and compliance risks.

Technology, Information and Cyber Risks

Technology risk is defined as risk related to any potential adverse outcome, damage, loss, disruption, violation, system/hardware failure, and capacity deficiency arising from the use of technologies such as electronic hardware/devices, software, and online networks and telecommunication systems.

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

29. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES
(CONT'D.)

Technology, Information and Cyber Risks (Cont'd.)

Information Risk is defined as risk related to confidentiality, integrity and availability of information (in physical or digital form).

Cyber Risk is defined as risk related to acts perpetrated by malicious threat actors including internal sabotage, espionage, malicious attacks, hacking incidents, fraudulent conduct using information and communication technologies.

The Company adopts a risk based approach in managing the risks relating to IT disruption, cyber threats, data loss and third party breaches. The Company has put in place technical and procedural risk controls to defend against external and internal threats. Key risk indicators related to technology, information and cyber risks are reported to the Board on a regular basis. Independent assessment is performed by the Internal Audit team on the adequacy and effectiveness of the processes to manage technology, information and cyber risks. The risk appetite statement also explicitly sets the Company's tolerance level to financial loss arising from technology risks.

Sustainability risk

Sustainability risk is defined as any environmental, social or governance ("ESG") event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment and enterprise value.

The Company's Sustainability Report 2025 will be published on its corporate website. The report is aligned with the requirements of the Global Reporting Initiative ("GRI") Standards for sustainability reporting, and the recommendations of the Taskforce on Climate-related Financial Disclosures ("TCFD") for climate-related disclosures. The report provides an update on the Company's ambition for sustainable development, strategy, risk management practices, initiatives and progress.

30. FAIR VALUES OF ASSETS AND LIABILITIES

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

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

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

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

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

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

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

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

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

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

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

	Date of valuation	Level 1	Level 2	Level 3	Total Fair Value RM'000
		Quoted Market Price RM'000	Valuation Techniques - Market Observable Inputs RM'000	Valuation Techniques - Jobservable Inputs RM'000	
2025					
<u>(a) Assets measured at fair value:</u>					
<u>Financial assets:</u>					
<u>FVOCI financial assets (Note 6(a)):</u>					
Equity securities:					
Quoted in Malaysia					
- Kuala Lumpur					
Stock Exchange	31 December 2025	744,469	-	-	744,469
Quoted outside Malaysia					
- Singapore Exchange	31 December 2025	280,810	-	-	280,810
- Hong Kong Exchange	31 December 2025	345,825	-	-	345,825
Unquoted in Malaysia	31 December 2025	-	-	66,595	66,595
Malaysian government securities					
	31 December 2025	-	1,347,449	-	1,347,449
Debt securities:					
Unquoted in Malaysia	31 December 2025	-	4,719,119	-	4,719,119
<u>FVTPL financial assets (Note 6(b)):</u>					
<u>Mandatorily measured</u>					
Equity securities:					
Quoted in Malaysia	31 December 2025	24,042,397	-	-	24,042,397
Quoted outside Malaysia	31 December 2025	2,832,228	-	-	2,832,228
Unquoted in Malaysia	31 December 2025	-	590,521	92,054	682,575
Debt securities:					
Quoted outside Malaysia	31 December 2025	209,379	-	-	209,379
Unquoted in Malaysia	31 December 2025	-	5,431,077	-	5,431,077
Unquoted outside Malaysia	31 December 2025	-	148,288	-	148,288
Unit and property trust funds:					
Quoted in Malaysia	31 December 2025	654,133	-	-	654,133
Quoted outside Malaysia	31 December 2025	586,931	-	-	586,931
Unquoted in Malaysia	31 December 2025	-	500,852	55,825	556,677
Unquoted outside Malaysia	31 December 2025	-	3,158,463	487,175	3,645,638
Investment in subsidiary:					
Collective investment schemes					
Unquoted in Malaysia	31 December 2025	-	2,502,762	-	2,502,762

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

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

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

	Date of valuation	Level 1	Level 2	Level 3	Total Fair Value RM'000
		Quoted Market Price RM'000	Valuation Techniques - Market Observable Inputs RM'000	Valuation Techniques - Unobservable Inputs RM'000	
2025 (Cont'd.)					
<u>(a) Assets measured at fair value:</u>					
(Cont'd.)					
<u>Financial assets: (Cont'd.)</u>					
<u>FVTPL financial assets (Note 6(b)):</u>					
(Cont'd):					
<u>Designated upon initial recognition:</u>					
Malaysian government securities	31 December 2025	-	16,349,897	-	16,349,897
Debt securities:					
Unquoted in Malaysia	31 December 2025	-	34,070,263	-	34,070,263
Unquoted outside Malaysia	31 December 2025	-	40,587	-	40,587
Financial assets		<u>29,696,172</u>	<u>68,859,278</u>	<u>701,649</u>	<u>99,257,099</u>
<u>Derivatives (Note 11):</u>					
Interest rate swap	31 December 2025	-	2,260	-	2,260
Bond Forward	31 December 2025	-	308	-	308
Forward Foreign Exchange	31 December 2025	-	1,787	-	1,787
		-	<u>4,355</u>	-	<u>4,355</u>
<u>Non financial assets:</u>					
<u>Investment Properties (Note 5):</u>					
Commercial	16 October 2025	-	-	722,000	722,000
Residential	16 October 2025	-	-	240,000	240,000
Non financial assets		-	-	<u>962,000</u>	<u>962,000</u>
<u>(b) Liabilities measured at fair value:</u>					
<u>Financial liabilities</u>					
<u>Derivatives (Note 11):</u>					
Bond Forward	31 December 2025	-	7,720	-	7,720
Forward Foreign Exchange	31 December 2025	-	228	-	228
		-	<u>7,948</u>	-	<u>7,948</u>

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

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

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

	Date of valuation	Level 1	Level 2	Level 3	Total Fair Value RM'000
		Quoted Market Price RM'000	Valuation Techniques - Market Observable Inputs RM'000	Valuation Techniques - Unobservable Inputs RM'000	
2024					
<u>(a) Assets measured at fair value:</u>					
<u>Financial assets:</u>					
<u>FVOCI financial assets (Note 6(a)):</u>					
Equity securities:					
Quoted in Malaysia					
- Kuala Lumpur					
Stock Exchange	31 December 2024	679,155	-	-	679,155
Quoted outside Malaysia					
- Singapore Exchange	31 December 2024	276,376	-	-	276,376
- Hong Kong Exchange	31 December 2024	338,491	-	-	338,491
Unquoted in Malaysia	31 December 2024	-	-	64,473	64,473
Malaysian government securities					
	31 December 2024	-	1,371,689	-	1,371,689
Debt securities:					
Unquoted in Malaysia	31 December 2024	-	4,261,834	-	4,261,834
<u>FVTPL financial assets (Note 6(b)):</u>					
<u>Mandatorily measured</u>					
Equity securities:					
Quoted in Malaysia	31 December 2024	23,505,273	-	-	23,505,273
Quoted outside Malaysia	31 December 2024	3,476,888	-	-	3,476,888
Unquoted in Malaysia	31 December 2024	-	806,309	91,507	897,816
Debt securities:					
Quoted in Malaysia	31 December 2024	962	-	-	962
Quoted outside Malaysia	31 December 2024	205,588	-	-	205,588
Unquoted in Malaysia	31 December 2024	-	4,829,633	-	4,829,633
Unquoted outside Malaysia	31 December 2024	-	132,140	-	132,140
Unit and property trust funds:					
Quoted in Malaysia	31 December 2024	527,233	-	-	527,233
Quoted outside Malaysia	31 December 2024	393,958	-	-	393,958
Unquoted in Malaysia	31 December 2024	-	368,543	40,797	409,340
Unquoted outside Malaysia	31 December 2024	-	2,440,553	338,753	2,779,306
Investment in subsidiary:					
Collective investment schemes					
Unquoted in Malaysia	31 December 2024	-	2,314,653	-	2,314,653

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

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

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

	Date of valuation	Level 1	Level 2	Level 3	Total Fair Value RM'000
		Quoted Market Price RM'000	Valuation Techniques - Market Observable Inputs RM'000	Valuation Techniques - Inobservable Inputs RM'000	
2024 (Cont'd.)					
<u>(a) Assets measured at fair value:</u>					
(Cont'd.)					
<u>Financial assets: (Cont'd.)</u>					
<u>FVTPL financial assets (Note 6(b)):</u>					
(Cont'd):					
<u>Designated upon initial recognition:</u>					
Malaysian government securities	31 December 2024	-	13,934,732	-	13,934,732
Debt securities:					
Unquoted in Malaysia	31 December 2024	-	32,954,581	-	32,954,581
Unquoted outside Malaysia	31 December 2024	-	87,709	-	87,709
Financial assets		29,403,924	63,502,376	535,530	93,441,830
<u>Derivatives (Note 11):</u>					
Forward Foreign Exchange	31 December 2024	-	8,166	-	8,166
		-	8,166	-	8,166
<u>Non financial assets:</u>					
<u>Investment Properties (Note 5):</u>					
Commercial	16 October 2024	-	-	733,500	733,500
Residential	16 October 2024	-	-	235,000	235,000
Non financial assets		-	-	968,500	968,500
<u>(b) Liabilities measured at fair value:</u>					
<u>Financial liabilities</u>					
<u>Derivatives (Note 11):</u>					
Currency swaps	31 December 2024	-	79	-	79
Bond Forward	31 December 2024	-	1,137	-	1,137
Forward Foreign Exchange	31 December 2024	-	5,026	-	5,026
		-	6,242	-	6,242

198201013982 (93745-A)

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

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

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

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

Description	Fair value as at 31 December 2025 RM'000	Valuation techniques	Unobservable inputs	Range (weighted average)
<u>Investment properties</u>				
Commercial properties	545,000	Income approach	Rental per square foot ("p.s.f.") per month	RM7.38
			Car park bay rental rate	RM310
			Monthly outgoing rate p.s.f	RM1.45
			Capitalisation rate	5.75% - 6.00%
			Void rate	5%
Commercial properties	177,000	Comparison approach	Estimated Value p.s.f	RM33 - RM1,300
Residential properties	233,000	Comparison approach	Estimated Value p.s.f	RM670-RM760
Residential properties	7,000	Comparison approach	Estimated Value p.s.f	RM40
<u>FVOCI financial assets</u>				
Unquoted equities	66,595	Adjusted net asset value ⁽¹⁾	Net tangible assets	RM22.15
<u>FVTPL financial assets</u>				
Unquoted equities	92,054	Adjusted net asset value ⁽¹⁾	Net tangible assets	RM17.31
Private equity fund	487,175	Adjusted net asset value ⁽¹⁾	Net tangible assets	RM4.88
Private real estate fund	55,825	Adjusted net asset value ⁽¹⁾	Net tangible assets	RM0.97

198201013982 (93745-A)

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

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

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

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

Description	Fair value as at 31 December 2024 RM'000	Valuation techniques	Unobservable inputs	Range (weighted average)
<u>Investment properties</u>				
Commercial properties	545,000	Income approach	Rental per square foot ("p.s.f.") per month Car park bay rental rate Monthly outgoing rate p.s.f Capitalisation rate Void rate	RM7.26 to RM7.39 RM310 RM1.40 5.75% - 6.00% 5%
Commercial properties	188,500	Comparison approach	Estimated Value p.s.f	RM33 - RM1,300
Residential properties	228,000	Comparison approach	Estimated Value p.s.f	RM670-RM744
Residential properties	7,000	Comparison approach	Estimated Value p.s.f	RM40
<u>FVOCI financial assets</u>				
Unquoted equities	64,473	Adjusted net asset value ⁽¹⁾	Net tangible assets	RM21.45
<u>FVTPL financial assets</u>				
Unquoted equities	91,507	Adjusted net asset value ⁽¹⁾	Net tangible assets	RM17.20
Private equity fund	338,753	Adjusted net asset value ⁽¹⁾	Net tangible assets	RM5.11
Private real estate fund	40,797	Adjusted net asset value ⁽¹⁾	Net tangible assets	RM0.92

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

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

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

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

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

Fair value measurements using significant unobservable inputs (Level 3)

	FVOCI	FVTPL				Investment properties	Total
	Financial assets Unquoted equities	Financial assets	Financial assets Private equities	Financial assets Private real estate			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
31 December 2025							
Opening balance	64,473	91,507	338,753	40,797	968,500	1,504,030	
Total gain for the financial year:							
Changes in fair value							
- Included in statement of profit or loss	-	547	2,507	1,582	(6,520)	(1,884)	
- Included in other comprehensive income	2,122	-	-	-	-	2,122	
Addition for the financial year:							
Additions	-	-	159,359	13,446	-	172,805	
Reclassification	-	-	-	-	20	20	
Disposal for the financial year:							
Disposals	-	-	(13,444)	-	-	(13,444)	
Closing balance	66,595	92,054	487,175	55,825	962,000	1,663,649	

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

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

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

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

Fair value measurements using significant unobservable inputs (Level 3)

	FVOCI	FVTPL				Investment properties	Total
	Financial assets Unquoted equities	Financial assets	Financial assets Private equities	Financial assets Private real estate			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
31 December 2024							
Opening balance	68,674	74,508	173,719	-	969,650	1,286,551	
Total gain for the financial year:							
Changes in fair value							
- Included in statement of profit or loss	-	16,999	25,432	(3,423)	(22,929)	16,079	
- Included in other comprehensive income	(4,201)	-	-	-	-	(4,201)	
Addition for the financial year:							
Additions	-	-	153,376	44,220	21,779	219,375	
Disposal for the financial year:							
Disposals	-	-	(13,774)	-	-	(13,774)	
Closing balance	64,473	91,507	338,753	40,797	968,500	1,504,030	

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

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

Fair value Hierarchy

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

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

There have been no transfers of assets between Level 1 and Level 2 of the fair value hierarchy during the financial years ended 31 December 2025 and 31 December 2024.

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

31. REGULATORY CAPITAL REQUIREMENT

The capital structure of the Company as at 31 December 2025, as prescribed under the RBC Framework is provided below:

	2025	2024
	RM'000	RM'000
Eligible Tier 1 Capital		
Share capital (paid-up)	100,000	100,000
Reserves, including retained earnings	22,567,489	22,314,556
	<u>22,667,489</u>	<u>22,414,556</u>
Tier 2 Capital		
Eligible reserves	355,381	218,368
Subordinated notes	500,000	-
	<u>855,381</u>	<u>218,368</u>
Deductions: Intangible assets & deferred tax assets	<u>183,902</u>	<u>188,384</u>
Total Capital Available	<u>23,338,968</u>	<u>22,444,540</u>

198201013982 (93745-A)

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

32. INSURANCE FUNDS

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

Statement of Financial Position by Funds
As at 31 December 2025

	Shareholder's Fund		Life Insurance Fund		Elimination*		Total	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Assets								
Financial investments	2,872,174	1,900,659	96,384,925	91,541,171	-	-	99,257,099	93,441,830
Reinsurance contract assets	-	-	439,296	239,175	-	-	439,296	239,175
Insurance contract assets	-	-	18,589	16,317	-	-	18,589	16,317
Other assets	874,335	1,483,330	6,450,023	6,242,014	(2,662,833)	(1,917,374)	4,661,525	5,807,970
	<u>3,746,509</u>	<u>3,383,989</u>	<u>103,292,833</u>	<u>98,038,677</u>	<u>(2,662,833)</u>	<u>(1,917,374)</u>	<u>104,376,509</u>	<u>99,505,292</u>
Equity, Policyholders' Fund and Liabilities								
Total Equity	<u>406,751</u>	<u>1,396,021</u>	<u>3,526,489</u>	<u>1,970,708</u>	<u>-</u>	<u>-</u>	<u>3,933,240</u>	<u>3,366,729</u>
Insurance contract liabilities	-	-	96,115,225	93,105,215	-	-	96,115,225	93,105,215
Reinsurance contract liabilities	-	-	233,591	237,017	-	-	233,591	237,017
Other liabilities	3,339,758	1,987,968	3,417,528	2,725,737	(2,662,833)	(1,917,374)	4,094,453	2,796,331
Total Policyholders' Fund and Liabilities	<u>3,339,758</u>	<u>1,987,968</u>	<u>99,766,344</u>	<u>96,067,969</u>	<u>(2,662,833)</u>	<u>(1,917,374)</u>	<u>100,443,269</u>	<u>96,138,563</u>
	<u>3,746,509</u>	<u>3,383,989</u>	<u>103,292,833</u>	<u>98,038,677</u>	<u>(2,662,833)</u>	<u>(1,917,374)</u>	<u>104,376,509</u>	<u>99,505,292</u>

* Refers to elimination of Interfund balances.

198201013982 (93745-A)

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

32. INSURANCE FUNDS (CONT'D.)

Statement of Profit or Loss by Funds
For the financial year ended 31 December 2025

	Shareholder's Fund		Life Insurance Fund		Total	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Insurance revenue	-	-	8,885,767	8,368,948	8,885,767	8,368,948
Insurance service expenses	-	-	(7,101,472)	(6,621,802)	(7,101,472)	(6,621,802)
Net expenses from reinsurance contracts held	-	-	63,063	(115,692)	63,063	(115,692)
Insurance service results	-	-	1,847,358	1,631,454	1,847,358	1,631,454
Investment income	133,897	126,322	3,773,886	3,681,634	3,907,783	3,807,956
Rental income	-	-	74,883	68,297	74,883	68,297
(Loss)/Gain on exchange differences	5,374	(1,421)	(430,433)	(366,351)	(425,059)	(367,772)
Gain on sale of investments and changes in fair value	2,846	5,050	2,046,302	5,071,101	2,049,148	5,076,151
(Increase)/Decrease in provision for impairment of assets	(2,476)	371	2,287	18,849	(189)	19,220
Net investment income	139,641	130,322	5,466,925	8,473,530	5,606,566	8,603,852
Finance expenses from insurance contracts issued	-	-	(5,125,009)	(7,983,872)	(5,125,009)	(7,983,872)
Finance expenses from reinsurance contracts held	-	-	(2,862)	(9,309)	(2,862)	(9,309)
Net insurance finance expenses	-	-	(5,127,871)	(7,993,181)	(5,127,871)	(7,993,181)
Net insurance and investment result	139,641	130,322	2,186,412	2,111,803	2,326,053	2,242,125
Other revenue	-	-	1,658	1,640	1,658	1,640
Other expenses	(2,881)	(2,007)	(60,445)	(117,364)	(63,326)	(119,371)
Other income and expenses	(2,881)	(2,007)	(58,787)	(115,724)	(61,668)	(117,731)
Profit before taxation	136,760	128,315	2,127,625	1,996,079	2,264,385	2,124,394
Taxation	(20,552)	(20,814)	(709,693)	(804,592)	(730,245)	(825,406)
Net profit for the financial year	116,208	107,501	1,417,932	1,191,487	1,534,140	1,298,988



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD**
(Incorporated in Malaysia)
Registration No. 198201013982 (93745-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Great Eastern Life Assurance (Malaysia) Berhad ("the Company") give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Company, which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policies, as set out on pages 30 to 200.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and Investment-linked Funds Financial Statements, which we obtained prior to the date of this auditors' report, and Annual Report, which is expected to be made available to us after that date. Other information does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(CONTINUED)**

(Incorporated in Malaysia)
Registration No. 198201013982 (93745-A)

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
(CONTINUED)

(Incorporated in Malaysia)

Registration No. 198201013982 (93745-A)

- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

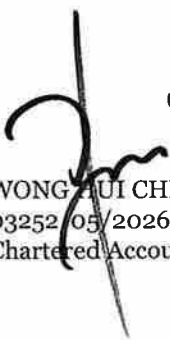
OTHER MATTERS

This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



PRICEWATERHOUSECOOPERS PLT
LLPO014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
30 March 2026



WONG HUI CHERN
03252/05/2026 J
Chartered Accountant