

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

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024

198301007025 (102249-P)

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

Interim Condensed Financial Statements for Six Months Period Ended 30 June 2024

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

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	30.06.2024 RM	31.12.2023 RM
Assets			
Intangible assets		51,752,813	53,848,112
Property and equipment			
- Owned		3,318,794	2,581,966
- Right-of-use assets		13,531,556	14,294,313
Investments	9	722,048,259	773,210,128
Reinsurance contract assets	10	580,539,848	646,999,132
Insurance contract assets	10	8,098,689	4,179,463
Other receivables		61,302,532	60,027,157
Tax recoverable		25,223,813	18,464,773
Cash and bank balances		44,802,196	43,110,786
Total assets		1,510,618,500	1,616,715,830
Equity			
Share capital		100,000,000	100,000,000
Retained earnings		316,364,418	355,199,643
Fair value reserves		8,146,173	4,397,891
Total equity		424,510,591	459,597,534
Liabilities			
Insurance contract liabilities	10	938,418,165	993,867,456
Reinsurance contract liabilities	10	68,649,471	73,351,803
Lease liabilities		13,563,066	14,245,581
Other payables		50,629,255	64,607,457
Deferred tax liabilities		14,847,952	11,045,999
Total liabilities		1,086,107,909	1,157,118,296
Total equity and liabilities		1,510,618,500	1,616,715,830

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

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

CONDENSED STATEMENT OF PROFIT OR LOSS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024

	Note	6 months period ended 30.06.2024 RM	6 months period ended 30.06.2023 RM
Insurance revenue		317,056,419	300,335,418
Insurance service expenses		(190,023,844)	(183,462,989)
Net expenses from reinsurance contracts held		(121,494,203)	(96,622,369)
Insurance service results	11	<u>5,538,372</u>	<u>20,250,060</u>
Net investment income		17,126,702	17,354,719
Gains on exchange differences		6,494	-
Realised gains		264,876	417,585
Fair value gains		404,513	1,991,639
Changes in allowance for expected credit losses ("ECL") on investment assets		(120,742)	12,012
Net investment income	13	<u>17,681,843</u>	<u>19,775,955</u>
Finance expenses from insurance contracts issued		(17,464,933)	(18,749,575)
Finance income from reinsurance contracts held		11,094,941	11,839,063
Net insurance financial result	13	<u>(6,369,992)</u>	<u>(6,910,512)</u>
Net insurance and investment result		<u>16,850,223</u>	<u>33,115,503</u>
Other operating expenses		(451,135)	(615,504)
Profit before taxation		16,399,088	32,499,999
Taxation	14	(3,636,533)	(7,899,930)
Net profit for the period		<u>12,762,555</u>	<u>24,600,069</u>
Earnings per share (sen)			
Basic and diluted	15	<u>12.76</u>	<u>24.60</u>

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

GREAT EASTERN GENERAL INSURANCE (MALAYSIA) BERHAD
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CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024

	6 months period ended 30.06.2024 RM	6 months period ended 30.06.2023 RM
Net profit for the period	12,762,555	24,600,069
Other comprehensive income:		
<u>Items that may be reclassified to statement of profit or loss in subsequent periods:</u>		
Fair value through other comprehensive income reserves:		
Net gains on fair value changes	3,760,828	4,252,173
Realised gains transferred to statement of profit or loss	(262,490)	(417,478)
Reclassification from FVOCI reserves to retained earnings arising from realised losses on disposal of FVOCI equities	1,312,868	-
Changes in allowance for ECL	120,742	(12,012)
	4,931,948	3,822,683
Tax effect	(1,183,666)	(917,444)
	<u>3,748,282</u>	<u>2,905,239</u>
Total comprehensive income for the period	<u>16,510,837</u>	<u>27,505,308</u>

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

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

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024

	Non-Distributable Share capital RM	FVOCI reserves RM	Distributable Retained earnings RM	Total equity RM
At 1 January 2023	100,000,000	(1,534,216)	340,652,742	439,118,526
Total comprehensive income for the period	-	2,905,239	24,600,069	27,505,308
Dividend paid during the period	-	-	(36,000,000)	(36,000,000)
At 30 June 2023	100,000,000	1,371,023	329,252,811	430,623,834
At 1 January 2024	100,000,000	4,397,891	355,199,643	459,597,534
Total comprehensive income for the period	-	2,750,502	12,762,555	15,513,057
Reclassification from FVOCI reserves to retained earnings arising from realised losses on disposal of FVOCI equities	-	997,780	(997,780)	-
Dividend paid during the period	-	-	(50,600,000)	(50,600,000)
At 30 June 2024	100,000,000	8,146,173	316,364,418	424,510,591

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

GREAT EASTERN GENERAL INSURANCE (MALAYSIA) BERHAD
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CONDENSED STATEMENT OF CASH FLOWS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024

		6 months period ended 30.06.2024	6 months period ended 30.06.2023
	Note	RM	RM
Operating activities			
Cash generated from operating activities	16	45,781,614	45,159,092
Dividend income received		3,860,170	3,557,397
Interest income received		14,284,749	13,053,278
Interest paid		(2,422)	(4,528)
Income tax paid		(7,462,198)	(7,411,340)
Net cash flows generated from operating activities		56,461,913	54,353,899
Investing activities			
Purchase of equipment		(1,478,980)	(710,383)
Proceeds from disposal of equipment		-	299
Purchase of intangible assets		(1,049,074)	(2,514,872)
Net cash flows used in investing activities		(2,528,054)	(3,224,956)
Financing activities			
Payment of lease liabilities		(1,642,449)	(1,667,429)
Dividend paid		(50,600,000)	(36,000,000)
Net cash flows used in financing activities		(52,242,449)	(37,667,429)
Net increase in cash and cash equivalents		1,691,410	13,461,514
Cash and cash equivalents at beginning of period		43,110,786	18,463,356
Cash and cash equivalents at end of period		44,802,196	31,924,870
Cash and cash equivalents comprise:			
Cash and bank balances		34,802,196	21,924,870
Deposits with licensed financial institutions		10,000,000	10,000,000
		44,802,196	31,924,870
Reconciliation of liabilities arising from financing activities:			
Lease liabilities			
As at 1 January		14,245,581	14,012,242
Additions		1,354,860	814,468
Lease expiration		(701,340)	(428,327)
Interest charge		306,414	273,374
Cash flows		(1,642,449)	(1,667,429)
As at 30 June		13,563,066	13,004,328

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

GREAT EASTERN GENERAL INSURANCE (MALAYSIA) BERHAD
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS - 30 JUNE 2024

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The interim condensed financial statements of the Company are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134 - Interim Financial Reporting, and International Accounting Standards (“IAS”) 34 - Interim Financial Reporting. The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited financial statements for the financial year ended 31 December 2023.

The notes attached to the interim condensed financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial statements of the company since the financial year ended 31 December 2023.

1.2 CHANGES IN ACCOUNTING POLICIES

New and amended standards and interpretations

The significant accounting policies in these interim condensed financial statements are consistent with those adopted in the financial statements for the financial year ended 31 December 2023, except for the adoption of the following MFRS, Amendments and Improvements to MFRSs:

Effective for the financial periods beginning on or after 1 January 2024

- Amendments to MFRS 101 Presentation of Financial Statements - Classification of liabilities as current or non-current" and "Non-current Liabilities with Covenants"
- Amendments to MFRS 16 Leases - Lease Liability in a Sale and Leaseback

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

GREAT EASTERN GENERAL INSURANCE (MALAYSIA) BERHAD
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2. SEASONALITY OF OPERATIONS

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

3. UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim financial period ended 30 June 2024.

4. CHANGE IN ESTIMATES

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

5. DEBT AND EQUITY SECURITIES

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

6. DIVIDENDS

During the interim period ended 30 June 2024, the Company paid a final single-tier dividend of RM0.506 per ordinary shares on 100,000,000 ordinary shares, amounting to RM50,600,000 in respect of the financial year ended 31 December 2023 on 29 April 2024.

7. EVENT SUBSEQUENT TO THE END OF THE INTERIM PERIOD

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

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8. CHANGES IN THE COMPOSITION OF THE COMPANY

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

9. INVESTMENTS

	30.06.2024	31.12.2023
	RM	RM
Malaysian government securities	117,722,058	134,391,845
Debt securities	440,191,297	478,882,542
Equity securities	59,645,437	58,020,430
Collective investment schemes	103,744,133	101,235,487
Loans	745,334	679,824
	<u>722,048,259</u>	<u>773,210,128</u>

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

	30.06.2024	31.12.2023
	RM	RM
Financial assets at amortised cost	745,334	679,824
Financial assets at FVOCI	563,612,189	624,897,976
Financial assets at FVTPL	157,690,736	147,632,328
	<u>722,048,259</u>	<u>773,210,128</u>

The following investments mature after 12 months:

	30.06.2024	31.12.2023
	RM	RM
Financial assets at amortised cost	715,783	666,262
Financial assets at FVOCI	485,849,160	573,207,347
Financial assets at FVTPL	157,690,736	147,627,555
	<u>644,255,679</u>	<u>721,501,164</u>

Included in financial assets at FVOCI are quoted equity securities of RM49,476,369 (2023: RM48,159,112) with no maturity date.

Included in financial assets at FVTPL are collective investment schemes of RM103,744,133 (2023: RM101,235,487) with no maturity date.

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9. INVESTMENTS (CONT'D.)

(a) Financial assets measured at amortised cost

	30.06.2024	31.12.2023
	RM	RM
Vehicle loans	745,334	679,824

The carrying value of financial assets measured at amortised cost are reasonable approximations of fair values due to the insignificant impact of discounting.

(b) Financial assets measured at FVOCI

	30.06.2024	31.12.2023
	RM	RM
Malaysian government securities	117,722,058	134,391,845
Unquoted debt securities in Malaysia	396,413,762	442,347,019
Quoted equity securities in Malaysia	49,476,369	48,159,112
	<u>563,612,189</u>	<u>624,897,976</u>

Allowance for ECL has been provided for Malaysian government securities and unquoted debt securities measured at FVOCI amount to RM1,941,209 (2023: RM1,820,469).

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

During the financial period ended 30 June 2024, the Company sold listed equity securities due to portfolio rebalancing activities. These investments had a fair value of RM6,745,799 (2023: RM5,443,219) at the date of disposal. The cumulative loss on disposal (net of tax) of RM997,780 (2023: RM89,818) was reclassified from fair value reserve to retained earnings.

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9. INVESTMENTS (CONT'D.)

(c) Financial assets measured at FVTPL

	30.06.2024	31.12.2023
	RM	RM
Unquoted debt securities in Malaysia	43,777,535	36,535,523
Quoted equity securities in Malaysia	-	4,772
Unquoted equity securities in Malaysia	9,400,720	9,420,870
Unquoted equity securities outside Malaysia	768,348	435,676
Collective investment schemes	103,744,133	101,235,487
	<u>157,690,736</u>	<u>147,632,328</u>

(d) Carrying values of investments

	Amortised Cost	FVOCI	FVTPL	Total
	RM	RM	RM	RM
At 1 January 2023	628,672	605,660,019	124,945,705	731,234,396
Purchases	301,234	158,104,247	30,495,491	188,900,972
Maturities/disposals	(250,082)	(145,745,473)	(11,798,973)	(157,794,528)
Fair value losses recorded in other comprehensive income	-	7,716,137	-	7,716,137
Fair value losses recorded in statement of profit or loss	-	-	3,990,105	3,990,105
Amortisation	-	(836,954)	-	(836,954)
At 31 December 2023 / At 1 January 2024	<u>679,824</u>	<u>624,897,976</u>	<u>147,632,328</u>	<u>773,210,128</u>
Purchases	273,929	41,605,330	18,914,012	60,793,271
Maturities/disposals	(208,419)	(107,297,937)	(9,266,978)	(116,773,334)
Fair value gains recorded in other comprehensive income	-	4,811,206	-	4,811,206
Fair value gains recorded in statement of profit or loss	-	-	411,374	411,374
Amortisation	-	(404,386)	-	(404,386)
At 30 June 2024	<u>745,334</u>	<u>563,612,189</u>	<u>157,690,736</u>	<u>722,048,259</u>

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10. INSURANCE AND REINSURANCE CONTRACTS

The breakdown of groups of insurance 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:

	30.06.2024	31.12.2023
	RM	RM
Insurance contracts issued		
Insurance contract liabilities	938,418,165	993,867,456
Insurance contract assets	(8,098,689)	(4,179,463)
	<u>930,319,476</u>	<u>989,687,993</u>
Reinsurance contracts held		
Reinsurance contract assets	580,539,848	646,999,132
Reinsurance contract liabilities	(68,649,471)	(73,351,803)
Total reinsurance contracts held	<u>511,890,377</u>	<u>573,647,329</u>

As at 30 June 2024, the insurance contract liabilities above includes the Company's share of MMIP's liabilities for incurred claim and remaining coverage amounting to RM11,137,407 (2023: RM12,541,069) and RM629,051 (2023: RM709,962).

GREAT EASTERN GENERAL INSURANCE (MALAYSIA) BERHAD
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10. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)

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

	30.06.2024					31.12.2023				
	Liabilities for remaining coverage		Liabilities for incurred claims			Liabilities for remaining coverage		Liabilities for incurred claims		
	Contracts under PAA					Contracts under PAA				
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Insurance contract liabilities as at 1 January	154,461,403	24,044,637	742,868,955	72,492,461	993,867,456	117,131,772	31,410,156	788,196,183	88,449,669	1,025,187,780
Insurance contract assets as at 1 January	(4,179,463)	-	-	-	(4,179,463)	(13,977,948)	-	-	-	(13,977,948)
Net insurance contract liabilities/(assets) as at 1 January	150,281,940	24,044,637	742,868,955	72,492,461	989,687,993	103,153,824	31,410,156	788,196,183	88,449,669	1,011,209,832
Insurance revenue	(317,056,419)	-	-	-	(317,056,419)	(621,253,272)	-	-	-	(621,253,272)
Insurance service expenses										
Incurred claims and other expenses	-	(23,872,472)	156,812,616	12,226,690	145,166,834	-	(62,749,319)	360,654,567	20,485,161	318,390,409
Amortisation of insurance acquisition cash flows	67,320,267	-	-	-	67,320,267	135,889,500	-	-	-	135,889,500
Losses on onerous contracts and reversals of those losses	-	23,004,109	-	-	23,004,109	-	54,174,153	-	-	54,174,153
Changes to liabilities for incurred claims	-	-	(24,589,781)	(20,877,585)	(45,467,366)	-	-	(43,896,580)	(38,906,458)	(82,803,038)
Insurance service result	(249,736,152)	(868,363)	132,222,835	(8,650,895)	(127,032,575)	(485,363,772)	(8,575,166)	316,757,987	(18,421,297)	(195,602,248)
Insurance finance expenses	3,942,248	398,083	12,066,292	1,058,310	17,464,933	6,978,208	1,209,647	25,102,896	2,464,089	35,754,840
Total changes in the statement of profit or loss	(245,793,904)	(470,280)	144,289,127	(7,592,585)	(109,567,642)	(478,385,564)	(7,365,519)	341,860,883	(15,957,208)	(159,847,408)
Cash flows										
Premiums received	316,278,216	-	-	-	316,278,216	656,946,017	-	-	-	656,946,017
Claims and other expenses paid	-	-	(197,440,924)	-	(197,440,924)	-	-	(387,188,111)	-	(387,188,111)
Insurance acquisition cash flows	(68,638,167)	-	-	-	(68,638,167)	(131,432,337)	-	-	-	(131,432,337)
Total cash flows	247,640,049	-	(197,440,924)	-	50,199,125	525,513,680	-	(387,188,111)	-	138,325,569
Transfer other items in the statement of financial position	-	-	7,286,718	(7,286,718)	-	-	-	-	-	-
Net insurance contract liabilities/(assets) as at 30 June/31 December	152,128,085	23,574,357	697,003,876	57,613,158	930,319,476	150,281,940	24,044,637	742,868,955	72,492,461	989,687,993
Insurance contract liabilities as at 30 June/31 December	160,226,774	23,574,357	697,003,876	57,613,158	938,418,165	154,461,403	24,044,637	742,868,955	72,492,461	993,867,456
Insurance contract assets as at 30 June/31 December	(8,098,689)	-	-	-	(8,098,689)	(4,179,463)	-	-	-	(4,179,463)
Net insurance contract liabilities/ (assets) as at 30 June/31 December	152,128,085	23,574,357	697,003,876	57,613,158	930,319,476	150,281,940	24,044,637	742,868,955	72,492,461	989,687,993

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

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

	30.06.2024					31.12.2023				
	Assets for remaining coverage		Assets for incurred claims		Total	Assets for remaining coverage		Assets for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk		Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Reinsurance contract assets as at 1 January	60,957,804	133,757	532,375,641	53,531,930	646,999,132	29,697,289	6,900,928	617,602,216	51,614,581	705,815,014
Reinsurance contract liabilities as at 1 January	(74,211,151)	859,348	-	-	(73,351,803)	(30,793,177)	441,785	-	-	(30,351,392)
Net reinsurance contract assets/(liabilities) as at 1 January	(13,253,347)	993,105	532,375,641	53,531,930	573,647,329	(1,095,888)	7,342,713	617,602,216	51,614,581	675,463,622
Allocation of reinsurance premiums	(101,575,340)	-	-	-	(101,575,340)	(183,519,823)	-	-	-	(183,519,823)
Amounts recoverable from reinsurers	-	-	-	-	-	-	-	-	-	-
Recoveries of incurred claims and other insurance service expenses	-	(984,289)	34,456,599	5,519,551	38,991,861	-	(13,565,446)	85,354,456	13,175,962	84,964,972
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	1,133,648	-	-	1,133,648	-	6,973,325	-	-	6,973,325
Adjustments to assets for incurred claims	-	-	(42,561,380)	(17,482,992)	(60,044,372)	-	-	(47,611,260)	(12,793,650)	(60,404,910)
Net income or expense from reinsurance contracts held	(101,575,340)	149,359	(8,104,781)	(11,963,441)	(121,494,203)	(183,519,823)	(6,592,121)	37,743,196	382,312	(151,986,436)
Reinsurance finance income	1,430,130	18,659	8,792,352	853,800	11,094,941	2,131,651	242,513	15,011,823	1,535,037	18,921,024
Total changes in the statement of profit or loss	(100,145,210)	168,018	687,571	(11,109,641)	(110,399,262)	(181,388,172)	(6,349,608)	52,755,019	1,917,349	(133,065,412)
Cash flows										
Premiums paid	89,829,521	-	-	-	89,829,521	169,230,713	-	-	-	169,230,713
Amounts received	-	-	(41,187,211)	-	(41,187,211)	-	-	(137,981,594)	-	(137,981,594)
Total cash flows	89,829,521	-	(41,187,211)	-	48,642,310	169,230,713	-	(137,981,594)	-	31,249,119
Net reinsurance contract assets/(liabilities) as at 30 June/31 December	(23,569,036)	1,161,123	491,876,001	42,422,289	511,890,377	(13,253,347)	993,105	532,375,641	53,531,930	573,647,329
Reinsurance contract assets as at 30 June/31 December	46,069,520	172,038	491,876,001	42,422,289	580,539,848	60,957,804	133,757	532,375,641	53,531,930	646,999,132
Reinsurance contract liabilities as at 30 June/31 December	(69,638,556)	989,085	-	-	(68,649,471)	(74,211,151)	859,348	-	-	(73,351,803)
Net reinsurance contract assets/(liabilities) as at 30 June/31 December	(23,569,036)	1,161,123	491,876,001	42,422,289	511,890,377	(13,253,347)	993,105	532,375,641	53,531,930	573,647,329

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11. INSURANCE SERVICE RESULTS

An analysis of insurance revenue, insurance service expenses and net expenses from reinsurance contracts held is included in the following tables.

	30.06.2024	30.06.2023
	RM	RM
Insurance Revenue		
Insurance revenue from contracts measured under PAA	317,056,419	300,335,418
Total Revenue	<u>317,056,419</u>	<u>300,335,418</u>
Insurance Service Expenses		
Incurred claims	(92,384,733)	(87,198,777)
Other incurred insurance service expenses	(31,187,207)	(29,129,026)
Allocation of deferred acquisition cost (DAC)(Note 12)	(67,320,267)	(71,379,409)
Reversal of losses/(losses) on onerous contracts	868,363	4,244,223
Total Insurance Service Expenses	<u>(190,023,844)</u>	<u>(183,462,989)</u>
Net Income/ (Expenses) from Reinsurance Contracts Held		
Allocation of reinsurance premiums	(101,575,340)	(80,841,522)
Reversals of recoveries of incurred claims	(20,068,222)	(13,264,291)
Recoveries/(reversals of recoveries) of losses on onerous contracts	149,359	(2,516,556)
Total Net Expenses from Reinsurance Contracts Held	<u>(121,494,203)</u>	<u>(96,622,369)</u>
Total Insurance Service Results	<u>5,538,372</u>	<u>20,250,060</u>

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12. EXPENSES

	30.06.2024	30.06.2023
	RM	RM
Employee benefits expense	37,405,837	30,106,806
Director's remuneration	627,048	559,079
Fees paid to auditors		
Audit fees paid to Auditor of the Company	250,080	184,829
Non-audit fees paid to Auditor of the Company	99,953	293,046
Depreciation of property and equipment	742,152	938,651
Depreciation of right of use assets	1,477,544	1,560,226
Amortisation of intangible asset	3,144,373	3,596,219
Commissions and distribution expenses	39,662,712	44,789,014
Other expenses	16,890,791	16,233,849
	<u>100,300,490</u>	<u>98,261,719</u>
Amounts attributed to insurance acquisition cash flows incurred during the year	(68,662,148)	(68,517,189)
Amortisation of insurance acquisition cash flows (Note 11)	67,320,267	71,379,409
	<u>98,958,609</u>	<u>101,123,939</u>
Represented by		
Insurance service expenses	98,507,474	100,508,435
Other operating (income)/expenses	451,135	615,504
	<u>98,958,609</u>	<u>101,123,939</u>

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13. 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:

	30.06.2024	30.06.2023
	RM	RM
Investment income		
Interest income (Note 13 (i))	13,700,370	13,038,645
Other investment income (Note 13 (ii))	4,102,215	6,725,298
Changes in allowance for ECL on investment assets (Note 13 (iii))	(120,742)	12,012
Amounts recognised at OCI (Note 13 (iv))	4,931,948	3,822,683
Total investment income	<u>22,613,791</u>	<u>23,598,638</u>
Finance expenses from insurance contracts issued		
Interest accreted to insurance contracts using current financial assumptions	(4,340,331)	(3,920,762)
Effect of changes in interest rates and other financial assumptions	(13,124,602)	(14,828,813)
Total finance expenses from insurance contracts issued	<u>(17,464,933)</u>	<u>(18,749,575)</u>
Represented by:		
Amounts recognised in profit or loss	<u>(17,464,933)</u>	<u>(18,749,575)</u>
Finance income/(expenses) from reinsurance contracts held		
Interest accreted to reinsurance contracts using locked-in rate	1,448,789	1,115,892
Effect of changes in interest rates and other financial assumptions	9,168,375	10,538,086
Changes in non-performance risk of reinsurer	477,777	185,085
Total finance income from reinsurance contracts held	<u>11,094,941</u>	<u>11,839,063</u>
Represented by:		
Amounts recognised in profit or loss	<u>11,094,941</u>	<u>11,839,063</u>
Total net investment and insurance financial result		
Represented by:		
Amounts recognised in profit or loss	11,311,851	12,865,443
Amounts recognised in OCI	4,931,948	3,822,683
	<u>16,243,799</u>	<u>16,688,126</u>

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13. NET INVESTMENT AND INSURANCE FINANCIAL RESULT (CONT'D.)

	30.06.2024	30.06.2023
	RM	RM
(i) Interest income		
Financial assets measured at FVOCI	12,353,651	12,332,940
Financial assets measured at FVTPL	980,884	495,383
Financial assets measured at amortised cost	365,835	210,322
Total interest income	<u>13,700,370</u>	<u>13,038,645</u>
(ii) Other investment income/(expenses)		
Dividend income		
- Financial assets measured at FVOCI	1,434,105	1,530,787
- Financial assets measured at FVTPL	2,206,298	1,621,262
Realised gains		
- Net gain on sale of equity securities measured at FVOCI	262,490	417,478
- Net gain on sale of financial asset measured at FVTPL	2,386	-
- Net gain on sale of PPE	-	107
Fair value gains/(losses)		
- Financial assets measured at FVTPL	404,513	1,991,639
Amortisation	(404,386)	(412,340)
Realised gains on exchange differences	38	-
Unrealised gains on exchange differences	6,456	-
Investment expenses	(744,696)	(685,957)
Other income	935,011	2,262,322
Total Other investment income	<u>4,102,215</u>	<u>6,725,298</u>
(iii) Changes in allowance for ECL on investment assets	(120,742)	12,012
(iv) Fair value gains		
- Financial assets measured at FVOCI	4,931,948	3,822,683
Total amounts recognised in the profit or loss	17,681,843	19,775,955
Amounts recognised in OCI	4,931,948	3,822,683
Net investment income	<u>22,613,791</u>	<u>23,598,638</u>

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14. TAXATION

	30.06.2024	30.06.2023
	RM	RM
Current income tax:		
Malaysian income tax	1,018,247	6,756,686
	<u>1,018,247</u>	<u>6,756,686</u>
Deferred tax:		
Relating to origination and reversal of temporary differences	2,618,286	1,143,244
	<u>2,618,286</u>	<u>1,143,244</u>
	<u>3,636,533</u>	<u>7,899,930</u>

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

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

	30.06.2024	30.06.2023
	RM	RM
Profit before taxation	16,399,088	32,499,999
Taxation at Malaysian statutory tax rate of 24%	3,935,781	7,800,000
Income not subject to tax	(873,697)	(756,518)
Expenses not deductible for tax purposes	574,449	856,448
Tax expense for the year	<u>3,636,533</u>	<u>7,899,930</u>

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15. EARNINGS PER SHARE

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

	30.06.2024	30.06.2023
	RM	RM
Profit attributable to ordinary equity holder	12,762,555	24,600,069
Number of ordinary shares in issue during the period	100,000,000	100,000,000
Basic earnings per share (sen)	<u>12.76</u>	<u>24.60</u>

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

16. CASH GENERATED FROM OPERATING ACTIVITIES

		30.06.2024	30.06.2023
		RM	RM
Profit before taxation		16,399,088	32,499,999
Investment income		(17,340,773)	(16,190,694)
Finance cost		327,025	301,614
Realised gains on financial assets at FVOCI and FVTPL	13	(264,876)	(417,478)
Fair value gains recorded in statement of profit or loss		(411,374)	(1,991,639)
Purchases of financial assets at FVTPL	9(d)	(18,914,012)	(13,827,750)
Purchases of financial assets at FVOCI	9(d)	(41,605,330)	(96,454,985)
Proceeds from maturities/disposals of financial assets at FVOCI		106,249,946	87,784,391
Proceeds from maturities/disposals of financial assets at FVTPL		9,266,977	2,000,000
(Increase)/Decrease in financial assets at amortised cost		(65,510)	142,147
Non-cash items:			
Depreciation of property and equipment and right-of-use assets		2,219,696	2,498,877
Amortisation on intangible assets		3,144,373	3,596,219
Gain on disposal of property and equipment	13	-	(107)

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

		30.06.2024	30.06.2023
		RM	RM
Non-cash items (cont'd.):			
Changes in allowance for ECL on investment as	13	120,742	(12,012)
Change in non performance risk of reinsurer	13	(477,777)	(185,085)
Property and equipment written off		-	301
Net amortisation of discounts	13	404,386	412,340
Release provision on reinstatement cost		(82,041)	(69,551)
Changes in working capital:			
Reinsurance contract assets		66,937,061	63,390,054
Insurance contract assets		(3,919,226)	17,354,817
Other receivables		(2,042,664)	(3,329,822)
Insurance contract liabilities		(55,449,291)	(63,856,770)
Reinsurance contract liabilities		(4,702,332)	48,608,249
Other payables		(14,012,474)	(17,094,023)
Cash generated from operating activities		<u>45,781,614</u>	<u>45,159,092</u>

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

17. CAPITAL COMMITMENTS

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

		30.06.2024	30.06.2023
		RM	RM
Capital expenditure:			
Approved and contracted for:			
Property and equipment		5,273,048	2,146,746
Approved but not contracted for:			
Property and equipment		13,405,333	9,827,523
		<u>18,678,381</u>	<u>11,974,269</u>

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18. REGULATORY CAPITAL REQUIREMENTS

The capital structure of the Company as at 30 June 2023, as prescribed under the RBC Framework is provided below:

	30.06.2024	30.06.2023
	RM	RM
Eligible Tier 1 Capital:		
Share capital (paid up)	100,000,000	100,000,000
Reserves, including retained earnings	281,699,595	334,290,436
	<u>381,699,595</u>	<u>434,290,436</u>
Tier 2 Capital:		
Eligible Reserves	<u>8,146,173</u>	<u>1,371,024</u>
Deductions	<u>(51,752,815)</u>	<u>(57,970,490)</u>
Total Capital Available	<u>338,092,953</u>	<u>377,690,970</u>

19. UPDATE ON THE MALAYSIAN COMPETITION COMMISSION'S ("MYCC") CASE AGAINST 22 GENERAL INSURERS AND PIAM

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

A final decision dated 14 September 2020 was issued by the MyCC with a finding of infringement and the general insurance industry was imposed a financial penalty of about RM130 million. For GEGM, specifically, the financial penalty imposed is in the sum of RM1.9mil. The Company has filed its appeal against the MyCC's final decision on 13 October 2020 and a stay application (pending disposal of the appeal) on 6 November 2020. The Competition Appeal Tribunal ("Tribunal") delivered its decision with regard to the stay application on 23 March 2021, unanimously deciding to allow the insurers' respective stay applications and ordered that the Cease and Desist order and financial penalty imposed on all insurers be stayed pending disposal of the appeal before the Tribunal. Counsels for PIAM and the 22 insurers have completed their respective submissions before the Tribunal.

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19. CONTINGENT LIABILITY (CONT'D.)

On 2 September 2022, the Tribunal issued the decision and grounds of the decision on the case, which was to allow the appeals by PIAM & the general insurers and the Final Decision of MyCC dated 14.09.2020 to be set aside, while at the same time dismissing Bank Negara Malaysia ("BNM")'s appeal.

On 1 December 2022, MyCC filed an application for leave for judicial review of the Tribunal's decision dated 2 September 2022 ("Leave Application"). On 4 January 2023, PIAM's legal counsel was informed by the High Court that PIAM's request for leave to appear in MyCC's Leave Application has been allowed by the High Court Judge.

The hearing on the judicial review application took place on 30 November 2023. After hearing the oral submissions of all parties, the learned Judge fixed the matter for decision (by way of Zoom) on 16 January 2024.

On 16 January 2024, the learned Judge dismissed the above matter. The learned Judge's main ground of decision is that MyCC does not have the locus standi to commence judicial review proceedings against the Respondents, as MyCC is not a person adversely affected by the decision of the Tribunal.

Following the dismissal of the MyCC's Leave Application, the MyCC submitted a Notice of Appeal dated 15 February 2024 to the Court of Appeal to appeal the decision previously made on 16 January 2024. The Appeal was fixed for Case Management on 15 May 2024.

The Court further fixed the Case Management (by way of e-review) on 8 May 2025 and physical hearing before the Court of Appeal on 22 May 2025.