

PACIFIC & ORIENT INSURANCE CO. BERHAD

Registration No. 197201000959 (12557-W)

(Incorporated in Malaysia)

Unaudited Condensed Interim Financial Statements

For The Six Months Ended 31 March 2025

PACIFIC & ORIENT INSURANCE CO. BERHAD
(Incorporated in Malaysia)

CONTENTS

	<u>PAGE</u>
Condensed Statement of Financial Position	1
Condensed Statement of Changes in Equity	2 - 3
Condensed Income Statement	4
Condensed Statement of Comprehensive Income	5
Condensed Statement of Cash Flows	6
Notes to the Unaudited Condensed Interim Financial Statements	7 - 36

PACIFIC & ORIENT INSURANCE CO. BERHAD
(Incorporated in Malaysia)

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

		As at 31 Mar 2025	As at 30 Sep 2024
	Note	RM'000	RM'000
ASSETS			
Property, plant and equipment	3	17,576	18,283
Investment properties	4	640	640
Intangible assets	5	2,302	2,366
Right-of-use assets	6	4,057	5,354
Tax recoverable		2,933	3,415
Investments	7	462,299	463,257
Reinsurance contract assets	8	231,767	245,026
Other receivables	9	52,675	50,765
Cash and cash equivalents	10	11,460	14,600
TOTAL ASSETS		<u>785,709</u>	<u>803,706</u>
EQUITY AND LIABILITIES			
Insurance contract liabilities	11	544,795	554,245
Reinsurance contract liabilities	8	-	1
Deferred tax liabilities		5,734	7,158
Lease liabilities	6	3,539	4,499
Other payables	12	10,535	9,601
TOTAL LIABILITIES		<u>564,603</u>	<u>575,504</u>
Share capital		100,000	100,000
Revaluation reserve		16,492	16,492
Share options reserve		795	786
Fair value through other comprehensive income ("FVOCI") reserve		1,469	1,796
Retained profits		102,350	109,128
TOTAL EQUITY		<u>221,106</u>	<u>228,202</u>
TOTAL EQUITY AND LIABILITIES		<u>785,709</u>	<u>803,706</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 30 September 2024 and the accompanying explanatory notes on pages 7 to 36 attached to the unaudited condensed financial statements.

PACIFIC & ORIENT INSURANCE CO. BERHAD

(Incorporated in Malaysia)

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 MARCH 2025

	←----- Non-Distributable -----→				Distributable	
	Share capital	Revaluation reserve	Share options reserve	FVOCI reserve	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 October 2024	100,000	16,492	786	1,796	109,128	228,202
Net loss for the period	-	-	-	-	(6,914)	(6,914)
Other comprehensive loss for the period	-	-	-	(191)	-	(191)
Total comprehensive loss for the period	-	-	-	(191)	(6,914)	(7,105)
Transfer of FVOCI reserve to retained profits upon disposal of financial assets at FVOCI	-	-	-	(136)	136	-
Share options vested under Employee Share Option Scheme ("ESOS")	-	-	9	-	-	9
At 31 March 2025	100,000	16,492	795	1,469	102,350	221,106

CONDENSED STATEMENT OF CHANGES IN EQUITY (CONT'D.)
FOR THE SIX MONTHS ENDED 31 MARCH 2024

	←----- Non-Distributable -----→				Distributable	
	Share capital	Revaluation reserve	Share options reserve	FVOCI reserve	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 October 2023	100,000	15,459	918	2,018	121,602	239,997
Net profit for the period	-	-	-	-	525	525
Other comprehensive income for the period	-	-	-	130	-	130
Total comprehensive income for the period	-	-	-	130	525	655
Transfer of FVOCI reserve to retained profits upon disposal of financial assets at FVOCI	-	-	-	102	(102)	-
Share options vested under ESOS	-	-	6	-	(9)	(3)
At 31 March 2024	<u>100,000</u>	<u>15,459</u>	<u>924</u>	<u>2,250</u>	<u>122,016</u>	<u>240,649</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 30 September 2024 and the accompanying explanatory notes on pages 7 to 36 attached to the unaudited condensed financial statements.

PACIFIC & ORIENT INSURANCE CO. BERHAD
(Incorporated in Malaysia)

CONDENSED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 31 MARCH 2025

		6 months ended 31 March 2025 RM'000	6 months ended 31 March 2024 RM'000
	Note		
Insurance revenue		136,504	136,945
Insurance service expenses		(105,071)	(142,891)
Insurance service result before reinsurance contracts held		31,433	(5,946)
Allocation of reinsurance premiums	8	(54,631)	(54,398)
Amounts recoverable from reinsurers for incurred claims		13,007	55,280
Net (expense)/income from reinsurance contracts held		(41,624)	882
Insurance service result	13	(10,191)	(5,064)
Investment income	14	9,701	8,407
Realised (losses)/gains, net	15	(1,555)	608
Fair value gains	16	1,460	3,764
Total investment income		9,606	12,779
Insurance finance expenses for insurance contracts issued	17	(4,369)	(5,106)
Reinsurance finance income for reinsurance contracts held	18	1,546	1,758
Net insurance financial result		(2,823)	(3,348)
Other operating income, net		13	514
Other operating expenses		(3,981)	(4,039)
Finance costs	19	(109)	(151)
Total other income and expenses		(4,077)	(3,676)
(Loss)/Profit before tax		(7,485)	691
Taxation		571	(166)
Net (loss)/profit for the period		(6,914)	525

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 30 September 2024 and the accompanying explanatory notes on pages 7 to 36 attached to the unaudited condensed financial statements.

PACIFIC & ORIENT INSURANCE CO. BERHAD
(Incorporated in Malaysia)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 MARCH 2025

	6 months ended 31 March 2025 RM'000	6 months ended 31 March 2024 RM'000
Net (loss)/profit for the period	(6,914)	525
Other comprehensive (loss)/income:		
<u>Items that may be reclassified to income statement in subsequent periods:</u>		
Fair value changes in investments through other comprehensive income ("FVOCI")		
- Corporate debt securities		
• (Loss)/Gain on fair value changes	(294)	241
• Deferred tax	103	(58)
	<u>(191)</u>	<u>183</u>
<u>Items that will not be reclassified to income statement in subsequent periods:</u>		
Fair value changes in investments through other comprehensive income ("FVOCI")		
- Quoted securities		
• Loss on fair value changes	-	(70)
• Deferred tax	-	(21)
• Tax expense on disposal of FVOCI financial assets	-	38
	<u>-</u>	<u>(53)</u>
Other comprehensive (loss)/income for the period, net of tax	(191)	130
Total comprehensive (loss)/income for the period	<u>(7,105)</u>	<u>655</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 30 September 2024 and the accompanying explanatory notes on pages 7 to 36 attached to the unaudited condensed financial statements.

PACIFIC & ORIENT INSURANCE CO. BERHAD
(Incorporated in Malaysia)

CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 MARCH 2025

		6 months ended 31 March <u>2025</u> RM'000	6 months ended 31 March <u>2024</u> RM'000
	Note		
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations		(8,917)	23,138
Net tax paid		(267)	(756)
Dividends received		500	2,488
Interest received		7,173	5,665
Profit received from Islamic fixed deposits		-	236
Net cash (used in)/generated from operating activities		<u>(1,511)</u>	<u>30,771</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net proceeds on disposal of property, plant and equipment		-	-
Net proceeds on disposal of ROU assets		421	-
Purchase of property, plant and equipment	3	(1)	(32)
Acquisition of property, plant and equipment - ROU assets	6(a)(1)	-	(25)
Purchase of intangible assets	5	<u>(337)</u>	<u>(70)</u>
Net cash generated from/(used in) investing activities		<u>83</u>	<u>(127)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of lease liabilities	6(a)(2)	<u>(1,712)</u>	<u>(1,543)</u>
Net cash used in financing activities		<u>(1,712)</u>	<u>(1,543)</u>
Net (decrease)/increase in cash and cash equivalents		(3,140)	29,101
Cash and cash equivalents at beginning of period		<u>14,600</u>	<u>20,897</u>
Cash and cash equivalents at end of period	10	<u><u>11,460</u></u>	<u><u>49,998</u></u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 30 September 2024 and the accompanying explanatory notes on pages 7 to 36 attached to the unaudited condensed financial statements.

PACIFIC & ORIENT INSURANCE CO. BERHAD
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 MARCH 2025

1. CORPORATE INFORMATION

The Company is principally engaged in the underwriting of all classes of general insurance business.

There have been no significant changes in the nature of this principal activity during the financial period.

The Company is a public company, incorporated and domiciled in Malaysia. The registered office of the Company is located at 11th Floor, Wisma Bumi Raya, No. 10, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia.

The holding and ultimate holding company is Pacific & Orient Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

2. BASIS OF PREPARATION

- (i) The unaudited condensed interim financial statements for the six months ended 31 March 2025 have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS 134”): Interim Financial Reporting. The unaudited condensed interim financial statements also comply with the International Accounting Standard 34 (“IAS 34”): Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”).

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 30 September 2024.

(ii) Significant Accounting Policies

- (a) The significant accounting policies adopted by the Company in these condensed interim financial statements are consistent with those adopted in the audited financial statements for the year ended 30 September 2024 except for the adoption of the following Amendments to MFRSs and Interpretations issued by the Malaysian Accounting Standards Board (“MASB”) which are mandatory for annual periods beginning on or after 1 January 2024.

2. BASIS OF PREPARATION (CONT'D.)

(ii) Significant Accounting Policies (Cont'd.)

Effective for financial periods beginning on or after 1 January 2024

Amendments to MFRS 16	Lease liability in a Sale and Leaseback
Amendments to MFRS 101	Presentation of Financial Statement - Non-current Liabilities with Covenants
Amendments to MFRS 107	Statement of Cash Flows - Supplier Finance Arrangements
Amendments to MFRS 7	Financial Instruments: Disclosures - Supplier Finance Arrangements

(b) MFRSs and Amendments to MFRSs yet to be effective

The Company has not adopted the following MFRS and Amendments to MFRSs which have been issued but are not yet effective. The Company intends to adopt these new pronouncements, if applicable, when they become effective.

Effective for financial periods beginning on or after 1 January 2025

Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)
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Effective for financial periods beginning on or after 1 January 2026

Amendments that are part of Annual Improvements:

Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards – Annual Improvements to MFRS Accounting
Amendments to MFRS 7	Financial Instruments: Disclosures – Annual Improvements

2. BASIS OF PREPARATION (CONT'D.)

(ii) Significant Accounting Policies (Cont'd.)

(b) MFRSs and Amendments to MFRSs yet to be effective (Cont'd.)

Effective for financial periods beginning on or after 1 January 2026 (Cont'd.)

Amendments that are part of Annual Improvements (Cont'd.):

Amendments to MFRS 9	Financial Instruments – Annual Improvements to MFRS
Amendments to MFRS 10	Consolidated Financial Statements – Annual Improvements
Amendments to MFRS 107	Statement of Cash Flows – Annual Improvements to MFRS Accounting Standards – Volume 11
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

Effective date to be announced by Malaysian Accounting Standards Board

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its
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The adoption of the above Amendments to MFRSs is not expected to result in significant financial impact to the Company.

3. PROPERTY, PLANT AND EQUIPMENT

	Valuation			Cost				
	Freehold	Buildings		Computer	Motor	Office	Furniture,	
	land	Freehold	Leasehold	equipment	vehicles	equipment	fixtures and	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	fittings	RM'000
<u>Valuation/Cost:</u>								
At 1 October 2024	3,190	840	14,040	5,750	38	1,528	3,661	29,047
Additions	-	-	-	-	-	1	-	1
Write-offs	-	-	-	-	-	(5)	-	(5)
At 31 March 2025	3,190	840	14,040	5,750	38	1,524	3,661	29,043
<u>Accumulated depreciation:</u>								
At 1 October 2024	-	-	-	5,722	33	1,405	3,604	10,764
Charge for the period	-	19	672	4	1	10	-	706
Write-offs	-	-	-	-	-	(3)	-	(3)
At 31 March 2025	-	19	672	5,726	34	1,412	3,604	11,467
<u>Net carrying value</u>								
At 31 March 2025	3,190	821	13,368	24	4	112	57	17,576

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

	Valuation			Cost				
	Freehold	Buildings		Computer	Motor	Office	Furniture,	
	land	Freehold	Leasehold	equipment	vehicles	equipment	fixtures and	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Valuation/Cost:</u>								
At 1 October 2023	3,080	840	14,040	5,750	42	1,514	3,672	28,938
Additions	-	-	-	-	-	36	3	39
Disposals	-	-	-	-	(4)	-	(14)	(18)
Write-offs	-	-	-	-	-	(22)	-	(22)
Revaluation surplus	110	36	1,213	-	-	-	-	1,359
Elimination of accumulated depreciation on revaluation	-	(36)	(1,213)	-	-	-	-	(1,249)
At 30 September 2024	3,190	840	14,040	5,750	38	1,528	3,661	29,047
<u>Accumulated depreciation:</u>								
At 1 October 2023	-	-	-	5,714	36	1,397	3,573	10,720
Charge for the year	-	36	1,213	8	-	26	45	1,328
Disposals	-	-	-	-	(3)	-	(14)	(17)
Write-offs	-	-	-	-	-	(18)	-	(18)
Elimination of accumulated depreciation on revaluation	-	(36)	(1,213)	-	-	-	-	(1,249)
At 30 September 2024	-	-	-	5,722	33	1,405	3,604	10,764
<u>Net Book Value</u>								
At 30 September 2024	3,190	840	14,040	28	5	123	57	18,283

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

- (a) Freehold land and buildings and leasehold buildings were revalued as at 30 September 2024 based on valuation carried out by an independent professional valuer, Messrs. Rahim & Co. on an open market value basis using the comparison method.

The fair value of the freehold land and buildings and leasehold buildings are categorised within Level 3 of the fair value hierarchy.

There are no changes to the valuation technique and fair value hierarchy in the current financial period.

- (b) The net carrying values of the freehold land and buildings and leasehold buildings of the Company had the cost model been applied, compared to the revaluation model as at 31 March 2025 are as follows:

		←-----Net Carrying Value-----→			
		31 March 2025		30 September 2024	
		Under Revaluation Model	Under Cost Model	Under Revaluation Model	Under Cost Model
Note		RM'000	RM'000	RM'000	RM'000
	Freehold land	3,190	380	3,190	380
	Freehold buildings	840	169	840	172
	Leasehold buildings	14,040	3,372	14,040	3,502
23(e)		<u>18,070</u>	<u>3,921</u>	<u>18,070</u>	<u>4,054</u>

4. INVESTMENT PROPERTIES

		31 March 2025	30 September 2024
	Note	RM'000	RM'000
<u>At fair value</u>			
At 1 October		640	640
At 31 March 2025/30 September 2024	23(e)	<u>640</u>	<u>640</u>
Analysed as:			
Freehold buildings		<u>640</u>	<u>640</u>

Investment properties were revalued as at 30 September 2024 by Messrs. Rahim & Co., an independent professional valuer. Fair value is determined by reference to open market values using the comparison method.

The Company has assessed that the existing use of its investment properties is the most appropriate, and at its highest and best use.

The fair value of the investment properties are categorised within Level 3 of the fair value hierarchy.

5. INTANGIBLE ASSETS

	Computer software and licences RM'000	Software development in progress RM'000	Total RM'000
<u>2025</u>			
<u>Cost</u>			
At 1 October	7,526	-	7,526
Additions	337	-	337
Reclassification	-	-	-
At 31 March	<u>7,863</u>	<u>-</u>	<u>7,863</u>
<u>Accumulated amortisation</u>			
At 1 October	5,160	-	5,160
Amortisation	401	-	401
At 31 March	<u>5,561</u>	<u>-</u>	<u>5,561</u>
Net Book Value	<u>2,302</u>	<u>-</u>	<u>2,302</u>
<u>2024</u>			
<u>Cost</u>			
At 1 October	5,408	1,839	7,247
Additions	279	-	279
Reclassification	1,839	(1,839)	-
At 30 September	<u>7,526</u>	<u>-</u>	<u>7,526</u>
<u>Accumulated amortisation</u>			
At 1 October	4,735	-	4,735
Amortisation	425	-	425
At 30 September	<u>5,160</u>	<u>-</u>	<u>5,160</u>
Net Book Value	<u>2,366</u>	<u>-</u>	<u>2,366</u>

6. LEASES

(a) The Company as a lessee

The Company has lease contracts for various items of computer, office equipment, motor vehicles and office buildings used in its operations. Leases of these assets generally have lease terms between 2 to 5 years.

(1) Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Prepaid land lease RM'000	Office building RM'000	Motor vehicles RM'000	Computer equipment RM'000	Office equipment RM'000	Total RM'000
At 1 October 2024	270	982	1,375	221	2,506	5,354
Additions	-	-	-	-	644	644
Disposal	-	-	(968)	-	-	(968)
Depreciation charge for the year	(2)	(236)	259	(147)	(847)	(973)
Remeasurements	-	-	-	-	-	-
At 31 March 2025	<u>268</u>	<u>746</u>	<u>666</u>	<u>74</u>	<u>2,303</u>	<u>4,057</u>
At 1 October 2023	274	685	1,482	491	3,671	6,603
Additions	-	779	85	27	537	1,428
Depreciation charge for the year	(4)	(476)	(192)	(297)	(1,699)	(2,668)
Remeasurements	-	(6)	-	-	(3)	(9)
At 30 September 2024	<u>270</u>	<u>982</u>	<u>1,375</u>	<u>221</u>	<u>2,506</u>	<u>5,354</u>

6. LEASES (CONT'D.)

(a) The Company as a lessee (Cont'd.)

(1) Right-of-use assets (Cont'd.)

During the year, the Company acquired right-of-use assets by:

	31 March <u>2025</u> RM'000	30 September <u>2024</u> RM'000
Cash	-	24
Lease liabilities	644	1,404
	<u>644</u>	<u>1,428</u>

(2) Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Note	31 March <u>2025</u> RM'000	30 September <u>2024</u> RM'000
At 1 October		4,499	5,907
Additions		644	1,404
Accretion of interest on lease liabilities	19	108	291
Payments		(1,712)	(3,094)
Remeasurements		-	(9)
At 31 March 2025/30 September 2024		<u>3,539</u>	<u>4,499</u>

Extension options

The Company has several lease contracts of buildings which contain extension options exercisable by the Company. At the commencement of the lease, the Company assesses whether it is reasonably certain to exercise such options.

All of the extension options for buildings have been included in the lease liabilities because the Company is reasonably certain that the leases will be extended based on past practice and the existing economic incentive.

7. INVESTMENTS

		31 March 2025 RM'000	30 September 2024 RM'000
	Note		
The Company's investment are summarised by categories as follows:			
(a) Financial assets at fair value through profit or loss ("FVTPL"):			
<u>At fair value:</u>			
Mandatorily measured:			
Quoted shared in Malaysia		1,705	2,354
Unit trusts		22,000	21,890
Warrants		13	-
	23(a)	<u>23,718</u>	<u>24,244</u>
(b) Financial assets at fair value through other comprehensive income ("FVOCI"):			
<u>At fair value:</u>			
Mandatorily measured:			
Corporate debt securities		21,914	62,345
	23(a)	<u>21,914</u>	<u>62,345</u>
(c) Financial assets at amortised cost:			
Deposits and placements with licensed financial institutions: ^			
Commercial banks		248,426	177,602
Investment banks		168,241	199,066
		<u>416,667</u>	<u>376,668</u>
Total investments		<u>462,299</u>	<u>463,257</u>

Included in deposits and placements of the Company is an amount of RM119,646 (2024: RM118,129) representing placements of deposits received from insureds as collateral for bond guarantees granted to third parties.

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

8. REINSURANCE CONTRACT ASSETS

As at 31 March 2025					
		Liabilities for remaining coverage	Liabilities for incurred claims		
			Contracts under PAA		
		Excluding loss components	Estimates of the present value of future cash flows	Risk adjustments	Total
	Note	RM'000	RM'000	RM'000	RM'000
Opening assets as at 1 October 2024		22,237	202,358	20,431	245,026
Opening liabilities as at 1 October 2024		(2)	1	-	(1)
Net opening balances as at 1 October 2024		22,235	202,359	20,431	245,025
Net expense from reinsurance contracts held					
Allocation of reinsurance premiums	13	(54,631)	-	-	(54,631)
Reinsurance expenses		(54,631)	-	-	(54,631)
Amounts recoverable from reinsurers for incurred claims	13	-	13,992	(985)	13,007
Incurred claims recovery		-	28,640	5,611	34,251
Changes that relate to past service-changes in the FCF relating to incurred claims recovery		-	(14,725)	(6,596)	(21,321)
Effect of changes in risk of non-performance by issuer of reinsurance contracts held		-	77	-	77
Net income/(expense) from reinsurance contracts held		(54,631)	13,992	(985)	(41,624)

8. REINSURANCE CONTRACT ASSETS (CONT'D.)

As at 31 March 2025				
	Liabilities for remaining coverage	Liabilities for incurred claims		
		Contracts under PAA		
	Excluding loss components	Estimates of the present value of future cash flows	Risk adjustments	Total
Note	RM'000	RM'000	RM'000	RM'000
Other - items attributable to the comprehensive income	(2,130)	2,255	-	125
Finance income from reinsurance contracts held	18	-	-	1,546
Total changes in statement of profit or loss and other comprehensive income		(56,761)	(985)	(39,953)
Cash flows				
Premiums paid net of ceding commissions and other directly attributable expenses		53,436	-	53,436
Recoveries from reinsurance		-	-	(26,741)
Total cash flows		53,436	-	26,695
Net closing balances		18,910	19,446	231,767
Closing assets		18,910	19,446	231,767
Closing liabilities		-	-	-
Net closing balances as at 31 March 2025		18,910	19,446	231,767

8. REINSURANCE CONTRACT ASSETS (CONT'D.)

	As at 30 September 2024			
	Liabilities for remaining coverage	Liabilities for incurred claims		
		← Contracts under PAA →		
	Excluding loss components	Estimates of the present value of future cash flows	Risk adjustments	Total
	RM'000	RM'000	RM'000	RM'000
Opening assets as at 1 October 2023	23,116	167,380	16,509	207,005
Opening liabilities as at 1 October 2023	(2,955)	457	53	(2,445)
Net opening balances as at 1 October 2023	20,161	167,837	16,562	204,560
Net expense from reinsurance contracts held				
Allocation of reinsurance premiums	(111,918)	-	-	(111,918)
Reinsurance expenses	(111,918)	-	-	(111,918)
Amounts recoverable from reinsurers for incurred claims	-	93,157	3,869	97,026
Amount recoverable for incurred claims and other expenses	-	64,954	4,883	69,837
Changes to amounts recoverable for incurred claims	-	28,203	(1,014)	27,189
Net income/(expense) from reinsurance contracts held	(111,918)	93,157	3,869	(14,892)

8. REINSURANCE CONTRACT ASSETS (CONT'D.)

	As at 30 September 2024			
	Liabilities for remaining coverage	Liabilities for incurred claims		
		← Contracts under PAA →		
	Excluding loss components RM'000	Estimates of the present value of future cash flows RM'000	Risk adjustments RM'000	Total RM'000
Investment component	(2,128)	2,128	-	-
Reinsurance finance income	-	3,637		3,637
Total changes in statement of profit or loss and other comprehensive income	(114,046)	98,922	3,869	(11,255)
Cash flows				
Premiums paid net of ceding commissions and other directly attributable expenses	116,120	-	-	116,120
Recoveries from reinsurance received	-	(64,400)	-	(64,400)
Total cash flows	116,120	(64,400)	-	51,720
Net closing balances	22,235	202,359	20,431	245,025
Closing assets	22,237	202,358	20,431	245,026
Closing liabilities	(2)	1	-	(1)
Net closing balances as at 30 September 2024	22,235	202,359	20,431	245,025

9. OTHER RECEIVABLES

	31 March <u>2025</u> RM'000	30 September <u>2024</u> RM'000
<u>At amortised cost:</u>		
Due from fellow subsidiary company	3,603	3,446
Due from stockbrokers	-	-
Accrued income	6,648	4,959
Share of net assets held under the Malaysian Motor Insurance Pool ("MMIP")	36,250	39,296
Deposits and prepayments	1,829	1,843
Others	4,345	1,221
	<u>52,675</u>	<u>50,765</u>

10. CASH AND CASH EQUIVALENTS

	31 March <u>2025</u> RM'000	30 September <u>2024</u> RM'000
Deposits and placements with licensed commercial bank (with original maturity period of three months or less)	7,264	9,385
Cash and bank balances	4,196	5,215
	<u>11,460</u>	<u>14,600</u>

11. INSURANCE CONTRACT LIABILITIES

As at 31 March 2025					
		Liabilities for remaining coverage	Liabilities for incurred claims		
			Contracts under PAA		
		Excluding loss components	Estimates of the present value of future cash flows	Risk adjustments	Total
	Note	RM'000	RM'000	RM'000	RM'000
Opening assets as at 1 October 2024		-	-	-	-
Opening liabilities as at 1 October 2024		109,140	406,509	38,596	554,245
Net opening balances as at 1 October 2024		109,140	406,509	38,596	554,245
Insurance revenue	13	(136,504)	-	-	(136,504)
Insurance service expenses	13	26,894	79,951	(1,774)	105,071
Incurred claims and other insurance service expenses		-	105,900	11,329	117,229
Amortisation of insurance acquisition cash flows		26,894	-	-	26,894
Changes that relate to past service-Changes in FCF relating to LIC		-	(25,949)	(13,103)	(39,052)
Insurance service results		(109,610)	79,951	(1,774)	(31,433)

11. INSURANCE CONTRACT LIABILITIES (CONT'D.)

		As at 31 March 2025				
		Liabilities for remaining coverage	Liabilities for incurred claims			
			← Contracts under PAA →			
		Excluding loss components	Estimates of the present value of future cash flows	Risk adjustments	Total	
Note		RM'000	RM'000	RM'000	RM'000	
	Insurance finance expenses	17	-	4,369	-	4,369
Total changes in statement of profit or loss and other comprehensive income			(109,610)	84,320	(1,774)	(27,064)
Cash flows						
	Premium received		149,834	-	-	149,834
	Claims and other insurance service expenses paid		-	(100,888)	-	(100,888)
	Insurance acquisition cash flows		(31,332)	-	-	(31,332)
Total cash flows			118,502	(100,888)	-	17,614
Net closing balances			118,032	389,941	36,822	544,795
	Closing assets		118,100	389,912	36,819	544,831
	Closing liabilities		(68)	29	3	(36)
Net closing balances as at 31 March 2025			118,032	389,941	36,822	544,795

11. INSURANCE CONTRACT LIABILITIES (CONT'D.)

	As at 30 September 2024			
	Liabilities for remaining coverage	Liabilities for incurred claims		
		← Contracts under PAA →		
	Excluding loss components RM'000	Estimates of the present value of future cash flows RM'000	Risk adjustments RM'000	Total RM'000
Opening assets as at 1 October 2023	-	-	-	-
Opening liabilities as at 1 October 2023	97,636	375,575	35,331	508,542
Net opening balances as at 1 October 2023	97,636	375,575	35,331	508,542
Insurance revenue	(269,453)	-	-	(269,453)
Insurance service expenses	50,757	223,224	3,265	277,246
Incurred claims and other insurance service expenses	-	196,147	10,697	206,844
Amortisation of insurance acquisition cash flows	50,757	-	-	50,757
Changes to liabilities for incurred claims		27,077	(7,432)	19,645
Insurance service results	(218,696)	223,224	3,265	7,793

11. INSURANCE CONTRACT LIABILITIES (CONT'D.)

	As at 30 September 2024			
	Liabilities for remaining coverage	Liabilities for incurred claims		
		← Contracts under PAA →		
	Excluding loss components	Estimates of the present value of future cash flows	Risk adjustments	Total
	RM'000	RM'000	RM'000	RM'000
Insurance finance expenses	-	8,564	-	8,564
Total changes in statement of profit or loss and other comprehensive income	(218,696)	231,788	3,265	16,357
Cash flows				
Premium received	283,280	-	-	283,280
Claims and other insurance service expenses paid	-	(200,854)	-	(200,854)
Insurance acquisition cash flows	(53,080)	-	-	(53,080)
Total cash flows	230,200	(200,854)	-	29,346
Net closing balances	109,140	406,509	38,596	554,245
Closing assets	-	-	-	-
Closing liabilities	109,140	406,509	38,596	554,245
Net closing balances as at 30 September 2024	109,140	406,509	38,596	554,245

12. OTHER PAYABLES

	31 March <u>2025</u> RM'000	30 September <u>2024</u> RM'000
Sales and services tax payable	5,071	3,060
Sundry creditors	1,439	1,282
Accruals	731	1,092
Allowance for unutilised leave	452	984
Stamp duty payable	274	412
Accrual of directors' fees	248	560
Collateral deposits	115	114
Due to holding company *	36	36
Refund premiums	2	5
Unclaimed monies	3	3
Advance premium	2,164	2,053
	<u>10,535</u>	<u>9,601</u>

The carrying amounts disclosed above approximate fair values at the reporting date due to the relatively short-term maturity of these balances.

* Amount due to holding company is unsecured, interest free and repayable in accordance with applicable terms.

13. INSURANCE SERVICE RESULT

		6 months ended 31 March <u>2025</u> RM'000	6 months ended 31 March <u>2024</u> RM'000
Insurance revenue:			
- Contracts measured under the PAA	11	<u>136,504</u>	<u>136,945</u>
Insurance service expenses:			
- Incurred claims and benefits		(98,454)	(73,011)
- Incurred other maintenance expenses		(18,978)	(19,698)
- Amortisation of insurance acquisition cash flows		(26,691)	(25,673)
- Changes to liabilities for incurred claims		<u>39,052</u>	<u>(24,509)</u>
	11	<u>(105,071)</u>	<u>(142,891)</u>

13. INSURANCE SERVICE RESULT (CONT'D.)

		6 months ended 31 March 2025 RM'000	6 months ended 31 March 2024 RM'000
	Note		
Allocation of reinsurance premiums under PAA	8	<u>(54,631)</u>	<u>(54,398)</u>
Amounts recoverable from reinsurers for incurred claims:			
- Actual recovery of claims and benefits		34,251	37,723
- Changes in amounts recoverable from liabilities for incurred claims		(21,321)	17,561
- Changes in non-performance risk by reinsurers		77	(4)
	8	<u>13,007</u>	<u>55,280</u>
Insurance service result		<u><u>(10,191)</u></u>	<u><u>(5,064)</u></u>

14. INVESTMENT INCOME

	6 months ended 31 March 2025 RM'000	6 months ended 31 March 2024 RM'000
Dividend income:		
- Shares quoted in Malaysia	-	79
- Unit trust	471	2,374
Interest income:		
- Deposits and placements with financial institutions	7,090	2,965
- Corporate debt/securities	1,354	2,098
Profit from Islamic fixed deposits	438	236
Bonus units on unit trust	9	-
Rental of properties:		
- Fellow subsidiary company	13	14
- Holding company	105	108
Investment income from:		
- Malaysian Motor Insurance Pool ("MMIP")	220	529
- Malaysian Reinsurance Berhad ("MRB")	1	4
	<u>9,701</u>	<u>8,407</u>

15. REALISED (LOSSES)/ GAINS, NET

	6 months ended 31 March 2025 RM'000	6 months ended 31 March 2024 RM'000
Realised gains/(losses) on:		
- Financial assets at FVTPL:	-	-
Unit trusts	-	620
Shares quoted in Malaysia	(1,555)	(12)
	<u>(1,555)</u>	<u>(12)</u>
	<u>(1,555)</u>	<u>608</u>

16. FAIR VALUE GAINS

	6 months ended 31 March 2025 RM'000	6 months ended 31 March 2024 RM'000
Fair value gains:		
- Financial assets at FVTPL:		
Shares quoted in Malaysia	1,337	941
Unit trusts	110	2,833
Warrants	13	(10)
	<u>1,460</u>	<u>3,764</u>

17. INSURANCE FINANCE EXPENSES FOR INSURANCE CONTRACTS ISSUED

	6 months ended 31 March 2025 RM'000	6 months ended 31 March 2024 RM'000
Interest accreted to insurance contracts using current financial assumption	(4,077)	(4,262)
Effect of changes in interest rates and other financial assumptions	(292)	(844)
Total insurance finance expenses for insurance contracts issued	<u>(4,369)</u>	<u>(5,106)</u>

Note

11

18. REINSURANCE FINANCE INCOME FOR REINSURANCE CONTRACTS HELD

		6 months ended 31 March <u>2025</u> RM'000	6 months ended 31 March <u>2024</u> RM'000
	Note		
Interest accreted to insurance contracts using current financial assumption		1,428	1,408
Effect of changes in interest rates and other financial assumptions		118	350
Total reinsurance finance income for reinsurance contracts held	8	<u>1,546</u>	<u>1,758</u>

19. FINANCE COSTS

		6 months ended 31 March <u>2025</u> RM'000	6 months ended 31 March <u>2024</u> RM'000
	Note		
Interest on lease liabilities	6(a)(2)	108	149
Others		<u>1</u>	<u>2</u>
		<u>109</u>	<u>151</u>

20. REGULATORY CAPITAL REQUIREMENTS

The capital structure of the Company, as prescribed under the Risk-Based Capital Framework was provided below:

	31 March <u>2025</u> RM'000	30 September <u>2024</u> RM'000
<u>Eligible Tier 1 Capital</u>		
Share capital (paid-up)	100,000	100,000
Retained earnings	<u>89,871</u>	<u>100,605</u>
	<u>189,871</u>	<u>200,605</u>
<u>Tier 2 Capital</u>		
Revaluation reserve	16,492	16,492
FVOCI reserve	<u>1,469</u>	<u>1,796</u>
	<u>17,961</u>	<u>18,288</u>
Amounts deducted from Capital	<u>(6,407)</u>	<u>(3,501)</u>
Total Capital Available	<u>201,425</u>	<u>215,392</u>

21. COMMITMENTS AND CONTINGENCIES

(i) On-going Litigation

On 10 August 2016, the Malaysia Competition Commission (“MyCC”) launched an investigation into Persatuan Insurans Am Malaysia (“PIAM”) and its 22 members, which includes the insurance subsidiary company (Pacific & Orient Insurance Co. Berhad), for allegedly violating the Competition Act 2010 by making an agreement with the Federation of Automobile Workshop Owners’ Association of Malaysia (“FAWOAM”) regarding trade discount rates for certain vehicle parts and labour hour rates for workshops.

After considering written and oral representations from various parties, MyCC issued a final decision against PIAM and its members on 14 September 2020 and imposed financial penalties of RM173,655,300 on all 22 insurance companies, including the insurance subsidiary company, with a 25% reduction due to the COVID-19 pandemic.

The insurance subsidiary’s share of the financial penalty was RM1,581,339, net of 25% discount granted arising from the Covid-19 pandemic.

PIAM and its 22 members appealed against the decision, and on 2 September 2022, the Competition Appeal Tribunal (“CAT”) unanimously overturned MyCC’s decision and financial penalties.

However, MyCC filed an application for judicial review proceedings in the High Court, with a hearing scheduled on 8 May 2023.

On 8 May 2023, the High Court adjourned the matter to enable PIAM and the insurers to file their affidavits in reply by 22 May 2023 and MyCC to file its affidavit in reply by 6 June 2023. The High Court also directed both parties to file their further affidavits, if needed, and also to file written submissions by 10 August 2023 and replies to the written submissions, if any, by 1 September 2023.

MyCC's application for leave to commence judicial review proceedings in the High Court to review the decision of the CAT was fixed for 30 November 2023. On 30 November 2023, the High Court has fixed the date to deliver the decision on 16 Jan 2024 after both parties made their oral submissions.

21. COMMITMENTS AND CONTINGENCIES (CONT'D.)

(i) On-going Litigation (Cont'd.)

On 16 January 2024, the High Court has denied the MyCC leave for a judicial review of the CAT's 2022 decision in favour of PIAM and its 22 members. In brief, the grounds for the decision are as below: -

- 1) MyCC does not have locus standi (i.e., capacity or right to bring an action to court) to challenge the decision by CAT.
- 2) MyCC is not a person adversely affected by the decision of CAT in the execution of public duty. This had been answered by the Court of Appeal in the cases of AirAsia and Malaysia Airlines Systems Bhd (MAS) against MyCC.
- 3) In the cases of AirAsia and MAS against MyCC, the Court of Appeal has made a decision that MyCC cannot challenge CAT's decision and the High Court is bound by the Court of Appeal decision under the doctrine of stare decisis.

MyCC has filed an appeal to the Court of Appeal against the High Court's decision in dismissing their application for leave to judicially review CAT's decision. The case management for the appeal is fixed on 15 May 2024.

On 15 May 2024, the Court has fixed the case management for the appeal on 8 May 2025. Subsequently, the Court also order both parties to file the written documents by 24 April 2025 and replies to the written submission by 7 May 2025. The Court has fixed the physical hearing on 22 May 2025.

As at the date of this report, the Company has not made any provision, and will continue to disclose the matter as an on-going litigation until further development.

22. SIGNIFICANT RELATED PARTY DISCLOSURES

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The significant transactions of the Company with its related parties are as follows:

	6 months ended 31 March <u>2025</u> RM'000	6 months ended 31 March <u>2024</u> RM'000
<u>Expenses/(income):</u>		
<u>Holding company:</u>		
Management fees	966	856
Income from leasing of office building	(105)	(108)
Other income	<u>(7)</u>	<u>(7)</u>
<u>Fellow subsidiaries of POB Group:</u>		
Call centre service charges	429	165
Printing and information system expenses	10,803	9,437
Repair and maintenance	281	125
Subscription and software maintenance services	-	-
Purchase of computer software	8	-
Expenses from leasing of office building	95	98
Leases of computer and office equipment	1,089	1,074
Leases of low-value assets	505	323
Short-term leases	457	632
Income from leasing of office building	(13)	(14)
Other income	<u>(1)</u>	<u>(1)</u>
<u>Substantial shareholder, Sanlam Emerging Markets (Pty) Ltd:</u>		
Pricing and product services	<u>-</u>	<u>126</u>
<u>Robert Low & Ooi:</u>		
Settlement for defence cost & disbursement cost	<u>60</u>	<u>-</u>
<u>City Vacation Sdn Bhd:</u>		
Commission on insurance policies underwritten	<u>1</u>	<u>-</u>

23. FAIR VALUE

- (a) The financial instruments measured at fair value on a recurring basis are categorised into the following levels of the fair value hierarchy:

	<u>Date of Valuation</u>	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
2025					
<u>Financial assets at FVTPL</u>					
Quoted shares	31 Mar 2025	1,705	-	-	1,705
Unit trusts	31 Mar 2025	22,000	-	-	22,000
Warrants	31 Mar 2025	13	-	-	13
		<u>23,718</u>	<u>-</u>	<u>-</u>	<u>23,718</u>
<u>Financial assets at FVOCI</u>					
Corporate debt securities	31 Mar 2025	-	21,914	-	21,914
		<u>-</u>	<u>21,914</u>	<u>-</u>	<u>21,914</u>
2024					
<u>Financial assets at FVTPL</u>					
Quoted shares	30 Sep 2024	2,354	-	-	2,354
Unit trusts	30 Sep 2024	21,890	-	-	21,890
		<u>24,244</u>	<u>-</u>	<u>-</u>	<u>24,244</u>
<u>Financial assets at FVOCI</u>					
Corporate debt securities	30 Sep 2024	-	62,345	-	62,345
		<u>-</u>	<u>62,345</u>	<u>-</u>	<u>62,345</u>

- (b) The carrying amounts of other financial assets approximated their fair values due to their relatively short-term nature and therefore no additional disclosure is provided.
- (c) Except for lease liabilities which are determined by the present value of the estimated future lease payments, the carrying amounts of financial liabilities at the reporting date approximated their fair values due to their short-term nature and immaterial impact of discounting.

23. FAIR VALUE (CONT'D.)

(d) Determination of fair value

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Cash and bank balances, deposits and placements with financial institutions, insurance receivables/payables, and other receivables/payables:

- The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments; and
- The carrying value of amount due from/to holding and fellow subsidiary companies approximate their fair values as the amounts are repayable in accordance with applicable terms.

(ii) Financial assets

- Quoted shares and warrants

The fair values of quoted shares and warrants are determined by reference to the stock exchange quoted market closing prices at the close of the business at the reporting date.

- Unit trusts

The fair value of quoted units in the unit trust funds are determined by reference to market quotations by the manager of the unit trust funds.

- Corporate debt securities

Unquoted corporate debt/securities are valued using fair value prices quoted by a bond pricing agency.

(iii) Lease liabilities

The fair value of lease liabilities is determined by the present value of the estimated future lease payments to be made over the lease term.

23. FAIR VALUE (CONT'D.)

(e) Fair value of non-financial assets

The following table provides an analysis of assets measured and disclosed at fair value on a recurring basis in accordance with the fair value hierarchy:

	<u>Date of</u> <u>Valuation</u>	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
2025					
<u>Property, plant and</u>					
<u>equipment:</u>					
Freehold land	31 Mar 2025	-	-	3,190	3,190
Freehold buildings	31 Mar 2025	-	-	840	840
Leasehold buildings	31 Mar 2025	-	-	14,040	14,040
		-	-	18,070	18,070
Investment properties:					
Freehold buildings	31 Mar 2025	-	-	640	640
		-	-	640	640
2024					
<u>Property, plant and</u>					
<u>equipment:</u>					
Freehold land	30 Sep 2024	-	-	3,190	3,190
Freehold buildings	30 Sep 2024	-	-	840	840
Leasehold buildings	30 Sep 2024	-	-	14,040	14,040
		-	-	18,070	18,070
Investment properties:					
Freehold buildings	30 Sep 2024	-	-	640	640
		-	-	640	640

24. AUDIT QUALIFICATION OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

There was no qualification in the audit report of the preceding annual audited financial statements of the Company.

25. SEASONALITY OR CYCLICALITY OF OPERATIONS

The business of the Company is not subject to any significant seasonal or cyclical fluctuations.

26. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no unusual items that affect the assets, liabilities, equity, net income or cash flows of the Company for the financial period ended 31 March 2025.

27. CHANGES IN ESTIMATES

There were no changes in estimates of amounts reported in prior periods that have a material effect for the financial period ended 31 March 2025.

28. ISSUANCES, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period ended 31 March 2025.

29. DIVIDENDS PAID

Directors have not recommended any final dividend to be paid for the financial period under review.

30. MATERIAL EVENTS SUBSEQUENT TO END OF REPORTING PERIOD

There were no material events subsequent to the end of the financial period reported that require disclosure or adjustments to the unaudited condensed interim financial statements.

31. EFFECT OF CHANGES IN COMPOSITION OF THE COMPANY

There were no changes in the composition of the Company for the financial period ended 31 March 2025.