

**PROGRESSIVE INSURANCE BHD**  
**197401001891 (19002-P)**  
**(Incorporated in Malaysia)**

**Unaudited Interim Financial Statements**  
**30 June 2025**

197401001891 (19002-P)

**PROGRESSIVE INSURANCE BHD**  
**(Incorporated in Malaysia)**

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**PROGRESSIVE INSURANCE BHD**  
(Incorporated in Malaysia)

**UNAUDITED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2025**

|                                     | Note | Group              |                    | Company            |                    |
|-------------------------------------|------|--------------------|--------------------|--------------------|--------------------|
|                                     |      | 30.06.2025<br>RM   | 31.12.2024<br>RM   | 30.06.2025<br>RM   | 31.12.2024<br>RM   |
| <b>ASSETS</b>                       |      |                    |                    |                    |                    |
| Property and equipment              |      | 16,386,964         | 17,152,392         | 16,386,964         | 17,152,392         |
| Right-of-use assets                 |      | 601,745            | 769,519            | 601,745            | 769,519            |
| Investments                         | 6    | 310,344,212        | 312,874,871        | 317,492,213        | 323,193,790        |
| Insurance contract assets           | 7(a) | 3,246,787          | 783,452            | 3,246,787          | 783,452            |
| Reinsurance contract assets         | 7(b) | 69,200,688         | 67,924,140         | 69,200,688         | 67,924,140         |
| Loans and other receivables         |      | 90,953,382         | 105,614,865        | 79,263,880         | 90,529,196         |
| Deferred tax assets                 |      | 795,686            | 795,685            | 795,686            | 795,685            |
| Tax recoverable                     |      | 5,543,897          | 4,983,893          | 5,543,897          | 4,983,893          |
| Cash and cash equivalents           |      | 30,933,423         | 20,723,685         | 30,333,161         | 20,497,410         |
| <b>TOTAL ASSETS</b>                 |      | <b>528,006,784</b> | <b>531,622,502</b> | <b>522,865,021</b> | <b>526,629,477</b> |
| <b>EQUITY AND LIABILITIES</b>       |      |                    |                    |                    |                    |
| Share capital                       |      | 100,000,000        | 100,000,000        | 100,000,000        | 100,000,000        |
| Reserves                            |      | 164,154,752        | 174,834,661        | 164,073,892        | 174,758,148        |
|                                     |      | 264,154,752        | 274,834,661        | 264,073,892        | 274,758,148        |
| Non-controlling interests           |      | 4,979,199          | 4,835,637          | -                  | -                  |
| <b>TOTAL EQUITY</b>                 |      | <b>269,133,951</b> | <b>279,670,298</b> | <b>264,073,892</b> | <b>274,758,148</b> |
| Insurance contract liabilities      | 7(a) | 208,006,829        | 201,656,966        | 208,006,829        | 201,656,966        |
| Reinsurance contract liabilities    | 7(b) | 8,791,025          | 8,839,452          | 8,791,025          | 8,839,452          |
| Lease liabilities                   |      | 621,442            | 789,260            | 621,442            | 789,260            |
| Other financial liabilities         |      | 29,444,734         | 29,591,553         | 29,444,734         | 29,591,553         |
| Other payables                      |      | 12,008,803         | 11,074,973         | 11,927,099         | 10,994,098         |
| <b>TOTAL LIABILITIES</b>            |      | <b>258,872,833</b> | <b>251,952,204</b> | <b>258,791,129</b> | <b>251,871,329</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b> |      | <b>528,006,784</b> | <b>531,622,502</b> | <b>522,865,021</b> | <b>526,629,477</b> |

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

**PROGRESSIVE INSURANCE BHD**  
(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2025**

|   | Note | Group               |                     | Company             |                     |
|---|------|---------------------|---------------------|---------------------|---------------------|
|   |      | 30.06.2025<br>RM    | 30.06.2024<br>RM    | 30.06.2025<br>RM    | 30.06.2024<br>RM    |
| Insurance revenue   |      | 65,297,210          | 72,894,377          | 65,297,210          | 72,894,377          |
| Insurance service expenses  |      | (51,107,432)        | (45,025,928)        | (51,107,432)        | (45,025,928)        |
| <b>Insurance service result before reinsurance contracts held</b> |      | <u>14,189,778</u>   | <u>27,868,449</u>   | <u>14,189,778</u>   | <u>27,868,449</u>   |
| Allocation of reinsurance premiums                                |      | (29,490,791)        | (38,739,827)        | (29,490,791)        | (38,739,827)        |
| Amounts recoverable from reinsurers for incurred claims           |      | <u>6,132,433</u>    | <u>14,109,552</u>   | <u>6,132,433</u>    | <u>14,109,552</u>   |
| <b>Net expense from reinsurance contracts held</b>                |      | <u>(23,358,358)</u> | <u>(24,630,275)</u> | <u>(23,358,358)</u> | <u>(24,630,275)</u> |
| <b>Insurance service result</b>                                   |      | <u>(9,168,580)</u>  | <u>3,238,174</u>    | <u>(9,168,580)</u>  | <u>3,238,174</u>    |
| Interest revenue calculated using the effective interest method   | 8(a) | 892,483             | 927,582             | 684,628             | 786,386             |
| Other investment revenue  | 8(b) | 1,319,778           | 21,237,873          | 1,091,545           | 21,001,387          |
| <b>Net investment income</b>                                      |      | <u>2,212,261</u>    | <u>22,165,455</u>   | <u>1,776,173</u>    | <u>21,787,773</u>   |
| Insurance finance expenses for insurance contracts issued         |      | (3,883,388)         | (3,082,115)         | (3,883,388)         | (3,082,115)         |
| Reinsurance finance income for reinsurance contracts held         |      | <u>1,249,466</u>    | <u>1,230,286</u>    | <u>1,249,466</u>    | <u>1,230,286</u>    |
| <b>Net insurance financial result</b>                             |      | <u>(2,633,922)</u>  | <u>(1,851,829)</u>  | <u>(2,633,922)</u>  | <u>(1,851,829)</u>  |
| Other operating income  |      | 509,682             | 2,692,780           | 509,682             | 2,692,780           |
| Other operating expenses  |      | (1,454,603)         | (2,332,157)         | (1,167,609)         | (2,059,425)         |
| <b>Net other operating (expenses)/income</b>                      |      | <u>(944,921)</u>    | <u>360,623</u>      | <u>(657,927)</u>    | <u>633,355</u>      |
| <b>(Loss)/profit before taxation</b>                              |      | <u>(10,535,162)</u> | <u>23,912,423</u>   | <u>(10,684,256)</u> | <u>23,807,473</u>   |
| Taxation  |      | -                   | (3,050,000)         | -                   | (3,050,000)         |
| <b>Net (loss)/profit for the year</b>                             |      | <u>(10,535,162)</u> | <u>20,862,423</u>   | <u>(10,684,256)</u> | <u>20,757,473</u>   |

**PROGRESSIVE INSURANCE BHD**  
(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2025 (CONT'D.)**

|  | Note | Group               |                   | Company             |                   |
|--|------|---------------------|-------------------|---------------------|-------------------|
|  |      | 30.06.2025<br>RM    | 30.06.2024<br>RM  | 30.06.2025<br>RM    | 30.06.2024<br>RM  |
| <b>Net (loss)/profit for the year</b>    |      | <u>(10,535,162)</u> | <u>20,862,423</u> | <u>(10,684,256)</u> | <u>20,757,473</u> |
| <b>Net (loss)/profit for the year</b>    |      |                     |                   |                     |                   |
| <b>attributable to:</b>                  |      |                     |                   |                     |                   |
| Equity holders of the Company            |      | (10,679,909)        | 20,754,948        |                     |                   |
| Non-controlling interests                |      | <u>144,747</u>      | <u>107,475</u>    |                     |                   |
|  |      | <u>(10,535,162)</u> | <u>20,862,423</u> |                     |                   |
| <b>Earnings per ordinary share (sen)</b> |      |                     |                   |                     |                   |
| - Basic and diluted                      |      | <u>(10.7)</u>       | <u>20.8</u>       |                     |                   |

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

**PROGRESSIVE INSURANCE BHD**  
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**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2025**

| Group   | ← Attributable to owners of the Company → |  |                            |                    |  | Total equity<br>RM |
|---|---|--|----------------------------|--------------------|--|--------------------|
|   | Share<br>capital<br>RM                    | Property<br>revaluation<br>reserve<br>RM | Retained<br>earnings<br>RM | Total<br>RM        | Non-<br>controlling<br>interests<br>RM |                    |
| <b>At 1 January 2024</b>                            | 100,000,000                               | 7,244,308                                | 154,089,972                | 261,334,280        | 4,636,078                              | 265,970,358        |
| Total comprehensive income for the year             | -   | -  | 20,754,948                 | 20,754,948         | 107,475                                | 20,862,423         |
| Net creation of units in wholesale unit trust funds | -   | -  | -                          | -                  | 1,676,418                              | 1,676,418          |
| <b>At 30 June 2024</b>                              | <b>100,000,000</b>                        | <b>7,244,308</b>                         | <b>174,844,920</b>         | <b>282,089,228</b> | <b>6,419,971</b>                       | <b>288,509,199</b> |
| <b>At 1 January 2025</b>                            | 100,000,000                               | 8,323,634                                | 166,511,027                | 274,834,661        | 4,835,637                              | 279,670,298        |
| Total comprehensive income for the year             | -   | -  | (10,679,909)               | (10,679,909)       | 144,747                                | (10,535,162)       |
| Net creation of units in wholesale unit trust funds | -   | -  | -                          | -                  | (1,185)                                | (1,185)            |
| <b>At 30 June 2025</b>                              | <b>100,000,000</b>                        | <b>8,323,634</b>                         | <b>155,831,118</b>         | <b>264,154,752</b> | <b>4,979,199</b>                       | <b>269,133,951</b> |

**PROGRESSIVE INSURANCE BHD**  
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**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2025 (CONT'D.)**

| Company                                 | ← Attributable to owners of the Company → |                                    |                         |                    |
|---|---|------------------------------------|-------------------------|--------------------|
|   | ← Non-distributable →                     |                                    | Distributable           |                    |
|   | Share capital<br>RM                       | Property revaluation reserve<br>RM | Retained earnings<br>RM | Total equity<br>RM |
| <b>At 1 January 2024</b>                | 100,000,000                               | 7,244,308                          | 153,994,096             | 261,238,404        |
| Total comprehensive income for the year | -   | -                                  | 20,757,473              | 20,757,473         |
| <b>At 30 June 2024</b>                  | <u>100,000,000</u>                        | <u>7,244,308</u>                   | <u>174,751,569</u>      | <u>281,995,877</u> |
| <b>At 1 January 2025</b>                | 100,000,000                               | 8,323,634                          | 166,434,514             | 274,758,148        |
| Total comprehensive income for the year | -   | -                                  | (10,684,256)            | (10,684,256)       |
| <b>At 30 June 2025</b>                  | <u>100,000,000</u>                        | <u>8,323,634</u>                   | <u>155,750,258</u>      | <u>264,073,892</u> |

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

**PROGRESSIVE INSURANCE BHD**  
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**STATEMENTS OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2025**

| <b>Group</b>  | <b>Note</b> | <b>30.06.2025</b><br><b>RM</b> | <b>30.06.2024</b><br><b>RM</b> |
|---|-------------|--------------------------------|--------------------------------|
| <b>Cash flows from operating activities</b>                                 |             |                                |                                |
| (Loss)/profit before taxation   |             | (10,535,162)                   | 23,912,423                     |
| <u>Adjustments for:</u>   |             |                                |                                |
| Interest income   | 8(a)        | (4,297,747)                    | (4,342,979)                    |
| Realised (gains)/losses   | 8(b)        | 75,154                         | (3,856,077)                    |
| Fair value gains  | 8(b)        | 4,593,713                      | (11,795,136)                   |
| Purchase of fair value through profit or loss<br>("FVTPL") financial assets |             | (57,215,142)                   | (41,388,984)                   |
| Proceeds from disposal of FVTPL financial assets                            |             | 55,050,813                     | 46,011,223                     |
| Interest received   |             | 4,322,592                      | 3,523,674                      |
| Net interest on lease liabilities   | 18          | 21,908                         | 28,905                         |
| Depreciation of property and equipment                                      | 18          | 998,409                        | 860,148                        |
| Depreciation of right-of-use assets   | 18          | 244,030                        | 1,551,967                      |
| Net amortisation of premiums  | 15(b)       | 36,050                         | 57,174                         |
| <u>Changes in working capital:</u>  |             |                                |                                |
| Decrease/(increase) in insurance contract assets                            |             | (2,463,335)                    | 765,677                        |
| Decrease in reinsurance contract assets                                     |             | (1,276,548)                    | 4,987,337                      |
| Decrease in loans and other receivables                                     |             | 15,656,800                     | (5,642,513)                    |
| Decrease in fixed and call deposits   |             | (1,030,089)                    | (2,355,968)                    |
| (Decrease)/increase in insurance contract liabilities                       |             | 6,349,863                      | 7,779,879                      |
| Increase/(decrease) in reinsurance contract<br>liabilities                  |             | (48,427)                       | (4,557,519)                    |
| Increase/(decrease) in other financial liabilities                          |             | (146,819)                      | 1,923,740                      |
| (Decrease)/increase in other payables                                       |             | 933,830                        | 133,847                        |
| Cash generated from operating activities                                    |             | <u>11,269,893</u>              | <u>17,596,818</u>              |
| Income tax paid, net  |             | (560,005)                      | (533,330)                      |
| Net cash generated from operating activities                                |             | <u>10,709,888</u>              | <u>17,063,488</u>              |
| <b>Cash flows from investing activity</b>                                   |             |                                |                                |
| Purchase of property and equipment  |             | (232,982)                      | (188,535)                      |
| Net cash used in investing activity   |             | <u>(232,982)</u>               | <u>(188,535)</u>               |

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**STATEMENTS OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2025 (CONT'D.)**

| <b>Group</b>   | <b>Note</b> | <b>30.06.2025</b> | <b>30.06.2024</b> |
|--|-------------|-------------------|-------------------|
|  |             | <b>RM</b>         | <b>RM</b>         |
| <b>Cash flows from financing activities</b>  |             |                   |                   |
| Payment of lease liabilities   |             | (265,983)         | (2,073,588)       |
| Proceeds from cancellation of units in wholesale<br>unit trusts to non-controlling interests |             | (1,185)           | 1,676,418         |
| Net cash used in financing activities  |             | <u>(267,168)</u>  | <u>(397,170)</u>  |
| <b>Net increase in cash and cash equivalents</b>   |             | 10,209,738        | 16,477,783        |
| <b>Cash and cash equivalents at beginning of year</b>  |             | <u>20,723,685</u> | <u>8,732,730</u>  |
| <b>Cash and cash equivalents at end of year</b>  |             | <u>30,933,423</u> | <u>25,210,513</u> |

**PROGRESSIVE INSURANCE BHD**  
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**STATEMENTS OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2025 (CONT'D.)**

| <b>Company</b>                                     | <b>Note</b> | <b>30.06.2025</b><br><b>RM</b> | <b>30.06.2024</b><br><b>RM</b> |
|--|-------------|--------------------------------|--------------------------------|
| <b>Cash flows from operating activities</b>        |             |                                |                                |
| (Loss)/profit before taxation                      |             | (10,684,256)                   | 23,807,473                     |
| <u>Adjustments for:</u>                            |             |                                |                                |
| Interest income                                    | 8(a)        | (684,628)                      | (786,386)                      |
| Realised losses/(gains)                            | 8(b)        | 189,524                        | (3,441,520)                    |
| Fair value losses/(gains)                          | 8(b)        | 3,206,983                      | (12,960,511)                   |
| Purchase of FVTPL financial assets                 |             | (26,025,940)                   | (38,966,279)                   |
| Proceeds from disposal of FVTPL financial assets   |             | 28,331,013                     | 46,011,223                     |
| Interest received                                  |             | 721,742                        | 794,068                        |
| Net interest on lease liabilities                  |             | 21,908                         | 28,905                         |
| Depreciation of property and equipment             |             | 998,409                        | 860,148                        |
| Depreciation of right-of-use assets                |             | 244,030                        | 1,551,967                      |
| Gains on lease modification                        |             | -                              | -                              |
| <u>Changes in working capital:</u>                 |             |                                |                                |
| (Increase)/decrease in insurance contract assets   |             | (2,463,335)                    | 765,677                        |
| (Increase)/decrease in reinsurance contract assets |             | (1,276,548)                    | 4,987,337                      |
| Decrease/(increase) in loans and other receivables |             | 15,656,800                     | (5,642,513)                    |
| Increase in fixed and call deposits                |             | (4,428,599)                    | (6,969,838)                    |
| Increase in insurance contract liabilities         |             | 6,349,863                      | 7,779,878                      |
| Decrease in reinsurance contract liabilities       |             | (48,427)                       | (4,557,519)                    |
| (Decrease)/increase in other financial liabilities |             | (146,819)                      | 1,923,740                      |
| Increase in other payables                         |             | 933,001                        | 156,622                        |
| Cash generated from operating activities           |             | <u>10,894,721</u>              | <u>15,342,472</u>              |
| Income tax paid, net                               |             | <u>(560,005)</u>               | <u>(533,330)</u>               |
| Net cash generated from operating activities       |             | <u>10,334,716</u>              | <u>14,809,142</u>              |
| <b>Cash flows from investing activity</b>          |             |                                |                                |
| Purchase of property and equipment                 |             | <u>(232,982)</u>               | <u>(188,535)</u>               |
| Net cash used in investing activity                |             | <u>(232,982)</u>               | <u>(188,535)</u>               |

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**STATEMENTS OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2025 (CONT'D.)**

| <b>Company</b>  | <b>Note</b> | <b>30.06.2025</b> | <b>30.06.2024</b>  |
|---|-------------|-------------------|--------------------|
|   |             | <b>RM</b>         | <b>RM</b>          |
| <b>Cash flows from financing activity</b>             |             |                   |                    |
| Payment of lease liabilities                          |             | <u>(265,983)</u>  | <u>(2,073,588)</u> |
| Net cash used in financing activity                   |             | <u>(265,983)</u>  | <u>(2,073,588)</u> |
| <b>Net increase in cash and cash equivalents</b>      |             | 9,835,751         | 12,547,019         |
| <b>Cash and cash equivalents at beginning of year</b> |             | <u>20,497,410</u> | <u>7,852,354</u>   |
| <b>Cash and cash equivalents at end of year</b>       |             | <u>30,333,161</u> | <u>20,399,373</u>  |

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

**PROGRESSIVE INSURANCE BHD**  
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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2025**

**1. BASIS OF PREPARATION**

The unaudited interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134 *Interim Financial Reporting*. As such, they do not include all the information and disclosures required in a set of full annual financial statements and should be read in conjunction with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

The interim financial statements have been prepared in accordance with the MFRS Accounting Standards (“MFRS”), IFRS Accounting Standards (“IFRS”), and the requirements of the Companies Act, 2016 in Malaysia and the Financial Services Act 2013.

The accounting policies and presentation adopted for these interim financial statements are consistent with those applied in the audited financial statements for the financial year ended 31 December 2024, except for the adoption of the following amendments to standards effective for annual periods beginning on or after 1 January 2025:

Amendments to MFRS 1 *First-time Adoption of MFRS*

- Subsidiary as a First-time Adopter

Amendments to MFRS 7 *Financial Instruments: Disclosures*

Amendments to MFRS 9 *Financial Instruments*

- Supplier Finance Arrangements

Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates*

- Lack of Exchangeability

Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective include:

MFRS 18 *Presentation and Disclosure in Financial Statements*

MFRS 19 *Subsidiaries without Public Accountability: Disclosures*

Amendments to MFRS 10 *Consolidated Financial Statements*

Amendments to MFRS 128 *Investments in Associates and Joint Ventures*

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

**PROGRESSIVE INSURANCE BHD**  
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**2. UNUSUAL ITEMS**

The assets, liabilities, equity, net income and cash flows of the Group and of the Company for the six months ended 30 June 2025 were not materially affected by any item of an unusual nature.

**3. CHANGES IN ESTIMATES**

There were no material changes in the basis used for accounting estimates for the interim period ended 30 June 2025 compared to those applied in the preceding annual financial statements.

**4. DIVIDENDS**

No dividend has been declared or paid by the Company in respect of the interim period ended 30 June 2025.

**5. EVENTS AFTER THE INTERIM PERIOD**

There were no material events after the reporting period that have not been reflected in these unaudited interim financial statements.

**PROGRESSIVE INSURANCE BHD**  
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**6. INVESTMENTS**

**(a) Financial Assets at FVTPL**

|   | <b>Group</b>       |                    | <b>Company</b>     |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | <b>30.06.2025</b>  | <b>31.12.2024</b>  | <b>30.06.2025</b>  | <b>31.12.2024</b>  |
|   | <b>RM</b>          | <b>RM</b>          | <b>RM</b>          | <b>RM</b>          |
| Corporate debt securities               | 169,776,497        | 161,565,932        | 1                  | 1                  |
| Fixed income unit trust funds           | 5,500,000          | 5,500,000          | 5,500,000          | 5,500,000          |
| Wholesale unit trust funds              | 84,365,787         | 81,659,000         | 261,290,284        | 253,543,850        |
| Real estate investment trusts (“REITs”) | 3,125,161          | 3,071,272          | 3,125,161          | 3,071,272          |
| Equity securities quoted in Malaysia    | 47,576,767         | 61,078,667         | 47,576,767         | 61,078,667         |
|   | <u>310,344,212</u> | <u>312,874,871</u> | <u>317,492,213</u> | <u>323,193,790</u> |

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

**(b) Investments in subsidiaries - Wholesale unit trust funds**

Included in the Company's financial assets are the Company's investments in subsidiaries amounting to RM176,924,497 (2024: RM171,884,850) which comprise two wholesale unit trust funds in Malaysia as follows:

| <u>Established in Malaysia</u>   | <u>Effective Direct Interests</u> |                   |
|--|-----------------------------------|-------------------|
|  | <b>30.06.2025</b>                 | <b>31.12.2024</b> |
| AHAM Institutional Bond Fund<br><i>(Formerly known as<br/>Affin Hwang Institutional Bond Fund)</i>           | 96.71%                            | 96.72%            |
| United ESG Series - Institutional Income Fund<br><i>(Formerly known as United Institutional Income Fund)</i> | 97.77%                            | 97.76%            |

The Company considers that the non-controlling interests in the above subsidiaries are not significant and accordingly no disclosures are provided in respect of the summarised income statements, summarised statements of comprehensive income, summarised statements of financial position and summarised statements of cash flows.

The principal activities of the subsidiaries are as follows:

| <u>Subsidiary</u>                             | <u>Principal activity</u>                                      |
|---|--|
| AHAM Institutional Bond Fund                  | Unit trust fund holding investments in fixed income securities |
| United ESG Series - Institutional Income Fund | Unit trust fund holding investments in fixed income securities |

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**7. INSURANCE AND REINSURANCE CONTRACTS**

(a) **Movements in insurance contract**

(i) **Analysis by remaining coverage and incurred claims of insurance contracts not measured under the PAA method**

| Group/Company   | 30.06.2025   |                         |  | Total<br>RM         |
|---|--|-------------------------|--|---------------------|
|   | Liabilities for remaining coverage<br>Excluding<br>loss<br>component<br>RM | Loss<br>component<br>RM | Liabilities<br>for<br>incurred<br>claims<br>RM |                     |
| Insurance contract assets   | (9,480,663)  | -                       | 8,697,211                                      | (783,452)           |
| Insurance contract liabilities  | 19,923,336   | 11,065,399              | 159,767,026                                    | 190,755,761         |
| <b>At 1 January 2025</b>  | <b>10,442,673</b>  | <b>11,065,399</b>       | <b>168,464,237</b>                             | <b>189,972,309</b>  |
| <b>Insurance revenue</b>  | (65,024,463)   | -                       | -  | (65,024,463)        |
| <b>Insurance service expenses</b>   | 16,522,146   | 135,877                 | 34,524,805                                     | 51,182,828          |
| Incurred claims and other insurance<br>service expenses                                 | -  | (10,664,451)            | 55,923,716                                     | 45,259,265          |
| Amortisation of insurance<br>acquisition cash flows                                     | 16,522,146   | -                       | -  | 16,522,146          |
| Losses on onerous contracts   | -  | 10,800,328              | -  | 10,800,328          |
| Adjustments to liabilities for<br>incurred claims                                       | -  | -                       | (21,398,911)                                   | (21,398,911)        |
| <b>Insurance service result</b>   | <b>(48,502,317)</b>  | <b>135,877</b>          | <b>34,524,805</b>                              | <b>(13,841,635)</b> |
| Finance expenses from<br>insurance contracts issued                                     | 314,744  | 306,805                 | 3,168,926                                      | 3,790,475           |
| <b>Total changes in the statement<br/>of profit or loss</b>                             | <b>(48,187,573)</b>  | <b>442,682</b>          | <b>37,693,731</b>                              | <b>(10,051,160)</b> |
| <b>Cash flows</b>   |  |                         |  |                     |
| Premiums received   | 58,948,280   | -                       | -  | 58,948,280          |
| Claims and other insurance service<br>expenses paid, including<br>investment components | -  | -                       | (28,852,963)                                   | (28,852,963)        |
| Insurance acquisition cash flows  | (16,098,405)   | -                       | -  | (16,098,405)        |
| <b>Total cash flows</b>   | <b>42,849,875</b>  | <b>-</b>                | <b>(28,852,963)</b>                            | <b>13,996,912</b>   |
| <b>At 30 June 2025</b>  | <b>5,104,975</b>   | <b>11,508,081</b>       | <b>177,305,005</b>                             | <b>193,918,061</b>  |
| Insurance contract assets   | (11,158,992)   | -                       | 7,912,205                                      | (3,246,787)         |
| Insurance contract liabilities  | 16,263,967   | 11,508,081              | 169,392,800                                    | 197,164,848         |
| <b>At 30 June 2025</b>  | <b>5,104,975</b>   | <b>11,508,081</b>       | <b>177,305,005</b>                             | <b>193,918,061</b>  |

**PROGRESSIVE INSURANCE BHD**  
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**7. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)**

(a) **Movements in insurance contract (Cont'd.)**

(i) **Analysis by remaining coverage and incurred claims of insurance contracts not measured under the PAA method (Cont'd.)**

| Group/Company   | 31.12.2024   |                         |  | Total<br>RM         |
|---|--|-------------------------|--|---------------------|
|   | Liabilities for remaining coverage<br>Excluding<br>loss<br>component<br>RM | Loss<br>component<br>RM | Liabilities<br>for<br>incurred<br>claims<br>RM |                     |
| Insurance contract assets   | (2,247,230)  | -                       | -  | (2,247,230)         |
| Insurance contract liabilities  | 24,620,875   | 9,335,315               | 156,663,449                                    | 190,619,639         |
| <b>At 1 January 2024</b>  | <b>22,373,645</b>  | <b>9,335,315</b>        | <b>156,663,449</b>                             | <b>188,372,409</b>  |
| <b>Insurance revenue</b>  | (154,114,843)  | -                       | -  | (154,114,843)       |
| <b>Insurance service expenses</b>   | 28,135,950   | 958,754                 | 71,561,196                                     | 100,655,900         |
| Incurred claims and other insurance<br>service expenses                                 | -  | (19,790,153)            | 104,131,119                                    | 84,340,966          |
| Amortisation of insurance<br>acquisition cash flows                                     | 28,135,950   | -                       | -  | 28,135,950          |
| Losses on onerous contracts   | -  | 20,748,907              | -  | 20,748,907          |
| Adjustments to liabilities for<br>incurred claims                                       | -  | -                       | (32,569,923)                                   | (32,569,923)        |
| <b>Insurance service result</b>   | <b>(125,978,893)</b>   | <b>958,754</b>          | <b>71,561,196</b>                              | <b>(53,458,943)</b> |
| Finance expenses from<br>insurance contracts issued                                     | 1,380,313  | 771,330                 | 4,007,390                                      | 6,159,033           |
| <b>Total changes in the statement<br/>of profit or loss</b>                             | <b>(124,598,580)</b>   | <b>1,730,084</b>        | <b>75,568,586</b>                              | <b>(47,299,910)</b> |
| <b>Cash flows</b>   |  |                         |  |                     |
| Premiums received   | 145,202,688  | -                       | -  | 145,202,688         |
| Claims and other insurance service<br>expenses paid, including<br>investment components | -  | -                       | (63,767,798)                                   | (63,767,798)        |
| Insurance acquisition cash flows  | (32,535,080)   | -                       | -  | (32,535,080)        |
| <b>Total cash flows</b>   | <b>112,667,608</b>   | <b>-</b>                | <b>(63,767,798)</b>                            | <b>48,899,810</b>   |
| <b>At 31 December 2024</b>  | <b>10,442,673</b>  | <b>11,065,399</b>       | <b>168,464,237</b>                             | <b>189,972,309</b>  |
| Insurance contract assets   | (9,480,663)  | -                       | 8,697,211                                      | (783,452)           |
| Insurance contract liabilities  | 19,923,336   | 11,065,399              | 159,767,026                                    | 190,755,761         |
| <b>At 31 December 2024</b>  | <b>10,442,673</b>  | <b>11,065,399</b>       | <b>168,464,237</b>                             | <b>189,972,309</b>  |

**PROGRESSIVE INSURANCE BHD**  
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**7. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)**

(a) **Movements in insurance contract (Cont'd.)**

(ii) **Analysis by measurement component**

| Group/Company  | 30.06.2025   |   |  |                     |
|--|--|---|--|---------------------|
|  | Estimates of<br>present value<br>of future cash<br>flows<br>RM | Risk<br>adjustment for<br>non-financial<br>risk<br>RM | Contractual<br>service<br>margin<br>RM | Total<br>RM         |
| Insurance contract assets  | (3,143,247)  | 1,298,128   | 1,061,667                              | (783,452)           |
| Insurance contract liabilities   | 143,156,275  | 24,586,027  | 23,013,459                             | 190,755,761         |
| <b>1 January 2025</b>  | <b>140,013,028</b>   | <b>25,884,155</b>                                     | <b>24,075,126</b>                      | <b>189,972,309</b>  |
| <b>Changes that relate to current services</b>   |  |   |  |                     |
| CSM recognised for services provided   | -  | -   | (12,232,962)                           | (12,232,962)        |
| Change in risk adjustment for non-financial risk for risk expired                      | -  | (2,243,261)   | -                                      | (2,243,261)         |
| Experience adjustments   | 11,233,172   | -   | -                                      | 11,233,172          |
| <b>Changes that relate to future services</b>  |  |   |  |                     |
| Contracts initially recognised in the year (Note 6(c)(i))                              | (390,321)  | 11,748,213  | 10,683,219                             | 22,041,111          |
| Changes in estimates that adjust the CSM   | 636,252  | 1,236,936   | (1,873,188)                            | -                   |
| Changes in estimates that result in losses and reversal of losses on onerous contracts | (13,123,293)   | 1,882,508   | -                                      | (11,240,785)        |
| <b>Changes that relate to past services</b>  |  |   |  |                     |
| Adjustments to liabilities for incurred claims   | (17,963,375)   | (3,435,535)   | -                                      | (21,398,910)        |
| <b>Insurance service result</b>  | <b>(19,607,565)</b>  | <b>9,188,861</b>                                      | <b>(3,422,931)</b>                     | <b>(13,841,635)</b> |
| Finance expenses from insurance contracts issued                                       | 3,282,502  | -   | 507,973                                | 3,790,475           |
| <b>Total changes in the statement of profit or loss</b>                                | <b>(16,325,063)</b>  | <b>9,188,861</b>                                      | <b>(2,914,958)</b>                     | <b>(10,051,160)</b> |
| <b>Cash flows*</b>   | <b>13,996,912</b>  | <b>-</b>  | <b>-</b>                               | <b>13,996,912</b>   |
| <b>At 30 June 2025</b>   | <b>137,684,877</b>   | <b>35,073,016</b>                                     | <b>21,160,168</b>                      | <b>193,918,061</b>  |
| Insurance contract assets  | (4,245,227)  | 991,478   | 6,962                                  | (3,246,787)         |
| Insurance contract liabilities   | 141,930,104  | 34,081,538  | 21,153,206                             | 197,164,848         |
| <b>At 30 June 2025</b>   | <b>137,684,877</b>   | <b>35,073,016</b>                                     | <b>21,160,168</b>                      | <b>193,918,061</b>  |

\* Cash flows are analysed in the analysis by remaining coverage and incurred claims

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**7. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)**

(a) **Movements in insurance contract (Cont'd.)**

(ii) **Analysis by measurement component (Cont'd.)**

| Group/Company  | 31.12.2024   |   |  | Total<br>RM         |
|--|--|---|--|---------------------|
|  | Estimates of<br>present value<br>of future cash<br>flows<br>RM | Risk<br>adjustment for<br>non-financial<br>risk<br>RM | Contractual<br>service<br>margin<br>RM |                     |
| Insurance contract assets  | (2,247,230)  | -   | -                                      | (2,247,230)         |
| Insurance contract liabilities   | 140,165,486  | 25,745,927  | 24,708,226                             | 190,619,639         |
| <b>1 January 2024</b>  | <b>137,918,256</b>   | <b>25,745,927</b>                                     | <b>24,708,226</b>                      | <b>188,372,409</b>  |
| <b>Changes that relate to current services</b>   |  |   |  |                     |
| CSM recognised for services provided   | -  | -   | (35,313,925)                           | (35,313,925)        |
| Change in risk adjustment for non-financial risk for risk expired                      | -  | (8,159,797)   | -                                      | (8,159,797)         |
| Experience adjustments   | 1,835,795  | -   | -                                      | 1,835,795           |
| <b>Changes that relate to future services</b>  |  |   |  |                     |
| Contracts initially recognised in the year (Note 6(c)(i))                              | (15,414,301)   | 15,304,262  | 23,085,568                             | 22,975,529          |
| Changes in estimates that adjust the CSM   | (9,598,982)  | (346,673)   | 9,945,655                              | -                   |
| Changes in estimates that result in losses and reversal of losses on onerous contracts | (1,445,416)  | (781,208)   | -                                      | (2,226,624)         |
| <b>Changes that relate to past services</b>  |  |   |  |                     |
| Adjustments to liabilities for incurred claims   | (26,691,565)   | (5,878,356)   | -                                      | (32,569,921)        |
| <b>Insurance service result</b>  | <b>(51,314,469)</b>  | <b>138,228</b>  | <b>(2,282,702)</b>                     | <b>(53,458,943)</b> |
| Finance expenses from insurance contracts issued                                       | 4,509,431  | -   | 1,649,602                              | 6,159,033           |
| <b>Total changes in the statement of profit or loss</b>                                | <b>(46,805,038)</b>  | <b>138,228</b>  | <b>(633,100)</b>                       | <b>(47,299,910)</b> |
| <b>Cash flows*</b>   | <b>48,899,810</b>  | <b>-</b>  | <b>-</b>                               | <b>48,899,810</b>   |
| <b>At 31 December 2024</b>   | <b>140,013,028</b>   | <b>25,884,155</b>                                     | <b>24,075,126</b>                      | <b>189,972,309</b>  |
| Insurance contract assets  | (3,143,247)  | 1,298,128   | 1,061,667                              | (783,452)           |
| Insurance contract liabilities   | 143,156,275  | 24,586,027  | 23,013,459                             | 190,755,761         |
| <b>At 31 December 2024</b>   | <b>140,013,028</b>   | <b>25,884,155</b>                                     | <b>24,075,126</b>                      | <b>189,972,309</b>  |

\* Cash flows are analysed in the analysis by remaining coverage and incurred claims

**PROGRESSIVE INSURANCE BHD**  
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**7. INSURANCE AND REINSURANCE CONTRACTS**

(a) **Movements in insurance contract**

(iii) **Analysis by remaining coverage and incurred claims of insurance contracts measured under the PAA method**

| Group/Company   | 30.06.2025                         |                |   |  |                   |
|---|------------------------------------|----------------|---|--|-------------------|
|   | Liabilities for remaining coverage |                | Liabilities for incurred claims                 |  |                   |
|   | Excluding loss component           | Loss component | Estimates of present value of future cash flows | Risk adjustment for non-financial risk | Total             |
|   | RM                                 | RM             | RM  | RM                                     | RM                |
| Insurance contract assets   | -                                  | -              | -   | -                                      | -                 |
| Insurance contract liabilities  | 397,888                            | 610,299        | 8,386,721                                       | 1,506,297                              | 10,901,205        |
| <b>At 1 January 2025</b>  | <b>397,888</b>                     | <b>610,299</b> | <b>8,386,721</b>                                | <b>1,506,297</b>                       | <b>10,901,205</b> |
| <b>Reclassification between gross and reinsurance</b>                             | 56,760                             | (2,697)        | 364,018   | 144,205                                | 562,286           |
| <b>Insurance revenue</b>  | (272,748)                          | -              | -   | -                                      | (272,748)         |
| <b>Insurance service expenses</b>   | 53,712                             | 7,232          | (22,986)  | (113,357)                              | (75,399)          |
| Incurred claims and other insurance service expenses                              | -                                  | -              | 94,316  | 13,070                                 | 107,386           |
| Amortisation of insurance acquisition cash flows                                  | 53,712                             | -              | -   | -                                      | 53,712            |
| Losses on onerous contracts   | -                                  | 7,232          | -   | -                                      | 7,232             |
| Adjustments to liabilities for incurred claims                                    | -                                  | -              | (117,302)                                       | (126,427)                              | (243,729)         |
| <b>Insurance service result</b>   | <b>(219,036)</b>                   | <b>7,232</b>   | <b>(22,986)</b>                                 | <b>(113,357)</b>                       | <b>(348,147)</b>  |
| Finance expenses from insurance contracts issued                                  | -                                  | 8,613          | 70,917  | 13,383                                 | 92,913            |
| <b>Total changes in the statement of profit or loss</b>                           | <b>(219,036)</b>                   | <b>15,845</b>  | <b>47,931</b>                                   | <b>(99,974)</b>                        | <b>(255,234)</b>  |
| <b>Cash flows</b>   |                                    |                |   |  |                   |
| Premiums received   | 291,570                            | -              | -   | -                                      | 291,570           |
| Claims and other insurance service expenses paid, including investment components | -                                  | -              | (604,134)                                       | -                                      | (604,134)         |
| Insurance acquisition cash flows  | (53,712)                           | -              | -   | -                                      | (53,712)          |
| <b>Total cash flows</b>   | <b>237,858</b>                     | <b>-</b>       | <b>(604,134)</b>                                | <b>-</b>                               | <b>(366,276)</b>  |
| <b>At 30 June 2025</b>  | <b>473,470</b>                     | <b>623,447</b> | <b>8,194,536</b>                                | <b>1,550,528</b>                       | <b>10,841,981</b> |
| Insurance contract assets   | -                                  | -              | -   | -                                      | -                 |
| Insurance contract liabilities  | 473,470                            | 623,447        | 8,194,536                                       | 1,550,528                              | 10,841,981        |
| <b>At 30 June 2025</b>  | <b>473,470</b>                     | <b>623,447</b> | <b>8,194,536</b>                                | <b>1,550,528</b>                       | <b>10,841,981</b> |

**PROGRESSIVE INSURANCE BHD**  
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**7. INSURANCE AND REINSURANCE CONTRACTS**

(a) **Movements in insurance contract (Cont'd.)**

(iii) **Analysis by remaining coverage and incurred claims of insurance contracts measured under the PAA method (Cont'd.)**

| Group/Company   | 31.12.2024                         |                |   |  |                    |
|---|------------------------------------|----------------|---|--|--------------------|
|   | Liabilities for remaining coverage |                | Liabilities for incurred claims                 |  | Total<br>RM        |
|   | Excluding loss component           | Loss component | Estimates of present value of future cash flows | Risk adjustment for non-financial risk |                    |
|   | RM                                 | RM             | RM  | RM                                     |                    |
| Insurance contract assets   | -                                  | -              | -   | -                                      |                    |
| Insurance contract liabilities  | 458,438                            | 461,855        | 10,354,698                                      | 1,997,821                              | 13,272,812         |
| <b>At 1 January 2024</b>  | <b>458,438</b>                     | <b>461,855</b> | <b>10,354,698</b>                               | <b>1,997,821</b>                       | <b>13,272,812</b>  |
| <b>Insurance revenue</b>  | (1,043,784)                        | -              | -   | -                                      | (1,043,784)        |
| <b>Insurance service expenses</b>   | 178,003                            | 148,444        | (897,258)                                       | (491,524)                              | (1,062,335)        |
| Incurring claims and other insurance service expenses                             | -                                  | -              | 574,668   | -                                      | 574,668            |
| Amortisation of insurance acquisition cash flows                                  | 178,003                            | -              | -   | -                                      | 178,003            |
| Losses on onerous contracts   | -                                  | 148,444        | -   | -                                      | 148,444            |
| Adjustments to liabilities for incurred claims                                    | -                                  | -              | (1,471,926)                                     | (491,524)                              | (1,963,450)        |
| <b>Insurance service result</b>   | <b>(865,781)</b>                   | <b>148,444</b> | <b>(897,258)</b>                                | <b>(491,524)</b>                       | <b>(2,106,119)</b> |
| Finance expenses from insurance contracts issued                                  | -                                  | -              | 352,070   | -                                      | 352,070            |
| <b>Total changes in the statement of profit or loss</b>                           | <b>(865,781)</b>                   | <b>148,444</b> | <b>(545,188)</b>                                | <b>(491,524)</b>                       | <b>(1,754,049)</b> |
| <b>Cash flows</b>   |                                    |                |   |  |                    |
| Premiums received   | 1,073,713                          | -              | -   | -                                      | 1,073,713          |
| Claims and other insurance service expenses paid, including investment components | -                                  | -              | (1,422,789)                                     | -                                      | (1,422,789)        |
| Insurance acquisition cash flows  | (268,482)                          | -              | -   | -                                      | (268,482)          |
| <b>Total cash flows</b>   | <b>805,231</b>                     | <b>-</b>       | <b>(1,422,789)</b>                              | <b>-</b>                               | <b>(617,558)</b>   |
| <b>At 31 December 2024</b>  | <b>397,888</b>                     | <b>610,299</b> | <b>8,386,721</b>                                | <b>1,506,297</b>                       | <b>10,901,205</b>  |
| Insurance contract assets   | -                                  | -              | -   | -                                      | -                  |
| Insurance contract liabilities  | 397,888                            | 610,299        | 8,386,721                                       | 1,506,297                              | 10,901,205         |
| <b>At 31 December 2024</b>  | <b>397,888</b>                     | <b>610,299</b> | <b>8,386,721</b>                                | <b>1,506,297</b>                       | <b>10,901,205</b>  |

**PROGRESSIVE INSURANCE BHD**  
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**7. INSURANCE AND REINSURANCE CONTRACTS**

(b) Movements in reinsurance contract

(i) Analysis by remaining coverage and incurred claims of reinsurance contracts not measured under the PAA method

| Group/Company   | 30.06.2025                                    |                                  |  |                     |
|---|---|----------------------------------|--|---------------------|
|   | Assets for remaining coverage                 |                                  |  | Total<br>RM         |
|   | Excluding<br>loss-recovery<br>component<br>RM | Loss-recovery<br>component<br>RM | Assets for<br>incurred<br>claims<br>RM |                     |
|   |   |                                  |  |                     |
| Reinsurance contract liabilities                                      | 20,664,133                                    | -                                | (11,824,681)                           | 8,839,452           |
| Reinsurance contract assets   | 19,604,766                                    | (960,941)                        | (86,458,833)                           | (67,815,008)        |
| <b>At 1 January 2025</b>  | <u>40,268,899</u>                             | <u>(960,941)</u>                 | <u>(98,283,514)</u>                    | <u>(58,975,556)</u> |
| <b>Allocation of reinsurance<br/>premiums paid</b>                    | 29,461,952                                    | -                                | -                                      | 29,461,952          |
| <b>Amounts recoverable from<br/>reinsurers</b>                        | -   | 152,978                          | (6,481,414)                            | (6,328,436)         |
| Recoveries of incurred claims and<br>other insurance service expenses | -   | -                                | (22,568,083)                           | (22,568,083)        |
| Recoveries of losses on onerous<br>underlying contracts               | -   | 152,978                          | -                                      | 152,978             |
| Adjustments to assets for<br>incurred claims                          | -   | -                                | 16,086,669                             | 16,086,669          |
| <b>Net expense from reinsurance<br/>contracts held</b>                | 29,461,952                                    | 152,978                          | (6,481,414)                            | 23,133,516          |
| Finance income from<br>reinsurance contracts held                     | 520,720                                       | -                                | (1,764,824)                            | (1,244,104)         |
| <b>Total changes in the statement<br/>of profit or loss</b>           | <u>29,982,672</u>                             | <u>152,978</u>                   | <u>(8,246,238)</u>                     | <u>21,889,412</u>   |
| <b>Cash flows</b>   |   |                                  |  |                     |
| Premiums paid   | (33,279,953)                                  | -                                | -                                      | (33,279,953)        |
| Amounts received  | 4,758,391                                     | -                                | 5,672,582                              | 10,430,973          |
| <b>Total cash flows</b>   | <u>(28,521,562)</u>                           | <u>-</u>                         | <u>5,672,582</u>                       | <u>(22,848,980)</u> |
| <b>At 30 June 2025</b>  | <u>41,730,009</u>                             | <u>(807,963)</u>                 | <u>(100,857,170)</u>                   | <u>(59,935,124)</u> |
| Reinsurance contract liabilities                                      | 22,223,690                                    | -                                | (13,432,665)                           | 8,791,025           |
| Reinsurance contract assets   | 19,506,319                                    | (807,963)                        | (87,424,505)                           | (68,726,149)        |
| <b>At 30 June 2025</b>  | <u>41,730,009</u>                             | <u>(807,963)</u>                 | <u>(100,857,170)</u>                   | <u>(59,935,124)</u> |

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**7. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)**

(b) Movements in reinsurance contract (Cont'd.)

(i) Analysis by remaining coverage and incurred claims of reinsurance contracts not measured under the PAA method (Cont'd.)

| Group/Company  | 31.12.2024                    |                    |                     |                     |
|--|-------------------------------|--------------------|---------------------|---------------------|
|  | Assets for remaining coverage |                    | Assets for          | Total               |
|  | Excluding                     | Loss-recovery      | incurred            |                     |
|  | loss-recovery                 | component          | claims              |                     |
|  | component                     | RM                 | RM                  | RM                  |
|  | RM                            | RM                 | RM                  | RM                  |
| Reinsurance contract liabilities                                   | 6,457,353                     | -                  | (681,022)           | 5,776,331           |
| Reinsurance contract assets  | 8,775,428                     | (1,018,473)        | (88,234,562)        | (80,477,607)        |
| <b>At 1 January 2024</b>   | <u>15,232,781</u>             | <u>(1,018,473)</u> | <u>(88,915,584)</u> | <u>(74,701,276)</u> |
| <b>Allocation of reinsurance premiums paid</b>                     | 85,375,480                    | -                  | -                   | 85,375,480          |
| <b>Amounts recoverable from reinsurers</b>                         | -                             | 57,532             | (24,031,949)        | (23,974,417)        |
| Recoveries of incurred claims and other insurance service expenses | -                             | -                  | (42,123,486)        | (42,123,486)        |
| Recoveries of losses on onerous underlying contracts               | -                             | 57,532             | -                   | 57,532              |
| Adjustments to assets for incurred claims                          | -                             | -                  | 18,091,537          | 18,091,537          |
| <b>Net expense from reinsurance contracts held</b>                 | 85,375,480                    | 57,532             | (24,031,949)        | 61,401,063          |
| Finance income from reinsurance contracts held                     | (641,729)                     | -                  | (2,278,986)         | (2,920,715)         |
| <b>Total changes in the statement of profit or loss</b>            | <u>84,733,751</u>             | <u>57,532</u>      | <u>(26,310,935)</u> | <u>58,480,348</u>   |
| <b>Cash flows</b>  |                               |                    |                     |                     |
| Premiums paid  | (69,866,996)                  | -                  | -                   | (69,866,996)        |
| Amounts received   | 10,169,363                    | -                  | 16,943,005          | 27,112,368          |
| <b>Total cash flows</b>  | <u>(59,697,633)</u>           | <u>-</u>           | <u>16,943,005</u>   | <u>(42,754,628)</u> |
| <b>At 31 December 2024</b>   | <u>40,268,899</u>             | <u>(960,941)</u>   | <u>(98,283,514)</u> | <u>(58,975,556)</u> |
| Reinsurance contract liabilities                                   | 20,664,133                    | -                  | (11,824,681)        | 8,839,452           |
| Reinsurance contract assets  | 19,604,766                    | (960,941)          | (86,458,833)        | (67,815,008)        |
| <b>At 31 December 2024</b>   | <u>40,268,899</u>             | <u>(960,941)</u>   | <u>(98,283,514)</u> | <u>(58,975,556)</u> |

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**7. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)**

(b) Movements in reinsurance contract (Cont'd.)

(ii) Analysis by measurement component

| Group/Company   | 30.06.2025   |   |  |                     |
|---|--|---|--|---------------------|
|   | Estimates of<br>present value<br>of future cash<br>flows<br>RM | Risk<br>adjustment for<br>non-financial<br>risk<br>RM | Contractual<br>service<br>margin<br>RM | Total<br>RM         |
| Reinsurance contract liabilities  | 13,542,662   | (1,723,835)   | (2,979,375)                            | 8,839,452           |
| Reinsurance contract assets   | (26,573,883)   | (12,484,937)  | (28,756,188)                           | (67,815,008)        |
| <b>1 January 2025</b>   | <b>(13,031,221)</b>  | <b>(14,208,772)</b>                                   | <b>(31,735,563)</b>                    | <b>(58,975,556)</b> |
| <b>Changes that relate to current services</b>  |  |   |  |                     |
| CSM recognised for services received  | -  | -   | 18,384,498                             | 18,384,498          |
| Change in risk adjustment for non-financial risk for risk expired                                 | -  | (389,048)   | -                                      | (389,048)           |
| Experience adjustments  | (11,103,069)   | -   | -                                      | (11,103,069)        |
| <b>Changes that relate to future services</b>   |  |   |  |                     |
| Contracts initially recognised in the year  | 17,409,999   | (1,750,885)   | (15,659,114)                           | -                   |
| Changes in recoveries of losses on onerous underlying contracts that adjust the CSM               | -  | -   | (384,577)                              | (384,577)           |
| Changes in estimates that adjust the CSM  | 478,202  | (782,938)   | 304,737                                | 1                   |
| Changes in estimates that relate to losses and reversal of losses on underlying onerous contracts | (26,789)   | (3,488)   | 567,831                                | 537,554             |
| <b>Changes that relate to past services</b>   |  |   |  |                     |
| Adjustments to liabilities for incurred claims  | 13,931,177   | 2,156,980   | -                                      | 16,088,157          |
| <b>Net expense from reinsurance contracts held</b>  | <b>20,689,520</b>  | <b>(769,379)</b>                                      | <b>3,213,375</b>                       | <b>23,133,516</b>   |
| Finance income from reinsurance contracts held  | (562,391)  | -   | (681,713)                              | (1,244,104)         |
| <b>Total changes in the statement of profit or loss</b>   | <b>20,127,129</b>  | <b>(769,379)</b>                                      | <b>2,531,662</b>                       | <b>21,889,412</b>   |
| <b>Cash flows*</b>  | <b>(22,848,980)</b>  | <b>-</b>  | <b>-</b>                               | <b>(22,848,980)</b> |
| <b>At 30 June 2025</b>  | <b>(15,753,072)</b>  | <b>(14,978,151)</b>                                   | <b>(29,203,901)</b>                    | <b>(59,935,124)</b> |
| Reinsurance contract liabilities  | 13,441,281   | (1,690,909)   | (2,959,347)                            | 8,791,025           |
| Reinsurance contract assets   | (29,194,353)   | (13,287,242)  | (26,244,554)                           | (68,726,149)        |
| <b>At 30 June 2025</b>  | <b>(15,753,072)</b>  | <b>(14,978,151)</b>                                   | <b>(29,203,901)</b>                    | <b>(59,935,124)</b> |

\* Cash flows are analysed in the analysis by remaining coverage and incurred claims

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**7. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)**

(b) Movements in reinsurance contract (Cont'd.)

(ii) Analysis by measurement component (Cont'd.)

| Group/Company   | 31.12.2024   |   |  |                     |
|---|--|---|--|---------------------|
|   | Estimates of<br>present value<br>of future cash<br>flows<br>RM | Risk<br>adjustment for<br>non-financial<br>risk<br>RM | Contractual<br>service<br>margin<br>RM | Total<br>RM         |
| Reinsurance contract liabilities  | 7,025,999  | (103,979)   | (1,145,689)                            | 5,776,331           |
| Reinsurance contract assets   | (37,356,653)   | (13,539,579)  | (29,581,375)                           | (80,477,607)        |
| <b>1 January 2024</b>   | <b>(30,330,654)</b>  | <b>(13,643,558)</b>                                   | <b>(30,727,064)</b>                    | <b>(74,701,276)</b> |
| <b>Changes that relate to current services</b>  |  |   |  |                     |
| CSM recognised for services received  | -  | -   | 44,049,849                             | 44,049,849          |
| Change in risk adjustment for non-financial risk for risk expired                                 | -  | 1,633,767   | -                                      | 1,633,767           |
| Experience adjustments  | (2,431,622)  | -   | -                                      | (2,431,622)         |
| <b>Changes that relate to future services</b>   |  |   |  |                     |
| Contracts initially recognised in the year  | 34,639,319   | (5,335,707)   | (29,303,612)                           | -                   |
| Changes in recoveries of losses on onerous underlying contracts that adjust the CSM               | -  | -   | (1,206,983)                            | (1,206,983)         |
| Changes in estimates that adjust the CSM  | 13,675,534   | (111,258)   | (13,564,276)                           | -                   |
| Changes in estimates that relate to losses and reversal of losses on underlying onerous contracts | 55,189   | 74,455  | 1,134,870                              | 1,264,514           |
| <b>Changes that relate to past services</b>   |  |   |  |                     |
| Adjustments to liabilities for incurred claims  | 14,918,009   | 3,173,529   | -                                      | 18,091,538          |
| <b>Net expense from reinsurance contracts held</b>  | <b>60,856,429</b>  | <b>(565,214)</b>                                      | <b>1,109,848</b>                       | <b>61,401,063</b>   |
| Finance income from reinsurance contracts held  | (802,368)  | -   | (2,118,347)                            | (2,920,715)         |
| <b>Total changes in the statement of profit or loss</b>   | <b>60,054,061</b>  | <b>(565,214)</b>                                      | <b>(1,008,499)</b>                     | <b>58,480,348</b>   |
| <b>Cash flows*</b>  | <b>(42,754,628)</b>  | <b>-</b>  | <b>-</b>                               | <b>(42,754,628)</b> |
| <b>At 31 December 2024</b>  | <b>(13,031,221)</b>  | <b>(14,208,772)</b>                                   | <b>(31,735,563)</b>                    | <b>(58,975,556)</b> |
| Reinsurance contract liabilities  | 13,542,662   | (1,723,835)   | (2,979,375)                            | 8,839,452           |
| Reinsurance contract assets   | (26,573,883)   | (12,484,937)  | (28,756,188)                           | (67,815,008)        |
| <b>At 31 December 2024</b>  | <b>(13,031,221)</b>  | <b>(14,208,772)</b>                                   | <b>(31,735,563)</b>                    | <b>(58,975,556)</b> |

\* Cash flows are analysed in the analysis by remaining coverage and incurred claims

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**7. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)**

**(b) Movements in reinsurance contract (Cont'd.)**

**(iii) Analysis by remaining coverage and incurred claims of reinsurance contracts measured under the PAA method**

| Group/Company   | 30.06.2025                                |  |   | Total<br>RM      |
|---|---|--|---|------------------|
|   | Assets for<br>remaining<br>coverage<br>RM | Assets for incurred claims<br>Estimates of<br>present value<br>of future cash<br>flows<br>RM | Risk<br>adjustment for<br>non-financial<br>risk<br>RM |                  |
| Reinsurance contract liabilities                                      | -   | -  | -   | -                |
| Reinsurance contract assets   | 12,635                                    | (121,767)  | -   | (109,132)        |
| <b>At 1 January 2025</b>  | <b>12,635</b>                             | <b>(121,767)</b>   | <b>-</b>  | <b>(109,132)</b> |
| <b>Reclassification between<br/>gross and reinsurance</b>             | (26,543)                                  | (497,184)  | (38,560)  | (562,287)        |
| <b>Allocation of reinsurance<br/>premiums paid</b>                    | 28,839                                    | -  | -   | 28,839           |
| <b>Amounts recoverable from<br/>reinsurers</b>                        | (181)                                     | 226,310  | (30,128)  | 196,001          |
| Recoveries of incurred claims and<br>other insurance service expenses | -   | (1,508)  | (307)   | (1,815)          |
| Recoveries of losses on onerous<br>underlying contracts               | (181)                                     | -  | -   | (181)            |
| Adjustments to assets for<br>incurred claims                          | -   | 227,818  | (29,821)  | 197,997          |
| <b>Net expense from reinsurance<br/>contracts held</b>                | <b>28,658</b>                             | <b>226,310</b>   | <b>(30,128)</b>                                       | <b>224,840</b>   |
| Finance income from<br>reinsurance contracts held                     | (215)                                     | (4,834)  | (313)   | (5,362)          |
| <b>Total changes in the statement<br/>of profit or loss</b>           | <b>28,443</b>                             | <b>221,476</b>   | <b>(30,441)</b>                                       | <b>219,478</b>   |
| <b>Cash flows</b>   |   |  |   |                  |
| Premiums paid   | (28,402)                                  | -  | -   | (28,402)         |
| Amounts received  | -   | 5,804  | -   | 5,804            |
| <b>Total cash flows</b>   | <b>(28,402)</b>                           | <b>5,804</b>   | <b>-</b>  | <b>(22,598)</b>  |
| <b>At 30 June 2025</b>  | <b>(13,867)</b>                           | <b>(391,671)</b>   | <b>(69,001)</b>                                       | <b>(474,539)</b> |
| Reinsurance contract liabilities                                      | -   | -  | -   | -                |
| Reinsurance contract assets   | (13,867)                                  | (391,671)  | (69,001)  | (474,539)        |
| <b>At 30 June 2025</b>  | <b>(13,867)</b>                           | <b>(391,671)</b>   | <b>(69,001)</b>                                       | <b>(474,539)</b> |

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**7. INSURANCE AND REINSURANCE CONTRACTS (CONT'D.)**

**(b) Movements in reinsurance contract (Cont'd.)**

**(iii) Analysis by remaining coverage and incurred claims of reinsurance contracts measured under the PAA method (Cont'd.)**

| Group/Company   | 31.12.2024                                |  |   | Total<br>RM      |
|---|---|--|---|------------------|
|   | Assets for<br>remaining<br>coverage<br>RM | Assets for incurred claims<br>Estimates of<br>present value<br>of future cash<br>flows<br>RM | Risk<br>adjustment for<br>non-financial<br>risk<br>RM |                  |
| Reinsurance contract liabilities                                      | -   | -  | -   | -                |
| Reinsurance contract assets   | -   | -  | -   | -                |
| <b>At 1 January 2024</b>  | <b>-</b>                                  | <b>-</b>   | <b>-</b>  | <b>-</b>         |
| <b>Allocation of reinsurance<br/>premiums paid</b>                    | 90,710                                    | -  | -   | 90,710           |
| <b>Amounts recoverable from<br/>reinsurers</b>                        | -   | (154,709)  | -   | (154,709)        |
| Recoveries of incurred claims and<br>other insurance service expenses | -   | (154,709)  | -   | (154,709)        |
| Recoveries of losses on onerous<br>underlying contracts               | -   | -  | -   | -                |
| Adjustments to assets for<br>incurred claims                          | -   | -  | -   | -                |
| <b>Net expense from reinsurance<br/>contracts held</b>                | 90,710                                    | (154,709)  | -   | (63,999)         |
| Finance income from<br>reinsurance contracts held                     | -   | -  | -   | -                |
| <b>Total changes in the statement<br/>of profit or loss</b>           | <b>90,710</b>                             | <b>(154,709)</b>   | <b>-</b>  | <b>(63,999)</b>  |
| <b>Cash flows</b>   |   |  |   |                  |
| Premiums paid   | (78,075)                                  | -  | -   | (78,075)         |
| Amounts received  | -   | 32,942   | -   | 32,942           |
| <b>Total cash flows</b>   | <b>(78,075)</b>                           | <b>32,942</b>  | <b>-</b>  | <b>(45,133)</b>  |
| <b>At 31 December 2024</b>  | <b>12,635</b>                             | <b>(121,767)</b>   | <b>-</b>  | <b>(109,132)</b> |
| Reinsurance contract liabilities                                      | -   | -  | -   | -                |
| Reinsurance contract assets   | 12,635                                    | (121,767)  | -   | (109,132)        |
| <b>At 31 December 2024</b>  | <b>12,635</b>                             | <b>(121,767)</b>   | <b>-</b>  | <b>(109,132)</b> |

**PROGRESSIVE INSURANCE BHD**  
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**8. INVESTMENT INCOME**

**(a) Interest revenue calculated using the effective interest method**

|   | <b>Group</b>      |                   | <b>Company</b>    |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | <b>30.06.2025</b> | <b>30.06.2024</b> | <b>30.06.2025</b> | <b>30.06.2024</b> |
|   | <b>RM</b>         | <b>RM</b>         | <b>RM</b>         | <b>RM</b>         |
| <b>Financial assets measured at amortised cost:</b> |                   |                   |                   |                   |
| Fixed and call deposits                             | 892,483           | 927,582           | 684,628           | 786,386           |
|   | <u>892,483</u>    | <u>927,582</u>    | <u>684,628</u>    | <u>786,386</u>    |

**(b) Other investment revenue**

|                           | <b>Note</b> | <b>Group</b>      |                   | <b>Company</b>    |                   |
|---------------------------|-------------|-------------------|-------------------|-------------------|-------------------|
|                           |             | <b>30.06.2025</b> | <b>30.06.2024</b> | <b>30.06.2025</b> | <b>30.06.2024</b> |
|                           |             | <b>RM</b>         | <b>RM</b>         | <b>RM</b>         | <b>RM</b>         |
| Investment income, net    | (i)         | 5,988,645         | 5,586,660         | 4,488,052         | 4,599,356         |
| Realised (losses)/gains   | (ii)        | (75,154)          | 3,856,077         | (189,524)         | 3,441,520         |
| Fair value (losses)/gains | (iii)       | (4,593,713)       | 11,795,136        | (3,206,983)       | 12,960,511        |
|                           |             | <u>1,319,778</u>  | <u>21,237,873</u> | <u>1,091,545</u>  | <u>21,001,387</u> |

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**8. INVESTMENT INCOME (CONT'D.)**

**(b) Other investment revenue (Cont'd.)**

**(i) Investment income, net**

|   | <b>Group</b>            |                         | <b>Company</b>          |                         |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
|   | <b>30.06.2025</b>       | <b>30.06.2024</b>       | <b>30.06.2025</b>       | <b>30.06.2024</b>       |
|   | <b>RM</b>               | <b>RM</b>               | <b>RM</b>               | <b>RM</b>               |
| <b>Financial assets at FVTPL:</b>                         |                         |                         |                         |                         |
| Interest income from corporate debt securities            | 3,405,264               | 3,415,397               | -                       | -                       |
| Amortisation of premiums                                  | (36,050)                | (59,655)                | -                       | -                       |
| Distribution income from fixed income unit trust funds    | 95,170                  | -                       | 95,170                  | -                       |
| Distribution income from wholesale unit trust funds       | 1,784,546               | 1,518,523               | 3,653,167               | 3,886,961               |
| Dividend income from REITs                                | 98,249                  | 208,877                 | 98,249                  | 208,877                 |
| Dividend income from equity securities quoted in Malaysia | 811,212                 | 720,792                 | 811,212                 | 720,792                 |
| Investment income before investment expenses              | <u>6,158,391</u>        | <u>5,803,934</u>        | <u>4,657,798</u>        | <u>4,816,630</u>        |
| Less: Investment expenses                                 | <u>(169,746)</u>        | <u>(217,274)</u>        | <u>(169,746)</u>        | <u>(217,274)</u>        |
|   | <u><u>5,988,645</u></u> | <u><u>5,586,660</u></u> | <u><u>4,488,052</u></u> | <u><u>4,599,356</u></u> |

**PROGRESSIVE INSURANCE BHD**  
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**8. INVESTMENT INCOME (CONT'D.)**

**(b) Other investment revenue (Cont'd.)**

**(ii) Realised (losses)/gains**

|                                      | <b>Group</b>      |                   | <b>Company</b>    |                   |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                      | <b>30.06.2025</b> | <b>30.06.2024</b> | <b>30.06.2025</b> | <b>30.06.2024</b> |
|                                      | <b>RM</b>         | <b>RM</b>         | <b>RM</b>         | <b>RM</b>         |
| <b>Financial assets at FVTPL:</b>    |                   |                   |                   |                   |
| Corporate debt securities            | 114,370           | 365,541           | -                 | -                 |
| Wholesale unit trust funds           | -                 | -                 | -                 | (49,016)          |
| REITs                                | (36,886)          | 32,491            | (36,886)          | 32,491            |
| Equity securities quoted in Malaysia | (152,638)         | 3,458,045         | (152,638)         | 3,458,045         |
|                                      | <u>(75,154)</u>   | <u>3,856,077</u>  | <u>(189,524)</u>  | <u>3,441,520</u>  |

**PROGRESSIVE INSURANCE BHD**  
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**8. INVESTMENT INCOME (CONT'D.)**

**(b) Other investment revenue (Cont'd.)**

**(iii) Fair value (losses)/gains**

|                                      | <b>Group</b>       |                   | <b>Company</b>     |                   |
|--------------------------------------|--------------------|-------------------|--------------------|-------------------|
|                                      | <b>30.06.2025</b>  | <b>30.06.2024</b> | <b>30.06.2025</b>  | <b>30.06.2024</b> |
|                                      | <b>RM</b>          | <b>RM</b>         | <b>RM</b>          | <b>RM</b>         |
| <b>Financial assets at FVTPL:</b>    |                    |                   |                    |                   |
| Corporate debt securities            | 1,784,298          | 249,091           | -                  | -                 |
| Wholesale unit trust funds           | 922,240            | 132,934           | 4,093,268          | 1,547,400         |
| REITs                                | 362,239            | 80,054            | 362,239            | 80,054            |
| Equity securities quoted in Malaysia | (7,662,490)        | 11,333,057        | (7,662,490)        | 11,333,057        |
|                                      | <b>(4,593,713)</b> | <b>11,795,136</b> | <b>(3,206,983)</b> | <b>12,960,511</b> |