A. Notes To The Condensed Consolidated Interim Financial Statements For The Year Ended 30 September 2021

A1. Basis of Preparation

The condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The condensed consolidated interim financial statements also comply with International Accounting Standard 34: Interim Financial Reporting issued by the International Accounting Standards Board ("IASB").

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 September 2020.

The significant accounting policies adopted by the Group in this condensed consolidated interim financial statements are consistent with those adopted in the audited financial statements for the year ended 30 September 2020 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 2020 and 1 June 2020.

<u>Effective for financial periods beginning on or after 1 January 2020</u>

Amendments to MFRS 2	Share-Based Payment
Amendment to MFRS 3	Business Combinations – Definition of a business
Amendments to MFRS 6	Exploration for and Evaluation of Mineral Resources
Amendment to MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 101	Presentation of Financial Statements – Definition of material
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors – Definition of material
Amendments to MFRS 134	Interim Financial Reporting
Amendment to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendment to MFRS 138	Intangible Assets
Amendment to IC Interpretation 12	Service Concession Arrangements

A1. Basis of Preparation (Cont'd.)

Effective for financial periods beginning on or after 1 January 2020 (Cont'd.)

Amendment to IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendment to IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendment to IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Amendments to IC Interpretation 132	Intangible Assets – Web Site Costs

Interest Rate Benchmark Reform (Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement and MFRS 7 Financial Instruments: Disclosures)

Effective for financial periods beginning on or after 1 June 2020

Amendments to MFRS 16	Leases – Covid-19 Related Rent Concessions

The adoption of the above Amendments to MFRSs and Interpretations did not have any significant impact on the financial statements of the Group.

A2. MFRSs and Amendments to MFRSs yet to be effective

Effective for financial periods beginning on or after 1 January 2021

Interest Rate Benchmark Reform – Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)

Effective for financial periods beginning on or after 1 April 2021

Amendments to MFRS 16	Leases – Covid-19 Related Rent Concessions Beyond 30 June 2021

A2. MFRSs and Amendments to MFRSs yet to be effective (Cont'd.)

Effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)
Amendments to MFRS 3	Business Combinations – Reference to the Conceptual Framework
Amendments to MFRS 9	Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)
Amendments to MFRS 16	Leases (Annual Improvements to MFRS Standards 2018-2020)
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts - Cost of Fulfilling a Contract
Amendments to MFRS 141	Agriculture (Annual Improvements to MFRS Standards 2018-2020)

Effective for financial periods beginning on or after 1 January 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 101	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Presentation of Financial Statements – Disclosure of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
Amendments to MFRS 112	Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

A2. MFRSs and Amendments to MFRSs yet to be effective (Cont'd.)

Effective date to be announced by Malaysian Accounting Standard Board

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

The adoption of the above MFRSs and Amendments to MFRSs is not expected to result in significant financial impact to the Group, except as disclosed below:

- MFRS 17: Insurance Contracts and Amendments to MFRS 17

  MASB has issued MFRS 17 Insurance Contracts ("MFRS 17"), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure, which will replace MFRS 4 Insurance Contracts ("MFRS 4") upon adoption. MFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of MFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in MFRS 4, which are largely based on grandfathering previous local accounting policies, MFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of MFRS 17 is the general model, supplemented by:

  - A simplified approach (the premium allocation approach) mainly for short-duration contracts

  - A specific adaptation for contracts with direct participation features (the variable fee approach)

  MFRS 17 and Amendments to MFRS 17 are effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies MFRS 9 and MFRS 15 on or before the date it first applies MFRS 17.

  The Group intends to adopt MFRS 17 on the required effective date. The Group has completed the documentation of business and technical requirements in technical papers, and is currently in the progress of designing and implementing system solutions and processes.

A3. Audit Qualification of the Preceding Annual Financial Statements

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

A4. Seasonality or Cyclicality of Operations

The businesses of the Group are not subject to seasonal or cyclical fluctuations.

A5. Unusual Items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items that affected the assets, liabilities, equity, net income or cash flows of the Group for the period under review other than as disclosed in Note A16.

A6. Change in Estimates

There were no changes in estimates of amounts reported in prior periods that have a material effect in the period under review.

A7. Issuances, Repurchases, Resale and Repayments of Debts and Equity Securities

(i) Issuance of shares

There was no new issuance of ordinary shares during the period under review.

(ii) Share buy-back

On 10 March 2021, the shareholders approved the renewal of the Company's plan to purchase its own ordinary shares.

There was no purchase of shares during the period under review.

Of the total 287,074,333 issued and fully paid ordinary shares as at 30 September 2021, 19,353,593 are held as treasury shares by the Company. The number of outstanding ordinary shares in issue and fully paid after deduction of treasury shares is therefore 267,720,740 ordinary shares.

(iii) There were no issuance or repayment of debt securities during the period under review.

A8. Material Events Subsequent to End of Reporting Period

There were no material events subsequent to the end of the period reported up to the date of this report except for the dividend declared subsequent to 30 September 2021 as disclosed in Note B9 as well as the disposal of investments as disclosed below:

- Disposal of investments

  The Group has disposed an aggregate of 31,777,000 ordinary shares of Ancom Berhad ("Ancom Shares") for total gross consideration of RM78,696,000 in Bursa Malaysia Securities Berhad via open market and direct business transactions (hereinafter referred to as the "Disposal") from 27 October 2021 to 16 November 2021. Prior to the Disposal, the Ancom Shares were classified as financial assets at FVOCI and had been stated at fair value at each reporting date.

  The expected gain on the Disposal to the Group for the year ending 30 September 2022 is RM9,741,000, which will be recognised in other comprehensive income.

  Arising from the Disposal, the accumulated gain recognised in other comprehensive income reserve of the Group of RM64,232,000 will be transferred to retained profits during the quarter ending 31 December 2021.

A9. Effect of Changes in Composition of the Group

There were no changes in the composition of the Group for the quarter ended 30 September 2021.

A10. Segment Information

	Insurance RM'000	Information Technology RM'000	Investment Holding RM'000	Others RM'000	Consolidation adjustments RM'000	Group RM'000
Year to date ended						
30 September 2021						
REVENUE						
External sales	257,385	15,146	1,815	284	-	274,630
Inter-segment sales	274	18,380	18,878	166	(37,698)	-
Total segment Revenue	257,659	33,526	20,693	450	(37,698)	274,630
RESULTS						
Segment profit/(loss)	15,025	(7,216)	14,329	(7,325)	(37)	14,776
Share of losses of associated companies	-	-	-	(3,798)	-	(3,798)
Segment profit/(loss) before tax after accounting for :	15,025	(7,216)	14,329	(11,123)	(37)	10,978
Interest income	-	427	-	169	(272)	324
Finance cost	(5,969)	(4,061)	(3,170)	(5,056)	11,634	(6,622)
Depreciation	(4,605)	(2,753)	(461)	(586)	1,483	(6,922)
Amortisation	(456)	(146)	(14)	(3)	74	(545)
Unrealised foreign exchange (losses)/gains	-	(1,521)	4,711	22	-	3,212
Gain/(loss) on fair value of investments held at fair value through profit or loss	3,999	-	479	(69)	-	4,409

A10. Segment Information (Cont'd.)

	Insurance RM'000	Information Technology RM'000	Investment Holding RM'000	Others RM'000	Consolidation adjustments RM'000	Group RM'000
Year to date ended **30 September 2020**						
REVENUE						
External sales	295,875	12,753	412	128	-	309,168
Inter-segment sales	292	18,107	26,135	154	(44,688)	-
Total segment Revenue	296,167	30,860	26,547	282	(44,688)	309,168
RESULTS						
Segment profit/(loss)	13,369	(5,723)	3,867	(11,465)	974	1,022
Share of losses of associated companies	-	-	-	(2,597)	-	(2,597)
Segment profit/(loss) before tax after accounting for :	13,369	(5,723)	3,867	(14,062)	974	(1,575)
Interest income	-	693	-	166	(380)	479
Finance cost	(6,085)	(3,910)	(1,849)	(4,478)	10,881	(5,441)
Depreciation	(4,482)	(3,096)	(518)	(490)	1,513	(7,073)
Amortisation	(455)	(161)	(13)	(2)	68	(563)
Unrealised foreign exchange (losses)/gains	-	(1,214)	1,481	2	-	269
(Loss)/gain on fair value of investments held at fair value through profit or loss	(2,053)	-	802	(147)	-	(1,398)

A11. Changes in Contingent Assets and Contingent Liabilities

The Group does not have any contingent assets since financial year ended 30 September 2020.

Details of the Group's contingent liabilities are as follow:

		Year To Date	
		30 Sept 2021 RM'000	30 Sept 2020 RM'000
(i)	Performance guarantees - secured	371	420

(ii) On-going litigation

On 10 August 2016, the Malaysia Competition Commission ("MyCC") through its powers granted under the Competition Act 2010 [Act 712] ("Competition Act") commenced investigations into an alleged infringement by the Persatuan Insurans Am Malaysia ("PIAM") and its 22 members including the insurance subsidiary company (Pacific & Orient Insurance Co. Berhad) under the Section 4 of the Competition Act.

The alleged infringement was in relation to an agreement reached pursuant to a requirement of Bank Negara Malaysia ("BNM") between PIAM and the Federation of Automobile Workshop Owners' Association of Malaysia ("FAWOAM") on trade discount rates for parts of certain vehicle makes and labour hour rates for workshops under the PIAM Approved Repairers Scheme.

On 22 February 2017, MyCC issued its Proposed Decision on the alleged infringement which includes proposed financial penalties amounting to a total of RM213,454,814 on all the 22 members of PIAM. The proposed financial penalty on the insurance subsidiary company was RM2,108,452. The Proposed Decision was subject to both written and oral representations from various parties including PIAM and the respective insurers.

The insurance subsidiary company had via its legal counsel submitted its written representation on 25 April 2017, and delivered several oral representations to MyCC between 2017 and 2019. BNM and FAWOAM were invited at a hearing of the oral representations in 2019. The oral representations from all relevant insurers, as represented by legal counsels, was concluded on 18 June 2019.

A11. Changes in Contingent Assets and Contingent Liabilities (Cont'd.)

Details of the Group's contingent liabilities are as follow: (Cont'd.)

(ii) On-going litigation (Cont'd.)

On 14 September 2020, MyCC had issued its final decision against PIAM and its 22 members for violating Section 4 of the Competition Act, in relation to the above infringement. As a result, MyCC had imposed financial penalties of RM173,655,300 on all 22 insurance companies, and granted a 25% reduction on the final penalties after taking into consideration the economic impact arising from the Covid-19 pandemic.

MyCC had also served an official notice, dated 25 September 2020, to the insurance subsidiary company, informing of its findings on the infringement of the Competition Act and the financial penalty imposed on the insurance subsidiary company was RM1,581,339, net of the 25% discount granted arising from the Covid-19 pandemic.

On 30 September 2020, BNM had released a press statement, which said it regrets the MyCC's decision on the matter, as the arrangement was put in place through the facilitation and direction of BNM with the general insurers to address disputes between workshops and general insurance companies that had adversely impacted consumers in terms of delayed claims settlement.

PIAM, in a statement on 30 September 2020, had also expressed its disappointment with the MyCC's decision on the infringement, as PIAM and its members have always placed the motoring public and policyholders at the forefront.

PIAM has appealed against MyCC's decision that it infringed the Competition Act in connection with motor vehicle repairs. The insurance subsidiary company has also, through its legal counsel, submitted its notice of appeal with the Competition Appeal Tribunal ("CAT") on 13 October 2020 and a stay application (pending the disposal of the appeal) on 16 March 2021. On 23 March 2021, the CAT granted a stay for all members including the insurance subsidiary company in respect of both the cease and desist order and the financial penalty with no order as to costs. The hearing to hear submissions from MyCC and BNM counsels have been completed on 12, 15, 16, 19, and 26 November 2021. The CAT has also set the subsequent hearing dates to hear submissions from various insurers' counsels on 24 February 2022 and 4, 10, 11, 14, 17, 18, 21, 22, 23, 24 and 25 March 2022.

As at the date of this report, the Group has not made any provision, and has continued to disclose the matter as an on-going litigation until further development. The legal counsel is of the view that the insurance subsidiary company has a good case to argue against the decision of the MyCC.

A12. Capital Commitments

There are no capital commitments for the purchase of property, plant and equipment and intangible asset (either approved and contracted for or approved but not contracted for) as at 30 September 2021.

A13. Significant Related Party Transactions

The following transactions with related parties were carried out under the terms and conditions negotiated with the related parties:

	Year To Date	
	30 Sept 2021 RM'000	30 Sept 2020 RM'000
(a) Substantial shareholders of the Insurance subsidiary company - Expenditure:		
Product and pricing services	252	258
(b) Associated company - Revenue:		
Provision of software customisation and professional services by a subsidiary company	2,684	-
(c) Associated companies - Advances:		
Advances to associated companies by a foreign subsidiary company	5,442	5,126

A14. Risk-Based Capital ("RBC") Framework of the Insurance Subsidiary

As at 30 September 2021, the insurance subsidiary has a capital adequacy ratio in excess of the minimum requirement as stipulated in the RBC Framework.

A15. Employees' Share Option Scheme

The Employees' Share Option Scheme ("ESOS") was approved by the shareholders at the Annual General Meeting held on 20 February 2019 and came into effect on 17 June 2019. The ESOS shall be in force for a period of up to five years until 16 June 2024.

The fair value of share options was estimated by the Group using the Black-Scholes-Merton option pricing model, taking into account the terms and conditions upon which the options were granted.

The fair values of share options granted are between RM0.075 and RM0.093 per share.

The movements in share options pursuant to the ESOS during the financial period ended 30 September 2021 and 30 September 2020 are as follows:

2021

			<------ Number of Options					------>
Grant Date	Expiry Date	Exercise Price	Outstanding as at 1 Oct 2020	Granted	Forfeited	Exercised	Outstanding as at 30 Sept 2021	Vested and exercisable as at 30 Sept 2021
13 Sept 2019	16 June 2024	RM0.89	20,273,000	-	(1,704,000)	-	18,569,000	14,029,000
28 Sept 2020	16 June 2024	RM0.73	4,272,000	-	(16,000)	-	4,256,000	2,187,000
30 Sept 2021	16 June 2024	RM0.84	-	244,000	-	-	244,000	96,000
			24,545,000	244,000	(1,720,000)	-	23,069,000	16,312,000
Weighted average share price (RM)			RM0.86	RM0.84	RM0.89	-	RM0.86	RM0.87

2020

			<------ Number of Options					------>
Grant Date	Expiry Date	Exercise Price	Outstanding as at 1 Oct 2019	Granted	Forfeited	Exercised	Outstanding as at 30 Sept 2020	Vested and exercisable as at 30 Sept 2020
13 Sept 2019	16 June 2024	RM0.89	20,766,000	-	(391,000)	(102,000)	20,273,000	11,132,000
28 Sept 2020	16 June 2024	RM0.73	-	4,287,000	-	(15,000)	4,272,000	1,147,500
			20,766,000	4,287,000	(391,000)	(117,000)	24,545,000	12,279,500
Weighted average share price (RM)			RM0.89	RM0.73	RM0.89	RM0.87	RM0.86	RM0.88

The movements of share options reserve during the period are presented as follows:

	Year To Date	
	30 Sept 2021 RM'000	30 Sept 2020 RM'000
Share options reserve at 1 October 2020/2019	1,553	1,046
Option charge recognised from share options granted	284	542
Option charge relating to forfeiture of ESOS	(100)	(25)
Option exercised during the period	-	(10)
Share options reserve at 30 September 2021/2020	1,737	1,553

A16. Significant Event

Coronavirus ("COVID-19") Pandemic

The prolonged COVID-19 pandemic has continued to cause devastating impact to the people, businesses, and economies globally. The Malaysian Government has rolled out the national vaccination drive to curb the spread of COVID-19, released stimulus packages to accelerate the economic recovery, and commenced a National Recovery Plan to re-open economic sectors and social activities over four phases.

The Group's general insurance business has operated throughout the lockdown periods, with adherence to Government issued protocols. Although gross premiums collected justifiably declined, the net claims incurred has improved due to better claims experience. In addition to counter services at its branches, the insurance subsidiary company has also operated via www.poi2u.com, its digital platform.

The overall impact to IT division was also not significantly affected as the division has long term customers on which it can rely for a steady stream of income. The business operation from IT division has also continue uninterrupted despite the pandemic as services can be rendered remotely to customers.

It is still not possible to estimate the full impact of the outbreak's long-term effects on the performance of the Group or the government's varying efforts to combat the outbreak and support businesses. The management will continue to monitor the situation of the outbreak and the financial impact, if any, to the Group's financial statements.

The Group is of the view that the COVID-19 pandemic will not adversely affect the fundamentals and going concern of its business operations and that it will continue to remain resilient. Accordingly, the Group's financial statements for the financial year ended 30 September 2021 and 30 September 2020 have been prepared based on the application of the going concern assumption. There were no other matters, other than those described above, arising from the on-going pandemic that would have a significant impact on the carrying values of the Group's assets and liabilities as at 30 September 2021 and 30 September 2020.

B. Additional Notes Pursuant To The Main Market Listing Requirements of Bursa Malaysia For The Year Ended 30 September 2021

B1. Review of Results

Financial review for current quarter and year to date

	Individual Period				Cumulative Period			
	Current Year Quarter Ended 30 Sept 2021 RM'000	Preceding Year Corresponding Quarter Ended 30 Sept 2020 RM'000	Changes (Amount) RM'000	Changes (%)	Current Year To-date Ended 30 Sept 2021 RM'000	Preceding Year Corresponding Period Ended 30 Sept 2020 RM'000	Changes (Amount) RM'000	Changes (%)
Revenue	66,093	72,231	(6,138)	(8%)	274,630	309,168	(34,538)	(11%)
Operating profit	9,379	6,462	2,917	45%	21,398	6,463	14,935	231%
Profit/(loss) before tax	7,572	3,784	3,788	100%	10,978	(1,575)	12,553	797%
Profit/(loss) after tax	3,711	1,353	2,358	174%	5,755	(5,304)	11,059	209%
(Loss)/profit attributable to equity holders of the Company	(1,566)	(3,312)	1,746	53%	881	(9,841)	10,722	109%

Financial Review for Current Quarter compared with Preceding Year Corresponding Quarter

Group revenue was RM66,093,000 compared to RM72,231,000 in the preceding year corresponding quarter. Profit before tax of RM7,572,000 was reported compared to pre-tax profit of RM3,784,000 in the preceding year corresponding quarter.

Insurance segment – Revenue decreased by RM5,480,000 to RM63,344,000 for the current quarter compared to the preceding year corresponding quarter. The decrease was primarily due to lower gross earned premium. However, a higher profit before tax of RM18,984,000 was reported for the current quarter as compared to a pre-tax profit of RM15,846,000 in the preceding year corresponding quarter. This was largely attributable to higher underwriting results from the decrease in net claims incurred and gain in fair value of investments held at FVTPL.

Information technology (IT) segment – Revenue from external parties decreased by RM654,000 to RM2,564,000 for the current quarter compared to the preceding year corresponding quarter, principally due to lower income from software customisation services and hardware sales. However, a lower pre-tax loss of RM5,401,000 was reported for the current quarter as compared to a pre-tax loss of RM6,483,000 in the preceding year corresponding quarter, mainly due to favourable unrealised foreign exchange differences.

B1. Review of Results (Cont'd.)

Current Period compared with Preceding Year Corresponding Period

Group revenue was RM274,630,000 compared to RM309,168,000 in the preceding year corresponding period. Profit before tax of RM10,978,000 was reported compared to pre-tax loss of RM1,575,000 in the preceding year corresponding period.

Insurance segment – Revenue decreased by RM38,490,000 to RM257,385,000 for the current period compared to the preceding year corresponding period. The decrease was primarily due to lower gross earned premium. However, a higher profit before tax of RM32,207,000 was reported for the current period as compared to a pre-tax profit of RM30,131,000 in the preceding year corresponding period, mainly attributable to better underwriting results principally from lower net claims incurred.

Information technology (IT) segment – Revenue from external parties increased by RM2,393,000 to RM15,146,000 for the current period compared to the preceding year corresponding period, principally due to higher income from software customisation services and hardware sales. Consequently, a lower pre-tax loss of RM12,819,000 was reported in the current period as compared to a pre-tax loss of RM14,572,000 in the preceding year corresponding period.

Consolidated Statement of Comprehensive Income

Group's total other comprehensive income for the current period ended 30 September 2021 amounted to RM63,225,000 as compared to total other comprehensive income of RM15,388,000 in the preceding year corresponding period, mainly due to the fair value gain on quoted shares designated as FVOCI.

Consolidated Statement of Financial Position

The Group's total assets as at 30 September 2021 was RM1,127,315,000, an increase from RM1,038,785,000 as of 30 September 2020 mainly due to the increase in the fair value of the quoted investments.

The Group's total liabilities as at 30 September 2021 was RM699,299,000, an increase from RM663,507,000 as of 30 September 2020. The increase was mainly due to the higher insurance contract liabilities and insurance payables

The Group's equity attributable to equity holders of the Company was RM315,374,000 as at 30 September 2021 compared to RM271,289,000 as of 30 September 2020. The increase was mainly due to higher FVOCI reserve from fair value gain on quoted investments designated as FVOCI.

B1. Review of Results (Cont'd.)

Consolidated Statement of Cash Flows

The Group's cash and cash equivalents as at 30 September 2021 was RM51,005,000.

The net cash used in operating activities of RM4,732,000 arising mainly from the operations of the insurance segment. The net cash generated from investing activities of RM7,312,000 was mainly from disposal of investments. The net cash used in financing activities of RM22,331,000 was principally for payment of dividends.

B2. Current Quarter compared with Immediate Preceding Quarter's Results

	Current Quarter 30 Sept 2021 RM'000	Immediate Preceding Quarter 30 June 2021 RM'000	Changes (Amount) RM'000	Changes (%)
Revenue	66,093	63,926	2,167	3%
Operating profit/(loss)	9,379	(3,741)	13,120	351%
Profit/(loss) before tax	7,572	(7,218)	14,790	205%
Profit/(loss) after tax	3,711	(8,279)	11,990	145%
Loss attributable to equity holders of the Company	(1,566)	(6,687)	5,121	77%

Group revenue was RM66,093,000 compared to RM63,926,000 reported in the immediate preceding quarter. Profit before tax of RM7,572,000 was recorded compared to pre-tax loss of RM7,218,000 in the immediate preceding quarter.

Insurance segment – Revenue increased by RM3,548,000 to RM63,344,000 for the current quarter compared to the immediate preceding quarter. The increase was primarily due to higher gross earned premium. A higher profit before tax of RM18,984,000 was reported for the current quarter as compared to a pre-tax profit of RM2,261,000 in the immediate preceding quarter. This was largely attributable to better underwriting results arising from profit commission earned and gain in investments held at FVTPL.

IT segment – Revenue from external parties decreased by RM1,395,000 to RM2,564,000 for the current quarter compared to the immediate preceding quarter. This was mainly attributable to lower income from software customisation services and hardware sales. Consequently, a higher pre-tax loss of RM5,401,000 was reported in the current period as compared to a pre-tax loss of RM3,514,000 in the preceding year corresponding period.

B3. Current Year Prospects

The insurance industry is highly competitive and is still adjusting to the effects of detariffication. The insurance subsidiary company is addressing these challenges by introducing new and more relevant products, improving distribution by adding new channels and improving customer engagement.

The IT Division also operates in a competitive environment and it too seeks to innovate through the development of new products and improvements to service quality and efficiency.

Despite the global pandemic and the uncertainty that it has brought to the Malaysian economy, the Board is generally confident that barring unforeseen circumstances, the steps that management has taken will result in a satisfactory outcome for the financial year ending 30 September 2022.

B4. Profit Forecast and Profit Guarantee

No forecast has been issued by the Group for the financial year ended 30 September 2021.

B5. Taxation

The taxation figures include the following:

	Quarter Ended		Year To Date	
	30 Sept 2021 RM'000	30 Sept 2020 RM'000	30 Sept 2021 RM'000	30 Sept 2020 RM'000
Income tax:				
Current year's provision				
- Malaysian tax	3,208	2,794	3,595	4,739
- Under provision in prior years	461	546	1,222	242
	3,669	3,340	4,817	4,981
Deferred tax:				
- Relating to timing differences	606	(86)	818	(425)
- Over provision in prior years	(414)	(823)	(412)	(827)
	192	(909)	406	(1,252)
	3,861	2,431	5,223	3,729

The effective rates of taxation of the Group is higher than the statutory rate of taxation principally due to certain expenses not deductible for tax purposes.

B6. Status of Corporate Proposal

There were no other corporate proposal announced but not completed as of the date of this report.

B7. Material Litigation

As at 30 September 2021 there was no material litigation against the Group other than those arising in the normal course of the insurance subsidiary's business and as disclosed in Note A11(ii).

B8. Group Borrowings

	Secured/ Unsecured	Currency	As at 30 September 2021 Foreign Currency '000	As at 30 September 2021 RM equivalent RM'000	As at 30 September 2020 Foreign Currency '000	As at 30 September 2020 RM equivalent RM'000
Long term						
a. Lease liabilities	Secured	GBP	201	1,128	289	1,545
	Secured	Baht	8,649	1,063	10,204	1,337
	Secured	RM	-	5,554	-	8,242
				7,745		11,124
b. Subordinated Note [(1)]	Unsecured	RM	-	-	-	34,605
c. Term loan	Secured	USD	163	682	130	540
d. Warehousing facility [(2)]	Secured	RM	-	-	-	34,757
Total Long Term Borrowings				8,427		81,026
Short term						
a. Lease liabilities	Secured	GBP	89	501	88	471
	Secured	Baht	5,333	655	6,519	854
	Secured	RM	-	3,768	-	3,473
				4,924		4,798
b. Revolving credit facilities	Secured	RM	-	200	-	200
	Unsecured	RM	-	22,500	-	19,200
				22,700		19,400
c. Subordinated Note [(1)]	Unsecured	RM	-	34,827	-	-
d. Warehousing facility [(2)]	Secured	RM	-	34,820	-	-
Total Short Term Borrowings				97,271		24,198
Total				105,698		105,224

(1) This relates to the Subordinated Note with a nominal value of RM70,000,000 net of discount and transaction costs, issued by the insurance subsidiary company on 27 June 2012 and is due to mature on 26 June 2022. Of the RM70,000,000 Subordinated Note, RM35,000,000 were subscribed by the Company whilst the remaining RM35,000,000 were subscribed by a third party, of which the balance payable is disclosed above.

(2) This relates to the drawdown of RM35,000,000 of the warehousing facility signed with Hong Leong Investment Bank Berhad on 14 April 2020. The warehousing facility is due to mature on 26 June 2022 and is secured against the RM35,000,000 Subordinated Note which was subscribed by the Company.

B9. Dividends

In respect of financial year ending 30 September 2021:

	RM'000	Date of payment
(i) A first interim single tier dividend of 1.20 sen per share declared on 11 December 2020	3,213	11 January 2021
(ii) A second interim single tier dividend of 1.20 sen per share declared on 25 February 2021	3,212	25 March 2021
(iii) A third interim single tier dividend of 1.20 sen per share declared on 15 April 2021	3,213	20 May 2021
(iv) A fourth interim single tier dividend of 1.20 sen per share declared on 21 July 2021	3,213	25 August 2021
	12,851	

(v) The Directors had on 11 October 2021 declared a fifth interim single tier dividend of 1.20 sen per share in respect of the current financial year, which was paid on 9 November 2021. This dividend has not been reflected in the financial statements for the current quarter ended 30 September 2021 but will be accounted for in equity as an appropriation of retained profits for the next quarter ending 31 December 2021.

The total single tier dividend in respect of the current financial year was 6.00 sen per share (Previous corresponding period: single tier dividend of 6.60 sen per share).

B10. (Loss)/Earnings Per Share

		Quarter Ended		Year To Date	
		30 Sept 2021	30 Sept 2020	30 Sept 2021	30 Sept 2020
Net (loss)/profit for the period (A)	(RM'000)	(1,566)	(3,312)	881	(9,841)
Weighted average number of ordinary shares in issue (B)	('000)	267,721	267,711	267,721	268,887
Weighted average number of ordinary shares for diluted (loss)/earnings per share (C) (See note below)	('000)	*(1)	*(1)	268,362	*(1)
(Loss)/earnings per share:					
Basic (A ÷ B)	(sen)	(0.58)	(1.24)	0.33	(3.66)
Diluted (A ÷ C)	(sen)	*(1)	*(1)	0.33	*(1)

Note:

Weighted average number of ordinary shares in issue	('000)	*(1)	*(1)	267,721	*(1)
Effects of dilution of ESOS	('000)	*(1)	*(1)	641	*(1)
Weighted average number of ordinary shares for diluted (loss)/earnings per share (C)	('000)	*(1)	*(1)	268,362	*(1)

*(1) Not disclosed as it is anti-dilutive.

B11. (Loss)/Profit For The Period

	Quarter Ended		Year To Date	
	30 Sept 2021 RM'000	30 Sept 2020 RM'000	30 Sept 2021 RM'000	30 Sept 2020 RM'000
(Loss)/profit for the period is arrived at after charging/(crediting):				
Interest expense	1,639	1,891	6,488	5,168
Depreciation of:				
- property, plant and equipment	502	135	1,953	1,808
- right-of-use assets	1,269	1,636	4,969	5,265
Amortisation of:				
- intangible assets	132	141	545	563
Allowance for impairment:				
- investment in an associated company	-	-	-	2,886
- insurance receivables	-	(338)	-	-
- trade receivables	259	429	259	429
- corporate debt securities	19	38	19	38
Write back in allowance for impairment:				
- insurance receivables	197	(535)	(210)	(197)
Inventories written off	425	25	425	25
Other receivables written off	-	206	-	206
Loss/(gain) on fair value of investments held at fair value through profit or loss (net)	1,377	(2,908)	(4,409)	1,398
Gain on disposal of investments (net)	(3,534)	(1,918)	(3,192)	(2,918)
Loss on disposal of property, plant and equipment (net)	1	13	28	13
Loss on disposal of investment property	-	51	-	51
Loss on fair value of investment property	5	-	5	-
Loss/(gain) on derecognition of right-of-use assets	31	(12)	(7)	(12)
Net gain on remeasurement of leases	(6)	(41)	(6)	(41)
Unrealised foreign exchange loss/(gain) (net)	2,896	4,322	(3,212)	(269)
Realised foreign exchange loss/(gain) (net)	2	11	(120)	(8)
Interest income	(85)	(134)	(324)	(479)

There were no (i) gain or loss on derivatives and (ii) exceptional items for the current quarter and financial year ended 30 September 2021.

BY ORDER OF THE BOARD
YONG KIM FATT
Company Secretary
Kuala Lumpur

29 November 2021