

**A. Notes To The Condensed Consolidated Interim Financial Statements  
For The Six Months Ended 31 March 2022**

**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 2021.

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 2021 except for the adoption of the following Amendments to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) which are mandatory for annual periods beginning on or after 1 January 2021 and 1 April 2021.

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
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The adoption of the above Amendments to MFRSs 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 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 17	Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 – Comparative Information
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 Cyclicity 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

During the six months period ended 31 March 2022, 121,000 new ordinary shares each fully paid were issued pursuant to the exercise of options granted under the Company's Employees Share Option Scheme ("ESOS") at exercise prices of between RM0.84 to RM0.89 per share. Details of the issued and paid up capital of the Company as at 31 March 2022 are as follows:

	<u>No. of shares</u>	<u>RM'000</u>
As at 1 October 2021	287,074,333	147,401
Ordinary shares issued pursuant to the ESOS	<u>121,000</u>	<u>118</u> <sup>(1)</sup>
As at 31 March 2022	<u><u>287,195,333</u></u>	<u><u>147,519</u></u>

<sup>(1)</sup> Includes capitalisation of share option reserves of RM10,540

A7. Issuances, Repurchases, Resale and Repayments of Debts and Equity Securities (Cont'd.)

(ii) Share buy-back

On 11 March 2022, 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.

During the six months period ended 31 March 2022, the Company resold 50,100 treasury shares for a total consideration of RM46,317 (after deducting transaction costs) in the open market at an average price of RM0.92 per share.

Of the total 287,195,333 issued and fully paid ordinary shares as at 31 March 2022, 19,303,493 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 267,891,840 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.

A9. Effect of Changes in Composition of the Group

There were no changes in the composition of the Group for the six months period ended 31 March 2022 except for the following:

(i) On 31 December 2021, the Group completed the disposal of an associated company, HiringBoss Holdings Pte Ltd. Please refer to Note A16 (iii) for further details of the disposal.

(ii) On 10 February 2022, the Company incorporated a wholly-owned subsidiary, Pacific & Orient (Singapore) Private Limited ("P & O Singapore") with a paid-up share capital of SGD100 comprising 100 ordinary shares of SGD1 each. The intended principal activity of P & O Singapore is investment in start-ups. The incorporation of P & O Singapore has no material impact to the Group during the financial period under review.

A10. Segment Information

	Insurance	Information Technology	Investment Holding	Investment in Start-ups	Others	Consolidation adjustments	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Year to date ended</b>							
<b><u>31 March 2022</u></b>							
<b>REVENUE</b>							
External sales	151,975	6,065	339	-	109	-	158,488
Inter-segment sales	134	10,533	11,023	-	83	(21,773)	-
Total segment Revenue	<u>152,109</u>	<u>16,598</u>	<u>11,362</u>	<u>-</u>	<u>192</u>	<u>(21,773)</u>	<u>158,488</u>
<b>RESULTS</b>							
Segment profit/(loss)	2,346	(986)	11,648	67,279	(822)	(10,587)	68,878
Share of losses of associated companies	-	-	-	(1,999)	-	-	(1,999)
Segment profit/(loss) before tax	<u>2,346</u>	<u>(986)</u>	<u>11,648</u>	<u>65,280</u>	<u>(822)</u>	<u>(10,587)</u>	<u>66,879</u>
after accounting for :							
Interest income	-	164	-	242	-	(91)	315
Finance cost	(2,913)	(2,159)	(1,491)	(2,675)	(156)	6,201	(3,193)
Depreciation	(2,118)	(1,315)	(196)	(277)	(149)	711	(3,344)
Amortisation	(222)	(70)	(7)	(1)	-	37	(263)
Unrealised foreign exchange gains/(losses)	-	620	(1,472)	787	-	-	(65)
Loss on fair value of investments held at fair value through profit or loss	(12)	-	(365)	(136)	-	-	(513)
Gain on disposal of an associated company	-	-	-	70,895	-	705	71,600

A10. Segment Information (Cont'd.)

	Insurance	Information Technology	Investment Holding	Investment in Start-ups	Others	Consolidation adjustments	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Year to date ended</b>							
<b><u>31 March 2021</u></b>							
<b>REVENUE</b>							
External sales	134,245	8,623	1,616	-	127	-	144,611
Inter-segment sales	140	8,882	12,054	-	83	(21,159)	-
Total segment Revenue	<u>134,385</u>	<u>17,505</u>	<u>13,670</u>	<u>-</u>	<u>210</u>	<u>(21,159)</u>	<u>144,611</u>
<b>RESULTS</b>							
Segment profit/(loss)	2,506	(639)	17,347	(3,390)	169	(3,535)	12,458
Share of losses of associated companies	-	-	-	(1,834)	-	-	(1,834)
Segment profit/(loss) before tax	2,506	(639)	17,347	(5,224)	169	(3,535)	10,624
after accounting for :							
Interest income	-	238	-	67	-	(153)	152
Finance cost	(3,001)	(1,920)	(1,568)	(2,385)	-	5,572	(3,302)
Depreciation	(2,367)	(1,333)	(248)	(249)	-	766	(3,431)
Amortisation	(235)	(73)	(7)	(1)	-	37	(279)
Unrealised foreign exchange gains	-	266	5,855	25	-	-	6,146
Gain/(loss) on fair value of investments held at fair value through profit or loss	3,160	-	5,741	(109)	-	-	8,792

A11. Changes in Contingent Assets and Contingent Liabilities

The Group does not have any contingent assets since financial year ended 30 September 2021.

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

	<u>Year To Date</u>	
	31 Mar 2022 RM'000	31 Mar 2021 RM'000
(i) Performance guarantees - secured	394	399
(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 CAT proceedings started in November 2021 with the insurance subsidiary company's legal counsel, together with other legal counsels representing the insurers and PIAM making its submissions. On 21 April 2022, the CAT concluded the proceedings after hearing from all parties including MyCC. The insurance subsidiary company's legal counsel has indicated that based on the information that they have received, the CAT is likely to deliver its decision by June 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 31 March 2022.

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	
	31 Mar 2022 RM'000	31 Mar 2021 RM'000
(a) Substantial shareholders of the Insurance subsidiary company - Expenditure:		
Product and pricing services	<u>126</u>	<u>126</u>
(b) Associated company - Revenue:		
Provision of software customisation and professional services by a subsidiary company	<u>-</u>	<u>2,684</u>
(c) Associated companies - Advances:		
Advances to associated companies by a foreign subsidiary company	<u>4,015</u>	<u>1,851</u>

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

As at 31 March 2022, 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 31 March 2022 and 31 March 2021 are as follows:

			<----- Number of Options ----->					
Grant Date	Expiry Date	Exercise Price	Outstanding as at			Outstanding as at		Vested and exercisable as at
			1 Oct 2021	Granted	Forfeited	Exercised	31 Mar 2022	31 Mar 2022
13 Sept 2019	16 June 2024	RM0.89	18,569,000	-	-	(110,000)	18,459,000	13,919,000
28 Sept 2020	16 June 2024	RM0.73	4,256,000	-	-	-	4,256,000	2,187,000
30 Sept 2021	16 June 2024	RM0.84	244,000	-	-	(11,000)	233,000	85,000
			<u>23,069,000</u>	-	-	<u>(121,000)</u>	<u>22,948,000</u>	<u>16,191,000</u>
Weighted average share price (RM)			RM0.86	-	-	RM0.89	RM0.86	RM0.87
			<----- Number of Options ----->					
Grant Date	Expiry Date	Exercise Price	Outstanding as at			Outstanding as at		Vested and exercisable as at
			1 Oct 2020	Granted	Forfeited	Exercised	31 Mar 2021	31 Mar 2021
13 Sept 2019	16 June 2024	RM0.89	20,273,000	-	-	-	20,273,000	11,132,000
28 Sept 2020	16 June 2024	RM0.73	4,272,000	-	-	-	4,272,000	1,147,500
			<u>24,545,000</u>	-	-	-	<u>24,545,000</u>	<u>12,279,500</u>
Weighted average share price (RM)			RM0.86	-	-	-	RM0.86	RM0.88

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

	Year To Date	
	31 Mar 2022 RM'000	31 Mar 2021 RM'000
Share options reserve at 1 October 2021/2020	1,737	1,553
Option charge recognised from share options granted	76	149
Option exercised during the period	(11)	-
Share options reserve at 31 March 2022/2021	<u>1,802</u>	<u>1,702</u>

## A16. Significant Events

### (i) 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](http://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 period ended 31 March 2022 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 31 March 2022.

A16. Significant Events (Cont'd.)

(ii) Disposal of ordinary shares of Ancom Berhad

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 from 27 October 2021 to 16 November 2021. Prior to the disposal, the Ancom Shares were classified as financial assets at fair value through other comprehensive income (“FVOCI”) and had been stated at fair value at each reporting date.

Arising from the disposal, the accumulated gain recognised in other comprehensive income reserve of the Group of RM64,232,000 has been transferred to retained profits during the financial period ended 31 March 2022.

(iii) Disposal of an associated company

On 24 December 2021, the Company had announced that its wholly-owned subsidiary, Pacific & Orient Distribution Sdn Bhd (“POD”) together with other shareholders of HiringBoss Holdings Pte Ltd (“HHPL”) had on even date entered into a share purchase agreement with Access UK Limited (“Access UK”) for a joint disposal of 22,894,800 ordinary shares in HHPL to Access UK for a total cash consideration of USD90.29 million (equivalent to RM376.05 million based on the exchange rate of RM4.1650/USD1.00 as at 31 December 2021 (“Completion Date”)).

The joint disposal entailed the disposal by POD of its entire 21.91% equity interest in HHPL to Access UK for a total cash consideration of USD19.83 million (equivalent to approximately RM82.61 million based on the exchange rate of RM4.1650/USD1.00 as at the Completion Date).

The disposal had been completed on 31 December 2021 and ratification by the shareholders had been obtained through an Extraordinary General Meeting held on 11 March 2022. Arising from the disposal, the Group recognised a gain on disposal of an associated company in other operating income which amounted to RM71.60 million.

**B. Additional Notes Pursuant To The Main Market Listing Requirements of Bursa Malaysia For The Three Months Ended 31 March 2022**

**B1. Review of Results**

Financial review for current quarter and year to date

	Individual Period		Changes (Amount) RM'000	Changes (%)	Cumulative Period		Changes (Amount) RM'000	Changes (%)
	Current Year Quarter Ended 31 Mar 2022 RM'000	Preceding Year Corresponding Quarter Ended 31 Mar 2021 RM'000			Current Year To-date Ended 31 Mar 2022 RM'000	Preceding Year Corresponding Period Ended 31 Mar 2021 RM'000		
Revenue	82,690	73,454	9,236	13%	158,488	144,611	13,877	10%
Operating profit	2,373	11,713	(9,340)	(80%)	72,071	15,760	56,311	357%
Profit before tax	155	9,101	(8,946)	(98%)	66,879	10,624	56,255	530%
(Loss)/profit after tax	(1,713)	9,075	(10,788)	(119%)	65,158	10,323	54,835	531%
(Loss)/profit attributable to equity holders of the Company	(2,773)	7,773	(10,546)	(136%)	64,557	9,134	55,423	607%

Financial Review for Current Quarter compared with Preceding Year Corresponding Quarter

Group revenue was RM82,690,000 compared to RM73,454,000 in the preceding year corresponding quarter. Profit before tax of RM155,000 was reported compared to pre-tax profit of RM9,101,000 in the preceding year corresponding quarter.

Insurance segment – Revenue increased by RM10,473,000 to RM80,256,000 for the current quarter compared to the preceding year corresponding quarter. The increase was primarily due to higher gross earned premium and higher investment income. Consequently, a higher profit before tax of RM8,020,000 was reported for the current quarter as compared to a pre-tax profit of RM6,621,000 in the preceding year corresponding quarter.

Information technology (IT) segment – Revenue from external parties decreased by RM1,264,000 to RM2,217,000 for the current quarter compared to the preceding year corresponding quarter, principally due to lower income from software subscription services and hardware sales. In correspondence to the reduced revenue, a higher pre-tax loss of RM2,657,000 was reported in the current quarter as compared to a pre-tax loss of RM1,941,000 in the preceding year corresponding quarter.

Investment in start-ups segment – Loss before tax of RM967,000 was reported for the current quarter as compared to a pre-tax loss of RM1,381,000 in the preceding year corresponding quarter. The decrease was principally due to lower share of losses on the results of associated companies.

B1. Review of Results (Cont'd.)

Current Period compared with Preceding Year Corresponding Period

Group revenue was RM158,488,000 compared to RM144,611,000 in the preceding year corresponding period. Profit before tax of RM66,879,000 was reported compared to pre-tax profit of RM10,624,000 in the preceding year corresponding period.

Insurance segment – Revenue increased by RM17,730,000 to RM151,975,000 for the current period compared to the preceding year corresponding period. The increase was primarily due to higher gross earned premium. Consequently, a higher profit before tax of RM12,185,000 was reported for the current period as compared to a pre-tax profit of RM10,962,000 in the preceding year corresponding period.

Information technology (IT) segment – Revenue from external parties decreased by RM2,558,000 to RM6,065,000 for the current period compared to the preceding year corresponding period, principally due to lower income from software customisation services. In correspondence to the reduced revenue, a higher pre-tax loss of RM5,005,000 was reported in the current period as compared to a pre-tax loss of RM3,904,000 in the preceding year corresponding period.

Investment in start-ups segment – Profit before tax of RM69,255,000 was reported for the current period as compared to a pre-tax loss of RM2,837,000 in the preceding year corresponding period. The increase was principally due to the gain on disposal of an associated company which amounted to RM71,600,000.

Consolidated Statement of Comprehensive Income

Group's total other comprehensive income for the current period ended 31 March 2022 amounted to RM30,501,000 as compared to a total other comprehensive income of RM24,328,000 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 31 March 2022 was RM1,223,733,000, an increase from RM1,127,315,000 as of 30 September 2021 mainly due to the increase in cash and bank balances and deposits and placements with financial institutions from proceeds on disposal of an associated company.

The Group's total liabilities as at 31 March 2022 was RM717,413,000, an increase from RM699,299,000 as of 30 September 2021. 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 RM382,466,000 as at 31 March 2022 compared to RM315,374,000 as of 30 September 2021. The increase was mainly due to higher retained profits recorded from the gain on disposal of an associated company.

B1. Review of Results (Cont'd.)

Consolidated Statement of Cash Flows

The Group's cash and cash equivalents as at 31 March 2022 was RM116,556,000.

The net cash used in operating activities of RM55,068,000 arose mainly from higher placement of funds with financial institutions. The net cash generated from investing activities of RM162,427,000 was mainly from disposal of investments and an associated company. The net cash used in financing activities of RM42,813,000 was principally for repayment of borrowings and payment of dividends.

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

	Current Quarter 31 Mar 2022 RM'000	Immediate Preceding Quarter 31 Dec 2021 RM'000	Changes (Amount) RM'000	Changes (%)
Revenue	82,690	75,798	6,892	9%
Operating profit	2,373	69,698	(67,325)	(97%)
Profit before tax	155	66,724	(66,569)	(100%)
(Loss)/profit after tax	(1,713)	66,871	(68,584)	(103%)
(Loss)/profit attributable to equity holders of the Company	(2,773)	67,330	(70,103)	(104%)

Group revenue was RM82,690,000 compared to RM75,798,000 reported in the immediate preceding quarter. Profit before tax of RM155,000 was recorded compared to pre-tax profit of RM66,724,000 in the immediate preceding quarter.

Insurance segment – Revenue increased by RM8,537,000 to RM80,256,000 for the current quarter compared to the immediate preceding quarter. The increase was primarily due to higher gross earned premium. Consequently, a higher profit before tax of RM8,020,000 was reported for the current quarter as compared to a pre-tax profit of RM4,165,000 in the immediate preceding quarter.

IT segment – Revenue from external parties decreased by RM1,631,000 to RM2,217,000 for the current quarter mainly attributable to lower income from software customisation services. In correspondence to the reduced revenue, a higher pre-tax loss of RM2,657,000 was accordingly reported for the current quarter as compared to a pre-tax loss of RM2,348,000 in the immediate preceding quarter.

Investment in start-ups segment – Loss before tax of RM967,000 was reported for the current quarter as compared to a pre-tax profit of RM70,222,000 in the immediate preceding quarter. The decrease was principally due to the absence of gain on disposal of an associated company in the current quarter.



**B3. Current Year Prospects**

At the beginning of 2022, the global economy appeared to be on a path to recovery as many economies around the world gradually opened up. However, since then we have seen the Covid-19 situation in China disrupt global supply chains. Added to this, the Russia-Ukraine conflict has caused fuel prices to surge and shortages are expected in other important commodities. If this situation persists, the impact on the Malaysian economy could be considerable.

The insurance subsidiary company is operating in a highly competitive environment. In addition, the ongoing phased implementation of detariffication has made it necessary for the insurance subsidiary company to maintain a high degree of flexibility in its approach to underwriting and marketing. To address these challenges, it is continuing to focus on service improvements, product development and opening new distribution channels.

The IT Division also faces a competitive environment and it too continues 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 period ended 31 March 2022.

**B5. Taxation**

The taxation figures include the following:

	Quarter Ended		Year To Date	
	31 Mar 2022 RM'000	31 Mar 2021 RM'000	31 Mar 2022 RM'000	31 Mar 2021 RM'000
Income tax:				
Current year's provision				
- Malaysian tax	800	575	852	107
Deferred tax:				
- Relating to timing differences	1,068	(549)	869	194
	<u>1,868</u>	<u>26</u>	<u>1,721</u>	<u>301</u>

The effective rate of taxation of the Group for the current quarter ended 31 March 2022 is higher than the statutory rate of taxation principally due to unrecognised deferred tax assets arising from business losses of certain subsidiary companies.

The effective rate of taxation of the Group for current period ended 31 March 2022 is lower than the statutory rate of taxation principally due to certain income which are not subject to tax.

**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 31 March 2022 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 31 March 2022		As at 30 September 2021	
			Foreign Currency '000	RM equivalent RM'000	Foreign Currency '000	RM equivalent RM'000
<b>Long term</b>						
a. Lease liabilities	Secured	GBP	168	928	201	1,128
	Secured	Baht	6,691	843	8,649	1,063
	Secured	USD	68	285	-	-
	Secured	RM	-	5,018	-	5,554
				7,074		7,745
b. Term loan	Secured	USD	163	685	163	682
<b>Total Long Term Borrowings</b>				<b>7,759</b>		<b>8,427</b>
<b>Short term</b>						
a. Lease liabilities	Secured	GBP	77	426	89	501
	Secured	Baht	4,395	554	5,333	655
	Secured	USD	105	441	-	-
	Secured	RM	-	3,419	-	3,768
				4,840		4,924
b. Revolving credit facilities	Secured	RM	-	200	-	200
	Unsecured	RM	-	-	-	22,500
				200		22,700
c. Subordinated Note <sup>(1)</sup>	Unsecured	RM	-	34,947	-	34,827
d. Warehousing facility <sup>(2)</sup>	Secured	RM	-	34,942	-	34,820
<b>Total Short Term Borrowings</b>				<b>74,929</b>		<b>97,271</b>
<b>Total</b>				<b>82,688</b>		<b>105,698</b>

(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

	RM'000	Date of payment
In respect of financial year ended 30 September 2021:		
(i) A fifth interim single tier dividend of 1.20 sen per share declared on 11 October 2021	3,213	9 November 2021
In respect of financial year ending 30 September 2022:		
(ii) A first interim single tier dividend of 2.50 sen per share declared on 10 December 2021	6,694	12 January 2022
(iii) A second interim single tier dividend of 2.50 sen per share declared on 24 February 2022	6,698	23 March 2022
	<u>16,605</u>	
(iv) The Directors had on 25 April 2022 declared a third interim single tier dividend of 1.80 sen per share in respect of the current financial year, which was paid on 25 May 2022. This dividend has not been reflected in the financial statements for the current quarter ended 31 March 2022 but will be accounted for in equity as an appropriation of retained profits for the next quarter ending 30 June 2022.		

The total single tier dividend in respect of the current financial year was 6.80 sen per share (Previous corresponding period: single tier dividend of 3.60 sen per share).

B10. (Loss)/Earnings Per Share

		Quarter Ended		Year To Date	
		31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
Net (loss)/profit for the period (A)	(RM'000)	(2,773)	7,773	64,557	9,134
Weighted average number of ordinary shares in issue (B)	('000)	267,819	267,721	267,792	267,721
Weighted average number of ordinary shares for diluted (loss)/earnings per share (C) <sup>(See note below)</sup>	('000)	* <sup>(1)</sup>	267,875	269,205	267,875
(Loss)/earnings per share:					
Basic (A ÷ B)	(sen)	(1.04)	2.90	24.11	3.41
Diluted (A ÷ C)	(sen)	* <sup>(1)</sup>	2.90	23.98	3.41
Note:					
Weighted average number of ordinary shares in issue	('000)	267,819	267,721	267,792	267,721
Effects of dilution of ESOS	('000)	* <sup>(1)</sup>	154	1,413	154
Weighted average number of ordinary shares for diluted (loss)/earnings per share (C)	('000)	* <sup>(1)</sup>	267,875	269,205	267,875

\*<sup>(1)</sup> Not disclosed as it is anti-dilutive.

B11. (Loss)/Profit For The Period

	Quarter Ended		Year To Date	
	31 Mar 2022 RM'000	31 Mar 2021 RM'000	31 Mar 2022 RM'000	31 Mar 2021 RM'000
(Loss)/profit for the period is arrived at after charging/(crediting):				
Interest expense	1,556	1,608	3,114	3,234
Depreciation of:				
- property, plant and equipment	473	486	952	973
- right-of-use assets	1,176	1,245	2,392	2,458
Amortisation of intangible assets	135	139	263	279
Allowance for impairment:				
- insurance receivables	1,138	146	1,369	-
Write back in allowance for impairment:				
- insurance receivables	-	-	-	(402)
Loss/(gain) on fair value of investments held at fair value through profit or loss (net)	567	(4,858)	513	(8,792)
Loss/(gain) on disposal of:				
- property, plant and equipment	25	(1)	52	1
- intangible assets	-	-	28	-
- investments (net)	74	723	(229)	371
- an associated company		-	(71,600)	-
Gain on derecognition of right-of-use assets	(13)	(149)	(13)	(149)
Net loss/(gain) on remeasurement of leases	35	(73)	36	(73)
Unrealised foreign exchange loss/(gain) (net)	250	(6,272)	65	(6,146)
Realised foreign exchange loss/(gain) (net)	91	(108)	85	(122)
Interest income	(179)	(74)	(315)	(152)

There were no (i) write off of inventories (ii) gain or loss on derivatives and (iii) exceptional items for the current quarter and period ended 31 March 2022.

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

26 May 2022