

**A. Notes To The Condensed Consolidated Interim Financial Statements  
For The Nine Months Ended 30 June 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 nine months period ended 30 June 2022, 754,000 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 30 June 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>754,000</u>	<u>736</u> <sup>(1)</sup>
As at 30 June 2022	<u><u>287,828,333</u></u>	<u><u>148,137</u></u>

<sup>(1)</sup> Includes capitalisation of share option reserves of RM65,251

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 nine months period ended 30 June 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 287,828,333 issued and fully paid ordinary shares as at 30 June 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 268,524,840 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 nine months period ended 30 June 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(ii) 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.

A9. Effect of Changes in Composition of the Group (Cont'd.)

- (iii) On 6 April 2022, the Company incorporated a wholly-owned subsidiary, Pacific & Orient (Hong Kong) Limited (“P & O Hong Kong”) with a paid-up share capital of HKD100 comprising 100 ordinary shares of HKD1 each. The intended principal activity of P & O Hong Kong is investment in start-ups. The incorporation of P & O Hong Kong has no material impact to the Group during the financial period under review.

A10. Segment Information

	Insurance RM'000	Information Technology RM'000	Investment Holding RM'000	Investment in Start-ups RM'000	Others RM'000	Consolidation adjustments RM'000	Group RM'000
<b>Year to date ended</b>							
<b><u>30 June 2022</u></b>							
<b>REVENUE</b>							
External sales	225,794	8,319	708	-	163	-	234,984
Inter-segment sales	201	15,707	14,681	-	124	(30,713)	-
Total segment Revenue	<u>225,995</u>	<u>24,026</u>	<u>15,389</u>	<u>-</u>	<u>287</u>	<u>(30,713)</u>	<u>234,984</u>
<b>RESULTS</b>							
Segment (loss)/profit	(3,646)	(1,988)	(19,220)	41,639	(1,014)	29,543	45,314
Share of losses of associated companies	-	-	-	(2,361)	-	-	(2,361)
Segment (loss)/profit before tax	(3,646)	(1,988)	(19,220)	39,278	(1,014)	29,543	42,953
after accounting for :							
Interest income	-	252	-	451	-	(128)	575
Finance cost	(4,303)	(3,283)	(2,088)	(3,928)	(268)	9,273	(4,597)
Depreciation	(3,102)	(1,917)	(296)	(409)	(265)	1,048	(4,941)
Amortisation	(341)	(104)	(10)	(2)	-	56	(401)
Unrealised foreign exchange gains/(losses)	-	1,367	(36)	4,375	(1)	-	5,705
Loss on fair value of investments held at fair value through profit or loss	(4,261)	-	(658)	(2,366)	-	-	(7,285)
Gain on disposal of an associated company	-	-	-	70,895	-	705	71,600
Allowance for impairment:							
- investment in an associated company	-	-	-	(9,429)	-	7,024	(2,405)
- amount due from an associated company	-	-	-	(15,916)	-	-	(15,916)

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>30 June 2021</u></b>							
<b>REVENUE</b>							
External sales	194,041	12,582	1,725	-	189	-	208,537
Inter-segment sales	207	13,532	15,472	-	124	(29,335)	-
Total segment Revenue	194,248	26,114	17,197	-	313	(29,335)	208,537
<b>RESULTS</b>							
Segment profit/(loss)	337	(1,853)	16,786	(5,177)	37	(3,060)	7,070
Share of losses of associated companies	-	-	-	(3,664)	-	-	(3,664)
Segment profit/(loss) before tax	337	(1,853)	16,786	(8,841)	37	(3,060)	3,406
after accounting for :							
Interest income	-	334	-	122	-	(217)	239
Finance cost	(4,483)	(2,874)	(2,371)	(3,661)	-	8,440	(4,949)
Depreciation	(3,482)	(2,004)	(360)	(443)	-	1,138	(5,151)
Amortisation	(343)	(108)	(11)	(2)	-	51	(413)
Unrealised foreign exchange (losses)/gains	-	(291)	6,371	28	-	-	6,108
Gain/(loss) on fair value of investments held at fair value through profit or loss	940	-	4,889	(43)	-	-	5,786

#### 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>	
	30 June 2022 RM'000	30 June 2021 RM'000
(i) Performance guarantees - secured	<u>410</u>	<u>394</u>
(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 late August 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 June 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	
	30 June 2022 RM'000	30 June 2021 RM'000
(a) Substantial shareholders of the Insurance subsidiary company - Expenditure:		
Product and pricing services	<u>189</u>	<u>189</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>6,257</u>	<u>3,241</u>

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

As at 30 June 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 30 June 2022 and 30 June 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	30 June 2022	30 June 2022
13 Sept 2019	16 June 2024	RM0.89	18,569,000	-	-	(735,000)	17,834,000	13,294,000
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	-	-	(19,000)	225,000	77,000
			<u>23,069,000</u>	<u>-</u>	<u>-</u>	<u>(754,000)</u>	<u>22,315,000</u>	<u>15,558,000</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	30 June 2021	30 June 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>-</u>	<u>-</u>	<u>-</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	
	30 June 2022 RM'000	30 June 2021 RM'000
Share options reserve at 1 October 2021/2020	1,737	1,553
Option charge recognised from share options granted	114	224
Option exercised during the period	<u>(65)</u>	<u>-</u>
Share options reserve at 30 June 2022/2021	<u>1,786</u>	<u>1,777</u>

## A16. Significant Events

### (i) 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 30 June 2022.

### (ii) 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.

A16. Significant Events (Cont'd.)

(iii) Impairment loss of an associated company

During the current quarter under review, the board of directors of an associated company based in the United Kingdom, Silicon Markets Limited (“SML”) informed that SML has to cease operations as it could no longer continue operations under difficult market conditions and increasing overheads.

In view of the above, the Group had performed an impairment assessment and had accordingly made an allowance for impairment loss of RM20.57 million as the carrying amount of its investment in SML exceeded the recoverable amount.

(iv) Coronavirus (“COVID-19”) Pandemic

The prolonged COVID-19 pandemic has continued to cause disruption to the businesses and economies globally. However, the Group was not adversely affected as its business operations were able to operate uninterrupted throughout the COVID-19 pandemic. Accordingly, the Group’s financial statements for the financial period ended 30 June 2022 have been prepared based on the application of the going concern assumption.

**B. Additional Notes Pursuant To The Main Market Listing Requirements of Bursa Malaysia For The Nine Months Ended 30 June 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 30 June 2022 RM'000	Preceding Year Corresponding Quarter Ended 30 June 2021 RM'000			Current Year To- date Ended 30 June 2022 RM'000	Preceding Year Corresponding Period Ended 30 June 2021 RM'000		
Revenue	76,496	63,926	12,570	20%	234,984	208,537	26,447	13%
Operating (loss)/profit	(22,160)	(3,741)	(18,419)	(492%)	49,911	12,019	37,892	315%
(Loss)/profit before tax	(23,926)	(7,218)	(16,708)	(231%)	42,953	3,406	39,547	1161%
(Loss)/profit after tax	(22,651)	(8,279)	(14,372)	(174%)	42,507	2,044	40,463	1980%
(Loss)/profit attributable to equity holders of the Company	(20,440)	(6,687)	(13,753)	(206%)	44,117	2,447	41,670	1703%

Financial Review for Current Quarter compared with Preceding Year Corresponding Quarter

Group revenue was RM76,496,000 compared to RM63,926,000 in the preceding year corresponding quarter. Loss before tax of RM23,926,000 was reported compared to pre-tax loss of RM7,218,000 in the preceding year corresponding quarter.

Insurance segment – Revenue increased by RM14,023,000 to RM73,819,000 for the current quarter compared to the preceding year corresponding quarter. The increase was primarily due to higher gross earned premium. However, a loss before tax of RM1,110,000 was reported for the current quarter as compared to a pre-tax profit of RM2,261,000 in the preceding year corresponding quarter. This was largely attributable to lower underwriting results from the increase in net claims incurred.

Information technology (IT) segment – Revenue from external parties decreased by RM1,705,000 to RM2,254,000 for the current quarter compared to the preceding year corresponding quarter, principally due to lower income from software subscription services and hardware sales. However, a lower pre-tax loss of RM3,357,000 was reported in the current quarter as compared to a pre-tax loss of RM3,514,000 in the preceding year corresponding quarter, mainly due to favourable unrealised foreign exchange differences.

Investment in start-ups segment – Loss before tax of RM17,725,000 was reported for the current quarter as compared to a pre-tax loss of RM2,343,000 in the preceding year corresponding quarter. The increase was principally due to the allowance for impairment loss on an associated company as described in Note A16(iii).

B1. Review of Results (Cont'd.)

Current Period compared with Preceding Year Corresponding Period

Group revenue was RM234,984,000 compared to RM208,537,000 in the preceding year corresponding period. Profit before tax of RM42,953,000 was reported compared to pre-tax profit of RM3,406,000 in the preceding year corresponding period.

Insurance segment – Revenue increased by RM31,753,000 to RM225,794,000 for the current period compared to the preceding year corresponding period. The increase was primarily due to higher gross earned premium. However, a lower profit before tax of RM11,075,000 was reported for the current quarter as compared to a pre-tax profit of RM13,223,000 in the preceding year corresponding quarter. This was largely attributable to higher operating expenses.

Information technology (IT) segment – Revenue from external parties decreased by RM4,263,000 to RM8,319,000 for the current period compared to the preceding year corresponding period, principally due to lower income from software subscription services and hardware sales. In correspondence to the reduced revenue, a higher pre-tax loss of RM8,362,000 was reported in the current period as compared to a pre-tax loss of RM7,418,000 in the preceding year corresponding period.

Investment in start-ups segment – Profit before tax of RM51,530,000 was reported for the current period as compared to a pre-tax loss of RM5,180,000 in the preceding year corresponding period. The increase was principally due to the gain on disposal of an associated company as described in Note A16(ii), offset by the allowance for impairment loss of an associated company as described in Note A16(iii).

Consolidated Statement of Comprehensive Income

Group's total other comprehensive income for the current period ended 30 June 2022 amounted to RM13,548,000 as compared to a total other comprehensive income of RM30,556,000 in the preceding year corresponding period, mainly due to the lower fair value gain on FVOCI quoted shares.

Consolidated Statement of Financial Position

The Group's total assets as at 30 June 2022 was RM1,095,873,000, a decrease from RM1,127,315,000 as of 30 September 2021 mainly due to cash used for repayment of borrowings and the allowance for impairment loss on the investments in and amount due from an associated company.

The Group's total liabilities as at 30 June 2022 was RM633,383,000, a decrease from RM699,299,000 as of 30 September 2021. The decrease was principally due to repayment of borrowings.

The Group's equity attributable to equity holders of the Company was RM342,175,000 as at 30 June 2022 compared to RM315,374,000 as of 30 September 2021. The increase was mainly due to higher retained profits 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 30 June 2022 was RM92,547,000.

The net cash used in operating activities of RM18,319,000 arose mainly from the operations of the insurance segment. The net cash generated from investing activities of RM161,904,000 was from disposal of investments and an associated company. The net cash used in financing activities of RM107,571,000 was principally for repayment of borrowings and payment of dividends.

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

	Current Quarter 30 June 2022 RM'000	Immediate Preceding Quarter 31 Mar 2022 RM'000	Changes (Amount) RM'000	Changes (%)
Revenue	76,496	82,690	(6,194)	(7%)
Operating (loss)/profit	(22,160)	2,373	(24,533)	(1034%)
(Loss)/profit before tax	(23,926)	155	(24,081)	(15536%)
Loss after tax	(22,651)	(1,713)	(20,938)	(1222%)
Loss attributable to equity holders of the Company	(20,440)	(2,773)	(17,667)	(637%)

Group revenue was RM76,496,000 compared to RM82,690,000 reported in the immediate preceding quarter. Loss before tax of RM23,926,000 was recorded compared to pre-tax profit of RM155,000 in the immediate preceding quarter.

Insurance segment – Revenue decreased by RM6,437,000 to RM73,819,000 for the current quarter compared to the immediate preceding quarter, primarily due to lower investment income. Coupled with the lower underwriting results as a result of higher net claims incurred, a loss before tax of RM1,110,000 was reported for the current quarter as compared to a pre-tax profit of RM8,020,000 in the immediate preceding quarter.

IT segment – Revenue from external parties increased by RM37,000 to RM2,254,000 for the current quarter mainly due to higher sales of hardware and income from IT services. However, a higher pre-tax loss of RM3,357,000 was reported for the current quarter as compared to a pre-tax loss of RM2,657,000 in the immediate preceding quarter, mainly due to higher operating expenses.

Investment in start-ups segment – Loss before tax of RM17,725,000 was reported for the current quarter as compared to a pre-tax loss of RM967,000 in the immediate preceding quarter. The increase was principally due to the allowance for impairment loss of an associated company as described in Note A16(iii).



**B3. Current Year Prospects**

The prospects for global growth have been undermined at least for the short term by the further escalation of geopolitical conflicts, worsening supply chain disruptions, adverse developments surrounding the COVID-19 pandemic and heightened financial market volatility. The Malaysian economy is similarly affected.

The insurance subsidiary company continues to adapt to the ongoing phased implementation of detariffication. As before, this is being done by maintaining a high degree of flexibility in its approach to underwriting and marketing. To address this and to remain competitive the insurance subsidiary company remains focused on service improvements, product development and opening new distribution channels.

The IT Division also faces considerable competition and continues to respond by developing new products and improving service quality and efficiency.

Despite the global pandemic and the uncertainties 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 30 June 2022.

**B5. Taxation**

The taxation figures include the following:

	Quarter Ended		Year To Date	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM'000	RM'000	RM'000	RM'000
Income tax:				
Current year's provision				
- Malaysian tax	(24)	280	828	387
- (Over)/under provision in prior years	(207)	761	(207)	761
	<u>(231)</u>	<u>1,041</u>	<u>621</u>	<u>1,148</u>
Deferred tax:				
- Relating to timing differences	(1,034)	18	(165)	212
- (Over)/under provision in prior years	(10)	2	(10)	2
	<u>(1,044)</u>	<u>20</u>	<u>(175)</u>	<u>214</u>
	<u>(1,275)</u>	<u>1,061</u>	<u>446</u>	<u>1,362</u>

The effective rates of taxation of the Group are 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 30 June 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**

			As at 30 June 2022		As at 30 September 2021	
	Secured/ Unsecured	Currency	Foreign Currency '000	RM equivalent RM'000	Foreign Currency '000	RM equivalent RM'000
<b>Long term</b>						
a. Lease liabilities	Secured	GBP	143	765	201	1,128
	Secured	Baht	6,078	756	8,649	1,063
	Secured	USD	39	173	-	-
	Secured	RM	-	4,949	-	5,554
				6,643		7,745
b. Term loan	Secured	USD	163	717	163	682
<b>Total Long Term Borrowings</b>				<b>7,360</b>		<b>8,427</b>
<b>Short term</b>						
a. Lease liabilities	Secured	GBP	80	425	89	501
	Secured	Baht	3,402	423	5,333	655
	Secured	USD	108	477	-	-
	Secured	RM	-	3,344	-	3,768
				4,669		4,924
b. Revolving credit facilities	Secured	RM	-	200	-	200
	Unsecured	RM	-	11,000	-	22,500
				11,200		22,700
c. Subordinated Notes <sup>(1)</sup>	Unsecured	RM	-	-	-	34,827
d. Warehousing facility <sup>(2)</sup>	Secured	RM	-	-	-	34,820
<b>Total Short Term Borrowings</b>				<b>15,869</b>		<b>97,271</b>
<b>Total</b>				<b>23,229</b>		<b>105,698</b>

(1) This relates to the Subordinated Notes with a nominal value of RM70,000,000 net of discount and transaction costs, issued by the insurance subsidiary company on 27 June 2012. Of the RM70,000,000 Subordinated Notes, 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. The Subordinated Notes have matured and fully redeemed on 27 June 2022.

(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 secured against the RM35,000,000 Subordinated Note which was subscribed by the Company. The warehousing facility has matured and fully settled on 27 June 2022.

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
(iv) A third interim single tier dividend of 1.80 sen per share declared on 25 April 2022	4,828	25 May 2022
	<u>21,433</u>	
(v) The Directors had on 21 July 2022 declared a fourth interim single tier dividend of 1.80 sen per share in respect of the current financial year, which was paid on 25 August 2022. This dividend has not been reflected in the financial statements for the current quarter ended 30 June 2022 but will be accounted for in equity as an appropriation of retained profits for the next quarter ending 30 September 2022.		

The total single tier dividend in respect of the current financial year was 8.60 sen per share (Previous corresponding period: single tier dividend of 4.80 sen per share).

B10. (Loss)/Earnings Per Share

		Quarter Ended		Year To Date	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
Net (loss)/profit for the period (A)	(RM'000)	(20,440)	(6,687)	44,117	2,447
Weighted average number of ordinary shares in issue (B)	('000)	268,296	267,721	267,960	267,721
Weighted average number of ordinary shares for diluted (loss)/earnings per share (C) <sup>(See note below)</sup>	('000)	* <sup>(1)</sup>	* <sup>(1)</sup>	270,454	267,908
(Loss)/earnings per share:					
Basic (A ÷ B)	(sen)	(7.62)	(2.50)	16.46	0.91
Diluted (A ÷ C)	(sen)	* <sup>(1)</sup>	* <sup>(1)</sup>	16.31	0.91
Note:					
Weighted average number of ordinary shares in issue	('000)	268,296	267,721	267,960	267,721
Effects of dilution of ESOS	('000)	* <sup>(1)</sup>	* <sup>(1)</sup>	2,494	187
Weighted average number of ordinary shares for diluted (loss)/earnings per share (C)	('000)	* <sup>(1)</sup>	* <sup>(1)</sup>	270,454	267,908

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

B11. (Loss)/Profit For The Period

	Quarter Ended		Year To Date	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
(Loss)/profit for the period is arrived at after charging/(crediting):				
Interest expense	1,321	1,615	4,435	4,849
Depreciation of:				
- property, plant and equipment	483	478	1,435	1,451
- right-of-use assets	1,114	1,242	3,506	3,700
Amortisation of intangible assets	138	134	401	413
Allowance for impairment:				
- investment in an associated company	2,405	-	2,405	-
- amount due from an associated company	15,916	-	15,916	-
- insurance receivables	-	-	1,106	-
Write back in allowance for impairment:				
- insurance receivables	(263)	(5)	-	(407)
Loss/(gain) on fair value of investments held at fair value through profit or loss (net)	6,772	3,006	7,285	(5,786)
(Gain)/loss on disposal of:				
- property, plant and equipment	(51)	26	1	27
- intangible assets	47	-	75	-
- investments (net)	142	(29)	(87)	342
- an associated company	-	-	(71,600)	-
Unrealised foreign exchange (gain)/loss (net)	(5,770)	38	(5,705)	(6,108)
Realised foreign exchange loss/(gain) (net)	-	-	85	(122)
Interest income	(260)	(87)	(575)	(239)

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 30 June 2022.

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

25 August 2022