

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

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

Effective for financial periods beginning on or after 1 January 2022 (Cont'd.)

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

Effective for financial periods beginning on or after 1 January 2024

Amendments to MFRS 16	Leases – Lease Liability in a Sale and Leaseback
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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 the necessary 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 year ended 30 September 2022, 914,000 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 RM0.84 and RM0.89 per share. Details of the issued and paid up capital of the Company as at 30 September 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>914,000</u>	<u>892</u> ⁽¹⁾
As at 30 September 2022	<u><u>287,988,333</u></u>	<u><u>148,293</u></u>

⁽¹⁾ Includes capitalisation of share option reserves of RM78,845

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 year ended 30 September 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 RM0.93 per share, resulting in a deficit of RM6,088 which has been debited to the retained profits.

Of the total 287,988,333 issued and fully paid ordinary shares as at 30 September 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 268,684,840 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 except for the disposal of ordinary shares of Ancom Nylex Berhad as disclosed in Note A16(i)(b).

A9. Effect of Changes in Composition of the Group

There were no changes in the composition of the Group for the year ended 30 September 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. 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. P & O Singapore has not commenced operations as at the reporting date.

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. 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. P & O Hong Kong has not commenced operations as at the reporting date.

- (iv) On 15 September 2022, the Group through its wholly owned subsidiary, Pacific & Orient Properties Ltd. (“POPL”), had invested in the equity interest in Gigabit Networks Ltd (“Gigabit”), a company incorporated and registered in England and Wales, for a subscription price of GBP500,000 (approximately RM2,612,000), representing 20% of the equity interest in Gigabit. Following the said investment, Gigabit has become an associated company of POPL.

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
Year to date ended							
<u>30 September 2022</u>							
REVENUE							
External sales	299,538	10,767	825	-	245	-	311,375
Inter-segment sales	261	21,221	63,540	-	166	(85,188)	-
Total segment Revenue	<u>299,799</u>	<u>31,988</u>	<u>64,365</u>	<u>-</u>	<u>411</u>	<u>(85,188)</u>	<u>311,375</u>
RESULTS							
Segment profit/loss	3,269	(678)	28,736	42,744	(1,526)	(13,609)	58,936
Share of losses of associated companies	-	-	-	(2,170)	-	-	(2,170)
Segment profit/(loss) before tax	3,269	(678)	28,736	40,574	(1,526)	(13,609)	56,766
after accounting for :							
Interest income	-	341	-	723	-	(161)	903
Finance cost	(4,364)	(4,467)	(2,237)	(5,045)	(488)	11,745	(4,856)
Depreciation	(3,923)	(2,557)	(406)	(533)	(387)	1,289	(6,517)
Amortisation	(357)	(132)	(14)	(2)	-	75	(430)
Unrealised foreign exchange gains	-	2,137	3,535	1,525	-	1,363	8,560
Loss on fair value of investments held at fair value through profit or loss	(3,652)	-	(877)	(2,403)	-	-	(6,932)
Gain on disposal of an associated company	-	-	-	70,928	-	705	71,633
Allowance for impairment:							
- investment in an associated company	-	-	-	(9,429)	-	7,024	(2,405)
- amount due from an associated company	-	-	-	(16,133)	-	-	(16,133)

A10. Segment Information (Cont'd.)

	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
Year to date ended							
<u>30 September 2021</u>							
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	<u>257,659</u>	<u>33,526</u>	<u>20,693</u>	<u>-</u>	<u>450</u>	<u>(37,698)</u>	<u>274,630</u>
RESULTS							
Segment profit/(loss)	15,025	(7,216)	14,329	(6,973)	(352)	(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	(10,771)	(352)	(37)	10,978
Interest income	-	427	-	169	-	(272)	324
Finance cost	(5,969)	(4,061)	(3,170)	(5,000)	(56)	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

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 Sept 2022 RM'000	30 Sept 2021 RM'000
(i) Performance guarantees - secured	397	371
(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.

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.

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.)

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.

On 2 September 2022, the CAT unanimously decided and ordered, inter alia, that the appeal by PIAM and the insurers be allowed and that the whole of the MyCC Decision be set aside. Consequently, the financial penalties imposed on all the insurers amounting to an aggregate quantum of penalty of RM173,655,300 (including the insurance subsidiary company's share of the penalty of RM1,581,339) was also set aside.

On 13 September 2022, MyCC has published a news release commenting on the decision by the CAT in relation to MyCC's decision, which MyCC is currently analysing and weighing its options, which includes filing a judicial review.

As at the date of this report, MyCC has not initiated any further legal action on the CAT's decision. The Group has not made any provision, and will continue to disclose the matter as an on-going litigation until further development.

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 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 Sept 2022 RM'000	30 Sept 2021 RM'000
(a) Substantial shareholders of the Insurance subsidiary company - Expenditure:		
Product and pricing services	<u>252</u>	<u>252</u>
(b) Associated company - Revenue:		
Provision of software customisation and professional services by a subsidiary company	<u>19</u>	<u>2,684</u>
(c) Associated companies - Advances:		
Advances to associated companies by a foreign subsidiary company	<u>7,619</u>	<u>5,442</u>

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

As at 30 September 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 values of share options were 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 RM0.117 per share.

The movements in share options pursuant to the ESOS during the financial period ended 30 September 2022 and 30 September 2021 are as follows:

<u>2022</u>			<----- Number of Options ----->					
Grant Date	Expiry Date	Exercise Price	Outstanding as at 1 Oct 2021	Granted	Forfeited	Exercised	Outstanding as at 30 Sept 2022	Vested and exercisable as at 30 Sept 2022
13 Sept 2019	16 June 2024	RM0.89	18,569,000	-	(432,000)	(895,000)	17,242,000	14,972,000
28 Sept 2020	16 June 2024	RM0.73	4,256,000	-	(322,000)	-	3,934,000	3,007,500
30 Sept 2021	16 June 2024	RM0.84	244,000	-	(150,000)	(19,000)	75,000	49,000
30 Sept 2022	16 June 2024	RM0.95	-	1,616,000	-	-	1,616,000	847,000
			<u>23,069,000</u>	<u>1,616,000</u>	<u>(904,000)</u>	<u>(914,000)</u>	<u>22,867,000</u>	<u>18,875,500</u>
Weighted average share price (RM)			RM0.86	RM0.95	RM0.82	RM0.89	RM0.87	RM0.87
<u>2021</u>			<----- 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
			<u>24,545,000</u>	<u>244,000</u>	<u>(1,720,000)</u>	<u>-</u>	<u>23,069,000</u>	<u>16,312,000</u>
Weighted average share price (RM)			RM0.86	RM0.84	RM0.89	-	RM0.86	RM0.87

A15. Employees' Share Option Scheme (Cont'd.)

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

	Year To Date	
	30 Sept 2022 RM'000	30 Sept 2021 RM'000
Share options reserve at 1 October 2021/2020	1,737	1,553
Option charge recognised from share options granted	273	284
Option charge relating to forfeiture of ESOS	(66)	(100)
Option exercised during the period	(79)	-
Share options reserve at 30 September 2022/2021	<u>1,865</u>	<u>1,737</u>

A16. Significant Events

- (i) Disposal of ordinary shares of Ancom Nylex Berhad (formerly known as Ancom Berhad)

(a) Disposal during the financial year

The Group has disposed an aggregate of 31,777,000 ordinary shares of Ancom Nylex Berhad ("Ancom Shares") for a total gross consideration of RM78,696,000 on Bursa Malaysia Securities Berhad ("Bursa Malaysia") 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.

The fair value gain in respect of the disposed shares, that arose during the financial year and which was recognised in the statement of other comprehensive income up to the date of disposal, amounted to RM9,741,000 for the Group.

Arising from the disposal, the accumulated gain recognised in FVOCI reserve of the Group of RM63,296,000 in relation to this tranche of shares disposed has been transferred to retained profits during the financial year ended 30 September 2022.

A16. Significant Events (Cont'd.)

- (i) Disposal of ordinary shares of Ancom Nylex Berhad (formerly known as Ancom Berhad) (Cont'd.)

(b) Disposal subsequent to end of reporting period

Subsequent to the end of reporting period, the Group has disposed an additional 34,000,000 ordinary shares of Ancom Shares for a total gross consideration of RM29,580,000 on Bursa Malaysia via direct business transactions from 17 November 2022 to 23 November 2022.

The fair value loss in respect of the disposed shares, that arose from the period subsequent to end of reporting period to the date of this report and which was recognised in the statement of other comprehensive income up to the date of disposal, amounted to RM2,720,000 for the Group.

Arising from the disposal, the accumulated gain recognised in FVOCI reserve of the Group of RM23,013,000 in relation to this tranche of shares disposed has been transferred to retained profits during the quarter ending 31 December 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 USD90,288,000 (equivalent to RM376,050,000 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 (as of disposal date) in HHPL to Access UK for a total cash consideration of USD19,835,000 (equivalent to RM82,611,000 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 RM71,633,000.

A16. Significant Events (Cont'd.)

(iii) Impairment loss of an associated company

During the financial year, the board of directors of an associated company based, 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 RM20,790,000 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 years ended 30 September 2022 and 30 September 2021 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 Year Ended 30 September 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 Sept 2022 RM'000	Preceding Year Corresponding Quarter Ended 30 Sept 2021 RM'000			Current Year To-date Ended 30 Sept 2022 RM'000	Preceding Year Corresponding Period Ended 30 Sept 2021 RM'000		
Revenue	76,391	66,093	10,298	16%	311,375	274,630	36,745	13%
Operating profit	13,881	9,379	4,502	48%	63,792	21,398	42,394	198%
Profit before tax	13,813	7,572	6,241	82%	56,766	10,978	45,788	417%
Profit after tax	13,103	3,711	9,392	253%	55,610	5,755	49,855	866%
Profit/(loss) attributable to equity holders of the Company	10,365	(1,566)	11,931	762%	54,482	881	53,601	6084%

Financial Review for Current Quarter compared with Preceding Year Corresponding Quarter

Group revenue was RM76,391,000 compared to RM66,093,000 in the preceding year corresponding quarter. Profit before tax of RM13,813,000 was reported compared to pre-tax profit of RM7,572,000 in the preceding year corresponding quarter.

Insurance segment – Revenue increased by RM10,400,000 to RM73,744,000 for the current quarter compared to the preceding year corresponding quarter. The increase was primarily due to higher gross earned premium. However, a lower profit before tax of RM10,672,000 was reported for the current quarter as compared to a pre-tax profit of RM18,984,000 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 RM116,000 to RM2,448,000 for the current quarter compared to the preceding year corresponding quarter, principally due to lower income from software subscription services. However, a profit before tax of RM794,000 was reported in the current quarter as compared to a pre-tax loss of RM5,401,000 in the preceding year corresponding quarter, mainly due to write back of allowance for impairment on trade receivables and favourable unrealised foreign exchange differences.

Investment in start-ups segment – Profit before tax of RM3,075,000 was reported for the current quarter as compared to a pre-tax loss of RM595,000 in the preceding year corresponding quarter. The increase was principally due to the realised foreign exchange gain on US Dollar (“USD”) denominated payments as a result of strengthening USD against Ringgit Malaysia.

B1. Review of Results (Cont'd.)

Current Period compared with Preceding Year Corresponding Period

Group revenue was RM311,375,000 compared to RM274,630,000 in the preceding year corresponding period. Profit before tax of RM56,766,000 was reported compared to pre-tax profit of RM10,978,000 in the preceding year corresponding period.

Insurance segment – Revenue increased by RM42,153,000 to RM299,538,000 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 RM21,747,000 was reported for the current quarter as compared to a pre-tax profit of RM32,207,000 in the preceding year corresponding quarter. This was largely attributable to loss in fair value of investments held at FVTPL and lower underwriting results from the increase in net claims incurred.

Information technology (IT) segment – Revenue from external parties decreased by RM4,379,000 to RM10,767,000 for the current period compared to the preceding year corresponding period, principally due to lower income from software subscription services and hardware sales. However, a lower pre-tax loss of RM7,568,000 was reported in the current period as compared to a pre-tax loss of RM12,819,000 in the preceding year corresponding period, mainly due to write back of allowance for impairment on trade receivables and favourable unrealised foreign exchange differences.

Investment in start-ups segment – Profit before tax of RM54,605,000 was reported for the current period as compared to a pre-tax loss of RM5,775,000 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).

B1. Review of Results (Cont'd.)

Consolidated Statement of Comprehensive Income

Group's total other comprehensive income for the current period ended 30 September 2022 amounted to RM14,561,000 as compared to a total other comprehensive income of RM63,225,000 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 September 2022 was RM1,088,071,000, a decrease from RM1,127,315,000 as of 30 September 2021 mainly due to cash used for dividend payments 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 September 2022 was RM616,002,000, 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 RM349,739,000 as at 30 September 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.

Consolidated Statement of Cash Flows

The Group's cash and cash equivalents as at 30 September 2022 was RM103,740,000.

The net cash generated from operating activities of RM11,315,000 arose mainly from the operations of the insurance segment. The net cash generated from investing activities of RM159,135,000 was from disposal of investments and an associated company. The net cash used in financing activities of RM123,910,000 was principally for repayment of borrowings and payment of dividends.

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

	Current Quarter 30 Sept 2022 RM'000	Immediate Preceding Quarter 30 June 2022 RM'000	Changes (Amount) RM'000	Changes (%)
Revenue	76,391	76,496	(105)	(0%)
Operating profit/(loss)	13,881	(22,160)	36,041	163%
Profit/(loss) before tax	13,813	(23,926)	37,739	158%
Profit/(loss) after tax	13,103	(22,651)	35,754	158%
Profit/(loss) attributable to equity holders of the Company	10,365	(20,440)	30,805	151%

Group revenue was RM76,391,000 compared to RM76,496,000 reported in the immediate preceding quarter. Profit before tax of RM13,813,000 was recorded compared to pre-tax loss of RM23,926,000 in the immediate preceding quarter.

Insurance segment – Revenue decreased by RM75,000 to RM73,744,000 for the current quarter compared to the immediate preceding quarter, primarily due to lower investment income. However, a profit before tax of RM10,672,000 was reported for the current quarter as compared to a pre-tax loss of RM1,110,000 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 increased by RM194,000 to RM2,448,000 for the current quarter mainly due to higher income from sales of hardware. A pre-tax profit of RM794,000 was reported for the current quarter as compared to a pre-tax loss of RM3,357,000 in the immediate preceding quarter, mainly due to write back of allowance for impairment on trade receivables and lower operating expenses.

Investment in start-ups segment – Profit before tax of RM3,075,000 was reported for the current quarter as compared to a pre-tax loss of RM17,725,000 in the immediate preceding quarter. The increase was principally due to the absence of allowance for impairment loss of an associated company in the current quarter.

B3. Current Year Prospects

De-tariffication in the insurance industry and the lingering effects of the COVID-19 pandemic continue to pose challenges to the environment in which the Group operates. The insurance subsidiary company and the IT Division continue to address these issues through incremental improvements to the quality of customer service, development of newer and more relevant products and investment in digitalisation. These measures, because they largely involve improvements to efficiency, can also reasonably be expected to offset to some extent the effects of these more recent challenges, namely, the Ukraine-Russia conflict and global inflation.

Notwithstanding the uncertainty that world events have 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 2023.

B4. Profit Forecast and Profit Guarantee

No forecast has been issued by the Group for the period ended 30 September 2022.

B5. Taxation

The taxation figures include the following:

	Quarter Ended		Year To Date	
	30 Sept 2022 RM'000	30 Sept 2021 RM'000	30 Sept 2022 RM'000	30 Sept 2021 RM'000
Income tax:				
Current year's provision				
- Malaysian tax	1,910	3,208	2,738	3,595
- Under/(over) provision in prior years	-	461	(207)	1,222
	<u>1,910</u>	<u>3,669</u>	<u>2,531</u>	<u>4,817</u>
Deferred tax:				
- Relating to timing differences	(1,200)	606	(1,365)	818
- Over provision in prior years	-	(414)	(10)	(412)
	<u>(1,200)</u>	<u>192</u>	<u>(1,375)</u>	<u>406</u>
	<u>710</u>	<u>3,861</u>	<u>1,156</u>	<u>5,223</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 September 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 September 2022		As at 30 September 2021	
	Secured/ Unsecured	Currency	Foreign Currency '000	RM equivalent RM'000	Foreign Currency '000	RM equivalent RM'000
Long term						
a. Lease liabilities	Secured	GBP	125	645	201	1,128
	Secured	Baht	5,474	667	8,649	1,063
	Secured	USD	10	46	-	-
	Secured	RM	-	4,727	-	5,554
				6,085		7,745
b. Term loan	Secured	USD	163	755	163	682
Total Long Term Borrowings				6,840		8,427
Short term						
a. Lease liabilities	Secured	GBP	76	393	89	501
	Secured	Baht	2,909	354	5,333	655
	Secured	USD	112	519	-	-
	Secured	RM	-	3,234	-	3,768
				4,500		4,924
b. Revolving credit facilities	Secured	RM	-	10	-	200
	Unsecured	RM	-	1,000	-	22,500
				1,010		22,700
c. Subordinated Notes ⁽¹⁾	Unsecured	RM	-	-	-	34,827
d. Warehousing facility ⁽²⁾	Secured	RM	-	-	-	34,820
Total Short Term Borrowings				5,510		97,271
Total				12,350		105,698

(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 as at 30 September 2021 is disclosed above. The Subordinated Notes have matured and have been 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 has been 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	6,695	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
(v) A fourth interim single tier dividend of 1.80 sen per share declared on 21 July 2022	4,836	25 August 2022
	26,270	
(vi) The Directors had on 21 October 2022 declared a fifth interim single tier dividend of 1.20 sen per share in respect of the current financial year, which was paid on 23 November 2022. This dividend has not been reflected in the financial statements for the current quarter ended 30 September 2022 but will be accounted for in equity as an appropriation of retained profits for the next quarter ending 31 December 2022.		

The total single tier dividend in respect of the current financial year was 9.80 sen per share (Previous corresponding period: single tier dividend of 6.00 sen per share).

B10. Earnings/(Loss) Per Share

		Quarter Ended		Year To Date	
		30 Sept 2022	30 Sept 2021	30 Sept 2022	30 Sept 2021
Net profit/(loss) for the period (A)	(RM'000)	10,365	(1,566)	54,482	881
Weighted average number of ordinary shares in issue (B)	('000)	268,665	267,721	268,136	267,721
Weighted average number of ordinary shares for diluted earnings/(loss) per share (C) ^(See note below)	('000)	271,804	* ⁽¹⁾	271,275	268,362
Earnings/(loss) per share:					
Basic (A ÷ B)	(sen)	3.86	(0.58)	20.32	0.33
Diluted (A ÷ C)	(sen)	<u>3.81</u>	<u>*⁽¹⁾</u>	<u>20.08</u>	<u>0.33</u>
Note:					
Weighted average number of ordinary shares in issue	('000)	<u>268,665</u>	<u>*⁽¹⁾</u>	<u>268,136</u>	<u>267,721</u>
Effects of dilution of ESOS	('000)	<u>3,139</u>	<u>*⁽¹⁾</u>	<u>3,139</u>	<u>641</u>
Weighted average number of ordinary shares for diluted earnings/(loss) per share (C)	('000)	<u>271,804</u>	<u>*⁽¹⁾</u>	<u>271,275</u>	<u>268,362</u>

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

B11. Profit For The Period

	Quarter Ended		Year To Date	
	30 Sept 2022 RM'000	30 Sept 2021 RM'000	30 Sept 2022 RM'000	30 Sept 2021 RM'000
Profit for the period is arrived at after charging/(crediting):				
Interest expense	211	1,639	4,646	6,488
Depreciation of:				
- property, plant and equipment	515	502	1,950	1,953
- right-of-use assets	1,061	1,269	4,567	4,969
Amortisation of intangible assets	29	132	430	545
(Write back of allowance for)/ allowance for impairment:				
- property, plant and equipment	(1,574)	-	(1,574)	-
- investment in an associated company	-	-	2,405	-
- amount due from an associated company	217	-	16,133	-
- insurance receivables	(1,073)	197	33	(210)
- trade receivables	(1,873)	259	(1,873)	259
- corporate debt securities	(52)	19	(52)	19
Inventories written off	27	425	27	425
Property, plant and equipment written off	11	5	11	5
(Gain)/loss on fair value of investments held at fair value through profit or loss (net)	(353)	1,377	6,932	(4,409)
Loss/(gain) on disposal of:				
- property, plant and equipment	5	1	6	28
- intangible assets	(15)	-	60	-
- investments (net)	31	(3,534)	(56)	(3,192)
- an associated company	(33)	-	(71,633)	-
Loss on fair value of investment property	10	5	10	5
Unrealised foreign exchange (gain)/loss (net)	(2,855)	2,896	(8,560)	(3,212)
Realised foreign exchange (gain)/loss (net)	(4,445)	2	(4,360)	(120)
Interest income	(328)	(85)	(903)	(324)

There were no (i) gain or loss on derivatives and (ii) exceptional items for the current quarter and period ended 30 September 2022.

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

30 November 2022