

**A. Notes To The Condensed Consolidated Interim Financial Statements  
For The Nine Months Ended 30 June 2023**

**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 2022.

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 2022 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 2022.

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)

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 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
Amendments to MFRS 112	Income Taxes – International Tax Reform – Pillar Two Model Rules

Effective for financial periods beginning on or after 1 January 2024

Amendments to MFRS 16	Leases – Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Presentation of Financial Statements – Non-current Liabilities with Covenants
Amendments to MFRS 107	Statement of Cash Flows
Amendments to MFRS 7	Financial Instruments: Disclosures

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)

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

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 is on track to implement MFRS 17 on the required effective date. The Group has completed the documentation of business and technical requirements in technical papers and implementation of MFRS 17 actuarial system is in place to generate the actuarial data.

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 2023, 499,000 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 the exercise prices from RM0.73 to RM0.95 per share. Details of the issued and paid up capital of the Company as at 30 June 2023 are as follows:

	<u>No. of shares</u>	<u>RM'000</u>
As at 1 October 2022	287,988,333	148,293
Ordinary shares issued pursuant to the ESOS	<u>499,000</u>	<u>477</u> <sup>(1)</sup>
As at 30 June 2023	<u><u>288,487,333</u></u>	<u><u>148,770</u></u>

<sup>(1)</sup> Includes capitalisation of share option reserves of RM42,696

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

(ii) Share buy-back

On 8 March 2023, the shareholders approved the renewal of the Company's plan to purchase its own ordinary shares. There was no purchase or resale of treasury shares during the period under review.

Of the total 288,487,333 issued and fully paid ordinary shares as at 30 June 2023, 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 269,183,840 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 period ended 30 June 2023 except for the acquisition of a subsidiary company - Acumentive Limited as disclosed in Note A16(ii).

**A10. Segment Information**

	Insurance	Information Technology	Investment Holding	Investment in Start-ups	Property development	Others	Consolidation adjustments	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Year to date ended</b>								
<b><u>30 June 2023</u></b>								
<b>REVENUE</b>								
External sales	203,387	8,640	512	-	-	33	-	212,572
Inter-segment sales	183	17,728	31,006	-	-	152	(49,069)	-
Total segment Revenue	<u>203,570</u>	<u>26,368</u>	<u>31,518</u>	<u>-</u>	<u>-</u>	<u>185</u>	<u>(49,069)</u>	<u>212,572</u>
<b>RESULTS</b>								
Segment (loss)/profit	(8,456)	(869)	38,722	(5,458)	(3,029)	68	(29,847)	(8,869)
Share of losses of associated companies	-	-	-	(1,233)	-	-	-	(1,233)
Segment (loss)/profit before tax	(8,456)	(869)	38,722	(6,691)	(3,029)	68	(29,847)	(10,102)
after accounting for :								
Interest income	-	284	-	598	-	-	(90)	792
Finance cost	(221)	(3,565)	(489)	(3,726)	452	-	6,873	(676)
Depreciation	(2,656)	(2,035)	(381)	(395)	(582)	-	1,150	(4,899)
Amortisation	(250)	(341)	(6)	(2)	-	-	55	(544)
Unrealised foreign exchange gains/(losses)	-	2,731	21,024	136	1	(3)	(10,584)	13,305
Gain/(loss) on fair value of investments held at fair value through profit or loss	<u>5,904</u>	<u>-</u>	<u>160</u>	<u>(143)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,921</u>

A10. Segment Information (Cont'd.)

	Insurance	Information Technology	Investment Holding	Investment in Start-ups	Property development	Others	Consolidation adjustments	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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	225,995	24,026	15,389	-	-	287	(30,713)	234,984
<b>RESULTS</b>								
Segment profit/(loss)	(3,646)	(1,988)	(19,220)	41,639	(1,251)	237	29,543	45,314
Share of losses of associated companies	-	-	-	(2,361)	-	-	-	(2,361)
Segment profit/(loss) before tax	(3,646)	(1,988)	(19,220)	39,278	(1,251)	237	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)

A11. Changes in Contingent Assets and Contingent Liabilities

The Group does not have any contingent assets since financial year ended 30 September 2022.

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

	As at 30 June 2023 RM'000	As at 30 June 2022 RM'000
(i) Performance guarantees - secured	<u>275</u>	<u>410</u>
(ii) On-going litigation		

On 10 August 2016, the Malaysia Competition Commission (MyCC) launched an investigation into Persatuan Insurans Am Malaysia (PIAM) and its 22 members, which includes the insurance subsidiary company (Pacific & Orient Insurance Co. Berhad), for allegedly violating the Competition Act 2010 by making an agreement with the Federation of Automobile Workshop Owners' Association of Malaysia (FAWOAM) regarding trade discount rates for certain vehicle parts and labour hour rates for workshops.

After considering written and oral representations from various parties, MyCC issued a final decision against PIAM and its members on 14 September 2020 and imposed financial penalties of RM173,655,300 on all 22 insurance companies, including the insurance subsidiary company, with a 25% reduction due to the COVID-19 pandemic.

The insurance subsidiary's share of the financial penalty was RM1,581,339, net of 25% discount granted arising from the Covid-19 pandemic.

PIAM and its 22 members appealed against the decision, and on 2 September 2022, the Competition Appeal Tribunal (CAT) unanimously overturned MyCC's decision and financial penalties.

However, MyCC filed an application for judicial review proceedings in the High Court, with a hearing scheduled on 8 May 2023.

On 8 May 2023 the High Court adjourned the matter to enable PIAM and the insurers to file their affidavits in reply by 22 May 2023 and MyCC to file its affidavit in reply by 6 June 2023. The High Court also directed both parties to file their further affidavits, if needed, and also to file written submissions by 10 August 2023 and replies to the written submissions, if any, by 1 September 2023. At this juncture, there is no further pertinent development.

As of the date of this report, the Group has not made any provisions regarding this ongoing litigation.



A12. Capital Commitments

The amount for capital commitments not provided for as at 30 June 2023 are as follows:

	As at 30 June 2023 RM'000	As at 30 June 2022 RM'000
<u>Contracted but not provided for:</u>		
Land held for development	289,100	-
Intangible assets	<u>502</u>	<u>-</u>
	<u><u>289,602</u></u>	<u><u>-</u></u>

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 2023 RM'000	30 June 2022 RM'000
(a) Substantial shareholders of the Insurance subsidiary company - Expenditure:		
Product and pricing services	<u>189</u>	<u>189</u>
(b) Associated companies - Advances:		
Advances to associated companies by a foreign subsidiary company	<u>2,018</u>	<u>6,257</u>

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

As at 30 June 2023, 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 June 2023 and 30 June 2022 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 2022	Granted	Forfeited	Exercised	30 June 2023	30 June 2023	
13 Sept 2019	16 June 2024	RM0.89	17,242,000	-	-	(415,000)	16,827,000	14,557,000	
28 Sept 2020	16 June 2024	RM0.73	3,934,000	-	-	(50,000)	3,884,000	2,957,500	
30 Sept 2021	16 June 2024	RM0.84	75,000	-	-	(28,000)	47,000	21,000	
30 Sept 2022	16 June 2024	RM0.95	1,616,000	-	-	(6,000)	1,610,000	841,000	
			22,867,000	-	-	(499,000)	22,368,000	18,376,500	
Weighted average share price (RM)			RM0.87	-	-	RM0.87	RM0.87	RM0.87	
			<----- 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	
			23,069,000	-	-	(754,000)	22,315,000	15,558,000	
Weighted average share price (RM)			RM0.86	-	-	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 June 2023 RM'000	30 June 2022 RM'000
Share options reserve at 1 October 2022/2021	1,865	1,737
Option charge recognised from share options granted	83	114
Option exercised during the period	<u>(43)</u>	<u>(65)</u>
Share options reserve at 30 June 2023/2022	<u><u>1,905</u></u>	<u><u>1,786</u></u>

A16. Significant Events

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

The Group has disposed an aggregate of 37,451,000 ordinary shares of Ancom Nylex Berhad ("Ancom Shares") for a total gross consideration of RM33,639,000 on Bursa Malaysia Securities Berhad via open market and direct business transactions from 17 November 2022 to 22 June 2023. 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 loss in respect of the disposed shares, that arose during the current quarter and which was recognised in the statement of other comprehensive income up to the date of disposal, amounted to RM1,939,000 for the Group.

Arising from the disposal, the accumulated gain recognised in FVOCI reserve of the Group of RM26,676,000 in relation to this tranche of shares disposed has been transferred to retained profits during the period ended 30 June 2023.

A16. Significant Events (Cont'd.)

(ii) Acquisition of a subsidiary company

On 27 December 2022, the Company's wholly owned subsidiary company, Pacific & Orient Properties Limited ("POPL"), entered into a share purchase agreement for the acquisition of an additional 68.48% equity interest in Acumentive Limited ("ACM") for a purchase consideration of GBP1,253,000 (equivalent to approximately RM6,667,000) to be satisfied entirely via cash ("the Acquisition").

Prior to the Acquisition, ACM was a 31.52% owned associated company of POPL. Following the Acquisition, POPL's equity interest in ACM increased from 31.52% to 100.00%. ACM has consequently ceased to be an associated company of the Group and is regarded as a subsidiary company of the Group.

The financial effects of the Acquisition are disclosed as below:

(a) <u>Identified assets acquired and liabilities assumed</u>	RM'000
Property, plant and equipment	79
Intangible assets	1,605
Cash and bank balances	732
Total assets	<u>2,416</u>
Deferred tax liabilities	(16)
Trade and other payables	(5,630)
Borrowings	(195)
Total liabilities	<u>(5,841)</u>
Total identifiable net liabilities acquired	<u><u>(3,425)</u></u>
(b) <u>Net cash outflow arising from the Acquisition</u>	RM'000
Purchase consideration settled in cash and cash equivalents	6,667
Less: Cash and bank balances acquired	(732)
	<u><u>5,935</u></u>

A16. Significant Events (Cont'd.)

(ii) Acquisition of a subsidiary company (Cont'd.)

(c) Loss on remeasurement of previously held interests

RM'000

Carrying amount of 31.52% previously held interests  
as at 27 December 2022  
Less: Fair value of 31.52% previously held interests  
Loss on remeasurement of previously held interests

4,465

(3,069)

1,396

(d) Goodwill on consolidation

RM'000

Consideration transferred  
Fair value of previously held interest  
  
Add: Fair value of identifiable net liabilities  
Goodwill on consolidation

6,667

3,069

9,736

3,425

13,161

**B. Additional Notes Pursuant To The Main Market Listing Requirements of Bursa Malaysia For The Nine Months Ended 30 June 2023**

**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 2023 RM'000	Preceding Year Corresponding Quarter Ended 30 June 2022 RM'000			Current Year To- date Ended 30 June 2023 RM'000	Preceding Year Corresponding Period Ended 30 June 2022 RM'000		
Revenue	66,493	76,496	(10,003)	(13%)	212,572	234,984	(22,412)	(10%)
Operating profit/(loss)	7,676	(22,160)	29,836	(135%)	(8,192)	49,911	(58,103)	(116%)
Profit/(loss) before tax	6,818	(23,926)	30,744	(128%)	(10,102)	42,953	(53,055)	(124%)
Profit/(loss) after tax	6,508	(22,651)	29,159	(129%)	(10,001)	42,507	(52,508)	(124%)
Profit/(loss) attributable to equity holders of the Company	8,282	(20,440)	28,722	141%	(6,187)	44,117	(50,304)	(114%)

**Financial Review for Current Quarter compared with Preceding Year Corresponding Quarter**

Group revenue was RM66,493,000 compared to RM76,496,000 in the preceding year corresponding quarter. Profit before tax of RM6,818,000 was reported compared to pre-tax loss of RM23,926,000 in the preceding year corresponding quarter. The pre-tax profit of RM6,818,000 was derived after taking into account the unrealised gain on foreign exchange of RM15,230,000 arising mainly from loans for investments in foreign start-ups and property development purposes within the Group.

Insurance segment – Revenue decreased by RM10,171,000 to RM63,648,000 for the current quarter compared to the preceding year corresponding quarter. The decrease was primarily due to lower gross earned premium. However, a profit before tax of RM881,000 was reported for the current period as compared to a pre-tax loss of RM1,110,000 in the preceding year corresponding quarter. This was mainly due to the reduction in interest expense arising from the maturity of the insurance subsidiary's subordinated notes in June 2022.

Information technology (IT) segment – Revenue increased by RM505,000 to RM2,759,000 for the current quarter compared to the preceding year corresponding quarter, principally due to higher income from hardware sales. A lower loss before tax of RM1,125,000 was reported for the current quarter as compared to a pre-tax loss of RM3,357,000 in the preceding year corresponding quarter, mainly due to lower staff expenditure during the current quarter.

Investment in start-ups segment – Loss before tax of RM937,000 was reported for the current quarter as compared to a pre-tax loss of RM17,725,000 in the preceding year corresponding quarter. The decrease was principally due to the absence of allowance for impairment loss on an associated company during the current quarter.

B1. Review of Results (Cont'd.)

Financial Review for Current Quarter compared with Preceding Year Corresponding Quarter (Cont'd.)

Property development segment – A loss before tax of RM1,140,000 was reported for the current quarter, as compared to a pre-tax loss of RM274,000 in the corresponding quarter of the preceding year. The increase was primarily due to higher advertising and operating expenditures incurred for the property development project in the United States, which commenced in October 2022.

Current Period compared with Preceding Year Corresponding Period

Group revenue was RM212,572,000 compared to RM234,984,000 in the preceding year corresponding period. A loss before tax of RM10,102,000 was reported, compared to pre-tax profit of RM42,953,000 in the corresponding period of the preceding year. The pre-tax loss of RM10,102,000 was mainly due to a decrease in gross earned premium at the insurance subsidiary company. However, this pre-tax loss was partially offset by an unrealised gain on foreign exchange of RM13,305,000. This gain primarily arose from loans for investments in foreign start-ups and property development purposes within the Group during the current period.

Insurance segment – Revenue decreased by RM22,407,000 to RM203,387,000 for the current period compared to the preceding year corresponding period. The decrease was primarily due to lower gross earned premium. Consequently, a lower profit before tax of RM4,415,000 was reported for the current period as compared to a pre-tax profit of RM11,075,000 in the preceding year corresponding period.

Information technology (IT) segment – Revenue from external parties increased by RM321,000 to RM8,640,000 for the current period compared to the preceding year corresponding period, principally due to higher income from hardware sales. A lower pre-tax loss of RM6,276,000 was reported in the current period as compared to a pre-tax loss of RM8,362,000 in the preceding year corresponding period. The decrease was principally due to lower staff expenditure during the current period.

Investment in start-ups segment – Loss before tax of RM4,370,000 was reported for the current period as compared to a pre-tax profit of RM51,530,000 in the preceding year corresponding period. This was principally due to the absence of gain on disposal of an associated company in the current period. In the preceding year corresponding period, the Group recorded a gain on disposal of an associated company of RM71,600,000.

B1. Review of Results (Cont'd.)

Current Period compared with Preceding Year Corresponding Period (Cont'd.)

Property development segment – During the current period, a pre-tax loss of RM3,233,000 was reported, compared to a pre-tax loss of RM1,251,000 in preceding year corresponding period. The increase was mainly due to advertising and operating expenditures incurred for the property development project in the United States, which commenced in October 2022.

Consolidated Statement of Comprehensive Income

The Group's total other comprehensive loss for the current period ended 30 June 2023 amounted to RM4,829,000 as compared to a total other comprehensive income of RM13,548,000 in the preceding year corresponding period. The decrease was mainly due to fair value loss on quoted shares designated as FVOCI during the current period.

Consolidated Statement of Financial Position

The Group's total assets as at 30 June 2023 was RM1,052,679,000, a decrease from RM1,088,071,000 as of 30 September 2022. The decrease was mainly due to reduction in cash and bank balances and deposits and placements with financial institutions arising from settlement of insurance contract liabilities.

The Group's total liabilities as at 30 June 2023 was RM607,831,000, a decrease from RM616,002,000 as of 30 September 2022. The decrease was principally due to settlement of insurance contract liabilities.

The Group's equity attributable to equity holders of the Company was RM324,562,000 as at 30 June 2023 compared to RM349,739,000 as of 30 September 2022. The decrease was mainly due to lower FVOCI reserve arising from fair value losses on quoted shares designated as FVOCI.



B1. Review of Results (Cont'd.)

Consolidated Statement of Cash Flows

The Group's cash and cash equivalents as at 30 June 2023 was RM41,390,000.

The net cash used in operating activities of RM93,290,000 arose mainly from the additional direct expenditure of land held for development. The net cash generated from investing activities of RM26,845,000 was mainly from disposal of investments. The net cash generated in financing activities of RM424,000 was principally due to the increase in bank borrowings.

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

	Current Quarter 30 June 2023 RM'000	Immediate Preceding Quarter 31 March 2023 RM'000	Changes (Amount) RM'000	Changes (%)
Revenue	66,493	73,872	(7,379)	(10%)
Operating profit/(loss)	7,676	(4,119)	11,795	(286%)
Profit/(loss) before tax	6,818	(4,524)	11,342	(251%)
Profit/(loss) after tax	6,508	(3,645)	10,153	(279%)
Profit/(loss) attributable to equity holders of the Company	8,282	(1,690)	9,972	(590%)

Group revenue was RM66,493,000 compared to RM73,872,000 reported in the immediate preceding quarter. Profit before tax of RM6,818,000 was recorded compared to pre-tax loss of RM4,524,000 in the immediate preceding quarter. The pre-tax profit of RM6,818,000 was derived after taking into account the unrealised gain on foreign exchange of RM15,230,000 arising mainly from loans for investments in foreign start-ups and property development purposes within the Group.

Insurance segment – Revenue decreased by RM6,142,000 to RM63,648,000 for the current quarter compared to the immediate preceding quarter, primarily due to lower gross earned premium. A profit before tax of RM881,000 was reported for the current quarter as compared to a pre-tax loss of RM1,106,000 in the immediate preceding quarter. This was mainly due to higher underwriting results arising from lower net claims incurred.

IT segment – Revenue decreased by RM1,119,000 to RM2,759,000 for the current quarter mainly due to lower income from software customisation services. In correspondence to the decreased revenue, a loss before tax of RM1,125,000 was reported for the current quarter as compared to a pre-tax loss of RM348,000 in the immediate preceding quarter.

**B2. Current Quarter compared with Immediate Preceding Quarter's Results (Cont'd.)**

Investment in start-ups segment – Loss before tax of RM937,000 was reported for the current quarter as compared to a pre-tax loss of RM1,239,000 in the immediate preceding quarter. The decrease was principally due to lower allowance for impairment loss of associated companies during the current period.

Property development segment – Loss before tax of RM1,140,000 was reported for the current quarter as compared to a pre-tax loss of RM1,616,000 in the immediate preceding quarter. The decrease was principally due to lower advertising and operating expenses incurred in the current quarter.

**B3. Current Year Prospects**

The liberalisation of the local insurance industry introduces increased competition, requiring the Group to focus on new products as well as leveraging on technology to promote new sales channels, streamline operations and enhance customer services to remain competitive in the changing landscape.

The IT division similarly encountered strong competition. Efforts continue to be directed towards enhancing quality customer services.

Furthermore, the uncertainties in the foreign exchange market introduce complexities. Exchange rate fluctuation resulting from the conversion of foreign currency denominated transactions may impact the Group's financial results either positively or negatively, depending on the prevailing exchange rate conditions.

Despite the uncertainties stemming from local and global events impacting the Malaysian economy including uncertainties in the foreign exchange market, and barring any unforeseen developments, the Board is cautiously optimistic about addressing the challenges and performance throughout the remaining period of 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 June 2023.

**B5. Taxation**

The taxation figures include the following:

	Quarter Ended		Year To Date	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
Income tax:				
Current year's provision				
- Malaysian tax	8	(24)	24	828
- Under/(over) provision in prior years	1,228	(207)	1,228	(207)
	<u>1,236</u>	<u>(231)</u>	<u>1,252</u>	<u>621</u>
Deferred tax:				
- Relating to timing differences	(940)	(1,034)	(1,367)	(165)
- Over provision in prior years	14	(10)	14	(10)
	<u>(926)</u>	<u>(1,044)</u>	<u>(1,353)</u>	<u>(175)</u>
	<u>310</u>	<u>(1,275)</u>	<u>(101)</u>	<u>446</u>

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

**B6. Status of Corporate Proposal**

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

**B7. Material Litigation**

As at 30 June 2023 there was no material litigation against the Group other than those arising in the normal course of the insurance subsidiary's business and as disclosed in Note A11(ii).

**B8. Group Borrowings**

	Secured/ Unsecured	Currency	As at 30 June 2023		As at 30 September 2022	
			Foreign Currency '000	RM equivalent RM'000	Foreign Currency '000	RM equivalent RM'000
<b>Long term</b>						
a. Lease liabilities	Secured	GBP	73	432	125	645
	Secured	Baht	7,832	1,025	5,474	667
	Secured	USD	7	34	10	46
	Secured	RM	-	4,472	-	4,727
				5,963		6,085
b. Term loan	Secured	USD	163	764	163	755
c. Bounce back loan <sup>(1)</sup>	Unsecured	GBP	22	128	-	-
<b>Total Long Term Borrowings</b>				6,855		6,840
<b>Short term</b>						
a. Lease liabilities	Secured	GBP	75	446	76	393
	Secured	Baht	3,328	436	2,909	354
	Secured	USD	217	1,012	112	519
	Secured	RM	-	3,470	-	3,234
				5,364		4,500
b. Revolving credit facilities	Secured	RM	-	10	-	10
	Unsecured	RM	-	18,500	-	1,000
				18,510		1,010
c. Bounce back loan <sup>(1)</sup>	Unsecured	GBP	10	59	-	-
<b>Total Short Term Borrowings</b>				23,933		5,510
<b>Total</b>				30,788		12,350

(1) The bounce back loan (“BBL”) was assumed by the Group through acquisition of a subsidiary as disclosed in Note A16(ii). The BBL scheme is 100% guaranteed by the UK government as a means to support businesses during the COVID-19 pandemic and has a fixed interest rate of 2.5%. The BBL of the Group is repayable over 72 months until 17 August 2026.

B9. Dividends

	RM'000	Date of payment
In respect of financial year ended 30 September 2022:		
(i) A fifth interim single tier dividend of 1.20 sen per share declared on 21 October 2022	3,224	23 November 2022
In respect of financial year ending 30 September 2023:		
(ii) A first interim single tier dividend of 1.20 sen per share declared on 20 December 2022	3,226	20 January 2023
(iii) A second interim single tier dividend of 1.20 sen per share declared on 28 February 2023	3,228	28 March 2023
(iv) A third interim single tier dividend of 1.20 sen per share declared on 26 April 2023	3,230	25 May 2023
	<u>12,908</u>	

Other than as stated above, no further dividends were announced or declared.

The total single tier dividend in respect of the current period was 3.60 sen per share (Previous corresponding period: single tier dividend of 8.60 sen per share).

B10. Earnings/(loss) Per Share

		Quarter Ended		Year To Date	
		30 June 2023	30 June 2022	30 June 2023	30 June 2022
Net profit/(loss) for the period (A)	(RM'000)	8,282	(20,440)	(6,187)	44,117
Weighted average number of ordinary shares in issue (B)	('000)	269,137	268,296	268,924	267,960
Weighted average number of ordinary shares for diluted earnings/(loss) per share (C) <sup>(See note below)</sup>	('000)	272,585	* <sup>(1)</sup>	* <sup>(1)</sup>	270,454
Earnings/(loss) per share:					
Basic (A ÷ B)	(sen)	3.08	(7.62)	(2.30)	16.46
Diluted (A ÷ C)	(sen)	<u>3.04</u>	<u>*<sup>(1)</sup></u>	<u>*<sup>(1)</sup></u>	<u>16.31</u>
Note:					
Weighted average number of ordinary shares in issue	('000)	269,137	268,296	268,924	267,960
Effects of dilution of ESOS	('000)	3,448	* <sup>(1)</sup>	* <sup>(1)</sup>	2,494
Weighted average number of ordinary shares for diluted earnings/(loss) per share (C)	('000)	<u>272,585</u>	<u>*<sup>(1)</sup></u>	<u>*<sup>(1)</sup></u>	<u>270,454</u>

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

**B11. Profit/(loss) For The Period**

	Quarter Ended		Year To Date	
	30 June	30 June	30 June	30 June
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) for the period is arrived at after charging/(crediting):				
Interest expense	210	1,321	532	4,435
Depreciation of:				
- property, plant and equipment	480	483	1,481	1,435
- right-of-use assets	1,199	1,114	3,418	3,506
Amortisation of intangible assets	120	138	544	401
Allowance for impairment/ (write back of allowance for):				
- investment in an associated company	-	2,405	-	2,405
- amount due from an associated company	120	15,916	(242)	15,916
- insurance receivables	367	(263)	297	1,106
- trade receivables	(36)	-	(833)	-
Property, plant and equipment written off	6	6	21	6
Loss/(gain) on fair value of investments held at fair value through profit or loss (net)	418	6,772	(5,921)	7,285
Loss on remeasurement of previously held interests	-	-	1,396	-
Loss/(gain) on disposal of:				
- property, plant and equipment	95	(51)	68	1
- intangible assets	-	47	-	75
- investments (net)	(339)	142	(206)	(87)
- an associated company	-	-	-	(71,600)
Unrealised foreign exchange gain (net)	(15,230)	(5,770)	(13,305)	(5,705)
Realised foreign exchange loss (net)	665	-	1,001	85
Interest income	(256)	(260)	(791)	(575)

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 2023.

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

29 August 2023