

PACIFIC & ORIENT INSURANCE CO. BERHAD

Registration No. 197201000959 (12557-W)

(Incorporated in Malaysia)

Unaudited Condensed Interim Financial Statements

For The Six Months Ended 31 March 2024

Registration No. 197201000959 (12557-W)

PACIFIC & ORIENT INSURANCE CO. BERHAD
(Incorporated in Malaysia)

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PACIFIC & ORIENT INSURANCE CO. BERHAD
(Incorporated in Malaysia)

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

		As at 31 Mar 2024	As at 30 Sep 2023	As at 1 Oct 2022
	Note	RM'000	RM'000	RM'000
			Restated	Restated
ASSETS				
Property, plant and equipment	3	17,576	18,218	18,186
Investment properties	4	640	640	640
Intangible assets		2,370	2,512	855
Right-of-use assets	5	5,661	6,603	4,385
Tax recoverable		2,664	1,872	-
Investments	6	459,057	462,746	491,798
Reinsurance contract assets	7	239,424	204,870	208,538
Other receivables	8	45,868	50,209	47,049
Cash and cash equivalents	9	49,998	20,897	27,904
TOTAL ASSETS		823,258	768,567	799,355
EQUITY AND LIABILITIES				
Insurance contract liabilities	10	560,191	507,329	534,930
Deferred tax liabilities		8,459	8,215	8,792
Lease liabilities	5	4,863	5,907	3,676
Tax payables		-	-	678
Other payables		9,096	7,119	6,826
TOTAL LIABILITIES		582,609	528,570	554,902
Share capital		100,000	100,000	100,000
Revaluation reserve		15,459	15,459	14,332
Share options reserve		924	918	910
Fair value through other comprehensive income ("FVOCI") reserve		2,250	2,018	3,709
Retained profits		122,016	121,602	125,502
TOTAL EQUITY		240,649	239,997	244,453
TOTAL EQUITY AND LIABILITIES		823,258	768,567	799,355

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 30 September 2023 and the accompanying explanatory notes on pages 7 to 45 attached to the unaudited condensed financial statements.

The unaudited financial statements were approved for issue by the Board of Directors on 23 May 2024.

PACIFIC & ORIENT INSURANCE CO. BERHAD
(Incorporated in Malaysia)

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 MARCH 2024

	←----- Non-Distributable ----->				Distributable	Total
	Share capital	Revaluation reserve	Share options reserve	FVOCI reserve	Retained profits	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 October 2023, restated	100,000	15,459	918	2,018	121,602	239,997
Net profit for the period	-	-	-	-	525	525
Other comprehensive income for the period	-	-	-	130	-	130
Total comprehensive income for the period	-	-	-	130	525	655
Transfer of FVOCI reserve to retained profits upon disposal of financial assets at FVOCI	-	-	-	102	(102)	-
Share options vested under Employee Share Option Scheme (“ESOS”)	-	-	6	-	(9)	(3)
At 31 March 2024	<u>100,000</u>	<u>15,459</u>	<u>924</u>	<u>2,250</u>	<u>122,016</u>	<u>240,649</u>

CONDENSED STATEMENT OF CHANGES IN EQUITY (CONT'D.)
FOR THE SIX MONTHS ENDED 31 MARCH 2023

	←----- Non-Distributable -----→				Distributable	
	Share capital	Revaluation reserve	Share options reserve	FVOCI reserve	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 October 2022, as previously reported	100,000	14,332	910	3,709	112,317	231,268
Impact on initial application of MFRS 17 1 October 2022, restated	-	-	-	-	13,186	13,186
	100,000	14,332	910	3,709	125,503	244,454
Net profit for the period	-	-	-	-	506	506
Other comprehensive income for the period	-	-	-	1,683	-	1,683
Total comprehensive income for the period	-	-	-	1,683	506	2,189
Transfer of FVOCI reserve to retained profits upon disposal of financial assets at FVOCI	-	-	-	(2,081)	2,081	-
Share options vested under ESOS	-	-	20	-	-	20
At 31 March 2023, restated	100,000	14,332	930	3,311	128,090	246,663

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 30 September 2023 and the accompanying explanatory notes on pages 7 to 45 attached to the unaudited condensed financial statements.

The unaudited financial statements were approved for issue by the Board of Directors on 23 May 2024.

PACIFIC & ORIENT INSURANCE CO. BERHAD
(Incorporated in Malaysia)

CONDENSED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 31 MARCH 2024

		6 months ended 31 March <u>2024</u> RM'000	6 months ended 31 March <u>2023</u> RM'000 Restated
Insurance revenue		136,945	133,951
Insurance service expenses		(142,891)	(121,988)
Insurance service result before reinsurance contracts held		(5,946)	11,963
Allocation of reinsurance premiums	7	(54,398)	(43,633)
Amounts recoverable from reinsurers for incurred claims		55,280	28,396
Net income/(expense) from reinsurance contracts held		882	(15,237)
Insurance service result	11	<u>(5,064)</u>	<u>(3,274)</u>
Investment income	12	8,407	6,922
Realised gains/(losses), net		608	(135)
Fair value gains	13	3,764	6,343
Total investment income		<u>12,779</u>	<u>13,130</u>
Insurance finance expenses for insurance contracts issued		(5,106)	(8,026)
Reinsurance finance income for reinsurance contracts held		1,758	2,683
Net insurance financial result		<u>(3,348)</u>	<u>(5,343)</u>
Other operating income, net		514	29
Other operating expenses		(4,039)	(3,328)
Finance costs	14	(151)	(114)
Total other income and expenses		<u>(3,676)</u>	<u>(3,413)</u>
Profit before tax	15	691	1,100
Taxation		(166)	(594)
Net profit for the period		<u>525</u>	<u>506</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 30 September 2023 and the accompanying explanatory notes on pages 7 to 45 attached to the unaudited condensed financial statements.

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PACIFIC & ORIENT INSURANCE CO. BERHAD
(Incorporated in Malaysia)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 MARCH 2024

	6 months ended 31 March <u>2024</u> RM'000	6 months ended 31 March <u>2023</u> RM'000 Restated
Net profit for the period	525	506
Other comprehensive income:		
<u>Items that may be reclassified to income statement in subsequent periods:</u>		
Fair value changes in investments through other comprehensive income ("FVOCI")		
- Corporate debt securities		
• Gain on fair value changes	241	992
• Deferred tax	<u>(58)</u>	<u>(238)</u>
	<u>183</u>	<u>754</u>
<u>Items that will not be reclassified to income statement in subsequent periods:</u>		
Fair value changes in investments through other comprehensive income ("FVOCI")		
- Quoted securities		
• (Loss)/Gain on fair value changes	(70)	1,215
• Deferred tax	(21)	125
• Tax expense on disposal of FVOCI financial assets	<u>38</u>	<u>(411)</u>
	<u>(53)</u>	<u>929</u>
Other comprehensive income for the period, net of tax	130	1,683
Total comprehensive income for the period	<u>655</u>	<u>2,189</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 30 September 2023 and the accompanying explanatory notes on pages 7 to 45 attached to the unaudited condensed financial statements.

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PACIFIC & ORIENT INSURANCE CO. BERHAD
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CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 MARCH 2024

		6 months ended 31 March <u>2024</u> RM'000	6 months ended 31 March <u>2023</u> RM'000 Restated
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations		23,138	5,879
Net tax paid		(756)	(2,819)
Dividends received		2,488	1,272
Interest received		5,665	4,522
Profit received from Islamic fixed deposits	12	236	222
Net cash generated from operating activities		<u>30,771</u>	<u>9,076</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net proceeds on disposal of property, plant and equipment		-	94
Net proceeds on disposal of ROU assets		-	326
Purchase of property, plant and equipment	3	(32)	(14)
Acquisition of property, plant and equipment - ROU assets	5(a)(1)	(25)	-
Purchase of intangible assets		(70)	(622)
Net cash used in investing activities		<u>(127)</u>	<u>(216)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of lease liabilities	5(a)(2)	(1,543)	(1,342)
Net cash used in financing activities		<u>(1,543)</u>	<u>(1,342)</u>
Net increase in cash and cash equivalents		29,101	7,518
Cash and cash equivalents at beginning of period		<u>20,897</u>	<u>27,904</u>
Cash and cash equivalents at end of period	9	<u>49,998</u>	<u>35,422</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 30 September 2023 and the accompanying explanatory notes on pages 7 to 45 attached to the unaudited condensed financial statements.

The unaudited financial statements were approved for issue by the Board of Directors on 23 May 2024.

PACIFIC & ORIENT INSURANCE CO. BERHAD
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 MARCH 2024

1. CORPORATE INFORMATION

The Company is principally engaged in the underwriting of all classes of general insurance business.

There have been no significant changes in the nature of this principal activity during the financial period.

The Company is a public company, incorporated and domiciled in Malaysia. The registered office of the Company is located at 11th Floor, Wisma Bumi Raya, No. 10, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia.

The holding and ultimate holding company is Pacific & Orient Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

2. BASIS OF PREPARATION

- (i) The unaudited condensed interim financial statements for the six months ended 31 March 2024 have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS 134”): Interim Financial Reporting. The unaudited condensed interim financial statements also comply with the International Accounting Standard 34 (“IAS 34”): Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”).

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 30 September 2023.

2. BASIS OF PREPARATION (CONT'D.)

(ii) Significant Accounting Policies

- (a) The significant accounting policies adopted by the Company in these condensed interim financial statements are consistent with those adopted in the audited financial statements for the year ended 30 September 2023 except for the adoption of the following Amendments to MFRSs and Interpretations issued by the Malaysian Accounting Standards Board (“MASB”) which are mandatory for annual periods beginning on or after 1 January 2023.

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 19 - 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 - Deffered related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	Income Taxes – International Tax Reform – Pillar Two Model Rules

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

- MFRS 17: Insurance Contracts and Amendments to MFRS 17

The Company adopted MFRS 17 Insurance Contracts and its amendments, effective from 1 October 2023, replacing MFRS 4 Insurance Contracts. This standard has brought significant changes to the accounting for insurance and reinsurance contracts. As a result, the Company has restated certain comparative amounts and presented a third statement of financial position as at 1 October 2022.

2. BASIS OF PREPARATION (CONT'D.)

(ii) Significant Accounting Policies (Cont'd.)

(a) Effective for financial periods beginning on or after 1 January 2023 (Cont'd.)

The adoption of the above MFRS and Amendments to MFRSs is not expected to result in significant financial impact to the Company, except as disclosed below: (Cont'd.)

- MFRS 17: Insurance Contracts and Amendments to MFRS 17 (Cont'd.)

The nature of effects of the key changes in the Company's accounting policies resulting from its adoption of MFRS 17 are summarised below:

Level of aggregation

Under MFRS 17, insurance contracts that are subject to similar risks and that are managed together are classified into portfolios of insurance contracts. Each portfolio of insurance contracts is then divided into a minimum of three groups:

- A group of contracts that are onerous at initial recognition;
- A group of contracts that at initial recognition have no significant possibility of becoming onerous; and
- A group of the remaining contracts in the portfolio.

The Company recognises profits from the group of insurance contracts that, at initial recognition, have no significant possibility of becoming onerous, and from the group of remaining contracts in the portfolio over each period the Company provides insurance coverage, as the Company is released from risk.

If a group of contracts is expected to be onerous (i.e., loss-making) at initial recognition, the Company recognises the loss immediately in the income statement.

In the statement of financial position, a loss component is established by the Company for the liability for the remaining coverage for such an onerous group, depicting the losses recognised. A loss recovery component is recognised if appropriate reinsurance coverage is in place.

Contract boundary

The Company includes in the measurement of a group of insurance contracts all future cash flows within the boundary of each contract in the Company. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay premiums, or in which the Company has a substantive obligation to provide the policyholder with insurance contract services.

2. BASIS OF PREPARATION (CONT'D.)

(ii) Significant Accounting Policies (Cont'd.)

(a) Effective for financial periods beginning on or after 1 January 2023 (Cont'd.)

The adoption of the above MFRS and Amendments to MFRSs is not expected to result in significant financial impact to the Company, except as disclosed below: (Cont'd.)

- MFRS 17: Insurance Contracts and Amendments to MFRS 17 (Cont'd.)

The nature of effects of the key changes in the Company's accounting policies resulting from its adoption of MFRS 17 are summarised below: (Cont'd.)

Changes to recognition, classification and measurement

MFRS 17 introduces two new measurement models for calculating insurance and reinsurance contract liabilities, reflecting different extents of the overall Company's performance.

(1) The General Measurement Model ("GMM")

The General Measurement Model ("GMM") is the default approach under MFRS 17, often referred to as the building block approach. It comprises two main components:

- (i) Fulfilment Cash Flow: This represents the risk-adjusted present value of expected cash flows between the entity and policyholders. It incorporates estimates of expected cash flows, applies discounting, and includes a risk adjustment for non-financial risk.
- (ii) Contractual Service Margin ("CSM"): This represents the unearned profit from the in-force contracts that the entity will recognise over the coverage period.

(2) The Premium Allocation Approach ("PAA")

The Premium Allocation Approach ("PAA") is a simplified approach for measuring the liability of remaining coverage ("LRC") that an entity may choose to use when the PAA provides a measurement that does not materially differ from that under the GMM, or if the coverage period of each contract in the group of insurance contracts is one year or less.

The Company determined that its insurance contracts issued and reinsurance contracts held are eligible to be measured using the PAA, as the simplified approach produces a measurement of the liability for remaining coverage for the Company that would not differ materially from the liability that was generated under the GMM.

2. BASIS OF PREPARATION (CONT'D.)

(ii) Significant Accounting Policies (Cont'd.)

(a) Effective for financial periods beginning on or after 1 January 2023 (Cont'd.)

The adoption of the above MFRS and Amendments to MFRSs is not expected to result in significant financial impact to the Company, except as disclosed below: (Cont'd.)

- MFRS 17: Insurance Contracts and Amendments to MFRS 17 (Cont'd.)

The nature of effects of the key changes in the Company's accounting policies resulting from its adoption of MFRS 17 are summarised below: (Cont'd.)

Changes to recognition, classification and measurement (Cont'd.)

The measurement principles of the PAA differ from the 'earned premium approach' used by the Company under MFRS 4 in the following key areas:

- The LRC reflects premiums received less deferred insurance acquisition cash flows and less amounts recognised in revenue for insurance services provided.
- Measurement of the LRC includes an adjustment for the time value of money and the effect of financial risk where the premium due date and the related period of services are more than 12 months apart.
- Measurement of the LRC involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component (previously these may have formed part of the unexpired risk reserve provision).
- Measurement of the Liability for Incurred Claims ("LIC") (previously claims outstanding and incurred-but-not-reported ("IBNR") claims) is determined on a discounted probability-weighted expected value basis and includes an explicit risk adjustment for non-financial risk. The liability includes the Company's obligation to pay other incurred insurance expenses.
- Measurement of the assets for remaining coverage (reflecting reinsurance premiums paid for reinsurance held) is adjusted to include a loss recovery component to reflect the expected recovery of onerous losses where such contracts reinsure onerous direct contracts.

MFRS 17 requires expected losses of the contracts be reflected at the initial recognition in the income statement as a loss component. Any offsetting of onerous groups of contracts with the profitable groups of insurance contracts is not allowed.

2. BASIS OF PREPARATION (CONT'D.)

(ii) Significant Accounting Policies (Cont'd.)

(a) Effective for financial periods beginning on or after 1 January 2023 (Cont'd.)

The adoption of the above MFRS and Amendments to MFRSs is not expected to result in significant financial impact to the Company, except as disclosed below: (Cont'd.)

- MFRS 17: Insurance Contracts and Amendments to MFRS 17 (Cont'd.)

The nature of effects of the key changes in the Company's accounting policies resulting from its adoption of MFRS 17 are summarised below: (Cont'd.)

Insurance acquisition cash flows

Insurance acquisition cash flows arise from marketing expenses, underwriting expenses and expenses incurred in initiating a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts. Such cash flows do not include expenses that cannot be directly attributable to individual contracts or groups of insurance contracts within the portfolio.

For contracts with a coverage period of one year or less, the Company has the option to recognise insurance acquisition cash flows as incurred and expense them immediately, or to amortise them over time using a rational method to allocate costs to each MFRS 17 group. The Company has opted to amortise acquisition costs over the contracts' coverage period. This approach is similar to Unearned Premium Reserve ("UPR") calculation under MFRS 4, where commission/acquisition costs are implicitly deferred in the UPR computation.

2. BASIS OF PREPARATION (CONT'D.)

(ii) Significant Accounting Policies (Cont'd.)

(a) Effective for financial periods beginning on or after 1 January 2023 (Cont'd.)

The adoption of the above MFRS and Amendments to MFRSs is not expected to result in significant financial impact to the Company, except as disclosed below: (Cont'd.)

- MFRS 17: Insurance Contracts and Amendments to MFRS 17 (Cont'd.)

The nature of effects of the key changes in the Company's accounting policies resulting from its adoption of MFRS 17 are summarised below: (Cont'd.)

Estimates of future cash flows and discount rate

As not all cash flows are expected to be paid or received within one year or less from the date claims are incurred, the Company is required to discount the estimate of future cash flows included in the LIC. However, the Company's position is not to apply discounting for cash flows in LRC (under PAA approach), as the Company does not expect the duration between providing each part of the coverage and related premium due date to be more than a year (the effect of significant financing component is immaterial). The Company applies the bottom-up discount rates approach when deriving its discount rates for discounting the LIC. This approach involves using an appropriate (liquid) risk-free yield curve plus a specific illiquidity premium (if any) above the risk-free yield curve. The Company has allowed discounting for the motor portfolio only and not for the non-motor portfolio, given the effect of the significant financing component from a net basis for the non-motor is not material. The Company's accounting policy choice is to not disaggregate Insurance Finance Income or Expense between the income statement and the statement of comprehensive income for the impact of the change in fulfilment cash flow for LRC and LIC as a result of the change in discount rate or as a result of the change in financial risk. Yield curve information is sourced from a third-party service provider.

2. BASIS OF PREPARATION (CONT'D.)

(ii) Significant Accounting Policies (Cont'd.)

(a) Effective for financial periods beginning on or after 1 January 2023 (Cont'd.)

The adoption of the above MFRS and Amendments to MFRSs is not expected to result in significant financial impact to the Company, except as disclosed below: (Cont'd.)

- MFRS 17: Insurance Contracts and Amendments to MFRS 17 (Cont'd.)

The nature of effects of the key changes in the Company's accounting policies resulting from its adoption of MFRS 17 are summarised below: (Cont'd.)

Changes to presentation and disclosures

The adoption of MFRS 17 has significantly altered the presentation of the income statement, offering a clearer separation of underwriting and investment results. Items such as gross, net or earned premiums, or net claims incurred under MFRS 4 are no longer shown on the income statement. Instead, starting from the financial year ending 30 September 2024, and including a restated income statement for the year ended 30 September 2023 under MFRS 17, the income statement will present the following items:

- Insurance revenue
- Insurance service expenses
- Insurance service results
- Insurance finance income or expenses
- Income or expenses from reinsurance contracts held

Compared to MFRS 4, MFRS 17 introduces more comprehensive disclosure requirements. The Company now provides detailed qualitative and quantitative information about insurance contracts in areas such as:

- Explanation of the amounts recognised in the Company's financial statements from insurance contracts;
- Significant judgements, and any changes to those judgements, in the application of MFRS 17;
- The nature and extent of risks emanating from contracts under the purview of MFRS 17.

2. BASIS OF PREPARATION (CONT'D.)

(ii) Significant Accounting Policies (Cont'd.)

(a) Effective for financial periods beginning on or after 1 January 2023 (Cont'd.)

The adoption of the above MFRS and Amendments to MFRSs is not expected to result in significant financial impact to the Company, except as disclosed below: (Cont'd.)

- MFRS 17: Insurance Contracts and Amendments to MFRS 17 (Cont'd.)

The nature of effects of the key changes in the Company's accounting policies resulting from its adoption of MFRS 17 are summarised below: (Cont'd.)

Transition

On transition to MFRS 17, the Company has applied the full retrospective approach unless impracticable.

On transition date, 1 October 2022, the Company:

- Has identified, recognised and measured each group of insurance contracts as if MFRS 17 had always applied;
- Derecognised any existing balances that would not exist had IFRS 17 always applied;
- Recognised any resulting net difference in equity.

The Group has applied the transition provisions in MFRS 17 and has not disclosed the impact of the adoption of MFRS 17 on each financial statement line item and earning per share.

The adoption of MFRS 17 and its effects on the consolidated financial statements is disclosed in the statement of changes in equity as 1 October 2022. This resulted in an increase to total equity amounting to RM13,186,000, net of tax.

2. BASIS OF PREPARATION (CONT'D.)

(ii) Significant Accounting Policies (Cont'd.)

(a) Effective for financial periods beginning on or after 1 January 2023 (Cont'd.)

The adoption of the above MFRS and Amendments to MFRSs is not expected to result in significant financial impact to the Company, except as disclosed below: (Cont'd.)

- MFRS 17: Insurance Contracts and Amendments to MFRS 17 (Cont'd.)

The nature of effects of the key changes in the Company's accounting policies resulting from its adoption of MFRS 17 are summarised below: (Cont'd.)

Transition (Cont'd.)

The opening statement of financial position under MFRS 17 and related adjustments as at 1 October 2022 are presented below:

	As reported as at <u>30 Sep 2022</u> RM'000	Adjustments due to adoption of MFRS 17 RM'000	Opening balances as at <u>1 Oct 2022</u> RM'000
Deferred tax assets	-	-	-
Reinsurance assets	208,218	(208,218)	-
Reinsurance contract assets	-	208,538	208,538
Insurance receivables	13,834	(13,834)	-
Insurance contract assets	-	-	-
Other receivables	47,049	-	47,049
Other assets	543,768	-	543,768
Total assets	812,869	(13,514)	799,355
Share capital	100,000	-	100,000
Retained earnings	112,317	13,185	125,502
Other reserves	18,951	-	18,951
Total equity	231,268	13,185	244,453
Insurance contract liabilities	550,146	(15,216)	534,930
Insurance payables	16,336	(16,336)	-
Reinsurance contract liabilities	-	-	-
Deferred tax liabilities	4,628	4,164	8,792
Other payables	6,137	689	6,826
Other liabilities	4,354	-	4,354
Total liabilities	581,601	(26,699)	554,902
Total equity and liabilities	812,869	(13,514)	799,355

2. BASIS OF PREPARATION (CONT'D.)

(ii) Significant Accounting Policies (Cont'd.)

(b) Effective for financial periods beginning on or after 1 January 2024

Amendments to MFRS 16	Lease liability in a Sale and Leaseback
Amendments to MFRS 101	Presentation of Financial Statement - Non-current Liabilities with Covenants
Amendments to MFRS 107	Statement of Cash Flows - Supplier Finance Arrangements
Amendments to MFRS 7	Financial Instruments: Disclosures - Supplier Finance Arrangements

(c) MFRSs and Amendments to MFRSs yet to be effective

Effective for financial periods beginning on or after 1 January 2025

Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)
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Effective date to be announced by Malaysian Accounting Standards Board

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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The adoption of the above Amendments to MFRSs is not expected to result in significant financial impact to the Company.

3. PROPERTY, PLANT AND EQUIPMENT

Note	Valuation			Cost				Total
	Freehold land	Buildings Freehold	Buildings Leasehold	Computer equipment	Motor vehicles	Office equipment	Furniture, fixtures and fittings	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Valuation/Cost:</u>								
At 1 October 2023	3,080	840	14,040	5,750	42	1,514	3,672	28,938
Additions	-	-	-	-	-	29	3	32
Write-offs	-	-	-	-	-	(4)	-	(4)
At 31 March 2024	3,080	840	14,040	5,750	42	1,539	3,675	28,966
<u>Accumulated depreciation:</u>								
At 1 October 2023	-	-	-	5,714	36	1,397	3,573	10,720
Charge for the period	-	18	607	4	-	14	31	674
Write-offs	-	-	-	-	-	(4)	-	(4)
At 31 March 2024	-	18	607	5,718	36	1,407	3,604	11,390
<u>Net carrying value</u>								
At 31 March 2024	3,080	822	13,433	32	6	132	71	17,576

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

	Valuation			Cost				Total RM'000
	Freehold land RM'000	Buildings Freehold RM'000	Leasehold RM'000	Computer equipment RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture, fixtures and fittings RM'000	
<u>Valuation/Cost:</u>								
At 1 October 2022	2,730	850	14,040	5,782	906	1,525	3,747	29,580
Additions	-	-	-	-	-	23	6	29
Disposals	-	-	-	-	(864)	-	-	(864)
Write-offs	-	-	-	(32)	-	(34)	(81)	(147)
Revaluation surplus	350	25	1,107	-	-	-	-	1,482
Elimination of accumulated depreciation on revaluation	-	(35)	(1,107)	-	-	-	-	(1,142)
At 30 September 2023	3,080	840	14,040	5,750	42	1,514	3,672	28,938
<u>Accumulated depreciation:</u>								
At 1 October 2022	-	-	-	5,738	670	1,404	3,582	11,394
Charge for the year	-	35	1,107	8	16	26	67	1,259
Disposals	-	-	-	-	(650)	-	-	(650)
Write-offs	-	-	-	(32)	-	(33)	(76)	(141)
Elimination of accumulated depreciation on revaluation	-	(35)	(1,107)	-	-	-	-	(1,142)
At 30 September 2023	-	-	-	5,714	36	1,397	3,573	10,720
<u>Net carrying value</u>								
At 30 September 2023	3,080	840	14,040	36	6	117	99	18,218

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

- (a) Freehold land and buildings and leasehold buildings were revalued as at 30 September 2023 based on valuation carried out by an independent professional valuer, Messrs. Rahim & Co. on an open market value basis using the comparison method.

The fair value of the freehold land and buildings and leasehold buildings are categorised within Level 3 of the fair value hierarchy.

There are no changes to the valuation technique and fair value hierarchy in the current financial period.

- (b) The net carrying values of the freehold land and buildings and leasehold buildings of the Company had the cost model been applied, compared to the revaluation model as at 31 March 2024 are as follows:

		←-----Net Carrying Value-----→			
		31 March 2024		30 September 2023	
		Under Revaluation Model	Under Cost Model	Under Revaluation Model	Under Cost Model
Note		RM'000	RM'000	RM'000	RM'000
	Freehold land	3,080	380	3,080	380
	Freehold buildings	840	176	840	180
	Leasehold buildings	14,040	3,631	14,040	3,761
19(e)		<u>17,960</u>	<u>4,187</u>	<u>17,960</u>	<u>4,321</u>

4. INVESTMENT PROPERTIES

		31 March <u>2024</u>	30 September <u>2023</u>
	Note	RM'000	RM'000
<u>At fair value</u>			
At 1 October		<u>640</u>	<u>640</u>
At 31 March 2024/30 September 2023	19(e)	<u><u>640</u></u>	<u><u>640</u></u>
Analysed as:			
Freehold buildings		<u><u>640</u></u>	<u><u>640</u></u>

Investment properties were revalued as at 30 September 2023 by Messrs. Rahim & Co., an independent professional valuer. Fair value is determined by reference to open market values using the comparison method.

The Company has assessed that the existing use of its investment properties is the most appropriate, and at its highest and best use.

The fair value of the investment properties are categorised within Level 3 of the fair value hierarchy.

5. LEASES

(a) The Company as a lessee

The Company has lease contracts for various items of computer, office equipment, motor vehicles and office buildings used in its operations. Leases of these assets generally have lease terms between 2 to 5 years.

(1) Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Prepaid land lease	Office building	Motor vehicles	Computer equipment	Office equipment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 October 2023	274	685	1,482	491	3,671	6,603
Additions	-	-	85	-	296	381
Disposal	-	-	-	-	-	-
Depreciation charge for the year	(2)	(240)	(96)	(146)	(833)	(1,317)
Remeasurements	-	(6)	-	-	-	(6)
At 31 March 2024	<u>272</u>	<u>439</u>	<u>1,471</u>	<u>345</u>	<u>3,134</u>	<u>5,661</u>
At 1 October 2022	278	1,171	1,283	824	829	4,385
Additions	-	-	791	28	4,168	4,987
Effects on revaluation	-	-	(430)	-	-	(430)
Depreciation charge for the year	(4)	(500)	(162)	(361)	(1,326)	(2,353)
Remeasurements	-	14	-	-	-	14
At 30 September 2023	<u>274</u>	<u>685</u>	<u>1,482</u>	<u>491</u>	<u>3,671</u>	<u>6,603</u>

5. LEASES (CONT'D.)

(a) The Company as a lessee (Cont'd.)

(1) Right-of-use assets (Cont'd.)

During the year, the Company acquired right-of-use assets by:

	31 March <u>2024</u> RM'000	30 September <u>2023</u> RM'000
Cash	25	151
Lease liabilities	<u>356</u>	<u>4,836</u>
	<u><u>381</u></u>	<u><u>4,987</u></u>

(2) Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Note	31 March <u>2024</u> RM'000	30 September <u>2023</u> RM'000
At 1 October		5,907	3,676
Additions		356	4,836
Accretion of interest on lease liabilities	14	149	304
Payments		(1,543)	(2,920)
Remeasurements		<u>(6)</u>	<u>11</u>
At 31 March 2024/30 September 2023		<u><u>4,863</u></u>	<u><u>5,907</u></u>

Extension options

The Company has several lease contracts of buildings which contain extension options exercisable by the Company. At the commencement of the lease, the Company assesses whether it is reasonably certain to exercise such options.

All of the extension options for buildings have been included in the lease liabilities because the Company is reasonably certain that the leases will be extended based on past practice and the existing economic incentive.

5. LEASES (CONT'D.)

(b) The Company as a lessor

The Company leases out its buildings under operating leases with the term of the leases ranging from 1 to 2 years. None of the leases includes contingent rentals.

The Company does not have any non-cancellable operating leases contracted for as at the reporting date that are not recognised as receivables.

6. INVESTMENTS

	Note	31 March <u>2024</u> RM'000	30 September <u>2023</u> RM'000
The Company's investment are summarised by categories as follows:			
(a) Financial assets at fair value through profit or loss ("FVTPL"):			
<u>At fair value:</u>			
Mandatorily measured:			
Quoted shared in Malaysia		8,841	12,696
Unit trusts		222,028	232,160
Warrants		70	80
	19(a)	<u>230,939</u>	<u>244,936</u>
(b) Financial assets at fair value through other comprehensive income ("FVOCI"):			
<u>At fair value:</u>			
Designated upon initial recognition:			
Quoted shares in Malaysia		-	210
Mandatorily measured:			
Corporate debt securities		82,948	82,708
	19(a)	<u>82,948</u>	<u>82,918</u>

6. INVESTMENTS (CONT'D.)

	31 March	30 September
	<u>2024</u>	<u>2023</u>
	RM'000	RM'000

The Company's investment are summarised by categories as follows: (Cont'd.)

(c) Financial assets at amortised cost:

Deposits and placements with licensed financial institutions: ^		
Commercial banks	61,219	100,749
Investment banks	83,951	34,143
	145,170	134,892
Total investments	459,057	462,746

Included in deposits and placements of the Company is an amount of RM116,573 (2023: RM114,985) representing placements of deposits received from insureds as collateral for bond guarantees granted to third parties.

^ The carrying value of the fixed and call deposits with licensed banks approximates fair value due to the relatively short term maturities.

7. REINSURANCE CONTRACT ASSETS

	As at 31 March 2024			
	Liabilities for remaining coverage	Liabilities for incurred claims ← Contracts under PAA →		
	Excluding loss components RM'000	Estimates of the present value of future cash flows RM'000	Risk adjustments RM'000	Total RM'000
Opening assets as at 1 October 2023	21,763	167,565	16,523	205,851
Contracts under PAA	21,763	167,565	16,523	205,851
Contracts Non PAA	-	-	-	-
Opening liabilities as at 1 October 2023	(1,468)	435	52	(981)
Contracts under PAA	(1,468)	435	52	(981)
Contracts Non PAA	-	-	-	-
Net opening balances as at 1 October 2023	20,295	168,000	16,575	204,870
Net income/expense from reinsurance contracts held				
Allocation of reinsurance premiums	(54,398)	-	-	(54,398)
Reinsurance expenses	(54,398)	-	-	(54,398)
Amounts recoverable from reinsurers for incurred claims	-	52,359	2,921	55,280
Incurred claims recovery	-	32,508	5,215	37,723
Changes that relate to past service-changes in the FCF relating to incurred claims recovery	-	19,855	(2,294)	17,561
Effect of changes in risk of non-performance by issuer of reinsurance contracts held	-	(4)	-	(4)
Net income/expense from reinsurance contracts held	(54,398)	52,359	2,921	882

7. REINSURANCE CONTRACT ASSETS (CONT'D.)

	As at 31 March 2024			
Liabilities for remaining coverage	Liabilities for incurred claims			Total
	Excluding loss components	← Contracts under PAA → Estimates of the present value of future cash flows	Risk adjustments	
	RM'000	RM'000	RM'000	RM'000
Investment component	(2,137)	2,137	-	-
Insurance finance expenses	-	1,758	-	1,758
Total changes in statement of profit or loss and other comprehensive income	(56,535)	56,254	2,921	2,640
Cash flows				
Premiums paid net of ceding commissions and other directly attributable expenses	63,069	-	-	63,069
Recoveries from reinsurance	-	(31,155)	-	(31,155)
Total cash flows	63,069	(31,155)	-	31,914
Net closing balances	26,829	193,099	19,496	239,424
Closing assets	28,180	192,937	19,477	240,594
Contracts under PAA	28,180	192,937	19,477	240,594
Contracts Non PAA	-	-	-	-
Closing liabilities	(1,351)	162	19	(1,170)
Contracts under PAA	(1,351)	162	19	(1,170)
Contracts Non PAA	-	-	-	-
Net closing balances as at 31 March 2024	26,829	193,099	19,496	239,424

7. REINSURANCE CONTRACT ASSETS (CONT'D.)

	As at 30 September 2023				
	Liabilities for remaining coverage	Liabilities for incurred claims			Total
		Excluding loss components	← Contracts under PAA →		
			Estimates of the present value of future cash flows	Risk adjustments	
RM'000	RM'000	RM'000	RM'000		
Opening assets as at 1 October 2022	27,368	165,070	15,980	208,418	
Contracts under PAA	27,368	165,070	15,980	208,418	
Contracts Non PAA	-	-	-	-	
Opening liabilities as at 1 October 2022	112	(7)	15	120	
Contracts under PAA	112	(7)	15	120	
Contracts Non PAA	-	-	-	-	
Net opening balances as at 1 October 2022	27,480	165,063	15,995	208,538	
Net income/expense from reinsurance contracts held					
Allocation of reinsurance premiums	(105,269)	-	-	(105,269)	
Reinsurance expenses	(105,269)	-	-	(105,269)	
Amounts recoverable from reinsurers for incurred claims	-	56,074	580	56,654	
Incurred claims recovery	-	57,603	4,660	62,263	
Changes that relate to past service-changes in the FCF relating to incurred claims recovery	-	(1,569)	(4,080)	(5,649)	
Effect of changes in risk of non-performance by issuer of reinsurance contracts held	-	40	-	40	
Net income/expense from reinsurance contracts held	(105,269)	56,074	580	(48,615)	

7. REINSURANCE CONTRACT ASSETS (CONT'D.)

	As at 30 September 2023				
	Liabilities for remaining coverage	Liabilities for incurred claims			Total
		Excluding loss components	← Contracts under PAA →		
			Estimates of the present value of future cash flows	Risk adjustments	
RM'000	RM'000	RM'000	RM'000		
Investment component	(7,774)	7,774	-	-	
Insurance finance expenses	-	3,351	-	3,351	
Total changes in statement of profit or loss and other comprehensive income	(113,043)	67,199	580	(45,264)	
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses	105,858	-	-	105,858	
Recoveries from reinsurance	-	(64,262)	-	(64,262)	
Total cash flows	105,858	(64,262)	-	41,596	
Net closing balances	20,295	168,000	16,575	204,870	
Closing assets	21,763	167,565	16,523	205,851	
Contracts under PAA	21,763	167,565	16,523	205,851	
Contracts Non PAA	-	-	-	-	
Closing liabilities	(1,468)	435	52	(981)	
Contracts under PAA	(1,468)	435	52	(981)	
Contracts Non PAA	-	-	-	-	
Net closing balances as at 30 September 2023	20,295	168,000	16,575	204,870	

8. OTHER RECEIVABLES

	31 March <u>2024</u> RM'000	30 September <u>2023</u> RM'000
<u>At amortised cost:</u>		
Due from fellow subsidiary company	540	694
Due from stockbrokers	-	2,101
Accrued income	2,666	3,303
Share of net assets held under the Malaysian Motor Insurance Pool (“MMIP”)	38,795	42,167
Deposits and prepayments	3,308	1,260
Others	559	684
	<u>45,868</u>	<u>50,209</u>

9. CASH AND CASH EQUIVALENTS

	31 March <u>2024</u> RM'000	30 September <u>2023</u> RM'000
Deposits and placements with licensed commercial bank (with original maturity period of three months or less)	45,945	18,390
Cash and bank balances	4,053	2,507
	<u>49,998</u>	<u>20,897</u>

10. INSURANCE CONTRACT LIABILITIES

As at 31 March 2024					
		Liabilities for remaining coverage	Liabilities for incurred claims		
			← Contracts under PAA →		
		Excluding loss components	Estimates of the present value of future cash flows	Risk adjustments	Total
Note		RM'000	RM'000	RM'000	RM'000
	Opening assets as at 1 October 2023	96,469	376,890	34,006	507,365
	Contracts under PAA	96,469	376,890	34,006	507,365
	Contracts Non PAA	-	-	-	-
	Opening liabilities as at 1 October 2023	(64)	25	3	(36)
	Contracts under PAA	(64)	25	3	(36)
	Contracts Non PAA	-	-	-	-
	Net opening balances as at 1 October 2023	96,405	376,915	34,009	507,329
	Insurance revenue	(136,945)	-	-	(136,945)
	Insurance service expenses	25,614	114,987	2,290	142,891
	Incurred claims and other insurance service expenses	-	92,524	11,161	103,685
	Amortisation of insurance acquisition cash flows	25,614	-	-	25,614
	Changes that relate to past service-Changes in FCF relating to LIC	-	22,463	(8,871)	13,592
	Insurance service results	(111,331)	114,987	2,290	5,946

10. INSURANCE CONTRACT LIABILITIES (CONT'D.)

	As at 31 March 2024			
Liabilities for remaining coverage	Liabilities for incurred claims			Total
	Excluding loss components	← Contracts under PAA → Estimates of the present value of future cash flows	Risk adjustments	
	RM'000	RM'000	RM'000	RM'000
Insurance finance expenses	-	5,106	-	5,106
Total changes in statement of profit or loss and other comprehensive income	(111,331)	120,093	2,290	11,052
Cash flows				
Premium received	171,242	-	-	171,242
Claims and other insurance service expenses paid	-	(98,057)	-	(98,057)
Insurance acquisition cash flows	(31,375)	-	-	(31,375)
Total cash flows	139,867	(98,057)	-	41,810
Net closing balances	124,941	398,951	36,299	560,191
Closing assets	125,011	398,919	36,296	560,226
Contracts under PAA	125,011	398,919	36,296	560,226
Contracts Non PAA	-	-	-	-
Closing liabilities	(70)	32	3	(35)
Contracts under PAA	(70)	32	3	(35)
Contracts Non PAA	-	-	-	-
Net closing balances as at 31 March 2024	124,941	398,951	36,299	560,191

10. INSURANCE CONTRACT LIABILITIES (CONT'D.)

	As at 30 September 2023			
Liabilities for remaining coverage	Liabilities for incurred claims			
	← Contracts under PAA →			
Excluding loss components RM'000	Estimates of the present value of future cash flows RM'000	Risk adjustments RM'000	Total RM'000	
Opening assets as at 1 October 2022	105,268	394,189	35,399	534,856
Contracts under PAA	105,268	394,189	35,399	534,856
Contracts Non PAA	-	-	-	-
Opening liabilities as at 1 October 2022	40	30	4	74
Contracts under PAA	40	30	4	74
Contracts Non PAA	-	-	-	-
Net opening balances as at 1 October 2022	105,308	394,219	35,403	534,930
Insurance revenue	(266,485)	-	-	(266,485)
Insurance service expenses	49,407	184,067	(1,394)	232,080
Incurred claims and other insurance service expenses	-	189,774	10,528	200,302
Amortisation of insurance acquisition cash flows	49,407	-	-	49,407
Losses on onerous contracts and reversal of those losses	-	-	-	-
Changes that relate to past service-Changes in FCF relating to LIC	-	(5,707)	(11,922)	(17,629)
Insurance service results	(217,078)	184,067	(1,394)	(34,405)

10. INSURANCE CONTRACT LIABILITIES (CONT'D.)

	As at 30 September 2023				
	Liabilities for remaining coverage	Liabilities for incurred claims			Total RM'000
		Excluding loss components RM'000	←— Contracts under PAA —→		
			Estimates of the present value of future cash flows RM'000	Risk adjustments RM'000	
Insurance finance expenses	-	10,348	-	10,348	
Total changes in statement of profit or loss and other comprehensive income	(217,078)	194,415	(1,394)	(24,057)	
Cash flows					
Premium received	255,442	-	-	255,442	
Claims and other insurance service expenses paid	-	(211,719)	-	(211,719)	
Insurance acquisition cash flows	(47,267)	-	-	(47,267)	
Total cash flows	208,175	(211,719)	-	(3,544)	
Net closing balances	96,405	376,915	34,009	507,329	
Closing assets	96,469	376,890	34,006	507,365	
Contracts under PAA	96,469	376,890	34,006	507,365	
Contracts Non PAA	-	-	-	-	
Closing liabilities	(64)	25	3	(36)	
Contracts under PAA	(64)	25	3	(36)	
Contracts Non PAA	-	-	-	-	
Net closing balances as at 30 September 2023	96,405	376,915	34,009	507,329	

11. INSURANCE SERVICE RESULT

		6 months ended 31 March <u>2024</u>	6 months ended 31 March <u>2023</u>
	Note	RM'000	RM'000
Insurance revenue:			
- Contracts measured under the PAA	10	<u>136,945</u>	<u>133,951</u>
Insurance service expenses:			
- Incurred claims and benefits		(73,011)	(94,963)
- Incurred other maintenance expenses		(19,698)	(18,918)
- Amortisation of insurance acquisition cash flows		(25,673)	(25,952)
- Changes to liabilities for incurred claims		<u>(24,509)</u>	<u>17,845</u>
	10	<u>(142,891)</u>	<u>(121,988)</u>
Allocation of reinsurance premiums under PAA		<u>(54,398)</u>	<u>(43,633)</u>
Amounts recoverable from reinsurers for incurred claims:			
- Actual recovery of claims and benefits		37,723	42,031
- Changes in amounts recoverable from liabilities for incurred claims		17,561	(13,761)
- Changes in non-performance risk by reinsurers		<u>(4)</u>	<u>126</u>
		<u>55,280</u>	<u>28,396</u>
Insurance service result		<u><u>(5,064)</u></u>	<u><u>(3,274)</u></u>

12. INVESTMENT INCOME

	6 months ended 31 March <u>2024</u> RM'000	6 months ended 31 March <u>2023</u> RM'000
Dividend income:		
- Shares quoted in Malaysia	79	229
- Unit trust	2,374	991
Interest income:		
- Deposits and placements with financial institutions	2,965	1,936
- Corporate debt/securities	2,098	2,073
Profit from Islamic fixed deposits	236	222
Rental of properties:		
- Fellow subsidiary company	14	14
- Holding company	108	108
Investment income from:		
- Malaysian Motor Insurance Pool ("MMIP")	529	1,340
- Malaysian Reinsurance Berhad ("MRB")	4	9
	<u>8,407</u>	<u>6,922</u>

13. FAIR VALUE GAINS

	6 months ended 31 March <u>2024</u> RM'000	6 months ended 31 March <u>2023</u> RM'000
Fair value gains:		
- Financial assets at FVTPL:		
Shares quoted in Malaysia	941	1,247
Unit trusts	2,833	4,531
Warrants	(10)	565
	<u>3,764</u>	<u>6,343</u>

14. FINANCE COSTS

		6 months ended 31 March <u>2024</u>	6 months ended 31 March <u>2023</u>
	Note	RM'000	RM'000
Interest on lease liabilities	5(a)(2)	149	112
Others		<u>2</u>	<u>2</u>
		<u>151</u>	<u>114</u>

15. PROFIT FOR THE PERIOD

		6 months ended 31 March <u>2024</u>	6 months ended 31 March <u>2023</u>
	Note	RM'000	RM'000
Profit for the period is arrived at after charging/(crediting):			
Depreciation of property, plant and equipment	3	674	637
Depreciation of right-of-use assets	5(a)(1)	1,317	1,002
Amortisation:			
- Intangible assets		213	276
Allowance for impairment of:			
- Insurance receivables		22	-
Write back in allowance for impairment of:			
- Insurance receivables		-	(70)
Other expenses		<u>786</u>	<u>482</u>

16. REGULATORY CAPITAL REQUIREMENTS

The capital structure of the Company, as prescribed under the Risk-Based Capital Framework was provided below:

	31 March 2024	30 September 2023
	RM'000	RM'000
<u>Eligible Tier 1 Capital</u>		
Share capital (paid-up)	100,000	100,000
Retained earnings	104,167	109,089
	<u>204,167</u>	<u>209,089</u>
<u>Tier 2 Capital</u>		
Revaluation reserve	15,459	15,459
FVOCI reserve	2,250	2,018
	<u>17,709</u>	<u>17,477</u>
Amounts deducted from Capital	<u>(6,615)</u>	<u>(4,419)</u>
Total Capital Available	<u><u>215,261</u></u>	<u><u>222,147</u></u>

17. COMMITMENTS AND CONTINGENCIES

(i) Capital commitment

	31 March 2024	30 September 2023
	RM'000	RM'000
<u>Intangible assets:</u>		
Contracted but not provided for	<u>289</u>	<u>289</u>

17. COMMITMENTS AND CONTINGENCIES (CONT'D.)

(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.

MyCC's application for leave to commence judicial review proceedings in the High Court to review the decision of the CAT was fixed for 30 November 2023. On 30 November 2023, the High Court has fixed the date to deliver the decision on 16 Jan 2024 after both parties made their oral submissions.

17. COMMITMENTS AND CONTINGENCIES (CONT'D.)

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

On 16 January 2024, the High Court has denied the MyCC leave for a judicial review of the CAT's 2022 decision in favour of PIAM and its 22 members. In brief, the grounds for the decision are as below: -

- 1) MyCC does not have locus standi (i.e., capacity or right to bring an action to court) to challenge the decision by CAT.
- 2) MyCC is not a person adversely affected by the decision of CAT in the execution of public duty. This had been answered by the Court of Appeal in the cases of AirAsia and Malaysia Airlines Systems Bhd (MAS) against MyCC.
- 3) In the cases of AirAsia and MAS against MyCC, the Court of Appeal has made a decision that MyCC cannot challenge CAT's decision and the High Court is bound by the Court of Appeal decision under the doctrine of stare decisis.

MyCC has filed an appeal to the Court of Appeal against the High Court's decision in dismissing their application for leave to judicially review CAT's decision. The case management for the appeal is fixed on 15 May 2024.

On 15 May 2024, the Court has fixed the case management for the appeal on 8 May 2025. Subsequently, the Court also order both parties to file the written documents by 24 April 2025 and replies to the written submission by 7 May 2025. The Court has fixed the physical hearing on 22 May 2025.

As at the date of this report, the Company has not made any provision, and will continue to disclose the matter as an on-going litigation until further development.

18. SIGNIFICANT RELATED PARTY DISCLOSURES

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The significant transactions of the Company with its related parties are as follows:

	6 months ended 31 March <u>2024</u> RM'000	6 months ended 31 March <u>2023</u> RM'000
<u>Expenses/(income):</u>		
<u>Holding company:</u>		
Management fees	856	745
Income from leasing of office building	(108)	(108)
Other income	<u>(7)</u>	<u>(7)</u>
<u>Fellow subsidiaries of POB Group:</u>		
Call centre service charges	165	330
Printing and information system expenses	9,437	8,524
Repair and maintenance	125	123
Subscription and software maintenance services	-	154
Purchase of computer software	-	2
Expenses from leasing of office building	98	98
Leases of computer and office equipment	1,074	734
Leases of low-value assets	323	215
Short-term leases	632	949
Income from leasing of office building	(14)	(14)
Other income	<u>(1)</u>	<u>(1)</u>
<u>Substantial shareholder, Sanlam Emerging Markets (Pty) Ltd:</u>		
Pricing and product services	<u>126</u>	<u>126</u>

19. FAIR VALUE

- (a) The financial instruments measured at fair value on a recurring basis are categorised into the following levels of the fair value hierarchy:

	<u>Date of Valuation</u>	<u>Level 1 RM'000</u>	<u>Level 2 RM'000</u>	<u>Level 3 RM'000</u>	<u>Total RM'000</u>
2024					
<u>Financial assets at FVTPL</u>					
Quoted shares	31 Mar 2024	8,841	-	-	8,841
Unit trusts	31 Mar 2024	222,028	-	-	222,028
Warrants	31 Mar 2024	70	-	-	70
		<u>230,939</u>	<u>-</u>	<u>-</u>	<u>230,939</u>
<u>Financial assets at FVOCI</u>					
Quoted shares	31 Mar 2024	-	-	-	-
Corporate debt securities	31 Mar 2024	-	82,948	-	82,948
		<u>-</u>	<u>82,948</u>	<u>-</u>	<u>82,948</u>
2023					
<u>Financial assets at FVTPL</u>					
Quoted shares	30 Sep 2023	12,696	-	-	12,696
Unit trusts	30 Sep 2023	232,160	-	-	232,160
Warrants	30 Sep 2023	80	-	-	80
		<u>244,936</u>	<u>-</u>	<u>-</u>	<u>244,936</u>
<u>Financial assets at FVOCI</u>					
Quoted shares	30 Sep 2023	210	-	-	210
Corporate debt securities	30 Sep 2023	-	82,708	-	82,708
		<u>210</u>	<u>82,708</u>	<u>-</u>	<u>82,918</u>

- (b) The carrying amounts of other financial assets approximated their fair values due to their relatively short-term nature and therefore no additional disclosure is provided.
- (c) Except for lease liabilities which are determined by the present value of the estimated future lease payments, the carrying amounts of financial liabilities at the reporting date approximated their fair values due to their short-term nature and immaterial impact of discounting.

19. FAIR VALUE (CONT'D.)

(d) Determination of fair value

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Cash and bank balances, deposits and placements with financial institutions, insurance receivables/payables, and other receivables/payables:

- The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments; and
- The carrying value of amount due from/to holding and fellow subsidiary companies approximate their fair values as the amounts are repayable in accordance with applicable terms.

(ii) Financial assets

- Quoted shares and warrants

The fair values of quoted shares and warrants are determined by reference to the stock exchange quoted market closing prices at the close of the business at the reporting date.

- Unit trusts

The fair value of quoted units in the unit trust funds are determined by reference to market quotations by the manager of the unit trust funds.

- Corporate debt securities

Unquoted corporate debt/securities are valued using fair value prices quoted by a bond pricing agency.

(iii) Lease liabilities

The fair value of lease liabilities is determined by the present value of the estimated future lease payments to be made over the lease term.

19. FAIR VALUE (CONT'D.)

(e) Fair value of non-financial assets

The following table provides an analysis of assets measured and disclosed at fair value on a recurring basis in accordance with the fair value hierarchy:

	<u>Date of Valuation</u>	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
2024					
<u>Property, plant and equipment:</u>					
Freehold land	31 Mar 2024	-	-	3,080	3,080
Freehold buildings	31 Mar 2024	-	-	840	840
Leasehold buildings	31 Mar 2024	-	-	14,040	14,040
		<u>-</u>	<u>-</u>	<u>17,960</u>	<u>17,960</u>
Investment properties:					
Freehold buildings	31 Mar 2024	-	-	640	640
		<u>-</u>	<u>-</u>	<u>640</u>	<u>640</u>
2023					
<u>Property, plant and equipment:</u>					
Freehold land	30 Sep 2023	-	-	3,080	3,080
Freehold buildings	30 Sep 2023	-	-	840	840
Leasehold buildings	30 Sep 2023	-	-	14,040	14,040
		<u>-</u>	<u>-</u>	<u>17,960</u>	<u>17,960</u>
Investment properties:					
Freehold buildings	30 Sep 2023	-	-	640	640
		<u>-</u>	<u>-</u>	<u>640</u>	<u>640</u>

20. AUDIT QUALIFICATION OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

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

21. SEASONALITY OR CYCLICALITY OF OPERATIONS

The business of the Company is not subject to any significant seasonal or cyclical fluctuations.

22. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no unusual items that affect the assets, liabilities, equity, net income or cash flows of the Company for the financial period ended 31 March 2024.

23. CHANGES IN ESTIMATES

There were no changes in estimates of amounts reported in prior periods that have a material effect for the financial period ended 31 March 2024.

24. ISSUANCES, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period ended 31 March 2024.

25. DIVIDENDS PAID

Directors have not recommended any final dividend to be paid for the financial period under review.

26. MATERIAL EVENTS SUBSEQUENT TO END OF REPORTING PERIOD

There were no material events subsequent to the end of the financial period reported that require disclosure or adjustments to the unaudited condensed interim financial statements.

27. EFFECT OF CHANGES IN COMPOSITION OF THE COMPANY

There were no changes in the composition of the Company for the financial period ended 31 March 2024.