



PACIFIC & ORIENT BERHAD

Registration no. 199401022687 (308366-H)

ANNUAL REPORT
2024

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 31st Annual General Meeting of the Company will be held on a virtual basis through live streaming from the broadcast venue at the Conference Room, 17th Floor, Wisma Bumi Raya, No. 10, Jalan Raja Laut, 50350 Kuala Lumpur on Monday, 24 February 2025 at 10.30 a.m. for the following purposes:

AGENDA

A. Ordinary Business

- | | | |
|----|--|-------------------------------|
| 1. | To receive the Audited Financial Statements for the year ended 30 September 2024 and the Reports of the Directors and the Auditors thereon. | Please refer to Note C |
| 2. | To approve the Directors' fees payable to the Non-Executive Directors of the Company up to an amount of RM800,000 from the day after the 31st Annual General Meeting until the next Annual General Meeting of the Company. | Ordinary Resolution 1 |
| 3. | To approve the Directors' benefits and meeting allowance payable to the Non-Executive Directors of the Company up to an amount of RM200,000 from the day after the 31st Annual General Meeting until the next Annual General Meeting of the Company. | Ordinary Resolution 2 |
| 4. | To re-elect Mr. Ong Seng Pheow who retires as a Director of the Company pursuant to Article 77 of the Constitution of the Company. | Ordinary Resolution 3 |
| 5. | To re-appoint Messrs. Ernst & Young PLT as Auditors and to authorise the Board of Directors to fix their remuneration. | Ordinary Resolution 4 |

B. Special Business

To consider and if thought fit, to pass the following Resolutions with or without any modification:

- | | | |
|----|---|------------------------------|
| 6. | Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 | Ordinary Resolution 5 |
|----|---|------------------------------|

"THAT subject to Sections 75 and 76 of the Companies Act 2016 and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to allot and issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10% of the total number of issued shares of the Company for the time being.

THAT pursuant to Section 85 of the Companies Act 2016 to be read together with Article 48 of the Constitution of the Company, approval be and is hereby given to waive the pre-emptive rights of the shareholders of the Company to be offered new shares ranking pari passu in all respects with the existing ordinary shares arising from the issuance and allotment of the shares pursuant to Sections 75 and 76 of the Companies Act 2016.

AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

Notice of Annual General Meeting (Cont'd)

7. **Proposed renewal of authority for the purchase by the Company of its own shares** **Ordinary Resolution 6**

“THAT subject to the Companies Act 2016 (“the Act”), the Constitution of the Company, rules, regulations and orders made pursuant to the Act, and the requirements of Bursa Malaysia Securities Berhad (“BMSB”) and any other relevant authorities, the Directors of the Company be and are hereby unconditionally and generally authorised to:

- (i) purchase shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their discretion deem fit, provided that the aggregate number of shares bought pursuant to this Resolution does not exceed 10% of the total number of issued shares of the Company for the time being and the total funds allocated shall not exceed the total retained earnings of the Company which would otherwise be available for dividends **AND THAT** such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting or upon the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever occurs first);
- (ii) retain the shares so purchased as treasury shares or cancel them or both, with an appropriate announcement to be made to BMSB in respect of the intention of the Directors whether to retain the shares so purchased as treasury shares or cancel them or both together with the rationale for the decision so made;
- (iii) deal with the shares purchased in the manner prescribed by the Act, the Constitution of the Company, rules, regulations and orders made pursuant to the Act and the requirements of BMSB and any other relevant authorities for the time being in force; and
- (iv) take all such steps as are necessary or expedient to implement or to effect the purchase of the shares.”

8. To transact any other ordinary business which may be properly transacted at an Annual General Meeting, of which due notice shall have been given.

By Order of the Board

YONG KIM FATT
Company Secretary
MIA 27769
SSM PC No.: 201908000412

24 January 2025
Kuala Lumpur

Notice of Annual General Meeting

(Cont'd)

NOTES:

(A) Broadcast Venue

1. The broadcast venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairperson of the meeting to be present at the main venue of the meeting. **No members/proxies/corporate representatives should be physically present nor admitted at the broadcast venue** on the day of the Annual General Meeting.
2. Members, proxies and corporate representatives who wish to participate and vote remotely at the Annual General Meeting will have to register via <https://vps.megacorp.com.my/dnAYZ4>. Members are advised to read the Administrative Guide carefully and follow the procedures in the Administrative Guide for this Annual General Meeting in order to participate remotely.

The **Administrative Guide** on the conduct of the virtual Annual General Meeting of the Company is available at the Company's website at <https://www.pacific-orient.com/investor-relations>.

(B) Appointment of Proxy

1. Depositors whose names appear in the Record of Depositors as of 18 February 2025 shall be regarded as members of the Company entitled to attend the Annual General Meeting or appoint proxies to attend on their behalf.
2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. In the case of a corporate member, the instrument appointing a proxy must be executed under its common seal or under the hand of its attorney.
5. The instrument appointing a proxy must be deposited at the office of the Share Registrar of the Company at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, or email to AGM-support.POB@megacorp.com.my not less than 48 hours before the time appointed for the meeting or any adjournment thereof.

(C) Audited Financial Statements

The Audited Financial Statements are laid in accordance with Section 340(1)(a) the Companies Act 2016 for discussion only. They do not require shareholders' approval and hence, they will not be put for voting.

Notice of Annual General Meeting

(Cont'd)

EXPLANATORY NOTES

1. Ordinary Resolutions 1 and 2 – Directors' fees, benefits and meeting allowance

Section 230(1) of the Companies Act 2016 provides that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, shareholders' approval shall be sought at the 31st Annual General Meeting on the Directors' fees, benefits and meeting allowance under Resolutions 1 and 2 respectively.

Proposed Ordinary Resolutions 1 and 2, if passed, will allow payment of Directors' fees, benefits and meeting allowance to Non-Executive Directors of the Company and/or as and when incurred within the stipulated period. The proposed Directors' benefits payable comprises of other benefits such as Directors' and Officers' Liability insurance.

2. Ordinary Resolution 3 – Re-election of Director

Article 77 of the Constitution states that at every Annual General Meeting, at least one-third (1/3) of the Directors for the time being shall retire from office at each annual general meeting. A Director retiring at a meeting shall retain office until the conclusion of the meeting and all Directors shall retire from office at least once every three (3) years. A retiring Director shall be eligible for re-election. Pursuant to Article 77, Mr. Ong Seng Pheow, being eligible, has offered himself for re-election at the 31st Annual General Meeting.

The Board, through the Nomination Committee ("NC"), has undertaken an annual assessment of Mr Ong Seng Pheow. Based on the assessment, the NC was satisfied with the performance and contribution of Mr Ong Seng Pheow and has accordingly recommended his re-election to the Board.

The Board has endorsed the NC's recommendation and supports the re-election of Mr Ong Seng Pheow, recommending his re-election to shareholders at the 31st Annual General Meeting.

3. Ordinary Resolution 5 – Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016

This resolution will allow the Company to procure the renewal of the general mandate which will give authority to the Directors of the Company, from the date of the 31st Annual General Meeting, to allot and issue shares in the Company up to, and not exceeding, in total 10% of the total number of issued shares of the Company for the time being, for such purposes as they consider to be in the interest of the Company ("General Mandate"). This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next annual general meeting of the Company.

This General Mandate, if renewed, will provide flexibility to the Company for any possible fund raising activities, including, but not limited to, the further placing of shares, for the purpose of funding future investments, working capital, and/or acquisitions.

Ordinary Resolution 5, if passed, will exclude shareholders' pre-emptive rights to be offered such new shares to be issued by the Company pursuant to the resolution.

As at the date of this Notice, no new shares in the Company have been issued pursuant to the mandate granted to the Directors at the 30th Annual General Meeting held on 8 March 2024, and it will lapse at the conclusion of the 31st Annual General Meeting.

Notice of Annual General Meeting

(Cont'd)

EXPLANATORY NOTES (CONT'D)

4. Ordinary Resolution 6 – Proposed renewal of authority for the purchase by the Company of its own shares

This resolution will empower the Directors of the Company to purchase the Company's shares up to 10% of the total number of issued shares by utilising the funds allocated, which shall not exceed the total retained earnings of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

For further information, please refer to the Share Buy-Back Statement dated 24 January 2025, which is despatched together with the Company's Annual Report 2024.

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

Details of Mr. Ong Seng Pheow, who is standing for re-election as a Director of the Company at this Annual General Meeting, can be found on page 9 of the Profile of the Board of Directors in the Company's Annual Report 2024.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Dr. Zaha Rina binti
Zahari

Chairman

Mr. Chan Thye Seng

Managing Director and
Chief Executive Officer

Mr. Ong Seng Pheow

Independent Director

Dato' Sri Mohd Mokhtar
bin Haji Mohd Shariff

Independent Director

SECRETARY

Yong Kim Fatt (MIA 27769)

SHARE REGISTRAR

Mega Corporate Services Sdn Bhd

Level 15-2, Bangunan Faber
Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia

Tel No : +603-2692 4271
Fax No : +603-2732 5388

AUDITORS

Messrs Ernst & Young PLT

Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Malaysia

PRINCIPAL BANKERS

Malayan Banking Berhad

RHB Bank Berhad

Hong Leong Bank Berhad

REGISTERED OFFICE

11th Floor, Wisma Bumi Raya
No. 10, Jalan Raja Laut
50350 Kuala Lumpur
Malaysia

Tel No : +603-2698 5033

Fax No : +603-2694 4209

Website : www.pacific-orient.com

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad

Main Market

PROFILE OF THE BOARD OF DIRECTORS & KEY SENIOR MANAGEMENT

BOARD OF DIRECTORS

DATO' DR. ZAHA RINA BINTI ZAHARI

63, Female, Malaysian

Chairman
Non-Independent Director

Member of the Audit Committee,
Risk Management Committee,
Nominating Committee and
Remuneration Committee

Dato' Dr. Zaha Rina joined the Board in May 2012. She received her Bachelor of Arts (Honours) in Accounting and Finance from Leeds Metropolitan University, United Kingdom ("UK") and Master in Business Administration from University of Hull, UK. She also holds a Doctorate in Business Administration from University of Hull, focusing on capital markets research and specialising in derivatives.

Dato' Dr. Zaha Rina was a consultant to Financial Technologies Middle East based in Bahrain for the set up of Bahrain Financial Exchange launched in January 2009. Prior to this, she was with Royal Bank of Scotland Coutts in Singapore from August 2007 to May 2008. Dato' Dr. Zaha Rina has 34 years of experience in the financial, commodities and securities industry and the development of the Malaysian Capital Market, which includes managing a futures broking company. She was the Chief Executive Officer of RHB Securities Sdn Bhd from 2004 to 2006. She has previous board appointments at the Commodity and Monetary Exchange of Malaysia ("COMMEX") from 1993 to 1996, and then as the Chief Operating Officer of Kuala Lumpur Options and Financial Futures Exchange ("KLOFFE") in 2001.

She was instrumental in the merger of COMMEX and KLOFFE which ultimately led to the creation of Malaysian Derivatives Exchange ("MDEX") and the subsequent appointment of Chief Operating Officer of MDEX in June 2001. Dato' Dr. Zaha Rina was then appointed Head of Exchanges, managing the operations of Bursa Malaysia Securities Berhad ("Bursa Securities"), Malaysian Exchange of Securities Dealings & Automated Quotation, MDEX and Labuan International Financial Exchanges in September 2003 prior to Bursa Securities' demutualisation. She was previously a member of the Market Participations Committee of Bursa Securities.

Dato' Dr. Zaha Rina was a Director of Zurich Insurance Malaysia Berhad prior to being appointed Chairman of Manulife Holdings Berhad in December 2013. Currently, she also sits on the board of Hibiscus Petroleum Berhad, Keck Seng (Malaysia) Berhad and IGB Berhad besides holding directorships in several private limited companies. She is also the Chairman of Pacific & Orient Insurance Co. Berhad and Chairman of Mizuho Bank (Malaysia) Berhad. She is a Vice-President of Persatuan Chopin Malaysia and Divemaster with National Association of Underwater Instructors. She was a Member of Global Board of Advisers for XBRL until 2009 and was also on the Board of Trustee for Malaysian AIDS Foundation until May 2010.

Profile of the Board of Directors & Key Senior Management

(Cont'd)

BOARD OF DIRECTORS

CHAN THYE SENG

68, Male, Malaysian

Managing Director and
Chief Executive Officer

Mr. Chan joined the Board in March 1995. He had 13 years' experience as a practising lawyer, after having been called to the Bar at Middle Temple in 1980 and the Malaysian Bar in 1982. He graduated from University College Cardiff with a Bachelor of Law (Honours) degree. He was previously on the boards of the Kuala Lumpur Commodities Exchange and Malaysian Futures Clearing Corporation Sdn. Bhd.

Mr. Chan is the Executive Director of Pacific & Orient Insurance Co. Berhad, the principal subsidiary of the Company.

Mr. Chan is a Director and major shareholder of Mah Wing Holdings Sdn. Bhd. as well as Director and beneficial owner of Mah Wing Investments Limited, both of which are the major shareholders of the Company.

ONG SENG PHEOW

76, Male, Malaysian

Independent Director,
Chairman of Audit Committee,
Risk Management Committee

Member of Nominating
Committee and Remuneration
Committee

Mr. Ong was appointed to the Board of Pacific & Orient Berhad on 19 April 2018.

Mr. Ong has more than 34 years of experience in public practice with an international firm of accountants and was its National Director of Assurance and Advisory Business Services from 1994 until he retired in December 2003. He is a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. He currently sits on the board of several public and private limited companies.

YBHG. DATO' SRI MOHD MOKHTAR BIN HJ. MOHD SHARIFF

67, Male, Malaysian

Independent Director,
Chairman of the Nominating
Committee and Remuneration
Committee

Member of Audit Committee, Risk
Management Committee

Dato' Sri Mohd Mokhtar was appointed to the Board of Pacific & Orient Berhad on 22 December 2022.

Dato' Sri Mohd Mokhtar holds a degree in Bachelor of Law (Hons) from the University of Wolverhampton, United Kingdom, a Master of Business Administration from Phoenix International University, New Zealand and was called to the Malaysian Bar in September 2019.

Dato' Sri Mohd Mokhtar had served the Royal Malaysia Police from 1977 to 2018. He held several key senior positions in Royal Malaysia Police, namely Head of Special Branch Kuala Lumpur, Deputy Chief Police Officer of Pahang, Deputy Chief Police Officer of Johor, Chief Police Officer of Johor, Director of Narcotics and Crime Investigation Department and Director of Special Branch. He had also served in the Embassy of Malaysia in Bangkok, Thailand.

He is also an Independent Non-Executive Chairman of TMC Life Sciences Berhad, an Independent Non-Executive Director of South Malaysia Industries Berhad and an Independent Non-Executive Director of MY E.G. Services Berhad and currently sits on the board of several private limited companies.

Profile of the Board of Directors & Key Senior Management

(Cont'd)

KEY SENIOR MANAGEMENT

ALEX LOW CHOON HOONG

65, Male, Malaysian

Chief Executive Officer of Pacific & Orient Insurance Co. Berhad

Mr. Alex Low was appointed as the Chief Executive Officer ("CEO") of Pacific & Orient Insurance Co. Berhad, the principal subsidiary of the Company on 1 August 2024. He holds a Bachelor of Business Administration in Finance, Summa Cum Laude, from the University of Houston.

Mr. Low began his career at Johnson & Higgins Insurance Brokers, later Marsh Insurance Brokers, where he progressed from an Accounts Executive to Vice President, managing major financial institutions and large infrastructure projects.

From 2001 to 2015, he served as the CEO/Executive Director of Jardine Lloyd Thompson Sdn Bhd, overseeing the company's turnaround and key client relationships.

Subsequently, he joined Willis (Malaysia) Sdn Bhd as Deputy CEO, where he developed budgets, business plans, and new business opportunities.

In 2018, he took on the role of Chief Commercial Officer at MPI Generali Insurans Berhad. Following the acquisition of MPI Generali Insurans Berhad and AXA Affin General Insurance Berhad by Generali Insurance Malaysia Berhad, he served as Interim CEO at MPI Generali from January to March 2023 to support the transition. He then assumed the role of Senior General Manager at Generali Insurance Malaysia Berhad before becoming the CEO of Pacific & Orient Insurance Co. Berhad.

Throughout his career, Mr. Low has demonstrated exceptional expertise in business development, operational efficiency, and client relationship management. His leadership and extensive experience in the insurance and financial services sectors have been valuable to the companies he has served.

NOTES :

1. The interests of each Director in the shares of the Company are disclosed on page 249 (Shareholding Statistics).
2. There is no family relationship between the Directors/Key Senior Management with any director and/or major shareholder of the Company.
3. Other than traffic offences (if any), none of the Directors/Key Senior Management has been convicted of any offence within the past 5 years and there is no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.
4. Except as otherwise stated on page 49 of the Report of the Audit Committee, none of the other Directors/Key Senior Management has any conflict of interest with the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

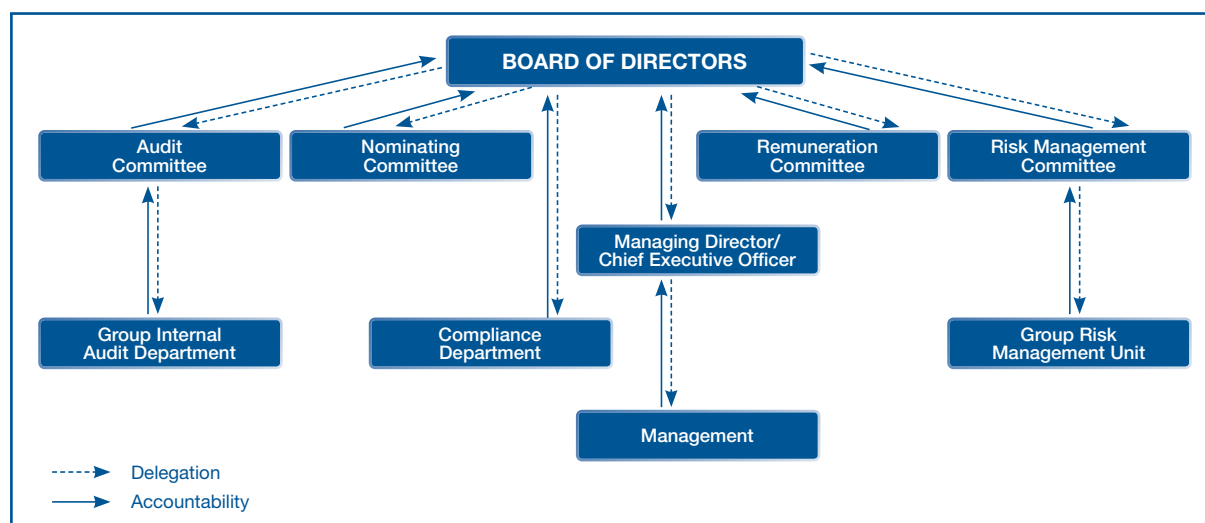
Pursuant to paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a public listed company is required to provide an overview of the application of the Principles set out in the Malaysian Code on Corporate Governance in its annual report.

The Board of Directors of Pacific & Orient Berhad acknowledges and takes cognisance of the Malaysian Code on Corporate Governance, which outlines Practices that emphasise the internalisation of corporate governance culture within companies. The Board is pleased to provide an overview of the Company's corporate governance practices for the financial year ended 30 September 2024 with reference to the 3 key Principles of good corporate governance, which are:

Principle A	Principle B	Principle C
Board Leadership and Effectiveness	Effective Audit and Risk Management	Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

This Corporate Governance Overview Statement should be read in conjunction with the Company's Corporate Governance Report for the financial year ended 30 September 2024, which is available on Bursa Malaysia Securities Berhad's website at <https://www.bursamalaysia.com> and on the corporate website at <https://www.pacific-orient.com>. The Corporate Governance Report discloses the extent to which the Company has applied the Practices set out in the Malaysian Code on Corporate Governance.

The Group's governance structure is as follows:



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

Board Roles and Responsibilities

The Board assumes responsibility for effective stewardship and control of the Company and has established terms of reference, in the form of a Board Charter, to assist in discharging its fiduciary and leadership responsibilities in the best interest of the Group. The Board's roles and responsibilities are elaborated on pages 2 and 3 of the Corporate Governance Report, available on Bursa Malaysia Securities Berhad's website and the corporate website.

Corporate Governance Overview Statement

(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. **Board Responsibilities (Cont'd)**

Board Roles and Responsibilities (Cont'd)

The Board Charter covers key areas, including but not limited to, the roles of the Chairman and the Managing Director/Chief Executive Officer; Board composition and appointment; Board size and tenure; Directors' remuneration; the induction of new Directors; Directors' training; Board roles and responsibilities; Board governance; Board Committees; Board meetings; dealings in securities of the Company; the Board's relationship with stakeholders; Company Secretary; External Auditors; and the schedule of matters specifically reserved for Board's decisions. The Board Charter can be viewed on the corporate website at <https://www.pacific-orient.com>.

The Board is chaired by a Non-Independent Non-Executive Chairman, with a clear division of responsibilities between the Chairman and the Managing Director/Chief Executive Officer to ensure a balance of power and authority. Importantly, there is no relationship between the Non-Independent Non-Executive Chairman and the Managing Director/Chief Executive Officer. To further enhance independent oversight of management and safeguard minority shareholders' interests, half of the Board consists of Independent Directors.

The Chairman of the Board is a member of the Audit Committee, Nominating Committee and Remuneration Committee. However, the Chairman does not chair these committee meetings. This structure ensures that the Chairman remains informed of key matters without compromising the objectivity of both the Chairman and the Board when deliberating on observations and recommendations presented by the Board Committees.

The Chairman primarily oversees the orderly conduct and effective functioning of the Board. In this capacity, the Chairman provides overall leadership in reviewing and deciding on strategic matters that influence the Company's and the Group's operations, including strategic planning and policy formulation. Meanwhile, the Managing Director/Chief Executive Officer is tasked with the day-to-day management of the Company, including running operations in alignment with the Board's directives, overseeing overall business performance, and ensuring that responsibilities delegated to management are effectively executed.

Company Secretary

The Board is supported by a qualified, experienced and competent Company Secretary. The Company Secretary advises the Board and Board Committees on updates related to statutory and regulatory requirements concerning the duties and responsibilities of Directors, as well as corporate governance matters. He also liaises with external parties and regulatory bodies on compliance issues. Furthermore, the Company Secretary organises and attends all Board and Board Committee meetings, ensuring that these meetings are properly convened. Accurate records of the proceedings and resolutions passed are meticulously taken and maintained at the Company's registered office.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

Board and Board Committee Meetings

The Board and its Committees met regularly to fulfil their respective duties and responsibilities. The attendance details for each Director at the meetings held during the financial year are as follows:

Name of Director	Designation	Meeting Attendance				
		Board	NC	RC	AC	RMC
Dato' Dr. Zaha Rina binti Zahari (Redesignated as Chairman on 21 May 2024)	Chairman, Non-Independent Non-Executive Director	4/4	1/1	1/1	4/4	4/4
Mr. Chan Thye Seng	Managing Director/ Chief Executive Officer	4/4	–	–	–	–
Mr. Ong Seng Pheow	Independent Director/ Chairman of Audit Committee ("AC") and Risk Management Committee ("RMC")	4/4	1/1	1/1	4/4	4/4
Dato' Sri Mohd Mokhtar bin Haji Mohd Shariff	Independent Director/ Chairman of the Nominating Committee ("NC") and Remuneration Committee ("RC")	4/4	1/1	1/1	4/4	4/4
Mr. Chan Hua Eng (Resigned on 30 April 2024)	Non-Independent Non-Executive Director	2/2	–	–	–	–
Mr. Michael Yee Kim Shing (Resigned on 21 May 2024)	Non-Independent Non-Executive Director	2/2	1/1	1/1	2/2	2/2

The Chairman, with the assistance of the Company Secretary, sets the Board meeting agenda and ensures sufficient time is allocated for the discussion of issues presented for deliberation. Board members receive the relevant agenda and Board papers, including management and financial information, at least 5 business days prior to each meeting. The advance distribution allows Directors to review the materials, seek clarification, and access information on the matters to be deliberated, thereby facilitating informed decision-making. Any Director with a direct or deemed interest in a subject matter must declare their interest and leave the room during the deliberation to ensure fairness.

All Board and Board Committee meetings during the financial year were held in-person. Board meetings were conducted separately from Board Committee meetings to facilitate objective and independent discussions.

Corporate Governance Overview Statement

(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

Code of Ethics and Anti-Corruption Programme

In fostering good business conduct and maintaining a healthy corporate culture, the Board has adopted a Code of Ethics for Directors, which outlines the standards of ethical behaviour that Directors should uphold while discharging their duties and responsibilities. The Code is based on 4 key principles, i.e. transparency, integrity, accountability and corporate social responsibilities.

Similarly, the Board of the principal insurance subsidiary has also adopted a Directors' Code of Ethics. To promote a strong culture of professionalism and ethics within the company, a Code of Ethical Conduct has been established for all employees. This Code outlines 6 ethical principles and 10 standards of conduct that all employees are expected to uphold. Likewise, during the financial year, the principal insurance subsidiary introduced a Code of Ethical Conduct for Agents, Intermediaries and Material Service Providers/Vendors. This Code mirrors the one for employees to be followed by agents, intermediaries, and material service providers/vendors during their business engagements with the company.

Further, the Group has implemented an Anti-Corruption Programme in accordance with the Guidelines on Adequate Procedures issued under Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018). The Anti-Corruption Programme includes a comprehensive set of policies, procedures, controls, training, and communication to establish adequate procedures to prevent or reduce the risk of corruption. Some of the key policies and documents developed included the Chairman's Statement on Integrity; Anti-Corruption Policy; Conflicts of Interest Policy; Whistleblowing Policy and Procedures; and Due Diligence Policy.

The Whistleblowing Policy and Procedures provides secure reporting channels for both internal and external parties, enabling them to disclose, in good faith, any instances of wrongdoing, malpractice, unlawful behaviour or violations of the Anti-Corruption Policy or other established policies within the Group. This Policy and Procedures aim to protect the Company's and the Group's reputation and the interests of its shareholders, clients and the public. It also encourages individuals to come forward without fear of reprisal, victimisation, harassment or discrimination resulting from their disclosures.

Furthermore, during the financial year, the Company established a Conflicts of Interest Framework for Key Persons to ensure compliance with the enhanced Main Market Listing Requirements regarding conflicts of interest to effectively manage any actual or potential conflict of interest situations. The Framework addresses the identification, evaluation, approval, reporting, and monitoring of conflict of interest situations.

The Code of Ethics for Directors; Chairman's Statement on Integrity; Anti-Corruption Policy; Conflicts of Interest Policy; and Whistleblowing Policy and Procedures can be viewed on the corporate website at <https://www.pacific-orient.com>.

Sustainability

The Group has adopted a Sustainability Policy aimed at fostering responsible business practices through the integration of Economic, Environmental and Social considerations into its operations. The Board of Directors bears ultimate responsibility for guiding and overseeing the Group's sustainability initiative. The Board acknowledges the importance of delivering long-term, sustainable value while maintaining stakeholder confidence. The Board has mandated the Managing Director/Chief Executive Officer to set the strategic direction of the Group. The Group communicates its sustainability strategies, priorities, and targets to stakeholders through the Sustainability Statement found on pages 60 to 66 of this Annual Report.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

Board Committees

To enhance the effectiveness and efficiency of the Board in discharging its duties, the Board has established 4 Board Committees, comprising exclusively Non-Executive Directors. They are the Nominating Committee, Remuneration Committee, Audit Committee and Risk Management Committee. The Board Committees operate on formal Terms of Reference approved by the Board and have the authority to examine pertinent issues and report back to the Board with their recommendations. While these Committees provide focused oversight, the ultimate decision-making responsibility on all matters remains with the full Board, ensuring accountability and comprehensive governance.

The Terms of Reference of the Board Committees may be viewed on the corporate website at <https://www.pacific-orient.com>.

II. Board Composition

Board Composition and Diversity

Independent Directors form half of the Board. This enables more effective oversight of management while ensuring Board balance and adequate representation of minority shareholders' interests.

The Company recognises the benefits of having a diverse Board, utilising differences in skills, industry experience, age, cultural background, gender, and other distinctions among the Directors. In making appointments, the Board considers the skills and experience required, as well as gender balance, to broaden the perspective and enhance the overall capability of the Board. While the Board has not set specific targets for female Directors, it is committed to increasing female representation when possible. As of now, 25% of the Board consists of women, thus meeting the Government's mandate requiring at least one woman director on the board by 1 June 2023 for listed issuers not classified as large companies.

The Board believes it has the right mix of individual qualities to fulfil its role. Collectively, the Board brings extensive experience in financial, business management, legal, insurance, and corporate affairs, making it well-suited to overseeing the Company.

Director's Independence and Tenure

During the financial year, one Independent Director who had served for 12 years, was re-designated as a Non-Independent Non-Executive Director in line with the enhanced Main Market Listing Requirements. Following this change in Board composition, the Board now consists of one Non-Independent Non-Executive Director, one Executive Director and two Independent Directors. None of the Independent Directors has exceeded the cumulative term limit of nine years.

Independent Directors undergo an independent assessment by the Nominating Committee and the Board, both during their appointment process and annually thereafter.

Nominating Committee

The Nominating Committee is primarily responsible for recommending suitable appointments to the Board, considering factors such as Board structure, size, composition, and the required mix of expertise and experience that a Director should bring. Additionally, the Nominating Committee evaluates the effectiveness of the Board as a whole, its Committees, and the individual contributions of each Director, including Non-Executive Directors, and the Managing Director/Chief Executive Officer.

Corporate Governance Overview Statement

(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (Cont'd)

Nominating Committee (Cont'd)

During the financial year, the Nominating Committee undertook the following activities:

- (i) Assessed the effectiveness of the Board, its Committees, and the contribution of each individual Director, including the performance of the Managing Director/Chief Executive Officer;
- (ii) Reviewed and recommended the re-election of a Director due for retirement by rotation;
- (iii) Assessed the independence of an Independent Director whose tenure has exceeded 9 years. The reappointment of this Director as Independent Director required shareholders' approval through a 2-tier voting process at the Annual General Meeting. This Director continued to serve until her re-designation as a Non-Independent Non-Executive Director, effective 21 May 2024, after reaching a cumulative term of 12 years in accordance with the enhanced Main Market Listing Requirements;
- (iv) Evaluated the independence of Independent Directors whose tenure was less than 9 years;
- (v) Reviewed and assessed the mix of skills, knowledge, industry experience, age, cultural background, gender, and other distinctions among the Directors; and
- (vi) Assessed the training needs of Directors and reviewed the training programmes provided to them.

Assessment of Nominees for Appointment to the Board, Re-election as Director, Effectiveness of the Board as a Whole, the Board Committees, the Chairman of the Board, Individual Directors and Managing Director/Chief Executive Officer

The Nominating Committee is responsible for identifying, assessing, and recommending suitable nominees for appointment to the Board and its Committees. In selecting a suitable candidate, the Nominating Committee considers the candidate's character, experience, integrity, competence, expertise and time commitment, as well as their directorship in other companies. This consideration takes into account the size of the Board to determine the impact of the number of directorships on its effectiveness, along with the required mix of skills and diversity for an effective Board. The final decision on the appointment of a candidate recommended by the Nominating Committee rests with the entire Board.

The Group has established a Directors' Fit and Proper Policy, which outlines the fit and proper criteria for selecting candidates proposed for appointment as Directors of the Company and its subsidiaries. This Policy ensures that any individual appointed or re-elected as a Director within the Group possesses the necessary character, experience, integrity, competence, and availability to effectively discharge their role as a Director. The Directors' Fit and Proper Policy can be viewed on the corporate website at <https://www.pacific-orient.com>.

In accordance with the Company's Constitution, any Director appointed to fill a casual vacancy shall hold office only until the forthcoming Annual General Meeting and shall be eligible for re-election at that meeting. The Company's Constitution also stipulates that at least 1/3 of the Directors shall retire from office by rotation at each Annual General Meeting but shall be eligible for re-election at that meeting. During the financial year, the Nominating Committee reviewed and recommended to the Board the re-election of a Director pursuant to the Company's Constitution.

Corporate Governance Overview Statement

(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (Cont'd)

Assessment of Nominees for Appointment to the Board, Re-election as Director, Effectiveness of the Board as a Whole, the Board Committees, the Chairman of the Board, Individual Directors and Managing Director/Chief Executive Officer (Cont'd)

The Nominating Committee is also responsible for assessing the effectiveness of the Board as a whole, the Board Committees, the Chairman of the Board, and each individual Director annually based on a set of established criteria. Based on the assessment performed for the financial year under review, the Board was satisfied with the performance and effectiveness of the Board as a whole, Board Committees, the Chairman of the Board and individual Directors. The improvement opportunities identified by the Board, as well as suggestions from individual Directors, did not significantly impact Board effectiveness and have been addressed by the Nominating Committee. However, the Board anticipates the implementation of digitalisation initiatives, such as providing soft copies of board papers to enhance compliance with environmental, social and governance standards. Additionally, the Board has suggested appointing a Director with an information technology background to enhance Board diversity. The Company acknowledges this recommendation and will seek suitable candidates with information technology expertise for potential directorship.

The Nominating Committee reviewed the performance of the Managing Director/Chief Executive Officer and was satisfied that he had performed satisfactorily and effectively discharged his duties and responsibilities.

Directors' Training

The Company recognises the importance of continuous professional development and training for its Directors. During the financial year ended 30 September 2024, the Directors attended training covering a broad range of areas, including sustainability, corporate governance, information technology, succession planning, marketing/business strategy, audit and risk management, financial reporting, and leadership and management development. The details of training attended by each individual Director are as follows:

Name of Director	Training Course
Dato' Dr. Zaha Rina binti Zahari	<ul style="list-style-type: none"> Institute of Corporate Directors Malaysia Seminar / Dialogue Session – The Path to Viability Offshore Technology Conference (“OTC”) Asia 2024 Affin Bank Market Outlook 2024 – Propelling Malaysia Forward Palm and Lauric Oil Price Outlook Conference and Exhibition 2024 Mastering ChatGPT: Unlocking the Potential of Conversational AI Succession Planning: A Catalyst for Business Growth and Sustainability Building Sustainable Credibility: Assurance, Greenwashing and the Rise of Green-Hushing Mizuho Bank – Board Training: Economic Outlook and Market Update/ Treasury and Capital Market/Investment Update
Mr. Chan Thye Seng	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact
Mr. Ong Seng Pheow	<ul style="list-style-type: none"> SC Audit Oversight Board Conversation with Audit Committee Mandatory Accreditation Programme Part II: Leading for Impact EY Financial Services Organisation (“FSO”) Insurance Forum – MFRS17
Dato' Sri Mohd Mokhtar bin Haji Mohd Sharif	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. Remuneration

Remuneration Committee

The Remuneration Committee is primarily responsible for determining and recommending to the Board the remuneration packages for the Executive Director and senior management of the Company. It is also tasked with reviewing and recommending the remuneration of Non-Executive Directors to the Board.

The Remuneration Committee carried out the following activities during the financial year:

- (i) Reviewed and recommended the remuneration package of the Managing Director/Chief Executive Officer; and
- (ii) Reviewed and recommended the fees and benefits for Non-Executive Directors.

Remuneration of Directors and Key Senior Management

The Group has established a Remuneration Policy aimed at attracting, motivating and retaining Directors and executives of high calibre, who possess the relevant experience, qualifications, and expertise to effectively manage the Company. The Policy ensures that the reward levels are competitive with the market and aligned with the business environment in which the Company operates, while also considering the individual's experience, level of responsibilities and, where applicable, linking remuneration to corporate performance.

Additionally, the Remuneration Policy aligns with the Company's culture, objectives and strategy. It encourages sound and effective risk management without promoting excessive risk-taking, in line with the Company's risk appetite and the long-term strategy.

The Remuneration Policy can be viewed on the corporate website at <https://www.pacific-orient.com>.

The remuneration of the Executive Director is structured to align rewards with corporate performance, promoting high performance standards while avoiding incentives that could lead to irresponsible behaviour or insider excesses. The remuneration for Non-Executive Directors is a fixed amount, reflecting their responsibilities and contributions to the effective functioning of the Board and Board Committees. Finally, the remuneration for senior management is tied to the achievement of individual responsibilities, project success, and performance targets, while promoting responsible risk behaviours.

Corporate Governance Overview Statement

(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. Remuneration (Cont'd)

Remuneration of Directors and Key Senior Management (Cont'd)

The aggregate remuneration of Directors of the Company (including the remuneration for services rendered to the Company as a Group) for the financial year ended 30 September 2024 is as follows:

Company

	Fee (RM)	Allowance (RM)	Salary (RM)	Bonus (RM)	Benefits in-kind (RM)	Other emoluments* (RM)	Total (RM)
Executive Director							
Mr. Chan Thye Seng	–	120,000	1,482,480	(123,540)	45,531	178,218	1,702,689
Non-Executive Directors							
i) Dato' Dr. Zaha Rina binti Zahari	87,258	–	–	–	–	–	87,258
ii) Mr. Ong Seng Pheow	80,000	–	–	–	–	–	80,000
iii) Dato' Sri Mohd Mokhtar bin Haji Mohd Shariff	80,000	–	–	–	–	–	80,000
iv) Mr. Chan Hua Eng (Resigned on 30 April 2024)	58,333	–	–	–	–	–	58,333
v) Mr. Michael Yee Kim Shing (Resigned on 21 May 2024)	51,257	25,591	–	–	2,196	–	79,044

* Other emoluments comprised contribution to EPF and SOCSO.

Group

	Fee (RM)	Allowance (RM)	Salary (RM)	Bonus (RM)	Benefits in-kind (RM)	Other emoluments* (RM)	Total (RM)
Executive Director							
Mr. Chan Thye Seng	–	611,921	1,482,480	(123,540)	45,531	234,698	2,251,090
Non-Executive Directors							
i) Dato' Dr. Zaha Rina binti Zahari	187,258	–	–	–	2,067	–	189,325
ii) Mr. Ong Seng Pheow	80,000	–	–	–	–	–	80,000
iii) Dato' Sri Mohd Mokhtar bin Haji Mohd Shariff	80,000	–	–	–	–	–	80,000
iv) Mr. Chan Hua Eng (Resigned on 30 April 2024)	58,333	–	–	–	–	–	58,333
v) Mr. Michael Yee Kim Shing (Resigned on 21 May 2024)	69,257	25,591	–	–	2,196	–	97,044

* Other emoluments comprised contribution to EPF, SOCSO and defined benefit plan.

Corporate Governance Overview Statement

(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. Remuneration (Cont'd)

Remuneration of Directors and Key Senior Management (Cont'd)

Other than the remuneration of the Chief Executive Officer of the principal insurance subsidiary, the Company has not disclosed, on a named basis, the remuneration components of the top five senior management members, including salary, bonus, benefits in-kind, and other emoluments, in bands of RM50,000. The Board believes that disclosing the remuneration of senior management on a named basis may be detrimental to the Company's interests. The highly competitive market conditions, particularly within the financial services industry, increase the likelihood of rival companies poaching our skilled employees. Furthermore, such disclosure may cause unnecessary unease among senior management personnel if they compare their remuneration with those listed in the Annual Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

Audit Committee

The Audit Committee plays an active role in assisting the Board in discharging its governance responsibilities, which include financial reporting and maintaining a sound risk management, internal control and governance system.

The Audit Committee comprises a majority of Independent Directors, and its Chairman is not the Chairman of the Board. Full details of the composition, attendance of each member at meetings, and a summary of the Audit Committee's activities during the financial year are set out in the Report of the Audit Committee on pages 44 to 53 of this Annual Report.

All members of the Audit Committee are financially literate and fully capable of performing their duties, including overseeing the financial reporting process, as outlined in the Audit Committee Charter, available on the corporate website at <https://www.pacific-orient.com>.

The Audit Committee has implemented a Policy and Procedures to Assess the Suitability, Objectivity and Independence of External Auditors. This Policy outlines selection criteria for appointing new auditors, assessment criteria for reappointing or removing existing auditors, the assessment process, procedures for resignations, a review of audit and non-audit service fees, and the importance of ensuring that non-audit services do not compromise the auditors' independence. Additionally, it includes guidelines for the rotation of the external audit engagement partner.

Internal Audit Function

The Audit Committee is supported by an in-house Internal Audit function in the discharge of its duties and responsibilities. The Group Internal Audit Department conducts regular reviews of the adequacy and effectiveness of the Group's internal controls and risk management process, as well as the appropriateness and effectiveness of corporate governance practices based on Audit Planning Memorandums approved by the respective Audit Committees. Additionally, the Department assists the Audit Committee in overseeing the Group's financial reporting. An overview of the Group Internal Audit Department and its activities is provided in the Report of the Audit Committee on pages 44 to 53 of this Annual Report.

Corporate Governance Overview Statement

(Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

II. Risk Management and Internal Control Framework

Risk Management Committee

The Risk Management Committee is primarily responsible for overseeing the risk management activities of the Company and the Group. The Committee has a broad mandate to ensure the effective implementation of the objectives outlined in the Risk Management Framework approved by the Company and to ensure compliance throughout the Group.

During the financial year, the Risk Management Committee carried out the following activities:

- (i) Reviewed and approved the Risk Management Plan developed by the Group Risk Management Unit;
- (ii) Reviewed and recommended to the Board the approval of the Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year;
- (iii) Reviewed the risk review reports and risk dashboards prepared by the Group Risk Management Unit;
- (iv) Reviewed the results of the corruption risk assessment;
- (v) Reviewed the risk registers pertaining to common sustainability matters of the Group; and
- (vi) Stayed updated on the progress of the implementation of the Anti-Corruption Programme within the Company and the Group.

Risk Management Framework

The Company has established a formal Risk Management Framework to support the identification, evaluation and management of risks. The Risk Management Committee convenes regularly to oversee the development of risk management policies and procedures, and to monitor and evaluate the various risks that may arise from the Group's business activities. To assist in its responsibilities, a Group Risk Management Unit has been established.

The Risk Management Framework encompasses several key areas, including risk management principles and philosophy/policy; accountability, roles and responsibilities for managing risks; the risk management structure and cycle; and the overall risk management process.

Internal Control System

The Board upholds a robust internal control system that encompasses not only financial controls but also operational and compliance measures. The system is designed to provide reasonable assurance regarding the effectiveness and efficiency of operations and programs, the reliability and integrity of financial and operational information, the safeguarding of assets, and adherence to laws, regulations, policies, procedures and contractual obligations. However, it is important to note that, by its nature, the internal control system can only provide reasonable – not absolute – assurance against material misstatement, losses or fraud.

The Statement on Risk Management and Internal Control, which provides an overview of the Group's risk management framework and the state of internal controls, is presented on pages 24 to 41 of this Annual Report.

Compliance

The principal insurance subsidiary has established a Compliance Department. The department is primarily responsible for providing ongoing regulatory and compliance advice to the company and its business units. Its key responsibilities include assisting management in developing policies, procedures and guidelines to ensure compliance with existing laws and regulations. Additionally, the department proactively reviews business activities to identify potential regulatory, compliance and reputational risks, designing strategies to minimise such risks, while promoting a culture of compliance within the company.

Corporate Governance Overview Statement

(Cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

The Company communicates information to its stakeholders primarily through the Company's annual reports, quarterly financial reports, annual general meetings, and extraordinary general meetings, as well as through disclosures made to Bursa Malaysia Securities Berhad and other corporate publications on the corporate website at <https://www.pacific-orient.com>. The corporate website also serves as a platform for stakeholders to share their views, feedback or complaints. The Company is committed to acknowledging and addressing these inputs, where appropriate.

The Board acknowledges the importance of fair, timely, effective, transparent, accurate, and open communication with shareholders and stakeholders. To this end, the Board has adopted both a Shareholders Communication Policy and a Corporate Disclosure Policy, which are available on the corporate website.

II. Conduct of General Meetings

In line with Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company issued the Notice of the 30th Annual General Meeting to shareholders on 30 January 2024, which was 38 days before the meeting.

The Company's 30th Annual General Meeting held on 8 March 2024 was conducted fully virtually through live streaming from the broadcast venue at the Group's premises. All Directors of the Company attended the meeting to provide shareholders the opportunity to engage with each Director. All shareholders were encouraged to pose questions and were provided with ample opportunity to do so during the meeting. Senior management and the External Auditors were also available to address any queries from shareholders.

A summary of the key matters discussed at the 30th Annual General Meeting can be viewed on the corporate website.

KEY CORPORATE GOVERNANCE FOCUS AREAS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

During the financial year, as part of the Group's commitment to enhancing its conflicts of interest policy and procedures, the Company implemented a comprehensive Conflicts of Interest Framework for Key Persons. The Framework establishes detailed policies and procedures to ensure compliance with the enhanced conflicts of interest requirements in the Main Market Listing Requirements and to effectively manage any actual or potential conflicts of interest. This initiative underscores the Group's proactive approach in upholding the highest ethical standards and ensuring effective corporate governance.

In accordance with the amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad relating to Enhanced Sustainability Reporting Framework, as well as the Updated Sustainability Reporting Guide and Toolkits, the Group has disclosed the relevant common sustainability matters (including accompanying indicators), management of these matters, and quantitative information in the Sustainability Statement of the Annual Report for the financial year ended 30 September 2024.

To foster a culture rooted in professionalism and ethical conduct within the company, the principal insurance subsidiary has implemented clear ethical guidelines for all employees. These guidelines emphasise core principles such as competence, integrity and confidentiality, among others. Employees are expected to align with standards that ensure they act responsibly, maintain fairness, uphold confidentiality, avoid conflicts of interest, and continuously enhance their professional skills. Additionally, the company has extended similar ethical standards to agents, intermediaries, and key service providers through a dedicated Code of Conduct. This document sets forth expectations that mirror those of the employee guidelines, ensuring that all parties engaging with the company adhere to ethical practices in their dealings, thus reinforcing the company's commitment to transparency and integrity throughout its business relationships.

The Group has also continued with enhancing and digitalising its Anti-Corruption Programme, where applicable.

Corporate Governance Overview Statement

(Cont'd)

FUTURE ACTIVITIES ON CORPORATE GOVERNANCE AREAS

The Securities Commission Malaysia launched the National Sustainability Reporting Framework on 24 September 2024. The Framework establishes the IFRS Sustainability Disclosure Standards, issued by the International Sustainability Standards Board, as the baseline for sustainability disclosures for companies in Malaysia. The Framework outlines different adoption timelines for various groups of companies. As a company with a market capitalisation of less than RM2 billion, which falls under Group 2, the Company is required to implement these standards for the annual report period beginning on or after 1 January 2026. The Board acknowledges the requirements of the Framework and is committed to implementing the necessary standards for sustainability reporting within the prescribed timeline.

Furthermore, on 30 August 2024, the Securities Commission Malaysia and Bursa Malaysia Securities Berhad announced that all public listed companies must conduct either hybrid or physical general meetings starting from 1 March 2025. The Board has taken note of this announcement and is committed to complying with the requirement by holding hybrid or physical Annual General Meetings from 1 March 2025 onward.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad requires the Board of Directors to include a statement on the state of the Company's risk management and internal control, applicable to the Company as a Group, in the Annual Report. This statement has been prepared in accordance with the "Statement on Risk Management & Internal Control: Guidelines for Directors of Public Listed Issuers" issued by an industry-led task force in December 2012.

BOARD RESPONSIBILITY

The Board of Directors holds overall responsibility for maintaining a robust risk management and internal control framework to ensure the achievement of the organisation's strategic objectives, the reliability and integrity of the financial and operational information; the effectiveness and efficiency of operations and programs; the safeguarding of assets; and compliance with laws, regulations, policies, procedures and contracts. The Board is fully committed to ensuring the adequacy and effectiveness of this framework within Pacific & Orient Berhad and its subsidiaries (collectively referred to as "the Group").

However, the framework is designed to manage, rather than eliminate, the risk of failing to achieve business objectives. As such, it can only provide reasonable, but not absolute, assurance against material misstatements in management and financial information or potential financial losses.

The Board has established an ongoing process within the Group to identify, evaluate, and manage significant risks that could affect the achievement of strategic plan. This process has been in place throughout the financial year under review and continues to operate effectively up to the date of approval of this Statement for inclusion in the Annual Report.

MAIN FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Group defines internal control as "Any action taken by management, the Board, and other relevant parties to manage risk and increase the likelihood of achieving established objectives and goals. Management is responsible for planning, organising, and directing sufficient actions to provide reasonable assurance that these objectives and goals will be met."

Similarly, the Group defines risk management as "A process to identify, assess, manage, and control potential events or situations, providing reasonable assurance in achieving the Group's objectives."

Within the Group, specific roles related to risk management and internal control are assigned to parties responsible for overseeing these functions. These roles ensure the effective implementation and monitoring of the risk management and internal control frameworks across the organisation. The persons within the Group that have particular roles in risk management and internal control are:

(i) Boards of Directors

The Board of Directors for each subsidiary within the Group is responsible for risk management and internal control specific to their respective companies. The holding company's Board, on the other hand, oversees the Group's overall approach. Their responsibilities include designing and implementing an appropriate risk management and internal control framework across the Group; determining the Group's business strategies and aligning risk management to these strategies; approving the Group's overall risk strategy and risk philosophy/policy to ensure consistency with strategic direction and business objectives; concurrence with the Group's risk appetite to ensure it aligns with both risks and business goals; reviewing the Group's risk portfolio and evaluating it against the established risk appetite; and ensuring management's responsiveness to principle risks by reviewing the actions taken to mitigate their impact or potential consequences.

Statement on Risk Management and Internal Control

(Cont'd)

MAIN FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

(ii) Risk Management Committee

A Risk Management Committee was established at the holding company level with a clear mandate to oversee the Group's risk management efforts and ensure effective implementation of the objectives and procedures set forth in the Risk Management Framework. The Risk Management Committee's key functions include monitoring risk management activities, ensuring that significant risks are brought to the attention of the Board, and overseeing the communication and implementation of the Group's risk appetite/tolerance at the subsidiary level.

Similarly, the Group's principal insurance subsidiary has its own Risk Management Committee with the appropriate terms of reference, ensuring that the subsidiary's risk management processes align with both its own and the Group's broader risk management objectives. This structure promotes consistent risk oversight throughout the Group, with clear reporting mechanisms and accountability at both the subsidiary and Group levels.

(iii) Audit Committee

The Audit Committee was established to assist the Board and Directors in discharging its responsibilities related to financial reporting, internal controls, and adherence to corporate codes of conduct. Significant issues identified by the Audit Committee are escalated to the Board for further attention. The Committee also plays a critical role in ensuring the independence and adequacy of resources of the internal audit function, confirming that its scope of work is appropriate and that audits are carried out objectively and effectively by a qualified team.

Additionally, the Audit Committee reviews the independence of the Company's External Auditors, ensuring that they can provide impartial assurance services. The Committee facilitates an open line of communication and collaboration between the Board, Internal Auditors, External Auditors, and management to ensure effective oversight of the Company's governance, risk management and financial reporting processes.

(iv) Whistleblowing Committee

The Whistleblowing Committee, established as a sub-committee of the Audit Committee at the principal insurance subsidiary, plays a key role in upholding the company's integrity and safeguarding the interests of its stakeholders. It assists the Audit Committee/Board by reviewing and investigating complaints relating to any form of wrongdoing, malpractice, unlawful behaviour, or misconduct. This includes breaches of the Anti-Corruption Policy or violations of other internal policies and procedures. The Committee evaluates complaints brought to its attention, whether received through formal whistleblowing channels or other sources, and deliberates on appropriate actions. It then makes recommendations to the Audit Committee/Board for further actions, ensuring necessary measures are taken, where applicable.

(v) Management Committee

The Management Committee at the principal insurance subsidiary consists of the Chief Executive Officer, Chief Operating Officer, and General Manager – Claims (Bodily Injury/Non-Motor), with members of management, Group Human Resource & Administration Department, and Group Internal Audit Department attending by invitation.

This Committee is responsible for various critical functions, including ensuring the smooth running of daily operations and the conduct of the company's business; implementing necessary measures to comply with applicable regulatory requirements; regularly establishing and evaluating internal control mechanisms and procedures, particularly focusing on independent control functions and their resources; establishes appropriate administrative and accounting procedures and internal control to ensure the integrity of financial and prudential reporting systems in line with relevant regulations; and ensuring the company has an effective risk management system in place.

Statement on Risk Management and Internal Control

(Cont'd)

MAIN FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

(vi) Management

Management is directly responsible for overseeing all activities within the Group, particularly in the scope of risk management. This responsibility encompasses several key areas, such as establishing clear business and risk strategies, including specific risk limits for each business unit; fostering a sound risk culture by maintaining a strong focus on risk considerations in all Group activities, which includes ensuring timely responses to any inappropriate risk-taking behaviours; promoting a culture of risk awareness and effective risk management throughout the Group; establishing a well-defined management structure to ensure accountability and effective oversight of delegated authorities and responsibilities relating to risk-taking decisions; and implementing systems that effectively manage financial and non-financial risks to which the Group may be exposed.

(vii) Group Risk Management Unit

A Group Risk Management Unit was established at the holding company level to assist the Risk Management Committee in effectively implementing and maintaining the Risk Management Framework. This Unit serves as the central point of contact and guidance for enterprise risk management issues within the Group and coordinates routine risk management reporting among various business units.

Additionally, a dedicated Risk Management Department was established to support the Risk Management Committee in the principal insurance subsidiary.

(viii) Group Anti-Corruption Committee

The Group Anti-Corruption Committee comprises representatives from various departments, including the Group Internal Audit Department, Group Risk Management Unit, Group Finance Department, Group Legal Department, Group Human Resource and Administration Department, Group Company Secretary, as well as the Risk Management and Compliance Departments of the principal insurance subsidiary.

The Committee's primary responsibilities include establishing, maintaining, and periodically reviewing the Anti-Corruption Programme. It also facilitates the integration of this Programme into the Group's processes and communicates the Group's anti-corruption policies and commitments to both internal and external stakeholders, including the consequences of non-compliance.

(ix) Whistleblowing Working Committee

A Whistleblowing Working Committee was established at the principal insurance subsidiary to support the Whistleblowing Committee in fulfilling its responsibilities. The Working Committee consists of the Chief Audit Executive and the Head of Compliance Department. Its primary role is to conduct an initial enquiry for every complaint received to assess whether there are sufficient merits to initiate a full investigation. If the initial findings indicate suspicious circumstances, the Working Committee will commence a full investigation in accordance with the procedures outlined in the Whistleblowing Policy and Procedures.

(x) Risk Owners

Risk owners typically comprise the heads of business units. They are responsible for conducting operational risk assessments, managing and reporting risk exposures, and reporting these risks to the Group Risk Management Unit or the Risk Management Department of the principal insurance subsidiary.

(xi) Employees

Employees are encouraged to be vigilant about operational risks and to undertake their tasks in a careful and conscientious manner that aligns with the Group's policies. They are responsible for reporting any newly identified or escalating risks to the risk owners.

Statement on Risk Management and Internal Control

(Cont'd)

MAIN FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

(xii) Group Internal Audit Department

The Group Internal Audit Department, reporting to the Audit Committees of both the holding company and the principal insurance subsidiary, conducts audits focused on operational, financial, compliance, and management information system controls within the Group. These audits are performed in accordance with Audit Planning Memorandums approved by the Audit Committees. Adopting a risk-based approach, the Internal Audit function employs a systematic methodology to provide objective and independent assessments of the appropriateness and effectiveness of the Group's corporate governance practices, and adequacy and effectiveness of the risk management and internal control framework. In fulfilling its responsibilities, the Department evaluates risk exposures and controls concerning achievement of the Group's strategic objectives, the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations and programs, asset safeguarding, and compliance with relevant laws, regulations, policies, procedures and contracts.

For each internal audit issue identified, the Group Internal Audit Department develops recommendations to mitigate associated risks based on root-cause analysis. Follow-up audits are conducted to ensure that the auditee implements these recommendations within the agreed-upon timeline.

(xiii) Compliance Department

A Compliance Department has been established by the principal insurance subsidiary. Its main responsibilities include providing ongoing regulatory and compliance advice to the company and its business units, assisting management in developing policies, procedures, and guidelines to ensure compliance with applicable laws and regulations. The Department proactively reviews business activities to identify potential regulatory, compliance and reputational risks, designing strategies to minimise such risks while promoting a culture of compliance throughout the organisation.

The Compliance Department, Risk Management Department, and Group Internal Audit Department are guided by an Internal Audit, Risk Management and Compliance Matrix. This Matrix clearly delineates the roles and responsibilities of each control function, ensuring comprehensive examination of all areas, even though some duplication of efforts may occur. It facilitates the sharing of relevant information derived from each control function's activities, while preserving their independence.

The main features of the internal control framework within the Group can be categorised into several key components:

(I) Control Environment

(a) Board Independence

As at 30 September 2024, 2 out of the 4 Directors on the Board were Independent Directors, meeting the requirements of the Malaysian Code on Corporate Governance. Furthermore, neither of the Independent Directors has a material relationship with the Company. Apart from receiving Directors' fees and holding shares, they do not derive any financial benefits from their association with the Company. The absence of any material relationship ensures that their ability to exercise independent judgment remains unimpaired and that they can make difficult decisions regarding management and business operations without conflict.

(b) Director's Fitness and Propriety

The Group has established a Directors' Fit and Proper Policy, outlining the criteria for selecting candidates proposed for appointment as Directors of the Company and its subsidiaries. This Policy ensures that individuals appointed or re-elected as Directors within the Group possess the necessary character, experience, integrity, competence, and time to effectively fulfil their roles. The Directors' Fit and Proper Policy is available for public viewing on the corporate website at <https://www.pacific-orient.com>.

Statement on Risk Management and Internal Control

(Cont'd)

MAIN FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

(I) Control Environment (Cont'd)

(c) Structures, Reporting Lines and Appropriate Authorities and Responsibilities

A formal organisation structure for each company within the Group has been established, with clearly defined reporting lines of authority, responsibility and accountability. Management authority limits have been imposed on Executive Directors and management within the Group to oversee the day-to-day operations, ensuring proper accountability and segregation of functional duties.

Additionally, the principal insurance subsidiary has implemented a Departmental Areas of Accountability document, which outlines the specific areas of accountability for each department/section of the company, along with the roles and responsibilities of each department or section head within their respective areas of accountability.

(d) Code of Ethics

The Board has adopted a Code of Ethics for Directors, which outlines the standards of ethical behaviour that Directors must adhere to while discharging their duties and responsibilities. The Code is based on 4 core principles, i.e. transparency, integrity, accountability and corporate social responsibilities. The Code of Ethics can be viewed on the corporate website.

In addition, the principal insurance subsidiary has established a Code of Ethical Conduct for its employees to foster a culture of professionalism and ethics across the company. This Code outlines 6 ethical principles – competence, integrity, fairness, confidentiality, objectivity and compliance – that all employees are expected to uphold. It also specifies 10 standards of conduct, which are acting in the customer's best interest, complying with laws and regulations, maintaining confidentiality, ensuring market integrity, managing conflicts of interest, promoting transparency, operating responsibly, acquiring professional knowledge and skills, treating others with respect and fairness, and being responsible and accountable.

Expectations of employee conduct and maintaining high moral and ethical standards are further reinforced in the Group Employee Handbook and embedded in the Company's policies, procedures and practices.

Additionally, during the financial year, the principal insurance subsidiary has established a Code of Ethical Conduct for Agents, Intermediaries and Material Service Providers/Vendors. Similar to the Code of Ethical Conduct for employees, this Code outlines 6 ethical principles and 10 standards of conduct that all agents, intermediaries, and material service providers/vendors are required to adhere to.

(e) Anti-Corruption Programme

The Group has developed an Anti-Corruption Programme in line with the Guidelines on Adequate Procedures issued by the Prime Minister's Department of Malaysia. The Programme encompasses a comprehensive set of policies, procedures, controls, training and communication mechanisms designed to mitigate the risk of corruption within the Group. It aims to prevent corrupt practices and ensure compliance with relevant laws.

Statement on Risk Management and Internal Control (Cont'd)

MAIN FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

(I) Control Environment (Cont'd)

(e) Anti-Corruption Programme (Cont'd)

Some of the key policies and documents included in the Anti-Corruption Programme are:

(i) Chairman's Statement on Integrity

The Statement emphasises the Group's unwavering commitment to integrity by ensuring robust safeguards against corruption for the Group, its employees and business associates. The Group aims for full compliance with anti-corruption laws and regulations, and this adherence extends beyond mere legal obligation. By fully embracing the Anti-Corruption Programme, the Group is positioned to reap tangible business benefits, such as enhanced credibility, trust and operating efficiency. This, in turn, supports service excellence, a critical factor in fostering and sustaining long-lasting business relationships.

(ii) Anti-Corruption Policy

In addition to the financial and non-financial controls implemented, such as segregation of incompatible functions, the requirement for multiple signatories for transactions, and the actions prescribed for conflict of interest situations, the Group has adopted a zero-tolerance approach to all forms of corruption. The Anti-Corruption Policy establishes the Group's position on preventing corrupt practices in its business activities.

This Policy applies to all Directors, employees, business associates, and other third parties connected to or acting on behalf of the Group. It strictly prohibits any Director, employee, business associate or other third party working in relation to the Group from directly or indirectly offering, giving, receiving or soliciting any item of value with corrupt intent to influence the decisions or actions of a person in a position of trust within an organisation, either for the benefit of the Group or the individuals involved in the transaction. To reinforce this commitment, all Directors, employees, and business associates are required to sign integrity declarations confirming they have read, understood and will comply with the Policy.

A breach of this Policy may result in disciplinary action or other appropriate measures, which could include dismissal or even legal consequences, such as imprisonment, in accordance with the relevant laws, being taken against the individual and/or organisation concerned.

The Anti-Corruption Policy can be viewed on the corporate website at <https://www.pacific-orient.com>.

(iii) Conflicts of Interest Policy

The Conflicts of Interest Policy was established to prevent actual or potential conflicts of interest from compromising the well-being, business interests and reputation of the Group. It provides guidance to Directors, employees, and business associates to identify and understand their obligations regarding the disclosure and management of conflicts of interest.

This Policy requires Directors to disclose any conflicts to the Board of Directors. When necessary, prior approval from shareholders must be obtained in accordance with applicable laws and regulations. The Company Secretarial Department will record these declarations in the meeting minutes.

Statement on Risk Management and Internal Control

(Cont'd)

MAIN FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

(I) Control Environment (Cont'd)

(e) Anti-Corruption Programme (Cont'd)

(iii) Conflicts of Interest Policy (Cont'd)

Employees must declare any conflicts of interest at the start of their employment and on an ad-hoc basis as conflicts arise. Similarly, business associates are obligated to disclose any conflicts that may arise during their commercial relationship with the Group, prior to executing any business agreements or procurement process, and whenever they become aware of such conflicts during their activities with the Group.

(iv) Due Diligence Policy

The Due Diligence Policy establishes the Group's commitment to conducting thorough due diligence to protect its businesses from corruption risks associated with Directors, employees, business associates and other third parties.

Under this Policy, relevant employees are required to carry out due diligence checks on prospective employees, business associates and other third parties, as well as on specific projects, transactions and activities, particularly when significant corruption risk has been identified. The scope of the required due diligence checks will be determined by considering any corruption risk assessments conducted, the resources available and the scale of the project, transaction or activity.

(v) Whistleblowing Policy and Procedures

The Whistleblowing Policy and Procedures have been established to provide secure reporting channels for both internal and external parties, enabling them to disclose, in good faith, any instances of wrongdoing, malpractice, unlawful behaviour or violations of the Anti-Corruption Policy or other established policies within the Group. This Policy and Procedures aim to protect the Group's reputation and the interests of its shareholders, clients and the public. It also encourages individuals to come forward without fear of reprisal, victimisation, harassment or discrimination resulting from their disclosures.

Anyone who reports wrongdoing or improper conduct in good faith and in accordance with this Policy and Procedures will be protected from retaliation. All disclosures related to the Group should be made by completing the Whistleblower Form and submitting it to the Chief Audit Executive or the Chair of the Audit Committee.

The Whistleblowing Policy and Procedures can be viewed on the corporate website at <https://www.pacific-orient.com>.

To ensure effective implementation of the Anti-Corruption Programme in accordance with adequate procedures, the Board has formed a Group Anti-Corruption Committee. The Committee is responsible for implementing, maintaining, and periodically reviewing the Programme to assess the effectiveness of its processes and procedures in managing and controlling corruption risks. It will also recommend and make necessary modifications to ensure ongoing improvement and effectiveness.

Statement on Risk Management and Internal Control

(Cont'd)

MAIN FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

(l) Control Environment (Cont'd)

(f) Conflicts of Interest Framework for Key Persons

In addition to the Conflicts of Interest Policy, the Company established a Conflicts of Interest Framework for Key Persons during the financial year. This Framework outlines comprehensive policies and procedures to ensure compliance with the enhanced conflicts of interest requirements under the Main Market Listing Requirements. It also aims to effectively manage all actual and potential conflicts of interest involving Key Persons with the Company or the Group. The Framework includes processes for identifying, evaluating, approving, reporting, and monitoring conflict of interest situations.

(g) Anti-Money Laundering, Counter Financing of Terrorism & Targeted Financial Sanctions Policy

The principal insurance subsidiary has established an Anti-Money Laundering, Counter Financing of Terrorism and Targeted Financial Sanctions Policy to demonstrate the company's commitment to complying with applicable regulations in these areas.

The company conducts customer due diligence when establishing business relations, when there is any suspicion of money laundering or terrorism financing, or when there is doubt about the veracity or adequacy of previously obtained information. This process involves verifying the identity of the customer against independent source documents. However, for business relationships involving cash transactions of RM5,000 and above, enhanced customer due diligence will be performed.

Additionally, the company maintains an updated sanctions database on the United Nations Security Council Resolutions List and Domestic List issued by the Minister of Home Affairs. Sanctions screening for existing, potential or new customers is conducted against this database when establishing business relationships, during the policy's in-force period and before any payouts. The company will reject a potential customer if there is a positive name match.

The company also maintains a sanctions database specifically for domestic politically exposed persons. Sanctions screening for existing, potential or new customers is conducted against this database. If a positive name match occurs, the company will carry out enhanced customer due diligence to assess the level of money laundering and terrorism financing risks posed by the business relationship with the domestic politically exposed person before deciding whether to establish or continue such a relationship.

Additionally, the company has blacklisted all countries of which the specified entities are nationals. This blacklist includes countries identified by the Financial Action Taskforce in its latest Public Statement as high risk, as well as those countries with strategic deficiencies in their anti-money laundering or counter-financing of terrorism measures.

(h) Regulatory Compliance Framework

A proactive and integrated regulatory compliance monitoring and control process has been implemented in the principal insurance subsidiary, establishing a solid foundation for a stronger compliance environment. This process assures the company that its products and services are offered in accordance with regulatory requirements and its corporate responsibilities. The Regulatory Compliance Framework outlines the fundamental rules for compliance and monitoring processes, providing the Compliance Department with a mechanism to enhance its role in compliance oversight.

Statement on Risk Management and Internal Control

(Cont'd)

MAIN FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

(I) Control Environment (Cont'd)

(i) Technology Risk Management and Cyber Resilience Framework

The principal insurance subsidiary has established a Technology Risk Management and Cyber Resilience Framework to systematically guide and manage technology and cyber risks. This Framework was developed with reference to Bank Negara Malaysia's policy document on Risk Management in Technology.

The Technology Risk Management Framework aims to safeguard the company's information structure, systems and data, while the Cyber Resilience Framework ensures the company's resilience against cyber threats. Together, these frameworks define the risk governance structure and outline the risk management processes for identifying, assessing, controlling, mitigating, monitoring and reporting on technology risks.

These risks may arise from failures in systems, applications, platforms or infrastructures, including vulnerabilities associated with both internal and external networks. Such failures could result in financial loss, disruption of financial services or operational challenges for the company. Additionally, errors in any of these elements could also lead to adverse reputational impacts.

(II) Risk Assessment

Operating management of each business unit is responsible for identifying and mitigating major business risks, maintaining controls and procedures tailored to their specific business environments. This includes the establishment of a formal Risk Management Framework, which outlines the principles, philosophy/policy, roles and responsibilities, structure, and processes for identifying, evaluating, reporting and managing risks. The Framework, developed based on ISO 31000:2018 Risk Management – Guidelines, equips both the Board and management with the necessary tools to anticipate and address both existing and potential risks.

The effectiveness of the Risk Management Framework is continuously reinforced through face-to-face discussions with risk owners, as well as by posting the Framework in an easy-to-understand format, complete with pictorials, on noticeboards throughout the organisation.

The main features of the risk management process within the Group are:

(a) Scope, Context and Criteria

Management has established the scope of the risk management activities, defining both the external and internal contexts as well as the risk criteria. This involves several considerations including assessing the resources required and assigning responsibilities; maintaining records relevant to the risk management process; understanding the interrelationship between the purpose and scope of the risk management process and the company's overall objectives; and setting parameters such as risk impact, management control ratings, residual risk ratings and risk priorities for evaluating risks.

(b) Risk Identification

Risk management is conducted at 2 levels within the company. Strategic risk assessment is performed by senior management and focuses on identifying and evaluating risks that could hinder the achievement of the company's strategic objectives. Conversely, operational risk assessment involves heads of business units critically examining their processes to identify and evaluate operational risks at the ground level.

Statement on Risk Management and Internal Control

(Cont'd)

MAIN FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

(II) Risk Assessment (Cont'd)

(b) Risk Identification (Cont'd)

The company has established an ongoing process for identifying, evaluating and managing significant risks. According to the Risk Management Framework, all business units are required to perform a risk review at least quarterly to identify any new risks that may affect the company's objectives. Management has implemented a systematic approach to risk identification that considers both internal and external factors impacting goal attainment. The ten broad/main risk areas considered are external, regulatory, legal, corporate governance, financial, customer, product/service, human, operation and supply.

Additionally, the company conducts project risk assessments as needed. These assessments may take place before launching significant projects, such as new insurance products, IT programs or services, outsourcing services, or when required by relevant laws, rules or regulations.

(c) Risk Analysis

Upon identifying a risk, the risk owner conducts an analysis to evaluate both the impact of the risk and the likelihood of its occurrence, taking into account the effectiveness of existing control measures. This analysis helps determine the residual risk.

The effectiveness of existing control measures is assessed using a Control Effectiveness Rating Table. Subsequently, the residual risk is evaluated based on its potential consequences/impact on the relevant risk area, alongside the likelihood of the residual risk materialising.

To measure these factors, 2 tools have been developed: a Table of Consequence and a Table of Likelihood. The residual risk is ultimately rated using a Likelihood and Consequence Matrix, which is based on the Australian and New Zealand Risk Management Standard AS/NZ 4360:2004.

(d) Risk Evaluation

Risk evaluation involves comparing the level of risk identified during the analysis process with established risk criteria/priorities. Risks that could result in injury or fatality, a reduction in service level, damage to the company's image or credibility, damage to assets, or failure to meet legal obligations and regulatory compliance are prioritised for attention over other risks.

Similarly, risks rated as high or significant are prioritised for evaluation to determine whether they fall within the company's control. Risks outside the company's control will be closely monitored since no further action can be taken, while risk treatment measures will be implemented for those risks that are within the company's control.

(e) Risk Treatment

Management develops risk treatment plans for risks assessed as high or significant to the company. The options for treatment include terminating the risk by ceasing the business activity altogether, reducing the risk by implementing measures or controls to minimise the impact or likelihood of the risk occurring, accepting by deciding to take no further action, or transferring the risk to another party, which can be done by outsourcing the activity or purchasing insurance.

Statement on Risk Management and Internal Control

(Cont'd)

MAIN FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

(II) Risk Assessment (Cont'd)

(f) Monitor and Review

All risks are documented in risk registers, which serve as effective tools for recording, monitoring and report risks within the company. Annually, each head of business unit conducts a risk review to verify the relevance of previously identified risks and their associated ratings. They also determine whether new risks need to be documented in the risk registers.

After completing the risk review, the heads of business units submit their individual risk registers to the Group Risk Management Unit/Risk Management Department. This Unit/Department may challenge the submissions, if necessary. Once satisfied with the updates, the Group Risk Management Unit/Risk Management Department compiles risk review reports for quarterly presentation to the Risk Management Committee.

(g) Communication and Consultation

Communication and consultation occur at every stage of the risk management process, engaging all relevant parties. This ensures transparency and encourages active participation from senior management, fostering a sense of ownership over the identified risks. Strong communication and consultation help align risk management efforts with the company's objectives and promote collective responsibility in addressing and mitigating risks.

(h) Recording and Reporting

The results of the risk management activities are documented in risk review reports, which are issued to the relevant Risk Management Committees for review. These Committees then report their findings to the Board of the Company or the principal insurance subsidiary. The reports provide critical insights and information that enable the Board to make informed decisions, ensuring the company's risk management efforts are aligned with its strategic objectives.

(III) Control Activities

(a) Selection and Development of Control Activities to Mitigate Risks

Once the risks that could hinder the achievement of the company's objectives are identified and assessed, management and the Board of each subsidiary implement control activities to either eliminate these risks or reduce their likelihood to an acceptable level. These control activities include measures such as authorisations and approvals, verifications, physical controls, data integrity controls, reconciliations and supervisory oversight.

(b) Policies and Procedures

Control activities are integrated into the Group's business processes and employees' daily routines through the establishment of specific policies and procedures for each core business process. These procedures outline each step in the process, ensuring that control activities are carried out consistently and in a timely manner as part of the workflow. To maintain their relevance and effectiveness, the policies and procedures are regularly reviewed and updated in response to changes in the business environment, as well as statutory and regulatory requirements.

Statement on Risk Management and Internal Control

(Cont'd)

MAIN FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

(IV) Information and Communication

(a) Generation of Relevant, Quality Information to Support Functioning of Internal Control

Management continuously identifies and defines information requirements that are relevant and specific to support the internal control and risk management process. This is an ongoing process that has been refined over the years through regular feedback from information users, and adjustments are made as new information needs arise.

(b) Communication of Information to Support Functioning of Internal Control

To assist the Board in fulfilling its responsibilities for risk management and internal control, the Chief Executive Officer regularly provides the Board with reports on the scope and effectiveness of the company's risk management and internal control systems. Additionally, the Audit Committee receives independent internal audit reports from the Group Internal Audit Department, which operates separately from management.

The Group also maintains effective communication process with external parties, such as suppliers, service providers, insureds, agents, shareholders and regulators. These channels of communication ensure that external parties are aware of and understand the Group's expectations regarding ethical conduct and internal controls.

(V) Monitoring Activities

(a) Ongoing and Separate Evaluations to Ascertain Presence and Functioning of Internal Control

Management incorporates both ongoing and separate evaluations into its monitoring activities to ensure that internal controls and the risk management process are in place and functioning effectively. Ongoing evaluations, which are conducted routinely, include activities such as monitoring system performance, performing bank reconciliations and reviewing management accounts.

Separate evaluations are performed periodically and involve internal reviews conducted by the Group Internal Audit Department, the Compliance Department and independent managers/executives. Additionally, external reviews are conducted by regulators.

(b) Evaluation and Communication of Internal Control Deficiencies in a Timely Manner

Management and the Board, as appropriate, assess the results of both ongoing and separate evaluations. Any significant internal control deficiencies, or opportunities to enhance the efficiency of internal controls, are communicated to those responsible for implementing corrective actions. Additionally, these findings are reported to senior management and the Audit Committee or the Board, as appropriate.

Statement on Risk Management and Internal Control

(Cont'd)

REVIEW FOR THE FINANCIAL YEAR

A comprehensive review of the adequacy and effectiveness of the risk management process and internal control framework was undertaken by the Company and its principal insurance subsidiary for the financial year under review. Each business unit, including Sections, Departments, and Branches had carried out the following:

- Conducted a critical review of their operational risk profiles, identified new and emerging risks, reassessed the relevance of previously identified risks and updated the risk ratings, where necessary.
- Evaluated the adequacy and effectiveness of internal controls in mitigating the identified risks, and established risk treatment plans for significant risks.
- Monitored the implementation progress of previously established risk treatment plans and assessed their effectiveness.

The Group Risk Management Unit/Risk Management Department had reviewed the risk registers submitted by the business units and rigorously challenged the units at each step of the risk management process through a series of discussions to ensure robustness. These discussions also served as refresher sessions for risk owners to enhance and update their understanding of risk management practices.

In addition, senior management of the principal insurance subsidiary conducted a strategic risk review in alignment with the annual strategic plan. A mid-year review of strategic risks was also conducted to update the strategic risk profile based on the progress towards achieving the subsidiary's strategic plan.

All identified risks were documented in risk review reports by the Group Risk Management Unit/Risk Management Department and presented for review by the relevant Risk Management Committees and the Board of the Company/principal insurance subsidiary. Over the financial year, 1 risk review report was issued by the Group Risk Management Unit concerning risk review of a subsidiary.

In addition, quarterly risk dashboards were prepared to provide a high-level overview of both quantitative and qualitative indicators for the risks identified. These dashboards act as an early warning system for management, the Risk Management Committee and the Board of Directors, highlighting any emerging or escalating risks. This allows management adequate time to implement necessary risk treatment plans, where feasible, to mitigate or reduce the risks.

At the principal insurance subsidiary level, the Risk Management Department issued 17 risk review reports. Among these, 2 reports addressed strategic risks, 3 focused on operational risks, and 8 pertained to key outsourcing risks related to outsourced services. The remaining reports primarily involved project risk assessments related to the ongoing implementation of the Malaysian Financial Reporting Standard 17: *Insurance Contracts*.

In addition to the risk review reports, the Risk Management Committee of the principal insurance subsidiary also reviewed several critical documents and plans, including the company's Internal Capital Adequacy Assessment Process; proposed stress test scenarios; outsourcing plans and arrangements; capital management and contingency funding plan; compliance status with BNM's policy document on Climate Risk Management and Scenario Analysis; progress on the Anti-Corruption Programme; business continuity management; risk dashboards; the CEO's quarterly report on IT matters; Information Security and Data Privacy Report; Data Governance Annual Report; Incident Management Procedure Policy; IT and Cyber Security Strategic Plan; IT budget; and revised IT policies, including Vulnerability Assessment and Penetration Testing Policy, Data Centre Management Policy, Data Management Policy, and Technology Risk Management and Cyber Resilience Framework Policy; results from training and testing initiatives, such as cyber drill exercise and cyber security awareness training; proposed solutions for data protection against ransomware and the implementation of Software-Defined Wide Area Networks; revised Risk Management Framework and Risk Appetite Statements; risk review plan; status of compliance with regulatory submissions; and progress of implementation of e-Invoicing.

Statement on Risk Management and Internal Control

(Cont'd)

REVIEW FOR THE FINANCIAL YEAR (CONT'D)

The management of the principal risks faced by the Group for the financial year ended 30 September 2024 is outlined below:

(i) Underwriting Risk

With the phased liberalisation of motor and fire tariffs that took effect on 1 July 2017, insurance companies can now set premiums that align with the risk behaviour of consumers based on their business risk models and strategies. This shift has transformed the insurance landscape, leading to increased competition and necessitating better product differentiation.

The following risk mitigation strategies have been implemented to manage Underwriting Risk:

- Gaining a deeper understanding of the Group's target customers and determining appropriate pricing based on the internal pricing model.
- Enhancing after-sales services for insured clients.
- Establishing a Marketing and Advertising Strategy to create brand awareness, attract business and enhance direct and telemarketing channels.
- Building partnerships with brokers, digital agents and financial advisers.
- Focusing on expanding the Group's portfolio of both motor and non-motor products.

(ii) Legal and Regulatory Risk

The financial services sector is a highly regulated industry. The management of Legal and Regulatory Risk aims to ensure that the Group's exposure to potential legal liabilities, such as those arising from rule implementation or product liability, is effectively mitigated to prevent disruption to its business operations. If not properly addressed, legal liabilities can significantly impact the Group's reputation, subsequently affecting investor confidence.

The Company Secretarial and Compliance Departments monitor the increasingly complex and costly regulatory landscape. There is a constant risk that the Group may inadvertently breach new regulations, resulting in reprimands or substantial fines from regulators. Consequently, the Board is kept informed about new regulations and the management's actions to meet these regulatory requirements. Additionally, external legal advice is sought when necessary to ensure compliance and mitigate potential risks effectively.

Another critical area monitored by the Group Legal Department is the exposure to legal liabilities within the terms and conditions of insurance contracts. The Group Legal Department periodically reviews contracts to ensure consistency of terms across contractual agreements and adherence to regulatory requirements.

(iii) Cybersecurity Risk

Given its reliance on information technology and the custodianship of customer information, particularly in the Group's insurance operations, cybersecurity poses a continual threat. Cybersecurity threats can manifest in various forms, including ransomware, malware, social engineering and phishing, among others.

Statement on Risk Management and Internal Control

(Cont'd)

REVIEW FOR THE FINANCIAL YEAR (CONT'D)

(iii) Cybersecurity Risk (Cont'd)

To manage Cybersecurity Risk effectively, the Group has implemented several mitigation measures, including the following:

- Establishing a Cybersecurity Committee to address cybersecurity issues. This Committee is responsible for assessing the integrity of cybersecurity within the Group, raising awareness, promoting best practices, and facilitating discussions on emerging cybersecurity threats.
- Implementing an intrusion detection system and intrusion prevention system to detect and prevent vulnerability exploits across both internal and external networks.
- Protecting crucial servers in the internal network using firewall and router access controls.
- Using Secure Sockets Layer technology, to establish encrypted links between the server and the client/public, ensuring secure communications.
- Establishing a Technology Risk Management and Cyber Resilience Framework to guide and manage technology and cyber risks systematically and consistently.
- Implementing data loss protection measures to prevent the loss, misuse, or unauthorised access of sensitive information from both internal and external threats.
- Deploying an immutable backup storage appliance that cannot be altered in any way, protecting data assets from ransomware and other malicious attacks.

(iv) Economic Risk

Malaysia's economy is navigating a complex landscape of challenges that could impact its growth trajectory. The strengthening of the Malaysian Ringgit against the US Dollar, attributed to Bank Negara Malaysia's intervention and rising commodity prices, offers a glimmer of hope. However, the ongoing geopolitical tensions, particularly the Russia-Ukraine conflict and unrest in the Middle East, continue to pose significant risks to global trade dynamics and Malaysia's export-driven economy.

Moreover, rising inflation and interest rates present persistent threats to economic stability. Both global and domestic inflationary pressures are squeezing consumer purchasing power, while interest rate hikes aimed at combating inflation could dampen investment and consumer spending. These factors are compounded by signs of economic slowdown in major markets, including the United States, Europe and China, which could have a cascading effect on Malaysia's economic performance.

The challenges are further exacerbated by potential disruptions in trade relations, notably with the United States and China. As Malaysia relies heavily on trade with these nations, any escalation in tensions or significant shifts in trade policy could adversely affect its economic outlook. Therefore, while there are positive indicators such as currency strength and a resilient export sector, the broader economic environment necessitates cautious monitoring and strategic planning to mitigate these risks effectively.

To manage economic risk, the Group has implemented controls such as exploring alternative business sources, promoting lower-cost direct business channels, and aggressive marketing to capture a share of the private car segment.

(v) Business Continuity Risk

The Group is exposed to various events that could disrupt its critical business functions, including catastrophic incidents, such as damage to the premises it occupies for business, pandemics, fires and floods.

Statement on Risk Management and Internal Control

(Cont'd)

REVIEW FOR THE FINANCIAL YEAR (CONT'D)

(v) Business Continuity Risk (Cont'd)

To manage Business Continuity Risk, the Group has implemented the following controls:

- Establishing a comprehensive Business Continuity Manual to provide guidance for management and employees during a disaster.
- Setting up an offsite Disaster Recovery Centre in a large facility equipped with upgraded services, capable of accommodating a substantial number of personnel and housing sales and claims counters to enable live business operations.
- Conducting annual disaster recovery testing of the Disaster Recovery Centre and secondary servers to ensure the functionality and continuity of technology operations.
- Identifying potential crises and outlining corresponding actions to be taken in response.

(vi) Sustainability Risk

The Group business is increasingly influenced by common sustainability factors, including anti-corruption, community engagement, diversity, energy management, health and safety, labour practices, supply chain management, data privacy and security, water management, waste management, and emissions management.

To effectively manage sustainability risk, the Group has implemented a Sustainability Policy, along with the following controls:

- Committing to high ethical standards through comprehensive policies such as the Anti-Corruption, Conflicts of Interest, Due Diligence and Whistleblowing policies.
- Establishing a comprehensive data collection framework to track diversity metrics.
- Restricting data access based on the principle of least privilege, utilising firewalls to monitor and filter network traffic, thus preventing unauthorised access and detecting suspicious activities.
- Implementing fair compensation practices based on merit, along with benefits that support employee wellbeing and financial security.
- Promoting water-saving and energy-saving practices, alongside monitoring water and energy consumption.
- Establishing a Health and Safety Committee, which includes training on general health and safety, first aid, and the use of firefighting equipment for employees.
- Implementing waste management practices, including the 3Rs (Reduce, Reuse, Recycle) and secure disposal procedures for confidential documents and sensitive information.

Based on the review of the risk management framework, the Group Risk Management Unit concluded that the risk management process was generally adequate and effective due to the following factors:

- Management has thoroughly reviewed the scope, context and criteria related to strategic/external, organisational/internal and risk management contexts. This review confirmed the continued relevance and applicability of these criteria.
- Management has implemented a systematic approach to risk identification, resulting in the identification of all known operational risks that could impact the company. This process considers both internal and external factors affecting the achievement of objectives, covering ten broad/main risk areas: external, regulatory, legal, corporate governance, financial, customer, product/service, human, operation and supply.
- Management has established a systematic risk analysis process that involves using the Table of Consequence and Table of Likelihood to measure the impact and likelihood of residual risks. The Likelihood and Consequence Matrix is employed to rate these risks effectively.
- The risks identified and assessed were thoroughly evaluated based on the established risk criteria/priorities adopted by the company. The priority risks that were addressed promptly and efficiently included injuries leading to fatalities, reductions in service level, damage to the company's image and credibility, harm to company's assets, and failures to meet legal obligations and regulatory compliance.

Statement on Risk Management and Internal Control

(Cont'd)

REVIEW FOR THE FINANCIAL YEAR (CONT'D)

Based on the review of the risk management framework, the Group Risk Management Unit concluded that the risk management process was generally adequate and effective due to the following factors (Cont'd):

- Management has developed risk treatment plans for risks assessed as high or significant. The actions taken encompassed either ceasing specific business activities, implementing controls to mitigate impact and/or likelihood of occurrence, accepting risks beyond the company's control, or transferring the risk through reinsurance with other insurance companies.
- Management has closely monitored and reviewed operational risks, focusing on the effectiveness of the risk treatment plans for those rated high and significant, as well as evaluating the control measures in place. This ensures that any changing circumstances do not alter the assigned risk priorities.
- Adequate communication and consultation have been maintained between management and the Group Risk Management Unit/Risk Management Department, ensuring that all known risks are identified, assessed, and adequately mitigated when necessary.

While some lapses and opportunities for improvement were noted in the risk management process, these issues were not deemed significant. They were promptly communicated to management for timely corrective actions.

A robust process is in place to assess the adequacy and effectiveness of the risk management and internal control framework. Reports issued by the Group Internal Audit Department and Group Risk Management Unit on reviews performed on the Company and its subsidiaries excluding the principal insurance subsidiary, together with reporting from the Chief Executive Officer of the principal insurance subsidiary on the scope and performance of the risk management and internal control system within the principal insurance subsidiary, form the basis for the assurance provided by the Managing Director/Chief Executive Officer to the Company's Board, which was that the risk management and internal control system was adequate and effective.

The periodic reporting from the Chief Executive Officer of the principal insurance subsidiary to the subsidiary's Board regarding the scope and performance of the risk management and internal control system were prepared based on an assessment process that incorporates both direct and indirect assessment of the risk management and internal control systems in place. For the current financial year under review, the Chief Executive Officer has indicated that the subsidiary's risk management and internal control system is adequate and effective in addressing the identified risks. While minor lapses were observed, they did not have a significant impact on the overall functioning of the subsidiary.

The Group Internal Audit Department had incorporated into its approved Audit Planning Memorandums, the review of the appropriateness and effectiveness of corporate governance practices, as well as review of the adequacy and effectiveness of the risk management process during its regular assessment of the adequacy and effectiveness of the internal controls of the business units. The audit findings, along with opinions on the appropriateness and effectiveness of corporate governance practices and adequacy and effectiveness of risk management and internal control system have provided independent assurance to the respective Audit Committees and Boards regarding the corporate governance practices and risk management and internal control system established by management.

During the financial year, the Group Internal Audit Department had provided independent assurance that the corporate governance practices were appropriate and effective, and that the risk management and internal control systems in the auditable areas reviewed were also adequate and effective. While certain shortcomings or lapses were noted, they did not significantly impact the Group. The Group Internal Audit Department had followed up on the agreed remedial actions to be taken by the Group Risk Management Unit/Risk Management Department to ensure that the matters were satisfactorily resolved. The Group Risk Management Unit/Risk Management Department, in turn, reported on these remedial actions to the respective Risk Management Committees, as necessary.

For the principal insurance subsidiary, the company undergoes an annual examination by Bank Negara Malaysia. Any supervisory issues, including control-related matters, are highlighted in the Composite Risk Rating letter. Most control-related matters were not deemed significant and have been progressively addressed by management, with follow-up action taken by the Group Internal Audit Department and Compliance Department when necessary.

Statement on Risk Management and Internal Control

(Cont'd)

REVIEW FOR THE FINANCIAL YEAR (CONT'D)

As part of the external audit, the External Auditors reviewed the Group's internal control over financial reporting solely to assist in planning their audit and determining the nature, timing and extent of their audit procedures. However, this review was not intended to enable the External Auditors to express an opinion on the effectiveness of internal control system or to identify all significant deficiencies. Nevertheless, certain control-related issues identified, though not considered material, were included in the External Auditors' Report to the Audit Committee. Management has either already taken corrective action or committed to addressing the issues raised.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed the Statement on Risk Management and Internal Control in accordance with the scope set out in Audit and Assurance Practice Guide 3 ("AAPG 3") *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report*, issued by the Malaysian Institute of Accountants, for inclusion in the Annual Report of the Company for the financial year ended 30 September 2024. The External Auditors have reported to the Board that, based on the procedures performed and evidence obtained, nothing has come to their attention that causes them to believe that the Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the "Statement on Risk Management & Internal Control: Guidelines for Directors of Public Listed Issuers", or that it is factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control addresses all risks and controls, nor does it require them to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system. Additionally, the External Auditors are not required to consider whether the processes described to resolve material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

CONCLUSION

Based on the risk management and internal control framework established and maintained by the Group, as well as the work conducted by the Group Internal Audit Department and Group Risk Management Unit, and the reviews carried out by management and various Board Committees, the Board is of the view that the Group's risk management and internal control framework is generally adequate and effective in mitigating risks to achieve its business objectives. This conclusion is supported by periodic reports from the Chief Executive Officer regarding the scope and performance of the risk management and internal control system in place at the principal insurance subsidiary, annual examinations by Bank Negara Malaysia, and the External Auditors' assessment of the Group's internal control over financial reporting for the purpose of their audit planning.

It is important to note, however, that risk management and internal control framework can only manage, rather than eliminate, the risk of failure to achieve business objectives. Therefore, the Group's risk management and internal control framework can only provide reasonable, not absolute, assurance against material misstatements, frauds and losses. The Group remains committed to monitoring all key risks affecting its operations and will continue to take the necessary measures to mitigate them. Additionally, the Group will carry out continuous reviews to assess the adequacy and effectiveness of its risk management and internal control framework, particularly in response to changes in business operations, laws and regulations to ensure the ongoing safeguarding of shareholders' investment and the Group's assets.

The Board has also received assurance from the Managing Director/Chief Executive Officer that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects, in accordance with the framework established by the Group.

This statement is made in accordance with a resolution of the Board of Directors.

ADDITIONAL COMPLIANCE STATEMENT

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

There were no proceeds raised from corporate proposals during the financial year ended 30 September 2024.

2. AUDIT AND NON-AUDIT SERVICES

The amount of audit and non-audit fees incurred for services rendered to the Company or its subsidiaries for the financial year ended 30 September 2024 by the external auditors or a firm or corporation affiliated to the auditors' firm were as follows :

	Group RM'000	Company RM'000
Audit Fees	1,614	472
Non-audit Fees	52	8
Total	1,666	480

3. EMPLOYEES' SHARE OPTION SCHEME

- (i) The ESOS of the Company was approved by the shareholders at the Annual General Meeting held on 20 February 2019 and came into effect on 17 June 2019. The existing ESOS expired on 16 June 2024 and has been extended for an additional period of 5 years.
- (ii) The total number of options granted, forfeited, exercised, outstanding, and vested and exercisable under the ESOS as at 30 September 2024 are set out below :

Description	Number of Options as at 30 September 2024	
	Total Allocated to the Group	Executive Director of the Company
Granted	28,279,000	4,000,000
Forfeited	6,645,000	—
Exercised	9,203,000	4,000,000
Outstanding	12,431,000	—
Vested and Exercisable	11,701,000	—

Additional Compliance Statement

(Cont'd)

3. EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

- (iii) Percentage of options granted to the Executive Directors and Senior Management of the Company and its subsidiaries under the ESOS is as follows :

Executive and Senior Management	During the financial year (%)	Since commencement up to 30 September 2024 (%)
Aggregate maximum allocation	50	50
Actual granted	1.26	46.23

The Company did not grant any options to the Non-Executive Directors under the ESOS.

4. MATERIAL CONTRACTS INVOLVING THE INTERESTS OF THE DIRECTORS AND MAJOR SHAREHOLDERS

There were no material contracts entered into by the Company and its subsidiaries involving the interests of Directors and major shareholders, either still subsisting at the end of the financial year ended 30 September 2024 or entered into since the end of the previous financial year.

REPORT OF THE AUDIT COMMITTEE

MEMBERS OF THE AUDIT COMMITTEE

The Company has fulfilled the requirements of paragraph 15.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, as well as the Principles and Practices recommended by the Malaysian Code on Corporate Governance concerning the composition of the Audit Committee. The members of the Committee during the financial year were as follows:

1. Mr. Ong Seng Pheow
Chairman (Independent Director)
2. Dato' Dr. Zaha Rina binti Zahari
(Non-Independent Non-Executive Director)
3. Dato' Sri Mohd Mokhtar bin Haji Mohd Shariff
(Independent Director)
4. Mr. Michael Yee Kim Shing
(Non-Independent Non-Executive Director)
(Resigned on 21 May 2024)

AUDIT COMMITTEE CHARTER

In performing its duties and discharging its responsibilities, the Audit Committee is guided by an Audit Committee Charter, which is accessible to the public on the Company's corporate website at <https://www.pacific-orient.com>.

During the financial year under review, the Board of Directors evaluated the terms of office and performance of the Audit Committee as a whole, as well as that of individual Committee members. The Board was satisfied that the Audit Committee and its members have effectively discharged their functions, duties and responsibilities in accordance with the Audit Committee Charter.

ATTENDANCE AT MEETINGS

A total of 4 Audit Committee meetings were held during the financial year ended 30 September 2024. Below are the details of each member's attendance at the Committee meetings held throughout the financial year:

Name of Committee Member		Number of Meetings Attended
1.	Mr. Ong Seng Pheow	4/4
2.	Dato' Dr. Zaha Rina binti Zahari	4/4
3.	Dato' Sri Mohd Mokhtar bin Haji Mohd Shariff	4/4
4.	Mr. Michael Yee Kim Shing	2/2

The Chief Audit Executive, Manager of the Group Internal Audit Department, and Company Secretary attended all the meetings. The Head of Finance Department was present by invitation at every meeting. Representatives from the External Auditors, Messrs Ernst & Young PLT, attended 2 Audit Committee meetings. The first meeting involved the presentation of their report on the Company's and the Group's financial statements for the financial year ended 30 September 2023, which covered financial performance, financial position, and other information in the Company's annual report, along with their Report to the Audit Committee. The second meeting focused on the presentation of their year 2024 Audit Plan.

Additionally, the Audit Committee met twice with the External Auditors without the presence of management. The first meeting addressed matters relating to their remit and any issues arising from their statutory audit, while the second meeting discussed observations noted by the External Auditors during the preparation of their year 2024 Audit Plan. During these discussions, the External Auditors did not raise any significant issues that warranted the attention of the Audit Committee.

Report of the Audit Committee

(Cont'd)

ACTIVITIES OF THE COMMITTEE

A summary of the activities undertaken by the Audit Committee in the discharge of its duties and responsibilities for the financial year ended 30 September 2024 includes the following:

Financial Reporting

- (a) Reviewed the unaudited quarterly financial reports, including cumulative year-to-date figures, prior to their announcement to Bursa Malaysia Securities Berhad. The Audit Committee collaborated to recommend the reports to the Board of Directors for consideration and approval before their release. During the review process, the Audit Committee had obtained reasonable assurances that the condensed consolidated interim financial statements were prepared in accordance with paragraph 9.22 of the Bursa Malaysia Listing Requirements, applicable Malaysian Financial Reporting Standards, International Accounting Standards issued by the International Accounting Standards Board, and the requirements of the Companies Act 2016 in Malaysia.
- (b) Reviewed the unaudited management report and accounts of the Company and the Group with management before recommending them to the Board of Directors for consideration and approval. The Audit Committee's review included an analysis of the Company's quarterly results compared to the corresponding quarter of the previous year, a comparison of quarterly results against the immediate preceding quarter, and an evaluation of year-to-date results against those of the prior year. In conducting the review, the Audit Committee was guided by Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Companies Act 2016 in Malaysia.
- (c) Reviewed the audited statutory accounts of the Company and of the Group, addressing issues and reservations arising from the statutory audit with the External Auditors prior to recommending them to the Board of Directors for consideration and approval. The Audit Committee conducted a critical and intelligent scrutiny of the statutory accounts using an analytical approach, while obtaining assurances from management and the External Auditors that the financial statements were prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act 2016 in Malaysia. The review included an analysis of key audit matters, their implications for the Company's and the Group's audit, and how these matters were addressed; considerations regarding going concern; corporate governance disclosures; and information beyond the financial statements and the auditors' report included in the Company's annual report. The Audit Committee also examined significant accounting and auditing matters highlighted by the External Auditors in their Report to the Audit Committee that warranted attention. Additionally, the Audit Committee noted any corrected material misstatements related to the accounts and reviewed the summary of unadjusted audit differences for the Group, which was deemed not significant. The External Auditors' report on the financial statements was free from qualification.
- (d) Reviewed the Group's compliance with the Principles and Practices outlined in the Malaysian Code on Corporate Governance and the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers for the purpose of preparing corporate governance disclosures, comprising the Corporate Governance Overview Statement, the Statement on Risk Management and Internal Control, and the Report of the Audit Committee, as required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These disclosures were prepared for inclusion in the Company's Annual Report, and the Corporate Governance Report which was made available on the Bursa Malaysia Securities Berhad website at <https://www.bursamalaysia.com> and the Company's corporate website at <https://www.pacific-orient.com>. The Audit Committee subsequently approved the corporate governance disclosures for inclusion in the Company's Annual Report.
- (e) Reviewed other disclosures included in the Company's Annual Report as required under Part A of Appendix 9C of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These disclosures encompassed Corporate Information; the Profile of the Board of Directors & Key Senior Management; an Additional Compliance Statement covering the utilisation of proceeds from corporate proposals, the audit and non-audit fees paid to the External Auditors, details on the Employees' Share Option Scheme, and material contracts involving Directors and major shareholders. Other sections reviewed included the Management Discussion and Analysis detailing the Group's business, operations and financial performance during the financial year; the Sustainability Statement; the Directors' Responsibility Statement in respect of the Annual Audited Financial Statements; the List of Group's Properties; and Shareholdings Statistics.

Report of the Audit Committee

(Cont'd)

ACTIVITIES OF THE COMMITTEE (CONT'D)

Financial Reporting (Cont'd)

- (f) Reviewed the Corporate Governance Report with management before recommending it to the Board of Directors for consideration and approval for submission to Bursa Malaysia Securities Berhad. During the review, the Audit Committee had obtained reasonable assurance that the report was prepared in accordance with Paragraph 15.25(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Audit Committee also ensured that the report provided specific disclosures demonstrating how the Company has applied the Practices outlined in the Malaysian Code on Corporate Governance for the financial year ended 30 September 2024.

External Audit

- (a) Reviewed the year 2024 Audit Plan of the Company and the Group with the External Auditors, which included the audit approach and scope of work, prior to the commencement of the annual year-end audit. The External Auditors briefed the Audit Committee on their Audit Plan for the statutory audit of the Company and the Group for the financial year ended 30 September 2024, highlighting the following:
- Areas of audit emphasis, comprising investments in subsidiaries and associated companies; insurance contracts issued and reinsurance contracts held; property development cost and litigation cases; environmental, social and governance reporting; significant classes of transactions and significant accounts; accounting estimates and judgements; related party transactions and disclosures; financial statements close process; and follow up on prior year findings.
 - Overview of the External Auditors' validation process regarding the Company and the Group's implementation of the Malaysian Financial Reporting Standard 17: *Insurance Contracts*, along with the current status of the validation activities.
 - Involvement of internal audit, risk management, compliance, and management's experts (i.e. in-house Appointed Actuary, independent property valuers and legal counsels) as well as External Auditors' experts (i.e. actuarial, tax accounting and risk advisory services, and technology risk professionals).
 - Fraud considerations and the risk of management override.
 - Internal control considerations.
 - Important updates on Exposure Draft on Risk-Based Capital Framework for Insurers and Takaful Operators issued by BNM, Perbadanan Insurans Deposit Malaysia ("PIDM")'s Guidelines on Provision of Information on Takaful and Insurance Benefits Protection, as well as e-Invoicing.

The Audit Committee conducted a thorough review of the year 2024 Audit Plan presented and, after careful deliberation, approved the plan.

- (b) Reviewed the External Auditors' Report to the Audit Committee and the management letter, along with management's corrective actions taken to address the findings of the External Auditors. Following this review, the Audit Committee was satisfied that the financial statements, taken as a whole, presented a true and fair view of the Company's and the Group's financial position as at 30 September 2024, as well as its financial performance and its cash flows for the year.
- (c) Met with the External Auditors twice without the presence of management. The first meeting was held to discuss matters related to their remit and any issues arising from their statutory audit. The second meeting had focused on topics the External Auditors noted during the preparation of their year 2024 Audit Plan that they wished to address with the Audit Committee. However, the External Auditors did not raise any significant issues that warranted the Audit Committee's attention during these discussions.

Report of the Audit Committee

(Cont'd)

ACTIVITIES OF THE COMMITTEE (CONT'D)

External Audit (Cont'd)

- (d) Evaluated the suitability and independence of the External Auditors, recommending their reappointment and remuneration to the Board of Directors. In this evaluation, the Audit Committee reviewed the curriculum vitae of the engagement partner and the concurring partner, completing its own assessment using a checklist that covered the following considerations – minimum qualifying criteria for External Auditors; scope of audit and auditors' performance; independence and objectivity; information presented in the Annual Transparency Report issued by the External Auditors; adequate addressing of risk areas noted in the Audit Oversight Board's Annual Inspection Report; audit fees; resources (manpower, tools and collective knowledge of professionals globally) available to the External Auditors for the audit during the financial year; insurance audit experience; and reasonableness, fairness and realism of fees for non-audit services, considering the nature, scope and complexity of these services to preserve the External Auditors' independence. The Audit Committee also received feedback from management regarding the professional working relationship with the External Auditors. Regarding independence, the Audit Committee had obtained written assurance from the External Auditors, confirming that they were not aware of any relationships or matters that could reasonably affect their independence in relation to the audit of the Group's financial statements for the financial year. The External Auditors are independent of the Group and the Company in accordance with the By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants, the International Code of Ethics for Professional Accountants (including International Independence Standards), and the requirements of the Companies Act 2016 in Malaysia. Based on the written assurance from the External Auditors and the Audit Committee's assessment, the Audit Committee was satisfied with the suitability and independence of the External Auditors. This assessment was concurred by the Board of Directors, and the reappointment was subsequently approved by the shareholders at the annual general meeting.
- (e) Reviewed the nature, scope, and fees for non-audit services provided by the External Auditors, ensuring that these services were justified, reasonable, and in compliance with the established policy and procedures on non-audit services. This review was conducted to safeguard the independence and objectivity of the External Auditors and to minimise potential conflicts of interest. The non-audit services performed by the External Auditors included the review of the Company's Statement on Risk Management and Internal Control, and the review of the principal insurance subsidiary's annual returns and Risk Based Capital Statements. The Head of Finance, in consultation with the Managing Director/Chief Executive Officer, may proceed to engage the External Auditors for permitted non-audit services, provided that the fees are reasonable, fair and realistic, considering the nature, scope and complexity of the services undertaken, in order to maintain the independence of the External Auditors.
- (f) After considering the Audit Committee's assessment, the Board of Directors concurred with their assessment of the suitability and independence of the External Auditors and approved their reappointment.

Report of the Audit Committee

(Cont'd)

ACTIVITIES OF THE COMMITTEE (CONT'D)

Internal Audit

- (a) Reviewed and approved the Audit Planning Memorandum developed by the Group Internal Audit Department, which was prepared using a risk-based approach. The memorandum outlined the auditable activities, nature of work, audit methodology, selection of auditable areas based on a risk-based approach, detailed audit plan, employee strength and competency, and associated cost and time budgets. The planned reviews of internal controls, risk management process, and governance practices included the Group's property development operations, Anti-Corruption Programme and related party transactions; as well as the principal insurance subsidiary's claims operations; risk management function; selected branches; outsourcing arrangements; product transparency and disclosure; management of customer information and permitted disclosures; information technology operations; and management accountability. Additionally, the Audit Planning Memorandum encompassed non-internal audit-related assignments, such as assisting the Audit Committee in its oversight of the Group's financial reporting, preparing the Report of the Audit Committee, and reviewing the allocation of options pursuant to the Employees' Share Option Scheme, and the Company's corporate governance disclosures, among others. The approved Audit Planning Memorandum was subject to ongoing review and revision at each quarterly Audit Committee meeting. This process enabled the Audit Committee to assess the performance of the Group Internal Audit Department against the plan, approve any necessary departures, substituted or additional work that may be warranted as a result of changes in circumstances, regulations or the environment, and address any issues regarding the adequacy or competency of audit resources to complete the audit assignments.
- (b) The Group Internal Audit Department had assisted the Audit Committee in its oversight of the said department by issuing quarterly reports that highlighted the status of completion of the approved Audit Planning Memorandum. These reports included a summary of significant audit findings raised in the audit reports, the status of follow-ups on significant internal audit issues, the cooperation extended by management and employees, the Group Internal Audit Department's certification regarding the adequacy and effectiveness of the risk management process and internal controls, as well as the appropriateness and effectiveness of the corporate governance practices based on the areas reviewed, outlined planned audit assignments for the upcoming quarter, evaluation of the adequacy and competency of internal audit resources, affirmation of the professional independence of the Group Internal Audit Department, conduct of audits in accordance with the International Professional Practices Framework, employee training and development, and comparison of actual versus budgeted time and expenditure spent on assignments. Any clarifications sought by the Audit Committee were addressed by the Chief Audit Executive during Committee meetings.
- (c) The Chief Audit Executive had also met with the Audit Committee Chairman as needed to keep him informed about the Group's risk management, internal controls, governance, and financial reporting matters, as well as matters relating to the Group Internal Audit Department.
- (d) Reviewed the audit activities conducted by the Group Internal Audit Department, encompassing internal controls, risk management process and governance practices. The Audit Committee ensured that management took timely corrective actions to address the governance, risk and control issues reported. Risk-based reviews performed included the Group's investment holding operations; Anti-Corruption Programme; conflicts of interests involving Directors and Key Senior Management with the Company and its subsidiaries; and related party transactions; as well as the principal insurance subsidiary's underwriting operations; intermediary-related expenses; outsourcing arrangements; product transparency and disclosure; management of customer information and permitted disclosures; information technology operations; and management accountability; among others. Additionally, the Audit Committee reviewed non-internal audit-related assignments undertaken by the Group Internal Audit Department, such as the Department's review of the Group's financial reporting, and allocation of options pursuant to the Employees' Share Option Scheme, as well as its preparation of the Report of the Audit Committee, among others.

Report of the Audit Committee

(Cont'd)

ACTIVITIES OF THE COMMITTEE (CONT'D)

Related Party Transactions and Conflicts of Interest

- (a) With the assistance of the Group Internal Audit Department, reviewed the related party transactions entered into by the Company and the Group to ensure compliance with paragraphs 10.08 and 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Chapter 10 Part E – Related Party Transactions), Malaysian Financial Reporting Standards, Bank Negara Malaysia's policy document on Related Party Transactions (ref. BNM/RH/GL 018-6), and the Group's Related Party Transactions Policy and Procedures. The review also assessed the adequacy, appropriateness, and compliance of the procedures established to monitor these transactions.
- (b) Reviewed the adequacy of the Company's and the Group's procedures to ensure that recurrent related party transactions were not more favourable to the related party than those generally available to the public and were not detrimental to minority shareholders. Ensured that these transactions were conducted in the best interest of the Company and the Group.
- (c) Reviewed and recommended to the Board of Directors for approval all related party contracts and transactions entered into by the Company and the Group.
- (d) Reviewed the Conflicts of Interest Framework for Key Persons before recommending it to the Board of Directors for approval and adoption by the Company. The Framework outlines comprehensive policies and procedures to ensure compliance with the enhanced conflicts of interest requirements under the Main Market Listing Requirements. It also aims to effectively manage all actual and potential conflicts of interest involving Key Persons with the Company or the Group. The Framework includes processes for identifying, evaluating, approving, reporting, and monitoring conflict of interest situations.
- (e) Reviewed the Related Party Transactions/Conflicts of Interest Declaration – Key Persons forms submitted by Directors and Key Senior Management of the Group and reported to the Board of Directors any conflicts of interest situations that have arisen, persist, or may arise involving these individuals. This includes examining transactions, procedures or practices that could raise concerns about management integrity. The review also assessed measures taken to resolve, eliminate, or mitigate such conflicts.

For the financial year ended 30 September 2024, a potential conflict of interest was identified involving Mr. Alex Low Choon Hoong, the Chief Executive Officer of the principal insurance subsidiary, whose brother is a partner at the legal firm, Messrs. Robert Low & Ooi. The brother has been serving as a panel solicitor for the Malaysian Bar's Professional Indemnity Insurance Scheme, for which the firm receives fees from the principal insurance subsidiary for services rendered. To address this potential conflict, the Group has put measures in place to ensure Mr. Alex Low recuses himself from any decisions or discussions related to the legal firm and his brother. This includes matters on appointments, terminations, the provision of services, and the determination of legal fees. These actions have been taken to ensure transparency and mitigate any possible conflicts.

- (f) Reviewed the Transfer Pricing Documentation prepared by tax consultants concerning the Company's related party transactions. The documentation was prepared in accordance with the Income Tax (Transfer Pricing) Rules, the Malaysian Transfer Pricing Guidelines 2012 issued by the Inland Revenue Board of Malaysia and, where relevant, the transfer pricing guidelines issued by the Organisation for Economic Cooperation and Development. Based on their analysis, the tax consultants had concluded, among other findings, that the charges imposed by the Company for the provision of management services, as well as those by the Company's information technology subsidiary for information technology solutions, were largely consistent with the arm's length principle.

Report of the Audit Committee

(Cont'd)

ACTIVITIES OF THE COMMITTEE (CONT'D)

Others

- (a) Discussed the implications of recent changes and pronouncements from accountancy, statutory and regulatory bodies, as well as relevant publications on significant matters of interest to the Audit Committee and the Board.
- (b) Reported to the Board on significant issues and concerns discussed during the Audit Committee meetings, along with applicable recommendations. Minutes of these meetings were made available to all Board members.
- (c) Took note of the briefings by the Chair of the principal insurance subsidiary on key matters discussed during the subsidiary's Audit Committee meetings, which were held prior to the Company's Audit Committee meetings. These briefings included internal audit reports issued by the Group Internal Audit Department, the subsidiary's quarterly and year to-date management reports and accounts, related party transactions, and periodic updates from management on the scope and performance of the subsidiary's risk management and internal control systems, among other topics.
- (d) Reviewed the Managing Director's/Chief Executive Officer's report regarding the scope and performance of the Group's risk management and internal control systems before recommending it to the Board of Directors for acceptance. For the period under review, the Managing Director/Chief Executive Officer had assured that the Group's risk management and internal control systems were adequate and generally effective in addressing the identified risks. Although minor lapses were noted, these did not have a significant impact on the Group. This assurance was based primarily on periodic reports from the Chief Executive Officer of the principal insurance subsidiary, which were derived on an assessment process involving both direct and indirect assessment of the risk management and internal control systems implemented in the said insurance subsidiary. Additionally, this assurance was corroborated by independent assurance received from the Group Internal Audit Department, which was based on the performance of its Audit Planning Memorandums approved by the relevant Audit Committees, as well as reports from the Compliance Department. Limited assurance was placed on the External Auditors' assessment of the Group's internal control over financial reporting, as this was conducted solely for the purpose of planning the audit and determining the nature, timing and extent of the audit procedures. Consequently, this consideration was insufficient for the External Auditors to express an opinion on the overall effectiveness of internal control or to identify all significant deficiencies.
- (e) Reviewed the Share Buy-Back Statement before recommending it to the Board of Directors for approval. The Statement, which outlines the details of the Proposed Renewal of Authority for the Purchase by the Company of its Own Shares, was prepared in accordance with the requirements specified in Part B of Appendix 12A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Audit Committee was generally satisfied with the adequacy and clarity of the disclosure therein.
- (f) Verified whether the allocation of options under the Employees' Share Option Scheme was in compliance with the approved criteria for option allocation.

INTERNAL AUDIT ACTIVITIES REPORT

The Audit Committee is supported by an in-house Internal Audit function in the discharge of its duties and responsibilities. The Group Internal Audit Department is headed by the Chief Audit Executive, Mr. Wong Chiang Meng, who is a Certified Internal Auditor and a member of both the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. Additionally, Mr. Wong holds a Certification in Risk Management Assurance. With 34 years of internal audit experience, he possesses the relevant expertise, authority, and stature to effectively discharge his duties and responsibilities.

Report of the Audit Committee

(Cont'd)

INTERNAL AUDIT ACTIVITIES REPORT (CONT'D)

The Internal Audit function reports directly to the Audit Committee and operates independently of the activities it audits. Its primary responsibility is to conduct regular and systematic reviews of the Company's and the Group's risk management process, internal controls, and governance practices in conformance with the International Professional Practices Framework. This is aimed at providing reasonable assurance that the risk management process, internal controls, and governance practices are functioning and align with the Group's goals and objectives. Additionally, the Group Internal Audit Department assists the Audit Committee in its oversight of the Company's financial reporting. The total costs incurred for the Internal Audit function for the financial year ended 30 September 2024 was RM1,208,391.

All 10 personnel in the Group Internal Audit Department are free from family relationships with any Directors or major shareholders of the Company and the Group. They also do not have any conflicts of interest that could impair their objectivity and independence.

Below is a summary of the activities undertaken by the Group Internal Audit Department for the financial year ended 30 September 2024:

- (a) Reviewed the unaudited management report and accounts of the Company and the Group in collaboration with management and the Audit Committee.
- (b) Reviewed the unaudited quarterly report on consolidated results for announcement to Bursa Malaysia Securities Berhad, as well as the management report and accounts of the Company and the Group, in collaboration with management and the Audit Committee.
- (c) Reviewed the audited statutory accounts of the Company and the Group, along with issues and reservations arising from the statutory audit, in discussions with the Audit Committee, management and the External Auditors.
- (d) Assessed the appropriateness of the Corporate Governance Overview Statement and the Statement on Risk Management and Internal Control concerning compliance with the Malaysian Code on Corporate Governance and the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers. The processes adopted by management were found to be consistent with the Internal Audit function's understanding of the Group's risk management and internal control systems, as well as its corporate governance practices. Both statements were subsequently included in the Company's Annual Report.
- (e) Reviewed other disclosures included in the Company's Annual Report as outlined in Part A of Appendix 9C of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These disclosures encompassed Corporate Information; the Profile of the Board of Directors & Key Senior Management; the Additional Compliance Statement; the Management Discussion and Analysis; the Sustainability Statement; the Directors' Responsibility Statement regarding the Annual Audited Financial Statements; Shareholdings Statistics; and the List of the Group's Properties.
- (f) Reviewed the Corporate Governance Report prior to its submission to Bursa Malaysia Securities Berhad, recommending it to the Board of Directors for their consideration and approval.
- (g) Assisted the Audit Committee to prepare the Report of the Audit Committee. This was done for the Audit Committee's review and approval prior to inclusion in the Company's Annual Report. In drafting the corporate governance disclosures, reference was made to the requirements of paragraph 15.15 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Malaysian Code on Corporate Governance.

Report of the Audit Committee

(Cont'd)

INTERNAL AUDIT ACTIVITIES REPORT (CONT'D)

- (h) Prepared the Audit Planning Memorandum for the Audit Committee's approval. The memorandum was developed based on a thorough review of the Group's risk profile and an assessment of the significance of potential risk exposures in the auditable areas conducted by the Internal Audit function. The approved Audit Planning Memorandum was subject to ongoing review and revision at each quarterly Audit Committee meeting. This process allowed the Audit Committee to evaluate the Group Internal Audit Department's performance against the plan, approve any necessary departures, substituted or additional work that may be warranted due to changes in circumstances, regulations, or the environment. It also addressed any concerns regarding the adequacy or competency of audit resources to complete the assignments.
- (i) Prepared quarterly reports for the Audit Committee to assist its oversight of the Group Internal Audit Department.
- (j) Conducted regular governance, risk and control reviews of the Company's and the Group's strategic business units. The risk-based audits and governance reviews included the Group's investment holding operations; Anti-Corruption Programme; conflicts of interests involving Directors and Key Senior Management with the Company and its subsidiaries; and related party transactions; as well as the principal insurance subsidiary's underwriting operations; intermediary-related expenses; outsourcing arrangements; product transparency and disclosure; management of customer information and permitted disclosures; information technology operations; and management accountability; among others. The audit reviews assessed the adequacy and effectiveness of the internal control and risk management process, the appropriateness and effectiveness of governance practices, the reliability and integrity of financial, operational and management information systems, safeguarding of assets, and compliance with laws, regulations, policies, procedures and contracts. Additionally, assistance was provided to the Audit Committee in its oversight of the Group's financial reporting.
- (k) Issued 26 audit reports to the Audit Committees and management, identifying weaknesses and issues while highlighting recommendations for improvement. These recommendations were developed based on a root-cause analysis, and were acted upon by management within agreed timelines.
- (l) Followed up on management's corrective actions regarding audit issues raised by the Internal Auditors and External Auditors. Assessed whether corrective actions taken had achieved the desired results.
- (m) Acted on suggestions made by the Board, Audit Committee members and/or senior management concerning operations or control-related concerns.
- (n) Reported to the Audit Committee on the review of the adequacy, appropriateness, and compliance of the procedures established to monitor related party transactions.
- (o) Assisted management to prepare the Conflicts of Interest Framework for Key Persons, ensuring it aligns with the requirements outlined in the Companies Act 2016, Main Market Listing Requirements, Corporate Governance Guide (4th Edition), and Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries. The Framework also incorporated other relevant regulatory frameworks.
- (p) Reported to the Audit Committee upon completion of the Group Internal Audit Department's independent assessment of control measures and any necessary tests, including the independent identification of questionable transactions or undisclosed conflicts of interest. The report provided an independent evaluation indicating that no conflicts of interest were noted among Key Persons, except for the Chief Executive Officer of the principal insurance subsidiary. The report also assessed the adequacy of the measures taken to monitor such situations.
- (q) Verified whether the allocation of options pursuant to the Employees' Share Option Scheme was in compliance with the approved criteria.

Report of the Audit Committee

(Cont'd)

INTERNAL AUDIT ACTIVITIES REPORT (CONT'D)

- (r) Participated as a member of the Group Anti-Corruption Committee, whose main responsibilities include establishing, maintaining and periodically reviewing the Group's Anti-Corruption Programme; planning, establishing, implementing and maintaining a review and monitoring programme and internal auditing programme; ensuring that regular reviews are conducted to assess the performance, efficiency and effectiveness of the Anti-Corruption Programme in accordance with audit risk methodology; making recommendations as part of the review and audit process for appropriate steps to be taken to ensure that effective monitoring and auditing, measurement, analysis and evaluation of the Anti-Corruption Programme is performed; reporting on the performance of the Anti-Corruption Programme to the relevant Board Committee(s) as appropriate; and ensuring that the Group complies with applicable laws and regulatory requirements regarding anti-corruption.
- (s) Provided consulting or advisory functions on compliance and control-related matters as and when requested by management while maintaining objectivity and independence.
- (t) Attended all Audit Committee meetings to present and discuss the audit reports, as well as to follow up on matters raised.
- (u) Stayed informed of the implications of any recent changes and pronouncements issued by accountancy, statutory and regulatory bodies, as well as publications on significant matters that may be of interest to the Group Internal Audit Department.

ON BEHALF OF YOUR BOARD OF
DIRECTORS, I HAVE THE PLEASURE OF
PRESENTING THE ANNUAL REPORT AND
AUDITED FINANCIAL STATEMENTS OF YOUR
COMPANY FOR THE FINANCIAL YEAR ENDED
30 SEPTEMBER 2024.

CHAIRMAN'S STATEMENT

FINANCIAL RESULTS

The Group achieved a turnover of RM298.4 million during the year under review, representing an improvement compared to RM293.3 million in 2023. This increase was primarily attributed to higher revenue contributions from both the insurance and IT businesses.

However, the Group recorded a pre-tax loss of RM78.2 million, compared to a pre-tax loss of RM20.0 million in 2023. The higher loss was mainly attributable to unrealised foreign exchange losses and impairment losses on investments in associated companies.

At the Company level, a turnover of RM19.9 million was recorded, a decrease from RM36.3 million in 2023, primarily due to the decrease of dividend income from subsidiary companies.

The Company registered a pre-tax loss of RM199.9 million compared to a pre-tax profit of RM26.9 million in 2023, mainly resulting from impairment losses on its subsidiary companies and unrealised foreign exchange losses.

ECONOMIC OUTLOOK

The International Monetary Fund ("IMF") has maintained its forecast global growth to 3.2 percent for 2024, down from 3.3 percent in 2023. For 2025, the IMF's global growth forecast is at 3.2 percent. For advanced economies, the growth is projected to remain steady between 1.7 percent to 1.8 percent until 2029. Meanwhile emerging and developing economies are forecasted to have growth modestly decline from 4.4 percent in 2023 to 4.2 percent in 2024 and 2025, reflecting upgrades for Asia (China and India) that more than offsets downgrades for sub-Saharan Africa and for the Middle East and Central Asia. (Source: *World Economic Outlook October 2024*)

Within Malaysia, the Malaysian Institute of Economic Research ("MIER") estimates growth of the Malaysian economy in 2024 to be between 4.0% to 5.0%. This has been driven by robust consumer spending and an upbeat tourism sector. In fact, if the current momentum can be maintained, MIER predicts growth to be between 4.5% to 5.0%. (Source: *Malaysian Economic Outlook, First Quarter 2024*)

Chairman's Statement

(Cont'd)

PROSPECTS OF THE COMPANY

During the year under review, the Group implemented various initiatives to remain competitive while meeting customer needs and adhering to regulatory requirements.

In tandem with the growing demand for electric vehicles, reflected in higher car sales and successful new model launches, the insurance subsidiary introduced a dedicated Electric Vehicle (EV) product to capitalise on this market growth.

Recognising the increasing demand for employee benefits in the market, our insurance subsidiary launched the Group Dental Insurance product. Designed to help employees manage out-of-pocket dental expenses, this product aligns with businesses' focus on enhancing employee well-being and retention. By tapping into market demand, the product seeks to enhance the Group's profitability through an expanded and diversified product portfolio.

Additionally, the insurance subsidiary has enhanced its breakdown services with a fully digital solution. Customers can now request assistance online, track the tow truck via a live map, communicate seamlessly with the driver and support centre, and provide service ratings – all from their mobile devices.

The outlook for the upcoming year is challenging, with on-going geopolitical tensions, international trade disputes, and rising operation costs. While foreign exchange challenges may persist, your Board will continue to carefully manage costs, prioritise core business areas, while maintaining an emphasis on long-term goals and stability.

DIVIDEND

The principal source of cash/funds for dividend payments by the Company are dividends received from the subsidiary companies. Payments of dividends by the insurance subsidiary company are subject to Bank Negara Malaysia's approval and therefore it is not practical to maintain a dividend policy.

In general however, dividend payments depend on earnings, capital commitments and other factors that must be considered by the Board.

In respect of the financial year ended 30 September 2024, your Directors do not propose to declare any final dividend for the financial year under review.

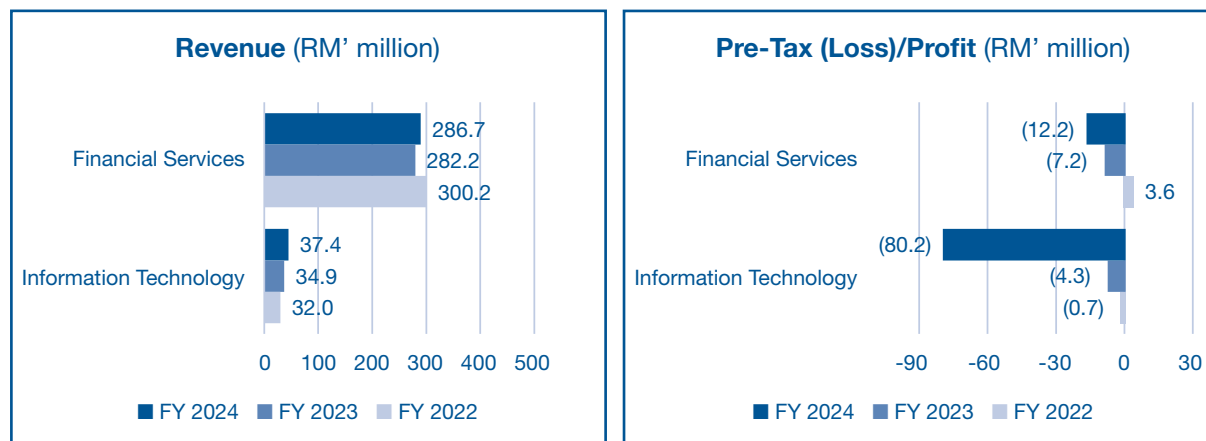
APPRECIATION

On behalf of the Board of Directors, I would like to acknowledge the efforts put in by the management and staff during the year and to thank our business associates for their continued co-operation and support.

DATO' DR. ZAHA RINA BINTI ZAHARI
Chairman
Kuala Lumpur

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW



The Group operates in two main areas namely Financial Services and Information Technology. The former focuses on general insurance and money lending, while the latter is primarily involved in highly customised financial software/hardware solutions for the insurance industry and security and surveillance systems with a wide range of applications.

A third area of activity is made up of investments in start-up companies (“start-ups”) that operate in various industries ranging from financial technology to renewable energy. These start-ups are located in the UK and selected Southeast Asian countries and are currently grouped together and categorised as “Other Investments”.

The Group is also undertaking a property development project in Miami, Florida, USA. The project is a 21-storey waterfront condominium development in Miami’s North Bay Village that will feature 54 one-of-a-kind residences.

CAPITAL MANAGEMENT

The Group endeavours to employ capital as effectively and efficiently as reasonably possible to ensure that adequate funding is available to:

- Sustain the growth and operations of the principal activities of the Group
- Satisfy regulatory requirements in respect of capital adequacy at Pacific & Orient Insurance Co. Berhad (“POI”)
- Support the Group’s new investments
- Pay out dividends

Thus, in addition to reserves of cash and cash equivalents amounting to RM27.5 million (2023: RM39.1 million), the Group has maintained the following facilities:

- RM5.3 million overdraft facilities
- RM30.5 million revolving credit facilities
- RM5.0 million bank guarantee facility

At POI, capital management is centred on optimising the efficient and effective use of its resources to maximise return on equity and provide an appropriate level of capital to protect policyholders and meet regulatory requirements.

Management Discussion And Analysis

(Cont'd)

POI is required to comply with the regulatory capital requirement prescribed in the Risk-Based Capital (“RBC”) Framework which is imposed by the Minister of Finance as a licensing condition for insurers. Under the RBC Framework for Insurers policy document issued by Bank Negara Malaysia, insurance companies are required to satisfy a minimum capital adequacy ratio of 130%. POI has been maintaining a capital adequacy ratio in excess of the minimum requirement. The prescribed capital structure was as follows:

	2024 RM' million	2023 RM' million
Eligible Tier 1 Capital		
- Share capital (paid-up)	100.0	100.0
- Retained earnings	100.6	109.1
	200.6	209.1
Tier 2 Capital		
- Revaluation reserve	16.5	15.5
- Fair value through other comprehensive income reserve	1.8	2.0
	18.3	17.5
Amounts deducted from Capital	(3.5)	(4.4)
Total Capital Available	215.4	222.2

SHARE OPTIONS

On 20 February 2019, the shareholders of the Company at the Annual General Meeting approved the establishment of an Employees' Share Option Scheme (“ESOS”) of up to 15% of the total number of issued shares of the Company. Open to eligible employees and Executive Directors of the Group, the ESOS is intended to motivate and retain staff by rewarding them in a manner related to the performance of the Group. By recognising employee contributions in this manner, it is hoped that employees will take even greater interest in the Group's progress.

The ESOS was implemented on 17 June 2019 (“Effective Date”) and shall be in force for a period of five years, expiring on 16 June 2024. The Directors of the Company had on 16 August 2023, extended the duration of the ESOS for an additional five years from 17 June 2024 to 16 June 2029 in accordance with the terms of the ESOS By-Laws.

The extension was made to allow existing employees whose ESOS options have vested with additional time to exercise their options as well as to allow an opportunity for eligible employees who had contributed to the growth and development of the Group to participate in the scheme.

During the financial year, a total of 681,000 additional share options were granted to and accepted by the eligible employees. As at 30 September 2024, the total share options yet to be exercised are as follows:

Offer Date	Option price	Granted	Forfeited	Exercised	Balance to be Exercised
1 August 2019	RM0.89	20,822,000	(4,684,000)	(6,029,000)	10,109,000
14 August 2020	RM0.73	4,287,000	(1,276,000)	(2,715,000)	296,000
16 August 2021	RM0.84	244,000	(190,000)	(47,000)	7,000
16 August 2022	RM0.95	1,616,000	(456,000)	(401,000)	759,000
16 August 2023	RM0.92	629,000	(39,000)	–	590,000
16 August 2024	RM0.68	681,000	–	(11,000)	670,000
		28,279,000	(6,645,000)	(9,203,000)	12,431,000

The new ordinary shares issued ranked in pari passu in all respects with the existing ordinary shares of the Company.

Management Discussion And Analysis

(Cont'd)

TREASURY SHARES

During the financial year, the Company had not repurchased its own equity securities from the open market. The shares repurchased in the previous years were held as treasury shares in accordance with Section 127 of the Companies Act 2016 in Malaysia.

The Company has the right to cancel, resell and/or distribute the treasury shares as dividends at a later date or transfer the treasury shares to the ESOS or as purchase consideration at a later date. As treasury shares, the rights attached to voting, dividends and participation in other distribution is suspended.

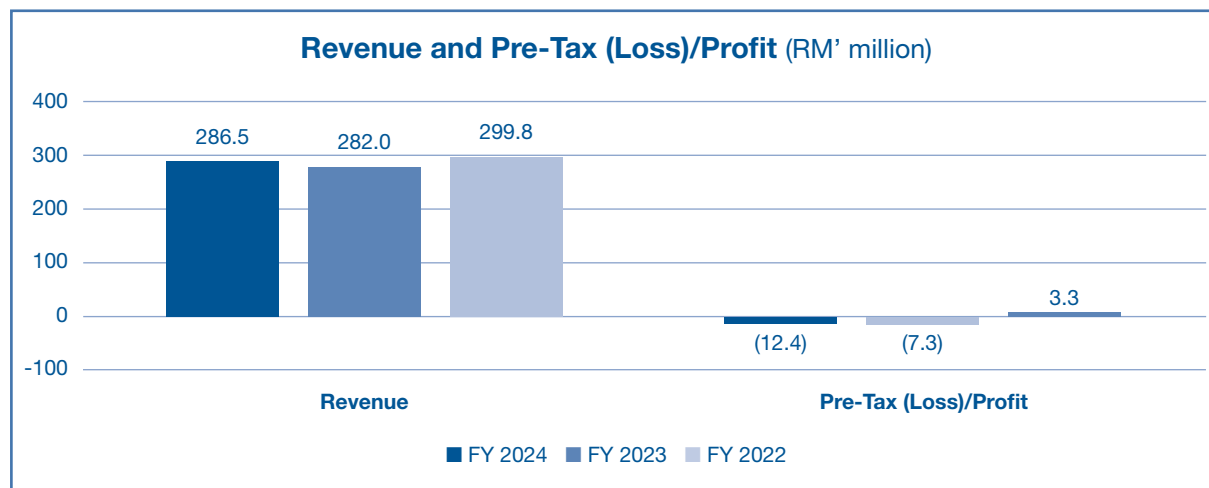
As at 30 September 2024, the number of treasury shares is 14,495,793 which represented 4.89 percent of the Company's issued ordinary shares. The ordinary shares in issue after deducting the treasury shares is 281,653,540 shares. Further details are disclosed in Note 28 to the financial statements.

PERFORMANCE BY OPERATING BUSINESS SEGMENTS

FINANCIAL SERVICES

This division comprises Pacific & Orient Insurance Co. Berhad ("POI"), a general insurance company, and P & O Capital Sdn. Bhd. ("POC"), a money lending company.

General Insurance



Total revenue of POI was RM286.5 million for the year under review compared to the RM282.0 million recorded in the previous year. The increase was primarily due to the increase in insurance revenue and investment income. However, a pre-tax loss of RM12.4 million was recorded, compared to the pre-tax loss of RM7.3 million recorded in 2023. The higher loss was primarily due to an increase in claims incurred during the year.

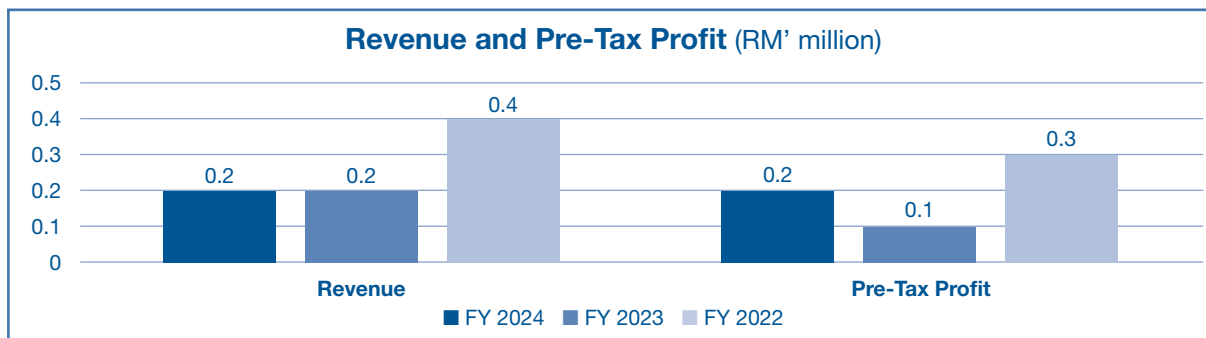
The figures for the current financial year are derived following the adoption of MFRS 17 - Insurance Contracts, with comparative figures for 2023 restated accordingly to reflect the new accounting standard.

The insurance subsidiary anticipates continued competitive market conditions but remains committed to strengthening its capabilities and pursuing profitable growth opportunities. POI has introduced two new products, an Electric Vehicle (EV) insurance product as well as a non-motor product in line with trends and customer needs. POI has undertaken initiatives to enhance its distribution channels, which are gaining traction and are expected to drive higher volumes in the coming year. Additionally, the company is focusing on building its underwriting capabilities and refining claims management processes to boost overall operational efficiency. These measures are designed to support sustainable growth, streamline operations, and potentially lower management expense ratios over time. In terms of digitisation, POI has successfully launched a fully digital breakdown service to compliment the existing call centre breakdown service.

Management Discussion And Analysis

(Cont'd)

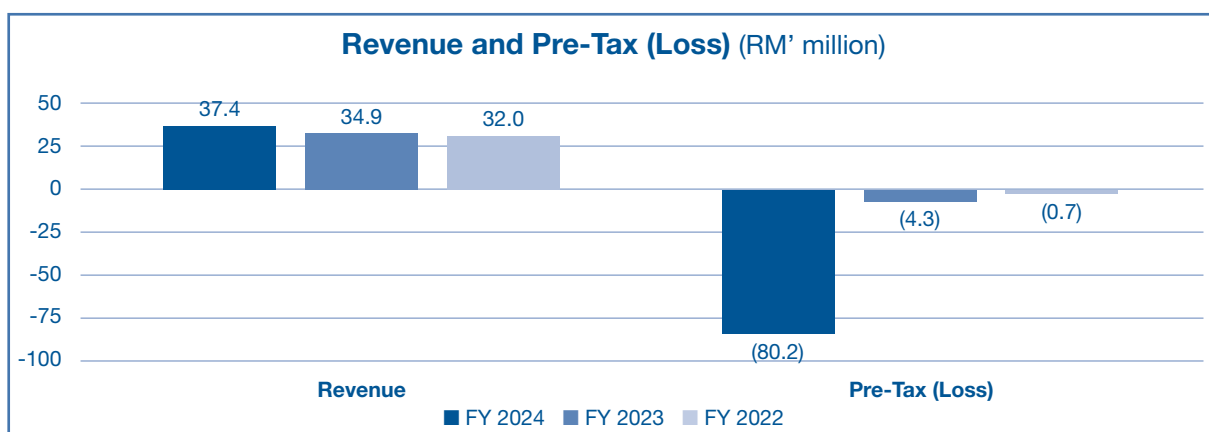
Money Lending



The money lending subsidiary recorded a turnover of RM0.2 million, similar to 2023. Correspondingly, the subsidiary reported a higher pre-tax profit of RM0.2 million.

In line with its previous practice, POC will remain highly selective in providing loans targeted at individuals with high income and/or good quality collateral.

INFORMATION TECHNOLOGY



The Information Technology ("IT") division comprises P & O Global Technologies Sdn. Bhd., P & O Global Technologies, Inc. and P & O Global Technologies (Thailand) Co., Ltd. which operate in Malaysia, USA and Thailand respectively.

In general, the IT business saw an increase in revenue to RM37.4 million, from RM34.9 million the year before. However, the IT division reported a larger pre-tax loss of RM80.2 million compared to RM4.3 million in 2023, primarily due to unrealised foreign exchange losses and impairment loss on the subsidiary in the USA.

The IT business is expected to face strong competition from other players, along with a challenging business environment due to global uncertainties arising from conflicts and tensions between countries, as well as foreign exchange uncertainties caused by currency fluctuations. In response, the Group will continue to focus on enhancing customer interactions through improved service quality and responsiveness while remaining vigilant to the impacts of currency fluctuations.

PROPERTY DEVELOPMENT

The Property Development division comprises Pacific & Orient Properties LLC, which operates in Miami, Florida, USA.

During the year, POP LLC found that there was a delamination issue affecting the 10th-15th floor and made the decision to suspend this development while pursuing legal recourse with Thornton Residential LLC to resolve/ remedy the issue. This has since progressed to an arbitration process.

In August 2024, POGT Inc. has entered into a Project Management Agreement with the Bayshore Group. The construction of Project 7918 is expected to re-commence in Q1 2025.

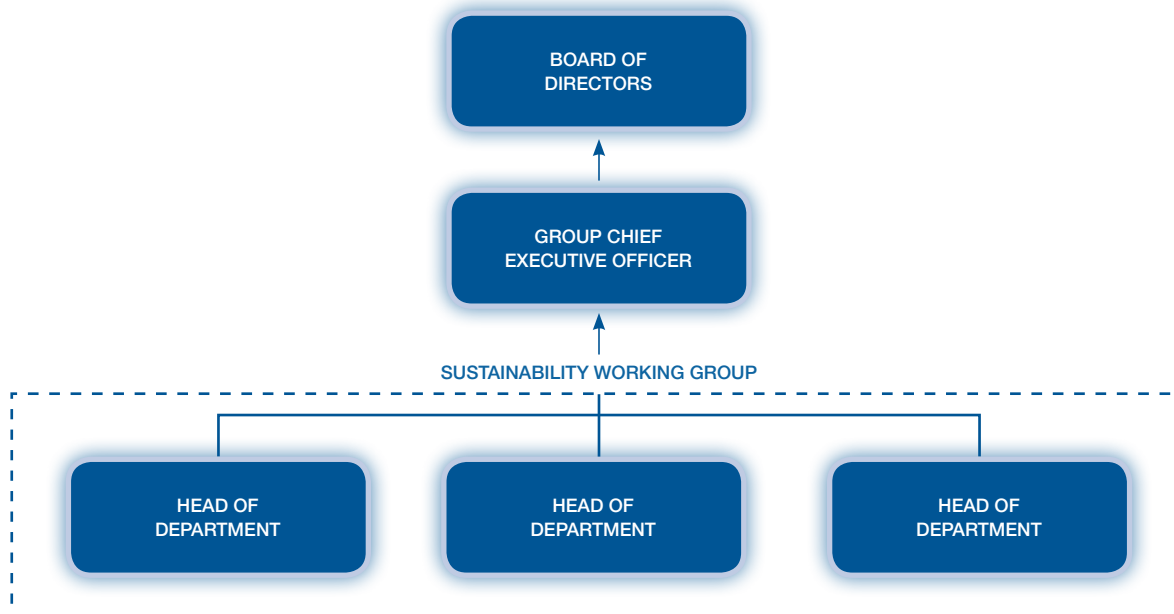
SUSTAINABILITY STATEMENT

Pacific & Orient Berhad and its subsidiaries (“the Group”) is committed in fostering its sustainable growth by integrating environmental, social, and governance (“ESG”) principles into its business operations. The Group recognises its responsibilities and the importance of creating long-term sustainable value to the environment, society, and our stakeholders. In this regard, the Group endeavours to address issues related to sustainability and its impact on the activities of the Group and in the interests of our key stakeholders.

GOVERNANCE STRUCTURE AND RESPONSIBILITY

The Board of Directors is ultimately responsible for management, direction and performance of sustainability efforts within the Group. The Board has mandated the Group Chief Executive Officer to set the strategic directions of the Group. The Board also takes on the role of reviewing the effectiveness of the risk management process of sustainability matters to the Group.

The Group Chief Executive Officer assumes the role of primary decision maker for all sustainability efforts within the Group where he approves and delegates the strategic directions, framework, plans and targets of sustainability efforts of the Group to the Sustainability Working Group for execution. The Group Chief Executive Officer will review the sustainability efforts and report to the Board on a timely basis, as required.



SCOPE

This Sustainability Statement covers our sustainability efforts in our main activities and key operations in Malaysia from 1 October 2023 to 30 September 2024. This Statement has been prepared based on:

- Paragraph 29, Part A of Appendix 9C of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”), supplemented by Practice Note 9; and
- Sustainability Reporting Guide (3rd Edition) issued by Bursa Malaysia.

Sustainability Statement

(Cont'd)

LIMITATION AND DISCLAIMER

The Group recognises the limitations arising from the data compilation on a group-wide basis where there may be gaps in data availability for certain indicators. The Group is committed in monitoring its data tracking and compilation and resolving these issues in the future reporting.

Any forward-looking statements such as targets and future plans are based on current reasonable assumptions and may change based on unforeseen circumstances which are beyond the Group's control.

STAKEHOLDER ENGAGEMENT

The Group recognises the importance of engaging with its stakeholders in order to identify their concerns and views on sustainability issues. For the current reporting year, the Group has identified customers, employees, investors/shareholders, government and regulators, business partners and agents, and communities as key stakeholders.

The engagement approach and concerns to key stakeholders is summarised below:

Stakeholders	Areas of Concern and Interest	Communication Channels	Frequency of Engagement
Customers	<ul style="list-style-type: none"> Customer service and satisfaction Privacy and security measures 	<ul style="list-style-type: none"> Company website Feedback forms Other channels, including social media platforms, emails and hotlines Surveys 	<ul style="list-style-type: none"> Regularly Daily Daily Ad-hoc
Employees	<ul style="list-style-type: none"> Career development Working environment Welfare and benefits 	<ul style="list-style-type: none"> Internal communication Performance appraisals Training programmes 	<ul style="list-style-type: none"> Regularly Annually Ad-hoc
Investors/Shareholders	<ul style="list-style-type: none"> Financial performance Shareholder value Anti-Corruption Corporate governance 	<ul style="list-style-type: none"> Annual general meetings Extraordinary general meetings Annual reports Bursa Malaysia announcements Circulars 	<ul style="list-style-type: none"> Annually Ad-hoc Annually Ad-hoc Ad-hoc
Government and Regulators	<ul style="list-style-type: none"> Regulatory compliance Anti-Corruption Corporate governance 	<ul style="list-style-type: none"> Meetings Reports 	<ul style="list-style-type: none"> Ad-hoc Regularly
Business partners/Agents	<ul style="list-style-type: none"> Regulatory compliance Anti-Corruption Strategic partnership 	<ul style="list-style-type: none"> iAgent Meetings Training programmes 	<ul style="list-style-type: none"> Daily Ad-hoc Ad-hoc
Communities	<ul style="list-style-type: none"> Regulatory compliance Local community activities involvement 	<ul style="list-style-type: none"> Participation in community programmes 	<ul style="list-style-type: none"> Ad-hoc

Sustainability Statement

(Cont'd)

MATERIAL ASSESSMENT AND SUSTAINABILITY MATTERS

The Group has identified issues that are material to both our Group and key stakeholders. These issues were determined after undertaking a materiality assessment process, whereby each sustainability matter identified was rated based on its likelihood and potential impact on the Group's business and long-term growth.

The Group has identified and incorporated a total of nine (9) Common Material Sustainability which are relevant to the Group's business operations and stakeholders, in accordance with Bursa Malaysia's enhanced sustainability reporting requirements for publicly listed companies.

The key issues that were prioritised and determined are as follows:

(1) Anti-Corruption

The Group is steadfast in conducting all business operations with the highest level of integrity. This commitment is fundamental for the success of any company, as it ensures the trust and confidence of stakeholders in management practices while maintaining a positive reputation in the public eye. Corruption and fraudulent activities can significantly impede business efficiency, leading to severe consequences such as legal penalties, suspension of business operations, and damage to the Group's reputation in the regions where it operates.

To counter these challenges, the Group has implemented rigorous measures to prevent corruption at every level. It has established a comprehensive anti-fraud framework and a whistle-blowing policy that applies to all its subsidiaries.

The Group also has extended its anti-corruption procedures to its business partners and agents to ensure that the Group remains free from any corruption risks throughout its business operations.

The Group continues to emphasise adherence to its anti-corruption policies, which are a fundamental part of its operational framework. These measures reflect the Group's commitment to maintaining transparency and accountability, with plans to review and update its initiatives in the future as necessary.

The Group is pleased to report that during this reporting period, there were no instances of confirmed corruption-related incidents, no employee dismissals due to corruption, and no public legal cases against the Group related to corruption.

Corruption Incidents	FYE 30 September 2024	FYE 30 September 2023	FYE 30 September 2022
Number of confirmed incidents of corruption and action taken	0	0	0

Sustainability Statement

(Cont'd)

(2) Diversity

The Group strives to promote diversity and equal opportunity for all its employees. The Group takes active steps to improve its recruitment process and recruits suitable candidates based on merit. In addition, the Group also seeks to achieve a mix of employees across age bands so as to strike a balance between experience and innovation by way of fresh ideas that may be brought in by younger employees. The Group's workforce composition based on age and gender are captured below:

Workforce Composition	FYE 30 September 2024	FYE 30 September 2023	FYE 30 September 2022
Total employees	445	465	486
By employment category			
Full-time	406	430	456
Contractors/temporary	39	35	30
By gender			
Male	181	190	194
Female	264	275	292
Percentage of women in management	43%	44%	47%
By age			
< 30 years old	71	75	80
31 – 50 years old	195	214	237
> 50 years old	179	176	169

(3) Employee Development and Management

The Group continues to expand the development opportunities to all of its employees through external and in-house trainings, seminars, workshops and video conferencing sessions. These training programmes are designed to equip and enhance the employees with the necessary skills and knowledge as part of their career growth and also to perform their best in maintaining sustainable performance to the Group.

The total training hours provided by the Group to its employees for the past 3 financial years are as follows:

Employee Development and Management	FYE 30 September 2024	FYE 30 September 2023	FYE 30 September 2022
Total training hours	1,559	3,175	2,826

Sustainability Statement

(Cont'd)

(4) Health and Safety

The Group's foremost priority is to maintain a workplace that is safe and healthy for all individuals, including employees and visitors. The Group understands the significance of fostering a robust culture of health and safety, as it directly impacts the well-being of its workforce and the prosperity of its business.

As part of the Group's unwavering commitment to health and safety, it routinely scrutinises and revises policies and procedures to align with current best practices and comply with pertinent legislation.

The Group acknowledges that its proficiency in managing health and safety risks is not only crucial for its employees and business but also extends to the broader community. These measures include on-going employee education on issues such as lifestyle diseases as well as safety and security in the workplace.

For the past 3 financial years, the Group did not experience any work-related fatalities or lost time incident rate. This underscores the Group's commitment to maintaining a safe and healthy workplace environment.

Health and Safety	FYE 30 September 2024	FYE 30 September 2023	FYE 30 September 2022
Total number of work-related fatalities	0	0	0
Lost time incident rate	0	0	0

(5) Data privacy and security

The Group is dedicated to maintaining the highest levels of data privacy and security for its valued customers. Recognising the significance of safeguarding personal information, the Group works diligently to ensure that all sensitive data remains protected from unauthorised access, use, or disclosure.

Any complaints received are treated with utmost seriousness, undergoing thorough investigation, and will take appropriate steps to address concerns and prevent future occurrences. Regular emails are disseminated to the employees to fortify their knowledge of data privacy procedures, ensuring they comprehend their pivotal role in preserving the sanctity of customer data.

The Group will continually enhance its data privacy and security practices to align with the evolving needs and expectations of its stakeholders.

For the past 3 financial years, no complaints were received concerning breaches of customer privacy or losses of customer data.

Data privacy and security	FYE 30 September 2024	FYE 30 September 2023	FYE 30 September 2022
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0

Sustainability Statement

(Cont'd)

(6) Energy Management

The Group is dedicated to minimising its environmental impact and making positive contributions towards a sustainable economy. With a business model that minimises energy consumption and emissions, the Group plays a strategic role in raising awareness and inspiring action among employees, customers, and other stakeholders.

Recognising its pivotal role in reducing greenhouse gas emissions and conserving valuable resources, the Group engages in meticulous planning, invests in energy-efficient technologies, and continually monitors its practices. Within the Group, a significant portion of energy consumption arises from air-conditioning, lighting, and power usage. To further reduce energy consumption and champion environmental friendliness, the Group actively seeks opportunities for energy savings. Ongoing initiatives focus on identifying the opportunities for energy savings and create awareness among employees to energy-saving practices.

The energy consumption for the Group for the past 3 financial years is as follows:

Energy Consumption	FYE 30 September 2024	FYE 30 September 2023	FYE 30 September 2022
Total energy consumption (MWh)	725.6	725.0	785.3

(7) Water

The Group's business operations do not require significant water consumption. Nevertheless, the Group is committed to track its water consumption and explore any opportunities in reducing the consumption.

The water consumption for the past 3 financial years are as follows:

Water Consumption	FYE 30 September 2024	FYE 30 September 2023	FYE 30 September 2022
Total volume of water used (ML)	4.0	5.0	6.9

(8) Waste Management

The Group believe in the importance of responsible waste management to protect the environment and promote sustainability. The Group is committed in reducing, reusing, and recycling materials wherever possible and minimising the overall waste footprint across its business operations.

As part of its commitment to reduce waste, the Group has encouraged employees to adopt digital instead of paper documents with the aim to further reduce paper consumption and use of other printing materials.

In addition, following the discontinuation of mailed printed hard copy annual reports, the Group further minimises environmental impact in its dealings with stakeholders, through digital transformation by promoting the use of cashless payment and e-renewal services.

Sustainability Statement

(Cont'd)

(9) Community

The Group recognises that its businesses thrive with the social well-being and welfare of the community. In the coming years, the Group will continuously look for new ways to enhance community sustainability through various activities and actions to promote community engagement.

The Bursa Sustainability Performance Table is disclosed on page 255 of the Annual Report.

STATEMENT OF ASSURANCE

Assurance Undertaken

In strengthening the credibility of the Sustainability Statement, selected aspects of this Sustainability Statement has been subjected to an internal review by the Group Internal Auditors and has been approved by the Company's Audit Committee.

Subject Matter

The subject matters covered by the internal review include the following indicators:

- a) Confirmed incidents of corruption and action taken
- b) Total energy consumption
- c) Number of work-related fatalities
- d) Loss time incident rate
- e) Total training hours for employees
- f) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data
- g) Total volume of water used

Scope

The boundary of the internal review includes all companies in Malaysia within the Group's financial control.

DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF THE ANNUAL AUDITED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the Group's and the Company's financial statements each financial year in accordance with the requirements of the applicable approved Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board, the requirements of the Companies Act 2016, Financial Services Act 2013, Bank Negara Malaysia's guidelines and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Central to those requirements is the need to ensure that these accounts present a true and fair view of the state of affairs of the Group and the Company, the results, cash flows and statement of changes in equity. In the preparation of these financial statements for the year under review, the Directors have:

- (a) applied the appropriate and relevant accounting policies in a consistent manner;
- (b) made judgments and estimates that are reasonable and prudent;
- (c) prepared the annual audited financial statements on a going concern basis;
- (d) ensure that the Company kept accounting records that disclose with reasonable accuracy the financial position of the Group and of the Company, and which enable them to ensure that the financial statements comply with the Companies Act 2016; and
- (e) taken such steps as are reasonably available to them to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities.

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Financial Statements

DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 September 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and the provision of management services.

The principal activities of the subsidiary companies are as disclosed in Note 11 to the financial statements.

There were no significant changes in the principal activities of the Group and of the Company during the financial year.

RESULTS

	Group RM'000	Company RM'000
Net loss for the year	(78,099)	(199,966)
Attributable to:		
Equity holders of the Company	(72,750)	(199,966)
Non-controlling interest	(5,349)	–
	(78,099)	(199,966)

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The Directors do not recommend any dividend payment in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

ISSUE OF SHARES

During the financial year, the Company increased its issued and paid-up ordinary share capital from 288,593,333 to 296,149,333 by way of issuance of 7,556,000 new ordinary shares pursuant to the Company's Employees' Share Option Scheme at the various exercise prices of RM0.68, RM0.73, RM0.89 and RM0.95 per ordinary share for cash.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

Directors' Report

(Cont'd)

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The ESOS was approved by shareholders at the Annual General Meeting on 20 February 2019, and took effect on 17 June 2019. The ESOS was in force for an initial period of up to five years, expiring on 16 June 2024. The Directors of the Company had, on 16 August 2023, extended the duration of the ESOS for an additional five years, from 17 June 2024 to 16 June 2029, in accordance with the terms of the ESOS By-Laws.

The extension was made to allow existing employees whose ESOS options have vested with additional time to exercise their options as well as to allow an opportunity for eligible employees who had contributed to the growth and development of the Group to participate in the scheme.

The ESOS is administered by the ESOS Committee that has been approved by the Board.

The main features of the ESOS are as follows:

- (a) The ESOS is made available to eligible employees and Executive Directors who are confirmed employees of the Group and the Company, as amended from time to time, and any re-enactment thereof;
- (b) The number of options offered under the ESOS shall not exceed in aggregate 15% of the total issued and paid-up ordinary share capital of the Company (excluding treasury shares) at any one time during the duration of the ESOS, or such percentage of the issued and paid-up share capital of the Company as may be permitted by Bursa Malaysia Securities Berhad ("Bursa Securities") from time to time during the duration of the ESOS;
- (c) The exercise price under the ESOS shall be based on the five days weighted average market price of the ordinary shares of the Company immediately preceding the date of offer of the ESOS as shown in the daily official list issued by Bursa Securities, and at the sole discretion of the ESOS Committee with either a:
 - (i) premium; or
 - (ii) discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Securities and any other relevant authorities from time to time.
- (d) The maximum number of options, which may be offered to any eligible employee or Executive Director shall be at the discretion of the ESOS Committee after taking into consideration, amongst others, the eligible employee's and Executive Director's position, performance and length of service in the Group and the Company respectively, or such other matters that the ESOS Committee may in its discretion deem fit, subject to the following:
 - (i) not more than 50% of the options available under the ESOS shall be allocated in aggregate to Executive Directors and senior management of the Group and the Company; and
 - (ii) not more than 10% of the options available under the ESOS shall be allocated to any individual Executive Director or eligible employee who, either singly or collectively through persons connected with that Executive Director or eligible employee, holds 20% or more of the issued ordinary shares of the Company (excluding treasury shares, if any).
- (e) An option granted under the ESOS may be exercised by the grantee upon achieving the vesting conditions set by the ESOS Committee;
- (f) A grantee of the option shall not be entitled to any dividends, right or other entitlement on the option relating to his/her unexercised options; and
- (g) The new ordinary shares of the Company to be allotted and issued pursuant to any exercise of an option will, upon such allotment and issuance, rank equally in all respects with the then existing issued share capital of the Company.

Directors' Report

(Cont'd)

EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (CONT'D)

The number and movements in the ESOS during the current financial year are as follows:

Grant Date	Extended Expiry Date	Exercise Price	Number of Options				Outstanding as at 30 Sept 2024	Vested and exercisable as at 30 Sept 2024
			Outstanding as at 1 Oct 2023	Granted	Forfeited	Exercised		
13 Sept 2019	16 June 2029	RM0.89	15,618,000	–	(1,009,000)	(4,500,000)	10,109,000	10,109,000
28 Sept 2020	16 June 2029	RM0.73	3,814,000	–	(868,000)	(2,650,000)	296,000	296,000
30 Sept 2021	16 June 2029	RM0.84	7,000	–	–	–	7,000	7,000
30 Sept 2022	16 June 2029	RM0.95	1,579,000	–	(425,000)	(395,000)	759,000	759,000
30 Sept 2023	16 June 2029	RM0.92	629,000	–	(39,000)	–	590,000	349,000
30 Sept 2024	16 June 2029	RM0.68	–	681,000	–	(11,000)	670,000	181,000
			21,647,000	681,000	(2,341,000)	(7,556,000)	12,431,000	11,701,000

Included in the total of 21,647,000 options outstanding as at 1 October 2023 were 5,297,000 options granted to the Executive Director/Chief Executive Officer ("CEO") of the Company, and persons connected to the CEO of the Company. During the financial year, 5,275,000 of these options were exercised, leaving 22,000 options outstanding as at 30 September 2024.

Further details and the movements of the ESOS granted to the eligible employees and Executive Directors of the Company and the Group are disclosed in Note 43 to the financial statements.

TREASURY SHARES

During the financial year,

- (a) there was no purchase of the Company's issued and fully paid ordinary shares; and
- (b) the Company resold 4,807,700 treasury shares for a total consideration of RM4,703,685 (after deducting transaction costs) in the open market at an average price of RM0.97 per share, resulting in a deficit of RM325,174 which has been debited to retained profits.

As at 30 September 2024, the cumulative number of issued and fully paid ordinary shares purchased was 14,495,793 from the open market at an average price of RM1.05 per share for a consideration of RM15,162,616. The purchase was financed by internally generated funds. These shares are held as treasury shares in accordance with Section 127 of the Companies Act, 2016. Further relevant details are disclosed in Note 28(a) to the financial statements.

BAD AND DOUBTFUL DEBTS

Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made, the Directors took reasonable steps to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

Directors' Report

(Cont'd)

CURRENT ASSETS

Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made, the Directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business at their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group or of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

For the purpose of this paragraph, contingent or other liabilities do not include liabilities arising from contracts of insurance underwritten in the ordinary course of business of the insurance subsidiary company.

CHANGE OF CIRCUMSTANCES

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than those arising from the adoption of MFRS 17 *Insurance Contracts*, as disclosed in Note 3(a).

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature which is likely, in the opinion of the Directors, to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Directors' Report (Cont'd)

DIRECTORS

The Directors in office since the beginning of the financial year to the date of this report are:

Mr. Chan Thye Seng *
Dato' Dr. Zaha Rina binti Zahari *
Mr. Ong Seng Pheow
Dato' Sri Mohd Mokhtar bin Haji Mohd Shariff *
Mr. Chan Hua Eng (Resigned on 30 April 2024)
Mr. Michael Yee Kim Shing (Resigned on 21 May 2024)

* These Directors are also directors of the Company's subsidiaries.

In accordance with Article 77 of the Company's Constitution, Mr. Ong Seng Pheow retires from the Board by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those Directors listed above) are:

Dato' Foong Chee Meng
Mr. Lim Tian Huat
Mr. Ong Eng Soon
Ms. Kng Bee Kim
Mr. Liew Kai Wah
Mr. Lim Hing Yoong
Mr. Yong Kim Fatt
Mr. Robert Bryan Pick
Mr. Maurizio Pejoves
Mr. Liu Jenn Shuoh
Mr. Tan Chong Hin
Mr. Yongyuth Tariyo
Mr. Thian Joost Fick
Mr. Michael Yee Kim Shing
Datin Grace Yeoh Cheng Geok (Appointed on 2 January 2024)
Mr. Law Kien Weng (Appointed on 20 February 2024)
Dr. Loh Leong Hua (Resigned on 16 February 2024)
Ms. Ratana Orn-Arun (Resigned on 20 February 2024)

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangement subsisted to which the Company or its subsidiary companies was a party with the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate other than the share options granted to Executive Directors and CEO under the ESOS.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary as a full-time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Directors' Report

(Cont'd)

DIRECTORS' BENEFITS (CONT'D)

The Directors' benefits are as follows:

	Group RM'000	Company RM'000
Salaries and other remuneration	1,483	1,483
Fees	475	357
Bonus (i)	(124)	(124)
Defined contribution plan	177	177
Defined benefit plan	56	–
Benefits-in-kind	51	49
Allowance	612	120
Meeting allowance	26	26
	2,756	2,088

(i) This relates to an over-provision of bonus in the prior financial year. No bonus was declared for the previous or current financial year.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Directors and officers of the Group and of the Company are covered by Directors and Officers liability insurance up to a limit of RM20,000,000 for liability incurred in the discharging of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The insurance premium paid during the financial year by the Group and the Company amounted to RM65,720 and RM13,026 respectively.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young PLT during or since the financial year end.

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares and options over ordinary shares of the Company and its related corporations during the financial year were as follows:

Ordinary Shares	Number of Ordinary Shares			
	At 1 October 2023	Acquired	Disposed	At 30 September 2024
The Company				
Mr. Chan Thye Seng				
- Direct interest	39,250,538	4,000,000	–	43,250,538
- Indirect interest	127,219,650	–	–	127,219,650
Dato' Dr. Zaha Rina binti Zahari				
- Direct interest	1,000,066	–	–	1,000,066
Dato' Sri Mohd Mokhtar bin Mohd Shariff				
- Direct interest	116,666	–	–	116,666

Directors' Report (Cont'd)

DIRECTORS' INTERESTS (CONT'D)

ESOS	Number of Options over Ordinary Shares			
	At 1 October 2023	Granted	Exercised	At 30 September 2024
The Company				
Mr. Chan Thye Seng				
- Direct interest	4,000,000	–	(4,000,000)	–
- Indirect interest *	1,297,000	–	(1,275,000)	22,000

* Included in the indirect interest are options held by connected persons of Mr Chan Thye Seng in accordance with the ESOS By-Laws.

Mr. Chan Thye Seng, by virtue of his interest in the Company, is deemed to have an interest in the shares of all the subsidiary companies within the Group to the extent the Company has an interest.

Other than as stated above, none of the Directors who were in office at the end of the financial year had any interest in the shares of the Company or its related corporations during the financial year.

SIGNIFICANT EVENT DURING AND SUBSEQUENT EVENT AFTER THE END OF THE FINANCIAL YEAR

The significant event during the financial year end is disclosed in Note 64 to the financial statements.

There were no material events subsequent to the financial year that would require adjustment or disclosure in the financial statements.

AUDITORS' REMUNERATION

Total amounts paid or payable to the auditors as remuneration for their statutory audit services are as follows:

Auditors' remuneration is as follows:

	Group RM'000	Company RM'000
Ernst & Young PLT	1,388	480
Other auditors	278	–
	1,666	480

Directors' Report

(Cont'd)

AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 12 December 2024.

CHAN THYE SENG

ONG SENG PHEOW

Kuala Lumpur

STATEMENT BY DIRECTORS

We, CHAN THYE SENG and ONG SENG PHEOW, being two of the Directors of PACIFIC & ORIENT BERHAD, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 84 to 248 are properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2024 and of the results and cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 12 December 2024.

CHAN THYE SENG

ONG SENG PHEOW

Kuala Lumpur

STATUTORY DECLARATION

I, LIM HING YOONG (MIA Membership No. 22685), being the Officer primarily responsible for the financial management of PACIFIC & ORIENT BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 84 to 248 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
the abovenamed LIM HING YOONG)
at Kuala Lumpur in Wilayah)
Persekutuan on 12 December 2024.)

LIM HING YOONG

Before me,

ONG SIEW KEE
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

To the Members of Pacific & Orient Berhad
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Pacific & Orient Berhad ("the Company"), which comprise the statements of financial position as at 30 September 2024 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 84 to 248.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 September 2024, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

1. Insurance contract liabilities and reinsurance contract assets/liabilities of the Group

The Group's insurance contract liabilities as at 30 September 2024 amounted to RM554.2 million or approximately 79.9% of its total liabilities while the reinsurance contract assets as at 30 September 2024 amounted to RM245.0 million or approximately 22.5% of its total assets. The insurance contract liabilities include the liabilities for incurred claims and liabilities for remaining coverage while the reinsurance contract assets include the assets for remaining coverage and amounts recoverable on incurred claims of the insurance subsidiary, Pacific & Orient Insurance Co. Berhad.

These liabilities and assets have been estimated based on standard actuarial valuation methodologies and other estimation models as allowed under the Malaysian Financial Reporting Standards and International Financial Reporting Standards, as well as the accounting policies described in Note 2(n) for insurance contract liabilities and reinsurance contract assets/liabilities.

Independent auditors' report
to the members of Pacific & Orient Berhad
(Incorporated in Malaysia)

(Cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key audit matters (Cont'd)

1. Insurance contract liabilities and reinsurance contract assets/liabilities of the Group (Cont'd)

The complexity of the actuarial valuation methodologies and other estimation models applied to derive the liabilities for incurred claims, liabilities for remaining coverage, assets for remaining coverage and amounts recoverable on incurred claims may give rise to estimation errors as a result of inadequate or incomplete data, the design and application of the relevant valuation models by the management's expert (i.e. the Appointed Actuary) and the use of inappropriate or outdated assumptions.

Significant professional judgement is applied by the Group in deriving the assumptions (as described in Note 4(b)(vi) to the financial statements) and any significant changes thereon may have a material effect on the insurance contract liabilities.

Estimates of liabilities for incurred claims and amounts recoverable on incurred claims have to be made for both the expected ultimate costs of claims already reported at the reporting date, and for the expected ultimate costs of claims incurred but not yet reported ("IBNR") as of the financial year end. The estimates of liabilities for remaining coverage are based on the higher of the liabilities for remaining coverage excluding loss component, as estimated by management, and the fulfillment cash flows, as estimated by the Appointed Actuary. The estimation of insurance contract liabilities and reinsurance contract assets/liabilities are sensitive to various factors and uncertainties as discussed in Note 60. Significant management judgement is applied in setting these assumptions.

Our audit procedures were focused on the following key areas:

- Understanding and documenting the qualifications, objectivity and independence of the management's expert tasked with estimating the insurance contract liabilities and reinsurance contract assets/liabilities of the Group;
- Reviewing the reports prepared by the management's expert in respect of the insurance contract liabilities and reinsurance contract assets/liabilities of the Group;
- Assessing the design and testing the operating effectiveness of internal controls over the actuarial valuation process with respect to financial reporting;
- Assessing the Group's basic of aggregation of insurance contracts issued and reinsurance contracts held in accordance with the requirements of MFRS 17;
- Testing the completeness and sufficiency of data used in the valuation of insurance contract liabilities and reinsurance contract assets/liabilities. These tests also included control tests performed on a selected sample of claims reserves, claims paid, reinsurance recoveries, insurance policies issued and reinsurance contracts held by the Group to ascertain effectiveness of operating controls over the quality and accuracy of the underlying data;
- Assessing the experience analyses of the insurance subsidiary used during the setting of the key assumptions to derive the insurance contract liabilities and challenging the rationale applied by the management's expert and management in deriving those assumptions. In addition, and where appropriate, comparisons have also been made against other industry constituents and the experience of the subsidiary;
- Performing independent analyses and re-computation of the insurance contract liabilities for selected portfolios of business, focusing on the most significant business portfolio and those which may potentially result in significant deviations in estimates. We compared our independent analyses and re-computations to those performed by management to ascertain if the reserves were sufficient and within the range of our independent analyses;

Independent auditors' report to the members of Pacific & Orient Berhad (Incorporated in Malaysia)

(Cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key audit matters (Cont'd)

1. Insurance contract liabilities and reinsurance contract assets/liabilities of the Group (Cont'd)

Our audit procedures were focused on the following key areas (Cont'd) :

- Performing tests on the liabilities for remaining coverage calculations produced by management and thereafter, comparing the liabilities for remaining coverage against the fulfilment cash flows valuations estimated by the management's expert to ascertain if adequate reserves have been established;
- Reviewing management's estimation of the calculated net reinsurance contract assets and their assessment of the credit quality and security of the underlying reinsurance counterparties; and
- Assessing the adequacy of disclosures made in respect of the insurance contract liabilities and reinsurance contracts assets/liabilities of the Group as disclosed in Note 24 and 18 respectively.

We have also engaged our Actuarial Services professionals in accordance with the requirements of International Standard on Auditing 620: Reliance on the Work of an Auditors' Expert to assist us in performing our audit procedures on the insurance contract liabilities of the Group.

2. Investments in subsidiary companies and amounts due from subsidiary companies of the Company

As at 30 September 2024, the carrying amount of investments in subsidiary companies and amounts due from subsidiary companies of the Company stood at RM143.5 million and RM148.0 million respectively. Information relating to these balances are disclosed in Notes 11 and 20.

The Company has performed impairment assessments to ascertain if the Value-In-Use ("VIU") of the respective cash generating units ("CGUs") is sufficient to support their carrying amounts as at 30 September 2024. The processes to perform the impairment assessments and key assumptions applied and methods used to derive the VIU are further described in Notes 4(b)(ix) and (x).

In testing for impairment, the Company estimated the VIU of the respective CGUs using the discounted cash flow ("DCF") method. The DCF method requires the application of assumptions which are subjective in nature and which will require judgement in its application.

The application of such assumptions will have an impact on the estimated VIU and thus, affect the impairment decisions to be made for each CGU. Any significant changes thereon may have a material effect on the carrying amounts of the investments and amounts receivable. The policy for impairment of non-financial assets is disclosed in Notes 2(j)(ii) and 2(j)(iii).

Our audit procedures were focused on the following key areas:

- Challenging the key assumptions which would have the most significant effect on the estimated VIU calculated by the Company and benchmarking these against the industry, available market information and historical experiences of the subsidiaries;
- Understanding the rationale and considerations used by management in deriving the relevant assumptions underlying the DCF and related VIU estimates; and
- Performing mathematical accuracy calculations on the DCF workings performed by the Company.

Independent auditors' report
to the members of Pacific & Orient Berhad
(Incorporated in Malaysia)

(Cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the directors' report and the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard on the directors' report. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Group and take appropriate action.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent auditors' report

to the members of Pacific & Orient Berhad
(Incorporated in Malaysia)

(Cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' responsibilities for the audit of the financial statements (Cont'd)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent auditors' report
to the members of Pacific & Orient Berhad
(Incorporated in Malaysia)

(Cont'd)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 11 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kuala Lumpur, Malaysia
12 December 2024

Dato' Megat Iskandar Shah Bin Mohamad Nor
No. 03083/07/2025 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2024

		30 September	Group 30 September	1 October	Company 30 September	
	Note	2024 RM'000	2023 RM'000 Restated	2022 RM'000 Restated	2024 RM'000	2023 RM'000
ASSETS						
Property, plant and equipment	5	20,317	20,886	20,916	86	92
Investment properties	6	640	640	640	–	–
Intangible assets	7	3,777	4,123	1,061	49	6
Right-of-use assets	8(a)(i)	10,881	11,714	11,830	1,830	2,183
Deferred tax assets	9	657	699	1,475	657	699
Investments	10	90,014	332,113	388,217	105	794
Investment in subsidiary companies	11	–	–	–	143,459	157,007
Investment in associated companies	12	–	14,326	6,890	–	–
Goodwill on consolidation	13	13,161	13,161	–	–	–
Inventories - goods for resale	14	66	87	186	–	–
Property development costs	15	226,889	201,342	94,462	–	–
Contract assets	16	3,804	2,682	–	–	–
Loans	17	–	13	2,112	–	–
Reinsurance contract assets	18	245,026	207,005	208,555	–	–
Trade receivables	19	1,127	1,991	4,493	–	–
Other receivables	19	55,160	60,405	55,209	605	758
Lease receivables	8(c)	888	1,145	549	–	–
Due from subsidiary companies	20	–	–	–	147,972	314,068
Due from associated companies	21	–	1,452	8,758	–	–
Tax recoverable		3,362	2,705	–	903	762
Deposits and placements with financial institutions	22	379,387	136,945	166,168	–	–
Cash and bank balances	23	31,936	39,115	103,740	5,578	1,225
TOTAL ASSETS		1,087,092	1,052,549	1,075,261	301,244	477,594
LIABILITIES						
Insurance contract liabilities	24	554,245	508,542	536,306	–	–
Reinsurance contract liabilities	18	1	2,445	17	–	–
Deferred tax liabilities	9	7,478	8,374	8,273	–	–
Lease liabilities	8(a)(ii)	9,352	10,327	10,585	689	1,213
Trade payables	25	732	351	622	–	–
Other payables	25	87,294	46,224	33,725	1,755	1,915
Due to subsidiary companies	26	–	–	–	10,585	4,589
Borrowings	27	34,551	27,942	1,765	34,436	27,000
Tax payable		–	–	359	–	–
TOTAL LIABILITIES		693,653	604,205	591,652	47,465	34,717

The accompanying notes form an integral part of the financial statements.

Statements of Financial Position

As at 30 September 2024

(Cont'd)

		30 September 2024 RM'000	Group 30 September 2023 RM'000 Restated	1 October 2022 RM'000 Restated	Company 30 September 2024 RM'000	2023 RM'000
EQUITY						
Share capital	28	155,824	148,874	148,293	155,824	148,874
Treasury shares	28	(15,163)	(20,192)	(20,192)	(15,163)	(20,192)
Merger reserve	29	20,792	20,792	20,792	-	-
Translation reserve	29	(10,059)	(21,324)	(18,353)	-	-
Revaluation reserve	29	12,574	12,047	11,473	-	-
Fair Value through Other Comprehensive Income ("FVOCI") reserve	29	(3,812)	(3,676)	20,460	-	-
Share options reserve	29	1,065	1,851	1,865	1,065	1,851
Retained profits		120,248	193,172	191,286	112,053	312,344
Equity attributable to equity holders of the Company		281,469	331,544	355,624	253,779	442,877
Non-controlling interest	11	111,970	116,800	127,985	-	-
TOTAL EQUITY		393,439	448,344	483,609	253,779	442,877
TOTAL EQUITY AND LIABILITIES		1,087,092	1,052,549	1,075,261	301,244	477,594

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2024

Group	Note	Attributable to equity holders of the Company									
		Non-Distributable					Distributable				
		Share Capital	Treasury Shares	Merger Reserve	Translation Reserve	Revaluation Reserve	Options Reserve	FVOCI Reserve	Retained Profits	Non-Controlling Interest	Total Equity
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 October 2023, as previously reported		148,874	(20,192)	20,792	(21,324)	12,047	1,851	(3,676)	187,690	111,531	437,593
Effects of adoption of MFRS 17		-	-	-	-	-	-	-	5,482	5,269	10,751
At 1 October 2023, as restated		148,874	(20,192)	20,792	(21,324)	12,047	1,851	(3,676)	193,172	116,800	448,344
Option charge arising from share options granted	43	-	-	-	-	-	46	-	-	-	46
Ordinary shares issued pursuant to exercise of ESOS	28,43	6,950	-	-	-	-	(628)	-	-	-	6,322
Forfeiture of ESOS		-	-	-	-	-	(204)	-	127	77	-
Resale of treasury shares	28(a)	-	5,029	-	-	-	-	-	(325)	-	4,704
Net loss for the year		-	-	-	-	-	-	-	(72,750)	(5,349)	(78,099)
Other comprehensive income/(loss) for the year		-	-	-	11,265	527	-	(90)	-	420	12,122
Total comprehensive income/(loss) for the year		-	-	-	11,265	527	-	(90)	(72,750)	(4,929)	(65,977)
Transfer of FVOCI reserve to retained profits upon disposal of financial assets at FVOCI - Current year disposal		-	-	-	-	-	-	(46)	24	22	-
At 30 September 2024		155,824	(15,163)	20,792	(10,059)	12,574	1,065	(3,812)	120,248	111,970	393,439

The accompanying notes form an integral part of the financial statements.

Statements of Changes In Equity

For the Year Ended 30 September 2024

(Cont'd)

Attributable to equity holders of the Company												

The accompanying notes form an integral part of the financial statements.

Statements of Changes In Equity

For the Year Ended 30 September 2024

(Cont'd)

Company	Note	Attributable to equity holders of the Company					Total RM'000
		Share Capital RM'000	Treasury Share RM'000	Options Reserve RM'000	FVOCI Reserve RM'000	Retained Profits RM'000	
At 1 October 2023		148,874	(20,192)	1,851	–	312,344	442,877
Option charge arising from share options granted	43	–	–	46	–	–	46
Ordinary shares issued pursuant to ESOS	28,43	6,950	–	(628)	–	–	6,322
Forfeiture of ESOS		–	–	(204)	–	–	(204)
Resale of treasury shares	28(a)	–	5,029	–	–	(325)	4,704
Net loss/total comprehensive loss for the year		–	–	–	–	(199,966)	(199,966)
At 30 September 2024		155,824	(15,163)	1,065	–	112,053	253,779
At 1 October 2022		148,293	(20,192)	1,865	32,215	267,555	429,736
Option charge arising from share options granted	43	–	–	140	–	–	140
Ordinary shares issued pursuant to ESOS	28,43	581	–	(52)	–	–	529
Forfeiture of ESOS		–	–	(102)	–	10	(92)
Net profit for the year		–	–	–	–	26,479	26,479
Other comprehensive loss for the year		–	–	–	(1,007)	–	(1,007)
Total comprehensive income for the year		–	–	–	(1,007)	26,479	25,472
Transfer of FVOCI reserve to retained profits upon disposal of financial assets at FVOCI		–	–	–	(31,208)	31,208	–
Dividends	30	–	–	–	–	(12,908)	(12,908)
At 30 September 2023		148,874	(20,192)	1,851	–	312,344	442,877

The accompanying notes form an integral part of the financial statements.

INCOME STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Note	Group 2024 RM'000	2023 RM'000 Restated	Company 2024 RM'000	2023 RM'000
Revenue	31	298,418	293,326	19,861	36,297
Insurance revenue		269,453	266,473	–	–
Insurance service expense		(277,246)	(232,060)	–	–
Insurance service result before reinsurance	32	(7,793)	34,413	–	–
Allocation of reinsurance premiums		(111,918)	(105,254)	–	–
Amounts recoverable from reinsurers for incurred claims		97,026	56,438	–	–
Net expense from reinsurance contracts held	32	(14,892)	(48,816)	–	–
Insurance service result	32	(22,685)	(14,403)	–	–
Investment income	33	16,996	16,270	14,250	29,103
Fair value (losses)/gains	34	(5,264)	1,791	95	123
Realised gains/(losses), net	35	12,539	5,452	152	(283)
Total investment income		24,271	23,513	14,497	28,943
Insurance finance expenses for insurance contracts issued	36	(8,564)	(10,348)	–	–
Reinsurance finance income for reinsurance contracts held	37	3,637	3,391	–	–
Net financial result		(4,927)	(6,957)	–	–

The accompanying notes form an integral part of the financial statements.

Income Statements

For the Year Ended 30 September 2024

(Cont'd)

	Note	Group 2024 RM'000	2023 RM'000 Restated	Company 2024 RM'000	2023 RM'000
Other revenue	38	11,969	10,583	5,611	7,194
Changes in inventories		(3,330)	(2,231)	–	–
Other operating income	39	1,949	11,951	4	8,862
Other operating expenses	40	(82,208)	(39,457)	(217,684)	(17,223)
Finance costs	45	(1,000)	(893)	(2,352)	(884)
Share of losses of associated companies (net of tax)	12	(2,225)	(2,084)	–	–
(Loss)/profit before taxation	46	(78,186)	(19,978)	(199,924)	26,892
Income tax	52	87	(2,034)	(42)	(413)
Net (loss)/profit for the year		(78,099)	(22,012)	(199,966)	26,479
Attributable to:					
Equity holders of the Company		(72,750)	(18,289)	(199,966)	26,479
Non-controlling interest		(5,349)	(3,723)	–	–
		(78,099)	(22,012)	(199,966)	26,479
Loss per share attributable to equity holders of the Company (sen)					
Basic	53(a)	(25.96)	(6.80)		
Diluted	53(b)	*	*		

* Not disclosed as it is anti-dilutive

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Group		Company	
	2024 RM'000	2023 RM'000 Restated	2024 RM'000	2023 RM'000
Net (loss)/profit for the year	(78,099)	(22,012)	(199,966)	26,479
Other comprehensive income/(loss) :				
<u>Items that will not be reclassified to income statements in subsequent periods:</u>				
- Fair value changes on FVOCI financial assets - equity instruments				
- (Loss)/gain on fair value changes	(70)	209	-	(1,007)
- Deferred tax	(21)	468	-	-
- Tax expense on disposal of FVOCI financial assets	37	(749)	-	-
Net loss	(54)	(72)	-	(1,007)
- Surplus from revaluation of land and buildings				
- Gross surplus from revaluation	1,359	1,482	-	-
- Deferred tax	(326)	(356)	-	-
Net gain	1,033	1,126	-	-
<u>Items that may be reclassified to income statements in subsequent periods:</u>				
- Currency translation differences in respect of foreign operations	11,265	(2,971)	-	-
- Fair value changes on FVOCI financial assets - debt instruments				
- (Loss)/gain on fair value changes	(208)	1,188	-	-
- Deferred tax	86	(285)	-	-
Net (loss)/gain	(122)	903	-	-
Other comprehensive income/(loss) for the year, net of tax	12,122	(1,014)	-	(1,007)
Total comprehensive (loss)/income for the year	(65,977)	(23,026)	(199,966)	25,472
Attributable to:				
Equity holders of the Company	(61,048)	(20,755)	(199,966)	25,472
Non-controlling interest	(4,929)	(2,271)	-	-
	(65,977)	(23,026)	(199,966)	25,472

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Note	2024 RM'000	2023 RM'000 Restated
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(78,186)	(19,978)
Adjustments for:			
Depreciation of:			
- property, plant and equipment	5	1,870	1,978
- right-of-use assets	8(a)(i)	4,658	4,623
Amortisation of:			
- intangible assets	44	647	720
(Gain)/loss on disposal of:			
- property, plant and equipment	35	(120)	68
- investments	35	(11,854)	(6,189)
Property, plant and equipment written off	40	6	95
Intangible assets written off	40	-	28
Inventories written off	40	39	12
Gain on derecognition of right-of-use assets	35	(47)	(334)
Net loss/(gain) on remeasurement of leases	39,40	264	(22)
Loss/(gain) on fair value of investments held at fair value through profit or loss	34	5,264	(1,791)
Loss on remeasurement of previously held interests in an associated company	40	-	1,396
Dividend income		(3,854)	(3,319)
Interest income		(11,881)	(9,920)
Income from Islamic fixed deposits		(552)	(537)
Interest expense		983	723
Allowance for/(write back of allowance for) impairment of:			
- investment in associated companies	40	13,162	-
- amounts due from associated companies	40	3,474	(398)
- trade receivables	40	31	(825)
- corporate debt securities	40	6	7
Bad debts written off:			
- trade receivables	40	17	9
Share of losses of associated companies		2,225	2,084
		(73,848)	(31,570)

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 30 September 2024

(Cont'd)

	Note	2024 RM'000	2023 RM'000 Restated
CASH FLOW FROM OPERATING ACTIVITIES (CONT'D)			
Adjustments for: (Cont'd)			
(Write back of)/allowance for unutilised leave	41	(76)	676
Pension cost – defined benefit plan	41	102	210
Share options expense	41	46	140
Unrealised loss/(gain) on foreign exchange	39,40	34,566	(10,829)
Operating loss before working capital changes		(39,210)	(41,373)
Changes in working capital:			
Disposal of investments		229,737	37,638
Purchase of investments		(2,772)	(19,087)
(Increase)/decrease in deposits and placements with financial institutions		(242,442)	29,223
(Increase)/decrease in due from associated companies		(1,774)	7,165
Decrease in loans		13	2,099
(Increase)/decrease in reinsurance contract assets		(40,465)	3,978
Decrease/(increase) in trade and other receivables		7,383	(4,161)
Decrease in lease receivables		673	517
(Increase)/decrease in inventories - goods for resale		(18)	87
Increase in property development costs		(57,128)	(105,993)
Increase in contract assets		(1,643)	(2,682)
Increase/(decrease) in insurance contract liabilities		45,703	(27,764)
Increase in payables		39,956	10,034
Cash used in operations		(61,987)	(110,319)
Tax paid, net of tax refunded		(1,306)	(5,008)
Dividends received		3,914	3,348
Interest received		9,940	8,347
Income received from Islamic fixed deposits		552	537
Interest paid		(472)	(44)
Net cash used in operating activities		(49,359)	(103,139)

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 30 September 2024

(Cont'd)

	Note	2024 RM'000	2023 RM'000 Restated
CASH FLOW FROM INVESTING ACTIVITIES			
Step-up acquisition of a subsidiary company, net of cash acquired		–	(5,935)
Acquisition of associated companies		(390)	(12,207)
Purchase of property, plant and equipment	5	(149)	(785)
Purchase of intangible assets	7	(327)	(2,089)
Acquisition of right-of-use assets	8(a)(i)	(25)	(470)
Proceeds from disposal of investments		21,183	46,980
Proceeds from disposal of property, plant and equipment		305	292
Derecognition of right-of-use assets		221	570
Net cash generated from investing activities		20,818	26,356
CASH FLOW FROM FINANCING ACTIVITIES			
Issuance of share capital		6,322	529
Resale of treasury shares		4,704	–
Dividends paid to equity holders of the Company	30	–	(12,908)
Payment of lease liabilities	8(a)(ii)	(6,107)	(6,124)
Drawdown of borrowings, net of repayment		2,176	25,958
Net cash generated from financing activities		7,095	7,455
Net decrease in cash and cash equivalents		(21,446)	(69,328)
Foreign exchange differences		9,831	4,703
Cash and cash equivalents at beginning of year		39,115	103,740
Cash and cash equivalents at end of year	23	27,500	39,115

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 30 September 2024

(Cont'd)

(a) Reconciliation of liabilities arising from financing activities:

	Note	Lease liabilities (Note 8(a)(ii)) RM'000	Borrowings (Note 27) RM'000	Total RM'000
At 1 October 2023		10,327	27,942	38,269
<u>Cash flows:</u>				
Payment of lease liabilities		(6,107)	–	(6,107)
Drawdown of borrowings		–	2,176	2,176
<u>Non-cash transactions:</u>				
Acquisition of right-of-use assets	8(a)(i)	3,726	–	3,726
Accretion of interests		528	–	528
Remeasurement of lease liabilities		905	–	905
Translation differences		(27)	(3)	(30)
At 30 September 2024		9,352	30,115	39,467
At 1 October 2022		10,585	1,765	12,350
<u>Cash flows:</u>				
Payment of lease liabilities		(6,124)	–	(6,124)
Drawdown of borrowings		–	25,958	25,958
<u>Non-cash transactions:</u>				
Acquisition of right-of-use assets	8(a)(i)	4,114	–	4,114
Accretion of interests		582	–	582
Acquisition of a subsidiary company	11	–	195	195
Remeasurement of lease liabilities		1,004	–	1,004
Transaction costs		–	24	24
Translation differences		166	–	166
At 30 September 2023		10,327	27,942	38,269

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Note	2024 RM'000	2023 RM'000
CASH FLOW FROM OPERATING ACTIVITIES			
(Loss)/profit before taxation		(199,924)	26,892
Adjustments for:			
Depreciation of:			
- property, plant and equipment	5	20	29
- right-of-use assets	8(a)(i)	425	501
Allowance for impairment of:			
- investment in a subsidiary company	40	13,387	–
- amounts due from subsidiary companies	40	161,539	578
Amortisation of intangible assets	44	5	7
Loss on disposal of property, plant and equipment	35	–	39
Property, plant and equipment written off	40	2	–
Intangible assets written off	40	–	7
Gain on disposal of investments	35	(110)	(2)
Gain on fair value of investments held at fair value through profit or loss	34	(95)	(123)
Unrealised loss/(gain) on foreign exchange	39,40	30,612	(8,859)
(Write back of)/allowance for unutilised leave	41	(29)	200
Share options expense	41	4	58
Dividend income		(1,042)	(17,448)
Interest income		(13,208)	(11,655)
Interest expense		2,342	723
Operating loss before working capital changes		(6,072)	(9,053)
Changes in working capital:			
Decrease/(increase) in receivables		153	(838)
Increase in due from subsidiary companies		(12,921)	(83,360)
Increase in due to subsidiary companies		5,616	348
Decrease in payables		(285)	(67)
Cash used in operations		(13,509)	(92,970)
Tax paid, net of tax refunded		(140)	(529)
Dividends received		1,042	17,328
Interest received		109	1,249
Interest paid		(1,757)	(357)
Net cash used in operating activities		(14,255)	(75,279)

The accompanying notes form an integral part of the financial statements.

Statement of Cash Flows

For the Year Ended 30 September 2024

(Cont'd)

	Note	2024 RM'000	2023 RM'000
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5	(16)	(34)
Purchase of intangible assets	7	(48)	–
Acquisition of right-of-use assets	8(a)(i)	–	(76)
Proceeds from disposal of quoted shares		–	120
Proceeds from disposal of investments		894	35,661
Proceeds from disposal of property, plant and equipment		–	71
Net cash generated from investing activities		830	35,742
CASH FLOW FROM FINANCING ACTIVITIES			
Issuance of share capital		6,322	529
Resale of treasury shares		4,704	–
Dividends paid		–	(12,908)
Payment of lease liabilities	8(a)(ii)	(643)	(607)
Drawdown of borrowings, net of repayment		3,000	26,000
Net cash generated from financing activities		13,383	13,014
Net decrease in cash and cash equivalents		(42)	(26,523)
Foreign exchange differences		(41)	(77)
Cash and cash equivalents at beginning of year		1,225	27,825
Cash and cash equivalents at end of year	23	1,142	1,225

The accompanying notes form an integral part of the financial statements.

Statement of Cash Flows

For the Year Ended 30 September 2024

(Cont'd)

(a) Reconciliation of liabilities arising from financing activities:

	Note	Lease liabilities (Note 8(a)(ii)) RM'000	Borrowings (Note 27) RM'000	Total RM'000
At 1 October 2023		1,213	27,000	28,213
<u>Cash flows:</u>				
Payment of lease liabilities		(643)	–	(643)
Drawdown of borrowings		–	3,000	3,000
<u>Non-cash transactions:</u>				
Acquisition of right-of-use assets	8(a)(i)	79	–	79
Accretion of interests		47	–	47
Remeasurement of lease liabilities		(7)	–	(7)
At 30 September 2024		689	30,000	30,689
At 1 October 2022		1,161	1,000	2,161
<u>Cash flows:</u>				
Payment of lease liabilities		(607)	–	(607)
Drawdown of borrowings		–	26,000	26,000
<u>Non-cash transactions:</u>				
Acquisition of right-of-use assets	8(a)(i)	595	–	595
Accretion of interests		64	–	64
At 30 September 2023		1,213	27,000	28,213

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

- 30 SEPTEMBER 2024

1. CORPORATE INFORMATION

The Company is a public company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The registered office of the Company is located at the 11th Floor, Wisma Bumi Raya, No. 10, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia.

The principal activities of the Company are that of investment holding and the provision of management services.

The principal activities of the subsidiary companies are as disclosed in Note 11.

There were no significant changes in the principal activities of the Group and of the Company during the financial year.

The financial statements of the Group and of the Company were authorised for issue on 12 December 2024 pursuant to a resolution by the Board of Directors.

2. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act, 2016 in Malaysia.

At the beginning of the current financial year, the Group had fully adopted the MFRS and Amendments to MFRSs as described fully in Note 3.

The financial statements of the Group and of the Company are prepared under the historical cost basis unless otherwise indicated in the material accounting policy information.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("000") except when otherwise indicated.

(b) Subsidiaries, Associated Companies and Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to the end of the financial year.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less any impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the income statements.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(b) Subsidiaries, Associated Companies and Basis of Consolidation (Cont'd)

(ii) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary companies made up to the end of the financial year. All the subsidiary companies were accounted for using the acquisition method except for Pacific & Orient Insurance Co. Berhad, which was accounted for using the merger method of accounting.

(a) Merger Method of Accounting

The merger method of accounting is used by the Group to account for business combinations under common control. Under the merger method of accounting, the results of the subsidiaries are included in the consolidated income statements as if the merger had been effected throughout the current financial year and previous financial years. On consolidation, the difference between the carrying value of the investment and the nominal value of shares issued is transferred to a merger reserve or deficit, as applicable.

(b) Acquisition Method of Accounting

The acquisition method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in the income statements.

In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

(c) Non-Controlling Interest

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held directly or indirectly by the Group. Non-controlling interests are disclosed separately in the consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of financial position.

Losses applicable to the non-controlling interest in a subsidiary are allocated to the non-controlling interest even if doing so causes the non-controlling interest to have a deficit balance.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(b) Subsidiaries, Associated Companies and Basis of Consolidation (Cont'd)

(ii) Basis of Consolidation (Cont'd)

(c) Non-Controlling Interest (Cont'd)

Changes in the Group's equity interests in a subsidiary that do not result in loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their respective interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in shareholders' equity. If the Group loses control of a subsidiary, the assets and liabilities of the subsidiary and non-controlling interests will be derecognised at their carrying amounts at the date when control is lost. Any investment retained in the former subsidiary is recognised at its fair value at the date when control is lost. The resulting difference between the amounts derecognised and the aggregate of the fair value of consideration received and investment retained is recognised as gain or loss in profit or loss attributable to the Group.

(iii) Associated Companies

Associated companies are those entities in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associated companies, but is not in control over those policies.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associated companies or the investment becomes a subsidiary.

Under the equity method, investments in associated companies are carried at cost adjusted for post-acquisition changes in the Group's share of net assets of the associated companies and impairment loss, if any.

Goodwill relating to the associated companies is included in the carrying amount of the investment and is not amortised. Conversely, any excess of the Group's share of the net fair value of the associated companies identifiable assets, liabilities and contingent liabilities over the cost of the investments is excluded from the carrying amount of the investments and is instead included as income in the determination of the Group's share of the associated companies profit or loss in the period in which the investment is acquired.

The Group's share of the net profit or loss of the associated companies is recognised in the consolidated income statements. Where there has been a change recognised directly in the equity of the associated companies, the Group recognises its share of such changes.

Unrealised gains and losses on transactions between the Group and the associated companies are eliminated to the extent of the Group's interest in the associated companies.

When the Group's share of losses in the associated companies equals or exceeds its interest in the associated companies, including any long term interests that, in substance, form part of the Group's net investment in the associated companies, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated companies.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(b) Subsidiaries, Associated Companies and Basis of Consolidation (Cont'd)

(iii) Associated Companies (Cont'd)

The most recent available financial statements of the associated companies are used by the Group in applying the equity method. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

On disposal of an associated company, the difference between the net disposal proceeds and the Group's share of its net assets as of the date of disposal including the cumulative amount of any exchange differences of the associated company are recognised in the consolidated income statements.

(c) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances for which different data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised into one of the three different levels of the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The Group and the Company analyse the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group and the Company verify the major inputs in the latest valuation by agreeing the information to the relevant valuation reports and other related documents.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(d) Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statements during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment except for freehold land and buildings and leasehold buildings, are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land and buildings and leasehold buildings are stated at revalued amounts, which are the fair values at the date of the revaluation less subsequent accumulated depreciation (except for freehold land which has an unlimited useful life and therefore is not depreciated) and any subsequent accumulated impairment losses. The Board determines the policies and procedures for both recurring and non-recurring fair value measurement. External valuers are involved for valuation of such assets. Involvement of external valuers is decided by the Board and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's and the Company's accounting policies. For this analysis, the management verifies inputs applied in the latest valuation and verified by agreeing the information in the valuation computation to contracts and other relevant documents which also includes comparison with other relevant external sources to determine if any change is reasonable. Full revaluations are performed once in every five years or earlier if the carrying values of the revalued properties are materially different from their market values.

Any revaluation surplus is credited to the revaluation reserve included within equity, except to the extent that it reverses a revaluation decrease for the same property previously recognised in income statements, in which case the increase is recognised in income statements to the extent of the decrease previously recognised.

A revaluation deficit is first offset against unutilised, previously recognised revaluation surplus in respect of the same property and the balance is thereafter recognised in income statements. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the property and the net amount is restated to the revalued amount of the property. Upon disposal or retirement of a property, any revaluation reserve relating to the particular property is transferred directly to retained profits.

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over its estimated useful life.

The policy for the recognition and measurement of impairment losses is in accordance with Note 2(j)(ii).

The principal annual rates of depreciation are:

Buildings	2%
Computer equipment	10% - 20%
Motor vehicles	20%
Office equipment	10% - 20%
Furniture, fixtures and fittings	10% - 20%

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(d) Property, Plant and Equipment and Depreciation (Cont'd)

The residual values, useful lives and depreciation methods are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in the income statements and the unutilised portion of the revaluation surplus on that item is taken directly to retained profits.

(e) Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. The Board determines the policies and procedures for recurring and non-recurring fair value measurement. External valuers are involved for valuation of investment properties. Involvement of external valuers is decided by the Board and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies inputs applied in the latest valuation and verified by agreeing the information in the valuation computation to contracts and other relevant documents which also includes comparison with other relevant external sources to determine if any change is reasonable. Full revaluations are performed once in every three years or earlier if the carrying values of the revalued properties are materially different from their market values.

Gains or losses arising from changes in the fair values of investment properties are recognised in the income statements in the year in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rental or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the income statements in the year in which they arise.

Transfers are made to or from investment properties only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment as set out in Note 2(d) up to the date of change in use.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(f) Intangible Assets

(i) Goodwill

Goodwill arising on business combination represents the excess of acquisition cost over the fair value of the net assets of the subsidiary companies at the date of acquisition. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGUs"), or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Following the initial recognition, goodwill on business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Other Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each reporting date.

Intangible assets with indefinite useful lives are not amortised but tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the CGU level. The useful life of an intangible asset with an indefinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable.

Club Memberships

Club memberships are amortised using the straight-line method over a period of 30 to 78 years.

Computer Software and Other Licences

The useful lives of computer software and other licences are considered to be finite because computer software and licences are susceptible to technological obsolescence.

The acquired computer software and other licences are amortised using the straight-line method over their estimated useful lives not exceeding 10 years. Impairment is assessed whenever there is indication of impairment and the amortisation period and method are also reviewed at least at each reporting date.

Preliminary and Pre-operating Expenses

Preliminary and pre-operating expenses are written off as and when incurred.

Software development in progress

Software development in progress represents development expenditure on software. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated impairment losses. Software development in progress are not amortised as these assets are not available for use. When development is completed and the asset is available for use, it is reclassified to computer software and amortisation of the asset begins. It is amortised over the period of expected future use.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(g) Financial Assets

Initial recognition and initial measurement

Financial assets of the Group and the Company are classified in the following measurement categories - Amortised Cost, Fair Value Through Other Comprehensive Income ("FVOCI") or Fair Value Through Profit or Loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade and insurance receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15 *Revenue from Contracts with Customers*.

Insurance receivables are measured on initial recognition at the fair value of the consideration received or receivable.

In order for a financial asset to be classified and measured at amortised cost or fair value, it needs to give rise to cash flows that are "solely payments of principal and interest" ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Company's business model for managing financial assets refer to how they manage their financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

(1) Financial assets at Amortised Cost (Debt Instruments)

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the income statements when the asset is derecognised, modified or impaired.

(2) Financial assets at Fair Value Through Other Comprehensive Income ("FVOCI") (Debt Instruments)

The Group and the Company measure debt instruments at FVOCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(g) Financial Assets (Cont'd)

Subsequent measurement (Cont'd)

(2) Financial assets at Fair Value Through Other Comprehensive Income ("FVOCI") (Debt Instruments) (Cont'd)

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the income statements and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in the FVOCI reserve.

Upon derecognition, the cumulative fair value change recognised in the FVOCI reserve is recycled to the income statements.

(3) Financial assets at Fair Value through Other Comprehensive Income ("FVOCI") (Equity Instruments)

The Group and the Company may elect to designate an equity instrument as FVOCI. Such designation is determined on an instrument by instrument basis. It is also the Group's and Company's policy to elect to designate equity instruments as FVOCI when those instruments are held for purposes other than to generate investment returns.

When such election is used, fair value gains or losses are recognised in the FVOCI reserve and are not subsequently recycled to the income statements including upon derecognition.

Dividends from financial assets at FVOCI are recognised in the income statements when the right of payment has been established, except when the Group or the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in FVOCI reserve.

Upon derecognition of an equity instrument designated as FVOCI, the cumulative gain or loss previously recognised in the FVOCI reserve is transferred to retained earnings.

(4) Financial assets at Fair Value Through Profit or Loss ("FVTPL")

Financial assets at FVTPL may comprise equity instruments as well as debt instruments.

These assets include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

The Group and the Company may, upon initial recognition, irrevocably designate a financial asset as measured at FVTPL that otherwise meets the criteria for amortised cost or FVOCI if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Changes in fair value of financial assets at FVTPL, dividend income and interest income are recognised in the income statements.

Gains or losses of financial assets at FVTPL are recognised in the income statements upon their derecognition.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(g) Financial Assets (Cont'd)

Reclassification of Financial Assets

Reclassification of financial assets is required when, and only when, the Group and the Company change their business model for managing the assets. In such cases, the Group and the Company are required to reclassify all affected financial assets.

However, it will be inappropriate to reclassify financial assets that have been designated at FVTPL, or equity instruments that have been designated at FVOCI even when there is a change in business model. Such designations are irrevocable.

Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the income statements.

(h) Regular Way Purchase or Sale of Financial Assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the market place concerned.

All the financial assets are recognised using trade date, the date that the Group and the Company commit to purchase or sell the assets except for debt instruments which are recognised using settlement date, the date the Group and the Company receive or deliver the asset.

(i) Financial Liabilities

Financial liabilities are classified as either (a) financial liabilities at FVTPL or (b) other financial liabilities.

- (a) Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition at FVTPL.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in income statements. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities at fair value through profit or loss.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(i) Financial Liabilities (Cont'd)

(b) Other Financial Liabilities

The Group's other financial liabilities comprise insurance payables, borrowings, trade payables, other payables and lease liabilities.

Insurance payables, borrowings, trade payables and other payables are recognised initially at their respective fair values net of directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the income statements when the liabilities are derecognised, and through the amortisation process.

(c) Derecognition

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the income statements.

(j) Impairment

(i) Financial Assets

The Group and the Company recognise allowance for expected credit losses ("ECL") on financial assets measured at amortised cost and debt instruments measured at FVOCI.

Overview of ECL

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Both 12-month ECL and lifetime ECL are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

Financial Assets other than Insurance Receivables and Debt Instruments at FVOCI

The Group and the Company have adopted a simplified approach when measuring the ECL for financial assets other than insurance receivables and debt instruments at FVOCI.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(j) Impairment (Cont'd)

(i) Financial Assets (Cont'd)

Calculation of ECL – Simplified Approach

For debt instruments, trade and other receivables measured at amortised cost, the Group and the Company apply a simplified approach in calculating ECL. Therefore, the Group and the Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECL at each reporting date.

The Group and the Company have established a provision matrix that is based on their historical credit loss experience, adjusted for forward-looking information specific to the debtors and the economic environment. Forward-looking information may include the consumer price index, base lending rate, unemployment rate, consumption growth rate and the stock exchange index.

For individual impairment assessment, the amount of ECL is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cash flows that are due to the Group and the Company and all the cash flows that the Group and the Company expect to receive.

Insurance Receivables and Debt Instruments at FVOCI

For insurance receivables and debt instruments at FVOCI, the general approach is used where the ECL is assessed using an approach which classifies the financial assets into three stages which reflects the change in credit quality of the financial asset since initial recognition:

Stage 1: 12-month ECL - not credit impaired

For financial assets which have not had a significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the ECL associated with the probability of default events occurring within next 12 months will be recognised.

Stage 2: Lifetime ECL - not credit impaired

For financial assets which have had a significant increase in credit risk since initial recognition but that are not credit-impaired, a lifetime ECL will be recognised.

Stage 3: Lifetime ECL - credit impaired

For financial assets that are assessed as credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that are credit-impaired, a lifetime ECL will be recognised.

Significant increase in credit risk

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures of its insurance receivables and debt securities since initial recognition to determine whether the exposure is subject to 12-month ECL or lifetime ECL.

This is performed by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. When determining whether the risk of default has increased significantly since initial recognition, the Group considers both quantitative and qualitative information and assessments based on the Group's historical experience and credit risk assessments, including forward-looking information.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(j) Impairment (Cont'd)

(i) Financial Assets (Cont'd)

Measurement of ECL – General Approach - Insurance Receivables

The Group uses a Loss Provision Ratio (“LPR”) in the determination of the ECL of its insurance receivables. LPR is a ratio computed to estimate the percentage of outstanding insurance receivables that requires provisioning. In essence, LPR acts as a proxy for loss rate where the ratio is applied to the total outstanding insurance receivables in order to obtain the ECL.

The LPR is derived from internally developed statistical models and adjusted to reflect forward-looking information.

The components for computing the LPR include:

- (i) amount of outstanding insurance receivables as at reporting date for stage 1 and 2;
- (ii) present value of insurance receivables received or settled during the period under review using the effective interest rate;
- (iii) forward-looking macro-economic information which may comprise economic indicators and industry statistics such as the consumer price index, base lending rate, unemployment rate, consumption growth rate, and the stock exchange composite index; and
- (iv) full allowance for impairment is recognised for insurance receivables that have been classified as stage 3.

Measurement of ECL – General Approach - Debt Instruments

The Group uses the Probability of Default (“PD”) approach with the use of a proxy model. The ECL components are derived from internally developed statistical model and are adjusted to reflect forward-looking information.

The components for computing the ECL include:

- (i) present value of the exposure at default over 12 months or lifetime of the asset depending on its staging using the effective interest rate;
- (ii) probability of the debt instrument defaulting;
- (iii) loss percentage in event of default; and
- (iv) forward-looking macro-economic information which may comprise economic indicators and industry statistics such as the consumer price index, base lending rate, unemployment rate, consumption growth rate, and the stock exchange composite index.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(j) Impairment (Cont'd)

(i) Financial Assets (Cont'd)

Write off policy

The Group and the Company write off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's and the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in income statements.

Definition of default and credit-impaired financial assets

At each reporting period, the Group and the Company assess whether financial assets are impaired. Qualitative and quantitative information are used to determine if a financial asset is credit-impaired. The general presumption under MFRS 9 is that a financial asset is in default when contractual payments are more than 90 days past due. However, in certain cases, the Group and the Company may rebut such presumption where there are reasonable and supportable information available to demonstrate that forward-looking rather than past due information is more appropriate to assess the changes in credit risk. Trade and other receivables are considered to be in default when the counterparty fails to make contractual payments within 12 months when they fall due. The 90 days presumption has also been rebutted for reinsurance and broker insurance receivables due to the longer time required for settlement. The default criteria has been defined as 12 months for these insurance receivables.

In general, indicators that a financial asset is credit-impaired include the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

(ii) Non-Financial Assets

The carrying amounts of non-financial assets, other than inventories, investment properties and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each reporting date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(j) Impairment (Cont'd)

(ii) Non-Financial Assets (Cont'd)

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in the income statements in the period in which it arises.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in the income statements.

(iii) Investment in Subsidiary Companies and Investment in Associated Companies

An impairment loss is recognised for the amount by which the carrying amount of the subsidiary company or associated company exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and present value of the estimated future cash flows expected to be derived from the investment including the proceeds from its disposal.

Any subsequent reversal of an impairment loss is recognised in the income statements to the extent that the recoverable amount does not exceed its carrying value of the investment in subsidiary company or investment in associated company at the reversal date.

(k) Inventories

Inventories are stated at the lower of cost (determined on the first in, first out basis) and net realisable value, after making due allowance for any obsolete items.

(l) Property Development Costs

Property development costs are those assets on which significant works have been undertaken and are expected to be completed within the normal operating cycle.

Property development costs are initially stated at cost. Such costs include:

- Cost of the land on which development activity is to take place;
- Amounts paid to contractors for development and construction of the property;
- Borrowing costs (see Note 2(q) for further details on accounting policy for borrowing costs); and
- Other related costs such as planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, and construction overheads.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(l) Property Development Costs (Cont'd)

Any unexpected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development cost is measured at the lower of cost or net realisable value.

(m) Contract Assets

(i) Incremental costs of obtaining a contract

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer which they would not have incurred if the contract had not been obtained.

(ii) Costs to fulfil a contract

The costs incurred in fulfilling contracts with customers which are not within the scope of other MFRS such as MFRS 102 *Inventories*, MFRS 116 *Property, Plant and Equipment* and MFRS 138 *Intangible Assets*, are recognised as contract cost assets when all of the following criteria are met:

- costs relate directly to a contract or to an anticipated contract that can be specifically identified;
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

Contract assets are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The amortisation shall be updated subsequently to reflect any significant changes to the expected timing of transfer to the customer of the goods or services to which the asset relates.

Impairment loss is recognised in income statements to the extent that the carrying amount of the contract cost exceeds:

- the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
- the costs that relate directly to providing those goods or services that have not been recognised as expenses.

Before an impairment loss is recognised for contract cost, the Group shall recognise any impairment loss for assets related to the contract that are recognised in accordance with other MFRS, such as MFRS 102, MFRS 116 and MFRS 138. The Group shall include the resulting carrying amount of the contract assets in the carrying amount of the cash-generating unit to which it belongs for the purpose of applying MFRS 136 *Impairment of Assets* to that cash-generating unit.

An impairment loss is reversed when the impairment conditions no longer exist or have improved. Such reversal is recognised in income statements.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(n) Insurance and Reinsurance Contracts

(1) Insurance and reinsurance contracts classification

The Group issues insurance contracts in the normal course of business, under which they accepts significant insurance risk from its policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk. The Group issues general insurance to individuals and businesses.

The Group also issues reinsurance contracts in the normal course of business to compensate other entities for claims arising from one or more insurance contracts issued by those entities.

The Group does not issue any contracts with direct participating features.

(2) Insurance and reinsurance contracts accounting treatment

(i) Separating components from insurance and reinsurance contracts

The Group assesses its general insurance and reinsurance products to determine whether it contain distinct components which must be accounted for under another MFRS instead of under MFRS 17. After separating any distinct components, the Group applies MFRS 17 to all remaining components of the (host) insurance contract.

(ii) Level of aggregation

MFRS 17 requires the Group to determine the level of aggregation for applying its requirements. The level of aggregation for the Group is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder. This means that, for determining the level of aggregation, the Group identifies a contract as the smallest 'unit', i.e., the lowest common denominator.

However, the Group makes an evaluation of whether a series of contracts need to be treated together as one unit based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts. As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e., legal or management). MFRS 17 also requires that no group for level of aggregation purposes may contain contracts issued more than one year apart.

The Group applied a full retrospective approach for transition to MFRS 17. The portfolios are further divided by year of issue and profitability for recognition and measurement purposes. Hence, within each year of issue, portfolios of contracts are divided into three groups, as follows:

- A group of contracts that are onerous at initial recognition (if any);
- A group of contracts that, at initial recognition, have no significant possibility of becoming onerous subsequently (if any); and
- A group of the remaining contracts in the portfolio (if any).

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(n) Insurance and Reinsurance Contracts (Cont'd)

(2) Insurance and reinsurance contracts accounting treatment (Cont'd)

(ii) Level of aggregation (Cont'd)

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. The Group assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Group assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Group considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Pricing information;
- Results of similar contracts it has recognised; and
- Environmental factors, e.g., a change in market experience or regulations.

The Group divides portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition. For some groups of reinsurance contracts held, a group can comprise a single contract.

(iii) Recognition

The Group recognises groups of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts;
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date; and
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous.

The Group recognises a group of reinsurance contracts held it has entered into from the earlier of the following:

- The beginning of the coverage period of the group of reinsurance contracts held. However, the Group delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held; and
- The date the Group recognises an onerous group of underlying insurance contracts if the Group entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

The Group adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(n) Insurance and Reinsurance Contracts (Cont'd)

(2) Insurance and reinsurance contracts accounting treatment (Cont'd)

(iv) Contract boundary

The Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. 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 Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks; or
- Both of the following criteria are satisfied:
 - The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and
 - The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

(v) Measurement - Premium Allocation Approach

Adopted approach by the Group:

- Insurance acquisition cash flows for insurance contracts issued: Insurance acquisition cash flows are allocated to related groups of insurance contracts and amortised over the coverage period of the related group;
- Liability for Remaining Coverage ("LRC") not adjusted for financial risk and time value of money: No allowance is made for the accretion of interest on the LRC as the premiums are received within one year of the coverage period;
- Liability for Incurred Claims ("LIC") adjusted for time value of money: The LIC is adjusted for the time value of money; and
- Insurance finance income and expense: The changes in LIC as a result of changes in discount rates will be captured within income statements.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(n) Insurance and Reinsurance Contracts (Cont'd)

(2) Insurance and reinsurance contracts accounting treatment (Cont'd)

(v) Measurement - Premium Allocation Approach (Cont'd)

Insurance contracts - initial measurement

The Group applies the premium allocation approach ("PAA") to all insurance contracts that it issues and reinsurance contracts that it holds, as:

- The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary; or
- For contracts longer than one year, the Group has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Group has also considered qualitative factors such as the nature of the risk and types of its lines of business.

The Group does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the period before a claim is incurred. Variability in the fulfilment cash flows increases with, for example:

- The extent of future cash flows related to any derivatives embedded in the contracts; and
- The length of the coverage period of the group of contracts.

As not all cash flows are expected to be paid within one year or less from the date claims are incurred, the Group is required to discount the estimate of future cash flows included in the LIC. The Group 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 portfolio is not material. The Group applies the bottom-up discount rate 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 (where applicable) above the risk-free yield curve. Yield curve information is sourced from a third-party service provider.

For LRC, the Group's position is not to apply discounting for cash flows in LRC (under PAA approach), as the Group 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 Group's accounting policy choice is to not disaggregate Insurance Finance Income or Expense between the income statements and the statements of comprehensive income for the impact of the changes in fulfilment cash flow for LRC and LIC as a result of changes in discount rate or as a result of the change in financial risk.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(n) Insurance and Reinsurance Contracts (Cont'd)

(2) Insurance and reinsurance contracts accounting treatment (Cont'd)

(v) Measurement - Premium Allocation Approach (Cont'd)

Insurance contracts - initial measurement (Cont'd)

For a group of contracts that is not onerous at initial recognition, the Group measures the liability for remaining coverage as:

- The premiums, if any, received at initial recognition;
- Minus any insurance acquisition cash flows at that date, with the exception of contracts which are one year or less where this is expensed;
- Plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows; and
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Group pays or receives before the group of insurance contracts is recognised.

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Group performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Group recognises a loss in income statements for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

Reinsurance contracts held – initial measurement

The Group measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues. However, they are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue.

Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

The Group calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held. The Group uses a systematic and rational method to determine the portion of losses recognised on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held.

The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(n) Insurance and Reinsurance Contracts (Cont'd)

(2) Insurance and reinsurance contracts accounting treatment (Cont'd)

(v) Measurement - Premium Allocation Approach (Cont'd)

Insurance contracts - subsequent measurement

The Group measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus premiums received in the period;
- Minus insurance acquisition cash flows;
- Plus any amounts relating to the amortisation of the insurance acquisition cash flows recognised as an expense in the reporting period for the group;
- Plus any adjustment to the financing component, where applicable;
- Minus the amount recognised as insurance revenue for the services provided in the period; and
- Minus any investment component paid or transferred to the liability for incurred claims.

The Group estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Group, and include an explicit adjustment for non-financial risk (the risk adjustment). The Group does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims for classes other than Motor portfolio as the effect of significant financial component is immaterial.

Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Group recognises a loss in income statements for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

Insurance acquisition cash flows are allocated to related groups of insurance contracts and amortised over the coverage period of the related group or straight-line method.

Reinsurance contracts held – subsequent measurement

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held.

Where the Group has established a loss-recovery component, the Group subsequently reduces the loss recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(n) Insurance and Reinsurance Contracts (Cont'd)

(2) Insurance and reinsurance contracts accounting treatment (Cont'd)

(v) Measurement - Premium Allocation Approach (Cont'd)

Insurance acquisition cash flows

Insurance acquisition cash flows arise from the cost of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

- (a) Insurance acquisition cash flows that are directly attributable to a group of insurance contracts:
 - (i) to that group; and
 - (ii) to groups that include insurance contracts that are expected to arise from the renewals of the insurance contracts in that group.
- (b) Insurance acquisition cash flows directly attributable to a portfolio of insurance contracts that are not directly attributable to a group of contracts, to groups in the portfolio.

Where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognised in the statements of financial position, a separate asset for insurance acquisition cash flows is recognised for each related group.

The asset for insurance acquisition cash flow is derecognised from the statements of financial position when the insurance acquisition cash flows are included in the initial measurement of the related group of insurance contracts. The Group does not have such asset for insurance acquisition cash flow.

At the end of each reporting period, the Group revises amounts of insurance acquisition cash flows allocated to groups of insurance contracts not yet recognised, to reflect changes in assumptions related to the method of allocation used.

After any re-allocation, the Group assesses the recoverability of the asset for insurance acquisition cash flows, if facts and circumstances indicate the asset may be impaired. When assessing the recoverability, the Group applies:

- (a) An impairment test at the level of an existing or future group of insurance contracts; and
- (b) An additional impairment test specifically covering the insurance acquisition cash flows allocated to expected future contract renewals.

If an impairment loss is recognised, the carrying amount of the asset is adjusted and an impairment loss is recognised in income statements.

The Group recognises in income statements a reversal of some or all of an impairment loss previously recognised and increases the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have improved.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(n) Insurance and Reinsurance Contracts (Cont'd)

(2) Insurance and reinsurance contracts accounting treatment (Cont'd)

(v) Measurement - Premium Allocation Approach (Cont'd)

Insurance contracts – modification and derecognition

The Group derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e. discharged, cancelled or expired); or
- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Group derecognises the initial contract and recognises the modified contract as a new contract.

When a modification is not treated as a derecognition, the Group recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

(vi) Presentation

The Group has presented separately, in the statements of financial position, the carrying amount of portfolios of insurance contracts issued that are assets, portfolios of insurance contracts issued that are liabilities, portfolios of reinsurance contracts held that are assets and portfolios of reinsurance contracts held that are liabilities.

Any assets for insurance acquisition cash flows recognised before the corresponding insurance contracts are included in the carrying amount of the related groups of insurance contracts and are allocated to the carrying amount of the portfolios of insurance contracts that they relate to.

The Group disaggregates the total amount recognised in the income statements into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expenses.

The Group does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

The Group separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Group allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(n) Insurance and Reinsurance Contracts (Cont'd)

(2) Insurance and reinsurance contracts accounting treatment (Cont'd)

(vi) Presentation (Cont'd)

Insurance revenue (Cont'd)

The Group changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate.

For the periods presented, all revenue has been recognised on the basis of the passage of time.

Loss components

The Group assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. Where this is not the case, and if at any time during the coverage period, the facts and circumstances mentioned in level of aggregation indicate that a group of insurance contracts is onerous, the Group establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group as determined. Accordingly, by the end of the coverage period of the group of contracts the loss component will be zero.

Loss-recovery components

Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts, or when further onerous underlying insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the expected recovery of the losses.

A loss-recovery component is subsequently reduced to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

Insurance finance income or expense for insurance contracts issued and reinsurance contracts held

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

The Group has elected to include insurance finance income and expenses in the profit and loss.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(n) Insurance and Reinsurance Contracts (Cont'd)

(2) Insurance and reinsurance contracts accounting treatment (Cont'd)

(vi) Presentation (Cont'd)

Net income or expense from reinsurance contracts held

The Group presents separately on the face of the income statements, the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The Group treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held, and excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of the statements of comprehensive income.

Non-distinct investment component

The Group identifies the non-distinct investment component of a contract by determining the amount that it would be required to repay to a policyholder in all circumstances, regardless of whether an insured event occurs. The receipt of this deposit component and the subsequent repayment do not relate to insurance services. Non-distinct investment components are therefore excluded from insurance revenue and insurance service expenses and are considered as a settlement of an insurance contract liability.

(o) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at banks and in hand, short-term deposits with original maturity of less than 3 months, and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risks of changes in value. These cash and cash equivalents also include bank overdrafts that form an integral part of the Group's cash management. The statements of cash flow are prepared using the indirect method.

(p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently carried at amortised cost using the effective interest method. Any difference between the initial recognised amount and the redemption value is recognised in the income statements over the period of the borrowing.

(q) Borrowing Costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of those assets.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(q) Borrowing Costs (Cont'd)

Capitalisation of borrowing costs commences when:

- (i) expenditures for the asset are incurred;
- (ii) borrowing costs are incurred; and
- (iii) activities that are necessary to prepare the assets for their intended use or sale are in progress.

The capitalisation of general borrowings is determined using the Group's weighted average cost of borrowings after adjusting for borrowings related to specific developments.

For borrowings related to specific developments, the amount capitalised is the gross borrowing cost incurred on the said borrowings, less any investment income on the temporary investment of those borrowings.

Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

All other borrowing costs are expensed in the period in which they are incurred.

(r) Share Capital

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The consideration paid, including attributable transaction costs on purchased ordinary shares of the Company that have not been cancelled, are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in the income statements on the sale, re-issuance or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

(s) Provisions

Provisions are recognised when the Group or the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(t) Income Recognition

Revenue From Contracts with Customers

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group and the Company recognise revenue when (or as) they transfer control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The Group and the Company transfer control of a good or service at a point in time unless one of the following over time criteria is met:

- The customer simultaneously receives and consumes the benefits provided as the Group and the Company perform.
 - The Group's and the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
 - The Group's and the Company's performance does not create an asset with an alternative use and the Group and the Company have an enforceable right to payment for performance completed to date.
- (i) Revenue relating to sales of hardware and software is recognised at point in time when control of the goods has been transferred to the customer and upon its acceptance.
 - (ii) Revenue from software customisation, one-off maintenance services, and professional services is recognised at point in time upon completion of services rendered and upon its acceptance.
 - (iii) Revenue from software subscription and contracted maintenance services is recognised over time in the period in which the services are rendered. Revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. Unearned income is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Unearned income is recognised as revenue when the Group delivers the performance obligations.
 - (iv) Revenue from management services rendered to subsidiaries of the Company is recognised over time as the subsidiaries simultaneously receive and consume the benefits provided as the Company performs the services.
 - (v) Revenue from sales of property under development is recognised at a point in time when the property has been completed and control has been transferred to the customer.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(t) Income Recognition (Cont'd)

Revenue from Other Sources and Other Operating Income

- (i) Interest income on loans is recognised using the effective interest method.
- (ii) Rental income is recognised on an accrual basis except where default in payment of rent has already occurred and rent due remains outstanding for over six months, in which case recognition of rental income is suspended. Subsequent to suspension, rental income is recognised on the receipt basis until all arrears have been paid.
- (iii) Interest income from money market instruments and deposits and placements with financial institutions is recognised using the effective interest method.
- (iv) Distribution income and dividends from subsidiary companies and other investments are recognised when the right to receive payment is established.
- (v) Income from Islamic corporate bond is recognised using the effective interest method.

(u) Employee Benefits

(i) Short Term Benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. Allowance for unutilised leave such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Allowance for unutilised leave such as sick leave are recognised when the absences occur.

(ii) Defined Contribution Plans

A defined contribution plan is a pension plan under which the Group and the Company pay fixed contributions into a separate entity. The Group and the Company have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group's and the Company's contributions to defined contribution pension plans are charged to profit or loss in the financial year in which they relate.

(iii) Defined Benefit Plan

A foreign subsidiary company has obligations to make severance payments to its employees upon their retirement. This subsidiary company records provision for severance payments when it is probable that employees will work until they meet all employment conditions or will remain with the subsidiary company until their retirement. The value of these severance payment obligations are arrived at based on best estimates and are considered immaterial.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(u) Employee Benefits (Cont'd)

(iv) Employees' Share Option Scheme

The Employees' Share Option Scheme ("ESOS") is an equity-settled, share-based compensation plan for eligible employees and Executive Directors of the Group and of the Company whereby the Group and the Company receive services from eligible employees/Executive Directors in consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense in the income statements of the Group and of the Company over the vesting periods of the grant with a corresponding increase credited to share options reserve within equity.

The share options granted by the Company to eligible employees and Executive Directors of its subsidiary companies are treated as additional investment in the respective subsidiaries with the corresponding credit to the share options reserve.

At each reporting date, the Group and the Company revise the estimates of the number of share options that are expected to vest based on historical experience and statistical analysis. The Group and the Company recognise the impact of the revision of original estimates, if any, in the income statements, with a corresponding adjustment to share options reserve in equity.

When the options are exercised, new ordinary shares of the Company would be issued. The proceeds received net of any directly attributable transaction costs are credited to share capital of the Company.

When options are not exercised and are lapsed, the balance in the share options reserve is transferred to retained earnings of the Group and of the Company respectively. Further details on the ESOS are disclosed in Note 43 to the financial statements.

(v) Foreign Currencies

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(ii) Foreign Currency Transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency ("foreign currencies") are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the dates when the fair values were determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates prevailing at the dates of transactions.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(v) Foreign Currencies (Cont'd)

(ii) Foreign Currency Transactions (Cont'd)

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in the income statements for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group's net investment in a foreign operation, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in the income statements. Exchange differences arising on monetary items that form part of the Group's net investment in a foreign operation, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, are recognised in the income statements for the period. Exchange differences arising on monetary items that form part of the Company's net investment in a foreign operation, regardless of the currency of the monetary item, are recognised in the income statements in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate. Exchange differences arising on the translation of non-monetary items carried at fair value are included in the income statements for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) Foreign Operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency ("RM") of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate prevailing at the reporting date;
- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date. Goodwill and fair value adjustments which arose on the acquisition of foreign subsidiaries before 1 January 2006 are deemed to be assets and liabilities of the parent company and are recorded in RM at the rate prevailing at the date of acquisition.

(w) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income tax payable in respect of the taxable profit for the year and is measured using the tax rates as enacted at the reporting date. Current tax expense is determined according to the tax laws of each jurisdiction in which the Company and the Company's subsidiaries operate and generate taxable income.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(w) Income Tax (Cont'd)

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses, unabsorbed capital allowances and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses, unabsorbed capital allowances and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised in the income statements as income or expense, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

(x) Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group and the Company as lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease (the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, and the lease payments made at or before the commencement date less any lease incentives received. The lease term includes periods covered by an option to extend if the Group and the Company are reasonably certain to exercise that option. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land	70 years
Buildings	2 - 5 years
Computer equipment	3 years
Office equipment	3 - 5 years
Motor vehicles	5 years

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(x) Leases (Cont'd)

The Group and the Company as lessee (Cont'd)

(i) Right-of-use assets (Cont'd)

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The policy for the recognition and measurement of impairment losses of right-of-use assets is in accordance with Note 2(j)(ii).

(ii) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company, and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group and the Company use the incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments, for example, changes to future payments resulting from a change in an index or rate used to determine such lease payments or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to its short-term leases of computer and office equipment (those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The Group and the Company also apply the lease of low-value assets recognition exemption to leases of computer and office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(x) Leases (Cont'd)

The Group as lessor

As a lessor, the Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(i) Finance leases

The Group classifies a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group derecognises the underlying asset and recognises a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from the lessee and the unguaranteed residual value of the underlying asset. Initial direct costs are also included in the initial measurement of the net investment. The net investment in the lease is subject to impairment loss as described in Note 2(j)(i). In addition, the Group reviews regularly the estimated unguaranteed residual value.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return. The Group revises the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

(ii) Operating leases

The Group classifies a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee. Rental income from operating lease is accounted for on a straight-line basis over the lease terms and is included in revenue in the income statements due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

(iii) Sublease classification

When the Group is an intermediate lessor, it assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. If the head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

(iv) Separating lease and non-lease components

If an arrangement contains lease and non-lease components, the Group allocates the consideration in the contract to the lease and non-lease components based on the stand-alone selling prices in accordance with the principles in MFRS 15.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(y) Contingent Liabilities and Contingent Assets

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and the Company.

(z) Offsetting of Financial Assets and Financial Liabilities

Financial assets and financial liabilities are offset and net amount reported in the statements of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expenses will not be offset in the income statements unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Group and the Company.

3. CHANGES IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTION OF NEW AND REVISED MFRSs

(a) Changes in Accounting Policies

The significant accounting policies adopted in preparing these 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 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 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

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

3. CHANGES IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTION OF NEW AND REVISED MFRSs (CONT'D)

(a) Changes in Accounting Policies (Cont'd)

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

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

- MFRS 17 *Insurance Contracts* and Amendments to MFRS 17

The Group has 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 Group has restated certain comparative amounts and presented a third statement of financial position as at 1 October 2022. The Group's accounting policies for insurance contracts and reinsurance contracts are presented in Note 2(n).

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

Changes to recognition, classification and measurement

The adoption of MFRS 17 did not change the classification of the Group's insurance contracts.

MFRS 17 introduces specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts, thereby establishing a consistent framework for accounting across the insurance and reinsurance industry.

The key principles of MFRS 17, as applied by the Group are that it:

- Identifies insurance contracts as those under which the Group accepts significant insurance risk from another party (the contract holders) by agreeing to compensate the policyholder if a specified uncertain future event (the covered event) adversely affects the policyholder;
- Separates specified embedded derivatives, distinct investment components and distinct non-insurance goods or services from insurance contracts and accounts for them in accordance with other standards;
- Divides the insurance and reinsurance contracts into groups it will recognise and measure;
- Recognises and measures groups of insurance contracts at a risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all available information about the fulfilment cash flows in a way that is consistent with observable market information, plus an amount representing the unearned profit in the group of contracts (the contractual service margin or "CSM"), if necessary;
- Recognises profit from a group of insurance contracts over the period the Group provides insurance coverage, as the Group is released from risk. If a group of contracts is expected to be onerous (i.e., loss-making) over the remaining coverage period, the Group recognises the loss immediately; and
- Recognises an asset for insurance acquisition cash flows in respect of acquisition cash flows paid, or incurred, before the related group of insurance contracts is recognised. Such an asset is derecognised when the insurance acquisition cash flows are included in the measurement of the related group of insurance contracts.

The Group's classification and measurement of insurance and reinsurance contracts is explained in Note 2(n)(2).

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

3. CHANGES IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTION OF NEW AND REVISED MFRSs (CONT'D)

(a) Changes in Accounting Policies (Cont'd)

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

The adoption of the above MFRSs and Amendments to MFRSs is not expected to result in significant financial impact to the Group and 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 Group's accounting policies resulting from its adoption of MFRS 17 are summarised below: (Cont'd)

Changes to presentation and disclosure

For presentation in the statements of financial position, the Group aggregates insurance and reinsurance contracts issued and reinsurance contracts held, respectively and presents separately:

- Portfolios of insurance and reinsurance contracts issued or held that are assets; and
- Portfolios of insurance and reinsurance contracts issued or held that are liabilities.

The portfolios referred to above are those established at initial recognition in accordance with the MFRS 17 requirements.

Portfolios of insurance contracts issued include any assets for insurance acquisition cash flows.

The line item descriptions in the income statements have been changed significantly compared with previous year. Previously, the Group reported the following items:

- Gross earned premium;
- Premiums ceded to reinsurers;
- Gross claims paid and claims ceded to reinsurers;
- Gross change in insurance contract liabilities and change in insurance contract liabilities ceded to reinsurers; and
- Commission income and expenses.

MFRS 17 requires instead, separate disclosure of the following:

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

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

3. CHANGES IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTION OF NEW AND REVISED MFRSs (CONT'D)

(a) Changes in Accounting Policies (Cont'd)

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

The adoption of the above MFRSs and Amendments to MFRSs is not expected to result in significant financial impact to the Group and 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 Group's accounting policies resulting from its adoption of MFRS 17 are summarised below: (Cont'd)

Transition

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

On transition date, 1 October 2022, the Group:

- 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 MFRS 17 always applied;
- Recognised any tax arising from temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases, as if MFRS 17 had always applied; and
- 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 for the current period or for each prior period presented. This includes the disclosure of the adjustment amount for each affected financial statements line item, as well as for basic earnings per share.

The effects of adopting MFRS 17 on the financial statements as at 1 October 2022 have been presented in the statements of changes in equity. This resulted in a net increase in total equity of RM11,540,000, net of tax and reduction in insurance contract liabilities by RM13,840,000 mainly due to the impacts of discounting and recognition of deferred acquisition costs.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

3. CHANGES IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTION OF NEW AND REVISED MFRSs (CONT'D)

The Group has not adopted the following MFRS and Amendments to MFRSs which have been issued but are not yet effective. The Group intends to adopt these new pronouncements, if applicable, when they become effective.

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

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 - Supplier Finance Arrangements
Amendments to MFRS 7	Financial Instruments: Disclosures - Supplier Finance Arrangements

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 for financial periods beginning on or after 1 January 2026

Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards - Annual Improvements to MFRS Accounting Standards - Volume 11
Amendments to MFRS 7	Financial Instruments: Disclosures - Annual Improvements to MFRS Accounting Standards - Volume 11
Amendments to MFRS 9	Financial Instruments - Annual Improvements to MFRS Accounting Standards - Volume 11
Amendments to MFRS 10	Consolidated Financial Statements - Annual Improvements to MFRS Accounting Standards - Volume 11
Amendments to MFRS 107	Statement of Cash Flows - Annual Improvements to MFRS Accounting Standards - Volume 11

Effective for financial periods beginning on or after 1 January 2027

MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19	Subsidiaries without Public Accountability: Disclosures

Effective date to be announced by Malaysian Accounting Standards Board

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Critical Judgement Made in Applying Accounting Policies

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's and the Company's accounting policies. These are areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(i) Classification between Investment Properties and Property, Plant and Equipment

The Group has developed certain criteria based on MFRS 140 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rental or for capital appreciation or both.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately.

If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(ii) Classification of Associated Companies

The Group has interest in several equity investments held through its subsidiaries, which it regards as associated companies, although the Group owns less than 20% of the equity interest in these investees because of the significant influence the Group is able to exercise over their financial and operating policy decisions.

The determination as to whether significant influence exists in relation to the investments held by the Group is assessed after taking into account the Group's ability to appoint directors to the investees' boards, its relative shareholding compared with other shareholders, any significant contracts or arrangements with the investee or its other shareholders and other relevant facts and circumstances. The application of this judgement in respect of the Group's investments is through representation on the investees' boards and ability to exercise significant influence over their financial and operating policies through powers vested in the shareholder agreements.

(iii) Determining the timing of revenue recognition on the sale of property under development

The Group has evaluated the timing of revenue recognition on the sale of property under development based on an analysis of the rights and obligations under the terms of the contract and legal advice from the Group's external counsels.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(a) Critical Judgement Made in Applying Accounting Policies (Cont'd)

(iii) Determining the timing of revenue recognition on the sale of property under development (Cont'd)

The Group has concluded that contracts relating to the sale of property under development are recognised at a point in time when the construction of the property has been completed and at which time control will be transferred to the customers, when all the following are fulfilled:

- (a) The Group has transferred legal title of the property to the customer;
- (b) The customer has signed all necessary closing documents; and
- (c) The Group has received full payment of the purchase price of the completed property from the customer.

(b) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Depreciation and Amortisation

Depreciation and amortisation are based on management's estimates of the future estimated average useful lives and residual values of property, plant and equipment and intangible assets. Estimates may change due to technological developments, expected level of usage, competition, market conditions and other factors which could impact the estimated average useful lives and the residual values of these assets. This may result in future changes in the estimated useful lives and in the depreciation or amortisation expenses.

(ii) Revaluation of Property, Plant and Equipment and Investment Properties

The Group carries its freehold and leasehold land and building, and investment properties at fair value, with changes in fair value being recognised in the revaluation reserves and income statements respectively. The valuation of these properties are carried out by independent professional property valuers by reference to open market values using the comparison method as described further in Notes 5 and 6.

(iii) ESOS

Estimating fair value for ESOS requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share options, volatility and dividend yield and making assumptions about them.

Judgement is also required in estimating the number of share options expected to vest as this involves a high degree of subjectivity.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(b) Key Sources of Estimation Uncertainty (Cont'd)

(iv) Impairment of Non-Financial Assets

Non-financial assets excluding goodwill are tested for impairment when indications of potential impairment exist. Indicators of impairment which could trigger an impairment review include evidence of obsolescence or physical damage, significant fall in market values, significant under-performance relative to historical or projected future operating results, significant changes in the use of assets or the strategy of the business, significant adverse industry or economic changes.

Recoverable amounts of non-financial assets excluding goodwill are based on management's estimates and assumptions of the net realisable value, cash flows arising from the future operating performance and revenue generating capacity of the assets and CGUs and future market conditions. Changes in circumstances may lead to revisions in estimates and assumptions. This may result in changes to the recoverable amounts of assets and impairment losses.

Goodwill is tested for impairment when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

(v) Impairment of Financial Assets - Measurement of ECL

The measurement of the ECL for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour.

MFRS 9 introduces the use of macroeconomic factors which include, but is not limited to, gross domestic product, unemployment rates, house price index, wholesale and retail index, passenger car sales, and lending rates. Incorporating forward-looking information increases the level of judgement as to how changes in these macroeconomic factors will affect ECL. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- (a) Determining criteria for significant increase in credit risk;
- (b) Choosing appropriate models and assumptions for the measurement of ECL;
- (c) Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- (d) Establishing groups of similar financial assets for the purposes of measuring ECL.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(b) Key Sources of Estimation Uncertainty (Cont'd)

(vi) Uncertainty in Accounting Estimates in the General Insurance Business

The Group applies PAA to simplify the measurement of insurance contracts when measuring liabilities for remaining coverage for insurance contracts issued and reinsurance contracts held. However, when measuring liabilities for incurred claims, the Group discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

Liability for remaining coverage

(i) Onerous groups

For groups of contracts that are onerous, the liability for remaining coverage is determined by the fulfilment cash flows. Any loss-recovery component is determined with reference to the loss component recognised on underlying contracts and the recovery expected on such claims from reinsurance contracts held.

(ii) Time value of money

The Group does not adjust the carrying amount of the liability for remaining coverage as the premiums are received within one year or the coverage period.

Liability for incurred claims

For general insurance contracts, estimates have to be made for both the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred but not yet reported at the end of the reporting period.

It can take a significant period of time before the ultimate claims costs can be established with certainty and for some type of policies, IBNR claims form the majority of the liability at the reporting date. The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as the expected loss ratio (ELR), Link Ratios, Bornhuetter-Ferguson (BF) and Frequency Severity methods. The frequency severity method is generally considered for the most recent three accident years for the Motor Act component.

The main assumption underlying these techniques is that the Group's past claims development experience can be used to project future claims development and hence, ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, as well as by significant business lines and claims type.

Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historic claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in the future, (for example, to reflect once-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, level of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures), in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(b) Key Sources of Estimation Uncertainty (Cont'd)

(vi) Uncertainty in Accounting Estimates in the General Insurance Business (Cont'd)

Discount rates

Liabilities for incurred claims are calculated by discounting expected future cash flows at a risk-free rate. Risk-free rates are determined by reference to the yields of Malaysian Government Securities (MGS).

The Group applies the bottom-up approach when deriving its discount rates for discounting the LFIC and AFIC as disclosed in Note 2(n)(2)(v). For the financial year ended 30 September 2024 and 2023, the Group has assumed zero illiquidity premium in the determination of discount rate.

The table below sets out the MGS zero-coupon bond yield curve that has been applied to discount future expected cash flows of the insurance contracts issued and reinsurance contracts held, with interpolating between periods where required.

	6 months	1 year	2 years	3 years	4 years	5 years	6 years	7 years
MYR 30.09.2024	3.10%	3.19%	3.26%	3.32%	3.41%	3.48%	3.59%	3.65%
MYR 30.09.2023	3.24%	3.40%	3.48%	3.53%	3.64%	3.73%	3.81%	3.86%

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

The Group has estimated the risk adjustment for non-financial risk for both LIC and LRC using a confidence level (probability of sufficiency) approach at 75% at the overall Group level. These are based on an actuarial valuation by a qualified actuary, using a mathematical method of estimation based on, among others, actual claims development patterns.

(vii) Deferred Tax Assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other taxable temporary differences to the extent that it is probable that taxable profit will be available against which the benefits can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(viii) Fair Value Measurement of Financial Instruments

When the fair values of financial assets recorded in the statements of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using relevant reports and related documents. A degree of judgement is required in establishing their fair values which include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(b) Key Sources of Estimation Uncertainty (Cont'd)

(ix) Impairment of Investments in Subsidiary Companies and Associated Companies

The Group assesses whether there is any indication that investments in associated companies may be impaired at each reporting date. The Company assesses whether there is any indication that investments in subsidiary companies may be impaired at each reporting date.

If indicators are present, these investments are subjected to impairment review. The impairment review comprises a comparison of the carrying amounts of the investment and their respective estimated recoverable amounts.

- (i) The Group and the Company determine whether their investments are impaired following certain indications of impairment such as, amongst others, significant changes with adverse effects on the investment and deteriorating financial performance of the investment due to observed changes in the economic environment; and
- (ii) Depending on their nature and the location in which the investments relate to, judgements are made by management to select suitable methods of valuation such as, amongst others, discounted future cash flows or estimated fair value based on net assets of the associated companies.

Once a suitable method of valuation is selected, management makes certain assumptions concerning the future to estimate the recoverable amount of the specific individual investment. These assumptions and other key sources of estimation uncertainty at the reporting date, may have a significant risk of causing a material adjustment to the carrying amounts of the investments within the next financial year.

Depending on the specific individual investment, assumptions made by management may include, amongst others, assumptions on expected future cash flows, revenue growth, terminal value and discount rate used for purposes of discounting future cash flows which incorporates the relevant risks and expected future outcome based on certain past trends.

Changes in circumstances may lead to revisions in estimates and assumptions. This may result in changes to recoverable amounts of the investments.

(x) Impairment of Amounts Due from Subsidiary Companies and Associated Companies

The Group and the Company apply MFRS 9 to measure expected credit losses on amounts due from associated companies and subsidiary companies respectively. The assumptions applied in the measurement of expected credit losses is described in Note 4(b)(v).

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(b) Key Sources of Estimation Uncertainty (Cont'd)

(xi) Leases - Uncertainty in Estimates of Incremental Borrowing Rate

For certain lease contracts of which the interest rate implicit in the lease cannot be readily determined, the Group and the Company use the incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group and the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group and the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group and the Company estimate the IBR using observable inputs when available and are required to make certain entity-specific estimates.

(xii) Leases - Extension Options

The Group and the Company determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group and the Company have the option, under some of their leases to lease the assets for additional terms of 2 to 5 years. In determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Notes to the Financial Statements
– 30 September 2024

(Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT

Group	Valuation			Cost				Furniture, fixture and fittings	Total
	Freehold land	Freehold buildings	Leasehold buildings	Computer equipment	Motor vehicles	Office equipment		RM'000	RM'000
Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
2024									
Valuation/Cost									
At 1 October 2023	3,080	840	14,040	7,105	1,349	4,063		5,843	36,320
Additions	-	-	-	55	-	92		2	149
Disposals	-	-	-	(4)	(659)	(19)		(14)	(696)
Write-offs	-	-	-	-	-	(30)		-	(30)
Revaluation surplus	110	36	1,213	-	-	-		-	1,359
Elimination of accumulated depreciation on revaluation	-	(36)	(1,213)	-	-	-		-	(1,249)
Translation differences	-	-	-	(20)	(61)	(20)		(34)	(135)
At 30 September 2024	3,190	840	14,040	7,136	629	4,086		5,797	35,718
Accumulated Depreciation and Impairment									
At 1 October 2023	-	-	-	5,875	1,117	3,276		5,166	15,434
Charge for the year	-	36	1,213	107	23	256		235	1,870
Disposals	-	-	-	-	(497)	-		(14)	(511)
Write-offs	-	-	-	-	-	(24)		-	(24)
Elimination of accumulated depreciation on revaluation	-	(36)	(1,213)	-	-	-		-	(1,249)
Translation differences	-	-	-	(16)	(58)	(14)		(31)	(119)
At 30 September 2024	-	-	-	5,966	585	3,494		5,356	15,401
Net Book Value									
At 30 September 2024	3,190	840	14,040	1,170	44	592		441	20,317

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

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

Group	Note	Valuation			Cost			Furniture, fixture and fittings	Total
		Freehold land	Freehold buildings	Leasehold buildings	Computer equipment	Motor vehicles	Office equipment		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2023									
Valuation/Cost									
At 1 October 2022		2,730	850	14,040	6,918	2,659	4,023	6,361	37,581
Additions		–	–	–	271	–	488	26	785
Disposals		–	–	–	–	(1,386)	(12)	–	(1,398)
Write-offs		–	–	–	(100)	–	(457)	(723)	(1,280)
Acquisition of a subsidiary company	11 ⁽ⁱ⁾⁽ⁱⁱ⁾	–	–	–	–	–	–	78	78
Revaluation surplus		350	25	1,107	–	–	–	–	1,482
Elimination of accumulated depreciation on revaluation		–	(35)	(1,107)	–	–	–	–	(1,142)
Translation differences		–	–	–	16	76	21	101	214
At 30 September 2023		3,080	840	14,040	7,105	1,349	4,063	5,843	36,320
Accumulated Depreciation and Impairment									
At 1 October 2022		–	–	–	5,831	1,980	3,408	5,446	16,665
Charge for the year	44	–	35	1,107	119	126	308	283	1,978
Disposals		–	–	–	–	(1,037)	(1)	–	(1,038)
Write-offs		–	–	–	(83)	–	(454)	(648)	(1,185)
Elimination of accumulated depreciation on revaluation		–	(35)	(1,107)	–	–	–	–	(1,142)
Translation differences		–	–	–	8	48	15	85	156
At 30 September 2023		–	–	–	5,875	1,117	3,276	5,166	15,434
Net Book Value									
At 30 September 2023		3,080	840	14,040	1,230	232	787	677	20,886

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

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

Company	Note	Cost				Total RM'000
		Computer equipment RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture, fixtures and fittings RM'000	
2024						
Cost						
At 1 October 2023		259	5	202	502	968
Additions		–	–	16	–	16
Write-offs		–	–	(8)	–	(8)
At 30 September 2024		259	5	210	502	976
Accumulated Depreciation						
At 1 October 2023		257	3	142	474	876
Charge for the year	44	1	1	11	7	20
Write-offs		–	–	(6)	–	(6)
At 30 September 2024		258	4	147	481	890
Net Book Value						
At 30 September 2024		1	1	63	21	86
2023						
Cost						
At 1 October 2022		259	346	187	488	1,280
Additions		–	–	15	19	34
Disposal		–	(341)	–	–	(341)
Write-offs		–	–	–	(5)	(5)
At 30 September 2023		259	5	202	502	968
Accumulated Depreciation						
At 1 October 2022		256	228	132	467	1,083
Charge for the year	44	1	6	10	12	29
Disposal		–	(231)	–	–	(231)
Write-offs		–	–	–	(5)	(5)
At 30 September 2023		257	3	142	474	876
Net Book Value						
At 30 September 2023		2	2	60	28	92

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

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

Freehold land and buildings and leasehold buildings of the Group were revalued as at 30 September 2024 by Messrs. Rahim & Co., an independent professional valuer. Fair value was determined by reference to open market values using the comparison method.

A desktop valuation on freehold land and buildings and leasehold buildings of the Group was conducted by Messrs. Rahim & Co. in the current financial year ended 30 September 2024.

The fair value of the freehold land and buildings and leasehold buildings is categorised within Level 3 of the fair value hierarchy. The significant inputs used in the valuation are provided in Note 58.

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

The net book values of the freehold land and buildings and leasehold buildings of the Group had the cost model been applied, compared to the revaluation model as at 30 September 2024 are as follows:

	Note	Net Book Value			
		2024	2023		
		Under Revaluation Model RM'000	Under Cost Model RM'000	Under Revaluation Model RM'000	Under Cost Model RM'000
Freehold land		3,190	380	3,080	380
Freehold buildings		840	172	840	180
Leasehold buildings		14,040	3,502	14,040	3,761
	58	18,070	4,054	17,960	4,321

6. INVESTMENT PROPERTIES

	Note	Group	
		2024 RM'000	2023 RM'000
At fair value			
At 1 October/ 30 September	58	640	640

The investment properties comprise of freehold buildings.

Investment properties were revalued as at 30 September 2024 by Messrs. Rahim & Co., an independent professional valuer. Fair value was determined by reference to open market values using the comparison method.

A desktop valuation on investment properties of the Group was conducted by Messrs. Rahim & Co. in the current financial year ended 30 September 2024.

The Group 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 is categorised within Level 3 of the fair value hierarchy. The significant inputs used in the valuation are provided in Note 58.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

7. INTANGIBLE ASSETS

Group	Note	Club membership RM'000	Computer software and other licences RM'000	Software development in progress RM'000	Total RM'000
2024					
Cost					
At 1 October 2023		425	8,114	1,628	10,167
Additions		–	327	–	327
Reclassification		–	1,628	(1,628)	–
Translation differences		(1)	(127)	–	(128)
At 30 September 2024		424	9,942	–	10,366
Accumulated Amortisation and Impairment					
At 1 October 2023		231	5,813	–	6,044
Amortisation	44	7	640	–	647
Translation differences		–	(102)	–	(102)
At 30 September 2024		238	6,351	–	6,589
Net Book Value					
At 30 September 2024		186	3,591	–	3,777
2023					
Cost					
At 1 October 2022		421	6,284	–	6,705
Acquisition of a subsidiary company	11 ⁽ⁱ⁾ (ii)	–	1,606	–	1,606
Additions		–	461	1,628	2,089
Write-offs		–	(459)	–	(459)
Translation differences		4	222	–	226
At 30 September 2023		425	8,114	1,628	10,167
Accumulated Amortisation and Impairment					
At 1 October 2022		223	5,421	–	5,644
Amortisation	44	7	713	–	720
Write-offs		–	(431)	–	(431)
Translation differences		1	110	–	111
At 30 September 2023		231	5,813	–	6,044
Net Book Value					
At 30 September 2023		194	2,301	1,628	4,123

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

7. INTANGIBLE ASSETS (CONT'D)

Company			2024 RM'000	2023 RM'000
	Note			
Computer software and licences				
Cost				
At 1 October			34	236
Additions			48	–
Write-offs			–	(202)
At 30 September			82	34
Accumulated Amortisation				
At 1 October			28	216
Amortisation	44		5	7
Write-offs			–	(195)
At 30 September			33	28
Net Book Value			49	6

8. LEASES

(a) The Group and the Company as lessee

The Group and the Company have lease contracts for various items of computer and office equipment, motor vehicles, buildings and leasehold land used in their operations. The lease terms of these assets are generally between 2 to 5 years with the exception of a leasehold land which has a lease term of 99 years.

The Group and the Company also have certain leases of equipment with lease terms of 12 months or less, or of low value. The Group and the Company apply the “short-term lease” and “lease of low-value assets” recognition exemptions for these leases.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

8. LEASES (CONT'D)

(a) The Group and the Company as lessee (Cont'd)

(i) Right-of-use assets

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

Group

	Note	Leasehold land RM'000	Buildings RM'000	Computer equipment RM'000	Motor vehicles RM'000	Office equipment RM'000	Total RM'000
2024							
At 1 October 2023		994	3,335	2,395	4,349	641	11,714
Additions		–	779	2,363	85	524	3,751
Depreciation charge	44	(713)	(1,732)	(1,485)	(397)	(331)	(4,658)
Derecognition		–	(4)	(446)	(64)	(31)	(545)
Remeasurements		–	639	–	–	1	640
Translation differences		(12)	(5)	3	(2)	(5)	(21)
At 30 September 2024		269	3,012	2,830	3,971	799	10,881

2023

At 1 October 2022		858	4,958	1,760	3,544	710	11,830
Additions		–	–	2,327	2,041	216	4,584
Depreciation charge	44	(821)	(1,741)	(1,239)	(530)	(292)	(4,623)
Derecognition		–	(47)	(460)	(737)	–	(1,244)
Remeasurements		945	37	–	–	–	982
Translation differences		12	128	7	31	7	185
At 30 September 2023		994	3,335	2,395	4,349	641	11,714

Company

	Note	Buildings RM'000	Computer equipment RM'000	Motor vehicles RM'000	Office equipment RM'000	Total RM'000
2024						
At 1 October 2023		273	90	1,623	197	2,183
Additions		–	–	–	79	79
Depreciation charge	44	(219)	(36)	(89)	(81)	(425)
Remeasurements		(7)	–	–	–	(7)
At 30 September 2024		47	54	1,534	195	1,830

2023

At 1 October 2022		497	–	1,424	92	2,013
Additions		–	108	396	167	671
Depreciation charge	44	(224)	(18)	(197)	(62)	(501)
At 30 September 2023		273	90	1,623	197	2,183

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

8. LEASES (CONT'D)

(a) The Group and the Company as lessee (Cont'd)

(i) Right-of-use assets (Cont'd)

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

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash	25	470	–	76
Lease liabilities	3,726	4,114	79	595
	3,751	4,584	79	671

(ii) Lease liabilities

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

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 October		10,327	10,585	1,213	1,161
Additions		3,726	4,114	79	595
Accretion of interest	45	528	582	47	64
Payments		(6,107)	(6,124)	(643)	(607)
Remeasurements		905	1,004	(7)	–
Translation differences		(27)	166	–	–
At 30 September		9,352	10,327	689	1,213

Maturity profile of lease liabilities is disclosed in Note 61(b)(i).

Extension options

The Group and the Company have several lease contracts of buildings which contain extension options exercisable by the Group and the Company. At the commencement of the lease, the Group and the Company assess 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 Group and the Company are reasonably certain that the leases will be extended based on past practice and the existing economic incentive.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

8. LEASES (CONT'D)

(b) The Group as lessor

During the financial year, the Group leased out its computer equipment under operating leases with the terms of the leases of up to 2 years. Revenue from equipment under leasing arrangements during the year are disclosed in Note 31.

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

(c) The Group as intermediate lessor

The Group has entered into sublease arrangements on its leased buildings and computer equipment which have been recognised as right-of-use assets. The Group has classified the subleases as finance leases because the subleases are for the whole of the remaining term of the head lease.

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

		Group	
	Note	2024 RM'000	2023 RM'000
At 1 October		1,145	549
Additions		421	1,035
Accretion of interest	39	49	55
Lease payments received		(723)	(544)
Remeasurements		1	39
Translation differences		(5)	11
At 30 September		888	1,145

The following table sets out the maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date:

	Group	
	2024 RM'000	2023 RM'000
Up to a year	574	691
1-2 years	232	344
2-5 years	121	162
Total undiscounted lease payments receivable	927	1,197
Unearned finance income	(39)	(52)
Lease receivables at 30 September	888	1,145

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

8. LEASES (CONT'D)

(d) The following are the amounts recognised in the income statements:

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
The Group and the Company as lessee:					
Depreciation expense of right-of-use assets	44	(4,658)	(4,623)	(425)	(501)
Interest expense on lease liabilities	45	(528)	(582)	(47)	(64)
Remeasurement (loss)/gain on leases	39	(265)	22	–	–
Expenses relating to:					
- leases of low-value assets	40	(115)	(172)	(136)	(138)
- short term leases	40	(330)	(324)	(29)	(92)
The Group as intermediate lessor:					
Gain on derecognition of right-of-use assets	35	47	334	–	–
Interest income on lease receivables	39	49	55	–	–
Remeasurement gain on leases		1	39	–	–

(e) During the year, the Group and the Company had total cash outflow for payment of leases of RM6,552,000 (2023: RM6,620,000) and RM808,000 (2023: RM837,000) respectively. The Group and the Company also had non-cash additions to right-of-use assets during the year of RM3,726,000 (2023: RM4,114,000) and RM79,000 (2023: RM595,000) respectively.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

9. DEFERRED TAX (LIABILITIES)/ASSETS

		2024	Group 2023	2024	Company 2023
	Note	RM'000	RM'000 Restated	RM'000	RM'000
At 1 October 2023/2022, as previously reported		(4,279)	(3,153)	699	1,023
Effects of adoption of MFRS 17		(3,396)	(3,645)	–	–
At 1 October 2023/2022, as restated		(7,675)	(6,798)	699	1,023
Arising from acquisition of a subsidiary company	11 ⁽ⁱ⁾ (ii)	–	(18)	–	–
Transferred from/(to) income statements	52	1,115	(686)	(42)	(324)
- deferred tax assets	9.1,9.3	(915)	370	(38)	(331)
- deferred tax liabilities	9.2,9.4	2,030	(1,056)	(4)	7
Transferred from FVOCI reserve					
- deferred tax liabilities		65	183	–	–
- deferred tax assets	9.1	–	(356)	–	–
- deferred tax liabilities	9.2	65	539	–	–
Transferred to revaluation reserve					
- deferred tax liabilities	9.2	(326)	(356)	–	–
At 30 September		(6,821)	(7,675)	657	699

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

Reflected after offsetting in the statements of financial position as follows:

	2024	Group 2023	2022	2024	Company 2023
	RM'000	RM'000 Restated	RM'000 Restated	RM'000	RM'000
Deferred tax assets	657	699	1,475	657	699
Deferred tax liabilities	(7,478)	(8,374)	(8,273)	–	–
Net deferred tax (liabilities)/assets	(6,821)	(7,675)	(6,798)	657	699

Notes to the Financial Statements

– 30 September 2024

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9. DEFERRED TAX (LIABILITIES)/ASSETS (CONT'D)

The components of deferred tax assets and deferred tax liabilities at the end of the current and previous years prior to offsetting are as follows:

	Note	2024 RM'000	Group 2023 RM'000 Restated	2022 RM'000 Restated
Deferred tax assets	9.1	2,761	3,676	3,662
Deferred tax liabilities	9.2	(9,582)	(11,351)	(10,460)
		(6,821)	(7,675)	(6,798)

	Note	Company 2024 RM'000	2023 RM'000
Deferred tax assets	9.3	740	778
Deferred tax liabilities	9.4	(83)	(79)
		657	699

The components and movements of deferred tax assets and deferred tax liabilities during the year and in the previous year prior to offsetting are as follows:

9.1 Deferred Tax Assets of the Group:

	Provisions and Other Temporary Differences RM'000	Changes in Fair Value of FVOCI Financial Assets RM'000	Provision for Impairment Losses RM'000	Unutilised Business Losses and Unabsorbed Capital Allowances RM'000	Total RM'000
2024					
At 1 October 2023	1,216	99	258	2,103	3,676
Recognised in the income statements	(9)	–	(134)	(772)	(915)
At 30 September 2024	1,207	99	124	1,331	2,761
2023 (restated)					
At 1 October 2022	1,121	455	749	1,337	3,662
Recognised in the income statements	95	–	(491)	766	370
Recognised in FVOCI reserve	–	(356)	–	–	(356)
At 30 September 2023	1,216	99	258	2,103	3,676

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(Cont'd)

9. DEFERRED TAX (LIABILITIES)/ASSETS (CONT'D)

The components and movements of deferred tax assets and deferred tax liabilities during the year and in the previous year prior to offsetting are as follows: (Cont'd)

9.2 Deferred Tax Liabilities of the Group:

2024	Note	Leases and Other Temporary Differences RM'000	Changes in Fair Value of FVTPL Financial Assets RM'000	Changes in Fair Value of FVOCI Financial Assets RM'000	Revaluation Surplus RM'000	Accelerated Capital Allowances RM'000	Insurance and Reinsurance Contracts RM'000	Total RM'000
At 1 October 2023, as previously reported		(1,629)	(125)	(729)	(4,958)	(514)	–	(7,955)
Effect of adoption of MFRS 17		–	–	–	–	–	(3,396)	(3,396)
At 1 October 2023, as restated		(1,629)	(125)	(729)	(4,958)	(514)	(3,396)	(11,351)
Recognised in the income statements		498	801	–	–	27	704	2,030
Recognised in FVOCI reserve		–	–	65	–	–	–	65
Recognised in revaluation reserve		–	–	–	(326)	–	–	(326)
At 30 September 2024		(1,131)	676	(664)	(5,284)	(487)	(2,692)	(9,582)
2023 (restated)								
At 1 October 2022, as previously reported		(1,144)	333	(1,268)	(4,602)	(134)	–	(6,815)
Effect of adoption of MFRS 17		–	–	–	–	–	(3,645)	(3,645)
At 1 October 2022, as restated		(1,144)	333	(1,268)	(4,602)	(134)	(3,645)	(10,460)
Arising from acquisition of a subsidiary company	11	(18)	–	–	–	–	–	(18)
Recognised in the income statements		(467)	(458)	–	–	(380)	249	(1,056)
Recognised in FVOCI reserve		–	–	539	–	–	–	539
Recognised in revaluation reserve		–	–	–	(356)	–	–	(356)
At 30 September 2023, restated		(1,629)	(125)	(729)	(4,958)	(514)	(3,396)	(11,351)

Notes to the Financial Statements

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(Cont'd)

9. DEFERRED TAX (LIABILITIES)/ASSETS (CONT'D)

The components and movements of deferred tax assets and deferred tax liabilities during the year and in the previous year prior to offsetting are as follows: (Cont'd)

9.3 Deferred Tax Assets of the Company:

	Provision for Impairment Loss RM'000	Leases and Other Temporary Differences RM'000	Unabsorbed Capital Allowances RM'000	Total RM'000
2024				
At 1 October 2023	–	177	601	778
Recognised in the income statements	(37)	(6)	5	(38)
At 30 September 2024	(37)	171	606	740
2023				
At 1 October 2022	324	187	598	1,109
Recognised in the income statements	(324)	(10)	3	(331)
At 30 September 2023	–	177	601	778

9.4 Deferred Tax Liabilities of the Company:

	Accelerated Capital Allowances RM'000	Total RM'000
2024		
At 1 October 2023	(79)	(79)
Recognised in the income statements	(4)	(4)
At 30 September 2024	(83)	(83)
2023		
At 1 October 2022	(86)	(86)
Recognised in the income statements	7	7
At 30 September 2023	(79)	(79)

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(Cont'd)

9. DEFERRED TAX (LIABILITIES)/ASSETS (CONT'D)

As at 30 September 2024, net deferred tax assets have not been recognised in respect of the following temporary differences of the Group:

	Group	
	2024 RM'000	2023 RM'000
Depreciation and capital allowances on property, plant and equipment	2,527	2,527
Unutilised tax losses	152,113	154,384
	154,640	156,911

The unutilised tax losses of the Group are available for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings of those entities under the Income Tax Act 1967 and guidelines issued by the tax authority.

Following the gazetting of the Finance Act 2021 on 31 December 2021, the unutilised tax losses accumulated up to year of assessment 2019 are now allowed to be carried forward for 10 consecutive years of assessment and any balance of the unutilised tax losses thereafter shall be disregarded. For any unutilised tax losses that originated from the year of assessment 2019 onwards, these can now be carried forward to a maximum 10 consecutive years of assessment immediately following that originating year and any balance of the unutilised tax losses thereafter shall be disregarded.

The foreign unutilised tax losses applicable to foreign incorporated subsidiary companies are pre-determined by and subject to the tax legislation of the respective countries. During the current financial year, unutilised tax losses from foreign incorporated subsidiary companies amounting to RM3,865,000 (2023: RM2,078,000) have expired.

10. INVESTMENTS

The Group's and the Company's investments have been categorised as follows:

Note	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(a) Financial assets at FVOCI				
At fair value:				
Designated upon initial recognition:				
- Quoted shares (i)	–	211	–	–
- Unquoted shares (i)	3,025	3,155	–	–
Mandatorily measured:				
- Corporate debt securities (ii)	62,345	82,707	–	–
58	65,370	86,073	–	–

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(Cont'd)

10. INVESTMENTS (CONT'D)

The Group's and the Company's investments have been categorised as follows: (Cont'd)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(b) Financial assets at FVTPL					
At fair value:					
Mandatorily measured:					
- Quoted shares		2,754	13,799	105	794
- Unit trusts		21,890	232,161	–	–
- Warrants		–	80	–	–
	58	24,644	246,040	105	794
Total investments		90,014	332,113	105	794

(i) Financial assets at FVOCI

Financial assets designated at FVOCI include investments in equity shares of listed and unlisted companies in Malaysia and outside Malaysia. The Group and the Company hold non-controlling interests in these companies. These investments were irrevocably designated at FVOCI as the Group and the Company consider these investments to be strategic in nature during the initial recognition of these investments.

The pertinent information of the investments in quoted shares in Malaysia and unquoted shares outside Malaysia of the Group, held at FVOCI by sectors are as follows:

Fair value	Quoted shares in Malaysia		Unquoted Shares Outside Malaysia RM'000	Total RM'000
	Industrial Products and Services RM'000	Total RM'000		
2024				
At 1 October 2023	211	211	3,155	3,366
Disposal during the year	(141)	(141)	–	(141)
Fair value losses during the year	(70)	(70)	–	(70)
Translation differences	–	–	(130)	(130)
At 30 September 2024	–	–	3,025	3,025

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(Cont'd)

10. INVESTMENTS (CONT'D)

(i) Financial assets at FVOCI (Cont'd)

The pertinent information of the investments in quoted shares in Malaysia and unquoted shares outside Malaysia of the Group, held at FVOCI by sectors are as follows: (Cont'd)

Fair value	Quoted shares in Malaysia			Unquoted Shares Outside Malaysia RM'000	Total RM'000
	Industrial Products and Services RM'000	Financial Services RM'000	Total RM'000		
2023					
At 1 October 2022	45,874	1,089	46,963	2,848	49,811
Disposal during the year	(45,585)	(1,376)	(46,961)	–	(46,961)
Fair value (losses)/gains during the year	(78)	287	209	–	209
Translation differences	–	–	–	307	307
At 30 September 2023	211	–	211	3,155	3,366

The Group sold equity instruments at FVOCI and the accumulated gains recognised in FVOCI reserves attributable to the equity holders of the Company of RM24,000 (2023: RM33,008,000) have been transferred to retained profits of the Group. There were no dividends received by the Group in respect of these shares in the current year (2023: RM31,528).

The Company's financial assets at FVOCI is in respect of investments in quoted shares in Malaysia under the Industrial Products and Services sector. The pertinent information of the Company's investments in these quoted shares is as follows:

Fair value	Company	
	2024 RM'000	2023 RM'000
At 1 October	–	36,649
Disposal during the year	–	(35,642)
Fair value loss during the year	–	(1,007)
At 30 September	–	–

The Company sold equity instruments at FVOCI and the accumulated gains recognised in FVOCI reserves of the Company of RM31,208,000 has been transferred to retained profits in previous financial year. No dividend was received by the Company in respect of the shares sold during the current and previous financial years.

(ii) Disclosure of expected credit losses recognised on corporate debt securities held at FVOCI are disclosed in Note 61(a)(ii).

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11. INVESTMENT IN SUBSIDIARY COMPANIES

		Company	
	Note	2024 RM'000	2023 RM'000
Unquoted shares - at cost		161,847	161,847
ESOS Share Options - additional equity contribution	43	1,124	1,285
Impairment losses		(19,512)	(6,125)
At 30 September		143,459	157,007

The additional allowance for impairment of RM13,387,000 (2023: nil) was made in the current financial year due to the carrying amount of the subsidiary company exceeding its recoverable amount.

The subsidiary companies are as follows:

	Effective Interests		Principal Activities
	2024 %	2023 %	
Incorporated in Malaysia			
Pacific & Orient Insurance Co. Berhad	51	51	General insurance business
P & O Global Technologies Sdn. Bhd.	100	100	Dealing in computer hardware, software and systems
P & O Technologies Sdn. Bhd.	100	100	Provision of information technology services and sale of information technology equipment
Pacific & Orient Distribution Sdn. Bhd.	100	100	Investing in start-up companies
P & O Capital Sdn. Bhd.	100	100	Money lending
P & O Resources Sdn. Bhd.	100	100	Dealing in computer hardware, software and systems
Dynamic Network Distributions Sdn. Bhd.	100	100	Dormant
P & O Nominees Services (Tempatan) Sdn. Bhd.	100	100	Dormant
P & O Properties Sdn. Bhd.	100	100	Dormant
Focus Internet Sdn. Bhd.	100	100	Dormant
P & O Equities Sdn. Bhd.	100	100	Dormant

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11. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

The subsidiary companies are as follows: (Cont'd)

	Effective Interests		Principal Activities
	2024 %	2023 %	
Incorporated in England and Wales			
Pacific & Orient Properties Ltd. *	100	100	Investing in real estate market and start-up companies
Incorporated in the United States of America			
P & O Global Technologies, Inc. ("POGT Inc.") **	100	100	Property development, information technology services, research and development and trading activities
Incorporated in Singapore			
Pacific & Orient (Singapore) Private Limited *	100	100	Investing in start-up companies
Incorporated in Hong Kong			
Pacific & Orient (Hong Kong) Limited *	100	100	Investing in start-up companies
Subsidiary company of P & O Global Technologies Sdn. Bhd. - Incorporated in Thailand			
P & O Global Technologies (Thailand) Co., Ltd. *	100	100	Dealing in computer software and systems
Subsidiary company of P & O Global Technologies, Inc. - Incorporated in United States of America			
Pacific & Orient Properties LLC ** ("POP LLC") **	100	100	Property development
Subsidiary company of Pacific & Orient Properties Ltd. - Incorporated in England and Wales			
Acumentive Limited ("Acumentive") ^{(1)*}	100	100	Provision of real-time asset tracking and management solutions

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11. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

The subsidiary companies are as follows: (Cont'd)

The above subsidiary companies are audited by Ernst & Young PLT, Malaysia except for the following:

- * Audited by firms of chartered accountants other than Ernst & Young PLT, Malaysia
- ** Company not required to be audited under the laws of United States of America

- (1) Step-up acquisition of Acumentive

Pacific & Orient Properties Ltd., a wholly owned subsidiary of the Company, had on 27 December 2022 acquired an additional 68.48% equity interest in Acumentive comprising 100,000 ordinary shares for a cash consideration of GBP1,253,000 (approximately RM6,667,000) ("the Acquisition"). Pursuant to the Acquisition, the Group's effective interest in Acumentive has increased from 31.52% to 100.00%. Accordingly, Acumentive ceased to be an associated company and has become a wholly owned indirect subsidiary of the Company.

As allowed by MFRS 3 *Business Combinations*, the Group has finalised the acquisition accounting arising from this acquisition within the twelve-month period allowed by the said standard. The fair values of assets and liabilities that were acquired as of 30 September 2023 were consolidated based on their provisional fair values as of that date. The purchase price allocation ("PPA") exercise and allocation of goodwill to specific cash generating units ("CGUs") have now been finalised. There were no adjustments as at 30 September 2024.

The following summarises the total consideration transferred, and the fair values of the identifiable assets acquired and liabilities assumed from Acumentive at the acquisition date:

(i) Fair value of consideration transferred

	Group 2023 RM'000
Cash and cash equivalents	6,667

(ii) Identifiable assets acquired and liabilities assumed

	Note	Group 2023 RM'000
Property, plant and equipment	5	78
Intangible assets	7	1,606
Cash and bank balances		732
Total assets		2,416
Deferred tax liabilities	9	(18)
Amount due to related companies		(4,796)
Other payables		(832)
Borrowings		(195)
Total liabilities		(5,841)
Total identifiable net liabilities assumed, at fair value		(3,425)

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(Cont'd)

11. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

⁽¹⁾ Step-up acquisition of Acumentive (Cont'd)

The following summarises the total consideration transferred, and the fair values of the identifiable assets acquired and liabilities assumed of Acumentive at the acquisition date: (Cont'd)

(iii) Net cash outflow arising from the Acquisition

	Group 2023 RM'000
Purchase consideration settled in cash and cash equivalents	(6,667)
Cash and bank balances acquired	732
	<hr/> (5,935) <hr/>

(iv) Loss on remeasurement of previously held equity interests

	Group 2023 RM'000
Fair value of 31.52% previously held equity interest as at 27 December 2022	3,069
Carrying value of 31.52% previously held equity interest as at 27 December 2022	(4,465)
	<hr/> (1,396) <hr/>
Loss on remeasurement of previously held equity interest	(1,396)

(v) Goodwill on consolidation

	Note	Group 2023 RM'000
Fair value of consideration transferred		6,667
Fair value of previously held equity interest		3,069
		<hr/> 9,736 <hr/>
Add: Fair value of identifiable net liabilities		3,425
		<hr/> 13,161 <hr/>
Goodwill on consolidation	13	13,161

The goodwill of RM13,161,000 comprises the value of expected synergies arising from the Acquisition through enhanced product offerings by combining the Group's existing hardware and software solutions with the acquired real-time asset tracking and management system. Additionally, it encompasses the ability to cross-sell the Group's existing IT products to Acumentive's customer base and vice versa, as well as technology integration. None of the goodwill recognised is expected to be deductible for income tax purposes.

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(Cont'd)

11. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

⁽¹⁾ Step-up acquisition of Acumentive (Cont'd)

The following summarises the total consideration transferred, and the fair values of the identifiable assets acquired and liabilities assumed of Acumentive at the acquisition date: (Cont'd)

(vi) Impact of the Acquisition on the Group's results

From the date of the Acquisition up till the previous financial year ended 30 September 2023, Acumentive's contribution of revenue and loss before tax are as follows:

	Group 2023 RM'000
Revenue	707
Loss before tax	(366)

If the Acquisition had occurred on 1 October 2022, the consolidated results for the financial year ended 30 September 2023 would have been as follows:

	Group 2023 RM'000
Revenue	281,345
Loss before tax	(18,906)

Financial information of a subsidiary company that has material non-controlling interest is provided below:

	2024	2023 Restated
Portion of equity interest held by a non-controlling interest:		
Non-controlling interest - percentage of ownership interest and voting interest in Pacific & Orient Insurance Co. Berhad	49%	49%
Gross carrying amount of non-controlling interest (RM'000)	111,819	116,736
Inter-company eliminations - Share options vested under ESOS (RM'000)	(385)	(450)
Transfer of FVOCI reserve to non-controlling interest (RM'000)	387	365
Transfer of revaluation reserve to non-controlling interest (RM'000)	149	149
Net carrying amount of non-controlling interest (RM'000)	111,970	116,800

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– 30 September 2024

(Cont'd)

11. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

The summarised financial information of Pacific & Orient Insurance Co. Berhad is provided below. This information is based on amounts before inter-company eliminations.

(a) Summarised statement of financial position

	2024 RM'000	2023 RM'000 Restated
Total assets	803,706	771,231
Total liabilities	(575,504)	(532,995)
Total equity	228,202	238,236

(b) Summarised income statement

	2024 RM'000	2023 RM'000 Restated
Revenue	269,453	266,473
Net loss for the year	(10,916)	(7,600)
Net loss for the year attributable to:		
Equity holders of the Company	(5,567)	(3,877)
Non-controlling interest	(5,349)	(3,723)
	(10,916)	(7,600)

(c) Summarised statement of comprehensive income

	2024 RM'000	2023 RM'000 Restated
Net loss for the year	(10,916)	(7,600)
Other comprehensive income	857	2,965
Total comprehensive loss for the year	(10,059)	(4,635)
Total comprehensive loss for the year attributable to:		
Equity holders of the Company	(5,130)	(2,364)
Non-controlling interest	(4,929)	(2,271)
	(10,059)	(4,635)

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(Cont'd)

11. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

The summarised financial information of Pacific & Orient Insurance Co. Berhad is provided below. This information is based on amounts before inter-company eliminations. (Cont'd)

(d) Summarised statement of cash flows

	2024 RM'000	2023 RM'000 Restated
Net cash flows used in:		
Operating activities	(2,861)	(2,510)
Investing activities	(342)	(1,577)
Financing activities	(3,094)	(2,920)
Net decrease in cash and cash equivalents	(6,297)	(7,007)
Cash and cash equivalents at beginning of year	20,897	27,904
Cash and cash equivalents at end of year	14,600	20,897

12. INVESTMENT IN ASSOCIATED COMPANIES

	2024 RM'000	Group 2023 RM'000
Unquoted shares outside Malaysia - at cost	44,325	43,935
Translation differences	(170)	(841)
Group's share of losses of associated companies	(23,642)	(21,417)
Allowance for impairment ⁽¹⁾	20,513 (20,513)	21,677 (7,351)
	–	14,326

⁽¹⁾ The movement in allowance for impairment is as follows:

	Note	2024 RM'000	Group 2023 RM'000
As at 1 October		7,351	7,351
Addition	40	13,162	–
As at 30 September		20,513	7,351

The additional allowance for impairment of RM13,162,000 (2023: nil) made in the current financial year was due to the carrying amounts of the associated companies exceeding their recoverable amounts.

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– 30 September 2024

(Cont'd)

12. INVESTMENT IN ASSOCIATED COMPANIES (CONT'D)

Summary of financial information of the Group's investment in associated companies that are not individually material is as follows:

	Group
	2024 RM'000
	2023 RM'000
Share of loss for the year	(2,225)
Share of total comprehensive loss for the year	(2,225)

The Group has not recognised its share of losses of an associated company as the Group's cumulative share of losses has exceeded its interest in the associated company and the Group has no obligation in respect of these losses. As at 30 September 2024, the Group's cumulative accumulated losses not recognised were RM2,092,000 (2023: RM2,073,000).

Details of the associated companies are as follows:

	Effective Interests		
	2024 %	2023 %	Principal Activities
Incorporated in England and Wales			
Associated companies of Pacific & Orient Properties Ltd.			
Cloudbanter Limited**	– ^{^1}	23.55	Development of software
Cross-Flow Energy Company Limited**	27.01	27.01	Development of wind turbines
Silicon Markets Limited**	28.29	28.29	Provision of algorithmic trading tools and services
Massive Analytic Limited**	3.78	4.10	Provision of machine learning and predictive analytics solutions
Gigabit Networks Ltd **	27.86 ^{^2}	27.27	Provision of internet access services

** These associated companies are not audited by Ernst & Young PLT, Malaysia or its affiliates.

^{^1} On 11 June 2024, the Group completed the strike off of its entire 23.55% equity interest in Cloudbanter Limited.

^{^2} The increase in shareholding of Gigabit Network Ltd from 27.27% to 27.86% is attributable to the further acquisition of 2,843 shares for GBP 250,000.

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– 30 September 2024

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12. INVESTMENT IN ASSOCIATED COMPANIES (CONT'D)

Details of the associated companies are as follows: (Cont'd)

Although the Group holds less than 20% of the voting power in Massive Analytic Limited, this company is considered to be an associated company because of the significant influence the Group is able to exercise over its financial and operating policy decisions. The judgements applied in determining whether these entities meet the definition of associated companies are disclosed in Note 4(a)(ii).

The financial statements of the above associated company are not co-terminous with those of the Group. For the purpose of applying the equity method of accounting, the management financial statements to the end of the accounting period of 30 September 2024 and 2023 have been used.

13. GOODWILL ON CONSOLIDATION

	Note	Group 2024 RM'000	2023 RM'000
At 1 October		13,161	–
Arising from acquisition of a subsidiary company	11 ⁽¹⁾ (v)	–	13,161
At 30 September		13,161	13,161

The goodwill above arose from the acquisition of Acumentive on 27 December 2022, which is a Cash Generating Unit ("CGU") with an indefinite useful life and is an operating unit under the Group's information technology segment.

Goodwill is allocated to the Group's CGU which is expected to benefit from the synergies of the acquisition. The recoverable amount of the CGU is assessed based on its value-in-use and compared to the carrying value of the CGU to determine whether any impairment exists. Impairment is recognised in the income statements if the carrying amount of the CGU exceeds its recoverable amount.

The value-in-use calculations apply discounted cash flow projections prepared and approved by management, covering a five-year period.

The key assumptions for the computation of value-in-use are as follows:

- (i) The growth in business volume is expected to be at 10% per annum;
- (ii) Operating expenditure and capital expenditure growth rate of 3% (per annum);
- (iii) The discount rate applied is the internal weighted average cost of capital of Acumentive at the time of the assessment, which is estimated to be 6.21% per annum; and
- (iv) Terminal value cash flow growth rate of 1.8%, which is consistent with the Gross Domestic Product rate.

Management believes that a reasonably possible change in any of the above key assumptions would not cause the carrying value of the CGU to exceed its recoverable amount. Accordingly, there is no evidence of impairment of goodwill as at the financial year end.

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14. INVENTORIES – GOODS FOR RESALE

	2024 RM'000	Group 2023 RM'000
Inventories - at cost	66	87

15. PROPERTY DEVELOPMENT COSTS

	2024 RM'000	Group 2023 RM'000
Cost:		
Freehold land	29,442	29,442
Translation differences	4,597	9,491
Development costs	196,423	164,892
Costs transferred to contract assets	(3,573)	(2,483)
At 30 September	226,889	201,342
Included in development costs is:		
Interest capitalised	1,865	379

16. CONTRACT ASSETS

	2024 RM'000	Group 2023 RM'000
At 1 October	2,682	–
Additions during the year:		
- Cost to fulfil contracts with customers	1,402	2,483
- Incremental cost to obtain contracts with customers	58	199
- Translation differences	(338)	–
At 30 September	3,804	2,682

17. LOANS

	2024 RM'000	Group 2023 RM'000
Loans:		
- unsecured loans	–	13
Due after one year	–	13

The interest rate on loans was nil (2023: 9.50%) per annum.

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18. REINSURANCE CONTRACT ASSETS

Group		Assets for remaining coverage	Amounts recoverable on incurred claims		
		Excluding loss-recovery components RM'000	Estimates of the present value of future cash flows RM'000	Risk adjustments RM'000	Total RM'000
2024	Note				
Opening assets as at 1 October 2023		23,116	167,380	16,509	207,005
Opening liabilities as at 1 October 2023		(2,955)	457	53	(2,445)
Net opening balances as at 1 October 2023		20,161	167,837	16,562	204,560
Net expense from reinsurance contracts held					
Allocation of reinsurance premiums	32	(111,918)	–	–	(111,918)
Amounts recoverable from reinsurers for incurred claims	32	–	93,157	3,869	97,026
Amounts recoverable for incurred claims and other expenses		–	64,954	4,883	69,837
Changes to amounts recoverable for incurred claims		–	28,203	(1,014)	27,189
Net (expense)/income from reinsurance contracts held		(111,918)	93,157	3,869	(14,892)
Investment component		(2,128)	2,128	–	–
Reinsurance finance income	37	–	3,637	–	3,637
Total changes in the income statement		(114,046)	98,922	3,869	(11,255)
Cash flows					
Premiums paid, net of ceding commissions		116,120	–	–	116,120
Recoveries from reinsurance received		–	(64,400)	–	(64,400)
Total cash flows		116,120	(64,400)	–	51,720
Net closing balances as at 30 September 2024		22,235	202,359	20,431	245,025
Closing assets as at 30 September 2024		22,237	202,358	20,431	245,026
Closing liabilities as at 30 September 2024		(2)	1	–	(1)
Net closing balances as at 30 September 2024		22,235	202,359	20,431	245,025

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18. REINSURANCE CONTRACT ASSETS (CONT'D)

Group		Assets for remaining coverage	Amounts recoverable on incurred claims		
		Excluding loss-recovery components RM'000	Estimates of the present value of future cash flows RM'000	Risk adjustments RM'000	Total RM'000
2023	Note				
Opening assets as at 1 October 2022		27,504	165,057	15,994	208,555
Opening liabilities as at 1 October 2022		(24)	6	1	(17)
Net opening balances as at 1 October 2022		27,480	165,063	15,995	208,538
Net expense from reinsurance contracts held					
Allocation of reinsurance premiums	32	(105,254)	–	–	(105,254)
Amounts recoverable from reinsurers for incurred claims	32	–	55,871	567	56,438
Amounts recoverable for incurred claims and other expenses		–	57,563	4,660	62,223
Changes to amounts recoverable for incurred claims		–	(1,692)	(4,093)	(5,785)
Net (expense)/income from reinsurance contracts held		(105,254)	55,871	567	(48,816)
Investment component		(7,774)	7,774	–	–
Reinsurance finance income	37	–	3,391	–	3,391
Total changes in the income statement		(113,028)	67,036	567	(45,425)
Cash flows					
Premiums paid, net of ceding commissions		105,709	–	–	105,709
Recoveries from reinsurance received		–	(64,262)	–	(64,262)
Total cash flows		105,709	(64,262)	–	41,447
Net closing balances as at 30 September 2023		20,161	167,837	16,562	204,560
Closing assets as at 30 September 2023		23,116	167,380	16,509	207,005
Closing liabilities as at 30 September 2023		(2,955)	457	53	(2,445)
Net closing balances as at 30 September 2023		20,161	167,837	16,562	204,560

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19. RECEIVABLES

	Note	2024 RM'000	Group 2023 RM'000 Restated	2022 RM'000 Restated	Company 2024 RM'000	2023 RM'000
Trade receivables:						
Trade receivables		1,240	2,073	5,400	–	–
Allowance for impairment	61(a)(ii)	(113)	(82)	(907)	–	–
	61(a)	1,127	1,991	4,493	–	–
Other receivables:						
Accrued income		4,973	3,309	2,403	–	1
Share of net assets held under the Malaysian Motor Insurance Pool ("MMIP") ⁽¹⁾		39,296	42,167	42,171	–	–
Deposits and prepayments		6,858	7,749	5,625	242	242
Sales deposit- Escrow ⁽²⁾		965	3,311	–	–	–
Withholding tax recoverable		431	797	967	–	–
Unbilled receivables		623	567	1,000	–	–
Others		2,014	2,505	3,043	363	515
		55,160	60,405	55,209	605	758

⁽¹⁾ As a participating member of MMIP, the Group shares a proportion of the Pool's net assets/liabilities. At each reporting date, the Group accounts for its proportionate share of the assets, liabilities and performance of the Pool. The net assets held under MMIP represents the Group's share of the Pool's net assets, before insurance contract liabilities. The Group's proportionate share of the Pool's insurance contract liabilities arising from its participation in the Pool is disclosed in Note 24.

⁽²⁾ The Sales deposit–Escrow consists of deposits received in respect of the Group's property development project. These deposits are held by the escrow agent in accordance with the laws applicable to the sale of condominiums under the statutes of the state of Florida, in the United States of America. The escrow agent's role ensures the secure handling of funds, adhering to legal requirements, and facilitating a smooth and transparent sales closing process.

In the current financial year, the amount retained by the escrow agent has decreased, as part of the funds has been utilised for construction purposes in line with the project's progress.

The Group's normal trade credit term is up to 60 days. Other credit terms are assessed and approved on a case-by-case basis.

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20. DUE FROM SUBSIDIARY COMPANIES

The amounts due from subsidiary companies are repayable in accordance with applicable terms, are unsecured and interest-free, except for an amount of RM295,766,000 (2023: RM313,698,000) which bore interest between 4.75% and 10.25% (2023: 4.75% and 10.25%) per annum.

The gross to net balances and currency exposure profile of the amounts due from subsidiary companies are as follows:

Company	Gross RM'000	Impairment RM'000 (Note 61(a)(ii))	Net RM'000
2024			
Ringgit Malaysia	26,859	(18,419)	8,440
United States Dollar	242,670	(125,036)	117,634
Thai Baht	797	(367)	430
Great Britain Pound	132,731	(111,280)	21,451
Singapore Dollar	170	(153)	17
Hong Kong Dollar	34	(34)	–
	403,261	(255,289)	147,972
2023			
Ringgit Malaysia	26,155	(18,353)	7,802
United States Dollar	255,231	(24,262)	230,969
Thai Baht	1,583	(367)	1,216
Great Britain Pound	133,414	(59,514)	73,900
Singapore Dollar	157	–	157
Hong Kong Dollar	24	–	24
	416,564	(102,496)	314,068

The amounts granted to subsidiary companies are for investment and working capital purposes.

21. DUE FROM ASSOCIATED COMPANIES

The amounts due from associated companies are repayable in accordance with applicable terms, are unsecured and interest-free, except for an amount of RM3,041,000 (2023: RM1,433,000) which bore interest of 8.00% (2023: 8.00%) per annum.

The gross to net balances and currency exposure profile of the amounts due from associated companies are as follows:

	2024 RM'000	Group 2023 RM'000
Great Britain Pound		
Gross *	19,209	17,187
Allowance for impairment	(19,209)	(15,735)
Net	–	1,452

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21. DUE FROM ASSOCIATED COMPANIES (CONT'D)

There was an increase in allowance for impairment of RM3,474,000 during the year as disclosed in Note 40. The allowance for impairment as at the reporting dates arose due to the carrying amount of amounts due from associated companies exceeding their recoverable amount.

* Includes the conversion of a bridging loan of RM8,292,000 in previous financial year.

22. DEPOSITS AND PLACEMENTS WITH FINANCIAL INSTITUTIONS

	Group	
	2024 RM'000	2023 RM'000
At amortised cost:		
Licensed banks	379,387	136,945

Deposits and placements with financial institutions of the Group with maturities of more than three months are disclosed as deposits and placements with financial institutions. Deposits and placements with original maturities of three months or less are disclosed as cash and bank balances under Note 23.

Deposits and placements with financial institutions of RM506,000 (2023: RM1,785,000) of the Group have been pledged as securities for credit facilities granted to the Group as disclosed in Note 27(a) and (c).

Included in deposits and placements of the Group is an amount of RM118,000 (2023: RM115,000) representing placements of deposits received from insureds as collateral for bond guarantees granted by the insurance subsidiary company to third parties.

The range of effective interest rates per annum of deposits and placements with financial institutions at the reporting date was as follows:

	Group	
	2024 %	2023 %
Licensed banks	2.50 - 4.20	0.10 - 4.20

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23. CASH AND BANK BALANCES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances	22,999	31,223	1,043	1,225
Short-term deposits and placements with financial institutions (with original maturity period of three months or less)	8,937	7,892	4,535	–
Balance as stated in the Statements of Financial Position	31,936	39,115	5,578	1,225
Less: Bank overdraft	(4,436)	–	(4,436)	–
Cash and cash equivalents	27,500	39,115	1,142	1,225

The range of effective interest rates per annum of bank balances, short-term deposits and placements with financial institutions at the reporting date was as follows:

	Group		Company	
	2024 %	2023 %	2024 %	2023 %
Licensed banks	0.00 - 5.20	0.00 - 3.70	0.00 - 3.00	0.00 - 3.40

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24. INSURANCE CONTRACT LIABILITIES

Group		Note	Liabilities for remaining coverage	Liabilities for incurred claims		Total RM'000
			Excluding loss components RM'000	Estimates of the present value of future cash flows RM'000	Risk adjustments RM'000	
2024						
Opening assets as at 1 October 2023			–	–	–	–
Opening liabilities as at 1 October 2023			97,636	375,575	35,331	508,542
Net opening balances as at 1 October 2023			97,636	375,575	35,331	508,542
Insurance revenue	32		(269,453)	–	–	(269,453)
Insurance service expenses	32		50,757	223,224	3,265	277,246
Incurred claims and other insurance service expenses			–	196,147	10,697	206,844
Amortisation of insurance acquisition cash flows	40		50,757	–	–	50,757
Changes to liabilities for incurred claims			–	27,077	(7,432)	19,645
Insurance service results			(218,696)	223,224	3,265	7,793
Insurance finance expenses	36		–	8,564	–	8,564
Total changes in the income statements			(218,696)	231,788	3,265	16,357
Cash flows						
Premium received			283,280	–	–	283,280
Claims and other insurance service expenses paid			–	(200,854)	–	(200,854)
Insurance acquisition cash flows			(53,080)	–	–	(53,080)
Total cash flows			230,200	(200,854)	–	29,346
Net closing balances as at 30 September 2024			109,140	406,509	38,596	554,245
Closing assets as at 30 September 2024			–	–	–	–
Closing liabilities as at 30 September 2024			109,140	406,509	38,596	554,245
Net closing balances as at 30 September 2024			109,140	406,509	38,596	554,245

Included in motor insurance contract liabilities are the Group's proportionate share of LRC and LIC in MMIP of RM0.9 million and RM10.6 million, respectively (2023: LRC of RM0.7 million and LIC of RM11.9 million).

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24. INSURANCE CONTRACT LIABILITIES (CONT'D)

Group		Note	Liabilities for remaining coverage	Liabilities for incurred claims		Total RM'000
			Excluding loss components RM'000	Estimates of the present value of future cash flows RM'000	Risk adjustments RM'000	
2023						
Opening assets as at 1 October 2022			–	–	–	–
Opening liabilities as at 1 October 2022			106,684	392,593	37,029	536,306
Net opening balances as at 1 October 2022			106,684	392,593	37,029	536,306
Insurance revenue	32		(266,473)	–	–	(266,473)
Insurance service expenses	32		49,495	184,263	(1,698)	232,060
Incurred claims and other insurance service expenses			–	189,993	10,226	200,219
Amortisation of insurance acquisition cash flows	40		49,495	–	–	49,495
Changes to liabilities for incurred claims			–	(5,730)	(11,924)	(17,654)
Insurance service results			(216,978)	184,263	(1,698)	(34,413)
Insurance finance expenses	36		–	10,348	–	10,348
Total changes in the income statements			(216,978)	194,611	(1,698)	(24,065)
Cash flows						
Premium received			255,286	–	–	255,286
Claims and other insurance service expenses paid			–	(211,629)	–	(211,629)
Insurance acquisition cash flows			(47,356)	–	–	(47,356)
Total cash flows			207,930	(211,629)	–	(3,699)
Net closing balances as at 30 September 2023			97,636	375,575	35,331	508,542
Closing assets as at 30 September 2023			–	–	–	–
Closing liabilities as at 30 September 2023			97,636	375,575	35,331	508,542
Net closing balances as at 30 September 2023			97,636	375,575	35,331	508,542

Included in motor insurance contract liabilities are the Group's proportionate share of LRC and LIC in MMIP of RM0.7 million and RM11.9 million, respectively (2022: LRC of RM0.8 million and LIC of RM16.0 million).

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25. PAYABLES

	2024 RM'000	Group 2023 RM'000 Restated	2022 RM'000 Restated	Company 2024 RM'000	2023 RM'000
Trade payables:					
Refund premiums	5	10	9	–	–
Others	727	341	613	–	–
	732	351	622	–	–
Other payables:					
Accruals	3,665	4,144	6,593	826	862
Property development cost payable ⁽¹⁾	58,857	26,064	–	–	–
Allowance for unutilised leave	1,996	2,063	1,412	553	582
Collateral deposits	114	111	108	–	–
Stamp duty payable	412	431	473	–	–
Unearned income	2,000	1,664	1,345	–	–
Accrual of directors' fees	954	1,024	866	376	471
Unclaimed monies	4	5	7	–	–
Sales and Services Tax payable	3,505	2,434	2,262	–	–
Value Added Tax payable	119	112	119	–	–
Deposits received	1,111	1,180	1,174	–	–
Sales of property deposit received in Escrow	3,860	3,311	–	–	–
Due to insurance broker for property development insurance	–	–	15,779	–	–
Advance premium	2,053	1,852	2,164	–	–
Others	8,644	1,829	1,423	–	–
	87,294	46,224	33,725	1,755	1,915

⁽¹⁾ Included in property development cost payable of the Group is an amount of RM58,361,000 representing a material litigation between one of the Group's foreign subsidiary company and its suppliers. The details of the material litigation are disclosed in Note 57(a) and (b).

The normal trade credit terms granted to the Group is up to 90 days.

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26. DUE TO SUBSIDIARY COMPANIES

The amounts due to subsidiary companies are repayable in accordance with applicable terms, unsecured and interest-free, except for an amount of RM9,450,000 (2023: RM3,850,000) which bore interest between 4.75% and 7.85% (2023: 4.75% and 6.22%) per annum.

The currency exposure profile of the amounts due to subsidiary companies was as follows:

	Company	
	2024 RM'000	2023 RM'000
Ringgit Malaysia	10,556	4,541
United States Dollar	29	33
Thai Baht	–	15
	10,585	4,589

27. BORROWINGS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Secured:				
Revolving credits (a)	10	10	–	–
Term loan (c)(i)	–	765	–	–
Overdraft (d)	4,436	–	4,436	–
Unsecured:				
Revolving credits (b)	30,000	27,000	30,000	27,000
Term loan - bounce back loan (c)(ii)	105	167	–	–
	34,551	27,942	34,436	27,000

Analysis of repayment period of total borrowings are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Amount due within 1 year	34,501	27,832	34,436	27,000
Amount due within 2 to 5 years	50	110	–	–
	34,551	27,942	34,436	27,000

(a) Revolving Credit Facilities - secured

The revolving credit facilities of a subsidiary company is secured by a deposit of the said subsidiary company of RM506,000 (2023: RM786,000). The revolving credit facilities of the subsidiary company bore interest at 6.85% (2023: 6.82%) per annum.

The revolving credit facilities of the subsidiary company are due to mature within 1 year.

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27. BORROWINGS (CONT'D)

(b) Revolving Credit Facilities - Unsecured

The revolving credit facilities of the Company, utilised for both working capital and property development needs, bore interest rates between 5.19% and 5.34% (2023: 4.88% and 5.24%) per annum and are due to mature within 1 year.

(c) Term Loans

(i) Term Loan - Secured

In previous financial year, the term loan of a foreign subsidiary company of RM765,000 was secured by a deposit of the said subsidiary company of RM999,000. The term loan bore interest at 4.62% per annum and matured on 30 March 2024.

The term loan was fully repaid on 4 April 2024.

(ii) Bounce Back Loan - Unsecured

The bounce back loan ("BBL") of RM105,000 was assumed by the Group through the acquisition of a subsidiary company (Acumentive Limited) as disclosed in Note 11. 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.

(d) Overdraft - Secured

The overdraft facilities bore interest at 8.45% per annum and are repayable on demand.

28. SHARE CAPITAL

		Group/Company			
		Number of shares		Amount	
	Note	2024 '000	2023 '000	2024 RM'000	2023 RM'000
Issued and fully paid ordinary shares:					
Ordinary shares:					
At 1 October		288,593	287,988	148,874	148,293
Exercise of ESOS	43	7,556	605	6,950	581
<hr/>					
At 30 September		296,149	288,593	155,824	148,874

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28. SHARE CAPITAL (CONT'D)

(a) Treasury Shares

	Number of shares		Group/Company	
	2024 '000	2023 '000	2024 RM'000	2023 RM'000
At 1 October	19,303	19,303	20,192	20,192
Disposed	(4,808)	–	(5,029)	–
At 30 September	14,495	19,303	15,163	20,192

* This amount includes acquisition costs of treasury shares.

The shareholders of the Company, by an ordinary resolution passed at a general meeting held on 8 March 2024 (2023: 8 March 2023), approved the renewal of the Company's plan to purchase its own ordinary shares.

There were no shares purchased during the current and previous financial year. During the financial year, the Company resold 4,807,700 treasury shares for a total consideration of RM4,703,685 (after deducting transaction costs) in the open market at an average price of RM0.97 per share, resulting in a deficit of RM325,174 which has been debited to retained profits.

Of the total 296,149,333 (2023: 288,593,333) issued and fully paid ordinary shares as at 30 September 2024, 14,495,793 (2023: 19,303,493) are held as treasury shares by the Company in accordance with Section 127 of the Companies Act, 2016. The number of outstanding ordinary shares in issue and fully paid after deduction of treasury shares are therefore 281,653,540 (2023: 269,289,840) ordinary shares.

There was no cancellation of treasury shares during the financial year.

29. RESERVES (NON-DISTRIBUTABLE)

(a) Merger Reserve

Merger reserve arose from the business combination exercise of the insurance subsidiary company in financial year 1995 which was accounted for using the merger method of accounting.

(b) Translation Reserve

Translation reserve is in respect of exchange differences arising from translation of financial statements of foreign subsidiaries and associated companies whose functional currencies are different from that of the Group's presentation currency.

(c) Revaluation Reserve

Revaluation reserve is in respect of increases in the fair value of freehold land and freehold and leasehold buildings classified as property, plant and equipment (Note 5).

(d) Fair Value Through Other Comprehensive Income ("FVOCI") Reserve

FVOCI reserve is in respect of unrealised gains or losses (net of tax) arising from changes in fair values of financial instruments classified as FVOCI.

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29. RESERVES (NON-DISTRIBUTABLE) (CONT'D)

(e) Share Options Reserve

Share options reserve represents the value of equity-settled share options granted and vested to eligible employees and Executive Directors as at 30 September 2024. This reserve is made up of the cumulative value of services received from eligible employees/Executive Directors recorded on grant of share options.

30. DIVIDENDS

	Group/Company Sen per share	Total amount RM'000	Date of payment
2023			
In respect of the financial year ended 30 September 2022:			
5th interim single tier dividend of 1.20 sen, declared on 21 October 2022	1.20	3,224	23 November 2022
In respect of the financial year ended 30 September 2023:			
1st interim single tier dividend of 1.20 sen per share, declared 20 December 2022	1.20	3,226	20 January 2023
2nd interim single tier dividend of 1.20 sen per share, declared on 28 February 2023	1.20	3,228	28 March 2023
3rd interim single tier dividend of 1.20 sen per share, declared on 26 April 2023	1.20	3,230	25 May 2023
	4.80	12,908	

All dividends of the Company are paid on the issued ordinary shares (net of treasury shares).

No dividend has been declared or paid by the Company in the current financial year.

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31. REVENUE

Revenue of the Group represents insurance revenue and investment income (inclusive of amortisation of premiums, net of accretion of discounts) of the insurance subsidiary company, sales of goods and services, interest income on loans granted and investment income of the Company. Revenue of the Company represents interest income on advances to subsidiary companies, investment income and fees for the provision of management services.

		Group		Company	
	Note	2024 RM'000	2023 RM'000 Restated	2024 RM'000	2023 RM'000
Revenue from other sources					
Insurance revenue	32	269,453	266,473	–	–
Gross dividends:					
- shares quoted in Malaysia		165	599	42	120
- unit trusts		3,684	2,720	–	–
- subsidiary companies		–	–	1,000	17,328
Interest income:					
- subsidiary companies		–	–	13,099	11,111
- corporate debt securities		3,819	4,171	–	–
- deposits and placements with financial institutions		7,538	4,803	109	544
- loans to third parties		–	33	–	–
Income from Islamic fixed deposit		472	464	–	–
MMIP investment income		1,304	3,144	–	–
Malaysian Reinsurance Berhad ("MRB") investment income		4	9	–	–
Rental income from equipment under leasing		10	327	–	–
Total revenue from other sources		286,449	282,743	14,250	29,103
Revenue from contracts with customers					
Sale of hardware, software and subscription services		6,344	4,599	–	–
Provision of software customisation and professional services		1,990	2,773	–	–
Provision of hardware and software maintenance services		3,635	3,211	–	–
Management services fees		–	–	5,611	7,194
Total revenue from contracts with customers (i)		11,969	10,583	5,611	7,194
Total revenue		298,418	293,326	19,861	36,297

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31. REVENUE (CONT'D)

- (i) Set out below is the disaggregation of the Group's and the Company's revenue from contracts with customers:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Geographical markets				
Malaysia	508	703	4,715	5,677
Thailand	10,363	9,012	333	572
United States of America	10	162	563	945
United Kingdom of Great Britain	1,088	706	–	–
Total revenue from contracts with customers	11,969	10,583	5,611	7,194
Timing of revenue recognition:				
Goods transferred at a point in time	1,653	2,752	–	–
Services transferred over time	10,316	7,831	5,611	7,194
Total revenue from contracts with customers	11,969	10,583	5,611	7,194

Included in the revenue recognised by the Group are amounts recognised in unearned income at the beginning of the year amounting to RM1,419,000 (2023: RM1,164,000).

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32. INSURANCE SERVICE RESULT

		Group	
	Note	2024 RM'000	2023 RM'000 Restated
Insurance revenue:			
- Contracts measured under the PAA	24,31,47	269,453	266,473
Insurance service expenses:			
- Incurred claims and benefits		(170,708)	(162,941)
- Incurred other maintenance expenses		(36,136)	(37,278)
- Amortisation of insurance acquisition cash flows		(50,757)	(49,495)
- Changes to liabilities for incurred claims		(19,645)	17,654
	24,40,47	(277,246)	(232,060)
Insurance service result before reinsurance		(7,793)	34,413
Allocation of reinsurance premiums under PAA	18,47	(111,918)	(105,254)
Amounts recoverable from reinsurers for incurred claims:			
- Amounts recoverable for incurred claims and other expenses		69,837	62,223
- Changes in amounts recoverable from liabilities for incurred claims		27,189	(5,785)
	18,47	97,026	56,438
Net expenses from reinsurance contracts held		(14,892)	(48,816)
Insurance service result		(22,685)	(14,403)

33. INVESTMENT INCOME

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Gross dividends:				
- shares quoted in Malaysia	165	599	42	120
- unit trusts	3,684	2,720	–	–
- subsidiary companies	–	–	1,000	17,328
Interest income:				
- subsidiary companies	–	–	13,099	11,111
- corporate debt securities	3,819	4,171	–	–
- deposits and placements with financial institutions	7,538	4,803	109	544
- loans to third parties	–	33	–	–
Income from Islamic fixed deposit	472	464	–	–
MMIP investment income	1,304	3,144	–	–
Malaysian Reinsurance Berhad (“MRB”) investment income	4	9	–	–
Rental income from equipment under leasing	10	327	–	–
Total investment income	16,996	16,270	14,250	29,103

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34. FAIR VALUE (LOSSES)/GAINS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Fair value (losses)/gains:				
- Financial assets at FVTPL:				
Warrants	2	(5,365)	–	–
Unit trusts	(6,842)	6,526	–	–
Shares quoted in Malaysia	1,576	630	95	123
	(5,264)	1,791	95	123

35. REALISED GAINS/(LOSSES), NET

		Group		Company	
	Note	2024 RM'000	2023 RM'000 Restated	2024 RM'000	2023 RM'000
Realised gains/(losses):					
- Foreign exchange		518	(1,003)	42	(246)
- Financial assets at FVTPL:					
Warrants		–	5,995	–	–
Unit trusts		12,090	624	–	–
Shares quoted in Malaysia		(236)	(430)	110	2
- Derecognition of ROU assets	8(d)	47	334	–	–
- Disposal of property, plant and equipment		120	(68)	–	(39)
		12,539	5,452	152	(283)

36. INSURANCE FINANCE EXPENSES FOR INSURANCE CONTRACTS ISSUED

		Group	
	Note	2024 RM'000	2023 RM'000
Interest accreted to insurance contracts using current financial assumption		(7,515)	(8,746)
Effect of changes in interest rates and other financial assumptions		(1,049)	(1,602)
Total insurance finance expenses for insurance contracts issued	24	(8,564)	(10,348)

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37. REINSURANCE FINANCE INCOME FOR REINSURANCE CONTRACTS HELD

		Group	
	Note	2024 RM'000	2023 RM'000
Interest accreted to insurance contracts using current financial assumption		2,604	2,750
Effect of changes in interest rates and other financial assumptions		453	601
Changes in non-performance risk by reinsurers		580	40
Total reinsurance finance income for reinsurance contracts held	18	3,637	3,391

38. OTHER REVENUE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Sale of hardware, software and subscription services	6,344	4,599	–	–
Provision of software customisation and professional services	1,990	2,773	–	–
Provision of hardware and software maintenance services	3,635	3,211	–	–
Management services fees	–	–	5,611	7,194
	11,969	10,583	5,611	7,194

39. OTHER OPERATING INCOME

		Group		Company	
	Note	2024 RM'000	2023 RM'000 Restated	2024 RM'000	2023 RM'000
Interest income from deposits		475	858	–	–
Interest income from lease receivables	8(d)	49	55	–	–
Income from Islamic fixed deposit		80	73	–	–
Dividend income from preference shares		5	–	–	–
Gain on foreign exchange: - unrealised		–	10,829	–	8,859
Net gain on remeasurement of leases	8(d)	–	22	–	–
Insurance policy transfer fees		4	5	–	–
Others		1,336	109	4	3
		1,949	11,951	4	8,862

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40. OTHER OPERATING EXPENSES

		Group		Company	
	Note	2024 RM'000	2023 RM'000 Restated	2024 RM'000	2023 RM'000
Incurred claims and benefits		190,353	145,287	–	–
Commission expense		30,450	25,885	–	–
Auditors' remuneration:					
- statutory audit		1,086	820	472	331
- other regulatory related services		52	50	8	8
- other assurance services		250	150	–	–
Audit fees to other audit firms		278	230	–	–
Staff costs	41	41,522	47,044	7,361	10,123
Non-executive directors' remuneration	42	1,097	1,169	383	471
Depreciation of property, plant and equipment	44	6,528	6,601	445	530
Amortisation of intangible assets	44	647	720	5	7
Property, plant and equipment written off		6	95	2	–
Intangible assets written off		–	28	–	7
Inventories written off		39	12	–	–
Expenses relating to leases of low-value assets	8(d)	115	172	136	138
Expenses relating to short-term leases	8(d)	330	324	29	92
Net loss on remeasurement of leases		264	–	–	–
Loss on remeasurement of previously held interests in an associated company	11 ⁽ⁱ⁾ (iv)	–	1,396	–	–
Allowance for impairment/ (Write back of allowance for):					
- investment in a subsidiary company		–	–	13,387	–
- amounts due from subsidiary companies ⁽ⁱ⁾		–	–	161,539	578
- investment in associated companies	12	13,162	–	–	–
- amounts due from associated companies	21	3,474	(398)	–	–
- trade receivables	61(a)(ii)	31	(825)	–	–
- corporate debt securities	61(a)(ii)	6	7	–	–
Bad debts written off:					
- trade receivables		17	9	–	–

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40. OTHER OPERATING EXPENSES (CONT'D)

Note	Group		Company	
	2024 RM'000	2023 RM'000 Restated	2024 RM'000	2023 RM'000
Loss on foreign exchange:				
- unrealised	34,566	–	30,612	–
Information system expenses	4,144	6,772	–	–
Office maintenance	669	658	–	–
Printing and stationery	572	598	77	90
Rental of office equipment	3,700	1,936	313	312
Repair and maintenance	758	546	53	61
Security services	726	904	159	157
Upkeep	1,635	1,707	–	–
Travelling and transport	2,438	2,844	486	1,140
Bank charges	442	374	8	23
Credit card charges	1,228	1,094	–	–
Professional fee	4,162	4,248	809	1,340
Business development	5,682	6,079	192	–
Levy	793	603	–	–
Property tax	403	380	–	–
Service tax	1,463	1,118	37	16
Withholding tax	1,307	1,909	338	–
Subscription fee	911	759	356	264
Others	3,833	4,713	477	1,535
	359,139	266,018	217,684	17,223
Amounts attributed to insurance				
acquisition cash flows				
incurred during the year	(50,442)	(43,996)	–	–
Amortisation of insurance				
acquisition cash flows	24 50,757	49,495	–	–
	359,454	271,517	217,684	17,223

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40. OTHER OPERATING EXPENSES (CONT'D)

		Group		Company	
	Note	2024 RM'000	2023 RM'000 Restated	2024 RM'000	2023 RM'000
Represented by:					
Insurance service expenses	32	277,246	232,060	–	–
Other operating expenses		82,208	39,457	217,684	17,223
		359,454	271,517	217,684	17,223

(1) During the year, a net impairment loss of RM161,539,000 (2023: RM578,000) was recognised in respect of the amounts due from subsidiary companies as their carrying amounts exceeded their recoverable amounts and it is not expected that the subsidiary companies will be able to repay the amounts owing.

41. STAFF COSTS

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Salaries, wages and bonus		34,686	37,664	6,352	8,255
(Write back of)/Allowance for unutilised leave		(76)	676	(29)	200
Pension cost:					
- defined contribution plan		3,595	3,887	754	983
- defined benefit plan		102	210	–	–
ESOS	43	46	140	4	58
Staff general insurance		978	1,024	94	127
Staff training		43	79	–	1
Staff welfare		674	1,592	(12)	266
Medical fee		334	336	93	124
Other staff related expenses		1,140	1,436	105	109
	40	41,522	47,044	7,361	10,123

Included in staff costs of the Group and of the Company are executive directors' and chief executive officer's remuneration (excluding benefits-in-kind) amounting to RM4,648,000 (2023: RM6,108,000) and RM1,656,000 (2023: RM3,118,000) respectively as further disclosed in Note 42.

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42. DIRECTORS' AND CHIEF EXECUTIVE OFFICERS' REMUNERATION

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Directors of the Company					
Executive director/chief executive officer:					
Salaries and other remuneration		1,483	1,466	1,483	1,466
Bonus	(i)	(124)	1,183	(124)	1,183
ESOS		–	17	–	17
Pension cost:					
- Defined contribution plan	(ii)	177	332	177	332
- Defined benefit plan		56	56	–	–
Benefits-in-kind		46	45	46	45
Allowances		612	610	120	120
		2,250	3,709	1,702	3,163
Non-Executive directors:					
Fees		475	560	357	431
Meeting allowance		26	40	26	40
Benefits-in-kind		5	5	3	3
		506	605	386	474
Directors of Subsidiary Companies					
Executive directors/chief executive officers:					
Salaries and other remuneration		1,972	1,861	–	–
Bonus		39	252	–	–
Gratuity		50	–	–	–
ESOS		–	19	–	–
Allowance for unutilised leave		66	2	–	–
Pension cost:					
- Defined contribution plan		128	114	–	–
- Defined benefit plan		–	(50)	–	–
Other short-term benefits		185	246	–	–
Benefits-in-kind		75	187	–	–
Allowances		4	–	–	–
		2,519	2,631	–	–
Non-Executive directors					
Fees		586	569	–	–
Benefits-in-kind		13	32	–	–
Other short-term benefits		10	–	–	–
		609	601	–	–
Total		5,884	7,546	2,088	3,637

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42. DIRECTORS' AND CHIEF EXECUTIVE OFFICERS' REMUNERATION (CONT'D)

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Analysis excluding benefits-in-kind:					
Total executive directors' remuneration	41	4,648	6,108	1,656	3,118
Total non-executive directors' remuneration	40	1,097	1,169	383	471
Total directors' remuneration excluding benefits-in-kind		5,745	7,277	2,039	3,589

- (i) Included in the bonus in the previous financial year ended 30 September 2023 is an amount of RM1,059,000 representing a bonus in respect of the financial year ended 30 September 2022, which was paid to the Director of the Company during the previous financial year.

No bonus was declared or paid to the Director of the Company in respect of the financial years ended 30 September 2024 and 30 September 2023.

- (ii) The pension cost - defined contribution plan for the financial year ended 30 September 2023 includes an amount of RM127,000, representing pension contributions related to the bonus paid to the Director of the Company for the financial year ended 30 September 2022.

43. EMPLOYEES' SHARE OPTION SCHEME

The ESOS was approved by the shareholders at the Annual General Meeting on 20 February 2019, and came into effect on 17 June 2019. The ESOS was in force for an initial period of up to five years, expiring on 16 June 2024. The Directors of the Company had, on 16 August 2023, extended the duration of the ESOS for an additional five years, from 17 June 2024 to 16 June 2029, in accordance with the terms of the ESOS By-Laws. The extension was made to allow existing employees whose ESOS options have vested with additional time to exercise their options as well as to allow an opportunity for eligible employees who had contributed to the growth and development of the Group to participate in the scheme.

The main features of the ESOS are as follows:

- (a) The ESOS is made available to eligible employees and Executive Directors who are confirmed employees/Executive Directors of the Group and the Company, as amended from time to time, and any re-enactment thereof;
- (b) The number of options offered under the ESOS shall not exceed in aggregate 15% of the total issued and paid-up ordinary share capital of the Company (excluding treasury shares) at any one time during the duration of the ESOS, or such percentage of the issued and paid-up share capital of the Company as may be permitted by Bursa Malaysia Securities Berhad ("Bursa Securities") from time to time during the duration of the ESOS;

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43. EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

The main features of the ESOS are as follows: (Cont'd)

- (c) The exercise price under the ESOS shall be based on the five days weighted average market price of the ordinary shares of the Company immediately preceding the date of offer of the ESOS as shown in the daily official list issued by the Bursa Securities, and at the sole discretion of the ESOS Committee with either a:
 - (i) premium; or
 - (ii) discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Securities and any other relevant authorities from time to time.
- (d) The maximum number of options, which may be offered to any eligible employee and Executive Director shall be at the discretion of the ESOS Committee after taking into consideration, amongst others, the eligible employee's/Executive Director's position, performance and length of service in the Group and the Company respectively, or such other matters that the ESOS Committee may in its discretion deem fit, subject to the following:
 - (i) not more than 50% of the options available under the ESOS shall be allocated in aggregate to Executive Directors and senior management of the Group and the Company; and
 - (ii) not more than 10% of the options available under the ESOS shall be allocated to any individual Executive Director or eligible employee who, either singly or collectively through persons connected with that Executive Director or eligible employee, holds 20% or more of the issued ordinary shares of the Company (excluding treasury shares, if any).
- (e) An option granted under the ESOS may be exercised by the grantee upon achieving the vesting conditions set by the ESOS Committee;
- (f) A grantee of the option shall not be entitled to any dividends, right or other entitlement on the option relating to his/her unexercised options; and
- (g) The new ordinary shares of the Company to be allotted and issued pursuant to any exercise of an option will, upon such allotment and issuance, rank equally in all respects with the then existing issued share capital of the Company.

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43. EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

The options granted to an eligible employee/Executive Director under the ESOS is exercisable by the said employee/Executive Director during his/her employment or directorship with the Group and upon meeting the vesting conditions of the ESOS stated as follows:

ESOS Vesting Structure

Number of Option Shares Granted	Maximum Percentage of Option Shares Exercisable by the Individual Director or Eligible Employee within each particular year of the ESOS				
	Year 1	Year 2	Year 3	Year 4	Year 5
First Grant - 13 Sept 2019					
Below 25,000	100%	–	–	–	–
25,000 to less than 100,000	33%	33%	34%	–	–
Above 100,000	20%	20%	20%	20%	20%
Second Grant - 28 Sept 2020					
Below 25,000	100%	–	–	–	–
25,000 to less than 100,000	33%	33%	34%	–	–
Above 100,000	25%	25%	25%	25%	–
Third Grant - 30 Sept 2021					
Below 25,000	100%	–	–	–	–
25,000 to less than 100,000	33%	33%	34%	–	–
Above 100,000	33%	33%	34%	–	–
Fourth Grant - 30 Sept 2022					
Below 25,000	100%	–	–	–	–
25,000 to less than 100,000	50%	50%	–	–	–
Above 100,000	50%	50%	–	–	–
Fifth Grant - 30 Sept 2023					
Below 25,000	100%	–	–	–	–
25,000 to less than 100,000	33%	33%	34%	–	–
Above 100,000	20%	20%	20%	20%	20%
Sixth Grant - 30 Sept 2024					
Below 25,000	65%	16%	19%	–	–
25,000 to less than 100,000	22%	22%	26%	15%	15%
Above 100,000	20%	20%	20%	20%	20%

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43. EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

The movements in share options pursuant to the ESOS during the financial years ended 30 September 2024 and 30 September 2023 are as follows:

2024

Grant Date	Extended Expiry Date	Exercise Price	Number of Options				Outstanding as at 30 Sept 2024	Vested and exercisable as at 30 Sept 2024
			Outstanding as at 1 Oct 2023	Granted	Forfeited	Exercised		
13 Sept 2019	16 June 2029	RM0.89	15,618,000	–	(1,009,000)	(4,500,000)	10,109,000	10,109,000
28 Sept 2020	16 June 2029	RM0.73	3,814,000	–	(868,000)	(2,650,000)	296,000	296,000
30 Sept 2021	16 June 2029	RM0.84	7,000	–	–	–	7,000	7,000
30 Sept 2022	16 June 2029	RM0.95	1,579,000	–	(425,000)	(395,000)	759,000	759,000
30 Sept 2023	16 June 2029	RM0.92	629,000	–	(39,000)	–	590,000	349,000
30 Sept 2024	16 June 2029	RM0.68	–	681,000	–	(11,000)	670,000	181,000
			21,647,000	681,000	(2,341,000)	(7,556,000)	12,431,000	11,701,000

Weighted average exercise price : RM0.87 RM0.68 RM0.84 RM0.84 RM0.88 RM0.89

2023

Grant Date	Extended Expiry Date	Exercise Price	Number of Options				Outstanding as at 30 Sept 2023	Vested and exercisable as at 30 Sept 2023
			Outstanding as at 1 Oct 2022	Granted	Forfeited	Exercised		
13 Sept 2019	16 June 2029	RM0.89	17,242,000	–	(1,103,000)	(521,000)	15,618,000	15,618,000
28 Sept 2020	16 June 2029	RM0.73	3,934,000	–	(70,000)	(50,000)	3,814,000	3,814,000
30 Sept 2021	16 June 2029	RM0.84	75,000	–	(40,000)	(28,000)	7,000	7,000
30 Sept 2022	16 June 2029	RM0.95	1,616,000	–	(31,000)	(6,000)	1,579,000	1,579,000
30 Sept 2023	16 June 2029	RM0.92	–	629,000	–	–	629,000	251,000
			22,867,000	629,000	(1,244,000)	(605,000)	21,647,000	21,269,000

Weighted average exercise price : RM0.87 RM0.92 RM0.88 RM0.88 RM0.87 RM0.87

The weighted average share price at the date of exercise for share options exercised during the year was RM0.95 (2023: RM1.05). As at 30 September 2024, the outstanding options had an extended weighted average remaining contractual life of 4.71 years (2023: 5.72 years).

The fair values of share options were estimated by the Group and the Company using the Black-Scholes-Merton ("BSM") option pricing model, taking into account the terms and conditions upon which the options were granted.

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43. EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

The key inputs used in the BSM model for the purposes of calculating the fair values of the options are as follows:

		Grant dates					
		30 Sept 2024	30 Sept 2023	30 Sept 2022	30 Sept 2021	28 Sept 2020	14 Sept 2019
Fair value of share option	(RM)	0.076-0.089	0.105-0.113	0.101-0.117	0.087-0.093	0.075-0.086	0.085-0.087
Share option exercise price	(RM)	0.68	0.92	0.95	0.84	0.73	0.89
Price of underlying share	(RM)	0.72	0.98	1.02	0.925	0.830	0.975
Expected share option term	(Years)	2-5	2-5	2-5	2-5	2-5	2-5
Expected volatility of share price	(%)	19.50	22.28	22.21	18.31	15.96	14.23
Expected dividend yield (continuously compounded rate)	(%)	5.20	6.76	6.51	6.10	6.08	5.55
Risk-free interest rate	(%)	3.18-4.18	3.24-4.34	3.08-4.89	1.77-4.17	1.74-3.85	3.02-3.78

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

	Group/Company	
	2024	2023
	RM'000	RM'000
Share options reserve at 1 October	1,851	1,865
Option charge recognised from share options granted	46	140
Option charge relating to forfeiture of ESOS	(204)	(102)
Option exercised during the year	(628)	(52)
Share options reserve at 30 September	1,065	1,851

Value of employee services received for issuance of share options are as follows:

		Group		Company	
	Note	2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Share options expense:					
By the Company		46	140	46	140
Allocation to subsidiaries #		–	–	(42)	(82)
Total share options expense	41	46	140	4	58

Share options expense allocated to subsidiaries is recognised as additional equity contribution to the subsidiaries. As at 30 September 2024, equity contribution to subsidiaries (net of share options forfeited) pursuant to the ESOS was RM1,124,000 (30 September 2023: RM1,285,000) as disclosed in Note 11.

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44. DEPRECIATION AND AMORTISATION

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Depreciation of:					
- property, plant and equipment	5	1,870	1,978	20	29
- right-of-use assets	8(a)(i)	4,658	4,623	425	501
	40	6,528	6,601	445	530
Amortisation of:					
- intangible assets	7,40	647	720	5	7

45. FINANCE COSTS

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest expense on:					
- borrowings		455	141	2,295	659
- lease liabilities	8(a)(ii)	528	582	47	64
Others		17	170	10	161
		1,000	893	2,352	884

46. (LOSS)/PROFIT BEFORE TAXATION

		Group		Company	
	Note	2024 RM'000	2023 RM'000 Restated	2024 RM'000	2023 RM'000
Determined as follow:					
Insurance subsidiary company	47	(12,427)	(7,291)	–	–
Others		(328,613)	9,824	(199,924)	26,892
Before consolidation		(341,040)	2,533	(199,924)	26,892
Consolidation adjustments		265,079	(20,427)	–	–
After consolidation		(75,961)	(17,894)	(199,924)	26,892
Share of losses of associated companies (net of tax)	12	(2,225)	(2,084)	–	–
		(78,186)	(19,978)	(199,924)	26,892

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47. LOSS BEFORE TAXATION - INSURANCE SUBSIDIARY COMPANY

	Note	2024 RM'000	Group 2023 RM'000 Restated
Insurance revenue	32	269,453	266,473
Insurance service expenses	32,50	(277,246)	(232,060)
Insurance service result before reinsurance		(7,793)	34,413
Allocation of reinsurance premiums	32	(111,918)	(105,254)
Amounts recoverable from reinsurers for incurred claims	32	97,026	56,438
Net expense from reinsurance contracts held		(14,892)	(48,816)
Insurance service result		(22,685)	(14,403)
Investment income	48	17,072	15,488
Fair value (losses)/gains		(5,469)	1,908
Realised gains, net	49	12,210	6,070
Total investment income		23,813	23,466
Insurance finance expenses for insurance contracts issued		(8,564)	(10,348)
Reinsurance finance income for reinsurance contracts held		3,637	3,391
Net insurance financial result		(4,927)	(6,957)
Other expenses	50	(8,334)	(9,090)
Finance costs		(294)	(307)
Total other income and expenses		(8,628)	(9,397)
Loss before taxation	46	(12,427)	(7,291)

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48. INVESTMENT INCOME - INSURANCE SUBSIDIARY COMPANY

		Group	
	Note	2024 RM'000	2023 RM'000
Dividend income:			
- shares quoted in Malaysia		123	480
- unit trusts		3,685	2,719
Interest income:			
- corporate debt securities		3,819	4,172
- deposits and placements with financial institutions		7,428	4,257
Income from Islamic fixed deposits		472	464
Rental income from investment properties		238	243
Investment income from:			
- MMIP		1,303	3,144
- Malaysian Reinsurance Berhad ("MRB")		4	9
	47	17,072	15,488

49. REALISED GAINS, NET - INSURANCE SUBSIDIARY COMPANY

		Group	
	Note	2024 RM'000	2023 RM'000
Realised (losses)/gains for:			
- Financial assets at FVTPL			
- quoted shares		(346)	(433)
- warrants		-	5,995
- unit trusts		12,090	624
- Disposal of property, plant and equipment		(1)	(57)
- Derecognition of right-of-use assets		-	(53)
- Foreign exchange		467	(6)
	47	12,210	6,070

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50. EXPENSES - INSURANCE SUBSIDIARY COMPANY

		2024	Group 2023
	Note	RM'000	RM'000 Restated
Incurring claims and benefits		190,353	145,287
Commission expense		30,450	25,885
Chief executive officers' remuneration	51	1,030	904
Directors' remuneration	51	560	529
Staff salaries and bonus		16,118	16,295
Allowance for unutilised leave		30	264
Staff pension cost – defined contribution plan		1,947	1,975
Other staff benefits		1,701	2,446
Employees share option expense		25	63
Depreciation:			
- property, plant and equipment		1,328	1,259
- right-of-use assets		2,668	2,353
Auditors' remuneration:			
- statutory audit		470	336
- regulatory related services		44	42
- other assurance services		250	150
Amortisation:			
- intangible assets		425	274
Management fees:			
- holding company		1,822	1,490
- third party		60	131
Call centre service charges:			
- third parties		–	20
- fellow subsidiary company		809	660
Subscription and software maintenance services:			
- third parties		3	2
- fellow subsidiary company		–	188
Leases of low-value assets		738	416
Expense on short-term leases		1,110	1,698
Printing and information system expenses:			
- third parties		2,363	2,493
- fellow subsidiary company		16,777	18,069
Business development		4,791	2,910
Bank charges		51	45
Credit card charges		1,228	1,094
Office administration and utilities		1,635	1,678
Share of MMIP expenses		314	271
Professional fees		1,742	1,552
Motor vehicle expenses		397	469
Travelling and transport expenses		74	108
Road transport department access fees		319	209
General insurance		145	64
Subscription fees		284	254
Levy		479	418
Motor assist and towing services		1,540	1,290
Legal fees		7	375
Takaful and Insurance Benefits Protection System ("TIPS") premium		264	136

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50. EXPENSES - INSURANCE SUBSIDIARY COMPANY (CONT'D)

		Group	
	Note	2024 RM'000	2023 RM'000 Restated
Property, plant and equipment written off		4	6
Allowance for impairment of corporate debt securities		6	7
Gain on remeasurement of lease liabilities		–	(3)
Other expenses		904	1,539
		285,265	235,651
Amounts attributed to insurance acquisition cash flows incurred during the year		(50,442)	(43,996)
Amortisation of insurance acquisition cash flows		50,757	49,495
		285,580	241,150
Represented by:			
Insurance service expenses	47	277,246	232,060
Other expenses	47	8,334	9,090
		285,580	241,150

51. DIRECTORS' AND CHIEF EXECUTIVE OFFICERS' REMUNERATION - INSURANCE SUBSIDIARY COMPANY

		Group	
	Note	2024 RM'000	2023 RM'000
Chief Executive Officers:			
- salaries		869	719
- bonus		–	87
- ex-Gratia		50	–
- defined contribution plan		111	98
- benefits-in-kind		42	107
- ESOS		–	16
		1,072	1,027
Total Chief Executive Officers' remuneration excluding benefits-in-kind and ESOS	50	1,030	904
Executive director:			
- allowance		50	50
Non-executive directors:			
- fee		510	479
- benefits-in-kind		15	34
		525	513
Total Directors' remuneration excluding benefits-in-kind	50	560	529

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52. INCOME TAX

		Group		Company	
	Note	2024 RM'000	2023 RM'000 Restated	2024 RM'000	2023 RM'000
Income tax:					
Current year's provision					
- Malaysian tax		1,780	195	–	–
(Over)/under provision in prior years		(752)	1,153	–	89
		1,028	1,348	–	89
Deferred tax:					
Relating to timing differences		(1,884)	672	35	317
Under provision in prior years		769	14	7	7
Transferred (to)/from deferred taxation	9	(1,115)	686	42	324
		(87)	2,034	42	413

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the year.

A reconciliation of income tax expense applicable to (loss)/profit before tax at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:

	Group	
	2024 RM'000	2023 RM'000 Restated
Loss before taxation	(78,186)	(19,978)
Taxation at Malaysian statutory tax rate of 24% (2023: 24%)	(18,765)	(4,795)
Effects of different tax rates in other countries	(2,519)	(34)
Income not subject to tax	(118)	(4,917)
Expenses not deductible for tax purposes	17,382	3,518
Effects of share of losses of associated companies	534	500
Deferred tax asset not recognised during the year	4,350	2,949
(Over)/under provision of tax expense in prior years	(752)	1,153
Under provision of deferred tax in prior years	769	14
Consolidation adjustments	(918)	3,616
Utilisation of previous years' unused tax losses and unabsorbed capital allowances	(46)	(33)
Translation differences	(4)	63
Tax (credit)/expense for the year	(87)	2,034

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52. INCOME TAX (CONT'D)

A reconciliation of income tax expense applicable to (loss)/profit before tax at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows: (Cont'd)

	Company	
	2024 RM'000	2023 RM'000
(Loss)/profit before taxation	(199,924)	26,892
Taxation at Malaysian statutory tax rate of 24% (2023: 24%)	(47,982)	6,454
Income not subject to tax	(3,208)	(8,374)
Expenses not deductible for tax purposes	51,225	2,237
Under provision of tax expense in prior years	–	89
Under provision of deferred tax in prior years	7	7
Tax expense for the year	42	413

As at 30 September 2024, the Company has unabsorbed capital allowances of approximately RM2,524,000 (2023: RM2,504,000), subject to agreement with the Inland Revenue Board, which can be used to offset future taxable profits arising from business income.

53. EARNINGS PER SHARE (SEN)

(a) Basic

Basic loss per share is calculated by dividing the net loss for the year by the weighted average number of ordinary shares in issue during the financial year.

		2024	Group 2023 Restated
Net loss for the year attributable to equity holders of the Company	(RM'000)	(72,750)	(18,289)
Weighted average number of ordinary shares in issue	('000)	280,197	269,016
Basic loss per share	(sen)	(25.96)	(6.80)

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53. EARNINGS PER SHARE (SEN) (CONT'D)

(b) Diluted

Diluted loss per ordinary share is calculated by dividing net loss for the year by the weighted average number of ordinary shares in issue during the financial year adjusted for the effects of dilutive potential ordinary shares.

		2024	Group 2023 Restated
Net loss for the year attributable to equity holders of the Company	(RM'000)	(72,750)	(18,289)
Weighted average number of ordinary shares in issue	('000)	*	*
Effects of dilution of ESOS	('000)	*	*
Weighted average number of ordinary shares for calculation of diluted earnings per share	('000)	*	*
Diluted loss per share	(sen)	*	*

* The diluted loss per share for the current financial year is not presented as the effects of the dilutive potential ordinary shares on the basic loss per share is anti-dilutive.

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54. OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Items that may not be reclassified to income statements in subsequent periods:				
- Fair value changes on FVOCI financial assets				
- equity instruments:				
- (Loss)/gain on fair value changes	(70)	209	–	(1,007)
- Deferred tax	(21)	468	–	–
- Tax expense on disposal of FVOCI financial assets	37	(749)	–	–
Net loss	(54)	(72)	–	(1,007)
- Surplus from revaluation of land and buildings				
- Gross surplus from revaluation	1,359	1,482	–	–
- Deferred tax	(326)	(356)	–	–
Net gain	1,033	1,126	–	–
Items that may be reclassified to income statements in subsequent periods:				
- Currency translation differences in respect of foreign operations	11,265	(2,971)	–	–
- Fair value changes on FVOCI financial assets				
- debt instruments:				
- (Loss)/gain on fair value changes	(208)	1,188	–	–
- Deferred tax	86	(285)	–	–
Net (loss)/gain	(122)	903	–	–
Other comprehensive income/(loss) for the year, net of tax	12,122	(1,014)	–	(1,007)

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55. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have 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 Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

- (a) The following transactions with related parties were carried out under the terms and conditions negotiated with the related parties:

	Company	
	2024	2023
	RM'000	RM'000
Subsidiary companies - Income:		
Dividend income	1,000	17,328
Interest income on loans	13,099	11,111
Management fee income	5,611	7,194
Subsidiary companies - Expenditure:		
Lease/rental of office	255	269
Lease/rental of office equipment	328	314
Subscription and software maintenance services	119	83
Information technology advisory services	613	1,100
Interest expense	384	205
Telephone & fax	195	166
Subscription fees	234	161
Corporate advisory services - expenditure		
Corporate advisory services rendered to the Company by Messrs. Foong & Partners, a firm in which a director of a subsidiary company, Dato' Foong Chee Meng, has interest.	84	37
	Group	
	2024	2023
	RM'000	RM'000
Substantial shareholder of the insurance subsidiary company - Expenditure:		
Product and pricing services	126	252
Associated companies - Advances:		
Advances to/(repayment from) associated companies by a foreign subsidiary company	1,774	(7,165)

Information regarding outstanding balances arising from related party transactions, subsidiary companies and associated companies as at 30 September 2024 are as disclosed in Notes 11, 20, 21, and 26.

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55. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(b) Key Management Personnel Compensation

The key management personnel are defined as executive directors and chief executive officers. The remuneration of key management personnel during the financial year are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Short-term employee benefits:				
- Salaries and other remuneration	3,455	3,327	1,483	1,466
- Bonus	(85)	1,435	(124)	1,183
- Gratuity	50	–	–	–
- Allowance for unutilised leave	66	2	–	–
- Benefits-in-kind	121	232	46	45
- Allowances	616	610	120	120
- ESOS option	–	36	–	17
Post-employment benefits:				
- Pension cost:				
- defined contribution plan	305	446	177	332
- defined benefit plan	56	6	–	–
Other short-term benefits	185	246	–	–
	4,769	6,340	1,702	3,163

56. COMMITMENTS AND CONTINGENCIES

(a) Contingent liabilities

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(i) Performance guarantees				
- secured	253	262	–	–
(ii) Guarantees given for facilities				
extended to subsidiary				
companies – secured	–	–	4,860	4,463
	253	262	4,860	4,463

(b) Capital commitments

Contracted but not provided for:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Property development costs	169,194	248,698	–	–
Intangible assets	–	289	–	–
	169,194	248,987	–	–

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56. COMMITMENTS AND CONTINGENCIES (CONT'D)

(c) 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.

Subsequently, MyCC filed an application for judicial review in the High Court. After several adjournments for affidavit filings, the High Court delivered its decision on 16 January 2024, denying MyCC leave for review.

In brief, the grounds for the decision are as below: -

- 1) MyCC does not have locus standi (for example, 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 Berhad ("AirAsia") and Malaysia Airlines Systems Berhad ("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.

Following the High Court decision, MyCC appealed to the Court of Appeal on 15 February 2024. A case management was conducted on 15 May 2024, with the hearing of the appeal scheduled for 22 May 2025.

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

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57. MATERIAL LITIGATION

- (a) On 4 April 2024, the Group announced that its wholly-owned subsidiary, Pacific & Orient Properties LLC ("POPLLC"), a Delaware limited liability company, received a summons dated 28 March 2024 from JA&M DEVELOPING LLC ("JA&M"). The summons alleges that POPLLC failed to pay for services and materials provided by JA&M for the construction project at 7918 West Drive, North Bay Village, Miami, Florida.

JA&M is seeking several forms of relief, including recognition of a lien claim for USD5,909,236 (approximately MYR24,263,323*), foreclosure of the lien, sale of the property to satisfy the lien, and a deficiency judgement against POPLLC if the sale proceeds are inadequate.

The conflict primarily stems from unresolved disputes between POPLLC and its main contractor, Thornton Residential LLC, concerning cost overruns and construction quality issues. These disputes have led POPLLC to withhold payments, thereby affecting its financial obligations to JA&M.

The case has progressed under a streamlined pathway established by the Miami-Dade Circuit Court. Deadlines for discovery, expert disclosures, and depositions have been set, with trial readiness expected by February 2025. POPLLC's legal counsel has been actively managing procedural compliance and coordinating with opposing counsel to meet these deadlines.

The total claim of USD5,909,236 by JA&M has been fully recorded in the financial statements of POPLLC and consequently of the Group as of 30 September 2024. The summons is not expected to have any business or operational impacts on the Group. The Group will continue to provide updates as material developments occur.

* - based on the exchange rate of USD1 = MYR4.1060

- (b) On 12 June 2024, the Group announced that its wholly-owned subsidiary, Pacific & Orient Properties LLC, a Delaware limited liability company ("POPLLC"), had received a summons dated 5 June 2024 from Messrs. Friedman Sklar PLLC, the lawyer representing the former main contractor, Thornton Residential LLC, a Florida limited liability company, ("Thornton") of POPLLC in respect of the suit filed by Thornton against POPLLC ("Summon").

POPLLC contracted with Thornton for the construction and development of a property owned by POPLLC at 7918 West Drive, North Bay Village, Miami, Florida ("Project"). It was alleged in the Summon that POPLLC has failed to pay Thornton for works done in respect of the Project, and the Summon seeks the following reliefs:

- (i) the Court to recognise Thornton's claim for the sum of USD11,990,630 (approximately MYR49,233,527*), including all applicable interest, costs, and attorneys' fees ("Claim of Lien");
- (ii) the Court to order the foreclosure of the Claim of Lien;
- (iii) the Court to order for the Project to be sold to pay Thornton's claim under the Claim of Lien; and
- (iv) to the extent that the proceeds of the sale of the Project are insufficient to satisfy Thornton's claim under the Claim of Lien in full, the Court to render a deficiency judgement against POPLLC.

It is noted that Thornton's claim of USD11,990,630 includes the legal claim brought by one of the sub-contractors, JA&M DEVELOPING LLC ("JA&M"), against POPLLC for USD5,909,236, the details and status of which are described in Note 57(a) above.

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57. MATERIAL LITIGATION (CONT'D)

- (b) The primary reason for POPLLC's non-payment to Thornton, which has consequently led to the non-payment of the fees to JA&M, revolves around the disputes between POPLLC and Thornton regarding the following property development issues in respect of the Project:
1. unexpected and substantial cost escalations that have significantly exceeded initial cost estimates by POPLLC, raising concerns about the justification and transparency of these additional charges imposed by the relevant contractors (including, without limitation, advance billings for uncompleted work by the contractors); and
 2. disagreements between POPLLC and Thornton with regards to the methodologies and timelines employed in the construction process of the Project, where POPLLC has identified issues concerning the efficiency and quality of the work performed (including, without limitation, delamination problems).

POPLLC is engaging in negotiations with Thornton in an effort to amicably resolve these disputes. In addition to the negotiations, POPLLC is seeking advice from its legal counsel to determine the most appropriate course of action in response to the Summon. The case is currently under arbitration, with the lawsuit initiated by Thornton stayed pending its outcome. Thornton and POPLLC are actively exchanging documents and participating in the arbitration process. The Group is confident that addressing the outstanding issues with Thornton will also resolve issues with sub-contractors, including JA&M, and ultimately resolve the current suit filed by Thornton.

All amounts claimed by Thornton have already been accrued in the financial statements of the Group as of 30 September 2024. The Summon is not expected to have any business or operational impacts on the Group. The Group will continue to provide updates as material developments occur.

* - based on the exchange rate of USD1 = MYR4.1060

58. FAIR VALUE

(i) Fair value of financial instruments

- (a) The carrying amounts of financial assets and financial liabilities of the Group and of the Company at reporting date approximate their fair values as further described in (b) below.
- (b) The following methods and assumptions are used to estimate the fair values of financial instruments that are carried at fair value:

(i) **Cash and bank balances, deposits and placements with financial institutions, trade and other receivables/payables, loans receivable and short term borrowings.**

The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.

(ii) **Quoted Shares and warrants**

The fair value of quoted shares and warrants is determined by reference to the stock exchange quoted market bid prices at the close of the business on the reporting date.

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58. FAIR VALUE (CONT'D)

(i) Fair value of financial instruments (Cont'd)

- (b) The following methods and assumptions are used to estimate the fair values of financial instruments that are carried at fair value: (Cont'd)

(iii) Unquoted Shares

The fair value of unquoted shares is determined based on the income approach valuation technique.

(iv) Unit Trusts

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

(v) Corporate debt securities

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

(vi) Lease receivables/liabilities

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

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

	Date of Valuation	Note	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2024						
Group						
Financial assets at FVOCI:						
Unquoted shares	30 Sept 2024		–	–	3,025	3,025
Corporate debt securities	30 Sept 2024		–	62,345	–	62,345
		10(a)	–	62,345	3,025	65,370
Financial assets at FVTPL:						
Quoted shares	30 Sept 2024		2,754	–	–	2,754
Unit trusts	30 Sept 2024		21,890	–	–	21,890
		10(b)	24,644	–	–	24,644
Company						
Financial assets at FVTPL:						
Quoted shares	30 Sept 2024		105	–	–	105
		10(b)	105	–	–	105

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58. FAIR VALUE (CONT'D)

(i) Fair value of financial instruments (Cont'd)

- (c) The financial instruments which are carried at fair value on a recurring basis are categorised into the following levels of the fair value hierarchy: (Cont'd)

	Date of Valuation	Note	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2023						
Group						
Financial assets at FVOCI:						
Quoted shares	30 Sept 2023		211	–	–	211
Unquoted shares	30 Sept 2023		–	–	3,155	3,155
Corporate debt securities	30 Sept 2023		–	82,707	–	82,707
		10(a)	211	82,707	3,155	86,073
Financial assets at FVTPL:						
Quoted shares	30 Sept 2023		13,799	–	–	13,799
Unit trusts	30 Sept 2023		232,161	–	–	232,161
Warrants	30 Sept 2023		80	–	–	80
		10(b)	246,040	–	–	246,040
Company						
Financial assets at FVTPL:						
Quoted shares	30 Sept 2023		794	–	–	794
		10(b)	794	–	–	794

There were no transfers between Levels 1, 2 and 3 of the fair value hierarchy during the current and previous financial years.

The movements from opening to closing balances of unquoted shares held at fair value are shown as part of the movement of financial assets as disclosed in Note 10.

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58. FAIR VALUE (CONT'D)

(ii) Fair value of property, plant and equipment and investment properties

	Date of Valuation	Note	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2024						
Group						
Property, plant and equipment						
- Freehold land	30 Sept 2024		–	–	3,190	3,190
- Freehold buildings	30 Sept 2024		–	–	840	840
- Leasehold buildings	30 Sept 2024		–	–	14,040	14,040
		5	–	–	18,070	18,070
Investment properties						
- Freehold buildings	30 Sept 2024		–	–	640	640
		6	–	–	640	640
2023						
Group						
Property, plant and equipment						
- Freehold land	30 Sept 2023		–	–	3,080	3,080
- Freehold buildings	30 Sept 2023		–	–	840	840
- Leasehold buildings	30 Sept 2023		–	–	14,040	14,040
		5	–	–	17,960	17,960
Investment properties						
- Freehold buildings	30 Sept 2023		–	–	640	640
		6	–	–	640	640

The fair value of the property, plant and equipment and investment properties of the Group is categorised as Level 3. The properties and investment properties have been revalued based on the valuations performed by an accredited independent valuer. The valuations are based on the comparison method. In arriving at the fair value of the assets, the valuer had taken into account the sales of similar properties and related market data, and established a fair value estimate using processes involving comparisons to recently transacted properties within close vicinity. In general, the properties being valued are compared with sales of similar properties that have been transacted in the open market. Valuation under this method may be significantly affected by the timing and the characteristics (such as location, accessibility, design, size and location) of the property used for comparison.

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58. FAIR VALUE (CONT'D)

(ii) Fair value of property, plant and equipment and investment properties (Cont'd)

Description of significant unobservable input:

	Significant unobservable input	Range
2024 - Property, plant and equipment - Investment properties	The comparison method used by the professional independent valuer included the following input: - Adjusted sales price per square foot ("psf") of recently transacted properties within close vicinity	RM380-RM620 psf
2023 - Property, plant and equipment - Investment properties	- Adjusted sales price per square foot ("psf") of recently transacted properties within close vicinity	RM380-RM600 psf

A significant change in the unobservable input above may have a significant impact on the fair value of the properties.

The movements from opening to closing balances of the above property, plant and equipment and investment properties held at fair value are disclosed in Notes 5 and 6.

There were no transfers between Levels 1, 2 and 3 of the fair value hierarchy during the current and previous financial years.

59. COMPARATIVE FIGURE

As disclosed in Note 3(a) Changes in Accounting Policies, certain comparative amounts have been reclassified to align with the current period's presentation. These amounts have been prepared and presented following the transition provisions of MFRS 17. The impact arising from the adoption of MFRS 17 has been reflected in the statements of changes in equity.

60. INSURANCE RISK

Insurance risk is the inherent uncertainty regarding the occurrence, amount or timing of insurance liabilities.

Insurance contracts transfer risk to the Group by indemnifying the policyholders against adverse effects arising from the occurrence of specified uncertain future events.

The Group underwrites various general insurance contracts which are mostly on an annual coverage and annual premium basis with the exception of short term policies such as Marine Cargo which covers the duration in which the cargo is being transported.

The Group also underwrites some non-annual policies with coverage period more than one year such as Contractor's All Risks and Engineering, Bonds and Workmen Compensation.

The majority of the insurance business written by the Group is Motor insurance. Other insurance business includes Fire, Contractor's All Risks and Engineering, Workmen Compensation, Professional Indemnity and other miscellaneous classes of insurance.

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(Cont'd)

60. INSURANCE RISK (CONT'D)

The principal insurance risks faced by the Group include risks of actual claims and benefit payments differing from expectation, risks arising from natural disasters, risks arising from the fluctuations in timing, frequency and severity of claims, as well as the adequacy of premiums and reserves. For longer tail claims that take some years to settle, there is also inflation risk.

The Group's objectives of managing insurance risks are to enhance the long-term financial performance of the business to achieve sustainable growth in profitability, strong asset quality and to continually optimise shareholders' value. The Group seeks to write those risks that it understands and that provide a reasonable opportunity to earn an acceptable profit.

The Group has the following policies and processes to manage its insurance risks:

- An underwriting policy that aims to take advantage of its competitive strengths while avoiding risks with disruptive volatility to ensure underwriting profitability. Acceptance of risk is guided by a set of underwriting guidelines with set limits on underwriting capacity and authority to individuals based on their specific expertise;
- A claims management and control system to pay claims and control claim wastage or fraud;
- Claim review policies to assess all new and ongoing claims and possible fraudulent claims are investigated to reduce the risk exposure of the Group. The Group further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities; and
- The Group purchases reinsurance as part of its risks mitigation programme. The objectives for purchasing reinsurance are to control exposure to insurance losses, reduce volatility and optimising the Group's capital efficiency. Reinsurance is ceded on quota share, proportional and non-proportional basis. The Group's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract.

The table below sets out the concentration of insurance contract liabilities and reinsurance contract assets by types of contracts issued:

Group	2024			2023		
	Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
Motor	394,838	(112,574)	282,264	388,324	(111,377)	276,947
Personal Accident	3,144	(44)	3,100	3,699	(99)	3,600
Fire	2,248	(1,376)	872	3,276	(1,837)	1,439
Miscellaneous	154,015	(131,031)	22,984	113,243	(91,247)	21,996
	554,245	(245,025)	309,220	508,542	(204,560)	303,982

Included in motor insurance contract liabilities is the Group's proportionate share of LRC and LIC in MMIP of RM0.9 million and RM10.6 million, respectively (2023: LRC of RM0.7 million and LIC of RM11.9 million).

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

60. INSURANCE RISK (CONT'D)

Key Assumptions

The principal assumptions underlying the estimation of liabilities is that the Group's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, discounting factors, claim inflation factors and average number of claims for each accident year.

Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future, for example, isolated occurrence, changes in market factors such as public attitude to claiming, economic conditions as well as internal factors, such as, portfolio mix, policy conditions and claims handling procedures. Judgement is further used to assess the extent to which external factors, such as judicial decisions and government legislation affect the estimates.

Other key circumstances affecting the liability of assumptions include variations in interest rates, delays in settlement and changes in foreign currency rates.

Sensitivity

The Appointed Actuary re-runs its valuation models on various bases. An analysis of sensitivity around various scenarios provides an indication of the adequacy of the Group's estimation process in respect of its insurance contracts.

The analysis below is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis.

The method used in performing the sensitivity analysis was consistent with the prior year.

	Change in assumptions %	Impact on gross liabilities RM'000	Impact on net liabilities RM'000	Impact on profit before tax RM'000	Impact on equity* RM'000
		← Increase/(Decrease) →			
2024					
Average claim cost	+10%	22,553	17,477	(17,477)	(13,283)
Average number of claims	+10%	7,077	5,505	(5,505)	(4,184)
Discount rate	+1%	(4,416)	(2,569)	2,569	1,953
Average claim cost	-10%	(22,558)	(17,462)	17,462	13,271
Average number of claims	-10%	(7,076)	(5,504)	5,504	4,183
Discount rate	-1%	4,581	2,652	(2,652)	(2,016)
2023					
Average claim cost	+10%	21,267	16,314	(16,314)	(12,398)
Average number of claims	+10%	3,647	2,749	(2,749)	(2,089)
Discount rate	+1%	(4,421)	(2,527)	2,527	1,920
Average claim cost	-10%	(21,269)	(16,324)	16,324	12,406
Average number of claims	-10%	(3,647)	(2,755)	2,755	2,094
Discount rate	-1%	4,575	2,594	(2,594)	(1,972)

* Impact on equity reflects adjustments for tax, where applicable.

The assumptions for sensitivity testings were selected as they are the key drivers for the valuation of the insurance contracts.

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(Cont'd)

60. INSURANCE RISK (CONT'D)

Claims development table

The following tables show the Group's estimated cumulative incurred claims, including both claims notified and IBNR for each successive accident year at the end of each reporting date, together with cumulative payments to date.

While the information in the tables provides a historical perspective on the adequacy of the unpaid claims estimate established in previous years, users of these financial statements are cautioned against extrapolating redundancies or deficiencies of the past on current unpaid loss balances.

The management of the Group believes that the estimate of total claims outstanding as of 30 September 2024 and 2023 is adequate. However, the possibility of inadequacy of such balance should not be ruled out as the actual experience is likely to differ from the projected results to different degrees, depending on the level of uncertainty. This is primarily due to the nature of the reserving process and the elements of uncertainty inherent in the exercise.

Gross undiscounted liabilities for incurred claims for 2024:

Accident year	Before 2018 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	Total RM'000
At end of accident year		188,653	188,323	182,297	124,546	188,257	168,570	176,270	
One year later		146,399	157,127	146,760	113,724	182,528	181,630	–	
Two years later		144,075	161,015	140,957	111,050	179,720	–	–	
Three years later		148,776	158,398	136,103	110,345	–	–	–	
Four years later		144,255	157,821	135,872	–	–	–	–	
Five years later		140,979	158,743	–	–	–	–	–	
Six years later		145,881	–	–	–	–	–	–	
Gross estimates of the undiscounted amount of the claims		145,881	158,743	135,872	110,345	179,720	181,630	176,270	
At end of accident year		(29,587)	(32,319)	(28,295)	(22,437)	(49,355)	(47,949)	(48,575)	
One year later		(73,453)	(64,169)	(54,294)	(47,141)	(98,329)	(84,532)	–	
Two years later		(96,662)	(88,375)	(77,983)	(66,145)	(122,476)	–	–	
Three years later		(111,858)	(107,589)	(99,586)	(77,473)	–	–	–	
Four years later		(120,295)	(120,729)	(113,661)	–	–	–	–	
Five years later		(125,292)	(133,051)	–	–	–	–	–	
Six years later		(139,055)	–	–	–	–	–	–	
Cumulative payments to date		(139,055)	(133,051)	(113,661)	(77,473)	(122,476)	(84,532)	(48,575)	

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(Cont'd)

60. INSURANCE RISK (CONT'D)

Claims development table (Cont'd)

Gross undiscounted liabilities for incurred claims for 2024: (Cont'd)

Accident year	Before 2018 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	Total RM'000
Gross undiscounted liabilities for incurred claims	44,581	6,826	25,692	22,211	32,872	57,244	97,098	127,695	414,219
Gross general insurance outstanding liability (treaty inward)									259
Best estimate of liabilities for incurred claims									414,478
Claims handling expenses									8,322
Effects of discounting									(15,245)
Risk adjustment at 75% confidence level									37,550
Total gross liabilities for incurred claim per statements of financial position (Note 24)									445,105

	Estimates of the present value of future cash flows	Risk adjustment	Total
	RM'000	RM'000	RM'000
Total gross liabilities for incurred claims (Note 24)	406,509	38,596	445,105

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(Cont'd)

60. INSURANCE RISK (CONT'D)

Claims development table (Cont'd)

Net undiscounted liabilities for incurred claims for 2024:

Accident year	Before 2018 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	Total RM'000
At end of accident year		101,587	142,820	136,607	85,440	129,681	112,840	118,652	
One year later		96,360	114,633	107,427	79,107	130,649	109,245	-	
Two years later		94,593	117,354	100,954	73,758	125,832	-	-	
Three years later		96,258	110,893	93,858	68,333	-	-	-	
Four years later		93,372	108,433	92,654	-	-	-	-	
Five years later		91,540	106,846	-	-	-	-	-	
Six years later		89,385	-	-	-	-	-	-	
Net estimates of the undiscounted amount of the claims		89,385	106,846	92,654	68,333	125,832	109,245	118,652	
At end of accident year		(21,731)	(24,720)	(22,831)	(17,312)	(38,650)	(36,082)	(36,147)	
One year later		(50,218)	(48,750)	(42,294)	(35,486)	(71,309)	(61,144)	-	
Two years later		(65,635)	(65,631)	(59,164)	(47,509)	(88,570)	-	-	
Three years later		(74,737)	(79,344)	(73,367)	(53,811)	-	-	-	
Four years later		(79,497)	(89,090)	(80,114)	-	-	-	-	
Five years later		(82,474)	(95,332)	-	-	-	-	-	
Six years later		(84,610)	-	-	-	-	-	-	
Cumulative payments to date		(84,610)	(95,332)	(80,114)	(53,811)	(88,570)	(61,144)	(36,147)	
Net undiscounted liabilities for incurred claims	10,034	4,775	11,514	12,540	14,522	37,262	48,101	82,505	221,253
Net general insurance outstanding liability (treaty inward)									259
Best estimate of liabilities for incurred claims									221,512
Claims handling expenses									8,322
Effects of discounting									(24,638)
Risk adjustment at 75% confidence level									17,119
Total net liabilities for incurred claim									222,315

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– 30 September 2024

(Cont'd)

60. INSURANCE RISK (CONT'D)

Claims development table (Cont'd)

Net undiscounted liabilities for incurred claims for 2024: (Cont'd)

	Estimates of the present value of future cash flows	Risk adjustment	Total
	RM'000	RM'000	RM'000
Gross liabilities for incurred claims	406,509	38,596	445,105
Amounts recoverable from reinsurers (Note 18)	(202,359)	(20,431)	(222,790)
Total net liabilities for incurred claims	204,150	18,165	222,315

Gross undiscounted liabilities for incurred claims for 2023 (Restated):

Accident year	Before 2017 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	Total RM'000
At end of accident year		199,691	188,653	188,323	182,297	124,546	188,257	168,570	
One year later		146,915	146,399	157,127	146,760	113,724	182,528	–	
Two years later		142,800	144,075	161,015	140,957	111,050	–	–	
Three years later		139,972	148,776	158,398	136,103	–	–	–	
Four years later		142,722	144,255	157,821	–	–	–	–	
Five years later		141,519	140,979	–	–	–	–	–	
Six years later		139,165	–	–	–	–	–	–	
Gross estimates of the undiscounted amount of the claims		139,165	140,979	157,821	136,103	111,050	182,528	168,570	
At end of accident year		(29,859)	(29,587)	(32,319)	(28,295)	(22,437)	(49,355)	(47,949)	
One year later		(71,540)	(73,453)	(64,169)	(54,294)	(47,141)	(98,329)	–	
Two years later		(100,568)	(96,662)	(88,375)	(77,983)	(66,145)	–	–	
Three years later		(113,282)	(111,858)	(107,589)	(99,586)	–	–	–	
Four years later		(119,838)	(120,295)	(120,729)	–	–	–	–	
Five years later		(125,232)	(125,292)	–	–	–	–	–	
Six years later		(131,677)	–	–	–	–	–	–	
Cumulative payments to date		(131,677)	(125,292)	(120,729)	(99,586)	(66,145)	(98,329)	(47,949)	

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– 30 September 2024

(Cont'd)

60. INSURANCE RISK (CONT'D)

Claims development table (Cont'd)

Gross undiscounted liabilities for incurred claims for 2023 (Restated): (Cont'd)

Accident year	Before 2017 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	Total RM'000
Gross undiscounted liabilities for incurred claims	38,419	7,488	15,687	37,092	36,517	44,905	84,199	120,621	384,928
Gross general insurance outstanding liability (treaty inward)									330
Best estimate of liabilities for incurred claims									385,258
Claims handling expenses									7,934
Effects of discounting									(16,294)
Risk adjustment at 75% confidence level									34,008
Total gross liabilities for incurred claim per statements of financial position (Note 24)									410,906

	Estimates of the present value of future cash flows	Risk adjustment	Total
	RM'000	RM'000	RM'000
Total gross liabilities for incurred claims (Note 24)	375,575	35,331	410,906

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

60. INSURANCE RISK (CONT'D)

Claims development table (Cont'd)

Net undiscounted liabilities for incurred claims for 2023 (Restated):

Accident year	Before 2017 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	Total RM'000
At end of accident year		148,606	101,587	142,820	136,607	85,440	129,681	112,840	
One year later		99,684	96,360	114,633	107,427	79,107	130,649	-	
Two years later		95,813	94,593	117,354	100,954	73,758	-	-	
Three years later		94,643	96,258	110,893	93,858	-	-	-	
Four years later		96,622	93,372	108,433	-	-	-	-	
Five years later		95,588	91,540	-	-	-	-	-	
Six years later		92,629	-	-	-	-	-	-	
Net estimates of the undiscounted amount of the claims		92,629	91,540	108,433	93,858	73,758	130,649	112,840	
At end of accident year		(22,481)	(21,731)	(24,720)	(22,831)	(17,312)	(38,650)	(36,082)	
One year later		(50,029)	(50,218)	(48,750)	(42,294)	(35,486)	(71,309)	-	
Two years later		(70,628)	(65,635)	(65,631)	(59,164)	(47,509)	-	-	
Three years later		(79,723)	(74,737)	(79,344)	(73,367)	-	-	-	
Four years later		(84,043)	(79,497)	(89,090)	-	-	-	-	
Five years later		(86,343)	(82,474)	-	-	-	-	-	
Six years later		(88,679)	-	-	-	-	-	-	
Cumulative payments to date		(88,679)	(82,474)	(89,090)	(73,367)	(47,509)	(71,309)	(36,082)	
Net undiscounted liabilities for incurred claims	9,219	3,950	9,066	19,343	20,491	26,249	59,340	76,758	224,416
Net general insurance outstanding liability (treaty inward)									330
Best estimate of liabilities for incurred claims									224,746
Claims handling expenses									7,934
Effects of discounting									(23,619)
Risk adjustment at 75% confidence level									17,446
Total net liabilities for incurred claim									226,507

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(Cont'd)

60. INSURANCE RISK (CONT'D)

Claims development table (Cont'd)

Net undiscounted liabilities for incurred claims for 2023 (Restated): (Cont'd)

	Estimates of the present value of future cash flows	Risk adjustment	Total
	RM'000	RM'000	RM'000
Gross liabilities for incurred claims	375,575	35,331	410,906
Amounts recoverable from reinsurers (Note 18)	(167,837)	(16,562)	(184,399)
Total net liabilities for incurred claims	207,738	18,769	226,507

61. FINANCIAL RISKS

The Group is exposed to a variety of financial risks arising from its operations. The key financial risks are credit risk, liquidity risk, and market risk.

The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders whilst minimising potential exposure to adverse effects on its financial performance and positions.

The policies and processes taken by the Group to manage these risks are set out below:

(a) Credit risk

Credit risk is the risk of financial loss that may arise from the failure of intermediary or counterparties in meeting their financial and contractual obligations to the Group as and when they fall due.

The Group's primary exposure to credit risk arises through its investments in debt instruments, receivables arising from sales of insurance policies and obligations of reinsurers through reinsurance contracts.

The Group has the following policies and processes to manage and mitigate its credit risks:

- Financial loss from an investment in debt instrument may arise from a change in the value of the investment due to a rating downgrade or default. Before acquiring a debt instrument from an issuer, an evaluation of the issuer's credit risk is undertaken by the Group. Ratings assigned by external rating agencies are also used in the evaluation to ensure optimal credit quality of the individual debt instrument concerned. The Group also has an Investment Policy which sets out the limits on which the Group may invest in each counterparty so as to ensure that there is no concentration of credit risk.
- Insurance receivables which arise mainly from premiums collected on behalf of the Group by appointed agents, brokers and other intermediaries are monitored on a day-to-day basis to ensure adherence to the Group's Credit Policy. Internal guidelines are also established to evaluate the Group's intermediaries before their appointment as well as setting credit terms/limits to the appointees concerned.

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(Cont'd)

61. FINANCIAL RISKS (CONT'D)

(a) Credit risk (Cont'd)

The Group has the following policies and processes to manage and mitigate its credit risks: (Cont'd)

- Receivables from reinsurance contracts are monitored on a monthly basis to ensure compliance with payment terms. The Group also monitors the credit quality and financial conditions of its reinsurers on an ongoing basis to reduce the risk exposure. When selecting its reinsurers, the Group considers their relative financial security which is assessed based on public rating information, annual reports and other financial data.
- Other trade receivables are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The table below shows the maximum exposure to credit risk for the financial and insurance assets components on the statements of financial position.

	Group		Company	
	2024 RM'000	2023 RM'000 Restated	2024 RM'000	2023 RM'000
Financial assets at FVOCI ⁽¹⁾	62,345	82,707	–	–
Loans	–	13	–	–
Reinsurance contract assets	245,026	207,005	–	–
Insurance receivables (included within insurance contract liabilities)	15,397	12,927	–	–
Trade receivables	1,127	1,991	–	–
Other receivables ⁽²⁾	10,351	13,507	376	529
Lease receivables	888	1,145	–	–
Due from subsidiary companies	–	–	147,972	314,068
Due from associated companies	–	1,452	–	–
Deposits and placements with financial institutions	379,387	136,945	–	–
Cash and bank balances	31,936	39,115	5,578	1,225
	746,457	496,807	153,926	315,822

⁽¹⁾ Includes only corporate debt securities.

⁽²⁾ Includes only financial assets.

Except for secured loans, the other financial and insurance assets are not secured by any collateral or credit enhancements.

The secured loans are secured by way of shares.

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(Cont'd)

61. FINANCIAL RISKS (CONT'D)

(a) Credit risk (Cont'd)

(i) Credit exposure by credit quality

The table below provides information regarding the credit risk exposure of the Group and the Company by classifying financial and insurance assets according to the Group's and the Company's credit ratings of counterparties. AAA is the highest possible rating.

Group	AAA RM'000	AA RM'000	A RM'000	B RM'000	BBB/BB RM'000	Not rated RM'000	Total RM'000
2024							
Financial assets at FVOCI	10,143	22,148	–	–	–	30,054	62,345
Reinsurance contract assets	–	2	219,289	7,208	1,563	16,964 [^]	245,026
Insurance receivables (included within insurance contract liabilities)	–	–	5,359	1,022	31	8,985 [^]	15,397
Trade receivables	–	–	–	–	–	1,127	1,127
Other receivables	435	360	3,058	–	1,049	5,449	10,351
Lease receivables	–	–	–	–	–	888	888
Deposits and placements with financial institutions	171,525	7,016	200,580	–	266	–	379,387
Cash and bank balances	19,180	593	8,617	–	3,537	9	31,936
	201,283	30,119	436,903	8,230	6,446	63,476	746,457
2023 (Restated)							
Financial asset at FVOCI	20,163	22,408	10,134	–	–	30,002	82,707
Loans	–	–	–	–	–	13	13
Reinsurance contract assets	–	–	189,040	7,173	1,326	9,466 [^]	207,005
Insurance receivables (included within insurance contract liabilities)	–	72	8,472	804	47	3,532 [^]	12,927
Trade receivables	–	–	–	–	–	1,991	1,991
Other receivables	2,043	390	2,846	–	–	8,228	13,507
Lease receivables	–	–	–	–	–	1,145	1,145
Due from an associated company	–	–	–	–	–	1,452	1,452
Deposits and placements with financial institutions	92,696	8,841	35,143	–	265	–	136,945
Cash and bank balances	16,747	1,103	15,998	–	5,242	25	39,115
	131,649	32,814	261,633	7,977	6,880	55,854	496,807

[^] Non-rated balances primarily relate to balances due/recoverable from local insurers/reinsurers licensed under the Financial Services Act, 2013 and Labuan Financial Services and Securities Act 2010.

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61. FINANCIAL RISKS (CONT'D)

(a) Credit risk (Cont'd)

(i) Credit exposure by credit quality (Cont'd)

The table below provides information regarding the credit risk exposure of the Group and the Company by classifying financial and insurance assets according to the Group's and the Company's credit ratings of counterparties. AAA is the highest possible rating. (Cont'd)

Company	AAA RM'000	AA RM'000	A RM'000	Not rated RM'000	Total RM'000
2024					
Other receivables	–	–	–	376	376
Due from subsidiary companies	–	–	36	147,936	147,972
Cash and bank balances	1,003	40	4,535	–	5,578
	1,003	40	4,571	148,312	153,926
2023					
Other receivables	1	–	–	528	529
Due from subsidiary companies	–	–	37	314,031	314,068
Cash and bank balances	907	318	–	–	1,225
	908	318	37	314,559	315,822

(ii) Reconciliation of allowance account

(1) Expected credit loss ("ECL") - Investment assets

- Financial assets at FVOCI

The following table shows the fair value of the Group's financial assets measured at FVOCI by credit risk and the expected credit loss amount recognised.

	Group	
	2024 RM'000	2023 RM'000
Financial assets at FVOCI		
AAA	10,143	20,163
AA	22,148	22,408
A	–	10,134
Not rated	30,054	30,002
Total carrying amount	62,345	82,707
Total ECL	18	12

As at 30 September 2024 and 30 September 2023, all financial assets measured at FVOCI held by the Group is classified as Stage 1.

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(Cont'd)

61. FINANCIAL RISKS (CONT'D)

(a) Credit risk (Cont'd)

(ii) Reconciliation of allowance account (Cont'd)

(1) Expected credit loss (“ECL”) - Investment assets (Cont'd)

- Financial assets at FVOCI (Cont'd)

Movements in allowance for impairment losses for financial assets measured at FVOCI are as follows:

		Group	
	Note	2024 RM'000	2023 RM'000
As at 1 October		12	5
Net adjustment of loss allowances	40	6	7
As at 30 September		18	12

As at 30 September 2024 and 30 September 2023, all other financial assets at amortised cost (other receivables, lease receivables and deposits and placements with financial institutions) held by the Group and the Company are classified as Stage 1. There were no ECL arising from these assets as at 30 September 2024 and 30 September 2023. The credit ratings of these financial assets at amortised cost are as disclosed above in Note 61(a)(i).

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(Cont'd)

61. FINANCIAL RISKS (CONT'D)

(a) Credit risk (Cont'd)

(ii) Reconciliation of allowance account (Cont'd)

(2) Expected credit loss ("ECL") - Insurance receivables

Set out below is the information about the credit risk exposure on the Group's insurance receivables (included within insurance contract liabilities) using a provision matrix:

(a) ECL

Group	Months in arrears						
	Group 1			Group 2			Total
	0 to 1 month RM'000	2 to 3 months RM'000	More than 3 months RM'000	0 to 6 months RM'000	7 to 12 months RM'000	More than 12 months RM'000	
30 September 2024							
ECL rate	0.03%	1.29%	100.00%	0.72%	11.33%	100.00%	
Carrying amount *	2,330	3,781	15	8,709	777	408	9,894
Allowance for ECL	1	48	15	63	88	408	559
30 September 2023							
ECL rate	0.04%	1.34%	100.00%	1.31%	24.13%	100.00%	
Carrying amount *	1,916	102	33	10,533	680	662	11,875
Allowance for ECL	1	2	33	137	164	662	963

Group 1 comprises of insurance receivables from agents, banks, corporate clients and direct customers, whereas Group 2 comprises of reinsurance receivables from reinsurers and ceding companies, amount due from brokers and co-insurers.

* The carrying amount consists of individual insurance receivables with gross outstanding amounts, as well as outstanding receivable balances that were netted off with credit balances.

Notes to the Financial Statements
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(Cont'd)

61. FINANCIAL RISKS (CONT'D)

(a) Credit risk (Cont'd)

(ii) Reconciliation of allowance account (Cont'd)

(2) Expected credit loss ("ECL") - Insurance receivables (Cont'd)

Set out below is the information about the credit risk exposure on the Group's insurance receivables (included within insurance contract liabilities) using a provision matrix: (Cont'd)

(b) ECL by ageing

Group	Not due RM'000	Months in arrears					Total RM'000
		1 to 6 months RM'000	7 to 12 months RM'000	13 to 18 months RM'000	19 to 24 months RM'000	More than 24 months RM'000	
30 September 2024							
Carrying amount *	-	14,835	777	408	-	-	16,020
Allowance for ECL	-	127	88	408	-	-	623
30 September 2023							
Carrying amount *	-	12,584	680	662	-	-	13,926
Allowance for ECL	-	173	164	662	-	-	999

* The carrying amount consists of individual insurance receivables with gross outstanding amounts, as well as outstanding receivable balances that were netted off with credit balances.

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(Cont'd)

61. FINANCIAL RISKS (CONT'D)

(a) Credit risk (Cont'd)

(ii) Reconciliation of allowance account (Cont'd)

(2) Expected credit loss ("ECL") - Insurance receivables (Cont'd)

The following table shows the movement in gross insurance receivables (included within insurance contract liabilities) and the loss allowances recognised for credit impaired receivables.

Group

	Not credit impaired RM'000	Credit impaired RM'000	Total RM'000
2024			
Gross carrying amounts			
As at 1 October 2023	13,232	694	13,926
Increase/(decrease)	2,368	(274)	2,094
As at 30 September 2024	15,600	420	16,020
Allowance for ECL			
As at 1 October 2023	305	694	999
Write back	(92)	(284)	(376)
As at 30 September 2024	213	410	623
2023			
Gross carrying amounts			
As at 1 October 2022	14,123	579	14,702
(Decrease)/increase	(891)	115	(776)
As at 30 September 2023	13,232	694	13,926
Allowance for ECL			
As at 1 October 2022	289	579	868
Increase	16	115	131
As at 30 September 2023	305	694	999

Notes to the Financial Statements

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(Cont'd)

61. FINANCIAL RISKS (CONT'D)

(a) Credit risk (Cont'd)

(ii) Reconciliation of allowance account (Cont'd)

(3) Expected credit loss ("ECL") - Trade receivables

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

Group	Months in arrears					Total RM'000
	< 30 days RM'000	31 to 60 days RM'000	61 to 90 days RM'000	91 to 180 days RM'000	> 180 days RM'000	
30 September 2024						
ECL rate	0.49%	1.64%	16.00%	20.90%	19.36%	
Carrying amount	618	61	50	134	377	1,240
Allowance for ECL	3	1	8	28	73	113
30 September 2023						
ECL rate	1.08%	4.18%	19.40%	14.85%	9.86%	
Carrying amount	1,302	431	67	202	71	2,073
Allowance for ECL	14	18	13	30	7	82

The following table shows the movement in gross trade receivables and the loss allowances recognised for credit impaired receivables.

Group

	Note	Not credit impaired RM'000	Credit impaired RM'000	Total RM'000
2024				
Gross carrying amounts				
As at 1 October 2023		2,068	5	2,073
Decrease		(828)	(5)	(833)
As at 30 September 2024		1,240	–	1,240
Allowance for ECL				
As at 1 October 2023		77	5	82
Addition/(write back)	40	36	(5)	31
As at 30 September 2024		113	–	113

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– 30 September 2024

(Cont'd)

61. FINANCIAL RISKS (CONT'D)

(a) Credit risk (Cont'd)

(ii) Reconciliation of allowance account (Cont'd)

(3) Expected credit loss ("ECL") - Trade receivables (Cont'd)

The following table shows the movement in gross trade receivables and the loss allowances recognised for credit impaired receivables. (Cont'd)

Group

	Note	Not credit impaired RM'000	Credit impaired RM'000	Total RM'000
2023				
Gross carrying amounts				
As at 1 October 2022		4,707	693	5,400
Decrease		(2,639)	(688)	(3,327)
As at 30 September 2023		2,068	5	2,073
Allowance for ECL				
As at 1 October 2022		214	693	907
Write back	40	(137)	(688)	(825)
As at 30 September 2023		77	5	82

(4) Expected credit loss ("ECL") - Due from subsidiary companies

Set out below is the information about the credit risk exposure on the Company's amount due from subsidiary companies using a provision matrix:

Company	Months in arrears					Total RM'000
	< 30 days RM'000	31 to 60 days RM'000	61 to 90 days RM'000	91 to 180 days RM'000	> 180 days RM'000	
30 September 2024						
ECL rate	0.31%	0.00%	9.21%	0.42%	63.57%	
Carrying amount	321	67	152	1,189	401,532	403,261
Allowance for ECL	1	–	14	5	255,269	255,289
30 September 2023						
ECL rate	0.00%	0.00%	0.00%	0.47%	27.54%	
Carrying amount	9,540	950	8,923	25,431	371,720	416,564
Allowance for ECL	–	–	–	120	102,376	102,496

Notes to the Financial Statements

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(Cont'd)

61. FINANCIAL RISKS (CONT'D)

(a) Credit risk (Cont'd)

(ii) Reconciliation of allowance account (Cont'd)

(4) Expected credit loss ("ECL") - Due from subsidiary companies (Cont'd)

The following table shows the movement in gross amount due from subsidiary companies and the loss allowances recognised for credit impaired receivables.

Company

	Not credit impaired RM'000	Credit impaired RM'000	Total RM'000
2024			
Gross carrying amounts			
As at 1 October 2023	314,068	102,496	416,564
(Decrease)/increase	(166,096)	152,793	(13,303)
As at 30 September 2024	147,972	255,289	403,261
Allowance for ECL			
As at 1 October 2023	–	102,496	102,496
Addition *	–	152,793	152,793
As at 30 September 2024	–	255,289	255,289
2023			
Gross carrying amounts			
As at 1 October 2022	211,241	93,095	304,336
Increase	102,827	9,401	112,228
As at 30 September 2023	314,068	102,496	416,564
Allowance for ECL			
As at 1 October 2022	–	93,095	93,095
Addition *	–	9,401	9,401
As at 30 September 2023	–	102,496	102,496

* As at 30 September 2024, the impairment loss included unrealised foreign exchange gains of RM8,746,000 (2023: unrealised foreign exchange loss of RM8,823,000) which arose from the foreign subsidiary companies.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

61. FINANCIAL RISKS (CONT'D)

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company may not have sufficient liquid financial resources to meet their obligations when they fall due, or would have to incur excessive costs to do so. In respect of catastrophic events, there is also a liquidity risk associated with the timing differences between gross cash outflows and expected reinsurance recoveries. The Group's and the Company's policy is to maintain adequate liquidity to meet their liquidity needs under normal and stressed conditions.

The following policies and procedures are in place to mitigate the Group's and the Company's exposure to liquidity risk:

- The Group-wide liquidity risk management policy setting out the assessment and determination of what constitutes liquidity risk for the Group is established. Compliance with the policy is monitored and exposures and breaches are reported to the Group's Risk Management Committee.
- Guidelines on asset allocations, portfolio limit structures and maturity profiles of assets are implemented in order to ensure sufficient funding is available to meet insurance, investment contract and other payment obligations. As part of its liquidity management, the Group maintains sufficient level of cash and cash equivalents to meet expected and, to a lesser extent, unexpected outflows.
- Contingency funding plans were established to mitigate funding requirement arising from emergency and other unforeseen cash calls. Such funding plans include the arrangement of credit with banks and funding from the Company.
- The Group has entered into treaty reinsurance contracts that contain a "cash call" clause which permits the Group to make cash calls on claims and receive immediate payments for large losses without waiting for usual periodic payment procedures to occur.

(i) Maturity analysis

The table below summarises the maturity profile of the financial and insurance liabilities of the Group and the Company based on remaining undiscounted contractual obligations, including interest/profit payable.

For insurance contract liabilities, maturity profiles are determined based on estimated timing of net cash outflows from recognised insurance liabilities. Liabilities for remaining coverage have been excluded from the analysis as these are not contractual obligations.

Group	Carrying value RM'000	Up to a year* RM'000	1-2 years RM'000	2-5 years RM'000	Over 5 years RM'000	Total RM'000
2024						
Insurance contract liabilities - LFIC	445,105	197,227	112,821	128,290	23,448	461,786
Trade payables	732	732	-	-	-	732
Other payables #	75,055	75,055	-	-	-	75,055
Lease liabilities	9,352	4,385	3,485	2,150	-	10,020
Borrowings	34,551	34,501	50	-	-	34,551
Total	564,795	311,900	116,356	130,440	23,448	582,144

* Expected utilisation or settlement is within 12 months from the reporting date.

Net of provisions and accrued expenses.

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– 30 September 2024

(Cont'd)

61. FINANCIAL RISKS (CONT'D)

(b) Liquidity risk (Cont'd)

(i) Maturity analysis (Cont'd)

Group	Carrying value RM'000	Up to a year*	1-2 years RM'000	2-5 years RM'000	Over 5 years RM'000	Total RM'000
2023 (Restated)						
Insurance contract liabilities - LFIC	410,906	187,671	107,495	111,753	21,820	428,739
Trade payables	351	351	–	–	–	351
Other payables #	34,783	34,783	–	–	–	34,783
Lease liabilities	10,327	5,384	3,536	1,977	218	11,115
Borrowings	27,942	27,850	–	110	–	27,960
Total	484,309	256,039	111,031	113,840	22,038	502,948

Company	Carrying value RM'000	Up to a year*	1-2 years RM'000	2-5 years RM'000	Repayable on demand RM'000	Total RM'000
2024						
Due to subsidiary companies	10,585	–	–	–	10,585	10,585
Lease liabilities	689	337	233	168	–	738
Borrowings	34,436	34,436	–	–	–	34,436
Total	45,710	34,773	233	168	10,585	45,759

2023						
Due to subsidiary companies	4,589	–	–	–	4,589	4,589
Lease liabilities	1,213	643	320	339	–	1,302
Borrowings	27,000	27,000	–	–	–	27,000
Total	32,802	27,643	320	339	4,589	32,891

* Expected utilisation or settlement is within 12 months from the reporting date.

Net of provisions and accrued expenses.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

61. FINANCIAL RISKS (CONT'D)

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of exposures: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

The key features of the Group's and the Company's market risk management practices and policies are as follows:

- A Group and Company-wide market risk policy setting out the evaluation and determination of what constitutes market risk for the Group and the Company is established.
- Policies and limits have been established to manage market risk. Market risk is managed through portfolio diversification and changes in asset allocation. The Group's and the Company's policies on asset allocation, portfolio limit structure and diversification benchmark have been set in line with the Group's risk management policy after taking cognisance of the regulatory requirements in respect of maintenance of assets and solvency.

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group and the Company are exposed to foreign exchange risk as a result of their net investments in overseas subsidiary companies and normal trading activities, both external and intra-group, where the currency denomination differs from the functional currency, Ringgit Malaysia ("RM"). The currencies giving rise to foreign exchange risk are primarily United States Dollar ("USD"), Thailand Baht ("THB"), Great Britain Pound ("GBP"), Singapore Dollar ("SGD"), Japanese Yen ("JPY"), and Hong Kong Dollar ("HKD").

Exposure to foreign currency risk

The Group's exposure to foreign currency risk, based on carrying amounts of financial instruments as at the end of the reporting date was:

	2024					
	Exposure in					
	USD	THB	GBP	SGD	JPY	HKD
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Trade and other receivables	2,247	2,733	309	5	-	2
Deposits and placements with financial institutions	431	268	-	-	-	-
Cash and bank balances	788	5,798	68	398	-	-
Trade and other payables	(70,036)	(2,251)	(324)	(12)	-	(7)
Borrowings	-	-	(105)	-	-	-
	(66,570)	6,548	(52)	391	-	(5)

Notes to the Financial Statements

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(Cont'd)

61. FINANCIAL RISKS (CONT'D)

(c) Market risk (Cont'd)

(i) Currency risk (Cont'd)

Exposure to foreign currency risk (Cont'd)

The Group's exposure to foreign currency risk, based on carrying amounts of financial instruments as at the end of the reporting date was: (Cont'd)

	2023					
	Exposure in					
	USD	THB	GBP	SGD	JPY	HKD
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Trade and other receivables	4,927	3,695	321	5	–	3
Due from associated companies	–	–	1,452	–	–	–
Deposits and placements with financial institutions	1,000	268	–	–	–	–
Cash and bank balances	1,453	5,245	1,090	463	109	–
Trade and other payables	(30,130)	(3,428)	(645)	(28)	–	(9)
Borrowings	(765)	–	(167)	–	–	–
	(23,515)	5,780	2,051	440	109	(6)

The Company's exposure to foreign currency risk, based on carrying amounts of financial instruments as at the end of the reporting date was:

	2024					
	Exposure in					
	USD	THB	GBP	SGD	JPY	HKD
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Due from subsidiary companies	117,634	430	21,451	17	–	–
Cash and bank balances	76	–	2	–	–	–
Due to subsidiary companies	(29)	–	–	–	–	–
	117,681	430	21,453	17	–	–

	2023					
	Exposure in					
	USD	THB	GBP	SGD	JPY	HKD
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Due from subsidiary companies	230,969	1,216	73,900	157	–	24
Cash and bank balances	273	–	2	–	109	–
Due to subsidiary companies	(33)	(15)	–	–	–	–
	231,209	1,201	73,902	157	109	24

Notes to the Financial Statements

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(Cont'd)

61. FINANCIAL RISKS (CONT'D)

(c) Market risk (Cont'd)

(i) Currency risk (Cont'd)

Currency risk sensitivity analysis

The following table demonstrates the sensitivity of the Group's and the Company's profit/(loss) net of tax to a reasonable possible change in the USD, THB, GBP, SGD and JPY exchange rates, with all other variables held constant. The method used for deriving sensitivity information and significant assumptions did not change from the previous period.

		Group		Company	
		2024 Profit net of tax RM'000	2023 Profit net of tax RM'000	2024 Profit net of tax RM'000	2023 Profit net of tax RM'000
		← Increase / (decrease) →			
USD/RM	- strengthened 3%	6,538	5,780	5,644	4,939
	- weakened 3%	(6,538)	(5,780)	(5,644)	(4,939)
GBP/RM	- strengthened 3%	923	1,620	911	1,620
	- weakened 3%	(923)	(1,620)	(911)	(1,620)
USD/THB	- strengthened 3%	(280)	2,637	–	–
	- weakened 3%	280	(2,637)	–	–
THB/RM	- strengthened 3%	385	311	18	(37)
	- weakened 3%	(385)	(311)	(18)	37
SGD/RM	- strengthened 3%	53	57	4	5
	- weakened 3%	(53)	(57)	(4)	(5)
JPY/RM	- strengthened 3%	–	2	–	2
	- weakened 3%	–	(2)	–	(2)

(ii) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate.

The Group and the Company are exposed to interest rate risk primarily through their investments in fixed income securities, deposits placements and borrowings from financial institutions. Interest rate risk is managed by the Group and the Company on an ongoing basis.

The Group and the Company have no significant concentration of interest rate risk.

Notes to the Financial Statements

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61. FINANCIAL RISKS (CONT'D)

(c) Market risk (Cont'd)

(ii) Interest rate risk (Cont'd)

The analysis below is performed for reasonably possible movements in interest rates of corporate debt securities, with all other variables held constant, showing the impact on profit before tax and equity. The method used for deriving sensitivity information and significant assumptions did not change from the previous period.

Group	Change in basis points	2024 Impact on		2023 (Restated) Impact on	
		Profit before tax RM'000	Equity *	Profit before tax RM'000	Equity *
		Increase / (decrease)			
Interest rates	+25 bps	–	(515)	–	(750)
Interest rates	-25 bps	–	522	–	762

* Impact on equity reflects adjustments for tax, where applicable.

(iii) Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate/profit yield risk or currency risk) and net asset value ("NAV"), regardless whether those changes are caused by factors specific to the individual financial instrument, its issuer or factors affecting similar financial instruments traded in the market.

The Group's exposure to price risk arises mainly from its investments in quoted shares, unit trusts and warrants whose values will fluctuate as a result of changes in market prices.

The Group manages its price risk by ensuring that its investments in quoted shares, unit trusts and warrants are within the limits set out in the Group's investment policy. The Group does not have any major concentration of price risk related to such investments.

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61. FINANCIAL RISKS (CONT'D)

(c) Market risk (Cont'd)

(iii) Price risk (Cont'd)

The analysis below is performed for reasonably possible movements in equity price with all other variables held constant, showing the impact on profit before tax (due to changes in fair value through profit or loss financial assets) and equity (due to changes in fair value of FVOCI).

The method used in performing the sensitivity analysis was consistent with the prior year.

Group	Change in variables	2024 Impact on		2023 Impact on	
		Profit before tax RM'000	Equity *	Profit before tax RM'000	Equity *
		Increase / (decrease)			
Market price	+10%	2,464	1,883	24,604	18,741
Market price	-10%	(2,464)	(1,883)	(24,604)	(18,741)
Company					
Market price	+10%	11	11	79	79
Market price	-10%	(11)	(11)	(79)	(79)

* Impact on equity reflects adjustments for tax, where applicable.

(d) Operational risk

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss.

The Group and the Company cannot expect to eliminate all operational risks but mitigates them by establishing a control framework and by monitoring and responding to potential risks. Controls include segregation of duties, access controls, authorisation, reconciliation procedures, staff training and evaluation procedures, including the use of internal audit. Business risk, such as changes in environment, technology and the industry are monitored through the Group's and the Company's strategic planning and budgeting process.

62. CAPITAL MANAGEMENT

The Group's capital management policy is to optimise the efficient and effective use of resources to maximise the return on equity and provide an appropriate level of capital to protect policyholders of its insurance subsidiary company and meet regulatory requirements.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions and regulatory requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, issue new shares or obtain credit facilities from financial institutions.

Notes to the Financial Statements

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62. CAPITAL MANAGEMENT (CONT'D)

The insurance subsidiary company is required to comply with the regulatory capital requirement prescribed in the Risk-Based Capital (“RBC”) Framework which is imposed by the Minister of Finance as a licensing condition for insurers. Under the RBC Framework guidelines issued by BNM, insurance companies are required to satisfy a minimum capital adequacy ratio of 130%. The insurance subsidiary company has a capital adequacy ratio in excess of the minimum requirement.

The capital structure of the insurance subsidiary company as at the reporting dates, as prescribed under the RBC Framework is provided below:

	2024 RM'000	2023 RM'000
Eligible Tier 1 Capital		
Share capital (paid-up)	100,000	100,000
Retained earnings	100,605	109,089
	200,605	209,089
Tier 2 Capital		
Revaluation reserve	16,492	15,459
FVOCI reserve	1,796	2,018
	18,288	17,477
Amounts deducted from capital	(3,501)	(4,419)
Total capital available	215,392	222,147

The total capital available are measured based on the requirements prescribed under the RBC Framework guidelines issued by BNM and differs from the measurement basis reported in the financial statements.

63. SEGMENT REPORTING

(a) Business Segments

The Group is organised into the following 6 major business segments:

- (i) Insurance
- (ii) Information technology
- (iii) Investment holding
- (iv) Money lending
- (v) Investment in start-ups
- (vi) Property development

Other business segment consist of distribution of consumer goods, which is immaterial in size to be reported separately.

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

63. SEGMENT REPORTING (CONT'D)

(a) Business Segments (Cont'd)

The Directors are of the opinion that the inter-segment transactions have been entered into in the normal course of business on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

	Insurance RM'000	Information technology RM'000	Investment holding RM'000	Money lending RM'000	Investment in start-ups RM'000	Property development RM'000	Others RM'000	Consolidation adjustments RM'000	Group RM'000
2024									
REVENUE									
External sales	286,288	11,979	151	-	-	-	-	-	298,418
Inter-segment sales	237	25,452	19,710	214	-	-	-	(45,613)	-
Total segment revenue	286,525	37,431	19,861	214	-	-	-	(45,613)	298,418
RESULTS									
Segment (loss) /profit	(12,427)	(80,220)	(199,924)	192	(38,316)	(10,394)	(25)	265,153	(75,961)
Share of losses of associated companies (net of tax)	-	-	-	-	(2,225)	-	-	-	(2,225)
Segment (loss) /profit before tax after accounting for:	(12,427)	(80,220)	(199,924)	192	(40,541)	(10,394)	(25)	265,153	(78,186)
Interest income	-	658	-	-	193	-	-	(327)	524
Income from Islamic fixed deposits	-	-	-	80	-	-	-	-	80
Finance cost	(294)	(5,143)	(2,352)	-	(5,855)	(6,773)	-	19,417	(1,000)
Depreciation	(3,996)	(2,767)	(445)	-	(504)	(712)	-	1,896	(6,528)
Amortisation	(425)	(285)	(5)	-	(2)	-	-	70	(647)
Unrealised foreign exchange (loss)/gains	-	(3,616)	(30,612)	3	(206)	(19)	-	(116)	(34,566)
Other income/ (expenses)	6,243	(69,965)	(174,693)	-	(30,634)	-	-	258,986	(10,063)

Notes to the Financial Statements
– 30 September 2024
(Cont'd)

63. SEGMENT REPORTING (CONT'D)

(a) Business Segments (Cont'd)

	Insurance RM'000	Information technology RM'000	Investment holding RM'000	Money lending RM'000	Investment in start-ups RM'000	Property development RM'000	Others RM'000	Consolidation adjustments RM'000	Group RM'000
2024									
ASSETS									
Segment assets	803,706	207,821	301,244	7,651	17,664	242,409	1,100	(494,503)	1,087,092
LIABILITIES									
Segment liabilities	575,504	338,056	47,465	79	142,947	201,874	4,219	(616,491)	693,653
OTHER INFORMATION									
Capital expenditure	38	90	16	–	–	5	–	–	149
2023 (Restated)									
REVENUE									
External sales	281,719	10,910	664	33	–	–	–	–	293,326
Inter-segment sales	242	24,015	35,633	205	–	–	–	(60,095)	–
Total segment revenue	281,961	34,925	36,297	238	–	–	–	(60,095)	293,326
RESULTS									
Segment (loss) /profit	(7,291)	(4,251)	26,891	134	(7,361)	(5,666)	(24)	(20,326)	(17,894)
Share of losses of associated companies (net of tax)	–	–	–	–	(2,084)	–	–	–	(2,084)
Segment (loss) /profit before tax	(7,291)	(4,251)	26,891	134	(9,445)	(5,666)	(24)	(20,326)	(19,978)
after accounting for:									

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

63. SEGMENT REPORTING (CONT'D)

(a) Business Segments (Cont'd)

	Insurance RM'000	Information technology RM'000	Investment holding RM'000	Money lending RM'000	Investment in start-ups RM'000	Property development RM'000	Others RM'000	Consolidation adjustments RM'000	Group RM'000
2023 (Restated)									
RESULTS (CONT'D)									
Interest income	-	368	-	-	669	-	-	(122)	915
Income from Islamic fixed deposits	-	-	-	73	-	-	-	-	73
Finance cost	(307)	(4,822)	(884)	-	(5,182)	119	-	10,183	(893)
Depreciation	(3,612)	(2,726)	(530)	-	(541)	(818)	-	1,626	(6,601)
Amortisation	(274)	(509)	(7)	-	(3)	-	-	73	(720)
Unrealised exchange gains/(loss)	-	1,842	8,859	(3)	129	2	-	-	10,829
Other income/ (expenses)	7,716	1,780	(698)	-	177	-	-	(1,438)	7,537
ASSETS									
Segment assets	771,231	232,658	477,594	7,472	47,700	220,364	1,187	(705,657)	1,052,549
LIABILITIES									
Segment liabilities	532,995	307,937	34,717	92	141,689	163,432	4,176	(580,833)	604,205
OTHER INFORMATION									
Investment in associated companies	-	-	-	-	14,326	-	-	-	14,326
Capital expenditure	30	686	34	-	7	28	-	-	785

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

63. SEGMENT REPORTING (CONT'D)

(a) Business Segments (Cont'd)

Other income/(expenses) include the following items:

	2024 RM'000	Group 2023 RM'000 Restated
Gain/(loss) on disposal of:		
- property, plant and equipment	120	(68)
- investments	11,854	6,189
(Loss)/gain on fair value of investments held at fair value through profit or loss	(5,264)	1,791
(Allowance for)/write back of impairment of:		
- investment in associated companies	(13,162)	–
- amounts due from associated companies	(3,474)	398
- trade receivables	(31)	825
- corporate debt securities	(6)	(7)
Bad debts written off:		
- trade receivables	(17)	(9)
Inventories written off	(39)	(12)
Property, plant and equipment written off	(6)	(95)
Gain on derecognition of right-of-use assets	47	334
Net (loss)/gain on remeasurement of leases	(264)	22
Write back of/(allowance for) unutilised leave	76	(676)
Others	103	(1,155)
	(10,063)	7,537

Notes to the Financial Statements

– 30 September 2024

(Cont'd)

63. SEGMENT REPORTING (CONT'D)

(b) Geographical Segments

In Malaysia, the Group's areas of operation are principally insurance, information technology, investment holding and money lending. Other operations in Malaysia include distribution of consumer goods and investing in start-up companies.

The Group also operates in the United States of America (information technology and property development), Thailand (information technology) and England (investing in real estate market and start-up companies).

	Total Revenue from External Customers		Segment Assets		Capital Expenditure	
	2024 RM'000	2023 RM'000 Restated	2024 RM'000	2023 RM'000 Restated	2024 RM'000	2023 RM'000
Malaysia	286,957	283,446	816,419	771,339	144	731
Thailand	10,363	9,012	9,504	10,148	–	2
United States of America	10	162	243,298	222,626	–	45
England	1,088	706	17,871	48,436	5	7
	298,418	293,326	1,087,092	1,052,549	149	785

(c) Major Customers

There was no revenue from a single external customer which amounted to 10% or more of the Group's revenue during the financial year (2023: Nil).

64. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 30 August 2024, P&O Global Technologies Inc. ("POGTINC"), a wholly-owned subsidiary of Pacific & Orient Berhad, entered into a Project Management Agreement with Ms. Vivian Z. Dimond and her affiliate company, BGC 7198 LLC ("Bayshore"), for the management of the Group's property development project at 7918 West Drive, North Bay Village, Florida.

The project, owned by POGTINC's subsidiary, Pacific & Orient Properties LLC ("POPLLC"), comprises approximately 54 residences with related amenities.

As part of the Agreement, and where required by Bayshore, POGTINC will cause POPLLC to issue additional limited liability company interests to Ms. Vivian Z. Dimond and Bayshore as performance security to support the project's successful execution. As of 30 September 2024, and up to the date of adoption of the financial statements, no additional limited liability company interests have been issued by POPLLC, and there has been no change in POGTINC's interest in POPLLC, as Bayshore has not executed any transactions for the additional interests.

SHAREHOLDINGS STATISTICS

AS AT 31 DECEMBER 2024

Issued and fully paid-up capital	:	RM155,824,193
Class of share	:	Ordinary shares
Voting rights	:	One vote per ordinary share

BREAKDOWN OF SHAREHOLDINGS

Holdings	No. of Holders	Total Holdings	%
Less than 100 shares	638	26,194	0.01
100 to 1,000 shares	408	164,968	0.06
1,001 to 10,000 shares	2,252	9,750,803	3.46
10,001 to 100,000 shares	1,200	32,387,591	11.50
100,001 to less than 5% of issued shares	169	123,194,219	43.74
5% and above of issued shares	6	116,129,765	41.23
Total	4,673	281,653,540*	100.00

* The number of 281,653,540 ordinary shares is exclusive of treasury shares retained by the Company.

SUBSTANTIAL SHAREHOLDERS

According to the Register of Substantial Shareholders, the substantial shareholders of the Company as at 31 December 2024 were as follows:

Name	No. of Shares Held			
	Direct Interest	%	Indirect Interest	%
Chan Thye Seng	43,250,538	15.36	127,219,650 ⁽¹⁾	45.17
Mah Wing Holdings Sdn Bhd	63,337,400	22.49	–	–
Mah Wing Investments Limited	57,473,102	20.41	–	–

DIRECTORS' SHAREHOLDINGS

According to the Register of Directors' Shareholdings, the Directors' shareholdings as at 31 December 2024 were as follows:

Name	No. of Shares Held			
	Direct Interest	%	Indirect Interest	%
Chan Thye Seng	43,250,538	15.36	127,219,650 ⁽¹⁾	45.17
Dato' Dr. Zaha Rina binti Zahari	1,000,066	0.36	–	–
Dato' Sri Mohd Mokhtar bin Mohd Shariff	116,666	0.04	–	–

Notes:

⁽¹⁾ Held by virtue of Chan Thye Seng's interests in Mah Wing Investments Limited, Mah Wing Holdings Sdn Bhd, Chan Kok Tien Realty Sdn Bhd, Tysim Holdings Sdn Bhd and deemed to have interest in shares held by his spouse.

Shareholdings Statistics

– 31 December 2024

(Cont'd)

THIRTY LARGEST SECURITIES ACCOUNTS HOLDERS

No.	Name	No. of Shares Held	% of Issued Capital
1.	Mah Wing Investments Limited	31,306,436	11.12
2.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chan Thye Seng	18,410,950	6.54
3.	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Wing Holdings Sdn Bhd	17,589,047	6.24
4.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Wing Holdings Sdn Bhd	17,406,666	6.18
5.	Public Nominees (Asing) Sdn Bhd Pledged Securities Account for Mah Wing Investments Limited	16,166,666	5.74
6.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Wing Holdings Sdn Bhd	15,250,000	5.42
7.	DB (Malaysia) Nominee (Asing) Sdn Bhd Deutsche Bank Ag Singapore for Yeoman 3-Rights Value Asia Fund	10,091,666	3.58
8.	CIMB Group Nominees (Asing) Sdn Bhd Exempt An for DBS Bank Ltd - Mah Wing Investments Limited	10,000,000	3.55
9.	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Wing Holdings Sdn Bhd	7,319,954	2.60
10.	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB for Chan Thye Seng	6,145,281	2.18
11.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chan Thye Seng	6,133,333	2.18
12.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chan Thye Seng	5,729,604	2.03
13.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Chan Kok Tien Realty Sdn Bhd	5,612,469	1.99
14.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mah Wing Holdings Sdn Bhd	5,600,000	1.99
15.	Ancom Nylex Berhad	4,800,000	1.70
16.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chan Thye Seng	4,400,000	1.56
17.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chan Thye Seng	2,431,370	0.86
18.	Beh Hang Cho	2,214,100	0.78
19.	Yeap Kim Siew	1,840,000	0.65
20.	Tan Teong Han	1,548,928	0.55
21.	Chan Cheng Sim	1,514,778	0.54
22.	Liau Keen Yee	1,314,733	0.47

Shareholdings Statistics
– 31 December 2024
(Cont'd)

THIRTY LARGEST SECURITIES ACCOUNTS HOLDERS (CONT'D)

No.	Name	No. of Shares Held	% of Issued Capital
23.	Ong Eng Soon	1,275,000	0.45
24.	Affin Hwang Nominees (Asing) Sdn Bhd DBS Vickers Secs (S) Pte Ltd for Yeo Seng Chong	1,185,066	0.42
25.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Surinder Singh A/L Wassan Singh	1,130,033	0.40
26.	Lim Kam Seng	1,107,000	0.37
27.	Yayasan Guru Tun Hussein Onn	1,027,873	0.37
28.	Zaha Rina binti Zahari	1,000,066	0.37
29.	Teo Kwee Hock	981,100	0.35
30.	iFAST Nominees (Tempatan) Sdn Bhd - Ong Joo Hock	875,900	0.31
	Total	201,408,019	71.51

LIST OF PROPERTIES

AS AT 30 SEPTEMBER 2024

No.	Location	Gross build-up area (Land area) sq. ft.	Tenure	Description/ existing use	Net book value @ 30.9.2024 RM'000	Approximate age of building Years	Date of acquisition/ Date of last valuation
MALAYSIA							
1.	P.N. (WP) 50897/M1/10/11 Lot No. 20004, Section 46 Town and District of Kuala Lumpur State of Wilayah Persekutuan 10 th Floor Wisma Bumi Raya No. 10, Jalan Raja Laut 50350 Kuala Lumpur Wilayah Persekutuan K.L	11,108	Leasehold expiring 8.4.2074 (P.N 50897 expiring 29.09.2112)	Office	4,440	39	Unit 10-A 1.7.1993/ 30.09.2024 Unit 10-B 1.4.1995/ 30.09.2024
2.	P.N. (WP) 50897/M1/11/12 & M1/12/13, Lot No. 20004, Section 46 Town and District of Kuala Lumpur State of Wilayah Persekutuan 11 th and 12 th Floor Wisma Bumi Raya No. 10, Jalan Raja Laut 50350 Kuala Lumpur Wilayah Persekutuan K.L	11 th Floor 11,108 12 th Floor 11,108	Leasehold expiring 8.4.2074 (P.N 50897 expiring 29.09.2112)	Office	8,880	39	21.12.1982/ 30.09.2024
3.	Geran 71669/M1/16/132 Lot No. 262 Mukim of Ampang District and State of Wilayah Persekutuan K.L Unit 332B-15A, 15 th Floor, GCB Court Off Jalan Ampang 50450 Kuala Lumpur Wilayah Persekutuan K.L	1,615	Freehold	Condominium/ Residential	610	38	14.4.1986 / 30.09.2024

List of Properties
– 30 September 2024
(Cont'd)

No.	Location	Gross build-up area (Land area) sq. ft.	Tenure	Description/ existing use	Net book value @ 30.9.2024 RM'000	Approximate age of building Years	Date of acquisition/ Date of last valuation
MALAYSIA							
4.	Geran No.17880 for Lot No.2163, Town and District of Seremban, Negeri Sembilan Darul Khusus Unit No. G.07, Ground Floor Wisma Punca Emas Jalan Dato' Sheikh Ahmad/ Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus	312.5	Freehold	Shop-lot	30	45	1.12.1986 / 30.09.2024
5.	Lot No. 13772 & 13771S Geran 10602/M1/4/11 & 10601/M1/4/2 Town of Ipoh District of Kinta, State of Perak Darul Ridzuan Lot 3.1 & 3.2, 3rd Floor Wisma Kota Emas Jalan Dato' Tahwil Azhar 30300 Ipoh Perak Darul Ridzuan	1,528	Freehold	Office-lots	190	41	13.2.1991/ 30.09.2024
6.	Lot No. 1217, Title No. PN 26201, Town of Melaka Kawasan Bandar XLII District of Melaka Tengah State of Melaka No.2, Jalan PM7 Plaza Mahkota Bandar Hilir 75000 Melaka	9,428 (2,357)	Leasehold expiring 18.7.2101	4 storey shop-office corner unit	720	26	18.9.1998/ 30.09.2024

List of Properties

– 30 September 2024

(Cont'd)

No.	Location	Gross build-up area (Land area) sq. ft.	Tenure	Description/ existing use	Net book value @ 30.9.2024 RM'000	Approximate age of building Years	Date of acquisition/ Date of last valuation
MALAYSIA							
7.	Geran 72942 Lot No. 59758 Mukim and District of Petaling, State of Selangor Darul Ehsan No. 40, Jalan BP 5/8 Bandar Bukit Puchong 47100 Puchong, Selangor Darul Ehsan	4,671 (3,477)	Freehold	1 ½ storey terraced factories corner unit/ office	2,360	25	3.12.1999/ 30.09.2024
8.	Geran 72944 Lot No. 59759 Mukim and District of Petaling, State of Selangor Darul Ehsan No. 38, Jalan BP 5/8 Bandar Bukit Puchong 47100 Puchong, Selangor Darul Ehsan	2,700 (2,002)	Freehold	1 ½ storey terraced factories intermediate unit/office	1,480	25	3.12.1999/ 30.09.2024
UNITED STATES OF AMERICA							
1.	7914, 7916, 7918 West Drive North Bay Village Miami-Dade County Florida 33141	33,600	Freehold	Land held for development	226,889	N/A	08.01.2015/ 30.09.2024

BURSA SUSTAINABILITY PERFORMANCE TABLE

Indicator	Measurement Unit	2022	2023	2024
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	88.0	49.0	5.2
Executive	Percentage	34.8	41.3	2.0
Non-executive/Technical Staff	Percentage	44.9	50.3	0.7
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	–	–	86.2
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0	0	0
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0	0	0
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management Under 30	Percentage	1.0	1.0	0.0
Management Between 30-50	Percentage	43.0	41.8	40.6
Management Above 50	Percentage	56.0	57.2	59.4
Executive Under 30	Percentage	16.7	18.9	19.4
Executive Between 30-50	Percentage	54.3	51.5	48.0
Executive Above 50	Percentage	29.0	29.6	32.6
Non-executive/Technical Staff Under 30	Percentage	25.0	21.7	21.6
Non-executive/Technical Staff Between 30-50	Percentage	45.5	41.6	40.5
Non-executive/Technical Staff Above 50	Percentage	29.5	36.7	37.9
Gender Group by Employee Category				
Management Male	Percentage	53.0	56.1	57.3
Management Female	Percentage	47.0	43.9	42.7
Executive Male	Percentage	37.6	37.4	39.3
Executive Female	Percentage	62.4	62.6	60.7
Non-executive/Technical Staff Male	Percentage	35.2	36.0	32.0
Non-executive/Technical Staff Female	Percentage	64.8	64.0	68.0

Internal assurance	External assurance	No assurance	(*) Restated
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Bursa Sustainability Performance Table

(Cont'd)

Indicator	Measurement Unit	2022	2023	2024
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	84.2	82.6	84.2
Female	Percentage	15.8	17.4	15.8
Under 30	Percentage	0.0	0.0	0.0
Between 30-50	Percentage	15.8	21.7	26.3
Above 50	Percentage	84.2	78.3	73.7
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	785.3	725.0	725.6
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0	0	0
Bursa C5(c) Number of employees trained on health and safety standards	Number	7	43	0
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	1,100	973	543
Executive	Hours	1,031	1,290	696
Non-executive/Technical Staff	Hours	695	912	320
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	6.2	7.5	8.8
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	15	12	15
Executive	Number	41	29	32
Non-executive/Technical Staff	Number	35	30	25
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	95.8	96.2	96.5
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	6.9	5.0	4.0

Internal assurance	External assurance	No assurance	(*) Restated
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PACIFIC & ORIENT BERHAD
Registration no. 199401022687 (308366-H)
(Incorporated in Malaysia)

FORM OF PROXY

*I/We, _____
of _____
being a member/members of **PACIFIC & ORIENT BERHAD**, hereby appoint _____
of _____
or failing whom, _____
of _____

or failing whom the **Chairman of the meeting** as *my/our proxy to vote for *me/us on *my/our behalf at the 31st Annual General Meeting of the Company to be conducted on a virtual basis through live streaming from the Broadcast Venue at the Conference Room, 17th Floor, Wisma Bumi Raya, No. 10, Jalan Raja Laut, 50350 Kuala Lumpur on Monday, 24 February 2025 at 10.30 a.m. and at any adjournment thereof.

Item	Agenda	Resolution	For	Against
1.	To receive the Audited Financial Statements and Reports.			
2.	To approve the Directors' fees payable to the Non-Executive Directors of the Company up to an amount of RM800,000 from the day after the 31 st Annual General Meeting until the next Annual General Meeting of the Company	Ordinary Resolution 1		
3.	To approve the Directors' benefits and meeting allowance payable to the Non-Executive Directors of the Company up to an amount of RM200,000 from the day after the 31 st Annual General Meeting until the next Annual General Meeting of the Company	Ordinary Resolution 2		
4.	To re-elect Mr. Ong Seng Pheow as Director	Ordinary Resolution 3		
5.	To re-appoint Messrs. Ernst & Young PLT as Auditors and to authorise the Directors to fix their remuneration	Ordinary Resolution 4		
6.	Authority under Sections 75 & 76 of the Companies Act 2016 to allot and issue shares	Ordinary Resolution 5		
7.	Proposed Renewal of Authority for the Purchase by the Company of its Own Shares	Ordinary Resolution 6		

(Please indicate with an "X" in the space provided above how you wish your vote to be cast on the resolutions specified in the notice of meeting. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion.)

* Delete if not applicable.

As witness my hand this _____ day of _____ 2025

No. of Shares Held	
CDS Account No.	

Signature/Common Seal of Member(s)

Notes:

- Depositors whose names appear in the Record of Depositors as at 18 February 2025 shall be regarded as members of the Company entitled to attend the Annual General Meeting or appoint proxies to attend on their behalf.
- Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- In the case of a corporate member, the instrument appointing a proxy must be executed under its common seal or under the hand of its attorney.
- The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notorially certified copy of such power or authority, must be deposited at the office of the Share Registrar of the Company at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or email to AGM-support.POB@megacorp.com.my not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
- By submitting the duly executed proxy form, a member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for this meeting and any adjournment thereof.



Fold this flap for sealing

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AFFIX
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THE SHARE REGISTRAR

PACIFIC & ORIENT BERHAD

Registration No. 199401022687 (308366-H)

c/o Mega Corporate Services Sdn. Bhd.
Level 15-2, Bangunan Faber Imperial Court,
Jalan Sultan Ismail,
50250 Kuala Lumpur

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Pacific & Orient Insurance Co. Berhad

Registration no. 197201000959 (12557-W)

A Member of The Pacific & Orient Group



PACIFIC & ORIENT BERHAD

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