

Company No:
199101003278 (213588 - D)

TRADEWINDS INTERNATIONAL INSURANCE BROKERS SDN. BHD.

(199101003278 (213588 - D))

(Incorporated in Malaysia)

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

31 DECEMBER 2024

FOR VIEW PURPOSE ONLY

Company No:
199101003278 (213588 - D)

TRADEWINDS INTERNATIONAL INSURANCE BROKERS SDN. BHD.
(Incorporated in Malaysia)

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TRADEWINDS INTERNATIONAL INSURANCE BROKERS SDN. BHD.

(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company principally operates as an approved insurance broker for direct insurance and reinsurance businesses. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	RM
Profit for the financial year	<u>34,314,507</u>

DIVIDENDS

Dividends paid, declared and proposed since the end of the previous financial year were as follows:

	RM
In respect of financial year ended 31 December 2024:	
First interim single tier dividend of RM4.80 per ordinary share paid on 11 March 2024	12,000,000
Second interim single tier dividend of RM4.80 per ordinary share paid on 10 July 2024	12,000,000
Third interim single tier dividend of RM3.60 per ordinary share paid on 10 October 2024	9,000,000
Fourth interim single tier dividend of RM2.00 per ordinary share paid on 15 November 2024	<u>5,000,000</u>
	<u>38,000,000</u>

The Directors do not recommend the payment of any final dividend in respect of the financial year ended 31 December 2024.

On 15 January 2025, an interim single tier dividend of RM16.00 per ordinary share was declared in respect of financial year ending 31 December 2025, which is payable in the financial year ending 31 December 2025.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

TRADEWINDS INTERNATIONAL INSURANCE BROKERS SDN. BHD.

(Incorporated in Malaysia)

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Sa'ari bin Peryatin
Melati binti Abdul Hamid
Dato' Sri Amrin bin Awaluddin
Izmir bin Abdul Karim
Asril Rahman bin Abdul Hadi
Raja Mukhrizamin bin Raja Busu

Zainudin bin Ishak
Zulkifli bin Mohd Salleh Sabai

(Appointed on 15 January 2025)
(Appointed on 09 July 2024 and resigned
on 15 January 2025)
(Appointed on 20 February 2025)
(Resigned on 09 July 2024)

DIRECTORS' INTERESTS

None of the Directors holding office at the end of the financial year held any interests in ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors) 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 other than the following:

- (a) any benefits which may be deemed to have arisen by virtue of the significant related party transactions; and
- (b) remuneration received by certain Directors as directors/executives of the immediate holding company and related corporations.

There were no arrangements made during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

TRADEWINDS INTERNATIONAL INSURANCE BROKERS SDN. BHD.

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DIRECTORS' REMUNERATION

Directors' remuneration of the Company for the financial year ended 31 December 2024 were as follows:

	2024 RM
Salaries, allowances and bonuses	1,493,269
Defined contribution plan	90,945
	<u>1,584,214</u>

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

Tradewinds Corporation Berhad, the immediate holding company effected Directors' and officers' liability insurance during the financial year to protect the Directors and officers of the Company against potential costs and liabilities arising from claims brought against the Directors and officers, which amounted to RM85,000.

There were no indemnity given to or insurance effected for the auditors of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that there are no known bad debts to be written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
- (i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts in the financial statements of the Company inadequate to any material extent;

TRADEWINDS INTERNATIONAL INSURANCE BROKERS SDN. BHD.

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OTHER STATUTORY INFORMATION REGARDING THE COMPANY (continued)

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT (continued)

- (c) The Directors are not aware of any circumstances: (continued)
 - (ii) which would render the values attributed to current assets in the financial statements of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Company to meet its obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Company misleading.

ULTIMATE HOLDING COMPANY

The Director regard Restu Jernih Sdn. Bhd. as the ultimate holding company, a company incorporated in Malaysia.

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TRADEWINDS INTERNATIONAL INSURANCE BROKERS SDN. BHD.
(Incorporated in Malaysia)

AUDITORS


The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

The auditors' remuneration of the Company for the financial year ended 31 December 2024 amounted to RM60,000.

Signed on behalf of the Board in accordance with a resolution of the Directors.


.....
Dato Sri Anir bin Awaluddin
Chairman

Kuala Lumpur
14 March 2025


.....
Sa'ari bin Peryatin
Director

FOR VIEW PURPOSE ONLY


TRADEWINDS INTERNATIONAL INSURANCE BROKERS SDN. BHD.

(Incorporated in Malaysia)


STATEMENT BY DIRECTORS

We, Dato Seri Amrin bin Awaluddin and Sa'ari bin Peryatin, being two of the Directors of Tradewinds International Insurance Brokers Sdn. Bhd., state that, in the opinion of the Directors, the financial statements set out on pages 11 to 35 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of Company as at 31 December 2024 and of the financial performance and cash flows of the Company for the financial year then ended.

On behalf of the Board,


.....
Dato Seri Amrin bin Awaluddin
Chairman

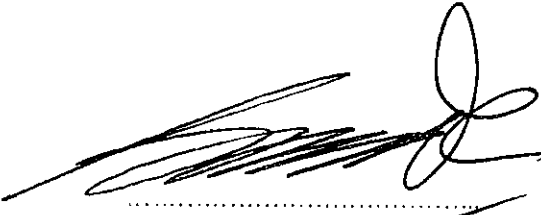
Kuala Lumpur
14 March 2025


.....
Sa'ari bin Peryatin
Director

STATUTORY DECLARATION

I, Sa'ari bin Peryatin, being the Director primarily responsible for the financial management of Tradewinds International Insurance Brokers Sdn. Bhd., do solemnly and sincerely declare that the financial statements set out on pages 11 to 35 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 at)
Kuala Lumpur this)
14 March 2025)


.....
Sa'ari bin Peryatin
Director

Before me:



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Malaysia

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
TRADEWINDS INTERNATIONAL INSURANCE BROKERS SDN. BHD.
(Incorporated in Malaysia)**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tradewinds International Insurance Brokers Sdn. Bhd., which comprise the statement of financial position as at 31 December 2025 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 11 to 35.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting 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 ("ISAs"). 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 opinion.

Independence and Other Ethical Responsibilities

We are independent 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 Ethics Standards Board for Accountants' *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.

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 but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
TRADEWINDS INTERNATIONAL INSURANCE BROKERS SDN. BHD. (continued)
(Incorporated in Malaysia)**

**Information Other than the Financial Statements and Auditors' Report Thereon
(continued)**

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements 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 the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements of the Company that give a true and fair view in accordance with MFRSs, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing 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 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 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 ISAs 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.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
TRADEWINDS INTERNATIONAL INSURANCE BROKERS SDN. BHD. (continued)
(Incorporated in Malaysia)**

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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

- (a) Identify and assess the risks of material misstatement of the financial statements 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.
- (b) 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 Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Director's 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 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 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 Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
TRADEWINDS INTERNATIONAL INSURANCE BROKERS SDN. BHD. (continued)
(Incorporated in Malaysia)**

Other Matters

This report is made solely to the member 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.

Boo PLT

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Kuala Lumpur
14 March 2025

Rejeesh A/L Balasubramaniam

Rejeesh A/L Balasubramaniam
02895/08/2026 J
Chartered Accountant

FOR VIEW PURPOSE ONLY

TRADEWINDS INTERNATIONAL INSURANCE BROKERS SDN. BHD.

(Incorporated in Malaysia)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 RM	2023 RM
Revenue	4	63,777,602	55,508,615
Other operating income	5	3,828,828	3,540,031
		67,606,530	59,048,646
Staff costs and Directors' remuneration	6	(16,888,371)	(13,582,618)
Depreciation of property, plant and equipment	9	(1,379,490)	(1,365,868)
Other operating expenses		(4,028,731)	(3,563,087)
Finance cost		(64,191)	(116,916)
(Impairment losses)/Reversal of impairment losses on financial assets, net	7	(86,583)	435,086
Profit before tax	7	45,159,164	40,855,243
Tax expense	8	(10,844,657)	(9,863,369)
Profit for the financial year		34,314,507	30,991,874
Other comprehensive income, net of tax		-	-
Total comprehensive income for the financial year		34,314,507	30,991,874

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

TRADEWINDS INTERNATIONAL INSURANCE BROKERS SDN. BHD.

(Incorporated in Malaysia)

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

	Note	2024 RM	2023 RM
ASSETS			
Non-current assets			
Property, plant and equipment	9	3,878,693	2,325,547
Goodwill	10	5,101,783	5,101,783
Deferred tax assets	11	1,937,678	580,782
		10,918,154	8,008,112
Current assets			
Trade and other receivables	12	40,495,154	53,528,792
Cash and bank balances	13	93,166,899	90,762,835
		133,662,053	144,291,627
TOTAL ASSETS		<u>144,280,207</u>	<u>152,299,739</u>
EQUITY AND LIABILITIES			
Equity attributable to owner of the Company			
Share capital	14	2,500,001	2,500,001
Retained earnings		72,213,039	75,898,532
TOTAL EQUITY		74,713,040	78,398,533
LIABILITIES			
Non-current liability			
Lease liabilities	15	1,544,387	528,815
Current liabilities			
Trade and other payables	16	63,171,237	69,762,882
Lease liabilities	15	1,093,012	1,084,584
Current tax liabilities		3,758,531	2,524,925
		68,022,780	73,372,391
TOTAL LIABILITIES		<u>69,567,167</u>	<u>73,901,206</u>
TOTAL EQUITY AND LIABILITIES		<u>144,280,207</u>	<u>152,299,739</u>

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

TRADEWINDS INTERNATIONAL INSURANCE BROKERS SDN. BHD.

(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Share capital RM	Retained earnings RM	Total equity RM
Balance as at 1 January 2023		2,500,001	79,906,688	82,406,659
Profit for the financial year		-	30,991,874	30,991,874
Other comprehensive income, net of tax		-	-	-
Total comprehensive income for the financial year			30,991,874	30,991,874
Transaction with owner				
Dividends paid	17		(35,000,000)	(35,000,000)
Balance as at 31 December 2023/ 1 January 2024		2,500,001	75,898,532	78,398,533
Profit for the financial year		-	34,314,507	34,314,507
Other comprehensive income, net of tax		-	-	-
Total comprehensive income for the financial year		-	34,314,507	34,314,507
Transaction with owner				
Dividends paid	17	-	(38,000,000)	(38,000,000)
Balance as at 31 December 2024		2,500,001	72,213,039	74,713,040

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

TRADEWINDS INTERNATIONAL INSURANCE BROKERS SDN. BHD.

(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		45,159,164	40,855,243
Adjustments for:			
Depreciation of property, plant and equipment	9	379,490	1,365,868
Interest income		(3,828,917)	(3,479,768)
Interest expense		64,191	116,916
Impairment losses/(Reversal on impairment losses) on financial assets	7	86,583	(435,086)
Gain on disposal of plant, property and equipment		(11)	(1,599)
Operating profit before changes in working capital		42,860,500	38,421,574
Changes in working capital:			
Trade and other receivables		12,947,055	(908,494)
Trade and other payables		(6,591,645)	9,562,501
Cash generated from operations		49,215,910	47,075,581
Tax paid		(10,967,947)	(10,060,920)
Net cash from operating activities		38,247,963	37,014,661
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		3,828,917	3,479,768
Purchase of property, plant and equipment	9	(509,520)	(149,789)
Proceeds from disposals of property, plant and equipment		11	1,600
Deposits (placed with)/uplifted from licensed banks with original maturity of more than three (3) months		(280,195)	39,754,545
Net cash from investing activities		3,039,213	43,086,124
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	17	(38,000,000)	(35,000,000)
Payments of lease liabilities	15	(1,163,307)	(1,161,893)
Net cash used in financing activities		(39,163,307)	(36,161,893)
Net increase in cash and cash equivalents		2,123,869	43,938,892
Cash and cash equivalents at beginning of financial year		81,918,586	37,979,694
Cash and cash equivalents at end of financial year	13	84,042,455	81,918,586

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

TRADEWINDS INTERNATIONAL INSURANCE BROKERS SDN. BHD.

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

1. GENERAL INFORMATION

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

The registered office of the Company is located at Level 4B, No. 88, Jalan Perdana, Taman Tasik Perdana, 50480 Kuala Lumpur.

The principal place of business of the Company is located at 37th Floor, Cap Square Tower, No. 10, Jalan Munshi Abdullah, 50100 Kuala Lumpur.

The ultimate and immediate holding companies of the Company are Restu Jernih Sdn. Bhd. and Tradewinds Corporation Berhad respectively, both of which are incorporated in Malaysia.

These financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

The financial statements were authorised for issuance in accordance with a resolution by the Board of Directors on 14 March 2025.

2. PRINCIPAL ACTIVITIES

The Company principally operates as an approved insurance broker for direct insurance and reinsurance businesses. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs and Amendments to MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 2.1 to the financial statements.

The financial statements of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

4. REVENUE

	2024 RM	2023 RM
Revenue from contracts with customers		
Transfer at a point in time		
Insurance brokerage	63,777,602	55,508,615

Insurance brokerage, net of discount and sub-brokerage fees is recognised at a point in time when the amount of gross premium is finalised and agreed with both insurer and the insured and the Company has a present right to payment for the services rendered.

There is no significant financing component in the revenue arising from sale brokerage services rendered as brokerage services are made on the normal credit terms not exceeding twelve (12) months.

Disaggregation of revenue from contracts with customers has not been presented as the Company evaluates its business performance based on geographical location and the business of the Company is focused only in Malaysia.

5. OTHER OPERATING INCOME

	2024 RM	2023 RM
Interest income from deposits with licensed banks and short term funds	3,828,917	3,479,768
Gain on disposal of property, plant and equipment	11	1,599
Gain on realised foreign exchange	-	58,664
	<u>3,828,928</u>	<u>3,540,031</u>

Interest income is recognised on an accrual basis using the effective interest rate method.

6. STAFF COSTS AND DIRECTORS' REMUNERATION

	2024 RM	2023 RM
Salaries and allowances	6,900,393	5,688,944
Defined contribution plan	1,212,124	937,289
Local profit incentive	6,606,005	5,013,851
Other employee benefits	585,635	496,274
	<u>15,304,157</u>	<u>12,136,358</u>
Directors' remuneration		
Executive Director		
Salaries, allowances and bonuses	1,493,269	1,376,696
Defined contribution plan	90,945	69,564
	<u>1,584,214</u>	<u>1,446,260</u>
	<u>16,888,371</u>	<u>13,582,618</u>

7. PROFIT BEFORE TAX

- (a) Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at after charging:

	2024 RM	2023 RM
Auditors' remuneration:		
- statutory audit	60,000	50,000
- other services		5,000
	<u>60,000</u>	<u>55,000</u>

- (b) Impairment losses/(Reversal of impairment losses) on financial assets recognised in profit or loss were as follows:

	2024 RM	2023 RM
Impairment losses/(Reversal of impairment losses) on trade receivables (Note 12)	<u>86,583</u>	<u>(435,086)</u>

8. TAX EXPENSE

	2024 RM	2023 RM
Current tax expense based on profit for the financial year:		
- Malaysian income tax	12,216,865	9,768,938
- (Over)/Under provision in prior years	<u>(15,312)</u>	<u>1,791</u>
	12,201,553	9,770,729
Deferred tax: (Note 11)		
- Relating to origination and reversal of temporary differences	<u>(1,360,197)</u>	<u>106,102</u>
- Under/(Over) provision in prior years	<u>3,301</u>	<u>(13,462)</u>
	<u>(1,356,896)</u>	<u>96,240</u>
	<u>10,844,657</u>	<u>9,863,369</u>

- (a) The Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated taxable profit for the fiscal year.

- (b) A reconciliation of tax expense applicable to profit before tax at the statutory income tax rate to tax expense at the effective income tax rate of the Company is as follows:

	2024 RM	2023 RM
Profit before tax	<u>45,159,164</u>	<u>40,855,243</u>
Tax at Malaysian statutory tax rate 24% (2023: 24%)	10,383,199	9,805,258
Tax effects in respect of:		
- Non-allowable expenses	18,469	69,881
- Non-taxable income	-	(99)
	<u>10,856,668</u>	<u>9,875,040</u>
(Over)/Under provision in prior years:		
- Income tax	(15,312)	1,791
- Deferred tax	<u>3,301</u>	<u>(13,462)</u>
	<u>10,844,657</u>	<u>9,863,369</u>

9. PROPERTY, PLANT AND EQUIPMENT

2024	Computer equipment RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Sub-total RM	Right-of-use assets			Total RM
					Buildings RM	Machinery RM	Sub-total RM	
<u>Cost</u>								
Balance as at 1 January 2024	2,584,309	1,771,169	8,550	4,363,968	3,266,560	205,845	3,472,405	7,836,373
Additions	386,712	122,808	-	509,520	2,066,506	56,610	2,123,116	2,632,636
Disposal	-	(10,995)	-	(10,995)	-	-	-	(10,995)
Reversal	-	-	-	-	(171,378)	(116,048)	(287,426)	(287,426)
Balance as at 31 December 2024	2,970,961	1,882,982	8,550	4,862,493	5,161,688	146,407	5,308,095	10,170,588
<u>Accumulated depreciation</u>								
Balance as at 1 January 2024	1,859,005	1,726,908	143	3,586,056	1,768,693	156,077	1,924,770	5,510,826
Depreciation charge for the financial year	282,378	26,220	1,710	310,308	1,040,013	29,169	1,069,182	1,379,490
Disposal	-	(10,995)	-	(10,995)	-	-	-	(10,995)
Reversal	-	-	-	-	(171,378)	(116,048)	(287,426)	(287,426)
Balance as at 31 December 2024	2,141,383	1,742,133	1,853	3,885,369	2,637,828	69,198	2,706,526	6,591,895
<u>Carrying amount</u>								
Balance as at 31 December 2024	829,578	140,849	6,697	977,124	2,524,360	177,209	2,601,569	3,578,693

9. PROPERTY, PLANT AND EQUIPMENT (continued)

2023	Computer equipment RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Sub-total RM	[-----Right-of-use assets-----]			Total RM
					Buildings RM	Machineries RM	Sub-total RM	
Cost								
Balance as at 1 January 2023	2,455,660	1,758,519	6,088	4,220,267	3,153,546	205,845	3,359,391	7,579,658
Additions	128,589	12,650	8,550	149,789	113,014	-	113,014	262,803
Disposals	-	-	(6,088)	(6,088)	-	-	-	(6,088)
Balance as at 31 December 2023	2,584,249	1,771,169	8,550	4,363,968	3,266,560	205,845	3,472,405	7,836,373
Accumulated depreciation								
Balance as at 1 January 2023	1,588,344	1,698,781	6,087	3,293,212	730,703	127,130	857,833	4,151,045
Depreciation charge for the financial year	270,661	28,127	143	298,931	1,037,990	28,947	1,066,937	1,365,868
Disposals	-	-	(6,087)	(6,087)	-	-	-	(6,087)
Balance as at 31 December 2023	1,859,005	1,726,908	143	3,586,056	1,768,693	156,077	1,924,770	5,510,826
Carrying amount								
Balance as at 31 December 2023	725,244	44,261	8,407	777,912	1,497,867	49,768	1,547,635	2,325,547

9. PROPERTY, PLANT AND EQUIPMENT (continued)

- (a) All items of property, plant and equipment (excluding right-of-use assets) are initially measured at cost. After initial recognition, property, plant and equipment (excluding right-of-use assets) are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is calculated to write down the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The principal depreciation periods are as follows:

Computer equipment	5 years
Furniture, fittings and office equipment	5 - 7 years
Motor vehicles	5 years

- (b) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation, any accumulated impairment losses and adjusted for any re-measurement of the lease liabilities.

The right-of-use assets are depreciated on straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Buildings	3 years
Machineries	5 years

- (c) During the financial year, the Company made the following cash payments to purchase property, plant and equipment:

	2024 RM	2023 RM
Purchase of property, plant and equipment	2,632,636	262,803
Settlement through lease arrangements (Note 15)	(2,123,116)	(113,014)
Cash payments on purchase of property, plant and equipment	<u>509,520</u>	<u>149,789</u>

10. GOODWILL

	2024 RM	2023 RM
Carrying amount	<u>5,101,783</u>	<u>5,101,783</u>

Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost. After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.

10. GOODWILL (continued)

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the cash generating unit ("CGU") based on estimation of the value-in-use ("VIU"), which requires significant judgements, estimates about the future results and key assumptions made by the management. Estimating a VIU amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount of the goodwill is allocated to the Company as a whole, as the goodwill is subsumed within the insurance broking business of the Company.

In performing the impairment assessment of the carrying amount of goodwill, the recoverable amount of the CGU is determined based on estimation of the VIU calculated using cash flow projection. This cash flow projection is based on approved financial budgets covering a five (5) year period. The key assumptions applied by management in the cash flow projections which require judgements and estimates are as follows:

	2024	2023
Average net profit margin	49%	50%
Average revenue growth rate	5%	6%
Pre-tax discount rate	7%	7%

As at 31 December 2024, the recoverable amount based on VIU calculation was higher than goodwill, therefore no impairment loss was required.

There are no any reasonably possible changes in the key assumptions used that would cause the carrying amount of the CGU to materially exceed its recoverable amount.

11. DEFERRED TAX

(a) The deferred tax assets and liabilities are made up of the following:

	2024 RM	2023 RM
Balance as at 1 January	580,782	673,422
Recognised in profit or loss (Note 8)	1,356,896	(92,640)
Balance as at 31 December	1,937,678	580,782
Presented after appropriate offsetting:		
Deferred tax assets	2,053,591	688,041
Deferred tax liabilities	(115,913)	(107,259)
	1,937,678	580,782

11. DEFERRED TAX (continued)

- (b) Components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities

	2024 RM	2023 RM
Property, plant and equipment		
Balance as at 1 January	107,259	149,410
Recognised in profit or loss	8,654	(42,151)
Balance as at 31 December	115,913	107,259

Deferred tax assets

	2024 RM	2023 RM
Payables and others		
Balance as at 1 January	688,041	822,832
Recognised in profit or loss	1,365,550	(134,791)
Balance as at 31 December	2,053,591	688,041

12. TRADE AND OTHER RECEIVABLES

	2024 RM	2023 RM
Trade receivables		
Third parties	21,523,169	42,695,328
Related parties	19,297,567	11,155,266
	40,820,736	53,850,594
Less: Impairment losses	(893,756)	(807,173)
	39,926,980	53,043,421
Other receivables		
Amounts owing by related companies	-	22,314
Other receivables	99,801	20,000
Deposits	446,728	376,882
	546,529	419,196
Total receivables	40,473,509	53,462,617
Prepayments	21,645	66,175
Total trade and other receivables	40,495,154	53,528,792

12. TRADE AND OTHER RECEIVABLES (continued)

- (a) Total receivables are classified as financial assets measured at amortised cost.
- (b) Trade receivables, including amounts owing by related parties, are unsecured and non-interest bearing with normal trade credit terms granted by the Company ranged from seven (7) days to sixty (60) days (2023: seven (7) days to sixty (60) days). Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original debit note amounts, which represent their fair values on initial recognition.
- (c) Non-trade amounts owing by related companies represent advances and payment on behalf, which are unsecured, interest-free and receivable within next twelve (12) months in cash and cash equivalents.
- (d) The Company collects premium on insurance policies from the insured on behalf of the insurance companies as a service provider. The net brokerage fee income receivables of the Company amounting to RM3,196,443 (2023: RM4,189,691).
- (e) Included in trade receivables are insurance premiums and claims on behalf of clients amounting to RM15,617 (2023: RM10,650,000) where a similar sum is included in trade payables as disclosed in Note 16 to the financial statements.
- (f) The Company applies the MFRS 9 simplified approach in measuring expected credit losses ("ECL") which uses a lifetime expected loss allowance for trade receivables that do not contain a significant financing component. During this process, the probability of non-payment by the trade receivable is adjusted by forward looking information on macroeconomic factors, which the Company has identified as gross domestic product, and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivable. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statement of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

For trade receivables that contain a significant financing component and other financial assets, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. The Company defined significant increase in credit risk based on past due information, i.e. brokerage and fee which remain outstanding for more than six (6) months from the date on which they become receivable in accordance with the Insurance Brokers' Regulations stipulated by Bank Negara Malaysia. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for the financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result in default events on a financial instrument that are possible within twelve (12) months after the reporting date.

For the purpose of assessing whether the credit risk of the Company has increased significantly since initial recognition, the Company compares the risk of a default occurring at the reporting date with the risk of a default occurring at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that are reasonable and supportable, including historical experience and forward-looking information, which are available without undue cost or effort.

Significant judgement is required in determining the probabilities of default by receivables and appropriate forward-looking information in assessing the expected credit loss allowance.

12. TRADE AND OTHER RECEIVABLES (continued)

- (g) The information about the credit risk and expected credit losses ("ECL") allowance for trade receivables of the Company using the provision matrix are as follows:

2024	Gross carrying amount RM	Lifetime ECL allowance RM	Net carrying amount RM
Not past due	24,090,407	(146,138)	23,944,254
Past due:			
1 to 30 days	6,674,996	(19,026)	6,655,970
31 to 60 days	3,405,411	(41,851)	3,363,560
61 to 90 days	1,658,025	(23,636)	1,634,339
91 to 120 days	3,709,200	(20,216)	3,688,984
More than 121 days	1,282,697	(642,824)	639,873
Total	40,820,736	(893,756)	39,926,980
2023			
Not past due	25,152,616	(257,198)	24,895,418
Past due:			
1 to 30 days	10,597,693	(9,118)	10,588,575
31 to 60 days	5,117,337	(40,508)	5,076,829
61 to 90 days	6,642,629	(78,497)	6,564,132
91 to 120 days	2,365,282	(81,853)	2,283,429
More than 121 days	3,975,037	(339,999)	3,635,038
Total	53,850,594	(807,173)	53,043,421

- (h) The reconciliation of movements in the impairment losses on trade and other receivables are as follows:

	Lifetime ECL allowance RM	Credit impaired RM	Total impairment RM
Balance as at 1 January 2024	807,173	-	807,173
Charge for the financial year	86,583	-	86,583
Balance as at 31 December 2024	893,756	-	893,756
Balance as at 1 January 2023	1,242,259	-	1,242,259
Reversal for the financial year	(435,086)	-	(435,086)
Balance as at 31 December 2023	807,173	-	807,173

Credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the end of the reporting period.

- (i) At the end of each reporting period, trade receivables of the Company are not secured by any collaterals and the Company did not renegotiate the terms of any trade receivables.

12. TRADE AND OTHER RECEIVABLES (continued)

- (j) No expected credit losses are recognised arising from other receivables as it is negligible.
- (k) As at end of reporting period, concentration of credit risk arose from two (2) (2023: two (2)) trade receivables constituting 39% (2023: 23%) of the total trade receivables of the Company.
- (l) The currency exposure profile of total receivables are as follows:

	2024 RM	2023 RM
Ringgit Malaysia	35,032,770	50,413,546
United States Dollars	5,429,382	2,975,242
Others	11,417	73,829
	<u>40,473,509</u>	<u>53,462,617</u>

- (m) The following table demonstrates the sensitivity analysis of the Company to a reasonably possible changes in the United States Dollar ("USD") exchange rates against the Ringgit Malaysia ("RM"), with all other variables held constant:

	2024 RM	2023 RM
Profit after tax and equity		
USD/RM - strengthen by 16% (2023: 15%)	660,213	339,178
- weaken by 16% (2023: 15%)	<u>(660,213)</u>	<u>(339,178)</u>

The exposure to the other currencies is not significant, hence the effects of the changes in the exchange rates are not presented.

13. CASH AND BANK BALANCES

	2024 RM	2023 RM
Cash and bank balances	84,042,455	81,918,586
Deposits with licensed banks	<u>9,124,444</u>	<u>8,844,249</u>
	<u>93,166,899</u>	<u>90,762,835</u>

- (a) Total cash and bank balances are classified as financial assets measured at amortised cost.
- (b) Deposits with licensed banks and financial institutions of the Company have a maturity period ranged from 182 days to 366 days (2023: 182 days to 366 days) and bears fixed interest rates ranged from 2.60% to 3.20% (2023: 3.05% to 3.20%) per annum.

The Company does not account for deposits with licensed banks and financial institutions at fair value through profit or loss. Fixed rate instrument is not affected by changes in interest rates. Therefore, sensitivity analysis is not presented.

13. CASH AND BANK BALANCES (continued)

- (c) The currency exposure profile of cash and bank balances are as follows:

	2024 RM	2023 RM
Ringgit Malaysia	92,952,264	90,952,464
United States Dollars	214,635	698,877
Others		11,494
	<u>93,166,899</u>	<u>90,762,835</u>

- (d) The following table demonstrates the sensitivity analysis of the Company to a reasonably possible changes in the United States Dollar ("USD") exchange rates against the Ringgit Malaysia ("RM"), with all other variables held constant.

	2024 RM	2023 RM
Profit after tax and equity		
USD/RM - strengthen by 16% (2023: 15%)	26,100	79,672
- weaken by 16% (2023: 15%)	<u>(26,100)</u>	<u>(79,672)</u>

The exposure to the other currencies is not significant, hence the effects of the changes in the exchange rates are not presented.

- (e) For the purpose of the statement of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	2024 RM	2023 RM
Cash and bank balances	93,166,899	90,762,835
Deposits with licensed banks with original maturity of more than three (3) months	<u>(9,124,444)</u>	<u>(8,844,249)</u>
	<u>84,042,455</u>	<u>81,918,586</u>

- (f) No expected credit losses were recognised arising from cash and bank balances because the probability of default by these financial institutions were negligible.

14. SHARE CAPITAL

	2024		2023	
	Number of shares	RM	Number of shares	RM
Issued and fully paid ordinary shares with no par value:				
Balance as at 1 January/ 31 December	<u>2,500,001</u>	<u>2,500,001</u>	<u>2,500,001</u>	<u>2,500,001</u>

14. SHARE CAPITAL (continued)

The owner of the Company is entitled to receive dividends as and when declared by the Company and is entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

15. LEASE LIABILITIES

	2024 RM	2023 RM
Non-current		
Lease liabilities	1,544,387	528,815
Current		
Lease liabilities	1,093,012	1,084,584
	<u>2,637,399</u>	<u>1,613,399</u>

- (a) The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date.

After initial recognition, lease liabilities are measured by increasing the carrying amounts to reflect interest on the lease liabilities, reducing the carrying amounts to reflect the lease payments made and remeasuring the carrying amounts to reflect any reassessment or lease modifications.

The Company determines the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if the Company is reasonably certain to exercise the relevant options. Management has considered the relevant facts and circumstances that create an economic incentive for the Company to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of the Company.

The corresponding right-of-use assets of the lease liabilities are presented as property, plant and equipment as disclosed in Note 9 to the financial statements.

15. LEASE LIABILITIES (continued)

(b) The movements of lease liabilities during the financial year are as follows:

	Buildings RM	Machineries RM	Total RM
Balance as at 1 January 2024	1,560,037	53,362	1,613,399
Additions (Note 9)	2,066,506	56,610	2,123,116
Lease payments	(1,129,706)	(33,600)	(1,163,307)
Interest expense	59,916	2,275	64,191
Balance as at 31 December 2024	2,556,753	80,646	2,637,399
Balance as at 1 January 2023	2,462,400	82,962	2,545,362
Additions (Note 9)	113,014	-	113,014
Lease payments	(1,128,293)	(33,600)	(1,161,893)
Interest expense	116,916	4,000	116,916
Balance as at 31 December 2023	1,560,037	53,362	1,613,399

(c) The following are total cash outflows for leases as a lessee:

	2024 RM	2023 RM
Included in net cash from financing activities:		
Payments of lease liabilities	1,163,307	1,161,893

(d) The following are the amounts recognised in profit or loss of the Company:

	2024 RM	2023 RM
Depreciation charge of right-of-use assets	1,069,182	1,066,937
Interest expense on lease liabilities (included in finance cost)	64,191	116,916
	1,133,373	1,183,853

(e) The Company leases several lease contracts that include extension and termination options. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

15. LEASE LIABILITIES (continued)

(e) (continued)

The followings are the undiscounted potential future rental payments that are not included in the lease term:

	Within five (5) years RM	More than five (5) years RM	Total RM
2024			
Extension option expected not to be exercised	31,790	-	31,790
2023			
Extension option expected not to be exercised	54,230	-	54,230

(f) The following table summarises the incremental borrowing rate as at the end of the reporting date and remaining maturity profile of the lease liabilities of the Company at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

	Weighted average incremental borrowing rate per annum RM	On demand or within one (1) year RM	One (1) to five (5) years RM	Over five (5) years RM	Total RM
2024					
Lease liabilities	5.74%	1,162,614	1,609,734	-	2,772,348
2023					
Lease liabilities	5.83%	1,145,664	538,620	-	1,684,284

(g) Lease liabilities are fixed rate instruments. Sensitivity analysis at the end of the reporting period is not presented as it is not affected by changes in interest rates.

(h) Management exercises judgement in determining the incremental borrowing rates whenever the implicit rates of interest in a lease are not readily determinable as well as the lease terms. The incremental borrowing rates used are based on prevailing market borrowing rates over similar lease terms, of similar value as the right-of-use asset in a similar economic environment. Lease terms are based on management expectations driven by prevailing market conditions and past experience in exercising similar renewal and termination options.

15. LEASE LIABILITIES (continued)

(i) Reconciliation of liabilities arising from financing activities

	2024 RM	2023 RM
At 1 January	1,613,399	2,645,362
Cash flows:		
- payment of lease liabilities	(1,163,307)	(1,161,893)
Non-cash flows:		
- additions of lease liabilities	2,123,136	113,014
- accretion of interest	84,191	116,916
At 31 December	<u>2,637,399</u>	<u>1,613,399</u>

16. TRADE AND OTHER PAYABLES

	2024 RM	2023 RM
Trade payables		
Third parties - amounts owing to insurers	46,230,829	59,865,572
Surveyors' fees	<u>8,451,915</u>	<u>6,712,466</u>
	<u>54,682,744</u>	<u>66,578,038</u>
Other payables		
Amount owing to immediate holding company	94,681	71,710
Amounts owing to related companies	92,308	58,790
Accrual for payroll liabilities	7,662,870	2,253,994
Other accrued expenses	401,467	499,450
Other payables	<u>237,167</u>	<u>300,900</u>
	<u>8,488,493</u>	<u>3,184,844</u>
	<u>63,171,237</u>	<u>69,762,882</u>

(a) Trade and other payables are classified as financial liabilities measured at amortised cost.

(b) Trade and other trade payables represent premium payable to insurance companies and surveyors' fees. The credit period offered by trade payables is within fifteen (15) days (2023: fifteen (15) days) after receipt of premium from the customer.

(c) Included in trade payables are insurance premiums and claims on behalf of clients amounting to RM15,617 (2023: RM10,650,000) where a similar sum is included in trade receivables as disclosed in Note 12 to the financial statements.

16. TRADE AND OTHER PAYABLES (continued)

- (d) Non-trade amounts owing to immediate holding company and related companies represent payment made on behalf, which are unsecured, interest free and payable within next twelve (12) month in cash and cash equivalents.

- (e) The currency exposure profile of trade and other payables are as follows:

	2024 RM	2023 RM
Ringgit Malaysia	58,181,835	66,345,696
United States Dollars	4,090,002	3,417,186
	<u>63,171,837</u>	<u>69,762,882</u>

- (f) The following table demonstrates the sensitivity analysis of the Company to a reasonably possible changes in the United States Dollar ("USD") exchange rates against the Ringgit Malaysia ("RM"), with all other variables held constant:

	2024 RM	2023 RM
Profit after tax and equity		
USD/RM - strengthen by 16% (2023: 16%)	606,784	(389,559)
- weaken by 16% (2023: 15%)	<u>(606,784)</u>	<u>389,559</u>

- (g) Maturity profile of trade and other payables of the Company at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within one (1) year.

17. DIVIDENDS

Dividends declared and paid are as follows:

	2024		2023	
	Single tier dividend per share RM	Amount of dividend RM	Single tier dividend per share RM	Amount of dividend RM
First interim single tier	4.80	12,000,000	0.40	1,000,000
Second interim single tier	4.80	12,000,000	4.40	11,000,000
Third interim single tier	3.60	9,000,000	4.80	12,000,000
Fourth interim single tier	2.00	5,000,000	4.40	11,000,000
		<u>38,000,000</u>		<u>35,000,000</u>

The Directors do not recommend the payment of any final dividend in respect of the financial year ended 31 December 2024.

18. RELATED PARTY DISCLOSURES

(a) Identities of related parties

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

Related parties of the Company includes:

- (i) ultimate holding company of the Company;
- (ii) direct and indirect subsidiaries, associates and joint venture of the ultimate holding company; and
- (iii) key management personnel, whom are defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel include the Executive Director of the Company.

- (b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Company had the following transactions with related parties during the financial year:

	2024 RM	2023 RM
Brokerage income from companies, which has certain Common Directors with the Company	17,826,731	14,065,959
Brokerage income from related companies	359,052	479,868
Dividends paid to immediate holding company	38,000,000	35,000,000
Management fees paid to immediate holding company	358,680	358,680

The related party transactions described above were carried out on agreed contractual terms and conditions and in the ordinary course of business between the related parties of the Company.

(c) Compensation of key management personnel

The Executive Director's fees and remuneration are disclosed in Note 6 to the financial statements.

19. CAPITAL MANAGEMENT

The primary objective of the capital management of the Company is to ensure that the Company would be able to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder's value. The overall strategy of the Company remains unchanged for the financial year ended 31 December 2024.

The Company monitors capital using its equity. The Company's policy is to maintain its equity at a manageable level at all times to safeguard the ability of the Company to continue as a going concern and to maintain an optimal capital structure so as to provide returns for shareholder and benefits for other stakeholders.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of the Company is to optimise value creation for shareholder whilst minimising the potential adverse impact arising from the unpredictability of the financial markets.

Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Company's financial risk management policies. The Company is exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk and foreign currency risk. Information on the management of the related exposures is detailed below.

(a) Credit risk

Cash deposits and trade receivables could give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are major licensed financial institutions and reputable organisations. It is the policy of the Company to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Company is exposed to minimal credit risk.

The Company has under its management policies, formulated various credit control procedures to ensure that the credit risks are minimised. The receivables by insurance broking business are supported by its payables. Hence, there is minimal credit risk exposure for the insurance broker. Any receivables not collected could result in no insurance coverage, thus, extinguishing the payables.

The major classes of financial assets of the Company are trade and other receivables and cash and bank balances.

Information regarding credit risk concentration profile has been disclosed in Note 12 to the financial statements.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk (continued)

The Company does not bear the credit risks associated with premiums due from insured except for the portion of brokerage income of RM3,196,443 (2023: RM4,189,691) included in trade receivables. Out of these balances, RM893,756 (2023: RM807,173) for which the Company has recognised impairment losses as disclosed in Note 12 to the financial statements.

As at the end of the reporting period, the maximum exposure to credit risk and credit risk profiles of the Company have been disclosed in Note 12 to the financial statements.

(b) Liquidity and cash flow risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligation due to shortage of funds. The exposure of the Company to liquidity and cash flows risks arises mainly from general funding and business activities.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Note 15 and Note 16 to the financial statements respectively.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Company would fluctuate because of changes in market interest rates.

The primary interest rate risk of the Company relates to interest-earning deposits from financial institutions. The fixed-rate deposits of the Company are exposed to a risk of changes in their fair values due to changes in interest rates. The floating rate deposits of the Company are exposed to risk of change in cash flows due to floating rates. The Company does not use derivative financial instruments to hedge this risk.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Note 13 and Note 15 to the financial statements.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign exchange risk on brokerage fees that are denominated in foreign currencies. Foreign currency risk is monitored closely and managed to an acceptable level.

The foreign currency profile and sensitivity analysis have been disclosed in Note 12, Note 13, and Note 16 to the financial statements respectively.

21. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

21.1 New MFRSs adopted during the financial year

The Company adopted the following Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
Amendments to MFRS 16 <i>Lease liability in a sale and leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024

The adoption of the above Amendments did not have any material effect on the financial performance or position of the Company.

21.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2025

The following are Standards and Amendments of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Company:

Title	Effective Date
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Company is in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for the future financial years.

