STATUTORY FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

DIRECTORS' REPORT
– 31 DECEMBER 2024

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

DIRECTORS

The Directors in office during the financial year and up to the date of this report are:

Dato' Mohammed bin Haji Che Hussein (Chairman)
Encik Choong Tuck Oon
Encik Faisal bin Ismail
Puan Saleha binti M. Ramly
Encik Lim Choon Eng
Encik Suhaimi bin Ali
Encik Kellee Kam Chee Khiong

The Directors of the Company's subsidiary who have held office during the financial year and up to the date of this report are:

CGC Digital Sdn. Bhd.

Encik Choong Tuck Oon (Chairman)
Datuk Mohamad Zamree bin Mohamad Ishak
Encik Lim Choon Eng
Encik Suhaimi bin Ali

PRINCIPAL ACTIVITIES

The principal activities of the Company are providing services and provision on guarantees, financing and loans.

The principal activities of the subsidiary and associate are disclosed in Notes 7 and 8 to the financial statements, respectively.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net profit for the financial year	**52,225**	**65,786**

DIRECTORS' REPORT
– 31 DECEMBER 2024

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year have been disclosed in the financial statements.

ISSUANCE OF SHARES

During the financial year, there were no changes in the issued and fully paid capital of the Company. Details of the shares are set out in Note 16 to the financial statements.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the benefits shown under Directors' Remuneration) by reason of a contract made by the Company or by a related company 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.

Neither during nor at the end of the financial year was the Company or its subsidiary a party to any arrangements whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIVIDENDS

No dividends have been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any dividends to be paid for the financial year ended 31 December 2024.

DIRECTORS' REMUNERATION

The remuneration in aggregate for Directors of the Group and of the Company for the financial year are as follows:

	Group RM'000	Company RM'000
Directors of the Group and the Company		
Directors' fees	767	697
Directors' other emoluments	932	850
	1,699	1,547

During the financial year, Directors and Officers are covered under the Directors' & Officers' Liability Insurance in respect of liabilities arising from acts committed in their respective capacities as Directors and Officers subject to the terms of the policy. The total coverage amount of Directors' & Officers' Liability Insurance effected for the Directors & Officers was RM15.0 million. The total amount of contribution paid for the Directors' & Officers' Liability Insurance by the Company was RM0.1 million (2023: RM0.1 million).

Details of Directors' Remuneration are set out in Note 35 to the financial statements.

SHARE OPTIONS SCHEME

No share options were issued by the Company during the financial year.

DIRECTORS' REPORT
– 31 DECEMBER 2024

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and 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 satisfied themselves that all known bad debts had been written-off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including the value of current assets as shown in the accounting records of the Group and of the Company, had been written down to an amount which the current assets might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amounts written-off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability in the Group and in the Company which has arisen since the end of the financial year other than in the ordinary course of business.

(d) No contingent or other liability of the Group and 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 affect the ability of the Group and of the Company to meet their obligations when they fall due.

(e) 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 respective financial statements misleading.

(f) In the opinion of the Directors:

(i) 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; and

(ii) 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 likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REPORT
– 31 DECEMBER 2024

AUDITORS' REMUNERATION

Auditors' remuneration of the Group and of the Company are RM420,000 and RM415,000 respectively. Details of auditors' remuneration are set out in Note 32 to the financial statements.

BUSINESS REVIEW

Malaysia's economic grew by 5.1% in 2024, following the strong growth registered in the previous year (2023: 3.7%). This robust performance was underpinned by strong gains in the services, manufacturing, and construction sectors. Key contributing factors include heightened global demand for electrical and electronics ("E&E"), resilient domestic consumption, improved labour market conditions, increased foreign direct investment, and supportive government policies under the Ekonomi MADANI framework.

In the resilient economic conditions of 2024, Credit Guarantee Corporation Malaysia Berhad ("CGC") registered a commendable performance, evidenced by growth in revenues and higher net profit. Meanwhile, Micro, Small and Medium Enterprises ("MSME") support continued through the CGC's Beyond Guarantee initiatives.

(a) Overall Performance

CGC continued to record higher total revenue. This grew by 3.5% to RM241.1 million (2023: RM233.0 million), with the main contributor being guarantee fees from Portfolio Guarantee ("PG") schemes.

During the year, CGC approved more than 6,000 new guarantee and financing accounts with an aggregate approval value of RM4.0 billion lower by 21.6% than 2023 approval of RM5.1 billion. PG schemes continued to be the significant contributors, with over 84% share of the year's total guarantee approval value.

CGC also approved 425 accounts for its contract financing scheme, Tabung Projek Usahawan Bumiputera-i ("TPUB-i"). The total approved amount in 2024 was RM205.1 million, a 78.3% year-on-year growth (2023: RM115.0 million). This scheme is to address financial inclusion, aimed specifically at Bumiputera contractors.

Under the Beyond Guarantee pillar, over 57,800 MSMEs had been assisted through the CGC Developmental Programme® as of December 2024. Through imSME, a hassle-free platform allowing MSMEs to access real-time information on financing/loan products whenever they wish, over 6,200 accounts amounting to RM626.1 million had been approved as of December 2024. Khidmat Nasihat Pembiayaan ("MyKNP@CGC") continues to provide financial advisory support to MSMEs, with more than 4,700 enquiries received as at year end since its establishment in August 2019.

(b) Key Performance Indicators ("KPIs")

2024 marked the fourth year of the 5-Year Strategic Plan ("5SP") 2021-2025. CGC managed to record at least 90% achievement in the Headline Targets set in the 5SP i.e. Guarantee & Financing Base, Number of MSMEs Assisted through Financial Assistance, Guarantee Reserve Ratio and Cost-to-Income Ratio.

DIRECTORS' REPORT
– 31 DECEMBER 2024

BUSINESS REVIEW (CONTINUED)

(c) Key Risks and Mitigations

CGC continues to strengthen credit and portfolio risk management practices through data driven analytics and risk modelling practices for insightful reporting, in line with the standards imposed by the Malaysian Financial Reporting Standards ("MFRS") and BNM Internal Capital Adequacy Assessment Process ("ICAAP").

In addition, CGC continuously enhances its Enterprise Risk Management ("ERM") Framework to further fortify both its risk management capabilities and its governance structure.

CGC enhanced and tested its business continuity plan, enabling it to continue to provide critical business functions, while protecting staff and customer health and well-being. Nevertheless, there was increased exposure to technology and cyber-attack risks due to greater reliance on digital platforms, and risk of data and information leakage from conducting operations in home-based environments. As part of the mitigations, CGC works towards the adoption of Risk Management in Technology ("RMiT") guidelines and has conducted Cybersecurity Maturity Assessment ("CMA") to ensure compliance towards RMiT. Cybersecurity risk profiles and Information Technology ("IT") strategies were regularly reassessed to ensure digital risks were well managed while other key risks are closely monitored. CGC ensures compliance with all applicable laws, regulations, and guidelines by continually staying informed about regulatory and legal requirements issued by authorities.

CGC manages compliance risks through strong commitment from the Board of Directors, Senior Management and the Compliance and Integrity Division. Compliance risks in CGC include risk of legal or regulatory sanctions, material financial loss and reputational damage resulting from failure to comply with laws, regulations, rules and ethical standards vis-a-vis its customers and products. Apart from implementing comprehensive compliance policies and processes and timely reporting to the Board of Directors and Senior Management of any identified or emerging risks or concerns, CGC ensures constant staff awareness vis-à-vis compliance risks through a variety of training courses and knowledge-sharing sessions.

(d) Human Resource Development

As CGC transitions into 2025, Human Resources Management and Adminstration ("HRMA") focuses on enhancing workforce agility to support the growth of MSMEs. Due to rapid digital transformation, increased regulatory demands, and a stronger emphasis on sustainability, a resilient and high-performing workforce is essential. HRMA promotes ongoing engagement and performance excellence to address these challenges, ensuring adaptability in a changing business landscape.

HRMA has identified four main priorities to support these initiatives: improving essential skills through digital learning, aligning job roles with sustainability and technology goals, enhancing retention strategy with competitive and transparent compensation, and strengthening workforce capabilities through new CGC Core Competencies. HRMA aims to develop a future-ready workforce that supports long-term business success by integrating digital fluency, competency-based assessments, and strategic partnerships.

(e) Corporate Social Responsibility ("CSR")

In 2024, CGC reinforced its dedication to social and environmental sustainability by aligning its initiatives with the United Nations Sustainable Development Goals. Through various CSR programmes, CGC supported over 7,000 beneficiaries, enhancing food security, expanding access to education, and healthcare. Simultaneously, CGC expanded its efforts in environmental sustainability.

DIRECTORS' REPORT
– 31 DECEMBER 2024

BUSINESS REVIEW (CONTINUED)

(e) Corporate Social Responsibility ("CSR") (continued)

(i) Social Impact

CGC is committed to empowering youth through entrepreneurship. The CGC100 Youth Entrepreneurship Programme, launched in partnership with PINTAR Foundation and supported by the Ministry of Education, nurtures aspiring entrepreneurs from B40 and M40 communities, equipping them with essential skills in business, sustainability, and leadership.

Since its inception in 2022, the programme has produced 70 graduates, with 74% seeing an increase in average revenue after graduation. By fostering entrepreneurial talent and preparing young minds for an evolving economic landscape, CGC continues to drive sustainable economic growth and uplift communities.

(ii) Enviromental Impact

As part of its commitment to environmental stewardship, CGC, in collaboration with Kelab Belia Prihatin and close to 100 volunteers, launched the 2024 Tree Planting Programme, planting 200 mangrove trees at Taman Alam, Kuala Selangor. This initiative supports Malaysia's 100 Million Tree Planting Campaign while enhancing biodiversity and helping to offset CGC's operational emissions. With the potential to absorb up to eight tons of Carbon Dioxide ("CO2") annually, these mangrove trees play a vital role in global sustainability efforts, particularly under Sustainable Development Goals 15 ("SDG15") (Life on Land).

Furthering its sustainability and community care efforts, CGC partnered with Saving Graze Sdn Bhd to provide fresh food to 50 underserved families at PPR Taman Putra Damai. Over three months, the initiative ensured food security while reducing waste by sourcing surplus produce from farmers in excellent condition. This effort rescued 2.4 tonnes of food, preventing waste and cutting an estimated 6 tonnes of greenhouse gas emissions, reinforcing CGC's dedication to environmental sustainability.

In its push for sustainable energy solutions, CGC, in collaboration with Petronas Dagangan Berhad, spearheaded the Recycle Your Cooking Oil for a Sustainable Tomorrow campaign. They successfully collected over 580 kg of used cooking oil. By preventing improper disposal, this initiative mitigated risks such as clogged pipes, sewer blockages, and water pollution, safeguarding both infrastructure and natural ecosystems. Beyond waste reduction, the campaign served as a powerful educational platform, raising awareness of the environmental impact of used cooking oil and inspiring greater community participation in sustainable practices. Through this effort, CGC continues to champion a circular economy, fostering a culture of responsibility and environmental stewardship.

AUDITORS

The auditors, Ernst & Young PLT has expressed its willingness to accept reappointment as the external auditors of the Company and its subsidiary.

This report was approved by the Board of Directors on 18 April 2025. Signed on behalf of the Board of Directors:

DATO' MOHAMMED BIN HAJI CHE HUSSEIN
Chairman

FAISAL BIN ISMAIL
Director

Petaling Jaya, Selangor

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, **DATO' MOHAMMED BIN HAJI CHE HUSSEIN** and **FAISAL BIN ISMAIL**, two of the Directors of **CREDIT GUARANTEE CORPORATION MALAYSIA BERHAD**, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 271 to 381 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of the financial performance and the cash flows of the Group and of the Company for the financial year ended 31 December 2024 in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 18 April 2025.

DATO' MOHAMMED BIN HAJI CHE HUSSEIN
Chairman

FAISAL BIN ISMAIL
Director

Petaling Jaya, Selangor

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, **NURUL AMNI BINTI MOHD AMIN (CA 45480)**, the Officer primarily responsible for the financial management of **CREDIT GUARANTEE CORPORATION MALAYSIA BERHAD**, do solemnly and sincerely declare that, the accompanying financial statements set out on pages 271 to 381 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.

NURUL AMNI BINTI MOHD AMIN

Subscribed and solemnly declared by the abovenamed Nurul Amni Binti Mohd Amin at Petaling Jaya, Selangor on 18 April 2025.

Before me,

COMMISSIONER FOR OATHS

PESURUHJAYA SUMPAH
B644
Sollehan Shafura binti Zainuddin
BC/S/2446
1/1/2024 - 31/12/2026
MALAYSIA

B-2-13 Capital 2, Oasis Square,
No. 2, Jln PJU 1A/7A,
Ara Damansara
47301, Petaling Jaya, Selangor

INDEPENDENT AUDITORS' REPORT

to the members of Credit Guarantee Corporation Malaysia Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Credit Guarantee Corporation Malaysia Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the 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 271 to 381.

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 31 December 2024, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards, 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. 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.

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 information included in the Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon. The Director's Report was obtained prior to the date of this auditors' report, while 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 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 concluded that there is a material mistatement of this other information, we are required to report that fact. We have nothing to reporting in regard to the Directors' Report.

When we read the Annnual Report, if we conclude that there is material misstament therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

INDEPENDENT AUDITORS' REPORT

to the members of Credit Guarantee Corporation Malaysia Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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 MFRS Accounting Standards, 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 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.
- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

to the members of Credit Guarantee Corporation Malaysia Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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.

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

Muhammad Syarizal bin Abdul Rahim
No. 03157/01/2027 J
Chartered Accountant

Kuala Lumpur, Malaysia
18 April 2025

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		Group		Company	
	Note	**2024 RM'000**	2023 RM'000	**2024 RM'000**	2023 RM'000
ASSETS					
Property, plant and equipment	4	**9,866**	10,617	**9,866**	10,617
Intangible assets	5	**16,923**	12,212	**11,106**	10,898
Right-of-Use ("ROU") assets	6	**3,666**	3,793	**3,666**	3,793
Investment in subsidiary	7	**-**	–	**40,000**	20,000
Investment in associate	8	**7,084**	9,450	**7,141**	7,141
Investment securities: Fair value through profit or loss ("FVTPL")	9	**1,145,923**	1,164,900	**1,145,923**	1,164,900
Investment securities: Fair value through other comprehensive income ("FVOCI")	10	**2,931,017**	2,771,768	**2,926,541**	2,767,074
Investment securities: Amortised cost	11	**130,886**	181,532	**130,886**	181,532
Derivative financial assets	12	**1,071**	235	**1,071**	235
Financing, loans and advances	13	**87,594**	152,582	**87,594**	152,582
Amount due from a subsidiary		**-**	–	**188**	1,644
Other receivables	14	**33,631**	27,028	**33,444**	27,022
Deferred tax assets	37	**-**	–	**-**	–
Term deposits	15	**456,947**	424,995	**450,823**	421,991
Cash and cash equivalents		**339,545**	337,523	**333,555**	331,349
TOTAL ASSETS		**5,164,153**	5,096,635	**5,181,804**	5,100,778
EQUITY AND LIABILITIES					
Equity attributable to the Shareholders of the Company					
Share capital	16	**1,785,600**	1,785,600	**1,785,600**	1,785,600
Reserves	17	**575,947**	767,322	**575,947**	767,322
Retained earnings		**1,962,051**	1,718,451	**1,981,782**	1,724,621
FVOCI reserve	18	**74,295**	69,324	**74,513**	69,324
TOTAL EQUITY		**4,397,893**	4,340,697	**4,417,842**	4,346,867
Amount due to Bank Negara Malaysia ("BNM")	19	**56,466**	37,957	**56,466**	37,957
Funds from BNM	20	**114,018**	156,067	**114,018**	156,067
Tabung Usahawan Kecil ("TUK")	21	**15,000**	30,000	**15,000**	30,000
Government funds	22	**-**	9,602	**-**	9,602
Derivative financial liabilities	23	**10,976**	2,480	**10,976**	2,480
Expected credit losses for guarantee schemes	24	**417,165**	363,450	**417,165**	363,450
Claims payable		**873**	1,588	**873**	1,588
Other payables	25	**147,881**	150,868	**145,108**	148,841
Amount due to a subsidiary		**-**	–	**475**	–
Lease liabilities	6	**3,881**	3,926	**3,881**	3,926
Deferred tax liabilities	37	**-**	–	**-**	–
TOTAL LIABILITIES		**766,260**	755,938	**763,962**	753,911
TOTAL EQUITY AND LIABILITIES		**5,164,153**	5,096,635	**5,181,804**	5,100,778

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	**2024 RM'000**	2023 RM'000	**2024 RM'000**	2023 RM'000
Revenue	27	**241,109**	233,023	**241,103**	233,023
Investment income	28	**217,824**	243,478	**217,450**	243,478
		458,933	476,501	**458,553**	476,501
Other operating income	29	**58,259**	60,992	**58,755**	61,694
Total income		**517,192**	537,493	**517,308**	538,195
Staff costs	30	**(114,147)**	(99,117)	**(106,298)**	(93,406)
Depreciation on property, plant and equipment	4	**(3,231)**	(4,153)	**(3,231)**	(4,153)
Amortisation of intangible assets	5	**(5,404)**	(5,868)	**(4,868)**	(5,853)
Other operating expenses		**(54,962)**	(52,338)	**(52,268)**	(50,998)
Total operating expenses		**(177,744)**	(161,476)	**(166,665)**	(154,410)
Total operating profit before expected credit losses		**339,448**	376,017	**350,643**	383,785
Expected credit losses for guarantee schemes	24	**(281,447)**	(293,774)	**(281,447)**	(293,774)
Expected credit losses for financing, loans and advances	13	**(4,614)**	(31,232)	**(4,614)**	(31,232)
Expected credit losses written-back/(charged) for investment securities and others	31	**1,204**	(425)	**1,204**	(425)
Total expected credit losses		**(284,857)**	(325,431)	**(284,857)**	(325,431)
Total operating profit		**54,591**	50,586	**65,786**	58,354
Share of loss after tax of an associate	8(b)	**(2,366)**	(570)	**-**	-
Profit from continuing operations	32	**52,225**	50,016	**65,786**	58,354
Taxation	37	**-**	-	**-**	-
Net profit for the financial year		**52,225**	50,016	**65,786**	58,354
Other comprehensive income:					
Items that may be subsequently reclassified to profit or loss					
- Net fair value gain on FVOCI investments		**5,590**	78,533	**5,808**	78,533
- Changes in expected credit losses for FVOCI investments		**(619)**	576	**(619)**	576
Other comprehensive income for the financial year		**4,971**	79,109	**5,189**	79,109
Total comprehensive income for the financial year		**57,196**	129,125	**70,975**	137,463
Net profit for the financial year attributable to:					
Shareholders of the Company		**52,225**	50,016	**65,786**	58,354
		52,225	50,016	**65,786**	58,354
Total comprehensive income for the financial year attributable to:					
Shareholders of the Company		**57,196**	129,125	**70,975**	137,463
		57,196	129,125	**70,975**	137,463

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		<---------------- Attributable to Shareholders of the Company --------------->					
		<------------------------ Non-Distributable ----------------------->				Distributable	
	Note	Share capital RM'000	Special reserve RM'000	Special Purpose reserve RM'000	FVOCI reserve RM'000	Retained earnings RM'000	Total equity RM'000
Group							
Balance as at 1 January 2024		**1,785,600**	**281,014**	**486,308**	**69,324**	**1,718,451**	**4,340,697**
Total comprehensive income for the financial year		**-**	**-**	**-**	**4,971**	**52,225**	**57,196**
Transfer between reserves	17	**-**	**(212,130)**	**20,755**	**-**	**191,375**	**-**
Balance as at 31 December 2024		**1,785,600**	**68,884**	**507,063**	**74,295**	**1,962,051**	**4,397,893**
Balance as at 1 January 2023		1,785,600	458,245	466,865	(9,785)	1,510,647	4,211,572
Total comprehensive income for the financial year		-	-	-	79,109	50,016	129,125
Transfer between reserves	17	-	(177,231)	19,443	-	157,788	-
Balance as at 31 December 2023		1,785,600	281,014	486,308	69,324	1,718,451	4,340,697
Company							
Balance as at 1 January 2024		**1,785,600**	**281,014**	**486,308**	**69,324**	**1,724,621**	**4,346,867**
Total comprehensive income for the financial year		**-**	**-**	**-**	**5,189**	**65,786**	**70,975**
Transfer between reserves	17	**-**	**(212,130)**	**20,755**	**-**	**191,375**	**-**
Balance as at 31 December 2024		**1,785,600**	**68,884**	**507,063**	**74,513**	**1,981,782**	**4,417,842**
Balance as at 1 January 2023		1,785,600	458,245	466,865	(9,785)	1,508,479	4,209,404
Total comprehensive income for the financial year		-	-	-	79,109	58,354	137,463
Transfer between reserves	17	-	(177,231)	19,443	-	157,788	-
Balance as at 31 December 2023		1,785,600	281,014	486,308	69,324	1,724,621	4,346,867

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit for the financial year	**52,225**	50,016	**65,786**	58,354
Adjustments for:				
Depreciation on property, plant and equipment	**3,231**	4,153	**3,231**	4,153
Depreciation on ROU assets	**1,316**	1,634	**1,316**	1,634
Amortisation of intangible assets	**5,404**	5,868	**4,868**	5,853
Write-off of property, plant and equipment	**168**	–	**168**	–
Write-off of intangible assets	**247**	83	**247**	83
Interest expense for lease liability	**182**	195	**182**	195
Realised gain on FVOCI investments	**(1,724)**	(510)	**(1,724)**	(510)
Realised (gain)/loss on FVTPL investments	**(8,675)**	5,228	**(8,675)**	5,228
Unrealised fair value loss/(gain) on FVTPL investments	**25,586**	(70,252)	**25,586**	(70,252)
Accretion of discount on FVTPL investments	**(1,960)**	(967)	**(1,960)**	(967)
Amortisation of premium on FVOCI investments	**1,673**	1,367	**1,673**	1,367
Realised (gain)/loss on derivatives	**(15,349)**	22,963	**(15,349)**	22,963
Unrealised loss on derivatives	**6,643**	954	**6,643**	954
Expected credit losses for guarantee schemes	**281,447**	293,774	**281,447**	293,774
Expected credit losses for financing, loans and advances	**4,614**	31,232	**4,614**	31,232
Expected credit losses (written-back)/charged for investment securities and others	**(1,204)**	425	**(1,204)**	425
Derecognition of Government fund	**-**	(5,003)	**-**	(5,003)
Share of loss after tax of an associate	**2,366**	570	**-**	–
	356,190	341,730	**366,849**	349,483
Decrease in interest receivable for investments	**32,228**	2,510	**32,228**	2,510
Decrease/(Increase) in amount due from a subsidiary	**-**	–	**1,931**	(964)
(Increase)/Decrease in other receivables	**(6,603)**	3,875	**(6,422)**	3,881
Decrease in financing, loans and advances	**60,374**	70,244	**60,374**	70,244
Decrease in claims payable	**(228,447)**	(215,838)	**(228,447)**	(215,838)
Decrease in amount due from an associate	**-**	16	**-**	16
(Decrease)/Increase in other payables	**(2,987)**	19,236	**(3,733)**	17,240
Net cash inflows from operating activities	**210,755**	221,773	**222,780**	226,572

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

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	**(2,648)**	(3,409)	**(2,648)**	(3,409)
Purchase of intangible assets	**(10,362)**	(2,830)	**(5,323)**	(1,501)
Increase in investment in subsidiary	**-**	–	**(20,000)**	(20,000)
Purchase of FVTPL investments	**(36,892)**	(457,979)	**(36,892)**	(457,979)
Purchase of FVOCI investments	**(449,958)**	(363,836)	**(449,958)**	(359,142)
Proceeds from disposal of FVOCI investments	**349,211**	235,569	**349,211**	235,569
Proceeds from disposal of FVTPL investments	**7,060**	433,592	**7,060**	433,592
Decrease/(Increase) in derivative financial liabilities - net	**16,366**	(22,963)	**16,366**	(22,963)
Increase in term deposits – net	**(31,952)**	(114,785)	**(28,832)**	(111,781)
Net cash outflows from investing activities	**(159,175)**	(296,641)	**(171,016)**	(307,614)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of TUK	**(15,000)**	(12,000)	**(15,000)**	(12,000)
Repayments of Government fund	**(9,602)**	–	**(9,602)**	–
Increase in amount due to BNM	**18,509**	7,763	**18,509**	7,763
Decrease in funds from BNM	**(42,049)**	(69,719)	**(42,049)**	(69,719)
Repayment of lease liabilities	**(1,416)**	(1,811)	**(1,416)**	(1,811)
Net cash outflows from financing activities	**(49,558)**	(75,767)	**(49,558)**	(75,767)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR	**2,022**	(150,635)	**2,206**	(156,809)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	**337,523**	488,158	**331,349**	488,158
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**339,545**	337,523	**333,555**	331,349
Cash and cash equivalents comprise the following:				
Cash and bank balances	**117,605**	108,863	**116,679**	105,691
Term deposits less than 90 days	**221,940**	228,660	**216,876**	225,658
	339,545	337,523	**333,555**	331,349

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

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The Company is a public limited liability company incorporated and domiciled in Malaysia. The address of the registered office of the Company is Level 14, Bangunan CGC, Kelana Business Centre, No. 97, Jalan SS 7/2, 47301 Petaling Jaya, Selangor.

The principal place of business of the Company is located at Level 8, Bangunan CGC, Kelana Business Centre, No. 97, Jalan SS 7/2, 47301 Petaling Jaya, Selangor.

The Group and the Company are principally engaged in providing services and provision on guarantees, financing and loans. There have been no significant changes in the nature of principal activities during the financial year.

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 18 April 2025.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the MFRS Accounting Standards, IFRS Accounting Standards, and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention, unless otherwise indicated in this summary of material accounting policies information.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying Group accounting policies. Although these estimates and judgements are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

(a) Standards, amendments to published standards and interpretations that are effective

The Group and the Company have applied the following standards and amendments for the first time for the financial year beginning on 1 January 2024:

- Amendments to MFRS 101 'Presentation of Financial Statements - Non-Current Liabilities with Covenants'
- Amendments to MFRS 16 'Lease Liability in a Sale and Leaseback'

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.1 Basis of preparation (continued)

(a) Standards, amendments to published standards and interpretations that are effective (continued)

Amendments to MFRS 101 'Presentation of Financial Statements – Non-Current Liabilities with Covenants'

The amendments to MFRS 101 require companies to disclose their current liabilities arising from a loan arrangement for at least twelve months after the reporting period subject to the companies complying with conditions specified in that loan arrangement (hereafter referred to as 'covenants').

When a company breaches a covenant of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it classified the liability as current, even if the lender agreed, after the reporting period and before the authorisation of the financial statement for issue, not to demand payment as a consequence of the breach.

An entity classifies the liability as current because, at the end of the reporting period, it does not have the right to defer its settlement for at least twelve months after that date.

However, an entity classifies the liability as non-current if the lender agreed by the end of then reporting period to provide a period of grace ending at least twelve months after the reporting period, within which the entity can rectify the breach and during which the lender cannot demand immediate repayment.

In such situations, the entity shall disclose information in the notes that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, including information of the covenants, the carrying amount of the related liabilities and the facts and circumstances, if any, that indicate the entity may have difficulty complying with the covenants.

Amendments to MFRS 16 'Lease Liability in a Sale and Leaseback'

The amendments clarify that the lessee shall determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee companies would not recognise any amount of gain or loss relates to the right of use retained by the seller-lessee. However, this does not prevent the seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

(b) Standards and amendments that have been issued but not yet effective

A number of new standards and amendments to standards and interpretations are effective for financial year beginning after 1 January 2025. None of these are expected to have a significant effect on the financial statements of the Group and of the Company, except for the following set out below:

Amendments to MFRS 9 'Financial Instruments' and MFRS 7 'Financial Instruments: Disclosures'

Amendments to MFRS 9 'Financial Instruments' and MFRS 7 'Financial Instruments: Disclosures' requires companies to disclose for each class of investment the fair value at the end of the reporting period. The fair value gain or loss presented in other comprehensive income during the period should show separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period.

If an entity derecognised investments in equity instruments measured at fair value through other comprehensive income during the reporting period, it shall disclose any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

The impact assessment of the amendments on the financial statements of the Group and the Company is ongoing.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.1 Basis of preparation (continued)

(b) Standards and amendments that have been issued but not yet effective (continued)

MFRS 18 'Presentation and Disclosure in Financial Statement'

Key requirements

MFRS 18 replaces MFRS 101 Presentation of Financial Statements and introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures and includes new requirements for the location, aggregation and disaggregation of financial information.

Statement of Profit or Loss

An entity will be required to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. In addition, MFRS 18 requires an entity to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'.

Management-defined performance measures ("MPM")

MFRS 18 requires disclosure of information about all of an entity's MPMs within a single note to the financial statements and requires reconciliation to the most comparable subtotal specified by MFRS 18 or another MFRS accounting standard.

Location of information, aggregation and disaggregation

MFRS 18 requires aggregation and disaggregation of information to be performed with reference to similar and dissimilar characteristics. Guidance is also provided for determining meaningful descriptions, or labels, for items that are aggregated in the financial statements.

Consequential amendments to other accounting standards

Narrow-scope amendments have been made to MFRS 107 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method from 'profit or loss' to 'operating profit or loss'. The optionality around classification of cash flows from dividends and interest in the statement of cash flows has also largely been removed.

The impact assessment of the amendments on the financial statements of the Group and the Company is ongoing.

2.2 Consolidation, subsidiary and associate

(a) Subsidiary

Subsidiary is an entity 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 to direct the relevant activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.2 Consolidation, subsidiary and associate (continued)

(a) Subsidiary (continued)

The Group applies the acquisition method to account for business combinations when the acquired sets of activities and assets meet the definition of a business. The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair value at the acquisition date. The Group recognise any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statements of comprehensive income.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the statements of comprehensive income.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 in the profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Inter-Company transactions, balances and unrealised gains on transactions between companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests in the results and equity of subsidiary are shown separately in the consolidated statements of financial position, statements of comprehensive income and statements of changes in equity respectively.

(b) Changes in ownership interests in subsidiary without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to the owners of the Group.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.2 Consolidation, subsidiary and associate (continued)

(c) Disposal of subsidiary

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in the statements of comprehensive income. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the profit or loss.

Gains or losses on the disposal of subsidiary include the carrying amount of goodwill relating to the subsidiary sold.

(d) Associate

Associate is an entity over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associate is accounted for using the equity method of accounting. Under the equity method, the investment in an associate is initially recognised at cost, and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the associate in the statements of comprehensive income, and the Group's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from an associate are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interests in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. The Group's investment in associate includes goodwill identified on acquisition.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. An impairment loss is recognised for the amount by which the carrying amount of the associate exceeds its recoverable amount. The Group presents the impairment loss in share of profit after tax of associates in statements of comprehensive income.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associate. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associate have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group cease to equity account their associate because of a loss of significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in the comprehensive income. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the statements of comprehensive income.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to the profit or loss where appropriate.

Dilution gains or losses arising in investments in associate are recognised in the profit or loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.3 Investments in subsidiary and associate in separate financial statement

In the Group's separate financial statements, investments in subsidiary and associate are carried at cost less accumulated impairment losses. On disposal of investments in subsidiary and associate, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the statements of comprehensive income.

The amount due from subsidiary from which the Group does not expect repayment in the foreseeable future is considered as part of the Group's investments in the subsidiary.

2.4 Property, plant and equipment

Property, plant and equipment are initially stated at cost. The cost of an item of property, plant and equipment initially recognised includes its purchase price, import duties, non-refundable purchase taxes and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

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 of the Company 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 recognised as expenses in the statements of comprehensive income during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in 'other operating income' in the statements of comprehensive income.

Freehold land is not depreciated as it has an infinite life. Other property, plant and equipment are depreciated on the straight-line method to allocate the cost or the revalued amounts, to their residual values over their estimated useful lives, summarised as follows:

Building	25 years
Leasehold land	Over the remaining lease period
Motor vehicles	5 years
Office equipment	5 years
Furniture, fittings and fixtures	5 years
Renovation	5 years
Computer equipment	5 years

At the end of the reporting period, the Group and the Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write-down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 2.6 on impairment of non-financial assets.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.5 Intangible assets

Acquired software costs and development costs that are directly associated with identifiable software products controlled by the Group and the Company that will generate probable future economic benefits exceeding costs beyond one year are recognised as intangible assets.

Intangible assets are stated at cost less any accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is recognised in the statements of comprehensive income as incurred.

Intangible assets with finite useful lives are amortised from the date they are available for use.

Amortisation is recognised in the statements of comprehensive income on a straight-line basis over the estimated lives of the intangible assets, summarised as follows:

Application software	5 - 7 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

At the end of the reporting period, the Group and the Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A written down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 2.6 on impairment of non-financial assets.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs.

2.6 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.7 Financial assets

Classification

The Group and the Company classify their financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through profit or loss or through other comprehensive income); and
- those to be measured at amortised cost.

Recognition of financial assets

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group and the Company commit to purchase or sell the asset.

Measurement

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest ("SPPI").

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. The Group and the Company reclassify debt investments when and only when the business model for managing those assets changes.

There are three measurement categories into which the Group and the Company classify the debt instruments:

(i) *Amortised cost*

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in investment income using the effective interest rate ("EIR") method. Any gain or loss arising on derecognition is recognised directly in the statements of comprehensive income and presented in investment income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statements of comprehensive income.

(ii) *Fair value through other comprehensive income ("FVOCI")*

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVOCI. Movements in the carrying amount are taken through Other Comprehensive Income ("OCI"), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statements of comprehensive income and recognised in investment income. Interest income from these financial assets is included in other income using the EIR method. Foreign exchange gains and losses are presented in investment income and impairment expenses are presented as a separate line item in the statements of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.7 Financial assets (continued)

Debt instruments (continued)

There are three measurement categories into which the Group and the Company classify the debt instruments: (continued)

(iii) *Fair value through through profit or loss (“FVTPL”)*

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Group and the Company may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes are recognised in the statements of comprehensive income and presented net within investment income in the period in which they arise.

Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Where the Group’s and the Company's management have elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the statements of comprehensive income following the derecognition of the investments. Dividends from such investments continue to be recognised in the statements of comprehensive income as other income when the Group’s and the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in investment income in the statements of comprehensive income.

Impairment for debt instruments and financial guarantee contracts

The Group and the Company assess on a forward-looking basis the expected credit losses ("ECL") associated with their debt instruments carried at amortised cost and at FVOCI and financial guarantee contracts issued. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group and the Company have three types of financial instruments that are subject to the ECL model:

- Other receivables;
- Financing, loans and advances; and
- Financial guarantee contracts.

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss is immaterial.

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instrument. For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group and the Company expect to receive from the holder, the debtor or any other party.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.7 Financial assets (continued)

Impairment for debt instruments and financial guarantee contracts (continued)

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(i) *General 3-stage approach for financial guarantee contracts and financing, loans and advances issued*

At each reporting date, the Group and the Company measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

(ii) *Simplified approach for other receivables and lease receivables*

The Group and the Company apply the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all other receivables and contract assets. Note 38 sets out the measurement details of ECL.

Significant increase in credit risk ("SICR")

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available, reasonable and supportable forward-looking information.

The following indicators are incorporated:

- Default risk

  The Group and the Company shall compare the risk of a default occuring on the financial instrument as at the reporting date with the risk of a default as at the date of initial recognition.

- Forward-looking information

  When more forward-looking than past-due information is available, it must be used to assess SICR. This is because credit risk typically increases significantly before a financial instrument becomes past due or other lagging customer-specific factors (for example, a modification or restructuring) are observed.

- Past-due information

  When information that is more forward-looking than past-due status is not available, the Group and the Company may use past due information to determine SICR.

- Collective assessment

  Some factors or indicators may not be identifiable on an individual financial instrument level. In such a case, the factors or indicators should be assessed for appropriate portfolios, groups of portfolios or portions of a portfolio of financial instruments to determine SICR.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.7 Financial assets (continued)

Significant increase in credit risk ("SICR") (continued)

The following indicators are incorporated: (continued)

- Low credit risk at reporting date

  Financial instruments with low credit risk at reporting date could be considered as no SICR.

- Non-funded product consideration

  For financing commitments, using changes in the risk of a default occuring on the financing to which a financing commitment relates. For financial guarantee contracts, an entity considers the changes in the risk that the specified debtor will default on the contract.

- Derecognition of SICR

  Financial instruments that move from Stage 2 back to Stage 1 need to have a history of timely payment performance against the modified contractual terms.

Macroeconomic information (such as unemployment rates, gross domestic product and others) is incorporated as part of the internal ECL model.

The Group and the Company has also considered the emerging risks arising from climate changes in the form of Management Overlay for ECL.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making a contractual payment.

Definition of default and credit-impaired financial assets

The Group and the Company define a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

The Group and the Company define a financial instrument as default, when the counterparty fails to make contractual payment within 90 days of when it falls due.

Qualitative criteria:

The debtor meets unlikeliness-to-pay criteria, which indicates the debtor is in significant financial difficulty. The Group and the Company consider the following instances:

- The debtor is in breach of financial covenants;
- Concessions have been made by the lender relating to the debtor's financial difficulty;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- The debtor is insolvent.

Financial instruments that are credit-impaired are assessed on individual basis.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.7 Financial assets (continued)

Groupings of instruments for ECL measured on collective basis

(i) *Collective assessment*

To measure ECL, financial guarantees and financing, loans and advances have been grouped based on shared credit risk characteristics and the days past due. Financing, loans and advances includes contract assets related to unbilled work in progress and have substantially the same risk characteristics as the other financing, loans and advances. The Group and the Company have therefore concluded that the expected loss rates for financial guarantees and financing, loans and advances are a reasonable approximation of the loss rates for the financial assets.

(ii) *Individual assessment*

Other receivables and contract assets which are in default or credit-impaired are assessed individually.

Write-off

(i) *Other receivables*

The Group and the Company write off financial assets, in whole or in part, when they have exhausted all practical recovery efforts and have concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group and the Company may write off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written-off will result in impairment gains.

Modification of financing and loans

The Group and the Company sometimes renegotiate or otherwise modify the contractual cash flows of financing and loans to customers. When this happens, the Group and the Company assess whether or not the new terms are substantially different to the original terms. The Group and the Company do this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay;
- Whether any substantial new terms are introduced, such as a profit share or equity-based return that substantially affects the risk profile of the financing/loan;
- Significant extension of the financing/loan term when the borrower is not in financial difficulty;
- Significant change in the profit/interest rate;
- Change in the currency the financing/loan is denominated in; and
- Insertion of collaterals, other securities or credit enhancements that significantly affect the credit risk associated with the financing/loan.

If the terms are substantially different, the Group and the Company derecognise the original financial asset and recognise a 'new' asset at fair value and recalculate a new EIR for the asset. However, the Group and the Company also assess whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amounts are also recognised in the income statements as a modification gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group and the Company recalculate the gross carrying amount based on the revised cash flows of the financial asset and recognise a modification gain or loss in the income statements. The new gross carrying amount is recalculated by discounting the modified cash flows at the original EIR.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.7 Financial assets (continued)

Reclassification of financial assets

The Group and the Company reclassify financial assets when and only when their business model for managing those assets changes.

Derecognition of financial assets

A financial asset is derecognised when there is substantial modification of terms and conditions or factors other than substantial modification.

(a) *Derecognition due to substantial modification of terms and conditions*

The Group and the Company derecognise a financial asset, such as a financing/loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financing/loan, with the difference recognised as a derecognition gain or loss. The newly recognised financing is classified as Stage 1 for ECL measurement purposes.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group and the Company record a modification gain or loss, to the extent that an impairment loss has not already been recorded.

(b) *Derecognition other than for substantial modification*

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Group and the Company transfer substantially all the risks and rewards of ownership, or (ii) the Group and the Company neither transfer nor retain substantially all the risks and rewards of ownership and the Group and the Company have not retained control.

2.8 Financial liabilities

Financial liabilities are measured at amortised cost, except for trading liabilities designated at fair value, which are held at FVTPL. Financial liabilities are initially recognised at fair value plus transaction costs for all financial liabilities not carried at FVTPL. Financial liabilities at FVTPL are initially recognised at fair value, and transaction costs are expensed in the statements of comprehensive income. Financial liabilities are derecognised when extinguished.

(a) Recognition and initial measurement

Other financial liabilities measured at amortised cost

Other financial liabilities are initially recognised at fair value plus transaction costs. Subsequently, other financial liabilities are re-measured at amortised cost using the EIR method.

Other financial liabilities measured at amortised cost are 'amount due to BNM', 'claims payable' and 'other payables'.

(b) Derecognition

Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

2.10 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. All derivatives are carried as assets when fair values are positive, and as liabilities when fair values are negative.

The best evidence of fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless fair value of the instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets.

The Group's and the Company's derivatives do not qualify for hedge accounting. They are classified as FVTPL and accounted for in accordance with the accounting policy set out in Note 2.7.

2.11 Financial guarantee contracts

Financial guarantee contracts are contracts that require the Group or Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The fair value of a financial guarantee at the time of issuance is zero because all guarantees are agreed on arm’s length terms and the value of the premium agreed corresponds to the value of the guarantee obligation. No receivable for the future premium is recognised.

Subsequently the financial guarantee contracts are measured at the higher of:

- The amount of the loss allowance; and
- The premium received on initial recognition less income recognised in accordance with the principles of MFRS 15.

2.12 Leases in which the Group and the Company is a lessee

The Group and the Company as a lessee

Leases are recognised as right-of-use (“ROU”) asset and a corresponding liability at the date on which the leased asset is available for use by the Group and the Company (i.e. the commencement date).

Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.12 Leases in which the Group and the Company is a lessee (continued)

The Group and the Company as a lessee (continued)

Contracts may contain both lease and non-lease components. The Group and the Company allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group and the Company are a lessee, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

(a) Lease term

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, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group and the Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Company and affects whether the Group and the Company are reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities (refer to (d) below).

(b) ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company are reasonably certain to exercise a purchase option, the ROU assets are depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

(c) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- The exercise price of a purchase and extension options if the Group and the Company are reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising that option.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.12 Leases in which the Group and the Company is a lessee (continued)

The Group and the Company as a lessee (continued)

Contracts may contain both lease and non-lease components. The Group and the Company allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group and the Company are a lessee, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability. (continued)

(c) Lease liabilities (continued)

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and in the Company, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the statements of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in the statements of comprehensive income in the period in which the condition that triggers those payments occurs.

The Group and the Company present the lease liabilities as a separate line item in the statements of financial position. Interest expense on the lease liability is presented within the finance cost in the statements of comprehensive income.

(d) Reassessment of lease liabilities

The Group and the Company are also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

(e) Short-term leases and leases of low-value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in the statements of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.13 Leases in which the Group and the Company is a lessor

The Group and the Company as a lessor

As a lessor, the Group and the Company determine at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group and the Company make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group and the Company consider certain indicators such as whether the lease is for the major part of the economic life of the asset.

(a) Finance leases

The Group and the Company classify 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 and the Company derecognise the underlying asset and recognise 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 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 investments is subject to MFRS 9 impairment (refer to Note 2.7 on impairment of financial assets). In addition, the Group and the Company review 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 and the Company revise the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

(b) Operating leases

The Group and the Company classify 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.

The Group and the Company recognise lease payments received under operating lease as lease income on a straight-line basis over the lease term.

When assets are leased out under an operating lease, the asset is included in the statements of financial position based on the nature of the asset. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of underlying asset and recognised as an expense over the lease term on the same basis as lease income.

(c) Sublease classification

When the Group and the Company are an intermediate lessor, they assess the lease classification of a sublease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is short-term lease to which the Group and the Company apply the exemption described above, then it classifies the sublease as an operating lease.

(d) Separating lease and non-lease components

If an arrangement contains lease and non-lease components, the Group and the Company allocate 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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.14 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Group and the Company.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value plus transaction costs. Other receivables are recognised initially at fair value plus transaction costs. Transaction costs include transfer taxes and duties.

After recognition, trade and other receivables are subsequently measured at amortised cost using the effective interest rate method, less loss allowance. See accounting policy Note 2.7 on impairment of financial assets.

2.15 Cash and cash equivalents

For the purpose of the statements of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.16 Share capital

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the substance of the contractual arrangement of the particular instrument. Incremental costs directly attributable to the issue of new shares or options are deducted against equity.

2.17 Trade and claims payables

Trade and claims payables represent liabilities for goods or services provided to the Group and the Company prior to the end of financial year which are unpaid.

Trade and claims payables are recognised initially at fair value net of transaction costs incurred, which include transfer taxes and duties.

Trade and claims payables are subsequently measured at amortised cost using the effective interest rate method.

2.18 Current and deferred income tax

Tax expense for the period comprises current and deferred income tax. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in the statements of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group and its subsidiary and associate operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.18 Current and deferred income tax (continued)

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable comprehensive income. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred tax liability is recognised for all taxable temporary differences associated with property, plant and equipment and intangible assets.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiary and associate only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the deductible temporary difference can be utilised.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.19 Employee benefits

Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as other payables in the statements of financial position.

The Group and the Company recognise a provision where contractually obliged or where there is a past practise that has created a constructive obligation.

Defined contribution plans

The Group and the Company contribute to the Employees' Provident Fund ("EPF"), a defined contribution plan. The Group's and the Company's contributions to the defined contribution plan are charged to the statements of comprehensive income in the financial year to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations.

NOTES TO THE FINANCIAL STATEMENTS
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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.20 Government grants

The benefit of a Government loan at a below-market rate of interest is treated as a Government grant. The Government loan is recognised as a financial liability, and measured in accordance with MFRS 9 'Financial Instruments' ("MFRS 9"). The Government grant is measured as the difference between the initial carrying value of the Government loan determined in accordance with MFRS 9 and the proceeds received. The Government grant is presented as deferred income in the statements of financial position.

Government grants are recognised when there is a reasonable assurance that the grants will be received, and the Group and the Company will comply with the conditions attached to the grants. Government grants are recognised in the statements of comprehensive income on a systematic basis over the periods in which the Group and the Company recognise as expenses the related costs for which the grants are intended to compensate.

The Group and the Company have applied the transitional provisions in MFRS 120 'Accounting for Government Grants and Disclosure of Government Assistance' ("MFRS 120") and Amendment to MFRS 1 'First-time Adoption of Malaysian Financial Reporting Standard' on Government Loans whereby the accounting provisions of MFRS 120 shall be applied prospectively to grants receivable or repayable after the effective date of the standard. The MFRS 120 treatment is applied to funds received from the Government and BNM in relation to:

(i) All Economic Sectors ("AES") for Tabung Projek Usahawan Bumiputera-i ("TPUB-i"), BizMula-i and BizWanita-i;
(ii) Tabung Usahawan Kecil ("TUK");
(iii) Hawkers & Petty Traders ("HPT"); and
(iv) New Investment Fund ("NIF").

2.21 Provisions

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Where the Group and the Company expect a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

2.22 Contingencies

The Group and the Company do not recognise contingent assets and liabilities, but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

NOTES TO THE FINANCIAL STATEMENTS
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2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.22 Contingencies (continued)

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company. The Group and the Company do not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

2.23 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's and the Company’s activities. Revenue is shown net of goods and services tax, returns, rebates and discounts and amounts collected on behalf of third parties and after eliminating sales within the Group and the Company.

The Group and the Company base their estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Guarantee fees are recognised on an accrual basis proportionately over the period of the respective guarantees.

(ii) For all financial instruments measured at amortised cost, interest/profit bearing financial assets classified as FVOCI and financial instruments designated at FVTPL, interest/finance income is recognised using the effective interest/profit method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset. The calculation takes into account all contractual terms of the financial instruments (for example, repayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest/profit rate, but not future credit losses. For impaired financial assets where the value of the financial asset have been written down as a result of an impairment loss, interest/finance income continues to be recognised using the rate of interest/profit used to discount the future cash flows for the purpose of measuring the impairment loss.

(iii) Other interest income, including amortisation of premiums or accretion of discounts, is recognised on a time proportion basis that takes into account the effective yield of the asset.

(iv) Rental income is recognised on a time proportion basis except where default in payment of rent has already occurred and the rent due remains outstanding, 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.

(v) Sales of services relates to the provision of credit reference services, credit scoring, distributing and engaging in digital and advisory services, and such other services related to a credit bureau. These services are provided as a fixed-price contract, with contract terms generally ranging from less than one year to three years.

(vi) Other revenue is recognised when a customer obtains control of the services rendered i.e. when the customer has the ability to direct the use of and obtain the benefits from the goods or services.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.24 Deferred income (excluding Government grants)

Deferred income comprises subscription fees paid in advance and fees from prepaid package. Deferred income is recognised as revenue in the statements of comprehensive income based on amortisation over period for subscription fees and based on utilisation of the prepaid package or the expiry of the agreement for prepaid package, whichever comes first.

2.25 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The financial statements are presented in Ringgit Malaysia, which is the Group's and the Company’s functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. However, exchange differences are deferred in other comprehensive income when they arose from qualifying cash flow or net investment hedges or are attributable to items that form part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statements of comprehensive income within other comprehensive income.

Changes in the fair value of monetary securities denominated in foreign currency classified as debt instruments classified as at fair value through other comprehensive income are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in the statements of comprehensive income, and other changes in carrying amount are recognised in other comprehensive income.

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3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period, or in the period of revision and future periods if the revision affects both current and future periods. The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives and investment in preference shares) are determined by using valuation techniques. The Group and the Company use its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Refer to Note 38(d) for key assumptions used to determine the fair values of financial instruments.

(b) Measurement of ECL allowance

The measurement of ECL allowance for financial assets measured at amortised cost and at FVOCI, and guarantee schemes is an area that requires the use of significant assumptions about future economic conditions and credit behaviour of customers and counterparties. Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is detailed in Note 38(a). Areas of significant judgements involved in the measurement of ECL are detailed as follows:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Management Overlay

As the current MFRS 9 models are not expected to generate levels of expected credit loss with sufficient reliability in view of the unprecedented economic conditions, climate changes and overlays, post-model adjustments have been applied to determine a sufficient overall level of ECLs for the year ended and as at 31 December 2024.

These overlays and post-model adjustments were taken to reflect the latest macroeconomic outlook not captured in the modelled outcome and the potential impact to delinquencies and defaults in 2025 onwards.

The overlays and post-model adjustments involved significant level of judgement and reflect the management's views of possible severities of the unaccounted risks and paths of recovery in the forward-looking assessment for ECL estimation purposes.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below. (continued)

(c) Impairment assessment of investment in a subsidiary

The Company firstly evaluated qualitative factors to identify any indication that may provide objective evidence that the investment in CGC Digital is impaired including, but not limited to, comparing the actual number of imSME visitors against the forecasted figures. If such indication is present, the Company shall estimate the recoverable value of investment in CGC Digital. The recoverable value of investment in CGC Digital is determined based on the higher of CGC Digital's value-in-use ("VIU") and fair value less cost to sell ("FVLCTS"). FVLCTS is estimated based on its forecasted revenue for the upcoming financial year, multiplied by a prescribed revenue multiplier provided by an independent third-party source.

(d) Impairment assessment of investment in an associate

The Company firstly evaluated qualitative factors to identify any indication that may provide objective evidence that the investment in associate is impaired. If such indication is present, the Company shall estimate the recoverable value of investment in Credit Bureau Malaysia Sdn. Bhd. ("CBM"). The recoverable value of investment in CBM is determined based on the Company's share of the net assets of the associate at the reporting date. This recoverable value is then compared with the Company's investment cost to assess any impairment loss, which is recognised in the statement of comprehensive income if applicable.

(e) Lease

The accounting for leases under MFRS 16 involves making various judgements and estimates which may need to be disclosed. The level of detail provided depends on the individual circumstances of the entity and the materiality of the amounts involved. For example, an entity may explain how it applies the judgement in the following areas:

(i) How the entity has determined whether a contract is, or contains, a lease.

(ii) How the entity has determined the incremental borrowing rate, for example where third party financing cannot be obtained (or can only be obtained at a significant premium), or by adjusting rates to reflect the term, security, value or economic environment.

(iii) What the entity considers to be an index or rate in determining lease payments.

(iv) How the entity accounts for costs incurred in connection with a lease that are not part of the cost of the ROU asset.

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4. PROPERTY, PLANT AND EQUIPMENT

Group/Company	Building RM'000	Long term leasehold land RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture, fittings & fixtures RM'000	Renovation RM'000	Computer equipment RM'000	Capital work in progress RM'000	Total RM'000
Cost									
As at 1 January 2024	**39,081**	**5,010**	**144**	**4,005**	**2,400**	**27,283**	**7,125**	**511**	**85,559**
Additions	**-**	**-**	**-**	**175**	**147**	**1,917**	**321**	**88**	**2,648**
Write-off	**-**	**-**	**-**	**(64)**	**(419)**	**(276)**	**(5)**	**-**	**(764)**
Reclassification	**-**	**-**	**-**	**24**	**321**	**162**	**4**	**(511)**	**-**
As at 31 December 2024	**39,081**	**5,010**	**144**	**4,140**	**2,449**	**29,086**	**7,445**	**88**	**87,443**
Less: Accumulated depreciation									
As at 1 January 2024	**39,080**	**3,036**	**143**	**3,362**	**1,938**	**21,562**	**5,821**	**-**	**74,942**
Charge during the financial year	**-**	**28**	**-**	**269**	**148**	**2,285**	**501**	**-**	**3,231**
Write-off	**-**	**-**	**-**	**(41)**	**(278)**	**(276)**	**(1)**	**-**	**(596)**
As at 31 December 2024	**39,080**	**3,064**	**143**	**3,590**	**1,808**	**23,571**	**6,321**	**-**	**77,577**
Net book value									
As at 31 December 2024	**1**	**1,946**	**1**	**550**	**641**	**5,515**	**1,124**	**88**	**9,866**
Cost									
As at 1 January 2023	39,081	5,010	144	3,911	2,235	26,352	6,829	52	83,614
Additions	-	-	-	114	234	1,828	726	507	3,409
Write-off	-	-	-	(20)	(69)	(945)	(430)	-	(1,464)
Reclassification	-	-	-	-	-	48	-	(48)	-
As at 31 December 2023	39,081	5,010	144	4,005	2,400	27,283	7,125	511	85,559
Less: Accumulated depreciation									
As at 1 January 2023	39,080	3,007	143	3,002	1,825	19,655	5,541	-	72,253
Charge during the financial year	-	29	-	380	182	2,852	710	-	4,153
Write-off	-	-	-	(20)	(69)	(945)	(430)	-	(1,464)
As at 31 December 2023	39,080	3,036	143	3,362	1,938	21,562	5,821	-	74,942
Net book value									
As at 31 December 2023	1	1,974	1	643	462	5,721	1,304	511	10,617

NOTES TO THE FINANCIAL STATEMENTS
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5. INTANGIBLE ASSETS

	Group			Company		
	Software RM'000	Work in progress RM'000	Total RM'000	Software RM'000	Work in progress RM'000	Total RM'000
Cost						
As at 1 January 2024	**79,887**	**878**	**80,765**	**78,558**	**878**	**79,436**
Additions	**6,302**	**4,060**	**10,362**	**1,263**	**4,060**	**5,323**
Write-off	**(2,087)**	**-**	**(2,087)**	**(2,087)**	**-**	**(2,087)**
Reclassification	**733**	**(733)**	**-**	**733**	**(733)**	**-**
As at 31 December 2024	**84,835**	**4,205**	**89,040**	**78,467**	**4,205**	**82,672**
Less: Accumulated amortisation						
As at 1 January 2024	**68,553**	**-**	**68,553**	**68,538**	**-**	**68,538**
Charge during the financial year	**5,404**	**-**	**5,404**	**4,868**	**-**	**4,868**
Write-off	**(1,840)**	**-**	**(1,840)**	**(1,840)**	**-**	**(1,840)**
As at 31 December 2024	**72,117**	**-**	**72,117**	**71,566**	**-**	**71,566**
Net book value						
As at 31 December 2024	**12,718**	**4,205**	**16,923**	**6,901**	**4,205**	**11,106**
Cost						
As at 1 January 2023	77,118	1,376	78,494	77,118	1,376	78,494
Additions	2,257	573	2,830	928	573	1,501
Write-off	(559)	–	(559)	(559)	–	(559)
Reclassification	1,071	(1,071)	–	1,071	(1,071)	–
As at 31 December 2023	79,887	878	80,765	78,558	878	79,436
Less: Accumulated amortisation						
At 1 January 2023	63,161	–	63,161	63,161	–	63,161
Charge during the financial year	5,868	–	5,868	5,853	–	5,853
Write-off	(476)	–	(476)	(476)	–	(476)
As at 31 December 2023	68,553	–	68,553	68,538	–	68,538
Net book value						
As at 31 December 2023	11,334	878	12,212	10,020	878	10,898

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

6. RIGHT-OF-USE ("ROU") ASSETS AND LEASE LIABILITIES

The statements of financial position show the following amounts relating to leases:

	Group/Company	
	2024	2023
	RM'000	RM'000
ROU assets:		
Properties	**3,006**	3,768
Machineries	**660**	25
	3,666	3,793
Lease liabilities:		
Properties	**(3,130)**	(3,895)
Machineries	**(751)**	(31)
	(3,881)	(3,926)

Additions to the ROU assets and depreciation charges during the financial year for the Group and the Company are as follows:

	Group/Company	
	2024	2023
	RM'000	RM'000
Additons during the year:		
Properties	**469**	3,010
Machineries	**720**	-
	1,189	3,010
Depreciation charge on ROU assets:		
Properties	**1,232**	1,485
Machineries	**84**	149
	1,316	1,634
Accumulated depreciation:		
Properties	**2,407**	2,225
Machineries	**60**	720
	2,467	2,945

NOTES TO THE FINANCIAL STATEMENTS
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6. RIGHT-OF-USE ("ROU") ASSETS AND LEASE LIABILITIES (CONTINUED)

Future minimum lease payments at 31 December are as follows:

Group/Company	Within 1 year RM'000	1 - 3 years RM'000	More than 3 years RM'000	Total RM'000
2024				
Lease payment	**1,497**	**1,781**	**1,033**	**4,311**
Finance cost	**(172)**	**(187)**	**(71)**	**(430)**
Net present value	**1,325**	**1,594**	**962**	**3,881**
2023				
Lease payment	1,377	2,211	751	4,339
Finance cost	(150)	(195)	(68)	(413)
Net present value	1,227	2,016	683	3,926

Included in property, plant and equipment, there is RM1,946,000 (2023: RM1,974,000) of ROU assets in relation to leasehold land.

7. INVESTMENT IN SUBSIDIARY

	Company	
	2024 RM'000	2023 RM'000
At 1 January	**20,000**	–
Additional investment	**20,000**	20,000
At 31 December	**40,000**	20,000

Details of the subsidiary which is incorporated in Malaysia are as follows:

	Percentage of equity held	
Name of subsidiary	**2024**	2023
CGC Digital Sdn. Bhd. ("CGC Digital")	**100%**	100%

The principal activity of CGC Digital is provision of credit supplementation digitally on behalf of Credit Guarantee Corporation Malaysia Berhad as well as providing a digital ecosystem to facilitate Micro, Small & Medium Enterprises ("MSME") to obtain financing and/or scaling up of their businesses.

In 2022, as part of CGC's digital initiative, CGC Digital has been formed as an independent entity to spearhead CGC's digital process with a share capital investment by CGC amounting to RM1. Further capital injection totalling RM40.0 million was made through the subscription of 20 million ordinary shares at RM1 per share in 2023 and subscription of RM20.0 million Non-cumulative Redeemable Convertible Preference Share ("RCPS") in 2024.

NOTES TO THE FINANCIAL STATEMENTS
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8. INVESTMENTS IN ASSOCIATES

The principal place of business and country of incorporation of the associate is in Malaysia. The associate is measured using the equity method. There are no available quoted market prices of the associate.

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Unquoted shares, at cost	**7,141**	7,141	**7,141**	7,141
Group's share of post-acquisition reserves	**(57)**	2,309	**-**	-
	7,084	9,450	**7,141**	7,141

	Group	
	2024 RM'000	2023 RM'000
At 1 January	**9,450**	10,020
Share of results for the financial year	**(2,366)**	(570)
At 31 December	**7,084**	9,450

Details of the associates are as follows:

		Percentage of equity held	
Name of associates	**Principal activities**	**2024**	2023
Credit Bureau Malaysia Sdn. Bhd. ("CBM")	Credit reference services, credit rating and such other services related to a credit bureau	**49%**	49%

8. INVESTMENTS IN ASSOCIATES (CONTINUED)

(a) Summarised financial information of the associate which are accounted for using the equity method is as follows:

(i) Summarised statement of financial position

	2024 RM'000	2023 RM'000
Assets		
Current assets	**6,890**	11,010
Non-current assets	**15,327**	15,441
Total assets	**22,217**	26,451
Liabilities		
Current liabilities	**(7,550)**	(6,801)
Non-current liabilities	**(210)**	(364)
Total liabilities	**(7,760)**	(7,165)
Net assets	**14,457**	19,286

(ii) Summarised statements of comprehensive income

	2024 RM'000	2023 RM'000
Revenue	**15,800**	16,458
Net loss for the financial year	**(4,829)**	(1,164)
Total comprehensive loss for the financial year	**(4,829)**	(1,164)

(b) Reconciliation of the summarised financial information to the carrying amount of the interest in the associate:

	2024 RM'000	2023 RM'000
Net assets as at 1 January	**19,286**	20,450
Net loss for the financial year	**(4,829)**	(1,164)
Net assets as at 31 December	**14,457**	19,286
Opening carrying value	**9,450**	10,020
Net loss for the financial year	**(2,366)**	(570)
Closing carrying value	**7,084**	9,450

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9. INVESTMENT SECURITIES: FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	Group/Company	
	2024 RM'000	2023 RM'000
At fair value		
Money market instruments:		
Unquoted in Malaysia		
Malaysian Government Securities ("MGS")	**-**	33,298
Government Investment Issue ("GII")	**31,286**	31,851
	31,286	65,149
Unquoted securities:		
In Malaysia		
Private debt securities	**592,915**	691,464
Outside Malaysia		
Private debt securities	**356,533**	265,446
	949,448	956,910
Quoted securities:		
In Malaysia		
Real Estate Investment Trusts ("REITs")	**35,330**	29,078
Outside Malaysia		
REITs	**129,859**	113,763
	165,189	142,841
	1,145,923	1,164,900

10. INVESTMENT SECURITIES: FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
At fair value				
Money market instruments:				
Unquoted in Malaysia				
Cagamas bonds	**122,434**	122,871	**122,434**	122,871
MGS	**145,913**	125,080	**145,913**	125,080
GII	**258,791**	172,982	**258,791**	172,982
Other bonds	**311,840**	306,681	**311,840**	306,681
	838,978	727,614	**838,978**	727,614
Unquoted securities:				
In Malaysia				
Private debt securities	**2,087,563**	2,039,460	**2,087,563**	2,039,460
Others:				
Outside Malaysia				
Preference shares and convertible notes*	**4,476**	4,694	**-**	-
	2,931,017	2,771,768	**2,926,541**	2,767,074

* The Group has elected to designate this investment as FVOCI irrevocably.

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10. INVESTMENT SECURITIES: FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI") (CONTINUED)

Movements in allowance for impairment of FVOCI

		Group		Company	
		2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
(i)	**Expected credit losses – Stage 3**				
	Balance as at 1 January/31 December	**140,025**	140,025	**140,025**	140,025
(ii)	**Expected credit losses – Stage 1**				
	Balance as at 1 January	**1,738**	1,162	**1,738**	1,162
	Allowance (written-back)/made during the financial year	**(619)**	576	**(619)**	576
	Balance as at 31 December	**1,119**	1,738	**1,119**	1,738

11. INVESTMENT SECURITIES: AMORTISED COST

	Group/Company	
	2024 RM'000	2023 RM'000
At amortised cost		
Unquoted securities:		
In Malaysia		
Private debt securities	**131,531**	182,764
Less: Expected credit losses		
– Stage 2	**(236)**	(237)
– Stage 1	**(409)**	(995)
	130,886	181,532

Movements in allowance for impairment of amortised cost

		Group/Company	
		2024 RM'000	2023 RM'000
(i)	**Expected credit losses – Stage 2**		
	Balance as at 1 January	**237**	238
	Allowance written-back during the financial year	**(1)**	(1)
	Balance as at 31 December	**236**	237

NOTES TO THE FINANCIAL STATEMENTS
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11. INVESTMENT SECURITIES: AMORTISED COST (CONTINUED)

Movements in allowance for impairment of amortised cost (continued)

	Group/Company	
	2024 RM'000	2023 RM'000
(ii) **Expected credit losses – Stage 1**		
Balance as at 1 January	**995**	1,145
Allowance written-back during the financial year	**(586)**	(150)
Balance as at 31 December	**409**	995

12. DERIVATIVE FINANCIAL ASSETS

	Group/Company			
	2024		2023	
	Contract/ notional amount RM'000	**Assets RM'000**	Contract/ notional amount RM'000	Assets RM'000
Derivative assets				
– Currency forward contracts	**135,566**	**1,071**	231,517	235

13. FINANCING, LOANS AND ADVANCES

(i) By schemes

	Group/Company	
	2024 RM'000	2023 RM'000
Redemption of Direct Access Guarantee Scheme ("DAGS") loans	**7,011**	8,486
Tabung Pemulihan dan Pembangunan Usahawan ("TPPU")	**2,052**	2,052
Tabung Pemulihan Peniaga Kecil ("TPPK")	**144**	144
Tabung Projek Usahawan Bumiputra-i ("TPUB-i")	**13,940**	20,383
BizMula-i	**104,650**	152,566
BizWanita-i	**21,806**	30,720
BizBina-i	**25,254**	34,012
BizMikro-i	**534**	547
Staff loans	**750**	917
Gross financing, loans and advances	**176,141**	249,827
Less: Expected credit losses		
– Stage 3	**(77,295)**	(77,850)
– Stage 2	**(7,427)**	(14,783)
– Stage 1	**(3,825)**	(4,612)
Total net financing, loans and advances	**87,594**	152,582

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13. FINANCING, LOANS AND ADVANCES (CONTINUED)

(ii) By maturity structure

	Group/Company	
	2024 RM'000	2023 RM'000
Maturity within one year	**12,093**	26,356
One year to three years	**64,900**	100,594
Three years to five years	**88,710**	116,394
Over five years	**10,438**	6,483
	176,141	249,827

(iii) By interest rate/profit rate sensitivity

	Group/Company	
	2024 RM'000	2023 RM'000
Fixed rate	**176,141**	249,827

(iv) By economic sectors

	Group/Company	
	2024 RM'000	2023 RM'000
Construction	**12,362**	16,203
Education, health & others	**10,385**	15,051
Electricity, gas & water supply	**530**	873
Financing, insurance, real estate & business services	**28,289**	41,720
Manufacturing	**13,874**	20,936
Mining & quarrying	**-**	43
Primary agriculture	**1,950**	2,843
Transport, storage & communication	**6,420**	8,902
Wholesale, retail trade, restaurants & hotels	**99,385**	140,143
Others	**2,946**	3,113
	176,141	249,827

(v) By economic purpose

	Group/Company	
	2024 RM'000	2023 RM'000
Working capital	**175,391**	248,910
Others	**750**	917
	176,141	249,827

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13. FINANCING, LOANS AND ADVANCES (CONTINUED)

(vi) By geographical distribution

	Group/Company	
	2024 RM'000	2023 RM'000
Johor	**22,308**	34,472
Kedah	**8,676**	12,397
Kelantan	**7,748**	11,826
Melaka	**7,044**	11,119
Negeri Sembilan	**6,001**	7,706
Pahang	**9,768**	14,008
Perak	**11,975**	16,955
Pulau Pinang	**9,234**	13,958
Sabah	**12,289**	16,043
Sarawak	**20,343**	26,594
Selangor	**30,356**	41,876
Terengganu	**10,779**	14,894
Wilayah Persekutuan – Kuala Lumpur	**19,620**	27,979
	176,141	249,827

(vii) Movements in impaired gross financing, loans and advances

	Group/Company	
	2024 RM'000	2023 RM'000
Balance as at 1 January	**77,850**	63,146
Add: Classified as impaired	**17,346**	35,054
Less: Reclassified as non-impaired	**(2,307)**	(1,749)
Less: Amount written-back	**(2,282)**	(1,999)
Less: Amount written-off/waived	**(13,312)**	(16,602)
Balance as at 31 December	**77,295**	77,850

(viii) Impaired financing, loans and advances by economic purposes

	Group/Company	
	2024 RM'000	2023 RM'000
Working capital	**77,140**	77,695
Others	**155**	155
	77,295	77,850

NOTES TO THE FINANCIAL STATEMENTS
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13. FINANCING, LOANS AND ADVANCES (CONTINUED)

(ix) Impaired financing, loans and advances by geographical distribution

	Group/Company	
	2024 RM'000	2023 RM'000
Johor	**9,162**	9,614
Kedah	**4,386**	4,017
Kelantan	**4,412**	4,386
Melaka	**2,390**	2,595
Negeri Sembilan	**2,197**	1,814
Pahang	**3,717**	3,963
Perak	**4,579**	4,552
Pulau Pinang	**4,151**	4,517
Sabah	**7,568**	7,282
Sarawak	**5,127**	5,041
Selangor	**15,947**	16,259
Terengganu	**4,665**	4,322
Wilayah Persekutuan - Kuala Lumpur	**8,994**	9,488
	77,295	77,850

(x) Movements in expected credit losses for impairment of financing, loans and advances

	Group/Company	
	2024 RM'000	2023 RM'000
Expected credit losses – Stage 3		
Balance as at 1 January	**77,850**	63,146
Allowance made during the financial year	**17,346**	35,054
Amount written-back during the financial year	**(4,589)**	(3,748)
Amount written-off/waived during the financial year	**(13,312)**	(16,602)
Balance as at 31 December	**77,295**	77,850
Expected credit losses – Stage 2		
Balance as at 1 January	**14,783**	14,285
Allowance made during the financial year	**3,637**	9,338
Amount written-back during the financial year	**(10,993)**	(8,840)
Balance as at 31 December	**7,427**	14,783
Expected credit losses – Stage 1		
Balance as at 1 January	**4,612**	5,184
Allowance made during the financial year	**1,401**	745
Amount written-back during the financial year	**(2,188)**	(1,317)
Balance as at 31 December	**3,825**	4,612
Total provision for expected credit losses as at 31 December	**88,547**	97,245

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14. OTHER RECEIVABLES

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Receivables due from financial institutions	**22,588**	13,776	**22,588**	13,776
Deposits	**909**	997	**909**	997
Prepayments	**8,147**	9,234	**7,962**	9,228
Other receivables	**745**	920	**743**	920
Invoice accrual for guarantee fees	**1,242**	2,101	**1,242**	2,101
	33,631	27,028	**33,444**	27,022

There are no financial liabilities being set off or subject to an enforceable master netting arrangement or similar agreement and financial instruments received as collateral.

15. TERM DEPOSITS

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
At amortised cost				
Licensed banks	**213,304**	50,804	**213,304**	50,804
Licensed Islamic banks	**26,464**	265,654	**20,340**	262,650
Other Islamic financial institutions	**217,179**	108,537	**217,179**	108,537
	456,947	424,995	**450,823**	421,991

16. SHARE CAPITAL

	Group/Company			
	Number of ordinary shares		Amount	
	2024 '000	2023 '000	**2024 RM'000**	2023 RM'000
Issued and fully paid ordinary shares:				
As at 1 January/31 December at no par value	**1,585,600**	1,585,600	**1,785,600**	1,785,600

NOTES TO THE FINANCIAL STATEMENTS
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17. RESERVES

	Group/Company	
	2024 RM'000	2023 RM'000
Special reserve (a)	**68,884**	281,014
Special Purpose reserve (b)	**507,063**	486,308
	575,947	767,322

(a) Special reserve

	Group/Company	
	2024 RM'000	2023 RM'000
As at 1 January	**281,014**	458,245
Transfer to retained earnings during the financial year	**(212,130)**	(177,231)
As at 31 December	**68,884**	281,014

The Special reserve was created to meet claim contingencies arising from loans guaranteed by the Company under all the other schemes and is not distributable as cash dividend as designated by the Directors of the Company. The Special reserve may be utilised to meet excess claim contingencies in respect of all other schemes should the need arise.

(b) Special Purpose reserve

	Group/Company	
	2024 RM'000	2023 RM'000
As at 1 January	**486,308**	466,865
Transfer from retained earnings during the financial year	**20,755**	19,443
As at 31 December	**507,063**	486,308

The Special Purpose reserve was created from the gain on the disposal of Danajamin. The reserve may be utilised to meet potential claim in respect of all other reason due to the disposal transaction should the need arise. The reserve can be utilised if there are potential claims arising from Special Schemes/Initiatives, or any other initiatives or agendas to address market failure/imbalance. The utilisation of the reserve is subject to approval from BNM.

NOTES TO THE FINANCIAL STATEMENTS
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18. FVOCI RESERVE

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
As at 1 January	**69,324**	(9,785)	**69,324**	(9,785)
Fair value gain during the financial year	**5,590**	78,533	**5,808**	78,533
Expected credit losses allowance (written-back)/ made during the financial year	**(619)**	576	**(619)**	576
As at 31 December	**74,295**	69,324	**74,513**	69,324

19. AMOUNT DUE TO BANK NEGARA MALAYSIA ("BNM")

	Group/Company	
	2024 RM'000	2023 RM'000
Amount due to BNM	**56,466**	37,957

The amount due to BNM is related to Special Relief Facility ("SRF"), Disaster Recovery Fund ("DRF"), Targeted Relief and Recovery Facility ("TRRF") and SME Assistance Guarantee Scheme ("SMEAGS") consists of:

(a) Recoveries from claims received from third parties payable to BNM; and

(b) Income generated from the schemes.

The (a) recoveries from claims and (b) income can be net-off against claims paid for the schemes.

The amount due to BNM is unsecured, interest-free and has a 14 days to 21 days repayment terms.

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20. FUNDS FROM BNM

	Group/Company	
	2024 RM'000	2023 RM'000
TPUB-i (a)	**40,705**	16,695
BizWanita-i (b)	**10,300**	21,307
BizMula-i (b)	**63,013**	118,065
	114,018	156,067
The funds comprise of:		
Fundings from BNM	**80,045**	101,582
Government grant	**33,973**	54,485
	114,018	156,067
Repayable within 12 months	**75,883**	59,782
Repayable after 12 months	**38,135**	96,285
	114,018	156,067

Details of the movement and balance outstanding as at 31 December 2024 are as follows:

(a) Fund for TPUB-i

Starting from 2023, the Small and Medium Enterprise ("SME") financing for TPUB-i is funded by BNM. The funding cost is 0.5% per annum and payable to BNM twice a year based on the outstanding amount of financing as at 30 June and 31 December each year. The principal amount is repayable to BNM within 10 working days upon receiving repayments of principal from SMEs.

(b) Funds for BizMula-i and BizWanita-i

The Company act as the financier for this schemes. Starting from 2018, the SME financing for BizMula-i and BizWanita-i is funded by BNM. The funding cost is 0.5% per annum and payable to BNM twice a year based on the outstanding amount of financing as at 30 June and 31 December each year. The principal amount is repayable to BNM within 10 working days upon receiving repayments of principal from SMEs.

Refer to Note 2.20 for the details of accounting policies on government grant.

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21. TABUNG USAHAWAN KECIL ("TUK")

	Group/Company	
	2024 RM'000	2023 RM'000
Loan from Ministry of Finance ("MOF")	**14,484**	28,395
Government grant	**516**	1,605
	15,000	30,000
Repayable within 12 months	**15,000**	15,000
Repayable after 12 months	**-**	15,000
	15,000	30,000

The scheme aims to assist small entrepreneurs to obtain financing of between RM2,000 to RM20,000 for the purposes of working capital and/or asset acquisition with financing for working capital not exceeding RM10,000.

On 10 December 1998, the Company entered into an agreement as the financier with the Government who contributed RM50.0 million to a fund known as TUK. This loanable fund is to be repaid in one lump sum either at the end of 10 years or when the scheme is wound down, whichever is earlier.

The Company ceased to disburse new loans under the TUK Fund as decided by the Ministry of Entrepreneur and Co-operative Development ("MECD") effective from 1 January 2000. However, the Company continues to manage the loans disbursed under this scheme prior to the said date.

The earnings from the unutilised portion of the Fund has been transferred to the Special Reserve and will be used to absorb possible losses on loans granted under this scheme.

On 15 June 2011, MOF agreed to reschedule the repayment of RM50.0 million with interest free to 2025. The funds will be repaid in accordance with a repayment arrangement with fund providers.

Refer to Note 2.20 for the details of accounting treatment on government grant.

22. GOVERNMENT FUNDS

	Group/Company	
	2024 RM'000	2023 RM'000
As at 1 January	**9,602**	14,605
Derecognition of liability	**-**	(5,003)
Loan repayment	**(9,602)**	-
As at 31 December	**-**	9,602
The funds comprise of:		
Funding from Government	**-**	9,167
Government grant	**-**	435
	-	9,602
Repayable within 12 months	**-**	9,602
Repayable after 12 months	**-**	-
	-	9,602

This comprises various placements from MOF via BNM amounting to RM150.0 million, intended for loanable funds, of which:

(i) RM50.0 million for Hawkers and Petty Traders ("HPT") and is subject to interest at 1% per annum.

The HPT Loan Scheme was introduced in 1986 with the Company as the financier. The scheme was aimed at helping to boost economic activity post the mid-1980's recession other than to serve financial inclusion agenda to draw the underserved segments of the community into the financial system. Financial assistance (RM10,000 and below) was provided to encourage and assist the unemployed in generating income through hawking and petty trading. Traders included tailors, barbers and those in motor repair and tourism related industries.

(ii) RM100.0 million for the New Investment Fund ("NIF") and is subject to interest at 1% per annum.

The NIF Loan Scheme was introduced in 2010 with the Company as the financier. The scheme was aimed at serving financial inclusion agenda to draw the underserved segments of the community into the financial system.

On 22 February 2024, the Company had fully settled the Government funds amounting to RM9.6 million. Refer to Note 2.20 for the details of accounting treatment on government grant.

NOTES TO THE FINANCIAL STATEMENTS
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23. DERIVATIVE FINANCIAL LIABILITIES

	Group/Company			
	2024		2023	
	Contract/ notional amount RM'000	**Liabilities RM'000**	Contract/ notional amount RM'000	Liabilities RM'000
Derivative financial liabilities – currency forward contracts	**246,673**	**10,976**	151,619	2,480

24. EXPECTED CREDIT LOSSES FOR GUARANTEE SCHEMES

		Group/Company	
		2024 RM'000	2023 RM'000
(i)	**Expected credit losses – Stage 3**		
	Balance as at 1 January	**159,159**	109,653
	Allowance made during the financial year	**257,372**	262,515
	Transfer to claims payable during the financial year	**(227,732)**	(213,009)
	Balance as at 31 December	**188,799**	159,159
(ii)	**Expected credit losses – Stage 2**		
	Balance as at 1 January	**109,087**	97,667
	Allowance made during the financial year	**1,178**	11,420
	Balance as at 31 December	**110,265**	109,087
(iii)	**Expected credit losses – Stage 1**		
	Balance as at 1 January	**95,204**	75,365
	Allowance made during the financial year	**22,897**	19,839
	Balance as at 31 December	**118,101**	95,204
	Total allowance made during the financial year	**281,447**	293,774
	Total provision for expected credit losses as at 31 December	**417,165**	363,450

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25. OTHER PAYABLES

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Deferred income – financial guarantee contracts	**97,197**	92,298	**97,197**	92,298
Refundable proceed – Tabung Projek Usahawan Bumiputra ("TPUB") and TPUB-i	**57**	456	**57**	456
Sinking fund – TPUB-i	**-**	346	**-**	346
Amount due to MOF – Green Technology Financing Scheme ("GTFS")	**10,877**	8,524	**10,877**	8,524
Accruals	**33,699**	28,474	**31,701**	26,478
Other payables	**6,051**	20,770	**5,276**	20,739
	147,881	150,868	**145,108**	148,841

26. FRANCHISE FINANCING SCHEME FUND ("FFS")

On 27 October 1997, a Memorandum of Understanding ("MOU") was executed between the Company and the Government of Malaysia via Ministry of Entrepreneur and Co-operative Development ("MECD") aiming at promoting growth in franchise business under a fund known as FFS.

In this MOU, the Company was appointed by the Government to execute the scheme. The fund is to provide guarantee cover and subsidy of interest to borrowers, enabling entrepreneurs operating viable franchise businesses to have access to credit facilities up to a maximum of RM7.5 million each. Participating banks may charge interest up to a maximum of BLR + 1.5% per annum, the Company through FFS scheme will subsidise the interest payment and reduce the cost of borrowing.

Refer to Note 33 for the total outstanding financial guarantee balance under the scheme.

27. REVENUE

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Guarantee fees – portfolio guarantee scheme	**207,603**	193,242	**207,603**	193,242
Guarantee fees – wholesale guarantee scheme	**2,451**	2,401	**2,451**	2,401
Guarantee fees – other schemes	**22,403**	23,909	**22,397**	23,909
Interest income – redemption schemes	**561**	563	**561**	563
Profit income – TPUB-i	**581**	875	**581**	875
Profit income – BizMula-i	**5,668**	9,173	**5,668**	9,173
Profit income – BizWanita-i	**1,011**	1,753	**1,011**	1,753
Profit income – BizBina-i	**831**	1,095	**831**	1,095
Profit income – BizMikro-i	**-**	12	**-**	12
	241,109	233,023	**241,103**	233,023

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28. INVESTMENT INCOME

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Interest income				
– Investment securities: amortised cost	**12,130**	12,666	**12,130**	12,666
– Investment securities: FVOCI	**130,399**	119,719	**130,399**	119,719
– Investment securities: FVTPL	**57,011**	55,573	**57,011**	55,573
– Term deposits	**24,478**	27,322	**24,104**	27,322
	224,018	215,280	**223,644**	215,280
Realised gain/(loss) on disposal				
– Derivatives	**15,349**	(22,963)	**15,349**	(22,963)
– Investment securities: FVOCI	**1,724**	510	**1,724**	510
– Investment securities: FVTPL	**8,675**	(5,228)	**8,675**	(5,228)
	25,748	(27,681)	**25,748**	(27,681)
Unrealised fair value (loss)/gain				
– Derivatives	**(6,643)**	(954)	**(6,643)**	(954)
– Investment securities: FVTPL	**(25,586)**	57,230	**(25,586)**	57,230
	(32,229)	56,276	**(32,229)**	56,276
(Amortisation of premium)/Accretion of discount				
– Investment securities: FVOCI	**(1,673)**	(1,367)	**(1,673)**	(1,367)
– Investment securities: FVTPL	**1,960**	970	**1,960**	970
	287	(397)	**287**	(397)
	217,824	243,478	**217,450**	243,478

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29. OTHER OPERATING INCOME

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Rental income	**135**	5	**135**	181
Management fees	**2,047**	1,739	**2,047**	2,270
Administrative fee – TPUB-i	**229**	40	**229**	40
Recovery income	**49,208**	43,834	**49,208**	43,834
Amortisation of deferred income				
– Government grant	**4,871**	6,767	**4,871**	6,767
Other income	**1,769**	8,607	**2,265**	8,602
	58,259	60,992	**58,755**	61,694

30. STAFF COSTS

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Salaries	**65,343**	59,182	**60,698**	55,477
Bonus	**20,623**	15,139	**19,681**	14,465
Employees' Provident Fund	**11,254**	11,507	**10,274**	10,895
Others	**16,927**	13,289	**15,645**	12,569
	114,147	99,117	**106,298**	93,406

31. EXPECTED CREDIT LOSSES WRITTEN-BACK/(CHARGED) FOR INVESTMENT SECURITIES AND OTHERS

	Group/Company	
	2024 RM'000	2023 RM'000
Investment Securities: FVOCI		
– Stage 1 – 12-month ECL	**619**	(576)
Allowance written-back/(made) during the financial year	**619**	(576)
Investment Securities: Amortised Cost		
– Stage 1 – 12-month ECL	**584**	150
– Stage 2 – Lifetime ECL not credit impaired	**1**	1
Allowance written-back during the financial year	**585**	151
Allowance written-back/(made) during the financial year	**1,204**	(425)

NOTES TO THE FINANCIAL STATEMENTS
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32. PROFIT FROM CONTINUING OPERATIONS

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Profit before taxation is arrived at after charging:				
Computer maintenance	**11,029**	9,315	**11,029**	9,315
Recovery expenses	**1,080**	1,418	**1,080**	1,418
Accretion of Government loans	**4,871**	6,767	**4,871**	6,767
Fund managers expenses	**2,090**	1,476	**2,090**	1,476
Rental	**207**	244	**207**	244
Directors remuneration excluding benefit-in-kind	**767**	736	**697**	672
Directors meeting allowance	**530**	526	**448**	457
Promotional expenses	**1,390**	2,015	**1,390**	2,015
Auditors remuneration:				
– statutory audit	**420**	420	**415**	415
– non-audit fees	**-**	46	**-**	46
Write-off of intangible assets (Note 5)	**247**	83	**247**	83
Depreciation on property, plant and equipment (Note 4)	**3,231**	4,153	**3,231**	4,153
Amortisation of intangible assets (Note 5)	**5,404**	5,868	**4,868**	5,853

33. COMMITMENTS, CONTINGENCIES AND GOVERNMENT-RELATED SCHEMES

The guarantees provided in respect of credit facilities extended by member financial institutions to borrowers under the various schemes guaranteed by the Group, the Company and the Government, as well as other commitments are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Commitments and Contingencies				
Financial guarantees – CGC	**6,141,345**	6,731,310	**6,140,728**	6,731,310
Irrevocable commitments to extend credit:				
– maturity not exceeding one year	**53,247**	23,185	**53,247**	23,185
Foreign exchange related contracts:				
– maturity not exceeding one year	**382,239**	383,136	**382,239**	383,136
	6,576,831	7,137,631	**6,576,214**	7,137,631
Government-Related Schemes				
Financial guarantees – Government	**3,859,107**	4,296,299	**3,859,107**	4,296,299
	10,435,938	11,433,930	**10,435,321**	11,433,930

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33. COMMITMENTS, CONTINGENCIES AND GOVERNMENT-RELATED SCHEMES (CONTINUED)

The guarantees provided in respect of credit facilities extended by member financial institutions to borrowers under the various schemes guaranteed by the Group, the Company and the Government, as well as other commitments are as follows: (continued)

Commitments and Contingencies (Financial guarantees – CGC)

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Full Risk				
(a) Conventional				
– DAGS	**7,923**	16,976	**7,923**	16,976
– BizSME	**2,858**	5,191	**2,858**	5,191
(b) Islamic				
– DAGS	**51**	63	**51**	63
Shared Risk				
(a) Conventional				
– BizJamin	**357,963**	421,668	**357,963**	421,668
– Flexi Guarantee Scheme	**48,482**	43,030	**48,482**	43,030
– Franchise Financing Scheme	**1,217**	1,963	**1,217**	1,963
– Portfolio Guarantee	**2,815,873**	3,088,626	**2,815,873**	3,088,626
– Wholesale Guarantee	**5,334**	45,196	**5,334**	45,196
– Credit Supplementation Allocation for Innovation ("CSAI")	**830**	–	**830**	–
(b) Islamic				
– BizJamin	**195,292**	191,183	**195,292**	191,183
– Flexi Guarantee Scheme	**61,871**	79,978	**61,871**	79,978
– Portfolio Guarantee	**3,041,600**	3,183,935	**3,041,600**	3,183,935
– Wholesale Guarantee	**15,779**	16,951	**15,779**	16,951
– CSAI	**2,820**	–	**2,820**	–
– Digital Guarantee	**617**	–	**-**	–
Gross Financial guarantees – CGC	**6,558,510**	7,094,760	**6,557,893**	7,094,760
Less: Expected credit losses				
– Stage 3	**(188,799)**	(159,159)	**(188,799)**	(159,159)
– Stage 2	**(110,265)**	(109,087)	**(110,265)**	(109,087)
– Stage 1	**(118,101)**	(95,204)	**(118,101)**	(95,204)
Financial guarantees - CGC	**6,141,345**	6,731,310	**6,140,728**	6,731,310

NOTES TO THE FINANCIAL STATEMENTS
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33. COMMITMENTS, CONTINGENCIES AND GOVERNMENT-RELATED SCHEMES (CONTINUED)

The guarantees provided in respect of credit facilities extended by member financial institutions to borrowers under the various schemes guaranteed by the Group, the Company and the Government, as well as other commitments are as follows: (continued)

Government-Related Schemes (Financial guarantees – Government)

(i) Government-Initiated Schemes

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Other Shared Risk				
(a) Conventional	**1,387,717**	1,619,671	**1,387,717**	1,619,671
(b) Islamic	**1,764,741**	1,883,745	**1,764,741**	1,883,745
Others Shared Risk	**3,152,458**	3,503,416	**3,152,458**	3,503,416

(ii) Government-Backed Schemes

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Other Shared Risk				
(a) Conventional				
– Green Technology Financing Scheme	**329,299**	351,281	**329,299**	351,281
– Disaster Relief Facility	**120**	8,052	**120**	8,052
	329,419	359,333	**329,419**	359,333
(b) Islamic				
– Green Technology Financing Scheme	**376,990**	430,841	**376,990**	430,841
– Disaster Relief Facility	**240**	2,709	**240**	2,709
	377,230	433,550	**377,230**	433,550
Others Shared Risk	**706,649**	792,883	**706,649**	792,883
Financial guarantees – Government	**3,859,107**	4,296,299	**3,859,107**	4,296,299

Financial guarantees – Government are guarantees managed by the Company on behalf of the Government and the credit risk is borne by the Government, hence no ECL is provided for by the Company.

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34. CAPITAL COMMITMENTS

	Group/Company	
	2024 RM'000	2023 RM'000
Capital expenditure not provided for in the financial statements:		
Authorised and contracted for	**8,239**	5,621
Authorised and not contracted for	**-**	154
	8,239	5,775

35. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Other significant related parties are as follows:

Name of Company	Relationship
Bank Negara Malaysia ("BNM")	Substantial shareholder of the Company
CGC Digital Sdn. Bhd.	Wholly-owned subsidiary
Credit Bureau Malaysia Sdn. Bhd.	Associate

(b) The key management personnel compensation is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Non-Executive Directors' fees	**1,699**	1,571	**1,547**	1,438
Other key management personnel (including President & Chief Executive Officer):				
– Short-term employee benefits	**8,162**	7,478	**6,630**	5,752
– Contribution to Employees' Provident Fund	**1,410**	1,292	**1,150**	1,004
Total compensation	**11,271**	10,341	**9,327**	8,194

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35. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(b) The key management personnel compensation is as follows: (continued)

Key management personnel comprises persons having authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly and consist of the Board of Directors, President & Chief Executive Officer and senior management personnels.

Directors' fees and remuneration

Total remuneration (including benefit-in-kind) of the Directors of the Group are as follows:

Group 2024	Salary and bonus RM'000	Fees RM'000	Meeting Allowance RM'000	Benefit-in-Kind RM'000	Total RM'000
Non-Executive Directors:					
Dato' Mohammed bin Haji Che Hussein	-	193	65	147	405
Encik Choong Tuck Oon	-	115	96	55	266
Encik Faisal bin Ismail	-	85	97	87	269
Puan Saleha binti M. Ramly	-	85	63	32	180
Encik Lim Choon Eng	-	105	95	38	238
Encik Suhaimi bin Ali	-	99	29	8	136
Encik Kellee Kam Chee Khiong	-	85	85	35	205
Total Directors' remuneration	-	767	530	402	1,699

Company 2024	Salary and bonus RM'000	Fees RM'000	Meeting Allowance RM'000	Benefit-in-Kind RM'000	Total RM'000
Non-Executive Directors:					
Dato' Mohammed bin Haji Che Hussein	-	193	65	147	405
Encik Choong Tuck Oon	-	85	56	55	196
Encik Faisal bin Ismail	-	85	97	87	269
Puan Saleha binti M. Ramly	-	85	63	32	180
Encik Lim Choon Eng	-	85	74	38	197
Encik Suhaimi bin Ali	-	79	8	8	95
Encik Kellee Kam Chee Khiong	-	85	85	35	205
Total Directors' remuneration	-	697	448	402	1,547

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35. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(b) The key management personnel compensation is as follows: (continued)

Directors' fees and remuneration (continued)

Total remuneration (including benefit-in-kind) of the Directors of the Group are as follows: (continued)

Group 2023	Salary and bonus RM'000	Fees RM'000	Meeting Allowance RM'000	Benefit-in- Kind RM'000	Total RM'000
Non-Executive Directors:					
Dato' Mohammed bin Haji Che Hussein	–	180	60	125	365
Dato' Syed Moheeb bin Syed Kamarulzaman	–	3	–	–	3
Encik Teoh Kok Lin	–	35	24	9	68
Encik Suresh Kumar a/l T.A.S. Menon	–	34	21	6	61
Dato' Ong Eng Bin*	–	36	35	3	74
Dato' Ong Eng Bin	–	21	25	7	53
Encik Choong Tuck Oon	–	100	72	43	215
Encik Faisal bin Ismail	–	72	86	31	189
Puan Saleha binti M. Ramly	–	72	63	38	173
Encik Lim Choon Eng	–	90	100	37	227
Encik Suhaimi bin Ali	–	78	24	7	109
Encik Kellee Kam Chee Khiong	–	15	16	3	34
Total Directors' remuneration	–	736	526	309	1,571

Company 2023	Salary and bonus RM'000	Fees RM'000	Meeting Allowance RM'000	Benefit-in- Kind RM'000	Total RM'000
Non-Executive Directors:					
Dato' Mohammed bin Haji Che Hussein	–	180	60	125	365
Dato' Syed Moheeb bin Syed Kamarulzaman	–	3	–	–	3
Encik Teoh Kok Lin	–	35	24	9	68
Encik Suresh Kumar a/l T.A.S. Menon	–	34	21	6	61
Dato' Ong Eng Bin*	–	36	35	3	74
Dato' Ong Eng Bin	–	21	25	7	53
Encik Choong Tuck Oon	–	72	42	43	157
Encik Faisal bin Ismail	–	72	86	31	189
Puan Saleha binti M. Ramly	–	72	63	38	173
Encik Lim Choon Eng	–	72	75	37	184
Encik Suhaimi bin Ali	–	60	10	7	77
Encik Kellee Kam Chee Khiong	–	15	16	3	34
Total Directors' remuneration	–	672	457	309	1,438

* Director's fees payable to OCBC Bank (M) Berhad

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35. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(b) The key management personnel compensation is as follows: (continued)

Directors' fees and remuneration (continued)

During the financial year, Directors and Officers are covered under the Directors' & Officers' Liability Insurance in respect of liabilities arising from acts committed in their respective capacities as Directors and Officers subject to the terms of the policy. The total coverage amount of Directors' & Officers' Liability Insurance effected for the Directors & Officers was RM15.0 million. The total amount of contribution paid for the Directors' & Officers' Liability Insurance by the Company was RM0.1 million (2023: RM0.1 million).

(c) The significant related party balances included in the statements of financial position are as follows:

(i) Amount due to/funds from BNM:

	Group/Company	
	2024 RM'000	2023 RM'000
Special Relief Guarantee Facility ("SRGF"), SRGF-2, SRF, TRRF, DRF and SMEAGS (Note 19)	**56,466**	37,957
TPUB-i (Note 20)	**40,705**	16,695
BizMula-i (Note 20)	**63,013**	118,065
BizWanita-i (Note 20)	**10,300**	21,307

(ii) Amount due from CGC Digital Sdn. Bhd.:

	Company	
	2024 RM'000	2023 RM'000
Payment on behalf	**188**	1,644

(d) Details of significant transactions between the Company and its related parties are as follows:

	Company	
	2024 RM'000	2023 RM'000
Report fees charged by an associate	**188**	435
Office rental charged to a subsidiary	**199**	176
Staff cost paid on behalf of a subsidiary	**1,100**	5,061
Management fee charge to subsidiary	**176**	531
Utilities fee charged to a subsidiary	**33**	22
Interest expense on loan charged by BNM	**743**	1,156

36. CAPITAL MANAGEMENT

The primary objective of the Group is to ensure that it maintains an adequate Guarantee Reserve Ratio ("GRR") in order to meet its mandate in promoting the growth and development of SMEs.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares or return capital to the shareholders. No changes were made in the objectives and policies during the financial years ended 31 December 2023 and 2024.

The Group monitors its capital and ability to guarantee by reference to its GRR, which stands at 1.6 times as at 31 December 2024 (2023: 1.7 times). The Company's policy is to maintain a GRR of less than 6.0 times.

37. TAXATION AND DEFERRED TAX ASSETS/(LIABILITIES)

The Company has been exempted from income tax by the Ministry of Finance based on the ruling under Section 127(3A), Income Tax Act, 1967 from the year of assessment (YA) upon its establishment, 1972 to YA2024.

The Ministry of Finance on 28 November 2024 approved the extension of the Company's tax exemption from YA2025 to YA2029, except for passive income as defined under Para 4(c), Income Tax Act, 1967.

38. FINANCIAL RISK MANAGEMENT

In the normal course of business, the Group and the Company are subjected to four main areas of risk, namely credit risk, market risk, liquidity risk and operational risk.

(a) Credit Risk

Credit risk is the risk of loss of principal or income that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from other receivables, Sukuk, bond investments, financial guarantees as well as financing, loans and advances.

The Group and the Company trade only with recognised and creditworthy third parties. It is the Group's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

As for financing and loans redeemed and guaranteed, the Group and the Company manage the credit risk by evaluating borrowers based on an in-house credit-scoring model. The Group and the Company use this model to measure the viability of financing and loans vis-à-vis established thresholds.

For other financial assets (including investment securities and placements with fund managers), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

For financial assets recognised in the statements of financial position, the exposure to credit risk equals their carrying amount. For financial guarantees granted, the maximum exposure to credit risk is the maximum amount that the Group and the Company would have to pay if the guarantees were to be called upon. For credit related commitments and contingencies, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers.

All financial assets of the Group and the Company are subject to credit risk except for cash in hand, prepayments as well as non-financial assets.

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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Expected Credit Loss ("ECL")

The Group and the Company use three categories for financial instruments in recognising ECL which reflect their credit risk and how the loss allowance is determined for each of those categories. A summary of the assumptions underpinning the Group's and the Company's ECL model is as follows.

Category	Definition of category	Basis for recognising ECL
Stage 1 (Performing)	Debt Securities Debt securities with strong credit and financial support with minimum risk of debt service payment. Loans/Financing and Financial Guarantees Newly purchased or issued loans/financing/guarantee.	12-month ECL
Stage 2 (Underperforming)	Debt Securities Significant Increase in Credit Risks is determined by the following: – External rating watch or downgrade; – External market indicators i.e. significant widening of credit spread; – Credit watch list, breach of covenants, unusual behaviour of borrowers i.e deteriorating financial position; or – Forward looking factors e.g macro indicators, credit trend, etc. Loans/Financing and Financial Guarantees – All restructured and rescheduled accounts; – All Arrears Account (1 Month in Arrears ("MIA") and 2MIA); or – Watchlist accounts (internal or external).	Lifetime ECL
Stage 3 (Impaired)	Debt Securities Determination of non-performing or credit-impaired assets: – Non-payment of coupon due by more than 14 days; – Non-payment of principal due by more than 7 days; or – Rating is downgraded to "D".	Lifetime ECL

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Expected Credit Loss ("ECL") (continued)

The Group and the Company use three categories for financial instruments in recognising ECL which reflect their credit risk and how the loss allowance is determined for each of those categories. A summary of the assumptions underpinning the Group's and the Company's ECL model is as follows (continued):

Category	Definition of category	Basis for recognising ECL
Stage 3 (Impaired)	Loans/Financing and Financial Guarantees (i) Obligatory triggers: – 90 days past due; – Leakage, cessation of contracts or cessation in business for TPUB-i product. – Rating downgrade as follows: 1. Default in paying principal or interest/profit according to the repayment schedule; 2. Cease operation/filing of bankruptcy; 3. Winding up order (upon notice, includes borrowers and parties who provide source of repayment)/ Receiver & Manager appointed; 4. Company classified under PN17 (or the equivalent classification for foreign capital markets); or 5. Material fraud with publicised news or upon appointment of financial advisor. (ii) Judgemental triggers: – Significant deterioration of financial performance of the company: (Negative tangible net worth; Net loss for continuous 2 financial years; Negative operating cash flows for continuous 2 financial years); – Evidence of any other indebtedness of the issuer/ borrower becomes due and payable prior to its stated maturity/substantial litigation by other parties against the issuer/borrower; – Request for rescheduling/restructuring (Request for 2 times or more and will be reclassified to Active Performing ("AP") if customer had met the 6-month consecutive prompt payment condition); – Qualified auditors' report; or – Failure to remedy any list of events constituting default in reference to the trust deed, loans/financing agreement or any relevant security documents.	Lifetime ECL

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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Expected Credit Loss ("ECL") (continued)

The Group and the Company use three categories for financial instruments in recognising ECL which reflect their credit risk and how the loss allowance is determined for each of those categories. A summary of the assumptions underpinning the Group's and the Company's ECL model is as follows (continued):

Based on the above, loss allowance is measured on either 12-month ECL or lifetime ECL using the following methodology:

$$\boxed{Lifetime\ ECL = \sum_{t=1}^{Lifetime} [PD_t \times LGD_t \times EAD_t \times (1 + EIR)^{-t}]}$$

Legend:

1. Probability of Default ("PD"): the likelilhood that a borrower will be unable to meet its debt obligation or default over a particular time horizon, usually in the course of 1 year.

2. Loss Given at Default ("LGD"): the percentage of exposure the Group and the Company might lose in case the borrower defaults.

3. Exposure at Default ("EAD"): an estimate of the Group's and the Company's exposure to its counterparty at the time of default.

   For financial guarantee contracts, EAD is the lower of guarantee cover or outstanding amount x guarantee rate.

4. Effective Interest Rate ("EIR"): discount rate computed based on Original Effective Profit Rate ("OEPR")/EIR or approximation thereof at time t.

In deriving the PD and LGD, the Group and the Company consider historical data by each debtor by category and adjusts for forward-looking macroeconomic data. The Group and the Company have used macroeconomic informations such as unemployment rate, gross domestic product and others, and accordingly adjusts the historical loss rates based on expected changes in this factor. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period.

The ECL computation is expected to include forward looking adjustment for the expected future macroeconomic variables ("MEV").

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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Maximum exposure to credit risk

The maximum credit risk exposure of the Group and the Company equal their carrying amount in the statements of financial position as at reporting date, except for the following:

	Group		Company	
	2024 Maximum credit exposure RM'000	2023 Maximum credit exposure RM'000	**2024 Maximum credit exposure RM'000**	2023 Maximum credit exposure RM'000
Credit risk exposures of on-balance sheet assets:				
Investment securities: FVTPL*	**980,734**	1,022,059	**980,734**	1,022,059
Other receivables#	**25,484**	17,794	**25,482**	17,794
Cash and cash equivalents^	**339,525**	337,503	**333,535**	331,329
Credit risk exposure of off-balance sheet items:				
Financial guarantees	**6,141,345**	6,731,310	**6,140,728**	6,731,310
Credit related commitments and contingencies	**53,247**	23,185	**53,247**	23,185
Total maximum credit risk exposure	**7,540,335**	8,131,851	**7,533,726**	8,125,677

The following have been excluded for the purpose of maximum credit risk exposure calculation:

* Investment in REITs
\# Prepayments
^ Cash in hand

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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit risk concentration

The Group and the Company determine concentrations of credit risk by monitoring the industry sector profile. The following tables analyse the Group's and the Company's financial assets and commitments and contingencies by industry concentration as at the reporting date:

Group 2024	Primary agriculture RM'000	Education, health and others RM'000	Construction RM'000	Financing, insurance, real estate & business services RM'000	Manufacturing RM'000	Mining and quarrying RM'000	Transport, storage & communication RM'000	Wholesale, retail trade, restaurants & hotels RM'000	Government RM'000	Electricity, gas & water supply RM'000	Other RM'000	Total RM'000
Investment securities:												
FVTPL*	-	53,496	10,333	413,498	92,248	-	65,796	-	101,058	234,908	9,397	980,734
Investment securities: FVOCI**	-	5,192	-	757,331	75,919	-	391,329	-	930,697	692,658	73,415	2,926,541
Investment securities:												
Amortised cost	-	-	-	80,601	-	-	-	-	-	-	50,285	130,886
Derivative financial assets	-	-	-	1,071	-	-	-	-	-	-	-	1,071
Term deposits	-	-	-	456,947	-	-	-	-	-	-	-	456,947
Financing, loans and advances	1,086	5,384	7,756	13,884	6,175	-	2,953	49,453	-	308	595	87,594
Other receivables#	-	-	-	23,871	-	-	-	-	-	-	1,613	25,484
Cash and cash equivalents^	-	-	-	339,525	-	-	-	-	-	-	-	339,525
	1,086	64,072	18,089	2,086,728	174,342	-	460,078	49,453	1,031,755	927,874	135,305	4,948,782
Financial guarantees	54,488	496,173	412,194	630,998	753,984	10,983	477,064	3,247,281	-	57,563	617	6,141,345
Credit related commitments and contingencies	-	2,000	30,387	17,149	3,202	-	-	509	-	-	-	53,247
Total off balance sheet	54,488	498,173	442,581	648,147	757,186	10,983	477,064	3,247,790	-	57,563	617	6,194,592

* Excludes investment in REITs of RM165,189,000 (2023: RM142,841,000)
** Excludes investment in preference shares and convertible notes of RM4,476,000 (2023: RM4,694,000)
# Excludes prepayments of RM8,148,000 (2023: RM9,234,000)
^ Excludes cash in hand of RM19,568 (2023: RM19,568)

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit risk concentration (continued)

The Group and the Company determine concentrations of credit risk by monitoring the industry sector profile. The following tables analyse the Group's and the Company's financial assets and commitments and contingencies by industry concentration as at the reporting date: (continued)

Group 2023	Primary agriculture RM'000	Education, health and others RM'000	Construction RM'000	Financing, insurance, real estate & business services RM'000	Manufacturing RM'000	Mining and quarrying RM'000	Transport, storage & communication RM'000	Wholesale, retail trade, restaurants & hotels RM'000	Government RM'000	Electricity, gas & water supply RM'000	Other RM'000	Total RM'000
Investment securities: FVTPL*	-	68,212	16,332	388,326	163,519	-	70,923	-	114,254	189,831	10,662	1,022,059
Investment securities: FVOCI**	-	5,198	-	722,729	75,038	-	448,898	-	819,305	623,790	72,116	2,767,074
Investment securities:												
Amortised cost	-	-	-	131,233	-	-	-	-	-	-	50,299	181,532
Derivative financial assets	-	-	-	235	-	-	-	-	-	-	-	235
Term deposits	-	-	-	424,995	-	-	-	-	-	-	-	424,995
Financing, loans and advances	1,824	10,008	9,653	25,384	12,500	-	5,202	86,709	-	539	763	152,582
Other receivables#	-	-	46	15,900	-	-	-	-	163	-	1,685	17,794
Cash and cash equivalents^	-	-	-	337,503	-	-	-	-	-	-	-	337,503
	1,824	83,418	26,031	2,046,305	251,057	-	525,023	86,709	933,722	814,160	135,525	4,903,774
Financial guarantees	71,644	486,037	444,604	721,125	881,234	11,672	491,102	3,557,724	-	66,168	-	6,731,310
Credit related commitments and contingencies	-	-	10,295	6,529	6,361	-	-	-	-	-	-	23,185
Total off balance sheet	71,644	486,037	454,899	727,654	887,595	11,672	491,102	3,557,724	-	66,168	-	6,754,495

* Excludes investment in REITs of RM165,189,000 (2023: RM142,841,000)

** Excludes investment in preference shares and convertible notes of RM4,476,000 (2023: RM4,694,000)

\# Excludes prepayments of RM8,148,000 (2023: RM9,234,000)

^ Excludes cash in hand of RM19,568 (2023: RM19,568)

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit risk concentration (continued)

The Group and the Company determine concentrations of credit risk by monitoring the industry sector profile. The following tables analyse the Group's and the Company's financial assets and commitments and contingencies by industry concentration as at the reporting date: (continued)

Company 2024	Primary agriculture RM'000	Education, health and others RM'000	Construction RM'000	Financing, insurance, real estate & business services RM'000	Manufacturing RM'000	Mining and quarrying RM'000	Transport, storage & communication RM'000	Wholesale, retail trade, restaurants & hotels RM'000	Government RM'000	Electricity, gas & water supply RM'000	Other RM'000	Total RM'000
Investment securities: FVTPL*	-	53,496	10,333	413,498	92,248	-	65,796	-	101,058	234,908	9,397	980,734
Investment securities: FVOCI	-	5,192	-	757,331	75,919	-	391,329	-	930,697	692,658	73,415	2,926,541
Investment securities: Amortised cost	-	-	-	80,601	-	-	-	-	-	-	50,285	130,886
Derivative financial assets	-	-	-	1,071	-	-	-	-	-	-	-	1,071
Term deposits	-	-	-	450,823	-	-	-	-	-	-	-	450,823
Financing, loans and advances	1,086	5,384	7,756	13,884	6,175	-	2,953	49,453	-	308	595	87,594
Amount due from a subsidiary	-	-	-	-	-	-	-	-	-	-	188	188
Other receivables#	-	-	-	23,871	-	-	-	-	-	-	1,611	25,482
Cash and cash equivalents^	-	-	-	333,535	-	-	-	-	-	-	-	333,535
	1,086	64,072	18,089	2,074,614	174,342	-	460,078	49,453	1,031,755	927,874	135,491	4,936,854
Financial guarantees	54,488	496,173	412,194	630,998	753,984	10,983	477,064	3,247,281	-	57,563	-	6,140,728
Credit related commitments and contingencies	-	2,000	30,387	17,149	3,202	-	-	509	-	-	-	53,247
Total off balance sheet	54,488	498,173	442,581	648,147	757,186	10,983	477,064	3,247,790	-	57,563	-	6,193,975

* Excludes investment in REITs of RM165,189,000 (2023: RM142,841,000)
\# Excludes prepayments of RM7,962,000 (2023: RM9,228,000)
^ Excludes cash in hand of RM19,568 (2023: RM19,568)

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit risk concentration (continued)

The Group and the Company determine concentrations of credit risk by monitoring the industry sector profile. The following tables analyse the Group's and the Company's financial assets and commitments and contingencies by industry concentration as at the reporting date: (continued)

Company 2023	Primary agriculture RM'000	Education, health and others RM'000	Construction RM'000	Financing, insurance, real estate & business services RM'000	Manufacturing RM'000	Mining and quarrying RM'000	Transport, storage & communication RM'000	Wholesale, retail trade, restaurants & hotels RM'000	Government RM'000	Electricity, gas & water supply RM'000	Other RM'000	Total RM'000
Investment securities: FVTPL*	-	68,212	16,332	388,326	163,519	-	70,923	-	114,254	189,831	10,662	1,022,059
Investment securities: FVOCI	-	5,198	-	722,729	75,038	-	448,898	-	819,305	623,790	72,116	2,767,074
Investment securities:												
Amortised cost	-	-	-	131,233	-	-	-	-	-	-	50,299	181,532
Derivative financial assets	-	-	-	235	-	-	-	-	-	-	-	235
Term deposits	-	-	-	421,991	-	-	-	-	-	-	-	421,991
Financing, loans and advances	1,824	10,008	9,653	25,384	12,500	-	5,202	86,709	-	539	763	152,582
Amount due from a subsidiary	-	-	-	-	-	-	-	-	-	-	1,644	1,644
Other receivables#	-	-	46	15,900	-	-	-	-	163	-	1,685	17,794
Cash and cash equivalents^	-	-	-	331,329	-	-	-	-	-	-	-	331,329
	1,824	83,418	26,031	2,037,127	251,057	-	525,023	86,709	933,722	814,160	137,169	4,896,240
Financial guarantees	71,644	486,037	444,604	721,125	881,234	11,627	491,102	3,557,724	-	66,168	-	6,731,310
Credit related commitments and contingencies	-	-	10,295	6,529	6,361	-	-	-	-	-	-	23,185
Total off balance sheet	71,644	486,037	454,899	727,654	887,595	11,627	491,102	3,557,724	-	66,168	-	6,754,495

* Excludes investment in REITs of RM165,189,000 (2023: RM142,841,000)
\# Excludes prepayments of RM7,962,000 (2023: RM9,228,000)
^ Excludes cash in hand of RM19,568 (2023: RM19,568)

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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality

(i) Financing, loans and advances

All financing, loans and advances are unrated and categorised into 'neither past due nor impaired', 'past due but not impaired' and 'impaired'. Past due loans refer to loans that are overdue by one day or more. Impaired loans are loans with months-in-arrears more than 3 months (i.e. 90 days) or with impairment allowance.

Distribution of financing, loans and advances by credit quality

Group/Company 2024	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Carrying amount of financing, loans and advances by credit quality:				
Neither past due nor impaired (A)	**75,228**	**2,066**	**–**	**77,294**
Past due but not impaired (B)	**–**	**21,552**	**–**	**21,552**
Impaired (C)	**–**	**–**	**77,295**	**77,295**
Gross financing, loans and advances	**75,228**	**23,618**	**77,295**	**176,141**
Less: Allowance for impairment losses				
– Expected credit losses	**(3,825)**	**(7,427)**	**(77,295)**	**(88,547)**
Net financing, loans and advances	**71,403**	**16,191**	**–**	**87,594**

Group/Company 2023	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Carrying amount of financing, loans and advances by credit quality:				
Neither past due nor impaired (A)	127,474	4,414	–	131,888
Past due but not impaired (B)	–	40,089	–	40,089
Impaired (C)	–	–	77,850	77,850
Gross financing, loans and advances	127,474	44,503	77,850	249,827
Less: Allowance for impairment losses				
– Expected credit losses	(4,612)	(14,783)	(77,850)	(97,245)
Net financing, loans and advances	122,862	29,720	–	152,582

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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(i) Financing, loans and advances (continued)

Neither past due nor impaired (A)

Analysis of loans and advances that are neither past due nor impaired analysed based on the Group's and the Company's internal grading system is as follows:

Group/Company 2024	**12-Month ECL Performing Stage 1 RM'000**	**Lifetime ECL Under-performing Stage 2 RM'000**	**Lifetime ECL Impaired Stage 3 RM'000**	**Total RM'000**
Quality classification				
Satisfactory	**75,228**	**2,066**	**-**	**77,294**

Group/Company 2023	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Quality classification				
Satisfactory	127,474	4,414	–	131,888

Quality classification definitions:

Satisfactory: Exposures demonstrate a strong capacity to meet financial commitments, with negligible or low probability of default and/or levels of expected loss.

Collateral and other credit enhancement obtained

During the financial year, there is no repossessed collateral as the Group and the Company do not have possession of collateral held as security or other credit enhancement.

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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(i) Financing, loans and advances (continued)

Past due but not impaired (B)

Group/Company 2024	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Past due up to 30 days	-	12,928	-	12,928
Past due 30-60 days	-	8,624	-	8,624
Total	-	21,552	-	21,552

Group/Company 2023	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Past due up to 30 days	–	27,154	–	27,154
Past due 30-60 days	–	12,935	–	12,935
Total	–	40,089	–	40,089

NOTES TO THE FINANCIAL STATEMENTS
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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

<u>**Credit quality (continued)**</u>

(i) Financing, loans and advances (continued)

Impaired (C)

Group/Company 2024	**12-Month ECL Performing Stage 1 RM'000**	**Lifetime ECL Under-performing Stage 2 RM'000**	**Lifetime ECL Impaired Stage 3 RM'000**	**Total RM'000**
Gross impaired loans				
Individually impaired loans	**-**	**-**	**77,295**	**77,295**

Group/Company 2023	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Gross impaired loans				
Individually impaired loans	–	–	77,850	77,850

(ii) Investment securities, derivatives, term deposits and cash and cash equivalents

Investment securities: FVTPL and investment securities: FVOCI are measured on a fair value basis. The fair value will reflect the credit risk of the issuer.

Most listed and some unlisted investment securities are rated by external rating agencies. The Group and the Company mainly use external ratings provided by Rating Agency Malaysia Berhad ("RAM"), Malaysian Rating Corporation Berhad ("MARC"), Moody's or Standard & Poor's ("S&P").

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(ii) Investment securities, derivatives, term deposits and cash and cash equivalents (continued)

Analysis of financial assets by rating agency designation (where applicable) as at 31 December:

Investment securities: FVTPL

Group/Company 2024	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Sovereign (no rating)	**31,286**	**-**	**-**	**31,286**
Investment grade (AAA to BBB-)	**854,209**	**-**	**-**	**854,209**
Non-investment grade (BB+ and below)	**14,621**	**-**	**-**	**14,621**
Unrated	**80,618**	**-**	**-**	**80,618**
Total	**980,734**	**-**	**-**	**980,734**

Group/Company 2023	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Sovereign (no rating)	65,150	–	–	65,150
Investment grade (AAA to BBB-)	831,596	–	–	831,596
Non-investment grade (BB+ and below)	23,883	–	–	23,883
Unrated	101,430	–	–	101,430
Total	1,022,059	–	–	1,022,059

The following have been excluded for the purpose of maximum credit risk exposure calculations:

^ Investment in REITs amounting to RM165,189,000 (2023: RM142,841,000)

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(ii) Investment securities, derivatives, term deposits and cash and cash equivalents (continued)

Analysis of financial assets by rating agency designation (where applicable) as at 31 December: (continued)

Investment securities: FVOCI

Group/Company 2024	**12-Month ECL Performing Stage 1 RM'000**	**Lifetime ECL Under-performing Stage 2 RM'000**	**Lifetime ECL Impaired Stage 3 RM'000**	**Total RM'000**
Sovereign (no rating)	**716,544**	**-**	**-**	**716,544**
Investment grade (AAA to BBB-)	**2,209,997**	**-**	**-**	**2,209,997**
Unrated	**-**	**-**	**-**	**-**
Total	**2,926,541**	**-**	**-**	**2,926,541**

Group/Company 2023	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Sovereign (no rating)	604,743	–	–	604,743
Investment grade (AAA to BBB-)	2,162,331	–	–	2,162,331
Unrated	–	–	–	–
Total	2,767,074	–	–	2,767,074

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(ii) Investment securities, derivatives, term deposits and cash and cash equivalents (continued)

Analysis of financial assets by rating agency designation (where applicable) as at 31 December: (continued)

Investment securities: Amortised cost

Group/Company 2024	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Unrated	81,009	50,522	–	131,531
Expected credit losses	(409)	(236)	–	(645)
Total	80,600	50,286	–	130,886

Group/Company 2023	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Unrated	132,228	50,536	–	182,764
Expected credit losses	(995)	(237)	–	(1,232)
Total	131,233	50,299	–	181,532

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(ii) Investment securities, derivatives, term deposits and cash and cash equivalents (continued)

Analysis of financial assets by rating agency designation (where applicable) as at 31 December: (continued)

Derivative financial assets

Group/Company 2024	**12-Month ECL Performing Stage 1 RM'000**	**Lifetime ECL Under-performing Stage 2 RM'000**	**Lifetime ECL Impaired Stage 3 RM'000**	**Total RM'000**
Investment grade (AAA to BBB-)	**1,071**	**-**	**-**	**1,071**
Total	**1,071**	**-**	**-**	**1,071**

Group/Company 2023	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Investment grade (AAA to BBB-)	235	–	–	235
Total	235	–	–	235

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(ii) Investment securities, derivatives, term deposits and cash and cash equivalents (continued)

Analysis of financial assets by rating agency designation (where applicable) as at 31 December: (continued)

Term deposits

Group 2024	**12-Month ECL Performing Stage 1 RM'000**	**Lifetime ECL Under-performing Stage 2 RM'000**	**Lifetime ECL Impaired Stage 3 RM'000**	**Total RM'000**
Investment grade (AAA to BBB-)	**456,947**	-	-	**456,947**
Total	**456,947**	-	-	**456,947**

Group 2023	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Investment grade (AAA to BBB-)	424,995	-	-	424,995
Total	424,995	-	-	424,995

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(ii) Investment securities, derivatives, term deposits and cash and cash equivalents (continued)

Analysis of financial assets by rating agency designation (where applicable) as at 31 December: (continued)

Term deposits (continued)

Company 2024	**12-Month ECL Performing Stage 1 RM'000**	**Lifetime ECL Under-performing Stage 2 RM'000**	**Lifetime ECL Impaired Stage 3 RM'000**	**Total RM'000**
Investment grade (AAA to BBB-)	**450,823**	**-**	**-**	**450,823**
Total	**450,823**	**-**	**-**	**450,823**

Company 2023	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Investment grade (AAA to BBB-)	421,991	–	–	421,991
Total	421,991	–	–	421,991

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(ii) Investment securities, derivatives, term deposits and cash and cash equivalents (continued)

Analysis of financial assets by rating agency designation (where applicable) as at 31 December: (continued)

Cash and cash equivalents

Group 2024	**12-Month ECL Performing Stage 1 RM'000**	**Lifetime ECL Under-performing Stage 2 RM'000**	**Lifetime ECL Impaired Stage 3 RM'000**	**Total RM'000**
Investment grade (AAA to BBB-)^	**339,525**	**-**	**-**	**339,525**
Total	**339,525**	**-**	**-**	**339,525**

Group 2023	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Investment grade (AAA to BBB-)^	337,503	–	–	337,503
Total	337,503	–	–	337,503

The following have been excluded for the purpose of maximum credit risk exposure calculations:

^ Cash in hand of RM19,568 (2023: RM19,568)

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(ii) Investment securities, derivatives, term deposits and cash and cash equivalents (continued)

Analysis of financial assets by rating agency designation (where applicable) as at 31 December: (continued)

Cash and cash equivalents (continued)

Company 2024	**12-Month ECL Performing Stage 1 RM'000**	**Lifetime ECL Under-performing Stage 2 RM'000**	**Lifetime ECL Impaired Stage 3 RM'000**	**Total RM'000**
Investment grade (AAA to BBB-)^	**333,535**	**-**	**-**	**333,535**
Total	**333,535**	**-**	**-**	**333,535**

Company 2023	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Investment grade (AAA to BBB-)^	331,329	-	-	331,329
Total	331,329	-	-	331,329

The following have been excluded for the purpose of maximum credit risk exposure calculations:

^ Cash in hand of RM19,568 (2022: RM19,600)

There are no investment securities, term deposits and cash and cash equivalents which are past due but not impaired or impaired.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(iii) Other financial assets

The carrying amount of other financial assets of the Group and the Company are summarised as below:

Group 2024	**12-Month ECL Performing Stage 1 RM'000**	**Lifetime ECL Under-performing Stage 2 RM'000**	**Lifetime ECL Impaired Stage 3 RM'000**	**Total RM'000**
Neither past but nor impaired				
Other receivables#	**19,353**	**–**	**–**	**19,353**
Total	**19,353**	**–**	**–**	**19,353**

Group 2023	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Neither past but nor impaired				
Other receivables#	13,254	–	–	13,254
Total	13,254	–	–	13,254

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(iii) Other financial assets (continued)

The carrying amount of other financial assets of the Group and the Company are summarised as below: (continued)

Group 2024	**12-Month ECL Performing Stage 1 RM'000**	**Lifetime ECL Under-performing Stage 2 RM'000**	**Lifetime ECL Impaired Stage 3 RM'000**	**Total RM'000**
Past due but not impaired				
Other receivables#	**6,131**	**–**	**–**	**6,131**
Total	**6,131**	**–**	**–**	**6,131**

Group 2023	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Past due but not impaired				
Other receivables#	4,540	–	–	4,540
Total	4,540	–	–	4,540

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(iii) Other financial assets (continued)

The carrying amount of other financial assets of the Group and the Company are summarised as below: (continued)

Company 2024	**12-Month ECL Performing Stage 1 RM'000**	**Lifetime ECL Under-performing Stage 2 RM'000**	**Lifetime ECL Impaired Stage 3 RM'000**	**Total RM'000**
Neither past due nor impaired				
Other receivables#	**19,351**	**–**	**–**	**19,351**
Total	**19,351**	**–**	**–**	**19,351**

Company 2023	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Neither past due nor impaired				
Other receivables#	13,254	–	–	13,254
Total	13,254	–	–	13,254

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(iii) Other financial assets (continued)

The carrying amount of other financial assets of the Group and the Company are summarised as below: (continued)

Company 2024	**12-Month ECL Performing Stage 1 RM'000**	**Lifetime ECL Under-performing Stage 2 RM'000**	**Lifetime ECL Impaired Stage 3 RM'000**	**Total RM'000**
Past due but not impaired				
Other receivables#	**6,131**	**–**	**–**	**6,131**
Total	**6,131**	**–**	**–**	**6,131**

Company 2023	12-Month ECL Performing Stage 1 RM'000	Lifetime ECL Under-performing Stage 2 RM'000	Lifetime ECL Impaired Stage 3 RM'000	Total RM'000
Past due but not impaired				
Other receivables#	4,540	–	–	4,540
Total	4,540	–	–	4,540

The following have been excluded for the purpose of maximum credit risk exposure calculations:

Prepayments for the Group and the Company amounting RM8,148,000 (2023: RM9,234,000) and RM7,962,000 (2023: RM9,228,000) respectively.

All other financial assets are categorised into 'neither past due nor impaired', 'past due but not impaired' and 'past due and impaired'. For financial assets categorised as 'neither past due nor impaired', there is a high likelihood of these assets being recovered in full and therefore, of no cause for concern to the Group and the Company. Financial assets categorised as 'past due but not impaired are receivables due from financial institutions with overdue more than 30 working days for the Company and 45 days for the subsidiary. Financial assets categorised as 'past due and impaired' are receivables deemed irrecoverable after assessment by the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(iv) Movement in expected credit losses

The expected credit losses recognised in the period is impacted by a variety of factors:

(a) Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period.

(b) Impact on the measurement of ECL due to changes in PD, EAD and LGD in the period, arising from regular refreshing of inputs to models.

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period:

Financing, loans and advances

Group/Company 2024	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Loss allowance as at 1 January 2024	4,612	14,783	77,850	97,245
Transfers				
Change due to change in credit risk:				
Transfer from Stage 1 to Stage 2	(500)	3,025	-	2,525
Transfer from Stage 1 to Stage 3	(220)	-	5,025	4,805
Transfer from Stage 2 to Stage 3	-	(5,607)	12,322	6,715
Transfer from Stage 3 to Stage 2	-	611	(1,769)	(1,158)
Transfer from Stage 3 to Stage 1	17	-	(539)	(522)
Transfer from Stage 2 to Stage 1	247	(2,885)	-	(2,638)
New financial assets originated or purchased	1,137	-	-	1,137
Financial assets derecognised during the financial year other than write-offs	(1,468)	(2,500)	(2,282)	(6,250)
Written-off/waived during the financial year	-	-	(13,312)	(13,312)
Loss allowance as at 31 December 2024	3,825	7,427	77,295	88,547

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(iv) Movement in expected credit losses (continued)

The expected credit losses recognised in the period is impacted by a variety of factors: (continued)

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period: (continued)

Financing, loans and advances (continued)

Group/Company 2023	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Loss allowance as at 1 January 2023	5,184	14,285	63,146	82,615
Transfers				
Change due to change in credit risk:				
Transfer from Stage 1 to Stage 2	(313)	8,984	–	8,671
Transfer from Stage 1 to Stage 3	(307)	–	12,535	12,228
Transfer from Stage 2 to Stage 3	–	(6,003)	22,021	16,018
Transfer from Stage 3 to Stage 2	–	332	(1,329)	(997)
Transfer from Stage 3 to Stage 1	10	–	(421)	(411)
Transfer from Stage 2 to Stage 1	273	(2,237)	–	(1,964)
New financial assets originated or purchased	461	22	–	483
Financial assets derecognised during the financial year other than write-offs	(668)	(128)	(1,999)	(2,795)
Written-off/waived during the financial year	(28)	(472)	(16,102)	(16,602)
Loss allowance as at 31 December 2023	4,612	14,783	77,850	97,245

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(iv) Movement in expected credit losses (continued)

The expected credit losses recognised in the period is impacted by a variety of factors: (continued)

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period: (continued)

Investment securities: FVOCI

Group/Company 2024	**Stage 1 RM'000**	**Stage 2 RM'000**	**Stage 3 RM'000**	**Total RM'000**
Loss allowance as at 1 January 2024	**1,738**	**-**	**140,025**	**141,763**
Change due to change in credit risk	**(954)**	**-**	**-**	**(954)**
New financial assets originated or purchased	**335**	**-**	**-**	**335**
Loss allowance as at 31 December 2024	**1,119**	**-**	**140,025**	**141,144**

Group/Company 2023	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Loss allowance as at 1 January 2023	1,162	–	140,025	141,187
Change due to change in credit risk	486	–	–	486
New financial assets originated or purchased	90	–	–	90
Loss allowance as at 31 December 2023	1,738	–	140,025	141,763

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(iv) Movement in expected credit losses (continued)

The expected credit losses recognised in the period is impacted by a variety of factors: (continued)

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period: (continued)

Investment securities: Amortised cost

Group/Company 2024	**Stage 1 RM'000**	**Stage 2 RM'000**	**Stage 3 RM'000**	**Total RM'000**
Loss allowance as at 1 January 2024	**995**	**237**	**-**	**1,232**
Change due to change in credit risk	**(586)**	**(1)**	**-**	**(587)**
Loss allowance as at 31 December 2024	**409**	**236**	**-**	**645**

Group/Company 2023	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Loss allowance as at 1 January 2023	1,145	238	–	1,383
Change due to change in credit risk	(150)	(1)	–	(151)
Loss allowance as at 31 December 2023	995	237	–	1,232

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(v) Movement in gross carrying amount that contributed to changes in the expected credit losses:

Financing, loans and advances

Group/Company 2024	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount as at 1 January 2024	127,474	44,503	77,850	249,827
Transfers				
Change due to change in credit risk:				
Transfer from Stage 1 to Stage 2	(4,216)	4,216	-	-
Transfer from Stage 1 to Stage 3	(1,156)	-	1,156	-
Transfer from Stage 2 to Stage 3	-	(2,115)	2,115	-
Transfer from Stage 3 to Stage 2	-	329	(329)	-
Transfer from Stage 3 to Stage 1	114	-	(114)	-
Transfer from Stage 2 to Stage 1	3,015	(3,015)	-	-
Remeasurement	(11,455)	(11,672)	12,184	(10,943)
New financial assets originated or purchased	8,002	-	-	8,002
Financial assets derecognised during the financial year other than write-offs	(46,550)	(8,628)	(2,255)	(57,433)
Written-off/waived during the financial year	-	-	(13,312)	(13,312)
Gross carrying amount as at 31 December 2024	75,228	23,618	77,295	176,141

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(v) Movement in gross carrying amount that contributed to changes in the expected credit losses: (continued)

Financing, loans and advances (continued)

Group/Company 2023	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount as at 1 January 2023	213,413	60,114	63,146	336,673
Transfers				
Change due to change in credit risk:				
Transfer from Stage 1 to Stage 2	(34,415)	34,415	–	–
Transfer from Stage 1 to Stage 3	(14,267)	–	14,267	–
Transfer from Stage 2 to Stage 3	–	(25,134)	25,134	–
Transfer from Stage 3 to Stage 2	–	1,329	(1,329)	–
Transfer from Stage 3 to Stage 1	421	–	(421)	–
Transfer from Stage 2 to Stage 1	10,697	(10,697)	–	–
Remeasurement	(2,809)	(8,009)	(4,847)	(15,665)
New financial assets originated or purchased	8,048	244	–	8,292
Financial assets derecognised during the financial year other than write-offs	(53,586)	(7,287)	(1,998)	(62,871)
Written-off/waived during the financial year	(28)	(472)	(16,102)	(16,602)
Gross carrying amount as at 31 December 2023	127,474	44,503	77,850	249,827

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(v) Movement in gross carrying amount that contributed to changes in the expected credit losses: (continued)

Financing, loans and advances (continued)

An analysis of financial assets individually assessed as impaired (Stage 3) and the movements on the impairment allowance during the year are as follows:

Group/Company 2024	**Allowances as at 1 January RM'000**	**Allowances made during the year RM'000**	**Recoveries/ written back RM'000**	**Write-off RM'000**	**Allowances as at 31 December RM'000**
Financing, loans and advances	**77,850**	**17,346**	**(4,589)**	**(13,312)**	**77,295**
	77,850	**17,346**	**(4,589)**	**(13,312)**	**77,295**

Group/Company 2023	Allowances as at 1 January RM'000	Allowances made during the year RM'000	Recoveries/ written back RM'000	Write-off RM'000	Allowances as at 31 December RM'000
Financing, loans and advances	63,146	35,054	(3,748)	(16,602)	77,850
	63,146	35,054	(3,748)	(16,602)	77,850

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(v) Movement in gross carrying amount that contributed to changes in the expected credit losses: (continued)

Investment securities: FVOCI

Group 2024	**Stage 1 RM'000**	**Stage 2 RM'000**	**Stage 3 RM'000**	**Total RM'000**
Gross carrying amount as at 1 January 2024	**2,767,074**	**-**	**-**	**2,767,074**
Change due to change in credit risk	**58,720**	**-**	**-**	**58,720**
New financial assets originated or purchased	**449,958**	**-**	**-**	**449,958**
Maturity/Disposal during the year	**(349,211)**	**-**	**-**	**(349,211)**
Gross carrying amount as at 31 December 2024	**2,926,541**	**-**	**-**	**2,926,541**

Group 2023	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount as at 1 January 2023	2,563,981	–	–	2,563,981
Change due to change in credit risk	79,519	–	–	79,519
New financial assets originated or purchased	359,143	–	–	359,143
Maturity/Disposal during the year	(235,569)	–	–	(235,569)
Gross carrying amount as at 31 December 2023	2,767,074	–	–	2,767,074

Excludes investment in preference shares and convertible notes of RM4,476,000 (2023: RM4,694,000).

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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(v) Movement in gross carrying amount that contributed to changes in the expected credit losses: (continued)

Investment securities: FVOCI (continued)

Company 2024	**Stage 1 RM'000**	**Stage 2 RM'000**	**Stage 3 RM'000**	**Total RM'000**
Gross carrying amount as at 1 January 2024	**2,767,074**	**-**	**-**	**2,767,074**
Change due to change in credit risk	**58,720**	**-**	**-**	**58,720**
New financial assets originated or purchased	**449,958**	**-**	**-**	**449,958**
Maturity/disposal during the year	**(349,211)**	**-**	**-**	**(349,211)**
Gross carrying amount as at 31 December 2024	**2,926,541**	**-**	**-**	**2,926,541**

Company 2023	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount as at 1 January 2023	2,563,981	–	–	2,563,981
Change due to change in credit risk	79,519	–	–	79,519
New financial assets originated or purchased	359,143	–	–	359,143
Maturity/disposal during the year	(235,569)	–	–	(235,569)
Gross carrying amount as at 31 December 2023	2,767,074	–	–	2,767,074

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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit Risk (continued)

Credit quality (continued)

(v) Movement in gross carrying amount that contributed to changes in the expected credit losses: (continued)

Investment securities: Amortised cost

Group/Company 2024	**Stage 1 RM'000**	**Stage 2 RM'000**	**Stage 3 RM'000**	**Total RM'000**
Gross carrying amount as at 1 January 2024	**132,228**	**50,536**	**-**	**182,764**
Change due to change in credit risk	**(1,219)**	**(14)**	**-**	**(1,233)**
Maturity/disposal during the year	**(50,000)**	**-**	**-**	**(50,000)**
Gross carrying amount as at 31 December 2024	**81,009**	**50,522**	**-**	**131,531**

Group/Company 2023	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount as at 1 January 2023	132,228	50,421	–	182,649
Change due to change in credit risk	–	115	–	115
Gross carrying amount as at 31 December 2023	132,228	50,536	–	182,764

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market risk

Market risk is defined as the risk of losses to the Group's and the Company's portfolio positions arising from movements in market factors such as interest rates, foreign exchange rates and changes in volatility. The Group and the Company are exposed to market risks from its trading and investment activities.

The Group's and the Company's exposure to market risk stems primarily from interest rate risk. Interest rate risk arises mainly from differences in timing between the maturities or repricing of assets, liabilities and derivatives.

Net interest income sensitivity analysis

The table below shows the profit after tax net interest income sensitivity for the financial assets and financial liabilities held at reporting date.

	Group			
	2024		2023	
	Impact on profit after tax RM'000	**Impact on equity RM'000**	Impact on profit after tax RM'000	Impact on equity RM'000
+ 100 basis points ("bps")	**51,371**	**52,162**	49,137	49,928
– 100 bps	**(51,371)**	**(52,162)**	(49,137)	(49,928)

	Company			
	2024		2023	
	Impact on profit after tax RM'000	**Impact on equity RM'000**	Impact on profit after tax RM'000	Impact on equity RM'000
+ 100 bps	**51,311**	**52,102**	49,077	49,868
– 100 bps	**(51,311)**	**(52,102)**	(49,077)	(49,868)

NOTES TO THE FINANCIAL STATEMENTS
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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

Interest/Profit rate risk

The table below summarises the Group's and the Company's exposure to interest/profit rate risks. Included in the table are the Group's and the Company's financial assets and liabilities at their carrying amounts, categorised by the earlier of contractual repricing or maturity dates. The net interest sensitivity gap for items not recognised in the statements of financial position represents the net notional amounts of all interest/profit rate sensitivity derivative financial instruments. As interest rate yield curves change over time, the Group and Company may be exposed to loss in earnings due to the effects of interest rates on the structure of the statements of financial position. Sensitivity to interest/profit rates arises from mismatches in the repricing dates, cashflows and other characteristics of the financial assets and their corresponding financial liabilities funding.

Group 2024	Within 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	Non-interest/ profit sensitive RM'000	Total RM'000
Financial assets					
Investment securities: FVTPL	34,403	249,493	850,354	11,673	1,145,923
Investment securities: FVOCI	197,998	1,073,266	1,659,753	-	2,931,017
Investment securities:					
Amortised cost	130,886	-	-	-	130,886
Derivative financial assets	1,071	-	-	-	1,071
Term deposits	453,848	-	-	3,099	456,947
Financing, loans and advances					
- not impaired *	11,419	83,283	4,144	(11,252)	87,594
Other receivables ^	-	-	-	25,484	25,484
Cash and cash equivalents	221,360	-	-	118,185	339,545
Total	1,050,985	1,406,042	2,514,251	147,189	5,118,467
Financial liabilities					
Funds from BNM	75,883	38,135	-	-	114,018
Tabung Usahawan Kecil	15,000	-	-	-	15,000
Government funds	-	-	-	-	-
Derivative financial liabilities	10,976	-	-	-	10,976
Other liabilities@	-	-	-	626,266	626,266
Total	101,859	38,135	-	626,266	766,260
Net interest sensitivity gap	949,126	1,367,907	2,514,251		

* The negative balance represents collective allowance for financing, loans and advances

^ Excludes prepayment amounting to RM8,148,000 (2023: RM9,234,000)

@ Other liabilities includes amount due to BNM, expected credit losses for guarantee schemes, claims payable, other payables, amount due to a subsidiary and lease liabilities

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

Interest/Profit rate risk (continued)

The table below summarises the Group's and the Company's exposure to interest/profit rate risks. Included in the table are the Group's and the Company's financial assets and liabilities at their carrying amounts, categorised by the earlier of contractual repricing or maturity dates. The net interest sensitivity gap for items not recognised in the statements of financial position represents the net notional amounts of all interest/profit rate sensitivity derivative financial instruments. As interest rate yield curves change over time, the Group and Company may be exposed to loss in earnings due to the effects of interest rates on the structure of the statements of financial position. Sensitivity to interest/profit rates arises from mismatches in the repricing dates, cashflows and other characteristics of the financial assets and their corresponding financial liabilities funding. (continued):

Group 2023	Within 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	Non-interest/ profit sensitive RM'000	Total RM'000
Financial assets					
Investment securities: FVTPL	38,064	300,136	815,032	11,668	1,164,900
Investment securities: FVOCI	268,040	1,069,036	1,434,692	–	2,771,768
Investment securities:					
Amortised cost	101,199	80,333	–	–	181,532
Derivative financial assets	235	–	–	–	235
Term deposits	420,565	–	–	4,430	424,995
Financing, loans and advances					
- not impaired *	10,667	156,928	4,382	(19,395)	152,582
Other receivables ^	–	–	–	17,794	17,794
Cash and cash equivalents	225,264	–	–	112,259	337,523
Total	1,064,034	1,606,433	2,254,106	126,756	5,051,329
Financial liabilities					
Funds from BNM	59,782	96,285	–	–	156,067
Tabung Usahawan Kecil	15,000	15,000	–	–	30,000
Government funds	9,602	–	–	–	9,602
Derivative financial liabilities	2,480	–	–	–	2,480
Other liabilities@	–	–	–	557,789	557,789
Total	86,864	111,285	–	557,789	755,938
Net interest sensitivity gap	977,170	1,495,148	2,254,106		

* The negative balance represents collective allowance for financing, loans and advances

^ Excludes prepayment amounting to RM8,148,000 (2023: RM9,234,000)

@ Other liabilities includes amount due to BNM, expected credit losses for guarantee schemes, claims payable, other payables, amount due to a subsidiary and lease liabilities

NOTES TO THE FINANCIAL STATEMENTS
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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

Interest/Profit rate risk (continued)

The table below summarises the Group's and the Company's exposure to interest/profit rate risks. Included in the table are the Group's and the Company's financial assets and liabilities at their carrying amounts, categorised by the earlier of contractual repricing or maturity dates. The net interest sensitivity gap for items not recognised in the statements of financial position represents the net notional amounts of all interest/profit rate sensitivity derivative financial instruments. As interest rate yield curves change over time, the Group and Company may be exposed to loss in earnings due to the effects of interest rates on the structure of the statements of financial position. Sensitivity to interest/profit rates arises from mismatches in the repricing dates, cashflows and other characteristics of the financial assets and their corresponding financial liabilities funding. (continued):

Company 2024	**Within 12 months RM'000**	**1 to 5 years RM'000**	**Over 5 years RM'000**	**Non-interest/ profit sensitive RM'000**	**Total RM'000**
Financial assets					
Investment securities: FVTPL	**34,403**	**249,493**	**850,354**	**11,673**	**1,145,923**
Investment securities: FVOCI	**197,998**	**1,073,266**	**1,655,277**	**-**	**2,926,541**
Investment securities:					
Amortised cost	**130,886**	**-**	**-**	**-**	**130,886**
Derivative financial assets	**1,071**	**-**	**-**	**-**	**1,071**
Term deposits	**447,749**	**-**	**-**	**3,074**	**450,823**
Financing, loans and advances					
- not impaired *	**11,419**	**83,283**	**4,144**	**(11,252)**	**87,594**
Amount due from a subsidiary	**-**	**-**	**-**	**188**	**188**
Other receivables ^	**-**	**-**	**-**	**25,482**	**25,482**
Cash and cash equivalents	**216,296**	**-**	**-**	**117,259**	**333,555**
Total	**1,039,822**	**1,406,042**	**2,509,775**	**146,424**	**5,102,063**
Financial liabilities					
Funds from BNM	**75,883**	**38,135**	**-**	**-**	**114,018**
Tabung Usahawan Kecil	**15,000**	**-**	**-**	**-**	**15,000**
Government funds	**-**	**-**	**-**	**-**	**-**
Derivative financial liabilities	**10,976**	**-**	**-**	**-**	**10,976**
Other liabilities@	**-**	**-**	**-**	**623,968**	**623,968**
Total	**101,859**	**38,135**	**-**	**623,968**	**763,962**
Net interest sensitivity gap	**937,963**	**1,367,907**	**2,509,775**		

* The negative balance represents collective allowance for financing, loans and advances

^ Excludes prepayment amounting to RM7,962,000 (2023: RM9,228,000)

@ Other liabilities includes amount due to BNM, expected credit losses for guarantee schemes, claims payable, other payables, amount due to a subsidiary and lease liabilities

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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

Interest/Profit rate risk (continued)

The table below summarises the Group's and the Company's exposure to interest/profit rate risks. Included in the table are the Group's and the Company's financial assets and liabilities at their carrying amounts, categorised by the earlier of contractual repricing or maturity dates. The net interest sensitivity gap for items not recognised in the statements of financial position represents the net notional amounts of all interest/profit rate sensitivity derivative financial instruments. As interest rate yield curves change over time, the Group and Company may be exposed to loss in earnings due to the effects of interest rates on the structure of the statements of financial position. Sensitivity to interest/profit rates arises from mismatches in the repricing dates, cashflows and other characteristics of the financial assets and their corresponding financial liabilities funding. (continued):

Company 2023	Within 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	Non-interest/ profit sensitive RM'000	Total RM'000
Financial assets					
Investment securities: FVTPL	38,064	300,136	815,032	11,668	1,164,900
Investment securities: FVOCI	268,040	1,069,036	1,429,998	–	2,767,074
Investment securities: Amortised cost	101,199	80,333	–	–	181,532
Derivative financial assets	235	–	–	–	235
Term deposits	417,561	–	–	4,430	421,991
Financing, loans and advances - not impaired *	10,667	156,928	4,382	(19,395)	152,582
Amount due from an associate	–	–	–	–	–
Other receivables ^	–	–	–	17,794	17,794
Cash and cash equivalents	225,264	–	–	106,085	331,349
Total	1,061,030	1,606,433	2,249,412	120,582	5,037,457
Financial liabilities					
Funds from BNM	59,782	96,285	–	–	156,067
Tabung Usahawan Kecil	15,000	15,000	–	–	30,000
Government funds	9,602	–	–	–	9,602
Derivative financial liabilities	2,480	–	–	–	2,480
Other liabilities@	–	–	–	555,762	555,762
Total	86,864	111,285	–	555,762	753,911
Net interest sensitivity gap	974,166	1,495,148	2,249,412		

* The negative balance represents collective allowance for financing, loans and advances

^ Excludes prepayment amounting to RM7,962,000 (2023: RM9,228,000)

@ Other liabilities includes amount due to BNM, expected credit losses for guarantee schemes, claims payable, other payables, amount due to a subsidiary and lease liabilities

NOTES TO THE FINANCIAL STATEMENTS
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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

Foreign exchange risk

The Group and the Company are exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. Limits are set on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily. The table summarises the Group's and the Company's exposure to foreign currency exchange rate risk at reporting date. Included in the table are the Group's and the Company's financial instruments at carrying amounts, categorised by currency.

Group/Company 2024	**United States Dollar RM'000**	**Singapore Dollar RM'000**	**Australian Dollar RM'000**	**Great Britain Pound RM'000**	**Chinese Yuan RM'000**	**Euro RM'000**	**Total RM'000**
Assets							
Investment securities: FVTPL	**261,793**	**147,924**	**54,503**	**-**	**-**	**22,172**	**486,392**
Derivatives	**-**	**1,071**	**-**	**-**	**-**	**-**	**1,071**
Cash and cash equivalents	**3,800**	**6,141**	**2,828**	**202**	**123**	**3,501**	**16,595**
Net on-balance sheet financial position	**265,593**	**155,136**	**57,331**	**202**	**123**	**25,673**	**504,058**
Liability							
Derivatives	**12,144**	**206**	**(1,015)**	**-**	**-**	**(359)**	**10,976**
Net on-balance sheet financial position	**12,144**	**206**	**(1,015)**	**-**	**-**	**(359)**	**10,976**
Off-balance sheet commitments	**170,002**	**210,114**	**40,327**	**-**	**-**	**24,989**	**445,432**

Group/Company 2023	United States Dollar RM'000	Singapore Dollar RM'000	Australian Dollar RM'000	Great Britain Pound RM'000	Chinese Yuan RM'000	Euro RM'000	Total RM'000
Assets							
Investment securities: FVTPL	195,544	145,587	14,815	-	11,784	11,479	379,209
Derivatives	677	(110)	(245)	-	(88)	1	235
Cash and cash equivalents	5,273	5,114	89	542	5	10	11,033
Net on-balance sheet financial position	201,494	150,591	14,659	542	11,701	11,490	390,477
Liability							
Derivatives	-	2,480	-	-	-	-	2,480
Net on-balance sheet financial position	-	2,480	-	-	-	-	2,480
Off-balance sheet commitments	192,292	137,396	14,648	6,237	1,785	6,221	358,579

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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

Foreign exchange risk (continued)

Foreign exchange risk sensitivity analysis

The following table sets out the analysis of the exposure to assess the impact of a 1% change in the exchange rates to the profit after tax:

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
+ 1%				
United States Dollar	**4,477**	3,885	**4,477**	3,885
Singapore Dollar	**3,655**	2,804	**3,655**	2,804
Australian Dollar	**966**	292	**966**	292
Renminbi	**1**	135	**1**	135
Great Britain Pound	**2**	62	**2**	62
Euro	**503**	177	**503**	177
- 1%				
United States Dollar	**(4,477)**	(3,885)	**(4,477)**	(3,885)
Singapore Dollar	**(3,655)**	(2,804)	**(3,655)**	(2,804)
Australian Dollar	**(966)**	(292)	**(966)**	(292)
Renminbi	**(1)**	(135)	**(1)**	(135)
Great Britain Pound	**(2)**	(62)	**(2)**	(62)
Euro	**(503)**	(177)	**(503)**	(177)

NOTES TO THE FINANCIAL STATEMENTS
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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Liquidity risk is the risk which arises when the Group and the Company have difficulty in raising funds to meet their financial obligations at a reasonable cost and in time. The liquidity risk is managed by diversifying its placements over various tenures based on maturity gaps. The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date.

Liquidity risk disclosure table which is based on contractual undiscounted cash flows

The table below provides analysis of cash flow payables for financial liabilities based on remaining contractual maturities on undiscounted basis. The balances in the table below do not agree directly to the balances reported in the statements of financial position as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest payments.

Group 2024	**Within 12 months RM'000**	**>1-5 years RM'000**	**Over 5 years RM'000**	**Total RM'000**
Liabilities				
Amount due to BNM	**56,466**	**-**	**-**	**56,466**
Funds from BNM	**75,883**	**38,135**	**-**	**114,018**
Tabung Usahawan Kecil	**15,000**	**-**	**-**	**15,000**
Expected credit losses for guarantee schemes	**41,615**	**289,554**	**85,996**	**417,165**
Claims payable	**873**	**-**	**-**	**873**
Other payables	**147,881**	**-**	**-**	**147,881**
	337,718	**327,689**	**85,996**	**751,403**

Group 2023	Within 12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Total RM'000
Liabilities				
Amount due to BNM	37,957	–	–	37,957
Funds from BNM	59,782	96,285	–	156,067
Tabung Usahawan Kecil	15,000	15,000	–	30,000
Government Funds	9,602	–	–	9,602
Expected credit losses for guarantee schemes	41,695	271,313	50,442	363,450
Claims payable	1,588	–	–	1,588
Other payables	150,868	–	–	150,868
	316,492	382,598	50,442	749,532

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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

Liquidity risk disclosure table which is based on contractual undiscounted cash flows (continued)

The table below provides analysis of cash flow payables for financial liabilities based on remaining contractual maturities on undiscounted basis. The balances in the table below do not agree directly to the balances reported in the statements of financial position as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest payments. (continued)

Company 2024	**Within 12 months RM'000**	**>1-5 years RM'000**	**Over 5 years RM'000**	**Total RM'000**
Liabilities				
Amount due to BNM	**56,466**	**-**	**-**	**56,466**
Funds from BNM	**75,883**	**38,135**	**-**	**114,018**
Tabung Usahawan Kecil	**15,000**	**-**	**-**	**15,000**
Expected credit losses for guarantee schemes	**41,615**	**289,554**	**85,996**	**417,165**
Claims payable	**873**	**-**	**-**	**873**
Other payables	**145,108**	**-**	**-**	**145,108**
	334,945	**327,689**	**85,996**	**748,630**

Company 2023	Within 12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Total RM'000
Liabilities				
Amount due to BNM	37,957	–	–	37,957
Funds from BNM	59,782	96,285	–	156,067
Tabung Usahawan Kecil	15,000	15,000	–	30,000
Government Funds	9,602	–	–	9,602
Expected credit losses for guarantee schemes	41,695	271,313	50,442	363,450
Claims payable	1,588	–	–	1,588
Other payables	148,841	–	–	148,841
	314,465	382,598	50,442	747,505

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

Liquidity risk disclosure table which is based on contractual undiscounted cash flows (continued)

Derivative financial liabilities based on contractual undiscounted cash flows:

Group/Company 2024	**Within 12 months RM'000**	**>1-5 years RM'000**	**Over 5 years RM'000**	**Total RM'000**
Derivatives settled on a gross basis				
Foreign exchange derivatives:				
– outflow	**12,379**	**–**	**–**	**12,379**
– inflow	**(1,403)**	**–**	**–**	**(1,403)**
	10,976	**–**	**–**	**10,976**

Group/Company 2023	Within 12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Total RM'000
Derivatives settled on a gross basis				
Foreign exchange derivatives:				
– outflow	13,318	–	–	13,318
– inflow	(10,838)	–	–	(10,838)
	2,480	–	–	2,480

(d) Fair value of financial instruments

Fair value is defined as 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 Group and the Company measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 Valuations derived from valuation techniques in which one or more significant inputs are not based on observable market data.

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– 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair value of financial instruments (continued)

Fair value is defined as 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. (continued)

Financial instruments are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted prices is readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an on-going basis. These would include actively traded listed equities as well as fixed income securities such as government securities and corporate bonds.

Where fair value is determined using unquoted market prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Group and the Company determine fair value based upon valuation techniques that use market parameters as inputs including but not limited to yield curves, volatilities and foreign exchange rates. The majority of valuation techniques employ only observable market data and so reliability of the fair value measurement is high. For structured investments, the fair value is obtained from the counterparty bank.

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). Such inputs are generally determined based on observable inputs of a similar nature, historical observations on the level of the input or other analytical techniques.

The Group and the Company recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. Transfers between fair value hierarchy primarily due to change in the level of trading activity, change in observable market activity related to an input, reassessment of available pricing information and change in the significance of the unobservable input. There were no transfers between Level 1, 2 and 3 of the fair value hierarchy during the financial year (2023: Nil).

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- 31 DECEMBER 2024

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair value of financial instruments (continued)

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

Recurring fair value measurements

Group 2024	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Investment securities: FVTPL				
- Money market instruments	-	31,286	-	31,286
- Private debt securities	-	949,448	-	949,448
Investment securities: REITs				
- REITs	165,189	-	-	165,189
Investment securities: FVOCI				
- Private debt securities	-	2,087,563	-	2,087,563
- Money market instruments	-	838,978	-	838,978
- Preference shares and convertible notes	-	-	4,476	4,476
Derivative financial assets	-	1,071	-	1,071
	165,189	3,908,346	4,476	4,078,011
Liabilities				
Tabung Usahawan Kecil	-	15,000	-	15,000
Derivative financial liabilities	-	10,976	-	10,976
	-	25,976	-	25,976

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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair value of financial instruments (continued)

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy: (continued)

Recurring fair value measurements (continued)

Company 2024	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Investment securities: FVTPL				
– Money market instruments	-	31,286	-	31,286
– Private debt securities	-	949,448	-	949,448
Investment securities: REITs				
– REITs	165,189	-	-	165,189
Investment securities: FVOCI				
– Private debt securities	-	2,087,563	-	2,087,563
– Money market instruments	-	838,978	-	838,978
Derivative financial assets	-	1,071	-	1,071
	165,189	3,908,346	-	4,073,535
Liabilities				
Tabung Usahawan Kecil	-	15,000	-	15,000
Derivative financial liabilities	-	10,976	-	10,976
	-	25,976	-	25,976

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair value of financial instruments (continued)

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy: (continued)

Recurring fair value measurements (continued)

Group 2023	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Investment securities: FVTPL				
– Money market instruments	–	65,149	–	65,149
– Private debt securities	–	956,910	–	956,910
Investment securities: REITs				
– REITs	142,841	–	–	142,841
Investment securities: FVOCI				
– Private debt securities	–	2,039,460	–	2,039,460
– Money market instruments	–	727,614	–	727,614
– Preference shares and convertible notes	–	–	4,694	4,694
Derivative financial assets	–	235	–	235
	142,841	3,789,368	4,694	3,936,903
Liabilities				
Tabung Usahawan Kecil	–	30,000	–	30,000
Derivative financial liabilities	–	2,480	–	2,480
	–	32,480	–	32,480

NOTES TO THE FINANCIAL STATEMENTS
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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair value of financial instruments (continued)

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy: (continued)

Recurring fair value measurements (continued)

Company 2023	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Investment securities: FVTPL				
– Money market instruments	–	65,149	–	65,149
– Private debt securities	–	956,910	–	956,910
Investment securities: REITs				
– REITs	142,841	–	–	142,841
Investment securities: FVOCI				
– Private debt securities	–	2,039,460	–	2,039,460
– Money market instruments	–	727,614	–	727,614
Derivative financial assets	–	235	–	235
	142,841	3,789,368	–	3,932,209
Liabilities				
Tabung Usahawan Kecil	–	30,000	–	30,000
Derivative financial liabilities	–	2,480	–	2,480
	–	32,480	–	32,480

The following table shows a reconciliation of the opening and closing amounts of Level 3 financial instruments which are recorded at fair value.

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Financial investments at FVOCI				
Preference shares and convertible notes				
At 1 January	**4,694**	–	**-**	–
Addition	**-**	4,694	**-**	–
Fair value movements	**(218)**	–	**-**	–
At 31 December	**4,476**	4,694	**-**	–

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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair value of financial instruments (continued)

Effect of changes in significant unobservable assumptions to reasonably possible alternatives

The following tables analyse within the fair value hierarchy the Group's and the Company's assets and liabilities not measured at fair value as at reporting date but for which fair value is disclosed:

Group/Company 2024	**Carrying amount RM'000**	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
Financial assets					
Investment securities:					
amortised cost	**130,886**	**-**	**126,354**	**-**	**126,354**
Financing, loans and advances	**87,594**	**-**	**86,736**	**-**	**86,736**
Financial liabilities					
Funds from BNM	**114,018**	**-**	**122,680**	**-**	**122,680**

Group/Company 2023	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets					
Investment securities:					
amortised cost	181,532	-	171,851	-	171,851
Financing, loans and advances	152,582	-	150,458	-	150,458
Financial liabilities					
Funds from BNM	156,067	-	101,642	-	101,642
Government funds	9,602	-	9,771	-	9,771

Other than as disclosed above, the fair value of each financial asset and liability presented on the statements of financial position as at the reporting date approximates the carrying amount.

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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair value of financial instruments (continued)

Effect of changes in significant unobservable assumptions to reasonably possible alternatives (continued)

The fair value estimates were determined by application of the methodologies and assumptions described below.

Investment securities at FVTPL, investment securities at FVOCI and investment securities at amortised cost

The fair values are reasonable estimates based on quoted market prices. In the absence of such quoted prices, the fair values are based on the expected cash flows of the instruments discounted by indicative market yields for similar instruments as at reporting date or the audited net tangible asset of the invested company.

Term deposits

For short-term term deposits with banks and other financial institutions with maturity of less than twelve months, the carrying amount is a reasonable estimate of fair value.

For amounts with maturities of more than twelve months, fair values have been estimated by referencing to current rates at which similar deposits and placements would be made to banks with similar credit ratings and maturities.

The fair values of performing fixed rate loans are arrived at using the discounted cash flows based on the prevailing market rates of loans and advances with similar credit ratings and maturities.

The fair values of impaired loans and advances, whether fixed or floating are represented by their carrying values, net of expected credit losses, being the reasonable estimate of recoverable amount.

Funds from BNM, Government funds, TUK and loan due to non-controlling interest

The estimated fair values of funds and borrowings with maturities of less than twelve months approximate the carrying values. For other funds and borrowings with maturities of more than twelve months, the fair values are estimated based on discounted cash flows using prevailing market rates for such instruments with similar risk profiles.

Other assets and liabilities

The carrying values less any estimated allowances for financial assets and liabilities included in other assets and other liabilities are assumed to approximate their fair values as these items are not materially sensitive to the shift in market interest rates.

(e) Operational Risk

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems, or external events. The Group and the Company mitigate operational risk by having comprehensive internal control systems and procedures, which are reviewed regularly and subjected to periodical audits by internal auditors.

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39. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

In accordance with MFRS 132 "Financial Instruments: Presentation", the Group and the Company report financial assets and financial liabilities on a net basis on the statements of financial position only if there is a legally enforceable right to set off the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The following table shows the impact of netting arrangement on:

- All financial assets and liabilities that are reported net on statements of financial position; and
- All financial assets and liabilities that are subject to enforceable master netting arrangements or similar agreements, but do not qualify for statements of financial position netting.

The table identifies the amounts that have been offset in the statements of financial position and also those amounts that are covered by enforceable netting arrangements but do not qualify for netting under the requirements of MFRS 132 described above.

The "Net amounts" presented below are not intended to represent the Group's and the Company's actual exposure to credit risk.

Group/Company 2024	**Gross amounts of recognised financial assets RM'000**	**Gross amounts of recognised financial liabilities set off in the statement of financial position RM'000**	**Net amounts reported on statement of financial position RM'000**
Financial assets			
Amount due from BNM	**-**	**-**	**-**
Financial liabilities			
Amount due to BNM	**-**	**56,466**	**(56,466)**

Group/Company 2023	Gross amounts of recognised financial assets RM'000	Gross amounts of recognised financial liabilities set off in the statement of financial position RM'000	Net amounts reported on statement of financial position RM'000
Financial assets			
Amount due from BNM	-	-	-
Financial liabilities			
Amount due to BNM	-	37,957	(37,957)