

INSAS BERHAD
Registration No. 196101000026 (4081-M)
(Incorporated in Malaysia)

26 AUGUST 2021

BURSA MALAYSIA SECURITIES BERHAD
9th Floor, Exchange Square
Bukit Kewangan
50200 Kuala Lumpur

UNAUDITED FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2021

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		FY2021 Quarter ended 30-Jun-21 RM'000	FY2020 Quarter ended 30-Jun-20 RM'000	Changes %	FY2021 Year ended 30-Jun-21 RM'000	FY2020 Year ended 30-Jun-20 RM'000	Changes %
Revenue		44,245	49,626	-11%	285,649 *	197,502	45%
Cost of sales	1	(19,269)	(21,373)	-10%	(130,221) *	(104,688)	24%
Other income	2	14,435	8,665	67%	204,636 *	57,224	>100%
Administration expenses	3	(5,049)	(4,738)	7%	(19,589)	(23,994)	-18%
Other operating expenses	4	(17,498)	(17,855)	-2%	(122,745)	(101,270)	21%
Finance costs		(4,229)	(4,081)	4%	(15,222)	(21,452)	-29%
Exceptional item	5	2,016	(696)	>-100%	(391)	(5,548)	-93%
Share of profits less losses of associate companies		14,339	10,620	35%	59,620	27,604	>100%
Share of losses of jointly controlled entities		(126)	(85)	48%	(354)	(167)	>100%
Profit before tax		28,864	20,083	44%	261,383	25,211	>100%
Tax expense		(551)	(2,881)	-81%	(15,789)	(10,174)	55%
Profit for the quarter/year		28,313	17,202	65%	245,594	15,037	>100%
Profit attributable to:-							
Owners of the Company		28,447	17,287	65%	245,706	14,867	>100%
Non-controlling interests		(134)	(85)	58%	(112)	170	>-100%
		28,313	17,202	65%	245,594	15,037	>100%
Earnings per share (in Sen)							
- Basic		4.29	2.60		37.06	2.24	
- Diluted		n/a	n/a		n/a	n/a	

* Certain figures in the preceding quarters have been reclassified to be consistent with the current quarter's presentation.

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UNAUDITED FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2021

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS (CONT'D)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	FY2021 Quarter ended 30-Jun-21 RM'000	FY2020 Quarter ended 30-Jun-20 RM'000	FY2021 Year ended 30-Jun-21 RM'000	FY2020 Year ended 30-Jun-20 RM'000
Note 1				
Included in Cost of sales are the following items:-				
Allowance for diminution in value of inventories	(31)	(39)	(31)	(39)
Depreciation	<u>(1,900)</u>	<u>(2,215)</u>	<u>(8,025)</u>	<u>(15,502)</u>
Note 2				
Included in Other income are the following items:-				
Allowance for doubtful debts no longer required due to:				
- bad debts written off * (see Note 4)	132	-	3,432	-
- recovery of doubtful debts	-	101	667	163
Excess of fair value of net assets over cost of investment on acquisition of additional equity interest in an associate company				
	2,239	-	2,239	1,792
Fair value (loss)/gain on derivative financial instruments	(1,183)	-	426	-
Fair value gain on investment properties	-	12	-	12
Gain/(Loss) on disposal of property, plant and equipment	1,294	(59)	4,024	1,991
Interest income	1,798	3,226	10,690	14,712
Gain on exchange differences				
- unrealised	-	9,961	-	78
- realised	5,796	-	13,961	-
(Loss)/Gain on fair value changes of financial assets at fair value through profit or loss				
	(2,001)	-	42,412	-
Gain on disposal of financial assets	-	-	77,599	-
Gain on disposal of an investment property	30	-	30	-
Gain on disposal of subsidiary companies	-	14	-	3,727
Gain on disposal of shares in an associate company	-	1,403	15,402	8,019
Gain on acquisition of subsidiary companies upon remeasurement of previously held equity interest in associate companies arising from step acquisition				
	-	-	1,463	-
Writeback of impairment on financial assets at amortised cost				
	<u>43</u>	<u>-</u>	<u>69</u>	<u>-</u>
Note 3				
Included in Administration expenses is the following item:-				
Depreciation	<u>(169)</u>	<u>(134)</u>	<u>(572)</u>	<u>(671)</u>
Note 4				
Included in Other operating expenses are the following items:-				
Allowance for doubtful debts	(153)	(389)	(269)	(1,026)
Amortisation of intangible asset	(18)	-	(18)	-
Bad debts written off relating to:				
- doubtful debts previously provided for * (see Note 2)	(132)	-	(3,432)	-
- doubtful debts not previously provided for	(41)	(545)	(41)	(545)
Property, plant and equipment written off	(15)	(58)	(44)	(58)
Depreciation	(404)	(424)	(1,355)	(1,700)
Fair value gain/(loss) on derivative financial instruments	-	2,378	-	(2,277)
Fair value loss on investment properties	(6,775)	-	(6,775)	-
Intangible asset written off	(89)	-	(89)	-
Investment properties written off	-	(100)	-	(100)
Loss on other receivables carried at amortised cost	(409)	-	(409)	-
Provision for impairment loss on investment in associate companies				
	(3,033)	(5,606)	(3,033)	(5,606)
Loss on fair value changes of financial assets at fair value through profit or loss				
	-	(9,125)	-	(42,011)
Goodwill written off	-	-	(1,444)	-
Impairment on financial assets at amortised cost	-	(69)	-	(69)
Loss on exchange differences				
- unrealised	(4,251)	-	(3,354)	-
- realised	-	(5,943)	-	(4,268)
Note 5				
Exceptional item represents:-				
Effects of accretion/(dilution) of equity interests in associate companies				
	<u>2,016</u>	<u>(696)</u>	<u>(391)</u>	<u>(5,548)</u>

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UNAUDITED FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2021

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	FY2021	FY2020	Changes	FY2021	FY2020	Changes
	Quarter ended 30-Jun-21 RM'000	Quarter ended 30-Jun-20 RM'000		Year ended 30-Jun-21 RM'000	Year ended 30-Jun-20 RM'000	
Profit for the quarter/year	28,313	17,202	65%	245,594	15,037	>100%
<u>Other comprehensive loss may not be reclassified to profit or loss subsequently:-</u>						
Unrealised loss on fair value changes of financial assets at fair value through other comprehensive income, net of tax	(5,690)	-	>-100%	(5,690)	-	>-100%
<u>Other comprehensive (loss)/income may be reclassified to profit or loss subsequently:-</u>						
Share of other comprehensive (loss)/income of investments accounted for using equity method, net of tax	(53)	123	>-100%	(2,220)	2,576	>-100%
Foreign currency translation of foreign operations, net of tax	(2,046)	(175)	>100%	(4,331)	3,293	>-100%
Total other comprehensive (loss)/income for the quarter/year, net of tax	(7,789)	(52)	>100%	(12,241)	5,869	>-100%
Total comprehensive income for the quarter/year, net of tax	20,524	17,150	20%	233,353	20,906	>100%
Attributable to:-						
Owners of the Company	20,658	17,225	20%	233,465	20,680	>100%
Non-controlling interests	(134)	(75)	79%	(112)	226	>-100%
	20,524	17,150	20%	233,353	20,906	>100%

Note 6

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the Interim Financial Statements.

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UNAUDITED FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2021

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 30/06/2021 RM'000 (Unaudited)	As at 30/06/2020 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	77,417	60,439
Investment properties	180,986	192,227
Financial assets at fair value through other comprehensive income	44,014	31,905
Financial assets at amortised cost	2,284	2,248
Jointly controlled entities	(554)	(200)
Associate companies	395,176	458,458
Other receivables	7,345	7,553
Intangible assets	26,047	26,047
Deferred tax assets	3,161	1,269
Total non-current assets	735,876	779,946
Current assets		
Property development costs	11,078	10,885
Inventories	11,188	12,039
Trade receivables	443,417	497,348
Amount due from associate companies	82,577	68,278
Other receivables, deposits and prepayments	70,977	55,332
Financial assets at amortised cost	1,208	778
Financial assets at fair value through profit or loss	220,198	155,276
Tax recoverable	4,146	3,339
Deposits with licensed banks and financial institutions	413,854	491,564
Cash and bank balances	488,944	180,088
Total current assets	1,747,587	1,474,927
TOTAL ASSETS	2,483,463	2,254,873
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owners of the Company		
Share capital	873,700	873,700
Treasury shares	(14,499)	(14,499)
Reserves	122,645	126,878
Retained earnings	1,001,099	766,862
	1,982,945	1,752,941
Non-controlling interests	1,543	1,741
TOTAL EQUITY	1,984,488	1,754,682
LIABILITIES		
Non-current liabilities		
Loans and borrowings	20,145	15,348
Lease liabilities	13,998	14,097
Deferred tax liabilities	6,035	5,551
Preference shares	127,250	-
Total non-current liabilities	167,428	34,996
Current liabilities		
Derivative financial liabilities	2,907	3,333
Trade payables	55,982	101,800
Other payables, deposits received and accruals	45,199	20,148
Loans and borrowings	216,411	328,087
Lease liabilities	7,680	9,758
Tax payable	3,368	2,069
Total current liabilities	331,547	465,195
TOTAL LIABILITIES	498,975	500,191
TOTAL EQUITY AND LIABILITIES	2,483,463	2,254,873
Net assets per share attributable to owners of the Company⁽⁷⁾ (RM)	2.99	2.64

Note 7

Net assets per share attributable to owners of the Company is computed based on Total Shareholders' Funds (excluding Non-controlling interests) divided by the total number of ordinary shares in issue, net of shares bought back

Note 8

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the Interim Financial Statements.

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UNAUDITED FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2021

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	<----- Attributable to Owners of the Company ----->									
	<----- Non-distributable reserves ----->					< - Distributable reserves - >				
	Share capital RM'000	Fair value through other comprehensive income reserve RM'000	Warrants reserve RM'000	Other reserves RM'000	Exchange translation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
Year ended 30 June 2021										
As at 1 July 2020	873,700	-	-	89,188	37,690	(14,499)	766,862	1,752,941	1,741	1,754,682
Transactions with owners:-										
Post-acquisition reserves - associate companies	-	-	-	(2,133)	-	-	7,742	5,609	-	5,609
Cash dividends paid to owners of the Company	-	-	-	-	-	-	(13,260)	(13,260)	-	(13,260)
Acquisition of equity interests in subsidiary companies	-	-	-	-	(746)	-	-	(746)	1	(745)
Dividend paid to non-controlling interests of a subsidiary company	-	-	-	-	-	-	-	-	(87)	(87)
Arising from rights issue of redeemable preference shares	-	-	4,936	-	-	-	-	4,936	-	4,936
Transfer of fair value through other comprehensive income reserve to retained earnings	-	5,690	-	-	-	-	(5,690)	-	-	-
Total transactions with owners	-	5,690	4,936	(2,133)	(746)	-	(11,208)	(3,461)	(86)	(3,547)
Total comprehensive (loss)/income for the financial year										
Profit for the financial year	-	-	-	-	-	-	245,706	245,706	(112)	245,594
Unrealised loss on fair value changes of financial assets at fair value through other comprehensive income, net of tax	-	(5,690)	-	-	-	-	-	(5,690)	-	(5,690)
Share of other comprehensive loss of investments accounted for using equity method, net of tax	-	-	-	-	(1,959)	-	(261)	(2,220)	-	(2,220)
Foreign currency translation of foreign operations, net of tax	-	-	-	-	(4,331)	-	-	(4,331)	-	(4,331)
Total comprehensive (loss)/income for the financial year	-	(5,690)	-	-	(6,290)	-	245,445	233,465	(112)	233,353
Balance at 30 June 2021	873,700	-	4,936	87,055	30,654	(14,499)	1,001,099	1,982,945	1,543	1,984,488

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UNAUDITED FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2021

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	< ----- Attributable to Owners of the Company ----- >								Total equity RM'000
	< ----- Non-distributable reserves----- >				< - Distributable reserves- >				
	Share capital RM'000	Warrants reserve RM'000	Other reserves RM'000	Exchange translation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	
Year ended 30 June 2020									
As at 1 July 2019	741,085	4,622	81,848	33,721	(14,499)	892,120	1,738,897	7,836	1,746,733
Transactions with owners:-									
Post-acquisition reserves - associate companies	-	-	7,333	(837)	-	-	6,496	-	6,496
Cash dividends paid to owners of the Company	-	-	-	-	-	(13,260)	(13,260)	-	(13,260)
Acquisition of equity interests in a subsidiary company by non-controlling interests	-	-	-	-	-	-	-	18	18
Dividends paid to non-controlling interests of a subsidiary company	-	-	-	-	-	-	-	(701)	(701)
Disposal of equity interests in subsidiary companies	-	-	-	(970)	-	-	(970)	(973)	(1,943)
Repayment of capital to non-controlling interests by a subsidiary company	-	-	-	-	-	-	-	(3,581)	(3,581)
Non-controlling interests' changes in ownership interests in subsidiary companies arising from disposal of equity interest in subsidiary companies	-	-	7	(16)	-	1,093	1,084	(1,084)	-
Redemption of redeemable preference shares, out of profits of the Company	132,601	-	-	-	-	(132,601)	-	-	-
Arising from derecognition of warrants reserve on expiry of warrants	-	(4,622)	-	-	-	4,622	-	-	-
Issuance of ordinary shares pursuant to exercise of warrants	14	-	-	-	-	-	14	-	14
Total transactions with owners	132,615	(4,622)	7,340	(1,823)	-	(140,146)	(6,636)	(6,321)	(12,957)
Total comprehensive income for the financial year									
Profit for the financial year	-	-	-	-	-	14,867	14,867	170	15,037
Share of other comprehensive income of investments accounted for using equity method, net of tax	-	-	-	2,555	-	21	2,576	-	2,576
Foreign currency translation of foreign operations, net of tax	-	-	-	3,237	-	-	3,237	56	3,293
Total comprehensive income for the financial year	-	-	-	5,792	-	14,888	20,680	226	20,906
Balance at 30 June 2020	873,700	-	89,188	37,690	(14,499)	766,862	1,752,941	1,741	1,754,682

Note 9

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the Interim Financial Statements.

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UNAUDITED FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2021

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 30/06/2021 RM'000	Year ended 30/06/2020 RM'000
Cash flows from operating activities		
Profit before tax	261,383	25,211
Adjustments for:-		
Non-cash items	(182,613)	26,292
Finance costs	15,222	21,452
Interest income	(10,690)	(14,712)
Operating profit before working capital changes	<u>83,302</u>	<u>58,243</u>
Changes in working capital:-		
Net changes in current assets	76,416	(17,014)
Net changes in current liabilities	(21,043)	100,617
Cash from operations	<u>138,675</u>	<u>141,846</u>
Interest paid	(14,033)	(18,916)
Interest received	10,487	14,505
Tax paid	(18,050)	(11,065)
Net cash from operating activities	<u>117,079</u>	<u>126,370</u>
Cash flows from investing activities		
Subscription/Acquisition of shares in associate companies	(10,356)	(26,696)
Purchase of property, plant and equipment	(16,301)	(5,843)
Purchase of financial assets at amortised cost	(17,590)	-
Net proceeds from disposal/(purchase) of financial assets	51,928	(8,934)
Purchase of an investment property	(2,733)	(6,463)
Proceeds from disposal of an investment property	980	-
Proceeds from disposal of shares in an associate company	17,670	17,120
Proceeds from disposal of property, plant and equipment	6,362	9,177
Proceeds from disposal and redemption of financial assets at amortised cost	17,191	1,512
Proceeds from redemption of preference shares in an associate company	9,859	-
Dividend received	57,394	32,694
Net cash inflow on acquisition of equity interest in subsidiary companies	2,554	-
Net cash inflow on disposal of equity interest in subsidiary companies	-	6,097
Net cash from investing activities	<u>116,958</u>	<u>18,664</u>
Cash flows from financing activities		
Decrease in fixed deposits pledged	144,035	63,089
Increase in cash and bank balances pledged	(135,697)	(75,712)
Net (repayment)/drawdown of loans and borrowings	(108,313)	46,678
Proceeds from acquisition of equity interests in a subsidiary company by non-controlling interests	-	18
Proceeds from issue of ordinary shares	-	14
Proceeds from issue of redeemable preference shares	132,604	-
Repayment of capital to non-controlling interests by a subsidiary company	-	(3,581)
Dividend paid to non-controlling interests of a subsidiary company	(87)	(701)
Cash dividends paid to owners of the Company	(13,260)	(13,260)
Repayment of lease liabilities	(8,979)	(19,490)
Redemption of redeemable preference shares	-	(132,601)
Net cash from/(used in) financing activities	<u>10,303</u>	<u>(135,546)</u>
Net increase in cash and cash equivalents	244,340	9,488
Cash and cash equivalents at beginning of the financial year	398,817	388,695
Exchange differences	(699)	634
Cash and cash equivalents at end of the financial year	<u>642,458</u>	<u>398,817</u>
Cash and cash equivalents comprise of:-		
Bank overdrafts	(545)	(442)
Cash and bank balances	488,944	180,088
Deposits with licensed banks and financial institutions	413,854	491,564
	902,253	671,210
Less:		
Cash and bank balances pledged	(226,581)	(95,144)
Fixed deposits pledged	(33,214)	(177,249)
	<u>642,458</u>	<u>398,817</u>

Note 10

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the Interim Financial Statements.

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UNAUDITED FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2021 - NOTES TO THE UNAUDITED FINANCIAL REPORT.

Part A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134: Interim Financial Reporting

A1. Basis of Preparation

This set of financial report is unaudited and has been prepared in compliance with the reporting requirements outlined in the Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad.

This Report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2020, which were prepared under the Malaysian Financial Reporting Standards. The explanatory notes attached to this financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2020.

A2. Changes in Accounting Policies

The accounting policies and methods of computation and presentation adopted by the Group in this Quarterly Report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2020 except for the adoption of amendments to Standards and IC Interpretations issued by the MASB that became effective and relevant to the Group for the financial year beginning on or after 1 July 2020. The adoption of the amendments to Standards and IC Interpretations did not have any material financial impact on the financial statements of the Group.

The Group has not early adopted new Standard, amendments to Standards and annual improvements to Standards that have been issued but are not yet effective for the accounting period beginning 1 July 2020.

A3. Declaration of Audit Qualification

There was no qualified report issued by the auditors in the audited financial statements of the Group for the financial year ended 30 June 2020.

A4. Seasonality and Cyclicity of Interim Operations

The performance of the Group is not significantly affected by seasonal and cyclical fluctuation.

A5. Exceptional/Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

The following are the exceptional items that occurred during the current financial quarter and financial year under review which affect the assets, liabilities, equity, net income or cash flows of the Group:-

Recognised in the Statements of Profit or Loss

	Individual Quarter		Cumulative Quarter	
	Quarter ended	Quarter ended	Year ended	Year ended
	30-June-2021	30-June-2020	30-June-2021	30-June-2020
	RM'000	RM'000	RM'000	RM'000
Excess of fair value of net assets over cost of investment on acquisition of additional equity interest in an associate company	2,239	-	2,239	1,792
Fair value (loss)/gain on derivative financial instruments	(1,183)	2,378	426	(2,277)
Fair value (loss)/gain on investment properties	(6,775)	12	(6,775)	12
Gain on disposal of subsidiary companies	-	14	-	3,727
Gain on disposal of shares in an associate company	-	1,403	15,402	8,019
Gain on acquisition of subsidiary companies upon remeasurement of previously held equity interest in associate companies arising from step acquisition	-	-	1,463	-
Gain on disposal of financial assets	-	-	77,599	-
(Loss)/Gain on fair value changes of financial assets at fair value through profit or loss	(2,001)	(9,125)	42,412	(42,011)
Gain/(Loss) on exchange differences				
- realised	5,796	(5,943)	13,961	(4,268)
- unrealised	(4,251)	9,961	(3,354)	78
Goodwill written off	-	-	(1,444)	-
Provision for impairment loss on investment in associate companies	(3,033)	(5,606)	(3,033)	(5,606)
Effects of accretion/(dilution) of equity interests in associate companies	2,016	(696)	(391)	(5,548)

A6. Material Changes in Estimates

There are no material changes in accounting estimates used in the preparation of the financial statements in the current financial quarter and financial year as compared to the preceding corresponding financial quarter and financial year.

A7. Debts and Equity Securities

(i) Share buyback

The shareholders of the Company, by an ordinary resolution passed in the Annual General Meeting of the Company held on 23 December 2020, approved the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

The Company did not repurchase any of its shares from the open market during the financial year ended 30 June 2021. Of the total 693,348,053 issued and fully paid up ordinary shares, 30,327,291 shares are being held as treasury shares by the Company as at 30 June 2021.

(ii) Redeemable Preference Shares

On 1 March 2021, the Company issued 132,604,152 redeemable preference shares ("RPS") at an issue price of RM1.00 per RPS together with 331,510,380 free detachable warrants on the basis of five (5) free warrants for every two (2) RPS subscribed. The RPS is redeemable at RM1.00 any time within five (5) years from the date of issue of the RPS and carries a dividend rate of 3.8% per annum on the issue price of the RPS.

Other than the above, there were no issuance and repayment of equity and debts securities, share cancellations and resale of treasury shares by the Company for the financial year ended 30 June 2021.

A8. Dividends Paid

The Company paid an interim single tier cash dividend of 2.0 sen per ordinary share amounting to RM13,260,415 on 13 January 2021 in respect of the financial year ending 30 June 2021.

A9. Segment Information

The segment analysis on the Group's results for the financial year ended 30 June 2021 is as follows:-

	Financial services and credit & leasing	Investment holding and trading	Technology and IT-related manufacturing, trading and services	Retail trading and car rental	Property investment and development	Eliminations	Consolidated Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External revenue	93,809	67,644	106,524	13,796	3,876	-	285,649
Inter-segment revenue	1,580	24,078	41,202	877	840	(68,577)	-
Total segment revenue	95,389	91,722	147,726	14,673	4,716	(68,577)	285,649
Results							
Segment profit from operations	50,360	48,873	103,884	2,923	1,385	(385)	207,040
Interest income	3,122	7,580	10,612	51	253	(10,928)	10,690
Finance costs	(11,244)	(12,999)	(181)	(1,801)	(310)	11,313	(15,222)
Exceptional item	-	-	(4,236)	-	3,845	-	(391)
Share of profits less losses of associate companies	-	10,437	51,508	(5,032)	2,707	-	59,620
Share of losses of jointly controlled entities	(354)	-	-	-	-	-	(354)
Profit/(Loss) before tax	41,884	53,891	161,587	(3,859)	7,880	-	261,383
Tax expense	(10,390)	(3,848)	(1,144)	(271)	(136)	-	(15,789)
Profit/(Loss) for the financial year	31,494	50,043	160,443	(4,130)	7,744	-	245,594
Attributable to:-							
Owners of the Company							245,706
Non-controlling interests							(112)
Segment assets	786,978	810,400	622,257	69,705	194,123	-	2,483,463
Segment liabilities	104,173	353,511	11,206	24,478	5,607	-	498,975

A9. Segment Information (Cont'd)

The segment analysis on the Group's results for the financial year ended 30 June 2020 is as follows:-

	Financial services and credit & leasing	Investment holding and trading	Technology and IT-related manufacturing, trading and services	Retail trading and car rental	Property investment and development	Eliminations	Consolidated Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External revenue	66,595	86,291	2,642	39,283	2,691	-	197,502
Inter-segment revenue	671	150,334	20,364	6,743	720	(178,832)	-
Total segment revenue	67,266	236,625	23,006	46,026	3,411	(178,832)	197,502
Results							
Segment profit/(loss) from operations	39,999	(34,401)	(5,086)	5,981	4,012	(443)	10,062
Interest income	3,709	14,648	9,688	51	274	(13,658)	14,712
Finance costs	(12,284)	(19,267)	(53)	(3,311)	(638)	14,101	(21,452)
Exceptional item	-	-	(3,746)	-	(1,802)	-	(5,548)
Share of profits less losses of associate companies	-	(10,134)	31,246	(2,046)	8,538	-	27,604
Share of losses of jointly controlled entities	(164)	-	-	(3)	-	-	(167)
Profit/(Loss) before tax	31,260	(49,154)	32,049	672	10,384	-	25,211
Tax expense	(8,078)	(1,048)	(1,121)	(50)	123	-	(10,174)
Profit/(Loss) for the financial year	23,182	(50,202)	30,928	622	10,507	-	15,037
Attributable to:-							
Owners of the Company							14,867
Non-controlling interests							170
Segment assets	643,901	742,293	588,784	77,594	202,301	-	2,254,873
Segment liabilities	122,581	342,224	3,130	28,072	4,184	-	500,191

A10. Valuation of Property, Plant and Equipment

The valuation of land and building held under property, plant and equipment has been brought forward without amendment from the annual financial statements of the Group for the financial year ended 30 June 2020.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current financial quarter and financial year, including business combinations, acquisition or disposal of subsidiary companies and long-term investments, restructuring and discontinuing operations other than as disclosed below:-

- (i) On 24 September 2020, Montego (S) Pte. Ltd., an indirect wholly owned subsidiary of the Company, subscribed for 30,000 ordinary shares representing 33.33% equity interest in Clear Foods Pte. Ltd. ("Clear Foods"), a company incorporated in Singapore.

Clear Foods' principal activities are processing and preserving of meat and meat products. Clear Foods has not commenced operations as at 30 June 2021.

A11. Changes in the Composition of the Group (Cont'd)

- (ii) On 26 October 2020, Insas Technology Berhad (“ITB”), a wholly-owned subsidiary of the Company had subscribed for 400 ordinary shares representing 40% equity interest in Paragon Spectrum Sdn. Bhd. (“PSSB”) for a total consideration of RM400. The issued and paid up share capital of PSSB is RM1,000 comprising 1,000 ordinary shares.

PSSB is a private limited company incorporated in Malaysia on 12 October 2020 and its principal activity is investment holding.

- (iii) On 27 November 2020, ITB had acquired 34,094,934 ordinary shares, representing 50.36% equity interest in Numoni Pte. Ltd. (“Numoni”) at a purchase price of SGD0.04 per ordinary share for a total consideration of SGD1,363,797.36 from the other shareholders of Numoni.

Arising from this acquisition, ITB’s shareholding in Numoni increased from 49.64% to 100% and Numoni became a wholly-owned subsidiary of the Group.

- (iv) On 19 May 2021, Insas Berhad announced that Numoni Technology Pte. Ltd. (“NTPL”) and Numoni Singapore Pte. Ltd. (“NSPL”), both indirect wholly-owned dormant subsidiaries of the Group have applied to the Accounting and Corporate Regulatory Authority (“ACRA”) for the striking off of NTPL and NSPL pursuant to Section 344A of the Singapore Companies Act (“Proposed Striking Off”).

NTPL and NSPL had ceased operations and became dormant in December 2018 and January 2021 respectively, and the Proposed Striking Off will reduce the administrative resources and costs to be incurred for maintaining the 2 dormant subsidiaries.

On 19 August 2021, the strike off application have been approved by ACRA. Accordingly, the names of NTPL and NSPL have been struck off from the register and cease to be subsidiaries of the Group.

The Proposed Striking Off did not have any financial impact on the financial statements of the Group for the financial year ended 30 June 2021.

A12. Material Subsequent Events

There were no material events subsequent to the financial year ended 30 June 2021 and up to the date of this Report, which affects substantially the results of the operation of the Group.

A13. Contingent Assets or Liabilities

As at the date of this Report, the Group and the Company has provided guarantees as follows:-

	Group		Company	
	Limit RM'000	Amount utilised RM'000	Limit RM'000	Amount utilised RM'000
Unsecured: Guarantees to secure banking and credit facilities granted to:-				
- certain subsidiary companies	-	-	114,626	71,013
- an associate company	16	16	-	-

There is no contingent asset as at the date of this Report.

A14. Commitments

Contractual commitments not provided for in the financial statements as at 30 June 2021 are as follows:-

	RM'000
To acquire property, plant and equipment	231
Investment commitments in relation to financial assets at fair value through other comprehensive income	<u>4,812</u>

A15. Related Party Transactions

Related party transactions had been entered into in the ordinary course of business that had been undertaken at arm's length basis on normal commercial terms.

ADDITIONAL INFORMATION REQUIRED BY PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

Comparison between current financial quarter against preceding year corresponding financial quarter

Group's summary

The Group reported revenue of RM44.2 million and a pre-tax profit of RM28.9 million in the current financial quarter (Q4/2021) as compared to revenue of RM49.6 million and a pre-tax profit of RM20.1 million in the preceding year corresponding quarter (Q4/2020). The review of performance by division is as follows:-

B1. Review of Performance (Cont'd)

Comparison between current financial quarter against preceding year corresponding financial quarter (cont'd)

Financial services and credit & leasing division

The unit reported higher revenue and pre-tax profit of RM22.0 million and RM11.2 million respectively in Q4/2021 as compared to revenue of RM17.0 million and pre-tax profit of RM8.2 million in Q4/2020, mainly due to higher brokerage and corporate advisory fee income generated by the stock broking unit on the back of stronger market sentiment on Bursa Malaysia in Q4/2021.

Investment holding and trading division

The investment unit reported lower revenue of RM17.7 million in Q4/2021 mainly due to lower trading activities as compared to revenue of RM27.8 million in Q4/2020.

The investment unit reported higher pre-tax profit of RM10.6 million in Q4/2021 as compared to RM7.4 million in Q4/2020 mainly due to lower unrealised loss on fair value changes of financial assets at fair value through profit or loss.

Technology and IT-related manufacturing, trading and services division

There is no significant variance on revenue reported in Q4/2021 as compared to Q4/2020.

The Technology unit reported higher pre-tax profit of RM7.8 million in Q4/2021 (Q4/2020: RM3.2 million) mainly due to higher equity profit contribution from Inari Amertron Berhad of RM14.3 million (Q4/2020: RM6.4 million).

Current financial year against preceding financial year

Group's summary

The Group reported revenue of RM285.6 million and a pre-tax profit of RM261.4 million for the financial year ended 30 June 2021 as compared to revenue of RM197.5 million and a pre-tax profit of RM25.2 million reported in the preceding financial year. The review of performance by divisions is as follows:-

Financial services and credit & leasing division

The unit reported higher revenue and pre-tax profit of RM93.8 million and RM41.9 million for the financial year ended 30 June 2021 as compared to the preceding financial year of RM66.6 million and RM31.3 million respectively, mainly due to higher brokerage and corporate advisory fee income generated by the stock broking unit on the back of stronger market sentiment on Bursa Malaysia in the current financial year.

Investment holding and trading division

The investment unit reported lower revenue of RM67.6 million for the financial year ended 30 June 2021 as compared to the preceding financial year of RM86.3 million mainly due to lower trading activities in the current financial year.

The investment unit reported a pre-tax profit of RM53.9 million for the financial year ended 30 June 2021 as compared to pre-tax loss of -RM49.2 million in the preceding financial year mainly due to higher unrealised gain on fair value changes of financial assets at fair value through profit or loss and unrealised gain on foreign exchange.

B1. Review of Performance (Cont'd)

Current financial year against preceding financial year (cont'd)

Technology and IT-related manufacturing, trading and services division

The Technology unit reported higher revenue of RM106.5 million for the financial year ended 30 June 2021 as compared to the preceding financial year of RM2.6 million due to higher sales of trading products and disposal of shares in a listed associate company in the current financial year.

The Technology unit reported higher pre-tax profit of RM161.6 million for the financial year ended 30 June 2021 as compared to pre-tax profit of RM32.0 million in the preceding financial year mainly due to higher gain on disposal of shares in a listed associate company, higher profit contribution from Inari Amertron Berhad and a gain on disposal of financial assets.

B2. Comments on material changes in the revenue and profit before tax for the current financial quarter as compared with the immediate preceding financial quarter

	Current Quarter 30-June-2021 RM'000	Immediate Preceding Quarter 31-Mar-2021 RM'000	Changes (%)
Revenue	44,245	80,641	-45%
Profit from operations	15,066	60,640	-75%
Profit before tax	28,864	73,489	-61%
Profit after tax	28,313	69,668	-59%
Profit attributable to owners of the Company	28,447	69,719	-59%

The Group reported lower revenue of RM44.2 million in the current financial quarter as compared to the immediate preceding financial quarter of RM80.6 million mainly due to disposal of shares in a listed associate company in the immediate preceding financial quarter (Q4/2021: Nil).

The Group reported lower pre-tax profit of RM28.9 million in the current financial quarter as compared to RM73.5 million in the immediate preceding financial quarter mainly due to unrealised loss on fair value changes of financial assets at fair value through profit or loss of -RM2.0 million (Q3/2021: unrealised gain of RM41.9 million).

B3. Prospects for financial year ending 30 June 2022

The Group remains resilient supported by strong financial fundamentals and prudent cash and financial management, and the Board will continue its vigilance to navigate the Group through the continuous uncertainties due to the Covid-19 pandemic.

Financial services and credit & leasing division

The stock broking unit is expected to perform satisfactorily in FY2022 due to expected strong retail trading and corporate advisory activities on Bursa Malaysia.

Investment trading division

The investment unit's performance for the financial year ending 30 June 2022 is largely dependent on the global economy and financial markets and the recovery from Covid-19 pandemic.

Technology and IT-related manufacturing, trading and services division

The Board is cautiously optimistic the Technology unit and Inari Amertron Berhad will generate positive contribution to the Group in FY 2022 due to the expected continual strong demand in the RF business arising from projected growth in new 5G devices over the new financial year.

B4. Variance of Actual Profit from Forecast Profit/Profit Guarantee

This note is not applicable for the financial year under review as the Group did not enter into any scheme that requires it to present forecast results or guarantee any profit.

B5. Tax Expense

The tax expense for the current financial quarter and financial year ended 30 June 2021 is as follows:-

	Individual Quarter ended 30-June-2021 RM'000	Quarter Quarter ended 30-June-2020 RM'000	Cumulative Year ended 30-June-2021 RM'000	Quarter Year ended 30-June-2020 RM'000
<u>Income tax:-</u>				
Provision for current financial quarter/year				
- Malaysian income tax	3,405	3,251	18,649	10,931
- Overseas income tax	13	44	34	236
Underprovision in preceding financial quarter/year	69	9	71	130
<u>Deferred tax:-</u>				
Transfer to deferred taxation	(2,177)	(162)	(2,206)	(862)
Overprovision in preceding financial quarter/year	(204)	(34)	(204)	(34)
Deferred Real Property ^Gains Tax	(555)	(227)	(555)	(227)
	<hr/>	<hr/>	<hr/>	<hr/>
	551	2,881	15,789	10,174
	<hr/>	<hr/>	<hr/>	<hr/>

B5. Tax Expense (Cont'd)

The reconciliation between the statutory tax rate and the effective tax rate on the pre-tax profit of the Group are as follows:-

	Individual Quarter ended 30-June-2021 RM'000	Quarter Quarter ended 30-June-2020 RM'000	Cumulative Year ended 30-June-2021 RM'000	Quarter Year ended 30-June-2020 RM'000
Profit before tax	28,864	20,083	261,383	25,211
Income tax at Malaysian statutory tax rate of 24%	6,927	4,820	62,732	6,051
<u>Tax effects in respect of:-</u>				
Non-allowable expenses	(702)	1,968	7,401	14,851
Income not subject to tax	(4,422)	(3,085)	(49,804)	(10,013)
Deferred Real Property Gains				
^ Tax on fair value adjustment of investment properties	(555)	(227)	(555)	(227)
Effect of different tax rates in other countries	50	(75)	(3,126)	(504)
Overseas tax paid on dividend income	68	88	244	395
Utilisation of previously unrecognised deferred tax assets	(735)	(684)	(1,155)	(832)
Deferred tax not recognised in the financial statements	55	101	185	357
Tax expenses for the financial quarter/year	686	2,906	15,922	10,078
Underprovision for tax expense in preceding financial quarter/year	69	9	71	130
Overprovision for deferred taxation in preceding financial quarter/year	(204)	(34)	(204)	(34)
	551	2,881	15,789	10,174

B6. Status of Corporate Proposal announced but not completed as at the date of this Report

On 9 July 2020, the Company announced to undertake the following proposals:-

- i) Proposed renounceable rights issue of up to 132,604,152 redeemable preference shares (“Rights RPS”) together with up to 331,510,380 free detachable warrants (“Warrants”) on the basis of 2 Rights RPS and 5 Warrants for every 10 existing ordinary shares at an issue price of RM1.00 per Rights RPS (“Rights Issue with Warrants”); and
- ii) Proposed amendments to the Constitution of the Company to facilitate the creation and issuance of the Rights RPS pursuant to the Rights Issue with Warrants so as to comply with the provisions of the Companies Act 2016.

On 29 September 2020, the Company proposed to establish an employees’ share option scheme (“ESOS”) of up to 10% of the total number of issued ordinary shares in the Company (excluding treasury shares) for eligible employees including Executive Directors and Non-Executive Directors of the Company and its operating subsidiaries.

The Rights Issue with Warrants and ESOS was approved by Bursa Malaysia Securities Berhad on 13 November 2020 and shareholders at an extraordinary general meeting held on 23 December 2020.

On 3 February 2021, the abridged prospectus together with the notice of provisional allotment and rights subscription form for the Rights Issue with Warrants have been despatched to the entitled shareholders. The last date for acceptance, excess application and payment of the Rights RPS was due on 19 February 2021.

The Rights Issue with Warrants was completed on 5 March 2021 following the listing and quotation of 132,604,152 RPS and 331,510,380 Warrants on the Main Market of Bursa Malaysia Securities Berhad on the same day.

There is no other corporate proposal that has been announced but has not been completed as at the date of this Report.

B7. Status of Utilisation of Proceeds

The Company received proceeds amounting to RM132.6 million from the issuance of 132,604,152 RPS at an issue price of RM1.00 per RPS. The proceeds have been utilised in the following manner as at 30 June 2021:-

Purpose	Approved utilisation RM'000	Amount utilised RM'000	Balance unutilised RM'000
Repayment of bridging loans	130,854	130,854	-
Defrayed expenses relating to the Rights Issue with Warrants (“Expenses”)	1,750	1,550	200*
Total	132,604	132,404	200

*In line with the approval obtained from Bursa Malaysia Securities Berhad and the shareholders of the Company on utilisation of proceeds, the surplus funds following payment of Expenses has been utilised to repay the Group’s remaining outstanding bridging loans.

B8. Group Borrowings and Debt Securities as at 30 June 2021

	As at 30 June 2021					
	Long term		Short term		Total borrowings	
	Foreign denomination '000	RM denomination RM'000	Foreign denomination '000	RM denomination RM'000	Foreign denomination '000	RM denomination RM'000
Secured						
Bank overdrafts						
- RM	-	-	-	546	-	546
Term loans						
- RM	-	16,473	-	1,010	-	17,483
- SGD	1,190	3,672	16,980	52,390	18,170	56,062
- AUD	-	-	5,692	17,767	5,692	17,767
- USD	-	-	672	2,791	672	2,791
- GBP	-	-	781	4,490	781	4,490
- EUR	-	-	1,315	6,496	1,315	6,496
Revolving credit facilities	-	-	-	125,980	-	125,980
Margin financing facility	-	-	-	4,941	-	4,941
Total loans and borrowings	-	20,145	-	216,411	-	236,556

	As at 30 June 2020					
	Long term		Short term		Total borrowings	
	Foreign denomination '000	RM denomination RM'000	Foreign denomination '000	RM denomination RM'000	Foreign denomination '000	RM denomination RM'000
Secured						
Bank overdrafts						
- RM	-	-	-	442	-	442
Term loans						
- RM	-	11,515	-	789	-	12,304
- SGD	1,247	3,833	16,786	51,601	18,033	55,434
- AUD	-	-	8,160	24,029	8,160	24,029
- USD	-	-	855	3,661	855	3,661
- GBP	-	-	771	4,066	771	4,066
- EUR	-	-	926	4,461	926	4,461
Revolving credit facilities	-	-	-	224,050	-	224,050
Margin financing facility	-	-	-	14,988	-	14,988
Total loans and borrowings	-	15,348	-	328,087	-	343,435

The weighted average interest rates per annum were as follows:-

	Floating (%)	
	As at 30.06.2021	As at 30.06.2020
Secured		
Bank overdrafts	6.89%-7.40%	7.14%-8.72%
Term loans	0.78%-5.90%	0.53%-6.79%
Revolving credit facilities	3.64%-4.60%	3.87%-5.89%
Margin financing facility	5.42%	5.67%-6.67%

B8. Group Borrowings and Debts Securities as at 30 June 2021 (Cont'd)

Debt securities

	RM'000
<u>Redeemable preference shares ("RPS")</u>	
132,604,152 RPS at RM1.00 per RPS	132,604
- Fair value of 331,510,380 free Warrants recognised in equity under warrants reserve	(4,936)
- Effects of deferred tax liability	(1,559)
Accumulated RPS dividends charged to statements of profit or loss	2,825
Accumulated RPS dividends payable	<u>(1,684)</u>
RPS issued by the Company – liability component, disclosed as per MFRS requirements	<u>127,250</u>

In accordance with MFRS 132 Financial Instruments: Disclosure and Presentation, MFRS 112: Income Taxes and FRSIC Consensus 9/2008: Accounting for Rights Issue with Free Warrants, the Group has disclosed the RPS as a long-term liability, net of fair value for the free Warrants issued and the effects of deferred tax liability. As of the date of this Report, none of the Warrants issued were converted into ordinary shares.

B9. Material Litigation

There are no material pending litigation since the last annual reporting date up to the date of this Report. The Group was not engaged in any litigation which is likely to give rise to proceedings which may materially and adversely affect the financial position or the business operations of the Group.

B10. Dividend

The Board of Directors had on 24 November 2020 declared an interim single tier dividend of 2.0 sen per ordinary share each in the Company in respect of the financial year ending 30 June 2021. The interim dividend totaling RM13,260,415 was paid on 13 January 2021.

The Board of Directors do not recommend any final dividend for the financial year ended 30 June 2021.

B11. Earnings per share

(a) Basic earnings per share

The basic earnings per share for the current financial quarter and financial year have been calculated by dividing the profit attributable to owners of the Company for the financial quarter and financial year by the weighted average number of ordinary shares in issue during the financial quarter and financial year.

	Individual	Quarter	Cumulative	Quarter
	Quarter ended 30-June-2021	Quarter ended 30-June-2020	Year ended 30-June-2021	Year ended 30-June-2020
Net profit attributable to owners of the Company for the financial quarter and financial year (RM'000)	28,447	17,287	245,706	14,867
Weighted average number of ordinary shares in issue, after accounting for the effect of shares bought back ('000)	663,021	663,013	663,021	663,013
Basic earnings per share (Sen)	4.29	2.60	37.06	2.24

(b) Diluted earnings per share

The diluted earnings per share is not computed as there are no dilutive potential equity instruments in issue that gave diluted effect to the earnings per share.

B12. Derivative Financial Liabilities

Details of derivative financial liabilities as at 30 June 2021 are set out below:-

Type of Derivatives	As at 30.06.2021	
	Contract/ Notional value RM'000	Fair value RM'000
<u>Currency Forward Contract and Options</u>		
- Less than 1 year	1,204	(294)
<u>Other equity related contracts</u>		
- Less than 1 year	52,492	(2,613)
	53,696	(2,907)

There is no significant changes in respect of the following since the end of the preceding financial year ended 30 June 2020:-

- the cash requirements of the derivative financial instruments;
- the policies that is in place for mitigating or controlling the risks associated with these derivative financial instruments; and
- the related accounting policies.

B13. Disclosure of Gains/Losses Arising from Fair Value Changes of Financial Liabilities

Financial liabilities of the Group are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include derivative financial instruments entered into by the Group that do not meet the hedge accounting criteria.

The fair value changes of the derivative financial instruments are derived from quotes obtained from licensed financial institutions. The resulting gain or loss is recognised in the statements of profit or loss. Fair value loss on derivative financial instruments of -RM1.2 million in the current financial quarter and fair value gain of RM0.4 million for the financial year ended 30 June 2021 have been recognised in the statements of profit or loss.

Other financial liabilities

The Group's other financial liabilities include trade payables, other payables and accruals and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

The carrying amounts of other financial liabilities as at the end of the reporting period approximate to their fair values due to their short-term nature, or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

There is no gain or loss arising from fair value changes to other financial liabilities.