

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

24 FEBRUARY 2022

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

UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

| | Note | INDIVIDUAL QUARTER | | | CUMULATIVE QUARTER | | |
|--------------------------------------------------------|------|------------------------------------------------|------------------------------------------------|--------------|-----------------------------------------------|-----------------------------------------------|--------------|
| | | FY2022 Quarter ended 31-Dec-21 RM'000 | FY2021 Quarter ended 31-Dec-20 RM'000 | Changes % | FY2022 Period ended 31-Dec-21 RM'000 | FY2021 Period ended 31-Dec-20 RM'000 | Changes % |
| Revenue | | 61,126 | 37,661 | 62% | 125,189 | 160,763 * | -22% |
| Cost of sales | 1 | (24,753) | (11,710) | >100% | (54,816) | (75,625) * | -28% |
| Other income | 2 | 9,609 | 94,124 | -90% | 26,803 | 124,914 * | -79% |
| Administration expenses | 3 | (5,988) | (3,051) | 96% | (9,107) | (6,623) | 38% |
| Other operating expenses | 4 | (24,168) | (46,716) | -48% | (53,897) | (66,072) | -18% |
| Finance costs | | (4,028) | (3,464) | 16% | (7,870) | (7,162) | 10% |
| Exceptional item | 5 | - | (180) | -100% | - | (1,053) | -100% |
| Share of profits less losses of associate companies | | 16,515 | 19,871 | -17% | 32,704 | 29,972 | 9% |
| Share of losses of jointly controlled entities | | (22) | (42) | -48% | (82) | (84) | -2% |
| Profit before tax | | 28,291 | 86,493 | -67% | 58,924 | 159,030 | -63% |
| Tax expense | | (2,168) | (4,224) | -49% | (6,134) | (11,417) | -46% |
| Profit for the quarter/period | | 26,123 | 82,269 | -68% | 52,790 | 147,613 | -64% |
| Profit attributable to:- | | | | | | | |
| Owners of the Company | | 26,071 | 82,225 | -68% | 52,781 | 147,540 | -64% |
| Non-controlling interests | | 52 | 44 | 18% | 9 | 73 | -88% |
| | | 26,123 | 82,269 | -68% | 52,790 | 147,613 | -64% |
| Earnings per share (in Sen) | | | | | | | |
| - Basic | | 3.93 | 12.40 | | 7.96 | 22.25 | |
| - Diluted | | 2.82 | n/a | | 5.70 | n/a | |

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

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UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021

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

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|----------------------------------------------------------------|--------------------|----------------|--------------------|----------------|
| | FY2022 | FY2021 | FY2022 | FY2021 |
| | Quarter ended | Quarter ended | Period ended | Period ended |
| | 31-Dec-21 | 31-Dec-20 | 31-Dec-21 | 31-Dec-20 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Note 1 | | | | |
| Included in Cost of sales is the following item:- | | | | |
| Depreciation | <u>(1,831)</u> | <u>(2,028)</u> | <u>(3,696)</u> | <u>(4,147)</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) | - | 2,695 | - | 3,300 |
| - recovery of doubtful debts | 43 | 356 | 332 | 649 |
| Bad debts recovered | - | - | 5 | - |
| Fair value gain on derivative financial instruments | - | 1,175 | - | 2,486 |
| Gain on disposal of property, plant and equipment | 963 | 385 | 1,509 | 1,533 |
| Interest income | 3,132 | 3,070 | 6,033 | 6,023 |
| Gain on exchange differences | | | | |
| - unrealised | - | 3,026 | - | 639 |
| Gain on fair value changes of financial assets at | | | | |
| fair value through profit or loss | - | 2,087 | - | 2,524 |
| Gain on disposal of unquoted investments | - | 77,599 | - | 77,599 |
| Gain on disposal of shares in an associate company | - | - | - | 15,402 |
| Gain on acquisition of subsidiary companies upon | | | | |
| remeasurement of previously held equity interest in | | | | |
| associate companies arising from step acquisition | - | 1,463 | - | 1,463 |
| Writeback of impairment on financial assets at | | | | |
| amortised cost | - | - | - | 26 |
| Note 3 | | | | |
| Included in Administration expenses is the following item:- | | | | |
| Depreciation | <u>(149)</u> | <u>(118)</u> | <u>(296)</u> | <u>(238)</u> |
| Note 4 | | | | |
| Included in Other operating expenses are the following items:- | | | | |
| Allowance for doubtful debts | (191) | 130 | (191) | (167) |
| Bad debts written off relating to: | | | | |
| - doubtful debts previously provided for * (see Note 2) | - | (2,695) | - | (3,300) |
| Property, plant and equipment written off | (3) | (29) | (3) | (29) |
| Depreciation | (318) | (315) | (643) | (652) |
| Fair value gain/(loss) on derivative financial instruments | 1,113 | - | (653) | - |
| Goodwill written off | - | (1,444) | - | (1,444) |
| Loss on disposal of investment properties | (300) | - | (300) | - |
| Loss on fair value changes of financial assets | | | | |
| at fair value through profit or loss | (18,504) | - | (18,544) | - |
| Gain/(Loss) on exchange differences | | | | |
| - unrealised | 1,240 | - | (865) | - |
| - realised | 802 | (2,890) | (1,005) | (141) |
| Note 5 | | | | |
| Exceptional item represents:- | | | | |
| Effects of dilution of equity interests in | | | | |
| associate companies | - | (180) | - | (1,053) |

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UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| | INDIVIDUAL QUARTER | | | CUMULATIVE QUARTER | | |
|---------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|-------------|-------------------------------------|-------------------------------------|-------------|
| | FY2022 | FY2021 | Changes | FY2022 | FY2021 | Changes |
| | Quarter ended 31-Dec-21 RM'000 | Quarter ended 31-Dec-20 RM'000 | | Period ended 31-Dec-21 RM'000 | Period ended 31-Dec-20 RM'000 | |
| Profit for the quarter/period | 26,123 | 82,269 | -68% | 52,790 | 147,613 | -64% |
| <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 | (18) | (1,940) | -99% | 283 | (4,186) | >-100% |
| Foreign currency translation of foreign operations, net of tax | (2,608) | (5,118) | -49% | (1,263) | (8,982) | -86% |
| Total other comprehensive loss for the quarter/period, net of tax | (2,626) | (7,058) | -63% | (980) | (13,168) | -93% |
| Total comprehensive income for the quarter/period, net of tax | 23,497 | 75,211 | -69% | 51,810 | 134,445 | -61% |
| Attributable to:- | | | | | | |
| Owners of the Company | 23,445 | 75,167 | -69% | 51,801 | 134,372 | -61% |
| Non-controlling interests | 52 | 44 | 18% | 9 | 73 | -88% |
| | 23,497 | 75,211 | -69% | 51,810 | 134,445 | -61% |

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 2021 and the accompanying explanatory notes attached to the Interim Financial Statements.

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UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| | As at 31/12/2021 RM'000 (Unaudited) | As at 30/06/2021 RM'000 (Audited) |
|--------------------------------------------------------------------------------------|--------------------------------------------------------|------------------------------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 74,520 | 77,359 |
| Investment properties | 181,196 | 180,986 |
| Financial assets at fair value through other comprehensive income | 45,478 | 44,014 |
| Financial assets at amortised cost | 2,284 | 2,284 |
| Jointly controlled entities | (636) | (554) |
| Associate companies | 528,811 | 391,690 |
| Other receivables | 7,449 | 7,345 |
| Intangible assets | 26,047 | 26,047 |
| Deferred tax assets | 2,994 | 3,147 |
| Total non-current assets | 868,143 | 732,318 |
| Current assets | | |
| Property development costs | 11,078 | 11,078 |
| Inventories | 10,993 | 11,188 |
| Trade receivables | 530,183 | 443,423 |
| Amount due from associate companies | 77,442 | 82,577 |
| Other receivables, deposits and prepayments | 67,378 | 70,934 |
| Financial assets at amortised cost | 423 | 1,208 |
| Financial assets at fair value through profit or loss | 218,098 | 220,198 |
| Tax recoverable | 6,491 | 4,146 |
| Deposits with licensed banks and financial institutions | 554,011 | 489,106 |
| Cash and bank balances | 393,756 | 413,692 |
| Total current assets | 1,869,853 | 1,747,550 |
| TOTAL ASSETS | 2,737,996 | 2,479,868 |
| EQUITY AND LIABILITIES | | |
| EQUITY | | |
| Equity attributable to owners of the Company | | |
| Share capital | 873,700 | 873,700 |
| Treasury shares | (14,499) | (14,499) |
| Reserves | 265,236 | 122,644 |
| Retained earnings | 1,029,381 | 997,602 |
| | 2,153,818 | 1,979,447 |
| Non-controlling interests | (2,732) | 1,543 |
| TOTAL EQUITY | 2,151,086 | 1,980,990 |
| LIABILITIES | | |
| Non-current liabilities | | |
| Loans and borrowings | 17,402 | 20,145 |
| Lease liabilities | 13,524 | 13,983 |
| Deferred tax liabilities | 5,900 | 6,035 |
| Redeemable preference shares | 127,561 | 127,250 |
| Total non-current liabilities | 164,387 | 167,413 |
| Current liabilities | | |
| Derivative financial liabilities | 3,559 | 2,907 |
| Trade payables | 93,662 | 55,982 |
| Other payables, deposits received and accruals | 74,356 | 45,162 |
| Loans and borrowings | 242,015 | 216,411 |
| Lease liabilities | 5,587 | 7,635 |
| Tax payable | 3,344 | 3,368 |
| Total current liabilities | 422,523 | 331,465 |
| TOTAL LIABILITIES | 586,910 | 498,878 |
| TOTAL EQUITY AND LIABILITIES | 2,737,996 | 2,479,868 |
| Net assets per share attributable to owners of the Company⁽⁷⁾ (RM) | 3.25 | 2.99 |

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 2021 and the accompanying explanatory notes attached to the Interim Financial Statements.

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UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 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 | |
| Period ended 31 December 2021 | | | | | | | | | |
| As at 1 July 2021 | 873,700 | 4,936 | 87,055 | 30,653 | (14,499) | 997,602 | 1,979,447 | 1,543 | 1,980,990 |
| Transactions with owners:- | | | | | | | | | |
| Post-acquisition reserves - associate companies | - | - | 143,572 | - | - | (8,711) | 134,861 | - | 134,861 |
| Cash dividends payable to owners of the Company | - | - | - | - | - | (16,575) | (16,575) | - | (16,575) |
| Non-controlling interests' changes in ownership interests in a subsidiary company | - | - | - | - | - | 4,284 | 4,284 | (4,284) | - |
| Total transactions with owners | - | - | 143,572 | - | - | (21,002) | 122,570 | (4,284) | 118,286 |
| Total comprehensive (loss)/income for the financial period | | | | | | | | | |
| Profit for the financial period | - | - | - | - | - | 52,781 | 52,781 | 9 | 52,790 |
| Share of other comprehensive income of investments accounted for using equity method, net of tax | - | - | - | 283 | - | - | 283 | - | 283 |
| Foreign currency translation of foreign operations, net of tax | - | - | - | (1,263) | - | - | (1,263) | - | (1,263) |
| Total comprehensive (loss)/income for the financial period | - | - | - | (980) | - | 52,781 | 51,801 | 9 | 51,810 |
| Balance at 31 December 2021 | 873,700 | 4,936 | 230,627 | 29,673 | (14,499) | 1,029,381 | 2,153,818 | (2,732) | 2,151,086 |

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UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D)

< ----- Attributable to Owners of the Company ----- >
<-- Non-distributable reserves--><-Distributable reserves-->

| | Share capital 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 |
|------------------------------------------------------------------------------------------------|----------------------------|-----------------------------|----------------------------------------------|------------------------------|--------------------------------|-----------------|--------------------------------------------|---------------------------|
| Period ended 31 December 2020 | | | | | | | | |
| 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 | - | (2,673) | - | - | 7,640 | 4,967 | - | 4,967 |
| Cash dividends payable to owners of the Company | - | - | - | - | (13,260) | (13,260) | - | (13,260) |
| Acquisition of equity interests in subsidiary companies | - | - | (746) | - | - | (746) | 1 | (745) |
| Dividends paid to non-controlling interests of a subsidiary company | - | - | - | - | - | - | (80) | (80) |
| Total transactions with owners | - | (2,673) | (746) | - | (5,620) | (9,039) | (79) | (9,118) |
| Total comprehensive (loss)/income for the financial period | | | | | | | | |
| Profit for the financial period | - | - | - | - | 147,540 | 147,540 | 73 | 147,613 |
| Share of other comprehensive loss of investments accounted for using equity method, net of tax | - | - | (4,186) | - | - | (4,186) | - | (4,186) |
| Foreign currency translation of foreign operations, net of tax | - | - | (8,982) | - | - | (8,982) | - | (8,982) |
| Total comprehensive (loss)/income for the financial period | - | - | (13,168) | - | 147,540 | 134,372 | 73 | 134,445 |
| Balance at 31 December 2020 | 873,700 | 86,515 | 23,776 | (14,499) | 908,782 | 1,878,274 | 1,735 | 1,880,009 |

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 2021 and the accompanying explanatory notes attached to the Interim Financial Statements.

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UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Period ended 31/12/2021 RM'000 | Period ended 31/12/2020 RM'000 |
|-----------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Cash flows from operating activities | | |
| Profit before tax | 58,924 | 159,030 |
| Adjustments for:- | | |
| Non-cash items | (11,983) | (126,131) |
| Finance costs | 7,870 | 7,162 |
| Interest income | (6,033) | (6,023) |
| Operating profit before working capital changes | <u>48,778</u> | <u>34,038</u> |
| Changes in working capital:- | | |
| Net changes in current assets | (83,215) | (21,225) |
| Net changes in current liabilities | 49,391 | 42,164 |
| Cash from operations | <u>14,954</u> | <u>54,977</u> |
| Interest paid | (6,672) | (7,151) |
| Interest received | 5,929 | 5,916 |
| Tax paid | (8,378) | (5,223) |
| Net cash from operating activities | <u>5,833</u> | <u>48,519</u> |
| Cash flows from investing activities | | |
| Subscription/Acquisition of shares in associate companies | (11,090) | (491) |
| Purchase of property, plant and equipment | (1,101) | (648) |
| Purchase of financial assets at amortised cost | (423) | (16,739) |
| Net (purchase)/proceeds from disposal of unquoted investments | (1,465) | 54,057 |
| Purchase of an investment property | (6,137) | (2,720) |
| Proceeds from disposal of investment properties | 5,627 | - |
| Proceeds from disposal of shares in an associate company | - | 17,670 |
| Proceeds from disposal of property, plant and equipment | 3,281 | 2,852 |
| Proceeds from disposal and redemption of financial assets at amortised cost | 1,208 | 11,495 |
| Proceeds from redemption of preference shares in an associate company | - | 8,555 |
| Dividend received | 31,182 | 18,840 |
| Net cash inflow on acquisition of equity interest in subsidiary companies | - | 2,554 |
| Net cash from investing activities | <u>21,082</u> | <u>95,425</u> |
| Cash flows from financing activities | | |
| (Increase)/Decrease in fixed deposits pledged | (129) | 142,398 |
| Decrease/(Increase) in cash and bank balances pledged | 17,769 | (125,680) |
| Net drawdown/(repayment) of loans and borrowings | 23,410 | (18,712) |
| Dividend paid to non-controlling interests of a subsidiary company | - | (80) |
| Repayment of lease liabilities | (4,953) | (5,021) |
| Net cash from/(used in) financing activities | <u>36,097</u> | <u>(7,095)</u> |
| Net increase in cash and cash equivalents | 63,012 | 136,849 |
| Cash and cash equivalents at beginning of the financial period | 642,458 | 398,817 |
| Exchange differences | 209 | (3,728) |
| Cash and cash equivalents at end of the financial period | <u>705,679</u> | <u>531,938</u> |
| Cash and cash equivalents comprise of:- | | |
| Bank overdrafts | (619) | (604) |
| Cash and bank balances | 393,756 | 354,082 |
| Deposits with licensed banks and financial institutions | 554,011 | 432,910 |
| | 947,148 | 786,388 |
| Less: | | |
| Cash and bank balances pledged | (208,126) | (219,599) |
| Fixed deposits pledged | (33,343) | (34,851) |
| | <u>705,679</u> | <u>531,938</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 2021 and the accompanying explanatory notes attached to the Interim Financial Statements.

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UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 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 2021, 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 2021.

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 2021 except for the adoption of certain new Standard, amendments to Standards and annual improvements to Standards issued by the MASB that became effective and relevant to the Group for the financial year beginning on or after 1 July 2021. The adoption of these relevant new Standard, amendments to Standards and annual improvements to Standards 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 2021.

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 2021.

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 period 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 | Period ended | Period ended |
| | 31-Dec-2021 | 31-Dec-2020 | 31-Dec-2021 | 31-Dec-2020 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Fair value gain/(loss) on derivative financial instruments | 1,113 | 1,175 | (653) | 2,486 |
| Gain on disposal of shares in an associate company | - | - | - | 15,402 |
| Gain on acquisition of subsidiary companies upon remeasurement of previously held equity interest in associate companies arising from step acquisition | - | 1,463 | - | 1,463 |
| Gain on disposal of unquoted investments | - | 77,599 | - | 77,599 |
| Loss on disposal of investment properties | (300) | - | (300) | - |
| (Loss)/Gain on fair value changes of financial assets at fair value through profit or loss | (18,504) | 2,087 | (18,544) | 2,524 |
| Gain/(Loss) on exchange differences | | | | |
| - realised | 802 | (2,890) | (1,005) | (141) |
| - unrealized | 1,240 | 3,026 | (865) | 639 |
| Goodwill written off | - | (1,444) | - | (1,444) |
| Effects of dilution of equity interests in associate companies | - | (180) | - | (1,053) |

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 period as compared to the preceding corresponding financial quarter and financial period.

A7. Debts and Equity Securities

The shareholders of the Company, by an ordinary resolution passed in the Annual General Meeting of the Company held on 2 December 2021, 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 period ended 31 December 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 31 December 2021.

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 period ended 31 December 2021.

A8. Dividends Paid

During the current financial quarter and financial period-to-date, the Company paid a preferential cash dividend of 3.8 sen per annum per redeemable preference share amounting to RM1,684,253 pro-rated in respect of the period from 1 March 2021 (date of issue) to 30 June 2021, paid on 16 July 2021.

A9. Segment Information

The segment analysis on the Group's results for the financial period ended 31 December 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 | 37,741 | 41,421 | 38,043 | 6,265 | 1,719 | - | 125,189 |
| Inter-segment revenue | 378 | 4,056 | 22,733 | 319 | 455 | (27,941) | - |
| Total segment revenue | 38,119 | 45,477 | 60,776 | 6,584 | 2,174 | (27,941) | 125,189 |
| | | | | | | | |
| Results | | | | | | | |
| Segment profit/(loss) from operations | 26,748 | (20,198) | 19,129 | 1,475 | 1,215 | (230) | 28,139 |
| Interest income | 2,404 | 4,569 | 5,036 | 12 | 130 | (6,118) | 6,033 |
| Finance costs | (6,353) | (6,676) | (105) | (934) | (150) | 6,348 | (7,870) |
| Share of profits less losses of associate companies | - | 2,866 | 31,088 | 1,677 | (2,927) | - | 32,704 |
| Share of losses of jointly controlled entities | (81) | - | - | (1) | - | - | (82) |
| Profit/(Loss) before tax | 22,718 | (19,439) | 55,148 | 2,229 | (1,732) | - | 58,924 |
| Tax expense | (5,430) | (320) | (327) | (23) | (34) | - | (6,134) |
| Profit/(Loss) for the financial period | 17,288 | (19,759) | 54,821 | 2,206 | (1,766) | - | 52,790 |
| Attributable to:- | | | | | | | |
| Owners of the Company | | | | | | | 52,781 |
| Non-controlling interests | | | | | | | 9 |
| | | | | | | | |
| Segment assets | 833,474 | 796,876 | 847,438 | 70,777 | 189,431 | - | 2,737,996 |
| Segment liabilities | 133,148 | 409,825 | 15,164 | 23,317 | 5,456 | - | 586,910 |

A9. Segment Information (Cont'd)

The segment analysis on the Group's results for the financial period ended 31 December 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 | 48,448 | 30,338 | 72,748 | 6,838 | 2,391 | - | 160,763 |
| Inter-segment revenue | 1,001 | 3,888 | 13,379 | 598 | 385 | (19,251) | - |
| Total segment revenue | 49,449 | 34,226 | 86,127 | 7,436 | 2,776 | (19,251) | 160,763 |
| | | | | | | | |
| Results | | | | | | | |
| Segment profit from operations | 26,098 | 4,001 | 99,034 | 1,371 | 937 | (107) | 131,334 |
| Interest income | 1,387 | 4,666 | 5,135 | 31 | 142 | (5,338) | 6,023 |
| Finance costs | (5,467) | (6,076) | (61) | (879) | (124) | 5,445 | (7,162) |
| Exceptional item | - | - | (1,053) | - | - | - | (1,053) |
| Share of profits less losses of associate companies | - | 4,379 | 25,013 | (1,748) | 2,328 | - | 29,972 |
| Share of losses of jointly controlled entities | (82) | - | - | (2) | - | - | (84) |
| Profit/(Loss) before tax | 21,936 | 6,970 | 128,068 | (1,227) | 3,283 | - | 159,030 |
| Tax expense | (5,633) | (4,520) | (924) | - | (340) | - | (11,417) |
| Profit/(Loss) for the financial period | 16,303 | 2,450 | 127,144 | (1,227) | 2,943 | - | 147,613 |
| Attributable to:- | | | | | | | |
| Owners of the Company | | | | | | | 147,540 |
| Non-controlling interests | | | | | | | 73 |
| | | | | | | | |
| Segment assets | 772,526 | 742,278 | 630,473 | 74,913 | 195,786 | - | 2,415,976 |
| Segment liabilities | 143,900 | 344,027 | 17,802 | 26,303 | 3,935 | - | 535,967 |

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 2021.

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 period, including business combinations, acquisition or disposal of subsidiary companies and long-term investments, restructuring and discontinuing operations other than as disclosed below:-

- (i) On 11 August 2021, Insas Technology Bhd. ("ITB"), a wholly-owned subsidiary of the Company, had entered into a subscription agreement to subscribe for 1,928,623 new ordinary shares in Duramitt Sdn. Bhd. ("Duramitt"), representing 30% of the enlarged share capital in Duramitt for a total subscription price of RM10.7 million.

The subscription of shares was completed on 26 October 2021. Arising thereon, Duramitt became an associate company of the Group.

The principal activities of Duramitt are the manufacturing, trading and sale of specialised industrial gloves and medical examination gloves.

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

- (ii) On 5 October 2021, M&A Securities Sdn. Bhd., a wholly-owned subsidiary of the Company had acquired 1 ordinary share in Venturescape Sdn. Bhd. ("Venturescape") for a total consideration of RM1. Arising from this acquisition, Venturescape became a wholly-owned subsidiary of the Group.

Venturescape was incorporated in Malaysia on 23 September 2021 and its issued and paid-up share capital is RM1. The principal activity of Venturescape is property investment.

A12. Material Subsequent Events

There were no material events subsequent to the financial period ended 31 December 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 | - | - | 109,603 | 64,915 |
| - an associate company | 3 | 3 | - | - |

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 31 December 2021 are as follows:-

| | RM'000 |
|------------------------------------------------------------------------------------------------------------|--------|
| To acquire property, plant and equipment | 1,987 |
| Investment commitments in relation to financial assets at fair value through other comprehensive income | 3,248 |

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 RM61.1 million and a pre-tax profit of RM28.3 million in the current financial quarter (Q2/2022) as compared to revenue of RM37.7 million and a pre-tax profit of RM86.5 million in the preceding year corresponding quarter (Q2/2021). The review of performance by division is as follows:-

Financial services and credit & leasing division

The unit reported lower revenue of RM19.4 million in the current financial quarter as compared to the preceding year corresponding quarter of RM23.4 million mainly due to lower brokerage income generated by the stock broking unit. Despite lower revenue reported, the unit reported slightly higher pre-tax profit of RM9.9 million in Q2/2022 as compared RM9.6 million in Q2/2021.

Investment holding and trading division

The investment unit reported higher revenue of RM16.4 million in Q2/2022 mainly due to higher trading activities as compared to RM5.7 million in Q2/2021.

The investment unit reported higher pre-tax loss of -RM19.5 million in Q2/2022 as compared to a pre-tax loss -RM9.0 million in Q2/2021 mainly due to higher 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

The Technology unit reported higher revenue of RM20.7 million in Q2/2022 as compared to revenue of RM3.9 million in Q2/2021 mainly due to disposal of quoted shares in an associate company in Q2/2022.

The Technology unit reported lower pre-tax profit of RM36.1 million in Q2/2022 as compared to RM85.4 million in Q2/2021 mainly due to the one-off capital gain on disposal of unquoted investment of RM77.6 million in Q2/2021.

Current financial period to date against preceding year's corresponding financial period

Group's summary

The Group reported lower revenue of RM125.2 million and a pre-tax profit of RM58.9 million for the six months period ended 31 December 2021 as compared to revenue of RM160.8 million and a pre-tax profit of RM159.0 million in the corresponding period in the preceding year. The review of performance by division is as follows:-

B1. Review of Performance (Cont'd)

Current financial period to date against preceding year's corresponding financial period (cont'd)

Financial services and credit & leasing division

The unit reported lower revenue of RM37.7 million for the six months period ended 31 December 2021 as compared to the corresponding period in the preceding year of RM48.4 million. The stock broking division reported exceptionally higher brokerage income due to the strong retail trading volumes on the local exchange in the corresponding period in the preceding year ended 31 December 2020

Despite lower revenue reported, the unit reported slightly higher pre-tax profit of RM22.7 million for the six months period ended 31 December 2021 as compared to the corresponding period in the preceding year of RM21.9 million due to higher placement fee income from the corporate advisory division in the current period under review.

Investment holding and trading division

The investment unit reported higher revenue of RM41.4 million for the six months period ended 31 December 2021 as compared to the corresponding period in preceding year of RM30.3 million mainly due to higher trading activities.

The investment unit reported a pre-tax loss of -RM19.4 million for the six months period ended 31 December 2021 (six months period ended 31 December 2020: a pre-tax profit RM7.0 million) mainly due to higher unrealised loss on fair value changes of financial assets at fair value through profit or loss, unrealised fair value loss on derivative financial instrument and loss on foreign exchange.

Technology and IT-related manufacturing, trading and services division

The Technology unit reported lower revenue of RM38.0 million and pre-tax profits of RM55.1 million for the six months period ended 31 December 2021 (six months period ended 31 December 2020: revenue of RM72.7 million and pre-tax profit of RM128.1 million respectively). The higher pre-tax profits in the preceding year period was mainly due to the one-off capital gain on disposal of unquoted investment of RM77.6 million recorded in the six months period ended 31 December 2020.

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 31-Dec-2021 RM'000 | Immediate Preceding Quarter 30-Sep-2021 RM'000 | Changes (%) |
|-------------------------------------------------|------------------------------------------|------------------------------------------------------|----------------|
| Revenue | 61,126 | 64,063 | -5% |
| Profit from operations | 12,694 | 15,445 | -18% |
| Profit before tax | 28,291 | 30,633 | -8% |
| Profit after tax | 26,123 | 26,667 | -2% |
| Profit attributable to owners of the Company | 26,071 | 26,710 | -2% |

The Group reported lower revenue of RM61.1 million and pre-tax profit of RM28.3 million in the current financial quarter as compared to the immediate preceding financial quarter of RM64.1 million and RM30.6 million respectively mainly due to higher unrealised loss on fair value changes of financial assets at fair value through profit or loss in the current financial quarter.

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 outlook for the stock broking unit is expected to remain positive in FY2022 due to projected strong performance from the corporate advisory division, having secured a number of IPO transactions in the pipeline.

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.

Technology and IT-related manufacturing, trading and services division

Barring any dangerous resurgence of the Covid-19 pandemic beyond the Omicron, the Board expects the Technology unit to generate positive contribution to the Group in the near term in line with continual strong performance by Inari's RF segment arising from good demand for 5G devices and tight supply from semiconductor producers.

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

This note is not applicable for the financial period 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 period ended 31 December 2021 is as follows:-

| | Individual Quarter ended 31-Dec-2021 RM'000 | Quarter Quarter ended 31-Dec-2020 RM'000 | Cumulative Period ended 31-Dec-2021 RM'000 | Quarter Period ended 31-Dec-2020 RM'000 |
|---------------------------------------------------------|------------------------------------------------------|---------------------------------------------------|-----------------------------------------------------|--------------------------------------------------|
| <u>Income tax:-</u> | | | | |
| Provision for current financial quarter/period | | | | |
| - Malaysian income tax | 2,028 | 3,963 | 5,986 | 11,115 |
| - Overseas income tax | - | - | 22 | 18 |
| Underprovision in preceding financial quarter/period | 108 | 239 | 109 | 239 |
| <u>Deferred tax:-</u> | | | | |
| Transfer (to)/from deferred taxation | (12) | 22 | (27) | 45 |
| Deferred Real Property Gains Tax | 44 | - | 44 | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 2,168 | 4,224 | 6,134 | 11,417 |

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 31-Dec-2021 RM'000 | Quarter Quarter ended 31-Dec-2020 RM'000 | Cumulative Period ended 31-Dec-2021 RM'000 | Quarter Period ended 31-Dec-2020 RM'000 |
|----------------------------------------------------------------------------|------------------------------------------------------|---------------------------------------------------|-----------------------------------------------------|--------------------------------------------------|
| Profit before tax | 28,291 | 86,493 | 58,924 | 159,030 |
| Income tax at Malaysian statutory tax rate of 24% | 6,790 | 20,758 | 14,142 | 38,167 |
| <u>Tax effects in respect of:-</u> | | | | |
| Non-allowable expenses | 1,967 | 10,780 | 5,824 | 12,477 |
| Income not subject to tax | (5,601) | (26,743) | (11,961) | (37,438) |
| Deferred Real Property Gains | | | | |
| Tax on fair value adjustment of investment properties | 44 | - | 44 | - |
| Effect of different tax rates in other countries | (1,125) | (885) | (1,798) | (1,975) |
| Overseas tax paid on dividend income | 35 | 57 | 128 | 134 |
| Utilisation of previously unrecognised deferred tax assets | (81) | (12) | (393) | (244) |
| Deferred tax not recognised in the financial statements | 31 | 30 | 39 | 57 |
| Tax expenses for the financial quarter/period | 2,060 | 3,985 | 6,025 | 11,178 |
| Underprovision for tax expense in preceding financial quarter/period | 108 | 239 | 109 | 239 |
| | 2,168 | 4,224 | 6,134 | 11,417 |

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

There is no corporate proposal that has been announced but has not been completed as at the date of this Report, other than as disclosed below:-

On 6 October 2021, the Company entered into a share sale and purchase agreement (“SSPA”) with SYF Resources Berhad (“SYF”):

- i) For the proposed disposal of 100,000,000 ordinary shares and 60,000,000 redeemable convertible preference shares (“RCPS”) in M & A Securities Sdn Bhd (“M&A”) representing 100% equity interest and 100% of RCPS in M&A to SYF for a total consideration of RM222.0 million, to be satisfied via the issuance of 1,585,714,286 new ordinary shares in SYF (“SYF Shares”) at an issue price of RM0.14 each (“Proposed M&A Disposal”); and
- ii) Proposed exemption from the obligation to undertake a mandatory offer for all the remaining SYF Shares not held by Insas Group and parties acting in concert upon completion of the Proposed M&A Disposal (“Proposed Exemption”)

On 2 December 2021, the Company entered into a supplemental agreement (“Supplemental SSPA”) with SYF to vary certain terms of the SSPA.

The Proposed M&A Disposal and Proposed Exemption are conditional upon the approval from the relevant authorities and the shareholders of the Company at an extraordinary general meeting to be convened.

B7. Status of Utilisation of Proceeds

There are no unutilised proceeds from any corporate proposal.

B8. Group Borrowings and Debt Securities as at 31 December 2021

| | As at 31 December 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 | - | - | - | 619 | - | 619 |
| Term loans | | | | | | |
| - RM | - | 13,807 | - | 855 | - | 14,662 |
| - SGD | 1,165 | 3,595 | 17,077 | 52,692 | 18,242 | 56,287 |
| - AUD | - | - | 5,112 | 15,464 | 5,112 | 15,464 |
| - USD | - | - | 1,418 | 5,914 | 1,418 | 5,914 |
| - GBP | - | - | 786 | 4,428 | 786 | 4,428 |
| - EUR | - | - | 925 | 4,369 | 925 | 4,369 |
| Revolving credit facilities | - | - | - | 138,880 | - | 138,880 |
| Margin financing facility | - | - | - | 18,794 | - | 18,794 |
| Total loans and borrowings | - | 17,402 | - | 242,015 | - | 259,417 |

B8. Group Borrowings and Debt Securities as at 31 December 2021 (Cont'd)

| | As at 31 December 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 | - | - | - | 604 | - | 604 |
| Term loans | | | | | | |
| - RM | - | 16,050 | - | 973 | - | 17,023 |
| - SGD | 1,217 | 3,698 | 16,885 | 51,296 | 18,102 | 54,994 |
| - AUD | - | - | 6,755 | 20,907 | 6,755 | 20,907 |
| - USD | - | - | 1,433 | 5,760 | 1,433 | 5,760 |
| - GBP | - | - | 776 | 4,249 | 776 | 4,249 |
| - EUR | - | - | 1,676 | 8,285 | 1,676 | 8,285 |
| Revolving credit facilities | - | - | - | 198,600 | - | 198,600 |
| Margin financing facility | - | - | - | 14,987 | - | 14,987 |
| | | | | | | |
| Total loans and borrowings | - | 19,748 | - | 305,661 | - | 325,409 |

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

| | Interest Rate (%) | |
|-----------------------------|-------------------|------------------|
| | As at 31.12.2021 | As at 31.12.2020 |
| Secured | | |
| Bank overdrafts | 6.89%-7.65% | 6.89%-8.14% |
| Term loans | 0.78%-5.90% | 0.78%-6.79% |
| Revolving credit facilities | 3.64%-4.28% | 3.52%-4.59% |
| Margin financing facility | 5.42% | 5.67%-6.67% |

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 | 5,676 |
| Accumulated RPS dividends payable | <u>(4,224)</u> |
| RPS issued by the Company – liability component, disclosed as per MFRS requirements | <u>127,561</u> |

B8. Group Borrowings and Debts Securities as at 31 December 2021 (Cont'd)

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 23 November 2021 declared an interim single tier dividend of 2.5 sen per ordinary share each in the Company in respect of the financial year ending 30 June 2022.

The interim dividend totalling RM16,575,489 was paid on 19 January 2022.

B11. Earnings per share

(a) Basic earnings per share

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

| | Individual | Quarter | Cumulative | Quarter |
|-------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|-----------------------------|-----------------------------|
| | Quarter ended 31-Dec-2021 | Quarter ended 31-Dec-2020 | Period ended 31-Dec-2021 | Period ended 31-Dec-2020 |
| Net profit attributable to owners of the Company for the financial quarter and financial period (RM'000) | 26,071 | 82,225 | 52,781 | 147,540 |
| Weighted average number of ordinary shares in issue, after accounting for the effect of shares bought back ('000) | 663,021 | 663,021 | 663,021 | 663,021 |
| Basic earnings per share (Sen) | 3.93 | 12.40 | 7.96 | 22.25 |

B11. Earnings per share (Cont'd)

(b) Diluted earnings per share

The diluted earnings per share for the current financial quarter and financial period is calculated by dividing the net profit attributable to owners of the Company (after taking into consideration the after-tax effect of interest savings on proceeds received upon the assumed conversion of 331,510,380 Warrants) for the financial quarter and financial period by the weighted average number of ordinary shares in issue at the end of the financial quarter and financial period to-date adjusted for the assumed conversion of Warrants into ordinary shares at the beginning of the financial period.

| | Individual | Quarter | Cumulative | Quarter |
|------------------------------------------------------------------------------------------------------------------------|---------------|---------------|--------------|--------------|
| | Quarter ended | Quarter ended | Period ended | Period ended |
| | 31-Dec-2021 | 31-Dec-2020 | 31-Dec-2021 | 31-Dec-2020 |
| Net profit attributable to owners of the Company for the financial quarter and financial period (RM'000) | 26,071 | 82,225 | 52,781 | 147,540 |
| Adjust for interest savings on proceeds received upon the assumed conversion of Warrants into ordinary shares (RM'000) | 1,991 | - | 3,954 | - |
| Adjusted net profit attributable to owners of the Company (RM'000) | 28,062 | 82,225 | 56,735 | 147,540 |
| Weighted average number of ordinary shares in issue, after accounting for the effect of shares bought back ('000) | 663,021 | 663,021 | 663,021 | 663,021 |
| Adjusted for the assumed conversion of Warrants into ordinary shares ('000) | 331,510 | - | 331,510 | - |
| Adjusted weighted average number of ordinary shares ('000) | 994,531 | 663,021 | 994,531 | 663,021 |
| Diluted earnings per share (Sen) | 2.82 | n/a | 5.70 | n/a |

B12. Derivative Financial Liabilities

Details of derivative financial liabilities as at 31 December 2021 are set out below:-

| Type of Derivatives | As at 31.12.2021 | |
|----------------------------------------------|-----------------------------------------------|-----------------------------|
| | <u>Contract/ Notional value</u> RM'000 | <u>Fair value</u> RM'000 |
| <u>Currency Forward Contract and Options</u> | | |
| - Less than 1 year | 160 | (159) |
| <u>Other equity related contracts</u> | | |
| - Less than 1 year | (26,638) | (3,400) |
| | <u>(26,478)</u> | <u>(3,559)</u> |

There is no significant changes in respect of the following since the end of the preceding financial year ended 30 June 2021:-

- (a) the cash requirements of the derivative financial instruments;
- (b) the policies that is in place for mitigating or controlling the risks associated with these derivative financial instruments; and
- (c) 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 gain on derivative financial instruments of RM1.1 million in the current financial quarter and fair value loss of -RM0.7 million for the financial period ended 31 December 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.

B13. Disclosure of Gains/Losses Arising from Fair Value Changes of Financial Liabilities (cont'd)

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.