

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

23 MAY 2022

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

UNAUDITED FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		FY2022	FY2021	Changes %	FY2022	FY2021	Changes %
		Quarter ended 31-Mar-22 RM'000	Quarter ended 31-Mar-21 RM'000		Period ended 31-Mar-22 RM'000	Period ended 31-Mar-21 RM'000	
Revenue		41,812	80,641	-48%	167,001	241,404	-31%
Cost of sales	1	(18,034)	(35,327)	-49%	(72,850)	(110,952)	-34%
Other income	2	43,566	65,287	-33%	70,369	190,201	-63%
Administration expenses	3	(4,027)	(7,917)	-49%	(13,134)	(14,540)	-10%
Other operating expenses	4	(34,211)	(39,175)	-13%	(88,108)	(105,247)	-16%
Finance costs		(4,006)	(3,831)	5%	(11,876)	(10,993)	8%
Exceptional item	5	-	(1,354)	-100%	-	(2,407)	-100%
Share of profits less losses of associate companies		10,087	15,309	-34%	42,791	45,281	-5%
Share of losses of jointly controlled entities		(57)	(144)	-60%	(139)	(228)	-39%
Profit before tax		35,130	73,489	-52%	94,054	232,519	-60%
Tax expense		(1,277)	(3,821)	-67%	(7,411)	(15,238)	-51%
Profit for the quarter/period		33,853	69,668	-51%	86,643	217,281	-60%
Profit attributable to:-							
Owners of the Company		34,537	69,719	-50%	87,318	217,259	-60%
Non-controlling interests		(684)	(51)	>100%	(675)	22	>-100%
		33,853	69,668	-51%	86,643	217,281	-60%
Earnings per share (in Sen)							
- Basic		5.21	10.52		13.17	32.77	
- Diluted		3.67	n/a		9.37	n/a	

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UNAUDITED FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022

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-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	RM'000	RM'000	RM'000	RM'000
Note 1				
Included in Cost of sales is the following item:-				
Depreciation	<u>(1,808)</u>	<u>(1,978)</u>	<u>(5,504)</u>	<u>(6,125)</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)	-	-	-	3,300
- recovery of doubtful debts	17	18	349	667
Bad debts recovered	1	-	6	-
Fair value gain/(loss) on derivative financial instruments	1,055	(877)	402	1,609
Gain on disposal of property, plant and equipment	232	1,197	1,741	2,730
Interest income	2,816	2,869	8,849	8,892
Gain on exchange differences				
- unrealised	6,401	258	5,536	897
- realised	-	8,306	-	8,165
Gain on fair value changes of financial assets at fair value through profit or loss	-	41,889	-	44,413
Gain on disposal of unquoted investments	-	-	-	77,599
Gain on disposal of shares in an associate company	27,885	-	27,885	15,402
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	-	-	-	26
	<u>-</u>	<u>-</u>	<u>-</u>	<u>26</u>
Note 3				
Included in Administration expenses is the following item:-				
Depreciation	<u>(149)</u>	<u>(165)</u>	<u>(445)</u>	<u>(403)</u>
Note 4				
Included in Other operating expenses are the following items:-				
Allowance for doubtful debts	(2,994)	51	(3,185)	(116)
Bad debts written off relating to:				
- doubtful debts previously provided for * (see Note 2)	-	-	-	(3,300)
- doubtful debts not previously provided for	(501)	-	(501)	-
Property, plant and equipment written off	-	-	(3)	(29)
Depreciation	(317)	(299)	(960)	(951)
Provision for impairment loss on investment in an associate company	(1,924)	-	(1,924)	-
Goodwill written off	-	-	-	(1,444)
Loss on disposal of investment properties	-	-	(300)	-
Loss on fair value changes of financial assets at fair value through profit or loss	(7,844)	-	(26,388)	-
Loss on exchange differences				
- realised	(1,648)	-	(2,653)	-
	<u>(1,648)</u>	<u>-</u>	<u>(2,653)</u>	<u>-</u>
Note 5				
Exceptional item represents:-				
Effects of dilution of equity interests in associate companies	<u>-</u>	<u>(1,354)</u>	<u>-</u>	<u>(2,407)</u>

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UNAUDITED FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	FY2022	FY2021		FY2022	FY2021	
	Quarter ended 31-Mar-22 RM'000	Quarter ended 31-Mar-21 RM'000		Changes %	Period ended 31-Mar-22 RM'000	
Profit for the quarter/period	33,853	69,668	-51%	86,643	217,281	-60%
<u>Other comprehensive income/(loss) may be reclassified to profit or loss subsequently:-</u>						
Share of other comprehensive income/(loss) of investments accounted for using equity method, net of tax	559	2,019	-72%	842	(2,167)	>-100%
Foreign currency translation of foreign operations, net of tax	1,447	6,697	-78%	184	(2,285)	>-100%
Total other comprehensive income/(loss) for the quarter/period, net of tax	2,006	8,716	-77%	1,026	(4,452)	>-100%
Total comprehensive income for the quarter/period, net of tax	35,859	78,384	-54%	87,669	212,829	-59%
Attributable to:-						
Owners of the Company	36,543	78,435	-53%	88,344	212,807	-58%
Non-controlling interests	(684)	(51)	>100%	(675)	22	>-100%
	35,859	78,384	-54%	87,669	212,829	-59%

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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31/03/2022 RM'000 (Unaudited)	As at 30/06/2021 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	74,191	77,359
Investment properties	179,747	180,986
Financial assets at fair value through other comprehensive income	48,192	44,014
Financial assets at amortised cost	767	2,284
Jointly controlled entities	(693)	(554)
Associate companies	549,783	391,690
Other receivables	7,501	7,345
Intangible assets	26,047	26,047
Deferred tax assets	2,992	3,147
Total non-current assets	888,527	732,318
Current assets		
Property development costs	11,078	11,078
Inventories	10,864	11,188
Trade receivables	576,890	443,423
Amount due from associate companies	78,824	82,577
Other receivables, deposits and prepayments	59,336	70,934
Financial assets at amortised cost	-	1,208
Financial assets at fair value through profit or loss	233,889	220,198
Tax recoverable	7,768	4,146
Deposits with licensed banks and financial institutions	545,961	489,106
Cash and bank balances	405,851	413,692
Total current assets	1,930,461	1,747,550
TOTAL ASSETS	2,818,988	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	264,102	122,644
Retained earnings	1,063,147	997,602
	2,186,450	1,979,447
Non-controlling interests	(3,416)	1,543
TOTAL EQUITY	2,183,034	1,980,990
LIABILITIES		
Non-current liabilities		
Loans and borrowings	20,910	20,145
Lease liabilities	13,457	13,983
Deferred tax liabilities	5,862	6,035
Redeemable preference shares	127,741	127,250
Total non-current liabilities	167,970	167,413
Current liabilities		
Derivative financial liabilities	2,504	2,907
Trade payables	169,438	55,982
Other payables, deposits received and accruals	48,259	45,162
Loans and borrowings	241,730	216,411
Lease liabilities	5,330	7,635
Tax payable	723	3,368
Total current liabilities	467,984	331,465
TOTAL LIABILITIES	635,954	498,878
TOTAL EQUITY AND LIABILITIES	2,818,988	2,479,868
Net assets per share attributable to owners of the Company⁽⁷⁾ (RM)	3.30	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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	< ----- Attributable to Owners of the Company ----- >						Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	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			
Period ended 31 March 2022									
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	-	-	140,432	-	-	(9,482)	130,950	-	130,950
Cash dividends paid 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	-	-	140,432	-	-	(21,773)	118,659	(4,284)	114,375
Total comprehensive income for the financial period									
Profit for the financial period	-	-	-	-	-	87,318	87,318	(675)	86,643
Share of other comprehensive income of investments accounted for using equity method, net of tax	-	-	-	842	-	-	842	-	842
Foreign currency translation of foreign operations, net of tax	-	-	-	184	-	-	184	-	184
Total comprehensive income for the financial period	-	-	-	1,026	-	87,318	88,344	(675)	87,669
Balance at 31 March 2022	873,700	4,936	227,487	31,679	(14,499)	1,063,147	2,186,450	(3,416)	2,183,034

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

	<----- Attributable to Owners of the Company ----->								
	<----- Non-distributable reserves----->			<-Distributable reserves->					
	Share capital RM'000	Warrants reserves 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 March 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	-	-	(3,363)	-	-	7,639	4,276	-	4,276
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)
Dividends paid to non-controlling interests of a subsidiary company	-	-	-	-	-	-	-	(80)	(80)
Arising from rights issue of redeemable preference shares	-	4,938	-	-	-	-	4,938	-	4,938
Total transactions with owners	-	4,938	(3,363)	(746)	-	(5,621)	(4,792)	(79)	(4,871)
Total comprehensive (loss)/income for the financial period									
Profit for the financial period	-	-	-	-	-	217,259	217,259	22	217,281
Share of other comprehensive loss of investments accounted for using equity method, net of tax	-	-	-	(1,929)	-	(238)	(2,167)	-	(2,167)
Foreign currency translation of foreign operations, net of tax	-	-	-	(2,285)	-	-	(2,285)	-	(2,285)
Total comprehensive (loss)/income for the financial period	-	-	-	(4,214)	-	217,021	212,807	22	212,829
Balance at 31 March 2021	873,700	4,938	85,825	32,730	(14,499)	978,262	1,960,956	1,684	1,962,640

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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Period ended 31/03/2022 RM'000	Period ended 31/03/2021 RM'000
Cash flows from operating activities		
Profit before tax	94,054	232,519
Adjustments for:-		
Non-cash items	(42,876)	(180,725)
Finance costs	11,876	10,993
Interest income	(8,849)	(8,892)
Operating profit before working capital changes	<u>54,205</u>	<u>53,895</u>
Changes in working capital:-		
Net changes in current assets	(147,933)	(37,448)
Net changes in current liabilities	116,935	59,694
Cash from operations	<u>23,207</u>	<u>76,141</u>
Interest paid	(11,773)	(10,687)
Interest received	8,693	8,731
Tax paid	(13,532)	(9,019)
Net cash from operating activities	<u>6,595</u>	<u>65,166</u>
Cash flows from investing activities		
Subscription/Acquisition of shares in associate companies	(44,394)	(7,774)
Purchase of property, plant and equipment	(1,575)	(1,682)
Purchase of financial assets at amortised cost	(423)	(17,169)
Net (purchase)/proceeds from disposal of unquoted investments	(4,179)	53,009
Purchase of an investment property	(6,139)	(2,730)
Proceeds from disposal of investment properties	7,357	-
Proceeds from disposal of shares in an associate company	30,000	17,670
Proceeds from disposal of property, plant and equipment	3,528	4,332
Proceeds from disposal and redemption of financial assets at amortised cost	3,149	15,984
Proceeds from redemption of preference shares in an associate company	-	8,555
Dividend received	46,966	33,162
Net cash inflow on acquisition of equity interest in subsidiary companies	-	2,553
Net cash from investing activities	<u>34,290</u>	<u>105,910</u>
Cash flows from financing activities		
(Increase)/Decrease in fixed deposits pledged	(33,406)	141,783
Decrease/(Increase) in cash and bank balances pledged	59,482	(141,620)
Net drawdown/(repayment) of loans and borrowings	25,680	(107,831)
Proceeds from issue of redeemable preference shares	-	132,604
Dividend paid to non-controlling interests of a subsidiary company	-	(80)
Cash dividends paid to owners of the Company	(16,575)	(13,260)
Repayment of lease liabilities	(6,738)	(7,062)
Net cash from financing activities	<u>28,443</u>	<u>4,534</u>
Net increase in cash and cash equivalents	69,328	175,610
Cash and cash equivalents at beginning of the financial period	642,458	398,817
Exchange differences	958	(844)
Cash and cash equivalents at end of the financial period	<u>712,744</u>	<u>573,583</u>
Cash and cash equivalents comprise of:-		
Bank overdrafts	(558)	(554)
Cash and bank balances	405,851	434,973
Deposits with licensed banks and financial institutions	545,961	411,785
	951,254	846,204
Less:		
Cash and bank balances pledged	(172,247)	(237,155)
Fixed deposits pledged	(66,263)	(35,466)
	<u>712,744</u>	<u>573,583</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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022 - 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-Mar-2022	31-Mar-2021	31-Mar-2022	31-Mar-2021
	RM'000	RM'000	RM'000	RM'000
Fair value gain/(loss) on derivative financial instruments	1,055	(877)	402	1,609
Gain on disposal of shares in an associate company	27,885	-	27,885	15,402
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 unquoted investments	-	-	-	77,599
Loss on disposal of investment properties	-	-	(300)	-
(Loss)/Gain on fair value changes of financial assets at fair value through profit or loss	(7,844)	41,889	(26,388)	44,413
Gain/(Loss) on exchange differences				
- realised	(1,648)	8,306	(2,653)	8,165
- unrealised	6,401	258	5,536	897
Goodwill written off	-	-	-	(1,444)
Provision for impairment loss on investment in an associate company	(1,924)	-	(1,924)	-
Effects of dilution of equity interests in associate companies	-	(1,354)	-	(2,407)

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 March 2022. 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 March 2022.

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 March 2022.

A8. Dividends Paid

During the current financial quarter and financial period-to-date, the Company paid the following dividends:-

- (a) the first 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;
- (b) the second preferential cash dividend of 3.8 sen per annum per redeemable preference share amounting to RM2,540,186 pro-rated in respect of the period from 1 July 2021 to 31 December 2021, paid on 19 January 2022; and
- (c) an interim single tier cash dividend of 2.5 sen per ordinary share amounting to RM16,575,489 in respect of the financial year ending 30 June 2022, paid on 19 January 2022.

A9. Segment Information

The segment analysis on the Group's results for the financial period ended 31 March 2022 is as follows:-

	Financial services and credit & leasing RM'000	Investment holding and trading RM'000	Technology and IT-related manufacturing, trading and services RM'000	Manufacturing & distribution of consumer products & services, retail trading and car rental RM'000	Property investment and development RM'000	Eliminations RM'000	Consolidated Total RM'000
Revenue							
External revenue	58,597	57,576	38,174	9,995	2,659	-	167,001
Inter-segment revenue	514	14,343	34,736	355	689	(50,637)	-
Total segment revenue	59,111	71,919	72,910	10,350	3,348	(50,637)	167,001
Results							
Segment profit/(loss) from operations	38,192	(24,490)	39,111	2,107	(147)	(344)	54,429
Interest income	3,577	7,139	7,420	15	197	(9,499)	8,849
Finance costs	(9,584)	(10,336)	(167)	(1,409)	(223)	9,843	(11,876)
Share of profits less losses of associate companies	-	3,372	44,134	317	(5,032)	-	42,791
Share of losses of jointly controlled entities	(137)	-	-	(2)	-	-	(139)
Profit/(Loss) before tax	32,048	(24,315)	90,498	1,028	(5,205)	-	94,054
Tax expense	(6,420)	(518)	(358)	(82)	(33)	-	(7,411)
Profit/(Loss) for the financial period	25,628	(24,833)	90,140	946	(5,238)	-	86,643
Attributable to:-							
Owners of the Company							87,318
Non-controlling interests							(675)
Segment assets	858,025	796,584	901,347	77,559	185,473	-	2,818,988
Segment liabilities	194,886	388,787	23,962	22,512	5,807	-	635,954

A9. Segment Information (Cont'd)

The segment analysis on the Group's results for the financial period ended 31 March 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	71,855	49,895	106,022	10,405	3,227	-	241,404
Inter-segment revenue	1,427	12,452	24,104	699	573	(39,255)	-
Total segment revenue	73,282	62,347	130,126	11,104	3,800	(39,255)	241,404
Results							
Segment profit from operations	36,987	38,311	113,095	2,346	1,375	(140)	191,974
Interest income	2,121	6,591	7,976	44	196	(8,036)	8,892
Finance costs	(8,157)	(9,317)	(132)	(1,343)	(220)	8,176	(10,993)
Exceptional item	-	-	(4,061)	-	1,654	-	(2,407)
Share of profits less losses of associate companies	-	7,753	36,880	(2,723)	3,371	-	45,281
Share of losses of jointly controlled entities	(226)	-	-	(2)	-	-	(228)
Profit/(Loss) before tax	30,725	43,338	153,758	(1,678)	6,376	-	232,519
Tax expense	(9,384)	(4,654)	(924)	(11)	(265)	-	(15,238)
Profit/(Loss) for the financial period	21,341	38,684	152,834	(1,689)	6,111	-	217,281
Attributable to:-							
Owners of the Company							217,259
Non-controlling interests							22
Segment assets	816,038	852,808	606,357	74,742	194,486	-	2,544,431
Segment liabilities	173,040	369,804	6,899	26,525	5,523	-	581,791

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.

- (iii) On 4 January 2022, ITB had entered into a Share Sale and Purchase Agreement (“SSPA”) with Diversified Gateway Solutions Berhad (“DGSB”) wherein DGSB agrees to sell to ITB and ITB agrees to acquire:-

- (a) 70% of the issued shares comprising 233,330 ordinary shares in QBI Packaging Sdn. Bhd. (“QBI”) for a consideration of RM3,430,000; and
- (b) 70% of the issued shares comprising 70,000 ordinary shares in Makan Channel Sdn. Bhd. (“MCSB”) for a consideration of RM70,000.

upon such terms and conditions as stated in the SSPA (“Proposed Acquisition”).

QBI was incorporated in Malaysia and is principally engaged in the business of food packaging and contract manufacturing.

MCSB was incorporated in Malaysia and is principally engaged in the business of sales and distribution of consumer food and related products.

The Proposed Acquisition was completed on 14 April 2022. Arising thereon, QBI and MCSB became indirect subsidiary companies of the Group.

A12. Material Subsequent Events

There were no material events subsequent to the financial period ended 31 March 2022 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	-	-	113,113	68,375
- 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 March 2022 are as follows:-

	RM'000
To acquire property, plant and equipment	4,286
Investment commitments in relation to financial assets at fair value through other comprehensive income	<u>496</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 RM41.8 million and a pre-tax profit of RM35.1 million in the current financial quarter (Q3/2022) as compared to revenue of RM80.6 million and a pre-tax profit of RM73.5 million in the preceding year corresponding quarter (Q3/2021). The review of performance by division is as follows:-

Financial services and credit & leasing division

The unit reported lower revenue of RM20.9 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 RM9.3 million in Q3/2022 as compared RM8.8 million in Q3/2021.

Investment holding and trading division

The investment unit reported lower revenue of RM16.2 million in Q3/2022 mainly due to lower trading activities as compared to RM19.6 million in Q3/2021.

The investment unit reported a pre-tax loss of -RM4.9 million in Q3/2022 as compared to a pre-tax profit RM36.4 million in Q3/2021 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 lower revenue of RM0.1 million in Q3/2022 as compared to revenue of RM33.3 million in Q3/2021 mainly due to disposal of quoted shares in an associate company in Q3/2021.

The Technology unit reported higher pre-tax profit of RM35.4 million in Q3/2022 as compared to RM25.7 million in Q3/2021 mainly due to higher gain on disposal of quoted shares in an associate company in Q3/2022.

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

Group's summary

The Group reported lower revenue of RM167.0 million and a pre-tax profit of RM94.1 million for the nine months period ended 31 March 2022 as compared to revenue of RM241.4 million and a pre-tax profit of RM232.5 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 RM58.6 million for the nine months period ended 31 March 2022 as compared to the corresponding period in the preceding year of RM71.9 million. The higher revenue in the corresponding period in the preceding year was contributed by the stock broking unit which reported exceptionally higher brokerage income due to the strong retail trading volumes on the local exchange during the period.

Despite lower revenue reported in the current period, the unit reported slightly higher pre-tax profit of RM32.0 million for the nine months period ended 31 March 2022 as compared to the corresponding period in the preceding year of RM30.7 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 RM57.6 million for the nine months period ended 31 March 2022 as compared to the corresponding period in preceding year of RM49.9 million mainly due to higher trading activities.

The investment unit reported a pre-tax loss of -RM24.3 million for the nine months period ended 31 March 2022 (nine months period ended 31 March 2021: a pre-tax profit RM43.3 million) mainly due to unrealised loss on fair value changes of financial assets at fair value through profit or loss and lower gain on foreign exchange.

Technology and IT-related manufacturing, trading and services division

The Technology unit reported lower revenue of RM38.2 million and pre-tax profits of RM90.5 million for the nine months period ended 31 March 2022 (nine months period ended 31 March 2021: revenue of RM106.0 million and pre-tax profit of RM153.8 million respectively). The higher pre-tax profits in the corresponding period in the preceding year 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-Mar-2022 RM'000	Immediate Preceding Quarter 31-Dec-2021 RM'000	Changes (%)
Revenue	41,812	61,126	-32%
Profit from operations	26,290	12,694	107%
Profit before tax	35,130	28,291	24%
Profit after tax	33,853	26,123	30%
Profit attributable to owners of the Company	34,537	26,071	32%

The Group reported lower revenue of RM41.8 million in the current financial quarter as compared to RM61.1 million reported in the immediate preceding quarter, mainly due to lower revenue from disposal of shares in an associate company. Despite the lower revenue, the Group reported higher pre-tax profit of RM35.1 million in the current financial quarter as compared to the immediate preceding financial quarter of RM28.3 million mainly due to lower unrealised loss on fair value changes of financial assets at fair value through profit or loss of -RM7.8 million in the current financial quarter (Q2/2022 : -RM18.5 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 ongoing challenging and competitive environment amid the war in Ukraine and the disruptions in global supply chains, increase in interest rates and global inflation which dampen economic growth and affected the investors' confidence in the global financial markets.

Financial services and credit & leasing division

The outlook for the stock broking unit is cautious but is expected to remain positive in FY2022 due to projected strong performance from the corporate advisory division, having secured a number of mandates for corporate exercises whereas the stock broking division is likely to be impacted by the recent global bearish outlooks in the financial markets.

Investment trading division

The investment unit's performance for the financial year ending 30 June 2022 is largely dependent on the global financial markets which are expected to remain uncertain and volatile for the remaining months in FY 2022 due to the war in Ukraine, interest rate hike and global inflationary pressures.

Technology and IT-related manufacturing, trading and services division

Barring any negative development of the Covid lockdown situation in China and the war in Ukraine, the Board expects the Technology unit to generate positive contribution to the Group in the final quarter of FY 2022 in line with continual good demand for 5G devices and tight supply from semiconductor manufacturers.

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 March 2022 is as follows:-

	Individual Quarter ended 31-Mar-2022 RM'000	Quarter Quarter ended 31-Mar-2021 RM'000	Cumulative Period ended 31-Mar-2022 RM'000	Quarter Period ended 31-Mar-2021 RM'000
<u>Income tax:-</u>				
Provision for current financial quarter/period				
- Malaysian income tax	2,192	4,129	8,178	15,244
- Overseas income tax	-	3	22	21
(Over)/Underprovision in preceding financial quarter/period	(880)	(237)	(771)	2
<u>Deferred tax:-</u>				
Transfer to deferred taxation	(19)	(74)	(46)	(29)
Deferred Real Property Gains Tax	(16)	-	28	-
	<u>1,277</u>	<u>3,821</u>	<u>7,411</u>	<u>15,238</u>

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-Mar-2022 RM'000	Quarter Quarter ended 31-Mar-2021 RM'000	Cumulative Period ended 31-Mar-2022 RM'000	Quarter Period ended 31-Mar-2021 RM'000
Profit before tax	35,130	73,489	94,054	232,519
Income tax at Malaysian statutory tax rate of 24%	8,431	17,638	22,573	55,805
<u>Tax effects in respect of:-</u>				
Non-allowable expenses	6,591	(4,374)	12,415	8,103
Income not subject to tax	(12,998)	(7,944)	(24,959)	(45,382)
Deferred Real Property Gains				
Tax on fair value adjustment of investment properties	(16)	-	28	-
Effect of different tax rates in other countries	57	(1,201)	(1,741)	(3,176)
Overseas tax paid on dividend income	58	42	186	176
Utilisation of previously unrecognised deferred tax assets	(29)	(176)	(422)	(420)
Deferred tax not recognised in the financial statements	63	73	102	130
Tax expenses for the financial quarter/period	2,157	4,058	8,182	15,236
(Over)/Underprovision for tax expense in preceding financial quarter/period	(880)	(237)	(771)	2
	1,277	3,821	7,411	15,238

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 March 2022

	As at 31 March 2022					
	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	-	-	-	558	-	558
Term loans						
- RM	-	17,331	-	993	-	18,324
- SGD	1,152	3,579	17,130	53,199	18,282	56,778
- AUD	-	-	6,319	19,930	6,319	19,930
- USD	-	-	2,108	8,856	2,108	8,856
- GBP	-	-	789	4,354	789	4,354
- EUR	-	-	971	4,556	971	4,556
Revolving credit facilities	-	-	-	130,480	-	130,480
Margin financing facility	-	-	-	18,804	-	18,804
Total loans and borrowings	-	20,910	-	241,730	-	262,640

B8. Group Borrowings and Debt Securities as at 31 March 2022 (Cont'd)

	As at 31 March 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	-	-	-	554	-	554
Term loans						
- RM	-	17,311	-	1,087	-	18,398
- SGD	1,204	3,710	16,931	52,173	18,135	55,883
- AUD	-	-	6,212	19,640	6,212	19,640
- USD	-	-	1,578	6,551	1,578	6,551
- GBP	-	-	778	4,443	778	4,443
- EUR	-	-	1,497	7,286	1,497	7,286
Revolving credit facilities	-	-	-	114,726	-	114,726
Margin financing facility	-	-	-	9,964	-	9,964
Total loans and borrowings	-	21,021	-	216,424	-	237,445

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

	Interest Rate (%)	
	As at 31.03.2022	As at 31.03.2021
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	7,105
Accumulated RPS dividends payable	<u>(5,473)</u>
RPS issued by the Company – liability component, disclosed as per MFRS requirements	<u>127,741</u>

B8. Group Borrowings and Debts Securities as at 31 March 2022 (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-Mar-2022	Quarter ended 31-Mar-2021	Period ended 31-Mar-2022	Period ended 31-Mar-2021
Net profit attributable to owners of the Company for the financial quarter and financial period (RM'000)	34,537	69,719	87,318	217,259
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)	5.21	10.52	13.17	32.77

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 finance costs 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 31-Mar-2022	Quarter ended 31-Mar-2021	Period ended 31-Mar-2022	Period ended 31-Mar-2021
Net profit attributable to owners of the Company for the financial quarter and financial period (RM'000)	34,537	69,719	87,318	217,259
Adjust for finance costs savings on proceeds received upon the assumed conversion of Warrants into ordinary shares (RM'000)	1,914	-	5,868	-
Adjusted net profit attributable to owners of the Company (RM'000)	36,451	69,719	93,186	217,259
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)	3.67	n/a	9.37	n/a

B12. Derivative Financial Liabilities

Details of derivative financial liabilities as at 31 March 2022 are set out below:-

Type of Derivatives	As at 31.03.2022	
	<u>Contract/ Notional value</u> RM'000	<u>Fair value</u> RM'000
<u>Currency Forward Contract and Options</u>		
- Less than 1 year	320	(811)
<u>Other equity related contracts</u>		
- Less than 1 year	(34,560)	(1,693)
	(34,240)	(2,504)

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 RM0.4 million for the financial period ended 31 March 2022 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.