

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

24 FEBRUARY 2023

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 2022

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		FY2023	FY2022	Changes	FY2023	FY2022	Changes
		Quarter ended 31-Dec-22 RM'000	Quarter ended 31-Dec-21 RM'000		Period ended 31-Dec-22 RM'000	Period ended 31-Dec-21 RM'000	
Revenue		57,395	61,126	-6%	119,610	125,189	-4%
Cost of sales	1	(38,876)	(24,753)	57%	(78,000)	(54,816)	42%
Other income	2	9,947	9,609	4%	34,986	26,803	31%
Administration expenses	3	(5,956)	(5,988)	-1%	(9,661)	(9,107)	6%
Other operating expenses	4	7,510	(24,168)	>-100%	(30,876)	(53,897)	-43%
Finance costs		(4,705)	(4,028)	17%	(9,223)	(7,870)	17%
Exceptional item	5	733	-	>100%	5,710	-	>100%
Share of profits less losses of associate companies		25,083	16,515	52%	38,390	32,704	17%
Share of losses of jointly controlled entities		-	(22)	-100%	-	(82)	-100%
Profit before tax		51,131	28,291	81%	70,936	58,924	20%
Tax expense		(3,348)	(2,168)	54%	(6,762)	(6,134)	10%
Profit for the quarter/period		47,783	26,123	83%	64,174	52,790	22%
Profit attributable to:-							
Owners of the Company		47,748	26,071	83%	64,363	52,781	22%
Non-controlling interests		35	52	-33%	(189)	9	>-100%
		47,783	26,123	83%	64,174	52,790	22%
Earnings per share (in Sen)							
- Basic		7.20	3.93		9.71	7.96	
- Diluted		n/a	2.82		n/a	5.70	

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UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2022

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	FY2023 Quarter ended 31-Dec-22 RM'000	FY2022 Quarter ended 31-Dec-21 RM'000	FY2023 Period ended 31-Dec-22 RM'000	FY2022 Period ended 31-Dec-21 RM'000
Note 1				
Included in Cost of sales is the following item:-				
Depreciation	<u>(2,060)</u>	<u>(1,831)</u>	<u>(4,078)</u>	<u>(3,696)</u>
Note 2				
Included in Other income are the following items:-				
Allowance for doubtful debts no longer required	52	43	266	332
Bad debts recovered	-	-	-	5
Fair value gain on derivative financial instruments	1,903	-	1,989	-
Gain on disposal of property, plant and equipment	946	963	1,123	1,509
Interest income	6,811	3,132	11,941	6,033
Gain on exchange differences - realised	<u>3,407</u>	<u>-</u>	<u>4,616</u>	<u>-</u>
Note 3				
Included in Administration expenses are the following items:-				
Amortisation of intangible assets	(2)	-	(4)	-
Depreciation	<u>(168)</u>	<u>(149)</u>	<u>(314)</u>	<u>(296)</u>
Note 4				
Included in Other operating expenses are the following items:-				
Allowance for doubtful debts	13	(191)	(21)	(191)
Amortisation of intangible asset	(15)	-	(30)	-
Bad debts written off	(2)	-	(2)	-
Inventories written off	(9)	-	(42)	-
Property, plant and equipment written off	-	(3)	-	(3)
Depreciation	(457)	(318)	(747)	(643)
Fair value gain/(loss) on derivative financial instruments	-	1,113	-	(653)
Loss on disposal of investment properties	-	(300)	-	(300)
Gain/(Loss) on fair value changes of financial assets at fair value through profit or loss	21,545	(18,504)	(5,171)	(18,544)
(Loss)/Gain on exchange differences - unrealised	(10,963)	1,240	(1,075)	(865)
- realised	<u>-</u>	<u>802</u>	<u>-</u>	<u>(1,005)</u>
Note 5				
Exceptional item represents:-				
Net gain on deemed disposal of equity interests in an associate company	<u>733</u>	<u>-</u>	<u>5,710</u>	<u>-</u>

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UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2022

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	FY2023	FY2022	Changes %	FY2023	FY2022	Changes %
	Quarter ended 31-Dec-22 RM'000	Quarter ended 31-Dec-21 RM'000		Period ended 31-Dec-22 RM'000	Period ended 31-Dec-21 RM'000	
Profit for the quarter/period	47,783	26,123	83%	64,174	52,790	22%
<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	(2,824)	(18)	>100%	1,505	283	>100%
Foreign currency translation of foreign operations, net of tax	(155)	(2,608)	-94%	4,250	(1,263)	>-100%
Total other comprehensive (loss)/income for the quarter/period, net of tax	(2,979)	(2,626)	13%	5,755	(980)	>-100%
Total comprehensive income for the quarter/period, net of tax	44,804	23,497	91%	69,929	51,810	35%
Attributable to:-						
Owners of the Company	44,769	23,445	91%	70,118	51,801	35%
Non-controlling interests	35	52	-33%	(189)	9	>-100%
	44,804	23,497	91%	69,929	51,810	35%

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 2022 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 2022

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31/12/2022 RM'000 (Unaudited)	As at 30/06/2022 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	90,590	87,836
Investment properties	198,192	189,387
Financial assets at fair value through other comprehensive income	34,849	33,192
Financial assets at amortised cost	767	767
Jointly controlled entities	(660)	(660)
Associate companies	554,418	530,630
Other receivables	7,345	7,345
Intangible assets	30,541	30,379
Deferred tax assets	2,888	2,872
Total non-current assets	918,930	881,748
Current assets		
Property development costs	11,258	11,250
Inventories	12,149	12,067
Trade receivables	505,281	498,428
Amount due from associate companies	67,903	74,495
Amount due from jointly controlled entities	646	644
Other receivables, deposits and prepayments	54,869	51,176
Financial assets at amortised cost	48,707	-
Financial assets at fair value through profit or loss	228,131	249,370
Tax recoverable	7,199	7,185
Deposits with licensed banks and financial institutions	752,423	602,424
Cash and bank balances	153,908	311,912
Total current assets	1,842,474	1,818,951
TOTAL ASSETS	2,761,404	2,700,699
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owners of the Company		
Share capital	873,700	873,700
Treasury shares	(14,499)	(14,499)
Reserves	43,030	40,032
Retained earnings	1,344,348	1,294,856
	2,246,579	2,194,089
Non-controlling interests	(1,108)	(839)
TOTAL EQUITY	2,245,471	2,193,250
LIABILITIES		
Non-current liabilities		
Loans and borrowings	19,875	20,675
Lease liabilities	15,482	13,174
Deferred tax liabilities	6,551	6,527
Redeemable preference shares	128,247	127,921
Total non-current liabilities	170,155	168,297
Current liabilities		
Derivative financial liabilities	1,678	3,667
Trade payables	48,236	45,458
Other payables, deposits received and accruals	63,181	40,890
Loans and borrowings	224,208	241,038
Lease liabilities	6,420	7,001
Tax payable	2,055	1,098
Total current liabilities	345,778	339,152
TOTAL LIABILITIES	515,933	507,449
TOTAL EQUITY AND LIABILITIES	2,761,404	2,700,699
Net assets per share attributable to owners of the Company⁽⁷⁾ (RM)	3.39	3.31

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 2022 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 2022

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	< ----- Attributable to Owners of the Company ----- >								
	<----- 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	Total equity RM'000
Period ended 31 December 2022									
As at 1 July 2022	873,700	4,936	(7,139)	42,235	(14,499)	1,294,856	2,194,089	(839)	2,193,250
Transactions with owners:-									
Cash dividends payable to owners of the Company	-	-	-	-	-	(16,575)	(16,575)	-	(16,575)
Dividend paid to non-controlling interests of a subsidiary company	-	-	-	-	-	-	-	(80)	(80)
Total transactions with owners	-	-	-	-	-	(16,575)	(16,575)	(80)	(16,655)
Total comprehensive income for the financial period									
Profit for the financial period	-	-	-	-	-	64,363	64,363	(189)	64,174
Share of other comprehensive income of investments accounted for using equity method, net of tax	-	-	-	1,505	-	-	1,505	-	1,505
Foreign currency translation of foreign operations, net of tax	-	-	-	4,250	-	-	4,250	-	4,250
Total comprehensive income for the financial period	-	-	-	5,755	-	64,363	70,118	(189)	69,929
Post-acquisition reserves - associate companies	-	-	(2,757)	-	-	1,704	(1,053)	-	(1,053)
Balance at 31 December 2022	873,700	4,936	(9,896)	47,990	(14,499)	1,344,348	2,246,579	(1,108)	2,245,471

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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 reserve RM'000	Other reserves RM'000	Exchange translation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
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:-									
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	-	-	-	-	-	(12,291)	(12,291)	(4,284)	(16,575)
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
Post-acquisition reserves - associate companies	-	-	143,572	-	-	(8,711)	134,861	-	134,861
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

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 2022 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 2022

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Period ended 31/12/2022 RM'000	Period ended 31/12/2021 RM'000
Cash flows from operating activities		
Profit before tax	70,936	58,924
Adjustments for:-		
Non-cash items	(40,754)	(11,983)
Finance costs	9,223	7,870
Interest income	(11,941)	(6,033)
Operating profit before working capital changes	<u>27,464</u>	<u>48,778</u>
Changes in working capital:-		
Net changes in current assets	15,763	(83,215)
Net changes in current liabilities	9,366	49,391
Cash from operations	<u>52,593</u>	<u>14,954</u>
Interest paid	(10,103)	(6,672)
Interest received	11,941	5,929
Tax paid	(5,633)	(8,378)
Net cash from operating activities	<u>48,798</u>	<u>5,833</u>
Cash flows from investing activities		
Subscription/Acquisition of shares in associate companies	(5,010)	(11,090)
Purchase of property, plant and equipment	(2,292)	(1,101)
Purchase of financial assets at amortised cost	(48,381)	(423)
Purchase of financial assets at fair value through other comprehensive income	(1,647)	(1,465)
Purchase of intangible assets	(196)	-
Purchase of an investment property	(7,300)	(6,137)
Proceeds from disposal of investment properties	630	5,627
Proceeds from disposal of property, plant and equipment	3,720	3,281
Proceeds from disposal and redemption of financial assets at amortised cost	-	1,208
Dividend received	30,042	31,182
Net cash (used in)/from investing activities	<u>(30,434)</u>	<u>21,082</u>
Cash flows from financing activities		
Increase in fixed deposits pledged	(103,592)	(129)
Decrease in cash and bank balances pledged	152,659	17,769
Net (repayment)/drawdown of loans and borrowings	(20,016)	23,410
Dividend paid to non-controlling interests of a subsidiary company	(80)	-
Repayment of lease liabilities	(5,858)	(4,953)
Net cash from financing activities	<u>23,113</u>	<u>36,097</u>
Net increase in cash and cash equivalents	41,477	63,012
Cash and cash equivalents at beginning of the financial period	681,929	642,458
Exchange differences	1,776	209
Cash and cash equivalents at end of the financial period	<u>725,182</u>	<u>705,679</u>
Cash and cash equivalents comprise of:-		
Bank overdrafts	(91)	(619)
Cash and bank balances	153,908	393,756
Deposits with licensed banks and financial institutions	<u>752,423</u>	<u>554,011</u>
	906,240	947,148
Less:		
Cash and bank balances pledged	(13,921)	(208,126)
Fixed deposits pledged	(167,137)	(33,343)
	<u>725,182</u>	<u>705,679</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 2022 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 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 2022, 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 2022.

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 2022 except for the adoption of the following 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 2022:-

Effective for financial period beginning on or after 1 January 2022

Amendments to MFRS 3	Business Combinations – Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts – Cost of Fulfilling a Contract
Annual improvements to MFRS Standards 2018-2020	

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.

A2. Changes in Accounting Policies (Cont'd)

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 2022, as follows:-

Effective for financial period beginning on or after 1 January 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 4	Insurance Contracts – Extension of Temporary Exemption from Applying MFRS 9
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 101	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Presentation of Financial Statements – Disclosure of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
Amendments to MFRS 112	Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective date deferred indefinitely

Amendments to MFRS 10 and MFRS 128	Consolidated Financial Statements and Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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Management anticipates that all relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncements.

The initial applications of the relevant new Standard, amendments to Standards and annual improvements to Standards are not expected to have any material financial impact to the financial statements of the Group.

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 2022.

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-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021
	RM'000	RM'000	RM'000	RM'000
Fair value gain/(loss) on derivative financial instruments	1,903	1,113	1,989	(653)
Loss on disposal of investment properties	-	(300)	-	(300)
Gain/(Loss) on fair value changes of financial assets at fair value through profit or loss	21,545	(18,504)	(5,171)	(18,544)
Gain/(Loss) on exchange differences				
- realised	3,407	802	4,616	(1,005)
- unrealised	(10,963)	1,240	(1,075)	(865)
Net gain on deemed disposal of equity interests in an associate company	733	-	5,710	-

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 25 November 2022, 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 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 December 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 December 2022.

A8. Dividends Paid

During the current financial quarter and financial period-to-date, the Company paid a preferential cash dividend of 3.8% per annum per redeemable preference share amounting to RM2,498,771 for the period from 1 January 2022 to 30 June 2022, paid on 19 July 2022.

A9. Segment Information

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

	Financial services and credit & leasing	Investment holding and trading	Technology and IT-related manufacturing, trading and services	Manufacturing and distribution of consumer products 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	32,863	75,272	1,096	9,946	433	-	119,610
Inter-segment revenue	47	4,809	20,267	820	1,471	(27,414)	-
Total segment revenue	32,910	80,081	21,363	10,766	1,904	(27,414)	119,610
Results							
Segment profit/(loss) from operations	20,745	4,184	(2,336)	1,491	(45)	79	24,118
Interest income	3,612	7,628	7,880	407	61	(7,647)	11,941
Finance costs	(6,730)	(8,387)	(219)	(1,299)	(156)	7,568	(9,223)
Exceptional item	-	-	5,710	-	-	-	5,710
Share of profits less losses of associate companies	-	1,114	36,815	2,795	(2,334)	-	38,390
Profit/(Loss) before tax	17,627	4,539	47,850	3,394	(2,474)	-	70,936
Tax expense	(5,344)	(536)	(838)	(33)	(11)	-	(6,762)
Profit/(Loss) for the financial period	12,283	4,003	47,012	3,361	(2,485)	-	64,174
Attributable to:-							
Owners of the Company							64,363
Non-controlling interests							(189)
Segment assets	738,808	835,630	948,732	96,424	141,810	-	2,761,404
Segment liabilities	71,960	399,422	13,006	26,157	5,388	-	515,933

A9. Segment Information (Cont'd)

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

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 2022.

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 30 June 2022, the Company announced that Insas Logistics (S) Pte. Ltd. ("ILSPL"), a dormant indirect wholly-owned subsidiary company, has applied to the Accounting and Corporate Regulatory Authority ("ACRA") for the striking off of ILSPL pursuant to Section 344A of the Singapore Companies Act ("Proposed Striking Off").

ILSPL had ceased operations and the Proposed Striking Off will reduce the administrative resources and costs for maintaining this dormant subsidiary company.

On 11 October 2022, the Company announced that the strike off application have been approved by ACRA. Accordingly, the name of ILSPL has been struck off from the register and ILSPL cease to be a subsidiary of the Group.

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

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 (cont'd):-

- (ii) On 28 July 2022, Insas Technology Bhd. ("ITB"), a wholly-owned subsidiary of the Company, had subscribed for 9,999 new ordinary shares in Sensecube Sdn. Bhd. ("Sensecube"), representing 99.99% of the enlarged share capital in Sensecube for a total subscription price of RM9,999.

On 8 August 2022, ITB further acquired 1 share from a third party shareholder for a consideration of RM1. Arising thereon, Sensecube became a wholly-owned subsidiary company of the Group.

The principal activities of Sensecube are investment holding and property investment.

- (iii) On 9 January 2023, PRAC BlueBox Sdn. Bhd. ("PRAC Bluebox") was incorporated as an indirect subsidiary of the Company with an issued and paid up share capital of RM1 comprising of 1 ordinary share. PRAC Bluebox is 100% owned by Insas Logistics (M) Sdn. Bhd., a wholly-owned subsidiary of the Company.

PRAC Bluebox's principal activities are provision of transportation services, delivery of goods and courier services.

A12. Material Subsequent Events

There were no material events subsequent to the financial period ended 31 December 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	Amount	Limit	Amount
	RM'000	utilised	RM'000	utilised
		RM'000		RM'000
Unsecured:				
Guarantees to secure banking and credit facilities granted to:-				
- certain subsidiary companies	-	-	112,204	40,414

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 2022 are as follows:-

	RM'000
To acquire property, plant and equipment	3,562
To acquire investment property	14,850
Investment commitments in relation to financial assets at fair value through other comprehensive income	<u>479</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 RM57.4 million and a pre-tax profit of RM51.1 million in the current financial quarter (Q2/2023) as compared to revenue of RM61.1 million and a pre-tax profit of RM28.3 million in the preceding year corresponding financial quarter (Q2/2022). The review of performance by divisions are as follows:-

Financial services and credit & leasing division

The unit reported lower revenue of RM15.5 million and pre-tax profit of RM7.6 million in the current financial quarter as compared to the preceding year corresponding financial quarter of RM19.4 million and RM9.9 million respectively mainly due to lower brokerage income generated by the stock broking unit.

Investment holding and trading division

The investment unit reported higher revenue of RM36.2 million in Q2/2023 mainly due to higher trading activities as compared to RM16.4 million in Q2/2022.

The investment unit reported a pre-tax profit of RM21.3 million in Q2/2023 as compared to a pre-tax loss of -RM19.5 million in Q2/2022 mainly due to higher unrealised gain on fair value changes of financial assets at fair value through profit or loss in Q2/2023.

Technology and IT-related manufacturing, trading and services division

The Technology unit reported lower revenue of RM0.2 million in current financial quarter as compared to the preceding year corresponding financial quarter of RM20.7 million mainly due to no disposal of quoted shares in an associate company in Q2/2023 (Q2/2022: RM20.7 million).

The Technology unit reported lower pre-tax profit of RM21.1 million in Q2/2023 as compared to RM36.1 million in Q2/2022 mainly due to gain on disposal of quoted shares in an associate company in Q2/2022 (Q2/2023: Nil).

B1. Review of Performance (Cont'd)

Comparison between current financial period against preceding year corresponding financial period

Group's summary

The Group reported revenue of RM119.6 million and a pre-tax profit of RM70.9 million for the six months period ended 31 December 2022 as compared to revenue of RM125.2 million and a pre-tax profit of RM58.9 million in the corresponding period in the preceding year. The review of performance by divisions are as follows:-

Financial services and credit & leasing division

The unit reported lower revenue of RM32.9 million and pre-tax profit of RM17.6 million for the six months period ended 31 December 2022 as compared to the corresponding period in the preceding year of RM37.7 million and RM22.7 million respectively mainly due to lower brokerage income generated by the stock broking unit.

Investment holding and trading division

The investment unit reported higher revenue of RM75.3 million for the six months period ended 31 December 2022 as compared to the corresponding period in preceding year of RM41.4 million mainly due to higher trading activities in the current financial period.

The investment unit reported a pre-tax profit of RM4.5 million for the six months period ended 31 December 2022 (six months period ended 31 December 2021: a pre-tax loss -RM19.4 million) mainly due to lower unrealised loss on fair value changes of financial assets at fair value through profit or loss reported in the current financial period as compared to the corresponding period in the preceding year.

Technology and IT-related manufacturing, trading and services division

The Technology unit reported lower revenue of RM1.1 million and a pre-tax profit of RM47.9 million for the six months period ended 31 December 2022 (six months period ended 31 December 2021: revenue of RM38.0 million and a pre-tax profit of RM55.1 million respectively). The higher pre-tax profits in the preceding year corresponding financial period was mainly due to higher gain on disposal of quoted shares in an associate company reported in the corresponding period in the preceding year.

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-2022 RM'000	Immediate Preceding Quarter 30-Sep-2022 RM'000	Changes (%)
Revenue	57,395	62,215	-8%
Profit from operations	23,209	909	>100%
Profit before tax	51,131	19,805	>100%
Profit after tax	47,783	16,391	>100%
Profit attributable to owners of the Company	47,748	16,615	>100%

The Group reported lower revenue of RM57.4 million in the current financial quarter as compared to RM62.2 million reported in the immediate preceding financial quarter, mainly due to lower trading activities by the investment unit in Q2/2023. The Group reported higher pre-tax profit of RM51.1 million in the current financial quarter as compared to RM19.8 million in Q1/2023 mainly due to unrealised gain on fair value changes of financial assets at fair value through profit or loss in the current financial quarter (Q1/2023: unrealised loss on fair value changes of financial assets at fair value through profit or loss).

B3. Prospects for financial year ending 30 June 2023

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 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 FY2023 due to projected steady performance from the corporate advisory division whereas the stock broking division's performance will be impacted by the financial market sentiments. The structured finance unit is expected to contribute positively to the Group's results in FY 2023.

Investment trading division

The investment unit's performance for the financial year ending 30 June 2023 is largely dependent on the global financial markets which are expected to remain volatile in FY 2023 due to the war in Ukraine, continual interest rate increases and global inflationary pressures.

Technology and IT-related manufacturing, trading and services division

Barring any negative development to the situation in China and the war in Ukraine, the Board expects the Technology unit to generate positive contribution to the Group in FY 2023 on the back of expected growth in the radio frequency and optoelectronics business of Inari Amertron Group and the new opportunities from their China joint venture in FY 2023.

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 2022 is as follows:-

	Individual Quarter ended 31-Dec-2022 RM'000	Quarter Quarter ended 31-Dec-2021 RM'000	Cumulative Period ended 31-Dec-2022 RM'000	Quarter Period ended 31-Dec-2021 RM'000
<u>Income tax:-</u>				
Provision for current financial quarter/period				
- Malaysian income tax	3,326	2,028	6,620	5,986
- Overseas income tax	14	-	148	22
(Over)/Underprovision in preceding financial quarter/period				
- Malaysian income tax	-	94	-	94
- Overseas income tax	(14)	14	(14)	15
<u>Deferred tax:-</u>				
Transfer from/(to) deferred taxation	22	(12)	8	(27)
Deferred Real Property Gains Tax	-	44	-	44
	<hr/>	<hr/>	<hr/>	<hr/>
	3,348	2,168	6,762	6,134
	<hr/>	<hr/>	<hr/>	<hr/>

B5. Tax Expense (Cont'd)

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

	Individual Quarter ended 31-Dec-2022 RM'000	Quarter Quarter ended 31-Dec-2021 RM'000	Cumulative Period ended 31-Dec-2022 RM'000	Quarter Period ended 31-Dec-2021 RM'000
Profit before tax	51,131	28,291	70,936	58,924
Income tax at Malaysian statutory tax rate of 24%	12,272	6,790	17,025	14,142
<u>Tax effects in respect of:-</u>				
Non-allowable expenses	(78)	1,967	4,177	5,824
Income not subject to tax	(8,487)	(5,601)	(14,402)	(11,961)
Deferred Real Property Gains				
Tax on fair value adjustments of investment properties	-	44	-	44
Effect of different tax rates in other countries	(301)	(1,125)	(88)	(1,798)
Overseas tax paid on dividend income	77	35	211	128
Utilisation of previously unrecognised deferred tax assets	7	(81)	(148)	(393)
Deferred tax not recognised in the financial statements	(128)	31	1	39
Tax expense for the financial quarter/period	3,362	2,060	6,776	6,025
(Over)/Underprovision for tax expense in preceding financial quarter/period	(14)	108	(14)	109
	3,348	2,168	6,762	6,134

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

B6. Status of Corporate Proposal announced but not completed as at the date of this Report (Cont'd)

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 (cont'd):-

- 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.

On 1 July 2022, the Company and SYF agreed to extend the conditional period of the SSPA to 4 January 2023.

On 13 October 2022, SYF has written to the Company to vary the conditionality of the SYF Proposals such that all components of the SYF Proposals are inter-conditional upon one another. The variation is agreed by the Company as vendor of M&A Securities.

On 14 November 2022, the Company and SYF had entered into a second supplemental agreement to vary the terms of the SSPA, of which the main changes are as follows:-

- (i) the issue price of the SYF Shares shall be revised from RM0.14 to RM0.22 each; and
- (ii) that arising from the revised issue price of the SYF Shares, the number of SYF Shares to be issued for the Proposed M&A Disposal will be revised to 1,009,090,909 SYF Shares.

On 16 December 2022, the Company announced that SYF has obtained a conditional approval (save for the Proposed Exemption) from the Securities Commission ("SC") vide its letter dated 14 December 2022.

On 3 January 2023, the Company and SYF agreed to extend the conditional period of the SSPA to 14 June 2023.

On 3 February 2023, the SC has granted its approval for the change in the shareholder of M&A, subject to any condition(s) imposed by the SC.

On 23 February 2023, the Proposed M&A Disposal had been approved by the shareholders of the Company at the extraordinary general meeting convened on the same day.

The completion of the Proposed M&A Disposal is now pending the approval of the Proposed Exemption by the SC. The application for the Proposed Exemption has been submitted to the SC on 22 February 2023.

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 2022

	As at 31 December 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
<u>Secured</u>						
Bank overdrafts						
- RM	-	-	-	91	-	91
Term loans						
- RM	-	16,158	-	1,041	-	17,199
- SGD	1,133	3,717	16,451	53,993	17,584	57,710
- GBP	-	-	806	4,291	806	4,291
- EUR	-	-	1,423	6,693	1,423	6,693
Revolving credit facilities	-	-	-	157,880	-	157,880
Margin financing facility	-	-	-	219	-	219
Total loans and borrowings	-	19,875	-	224,208	-	244,083

	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
<u>Secured</u>						
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

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

	Interest Rate (%)	
	As at 31.12.2022	As at 31.12.2021
<u>Secured</u>		
Bank overdrafts	6.89%-8.40%	6.89%-7.65%
Term loans	0.78%-6.25%	0.78%-5.90%
Revolving credit facilities	3.64%-5.30%	3.64%-4.28%
Margin financing facility	5.67%-6.42%	5.42%

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

Debt securities

	RM'000
<u>Redeemable preference shares ("RPS")</u>	
132,604,152 RPS at RM1.00 per RPS	132,604
- Fair value of 331,510,380 free Warrants recognised in equity under warrants reserve	(4,936)
- Effects of deferred tax liability	(1,559)
Accumulated RPS dividends charged to statements of profit or loss	11,400
Accumulated RPS dividends paid/payable	<u>(9,262)</u>
RPS issued by the Company – liability component, disclosed as per MFRS requirements	<u>128,247</u>

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

B9. Material Litigation

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

B10. Dividend

The Board of Directors had on 24 November 2022 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 2023.

The interim dividend totalling RM16,575,489 was paid on 17 January 2023.

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-2022	Quarter ended 31-Dec-2021	Period ended 31-Dec-2022	Period ended 31-Dec-2021
Net profit attributable to owners of the Company for the financial quarter and financial period (RM'000)	47,748	26,071	64,363	52,781
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)	7.20	3.93	9.71	7.96

(b) Diluted earnings per share

The diluted earnings per share for the preceding year corresponding financial quarter and financial period was 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-Dec-2022	Quarter ended 31-Dec-2021	Period ended 31-Dec-2022	Period ended 31-Dec-2021
Net profit attributable to owners of the Company for the financial quarter and financial period (RM'000)	47,748	26,071	64,363	52,781
Adjust for finance costs 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)	47,748	28,062	64,363	56,735
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

B11. Earnings per share (Cont'd)

(b) Diluted earnings per share (cont'd)

	Individual	Quarter	Cumulative	Quarter
	Quarter ended 31-Dec-2022	Quarter ended 31-Dec-2021	Period ended 31-Dec-2022	Period ended 31-Dec-2021
Adjusted for the assumed conversion of Warrants into ordinary shares ('000)	-	331,510	-	331,510
Adjusted weighted average number of ordinary shares ('000)	663,021	994,531	663,021	994,531
Diluted earnings per share (Sen)	n/a	2.82	n/a	5.70

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

B12. Derivative Financial Liabilities

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

Type of Derivatives	<u>Contract/ Notional value</u> RM'000	<u>Fair value</u> RM'000
<u>Currency Forward Contract and Options</u>		
- Less than 1 year	188	(365)
<u>Other equity related contracts</u>		
- Less than 1 year	27,437	(1,313)
	27,625	(1,678)

There is no significant changes in respect of the following since the end of the preceding financial year ended 30 June 2022:-

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

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

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

Financial liabilities at fair value through profit or loss

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

The fair value changes of the derivative financial instruments are derived from quotes obtained from licensed financial institutions. The resulting gain or loss is recognised in the statements of profit or loss. Fair value gain on derivative financial instruments of RM1.9 million in the current financial quarter and RM2.0 million for the financial period ended 31 December 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.

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.