

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

26 FEBRUARY 2024

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 2023

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		FY2024 Quarter ended 31-Dec-23 RM'000	FY2023 Quarter ended 31-Dec-22 RM'000	Changes %	FY2024 Period ended 31-Dec-23 RM'000	FY2023 Period ended 31-Dec-22 RM'000	Changes %
Revenue		50,002	57,395	-13%	97,805	119,610	-18%
Cost of sales	1	(28,335)	(38,876)	-27%	(54,037)	(78,000)	-31%
Other income	2	27,645	9,947	>100%	47,950	34,986	37%
Administration expenses	3	(6,137)	(5,956)	3%	(9,943)	(9,661)	3%
Other operating expenses	4	(14,755)	7,510	>-100%	(32,405)	(30,876)	5%
Finance costs		(5,183)	(4,705)	10%	(10,338)	(9,223)	12%
Exceptional item	5	(1,850)	733	>-100%	1,168	5,710	-80%
Share of profits less losses of associate companies		6,946	25,083	-72%	13,580	38,390	-65%
Share of losses of jointly controlled entities		45	-	>100%	(3)	-	>-100%
Profit before tax		28,378	51,131	-44%	53,777	70,936	-24%
Tax expense		(2,914)	(3,348)	-13%	(6,752)	(6,762)	0%
Profit for the quarter/period		25,464	47,783	-47%	47,025	64,174	-27%
Profit attributable to:-							
Owners of the Company		23,924	47,748	-50%	43,697	64,363	-32%
Non-controlling interests		1,540	35	>100%	3,328	(189)	>-100%
		25,464	47,783	-47%	47,025	64,174	-27%
Earnings per share (in Sen)							
- Basic		3.61	7.20		6.59	9.71	
- Diluted		3.61	7.20		6.59	9.71	

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

UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2023

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	FY2024 Quarter ended 31-Dec-23 RM'000	FY2023 Quarter ended 31-Dec-22 RM'000	FY2024 Period ended 31-Dec-23 RM'000	FY2023 Period ended 31-Dec-22 RM'000
Note 1				
Included in Cost of sales is the following item:-				
Depreciation	<u>(2,198)</u>	<u>(2,060)</u>	<u>(4,386)</u>	<u>(4,078)</u>
Note 2				
Included in Other income are the following items:-				
Allowance for doubtful debts no longer required	33	52	41	266
Fair value gain on derivative financial instruments	1,109	1,903	2,441	1,989
Gain on disposal of property, plant and equipment	103	946	196	1,123
Interest income	10,467	6,811	19,883	11,941
Gain on exchange differences				
- unrealised	1,797	-	537	-
- realised	-	3,407	-	4,616
Net gain on disposal of shares in associate companies	<u>9,445</u>	<u>-</u>	<u>9,445</u>	<u>-</u>
Note 3				
Included in Administration expenses are the following items:-				
Amortisation of intangible assets	(2)	(2)	(4)	(4)
Depreciation	<u>(165)</u>	<u>(168)</u>	<u>(325)</u>	<u>(314)</u>
Note 4				
Included in Other operating expenses are the following items:-				
Allowance for doubtful debts	(1)	13	(3)	(21)
Amortisation of intangible asset	(15)	(15)	(30)	(30)
Bad debts written off	-	(2)	-	(2)
Inventories written off	-	(9)	-	(42)
Depreciation	(414)	(457)	(831)	(747)
(Loss)/Gain on fair value changes of financial assets				
at fair value through profit or loss	(1,081)	21,545	(2,330)	(5,171)
Loss on exchange differences				
- unrealised	-	(10,963)	-	(1,075)
- realised	<u>(707)</u>	<u>-</u>	<u>(683)</u>	<u>-</u>
Note 5				
Exceptional item represents:-				
Net (loss)/gain on deemed disposal of equity interests in associate companies	<u>(1,850)</u>	<u>733</u>	<u>1,168</u>	<u>5,710</u>

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

UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2023

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	FY2024	FY2023	Changes %	FY2024	FY2023	Changes %
	Quarter ended 31-Dec-23 RM'000	Quarter ended 31-Dec-22 RM'000		Period ended 31-Dec-23 RM'000	Period ended 31-Dec-22 RM'000	
Profit for the quarter/period	25,464	47,783	-47%	47,025	64,174	-27%
<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	(77)	(2,824)	-97%	(269)	1,505	>-100%
Foreign currency translation of foreign operations, net of tax	(1,588)	(155)	>100%	(1,981)	4,250	>-100%
Total other comprehensive (loss)/income for the quarter/period, net of tax	(1,665)	(2,979)	-44%	(2,250)	5,755	>-100%
Total comprehensive income for the quarter/period, net of tax	23,799	44,804	-47%	44,775	69,929	-36%
Attributable to:-						
Owners of the Company	22,259	44,769	-50%	41,447	70,118	-41%
Non-controlling interests	1,540	35	>100%	3,328	(189)	>-100%
	23,799	44,804	-47%	44,775	69,929	-36%

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 2023 and the accompanying explanatory notes attached to the Interim Financial Statements.

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

UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2023

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31/12/2023 RM'000 (Unaudited)	As at 30/06/2023 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	103,546	104,865
Investment properties	209,776	205,922
Financial assets at fair value through other comprehensive income	52,674	34,529
Jointly controlled entities	(805)	(902)
Associate companies	559,859	577,709
Other receivables	7,345	7,345
Intangible assets	43,533	43,557
Deferred tax assets	1,283	1,280
Land and property development costs	68,048	68,041
Total non-current assets	1,045,259	1,042,346
Current assets		
Land and property development costs	11,437	14,467
Inventories	22,178	22,096
Trade receivables	584,292	485,504
Contract assets	-	75,923
Amount due from associate companies	52,062	58,315
Amount due from jointly controlled entities	801	660
Other receivables, deposits and prepayments	63,055	51,869
Financial assets at fair value through profit or loss	231,352	222,832
Tax recoverable	9,012	9,098
Deposits with licensed banks and financial institutions	940,928	943,505
Cash and bank balances	154,699	104,747
Total current assets	2,069,816	1,989,016
TOTAL ASSETS	3,115,075	3,031,362
EQUITY AND LIABILITIES		
EQUITY		
Share capital	873,700	873,700
Treasury shares	(14,499)	(14,499)
Reserves	61,474	63,225
Retained earnings	1,446,929	1,419,807
Equity attributable to owners of the Company	2,367,604	2,342,233
Non-controlling interests	158,504	157,976
TOTAL EQUITY	2,526,108	2,500,209
LIABILITIES		
Non-current liabilities		
Loans and borrowings	32,048	37,652
Lease liabilities	16,593	16,755
Deferred tax liabilities	15,469	15,504
Redeemable preference shares	128,963	128,622
Total non-current liabilities	193,073	198,533
Current liabilities		
Derivative financial liabilities	1,193	3,634
Trade payables	122,332	74,537
Contract liabilities	-	1,154
Other payables, deposits received and accruals	62,653	40,243
Loans and borrowings	202,283	205,309
Lease liabilities	6,895	7,334
Tax payable	538	409
Total current liabilities	395,894	332,620
TOTAL LIABILITIES	588,967	531,153
TOTAL EQUITY AND LIABILITIES	3,115,075	3,031,362
Net assets per share attributable to owners of the Company⁽⁷⁾ (RM)	3.57	3.53

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 2023 and the accompanying explanatory notes attached to the Interim Financial Statements.

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

UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2023

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
Financial period ended 31 December 2023									
As at 1 July 2023	873,700	4,936	(8,511)	66,800	(14,499)	1,419,807	2,342,233	157,976	2,500,209
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	-	-	-	-	-	-	-	(2,800)	(2,800)
Total transactions with owners	-	-	-	-	-	(16,575)	(16,575)	(2,800)	(19,375)
Total comprehensive income/(loss) for the financial period									
Profit for the financial period	-	-	-	-	-	43,697	43,697	3,328	47,025
Share of other comprehensive loss of investments accounted for using equity method, net of tax	-	-	-	(269)	-	-	(269)	-	(269)
Foreign currency translation of foreign operations, net of tax	-	-	-	(1,981)	-	-	(1,981)	-	(1,981)
Total comprehensive (loss)/income for the financial period	-	-	-	(2,250)	-	43,697	41,447	3,328	44,775
Post-acquisition reserves - associate companies	-	-	499	-	-	-	499	-	499
Balance at 31 December 2023	873,700	4,936	(8,012)	64,550	(14,499)	1,446,929	2,367,604	158,504	2,526,108

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

UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2023

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
Financial 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

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 2023 and the accompanying explanatory notes attached to the Interim Financial Statements.

INSAS BERHAD
Registration No. 19610100026 (4081-M)
(Incorporated in Malaysia)

UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2023

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Period ended 31/12/2023 RM'000	Period ended 31/12/2022 RM'000
Cash flows from operating activities		
Profit before tax	53,777	70,936
Adjustments for:-		
Non-cash items	(24,029)	(40,754)
Finance costs	10,338	9,223
Interest income	(19,883)	(11,941)
Operating profit before working capital changes	20,203	27,464
Changes in working capital:-		
Net changes in current assets	(35,168)	15,763
Net changes in current liabilities	51,993	9,366
Cash from operations	37,028	52,593
Interest paid	(9,939)	(10,103)
Interest received	19,883	11,941
Tax paid	(6,367)	(5,633)
Net cash from operating activities	40,605	48,798
Cash flows from investing activities		
Acquisition/Subscription of shares in associate companies	(14,050)	(5,010)
Capital repayment from an associate company	38	-
Subscription of shares in a jointly controlled entity	(100)	-
Purchase of property, plant and equipment	(916)	(2,292)
Purchase of financial assets at amortised cost	-	(48,381)
Purchase of financial assets at fair value through other comprehensive income	-	(1,647)
Purchase of intangible assets	(10)	(196)
Purchase of investment properties	(3,352)	(7,300)
Proceeds from disposal of investment properties	-	630
Proceeds from disposal of shares in associate companies	15,600	-
Proceeds from disposal of property, plant and equipment	318	3,720
Dividend received	26,877	30,042
Net cash from/(used in) investing activities	24,405	(30,434)
Cash flows from financing activities		
Increase in fixed deposits pledged	(2,282)	(103,592)
Decrease in cash and bank balances pledged	1,401	152,659
Net repayment of loans and borrowings	(9,360)	(20,016)
Dividend paid to non-controlling interests of a subsidiary company	(2,800)	(80)
Repayment of lease liabilities	(4,025)	(5,858)
Net cash (used in)/from financing activities	(17,066)	23,113
Net increase in cash and cash equivalents	47,944	41,477
Cash and cash equivalents at beginning of the financial period	812,075	681,929
Exchange differences	(781)	1,776
Cash and cash equivalents at end of the financial period	859,238	725,182
Cash and cash equivalents comprise of:-		
Bank overdrafts	(101)	(91)
Cash and bank balances	154,699	153,908
Deposits with licensed banks and financial institutions	940,928	752,423
	1,095,526	906,240
Less:		
Cash and bank balances pledged	(960)	(13,921)
Fixed deposits pledged	(235,328)	(167,137)
	859,238	725,182

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 2023 and the accompanying explanatory notes attached to the Interim Financial Statements.

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

UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2023 - 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 2023, 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 2023.

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 2023 except for the adoption of the following new Standard and amendments to Standards issued by the MASB that became effective and relevant to the Group for the financial year beginning on or after 1 July 2023:-

Effective for financial period beginning on or after 1 January 2023

MFRS 17 and 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 - 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
Amendments to MFRS 112	Income Taxes - International Tax Reform: Pillar Two Model Rules

The adoption of these relevant new Standard and amendments to Standards did not have any material financial impact to the financial statements of the Group.

A2. Changes in Accounting Policies (Cont'd)

The Group has not early adopted amendments to Standards that have been issued but are not yet effective for the accounting period beginning 1 July 2023, as follows:-

Effective for financial period beginning on or after 1 January 2024

Amendments to MFRS 16	Leases - Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Presentation of Financial Statements - Non-Current Liabilities with Covenants
Amendments to MFRS 101	Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current
Amendments to MFRS 107 and MFRS 7	Statement of Cash Flows and Financial Instruments: Disclosures - Supplier Finance Arrangements

Effective for financial period beginning on or after 1 January 2025

Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability
------------------------	--

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 amendments 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 2023.

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:-

i) Recognised in the Statements of Profit or Loss

	Individual Quarter		Cumulative Quarter	
	Quarter ended	Quarter ended	Period ended	Period ended
	31-Dec-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022
	RM'000	RM'000	RM'000	RM'000
Fair value gain on derivative financial instruments	1,109	1,903	2,441	1,989
(Loss)/Gain on fair value changes of financial assets at fair value through profit or loss	(1,081)	21,545	(2,330)	(5,171)
(Loss)/Gain on exchange differences				
- realised	(707)	3,407	(683)	4,616
- unrealised	1,797	(10,963)	537	(1,075)
Net gain on disposal of shares in associate companies	9,445	-	9,445	-
Net (loss)/gain on deemed disposal of equity interests in associate companies	(1,850)	733	1,168	5,710

ii) Unusual items affecting Assets in the Statements of Financial Position

The Group had accounted for its 30% equity interest in Duramitt Sdn. Bhd. ("Duramitt") as Investment in an associate company since financial year ended 30 June 2022.

As disclosed in Note A11(ii) of this Report, during the current financial quarter, the Group had completed the disposal of part of its equity shareholdings in Duramitt to a third party. At the same time, Duramitt allotted 2,951,663 new ordinary shares representing 31.5% of the enlarged ordinary share capital of Duramitt to the third party. Arising thereon, the Group's effective shareholding's in Duramitt had been diluted from 30% to 12.3% and Duramitt ceased to be an associate company of the Group and the Group's remaining investment in Duramitt is disclosed under financial assets at fair value through other comprehensive income in the Statements of Financial Position.

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 27 November 2023, 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 2023. 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 2023.

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 2023.

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 2023 to 30 June 2023, paid on 20 July 2023.

A9. Segment Information

The segment analysis on the Group's results for the financial period ended 31 December 2023 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 and distribution of consumer products and services, retail trading and car rental RM'000	Property investment and development RM'000	Eliminations RM'000	Consolidated Total RM'000
Revenue							
External revenue	38,285	43,715	708	9,274	5,823	-	97,805
Inter-segment revenue	108	1,085	17,867	(93)	140	(19,107)	-
Total segment revenue	38,393	44,800	18,575	9,181	5,963	(19,107)	97,805
Results							
Segment profit/(loss) from operations	22,017	2,392	5,504	(555)	137	(8)	29,487
Interest income	4,144	11,256	10,039	372	210	(6,138)	19,883
Finance costs	(5,471)	(8,386)	(237)	(1,424)	(966)	6,146	(10,338)
Exceptional item	-	-	3,885	-	(2,717)	-	1,168
Share of profits less losses of associate companies	-	(51)	23,768	796	(10,933)	-	13,580
Share of losses of jointly controlled entities	(3)	-	-	-	-	-	(3)
Profit/(Loss) before tax	20,687	5,211	42,959	(811)	(14,269)	-	53,777
Tax expense	(4,909)	(797)	(1,022)	(18)	(6)	-	(6,752)
Profit/(Loss) for the financial period	15,778	4,414	41,937	(829)	(14,275)	-	47,025
Attributable to:-							
Owners of the Company							43,697
Non-controlling interests							3,328
Segment assets	801,669	871,140	1,095,322	79,198	267,746	-	3,115,075
Segment liabilities	150,559	360,192	12,365	29,383	36,468	-	588,967

A9. Segment Information (Cont'd)

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

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 2023.

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 27 July 2023, M & A Digital Sdn. Bhd. ("MADSB") was incorporated as an indirect subsidiary of the Company with an issued and paid-up share capital of RM2 comprising of 2 ordinary shares. MADSB is 100% owned by M & A Equity Holdings Berhad ("M & A Equity"), a listed subsidiary of the Company. On 23 October 2023, MADSB allotted 1,999,998 new ordinary shares representing 99.9% of the enlarged share capital of MADSB to M & A Equity for a total cash consideration of RM1,999,998. Accordingly, the paid-up share capital of MADSB increased from RM2 to RM2,000,000.

The principal activities of MADSB are financing activities and other related services.

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 17 July 2023, Insas Technology Berhad (“ITB”), a wholly-owned subsidiary of the Company, had entered into a Share Sale and Subscription Agreement (“SSSA”) with Teow Yen Kim (“TYK”), Duramitt Sdn. Bhd. (“Duramitt”) and GHH Hong Kong Limited (“GHH”) wherein:-
 - (a) ITB and TYK agreed to dispose 774,812 and 1,807,894 ordinary shares in Duramitt to GHH at RM2.1 million and RM4.9 million respectively.
 - (b) Duramitt agreed to issue and allot to GHH and GHH agreed to subscribe 2,951,663 new ordinary shares for a total consideration of RM8 million.
 - (c) Duramitt agreed to issue and allot to GHH and GHH agreed to subscribe 5,000,000 Redeemable Preference Shares – Series A (“RPS-A”) for a total consideration of RM5 million.
 - (d) Duramitt agreed to issue and allot to ITB and ITB agreed to subscribe 15,000,000 RPS-A for a total consideration of RM15 million settled by way of set off against the redemption sum for the redemption of 15 million RPS issued by Duramitt to ITB on 11 November 2020.

The SSSA was completed on 18 October 2023. Arising thereon, ITB’s shareholding in Duramitt had been diluted to 12.3% and Duramitt ceased to be an associate company of the Group.

- (iii) On 19 October 2023, Clear Foods Pte. Ltd. (“CFPL”), a dormant 33.3% indirect owned associate company, had applied to the Accounting and Corporate Regulatory Authority of Singapore (“ACRA”) for the striking off of CFPL pursuant to Section 344A of the Singapore Companies Act. The application had been approved by ACRA and the name of CFPL have been struck off from the register and CFPL ceased to be associate company of the Group.

A12. Material Subsequent Events

There were no material events subsequent to the financial period ended 31 December 2023 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
<u>Unsecured:</u>				
Corporate guarantees extended to licensed banks and financial institutions for credit facilities granted to certain subsidiary companies	-	-	108,851	47,070

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

A14. Commitments

Material contractual commitments not provided for in the financial statements as at 31 December 2023 are as follows:-

	RM'000
To acquire property, plant and equipment	1,148
Investment commitments for new subsidiary in the financing related activities	1,925
Investment commitments in relation to financial assets at fair value through other comprehensive income	526

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 lower revenue of RM50.0 million and pre-tax profit of RM28.4 million in the current financial quarter (Q2/2024) as compared to revenue of RM57.4 million and pre-tax profit of RM51.1 million in the preceding year corresponding financial quarter (Q2/2023). The review of performance by divisions are as follows:-

Financial services and credit & leasing division

The unit reported higher revenue of RM18.9 million and pre-tax profit of RM9.4 million in the current financial quarter as compared to preceding year corresponding quarter of RM15.5 million and RM7.6 million respectively mainly due to higher corporate advisory fee income generated by the M & A Securities.

Investment holding and trading division

The investment unit reported lower revenue of RM25.5 million and pre-tax profit of RM4.3 million in Q2/2024 as compared to RM36.2 million and RM21.3 million respectively in Q2/2023 mainly due to lower trading activities and unrealised loss on fair value changes of financial assets at fair value through profit or loss in the current financial quarter.

Technology and IT-related manufacturing, trading and services division

There is no significant variance on revenue reported in Q2/2024 as compared to Q2/2023.

The Technology unit reported higher pre-tax profit of RM25.5 million in Q2/2024 as compared to RM21.1 million in Q2/2023 mainly due to net gain on disposal of shares in associate companies of RM9.4 million (Q2/2023: Nil) and offset by lower equity profit contribution from associate companies of RM12.9 million (Q2/2023: RM20.5 million) and foreign exchange gain of RM0.3 million (Q2/2023: foreign exchange loss of -RM1.3 million).

Comparison between current financial period against preceding year corresponding financial period

Group's summary

The Group reported lower revenue of RM97.8 million and pre-tax profit of RM53.8 million for the six months period ended 31 December 2023 as compared to revenue of RM119.6 million and pre-tax profit of RM70.9 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 higher revenue of RM38.3 million and pre-tax profit of RM20.7 million for the six months period ended 31 December 2023 as compared to the corresponding period in the preceding year of RM32.9 million and RM17.6 million respectively mainly due to higher corporate advisory fee income generated by the M & A Securities.

B1. Review of Performance (Cont'd)

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

Investment holding and trading division

The investment unit reported lower revenue of RM43.7 million for the six months period ended 31 December 2023 as compared to the corresponding period in preceding year of RM75.3 million mainly due to lower trading activities in the current financial period.

The investment unit reported higher pre-tax profit of RM5.2 million for the six months period ended 31 December 2023 as compared to the corresponding period in preceding year of RM4.5 million mainly due to lower unrealised loss on fair value changes of financial assets at fair value through profit or loss in the current financial period.

Technology and IT-related manufacturing, trading and services division

There is no significant variance on revenue reported for the six months period ended 31 December 2023 as compared to the corresponding period in preceding year.

The Technology unit reported lower pre-tax profit of RM43.0 million for the six months period ended 31 December 2023 (six months period ended 31 December 2022: RM47.9 million) mainly due to net gain on disposal of shares in associate companies of RM9.4 million and offset by lower equity profit contribution from associate companies of RM23.8 million and lower foreign exchange gain of RM0.1 million (six months period ended 31 December 2022: Nil, RM36.8 million and RM1.1 million respectively).

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-2023 RM'000	Immediate Preceding Quarter 30-Sep-2023 RM'000	Changes (%)
Revenue	50,002	47,803	5%
Profit from operations	17,953	11,534	56%
Profit before tax	28,378	25,399	12%
Profit after tax	25,464	21,561	18%
Profit attributable to owners of the Company	23,924	19,773	21%

The Group reported higher revenue of RM50.0 million in the current financial quarter as compared to RM47.8 million reported in the immediate preceding financial quarter, mainly due to higher trading activities by the investment unit in Q2/2024. The Group reported higher pre-tax profit of RM28.4 million in the current financial quarter as compared to RM25.4 million in Q1/2024 mainly due to net gain on disposal of shares in associate companies of RM9.4 million (Q1/2024: Nil) and offset by loss on deemed disposal of equity interests in associate companies of -RM1.9 million (Q1/2024: Net gain of RM3.0 million).

B3. Prospects for financial year ending 30 June 2024

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 economic landscape amid interest rate hikes and higher energy costs and 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 division is cautious but is expected to remain positive in FY 2024 whereas the corporate advisory division is expected to projected steady performance. The structured finance unit is expected to contribute positively to the Group's results in FY 2024.

Investment trading division

The investment unit's performance for the financial year ending 30 June 2024 is largely dependent on the global financial markets which are expected to remain volatile in FY 2024 due to the wars in Ukraine and Israel-Gaza, global inflationary pressures and the continued high interest rate environment.

Technology and IT-related manufacturing, trading and services division

Barring any negative development from the semiconductor market and tighter monetary policies in major economies, the Board expects the Technology unit to generate positive contribution to the Group in FY 2024 despite projected lower growth in the radio frequency and optoelectronics businesses of Inari Amertron Group in FY 2024.

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 2023 is as follows:-

	Individual Quarter ended 31-Dec-2023 RM'000	Quarter Quarter ended 31-Dec-2022 RM'000	Cumulative Period ended 31-Dec-2023 RM'000	Quarter Period ended 31-Dec-2022 RM'000
<u>Income tax:-</u>				
Provision for current financial quarter/period				
- Malaysian income tax	2,852	3,326	6,557	6,620
- Overseas income tax	74	14	232	148
Overprovision in preceding financial quarter/period				
- Overseas income tax	-	(14)	-	(14)
<u>Deferred tax:-</u>				
Transfer (to)/from deferred taxation	(12)	22	(37)	8
	<u>2,914</u>	<u>3,348</u>	<u>6,752</u>	<u>6,762</u>

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-2023 RM'000	Quarter Quarter ended 31-Dec-2022 RM'000	Cumulative Period ended 31-Dec-2023 RM'000	Quarter Period ended 31-Dec-2022 RM'000
Profit before tax	<u>28,378</u>	<u>51,131</u>	<u>53,777</u>	<u>70,936</u>
Income tax at Malaysian statutory tax rate of 24%	6,810	12,272	12,906	17,025
<u>Tax effects in respect of:-</u>				
Non-allowable expenses	738	(78)	2,622	4,177
Income not subject to tax	(4,759)	(8,487)	(9,160)	(14,402)
Effect of different tax rates in other countries	(147)	(301)	(126)	(88)
Overseas tax paid on dividend income	74	77	232	211
Utilisation of previously unrecognised deferred tax assets	(2)	7	(3)	(148)
Deferred tax not recognised in the financial statements	200	(128)	281	1
Tax expense for the financial quarter/period	<u>2,914</u>	<u>3,362</u>	<u>6,752</u>	<u>6,776</u>
Overprovision for tax expense in preceding financial quarter/period	-	(14)	-	(14)
	<u>2,914</u>	<u>3,348</u>	<u>6,752</u>	<u>6,762</u>

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.

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 2023

	As at 31 December 2023					
	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	-	-	-	101	-	101
Term loans						
- RM	-	32,048	-	3,586	-	35,634
- SGD	-	-	15,266	53,163	15,266	53,163
- GBP	-	-	853	4,984	853	4,984
- EUR	-	-	2,397	12,200	2,397	12,200
Revolving credit facilities	-	-	-	128,030	-	128,030
Margin financing facility	-	-	-	219	-	219
Total loans and borrowings	-	32,048	-	202,283	-	234,331

	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

B8. Group Borrowings and Debt Securities as at 31 December 2023 (Cont'd)

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

	Interest Rate (%)	
	As at 31.12.2023	As at 31.12.2022
Secured		
Bank overdrafts	7.39%-8.14%	6.89%-8.40%
Term loans	4.18%-6.84%	0.78%-6.25%
Revolving credit facilities	4.62%-5.81%	3.64%-5.30%
Margin financing facility	5.67%-6.67%	5.67%-6.42%

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	17,154
Accumulated RPS dividends paid/payable	<u>(14,300)</u>
RPS issued by the Company – liability component, disclosed as per MFRS requirements	<u>128,963</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 22 November 2023 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 2024.

The interim dividend totalling RM16,575,490 was paid on 17 January 2024.

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-2023	Quarter ended 31-Dec-2022	Period ended 31-Dec-2023	Period ended 31-Dec-2022
Net profit attributable to owners of the Company for the financial quarter and financial period (RM'000)	23,924	47,748	43,697	64,363
Weighted average number of ordinary shares in issue, after accounting for the effect of shares bought back ('000)	663,021	663,021	663,021	663,021
Basic earnings per share (Sen)	3.61	7.20	6.59	9.71

(b) Diluted earnings per share

For the current financial quarter and financial period, there is no potential conversion of the outstanding Warrants of the Company into ordinary shares and this has an anti-dilutive effect on the basic earnings per ordinary share. As such, the diluted earnings per ordinary share is equivalent to the basic earnings per ordinary share which is in accordance to MFRS 133 Earnings per Share.

B12. Derivative Financial Liabilities

Details of derivative financial liabilities as at 31 December 2023 are set out below:-

Type of Derivatives	Contract/ Notional value RM'000	Fair value RM'000
<u>Currency Forward Contract and Options</u>		
- Less than 1 year	238	22
<u>Other equity related contracts</u>		
- Less than 1 year	20,906	(1,215)
	21,144	(1,193)

There is no significant changes in respect of the following since the end of the preceding financial year ended 30 June 2023:-

- 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 RM1.1 million in the current financial quarter and RM2.4 million for the financial period ended 31 December 2023 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.