



**INSAS BERHAD**

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

**KEY MATTERS DISCUSSED AT THE 58<sup>TH</sup> Annual General Meeting**

Summary of key matters discussed at the Fifty-Eighth (58<sup>th</sup>) Annual General Meeting of Insas Berhad (“INSAS” or “the Company”) conducted on a fully virtual basis through live streaming and online remote voting from the broadcast venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur on Wednesday, 23 December 2020 at 11.00 a.m.

No.	Key questions raised and matters discussed	The Company’s responses
1.	What is the strategy, what is the opportunity, where and when INSAS plan to invest, acquire, buy or distribute its cash sitting in bank deposits to grow the company or create economic growth/activity.	<p>Insas remains focused on its existing key business segments, ie: stock broking &amp; corporate finance, investment holding and trading and technology segments. The Board will exercise prudent and conservative management to retain adequate cash reserves to weather through this extremely difficult, uncertain and challenging economic environment caused by the global Covid-19 pandemic, and also to have sufficient cash reserves to invest in any new, good and viable investment opportunities that may come along during this economic crisis.</p> <p>One such investment opportunity is the proposed RM40 million investment by Insas Group and its 25.5% owned associate company, Diversified Gateway Solutions Berhad (“<b>DGSB</b>”) to jointly acquire 50.1% equity interest in Duramitt Sdn Bhd (“<b>Duramitt</b>”), a private company presently involved in the manufacturing and sale of industrial and specialised gloves, and the new cash injection will allow Duramitt to construct 2 single former examination glove lines and 2 double former examination glove lines. The single former glove lines are expected to be installed and commissioned in January 2021 and the double former gloves lines in May 2021. Upon completion, the production capacity is expected to be in excess of 600 million examination gloves per annum.</p> <p>Our Board believes that the prudent and conservative cash management at this economic climate is in the best interest of our Company and our shareholders for the long term sustainable growth and prospect of our Group.</p>

No.	Key questions raised and matters discussed	The Company's responses
2.	<p>Insas is an investor owning 49.6% share in Numoni. Numoni is in the process of disposing a major subsidiary and upon completion, Numoni intends to wind down gradually and return surplus funds to its shareholders. INSAS continues to see Fintech as an important sector to invest into for the future. Most likely, Insas or a related company will acquire the remaining of Numoni's IT related assets to position for the next Fintech wave. Any update on the progress of the above?</p>	<p>Numoni has completed the disposal of its major subsidiary in July 2020 and has become a cash company with remaining intangible fintech software assets. The other shareholders of Numoni have agreed to sell their shares to Insas Technology at a slight premium to net tangible assets value. In the short term, the several remaining Numoni employees have been/will be transferred to other operating units within the Insas Group and the software assets will be useful to the Group companies where relevant to keep updated with the fintech parts of their on-line operations.</p>
3.	<p>DGSB is carrying out a rationalization exercise which includes the disposal of a substantial subsidiary in Thailand and has started investment in food technology based businesses in Malaysia.</p> <p>What is the investment sum, revenue and profit of DGSB's food technology based businesses?</p>	<p>DGSB invested RM1.75 million to own 70% of QBI Packaging Sdn Bhd in June 2019. DGSB further allocated RM10 million to expand the food technology and packaging business. Plans for new businesses included a new sweetened creamer line were originally expected to take off beginning July - Sep 2020 but this has been delayed by two quarters to 2021 due to the Covid-19 pandemic in Malaysia and Europe (where the equipment manufacturers are based). The food technology unit's revenues for FY2020 were all derived from their existing packaging business at RM4.57 million with a PAT of RM161k.</p>
4.	<p>Winfields Development Sdn Bhd: Principal activities: Investment holding and rental of properties</p> <p>Winfields Development Pte Ltd*: Principal activities: Investment holding in properties and trading of securities and other financial instruments.</p> <p>Any particular reason/advantage why INSAS entrusted the 40% associate company Winfields Development to carry out Investment holding in properties and trading of securities and other financial instruments when INSAS has many wholly-owned subsidiary companies doing the same principal activities?</p> <p>Example: Insas Plaza Sdn Bhd, Insas Technology Berhad, Montego Assets Limited and etc</p>	<p>Winfields Development is primarily involved in the investment of overseas properties and listed equities and has over RM100mil market value of assets invested. The investments in properties and listed equities are handled by experienced management of Winfields Development with advices from professional financial advisers.</p> <p>The 40% equity investment in Winfields Development is an opportunity to expand its investment holding and trading activities in overseas markets, whilst mitigating the market risk associated with investing offshore.</p>

No.	Key questions raised and matters discussed	The Company's responses																
5.	<p>Auditor please explain how you do financial account verification and reconcile or incorporate financial result of 40% associate company Winfields Development Pte Ltd, a company not audited by Grant Thornton Malaysia PLT into INSAS financial result?</p>	<p>Grant Thornton Malaysia PLT ("GTM") who act as Group auditors for Insas Berhad has communicated clearly with the auditors of Winfields Development Pte Ltd (Winfield's auditors) about the scope and timing of their works on the financial information and their findings. GTM sent out the Group audit instructions to Winfield's auditors to obtain sufficient appropriate audit evidence to ensure their works on the financial information meet the requirements of International Standards on Auditing ("ISA") 220. With the reply and sufficient appropriate audit evidence obtained, the incorporated financial results of 40% of Winfields Development Pte Ltd was based on the audited figures that were audited by Winfield's auditors.</p>																
6.	<p>Page 9 of Annual Report ("AR") 2020: As of 30 June 2020, the Group's investments in listed equities are primarily in the properties and REITS, e-commerce, logistics, consumer products and financial services sectors in both local and overseas stock exchanges.</p> <p>From IGB REITS, Omesti Berhad and SYF Resources Berhad Annual report. INSAS holding in:</p> <table border="1" data-bbox="241 948 987 1235"> <thead> <tr> <th>Name of companies</th> <th>Units hold</th> <th>Share price as at 28/06/2019</th> <th>Share price as at 30/06/2020</th> </tr> </thead> <tbody> <tr> <td>Omesti Berhad</td> <td>52,159,500</td> <td>RM0.405</td> <td>RM0.52</td> </tr> <tr> <td>SYF Resources Berhad</td> <td>50,015,200</td> <td>RM0.21</td> <td>RM0.13</td> </tr> <tr> <td>IGB REITS</td> <td>10,000,000</td> <td>RM1.91</td> <td>RM1.79</td> </tr> </tbody> </table> <p>Can the Board confirm on FYR 30/6/2020 INSAS still holds the same?</p>	Name of companies	Units hold	Share price as at 28/06/2019	Share price as at 30/06/2020	Omesti Berhad	52,159,500	RM0.405	RM0.52	SYF Resources Berhad	50,015,200	RM0.21	RM0.13	IGB REITS	10,000,000	RM1.91	RM1.79	<ol style="list-style-type: none"> <li>1. Yes, the Group still hold the Omesti shares</li> <li>2. Yes, the Group still hold the SYF shares; and</li> <li>3. No, the Group has disposed off partial of the IGB Reit</li> </ol>
Name of companies	Units hold	Share price as at 28/06/2019	Share price as at 30/06/2020															
Omesti Berhad	52,159,500	RM0.405	RM0.52															
SYF Resources Berhad	50,015,200	RM0.21	RM0.13															
IGB REITS	10,000,000	RM1.91	RM1.79															

No.	Key questions raised and matters discussed	The Company's responses						
7.	<table border="1" data-bbox="248 236 987 400"> <thead> <tr> <th data-bbox="248 236 528 300">Name of company</th> <th data-bbox="528 236 741 300">Share price as at 28/06/2019</th> <th data-bbox="741 236 987 300">Share price as at 30/06/2020</th> </tr> </thead> <tbody> <tr> <td data-bbox="248 300 528 400">Oversea-Chinese Banking Corporation Ltd</td> <td data-bbox="528 300 741 400">SGD11.40</td> <td data-bbox="741 300 987 400">SGD9.00</td> </tr> </tbody> </table> <p data-bbox="248 435 987 528">Can the Board confirm the units of Oversea-Chinese Banking Corporation Limited shares INSAS hold on 28/6/2019 and on 30/6/2020?</p>	Name of company	Share price as at 28/06/2019	Share price as at 30/06/2020	Oversea-Chinese Banking Corporation Ltd	SGD11.40	SGD9.00	<p data-bbox="1021 236 2051 300">Due to confidentiality and sensitivity issue, the Board is not able to provide the information.</p>
Name of company	Share price as at 28/06/2019	Share price as at 30/06/2020						
Oversea-Chinese Banking Corporation Ltd	SGD11.40	SGD9.00						
8.	<p data-bbox="248 598 987 662">What are the listed equities in e-commerce, logistics, consumer products that INSAS invested in?</p>	<p data-bbox="1021 598 2051 662">The Group's investment strategies encompass stringent asset allocation and diversification to manage risk of the portfolio investments of the Group.</p> <p data-bbox="1021 697 2051 790">The full details of quoted securities are not required to be disclosed in the annual reports under the Listing Requirements, Companies Act or Malaysian Financial Reporting Standards.</p> <p data-bbox="1021 825 1883 857">Due to confidentiality, the Board is not able to provide the information.</p>						
9.	<p data-bbox="248 978 987 1297">If INSAS intends to invest more aggressively in listed equity may I suggest perhaps the Board can consider engaging independent researcher Johnathan Choi of Choivo-Capital <a href="https://choivocapital.com/category/stock-research/">https://choivocapital.com/category/stock-research/</a> to do the initial data collecting and research? Johnathan Choi is a very resourceful (WhatsApp group with many IB analysts), keen and fast reader hence with proper guidance he should be able to pick many winners (listed equity in both local and overseas stock exchanges) for INSAS investment holding &amp; trading division.</p>	<p data-bbox="1021 978 1653 1010">The Board has taken note of the above suggestion.</p>						

No.	Key questions raised and matters discussed	The Company's responses
10.	Moneylending subsidiary company Insas Credit & Leasing Sdn Bhd: Any reason why Loan 5: Term loan 20 million no security provided?	<p>Insas Credit &amp; Leasing Sdn Bhd is licensed under the Moneylenders Act, 1951 ("The Act"). The unsecured loan provided to a subsidiary of a public company listed on Bursa and is in compliance to The Act.</p> <p>The unsecured loan of RM20 million has been fully settled in 2Q FY2021.</p>
11.	Any plans to dispose the broking arm?	There is no plan to dispose the broking arm at the moment.
12.	Impact of Covid-19 on business?	<p>The Covid-19 pandemic has adversely affected the global and local economy, as well as the financial and equity markets. The impacts on the Group are mixed as some divisions performed reasonably well during the crisis but some divisions were badly affected.</p> <p>The stock broking division performed reasonably well mainly due to higher volume of share trading by the retail investors, fuelled by the strong financial and share performance of the rubber glove and the technology sectors, and this trend has continued in the 1<sup>st</sup> half of FY2021.</p> <p>The structured finance business remains stable with loan portfolios in excess of RM250 million and this provided a stable source of interest income to the Group. All loan portfolios are collateralised and we remain prudent and conservative in evaluating potential new loan book amid the Covid-19 pandemic.</p> <p>The Outsourced Semiconductor Assemble &amp; Test (OSAT) particularly the Radio Frequency (RF) business continued to demonstrate resilience and the demand for the RF products and content in smartphones is expected to continue in the FY2021. Inari has adhered strictly to government health guidelines and exercise strict SOPs to ensure the safety of the employees from the Covid-19 pandemic.</p> <p>The investment holding and trading division was badly affected in FY 2020 due to unrealised marked to market of marketable securities but the financial and equity markets have since recovered significantly after 30 June 2020.</p>

No.	Key questions raised and matters discussed	The Company's responses
		<p>The retail trading and car rental businesses especially transient hire have been badly affected due to locked down and movement restrictions that reduce consumer spending and inbound tourist arrivals.</p>
13.	<p>What is the Strategy for coming 12 months?</p>	<p>The Group remains focused on its existing key business segments but is always on the lookout for any good and viable investment opportunities that may come along during this economic crisis.</p> <p>The Group remains resilient supported by its quality asset base, strong financial fundamentals and prudent cash and financial management.</p>
14.	<p>When will the Board formulate a dividend policy?</p>	<p>The Board will continue to give careful attention to evaluate with a view to formulate a dividend policy which will provide sustainable returns to shareholders for their continuous support after taking into consideration various factors such as earnings, available cash, bank debts, working capital requirements, growth and potential investment opportunities. Under the current economic climate caused by the uncertain Covid-19 pandemic, the Board will exercise prudent and conservative cash management for the long term sustainable growth and in the best interest of the Company and the shareholders.</p>
15.	<p>Any plans to pay higher dividends to Insas shareholders due to the Group's high available cash &amp; bank balances, to reward us loyal shareholders.</p>	<p>The Board had on 24 November 2020 declared an interim dividend of 2.0 sen per share, totalling RM13.3 million and this represents a dividend pay-out ratio of 88.7% based on the profit after tax of the Group for the FY 2020. The dividend pay-out ratio of 88.7% is high especially under the current difficult and uncertain market conditions.</p> <p>The Board will assess the dividend rate in the FY 2021.</p>

No.	Key questions raised and matters discussed	The Company's responses
16.	How has Covid-19 affected M&A Securities's business (broking & corporate finance advisory).	Despite the current challenging environment, the stockbroking unit has performed above expectation in the FY 2021 due to the current strong retail trading on Bursa Malaysia, and the corporate finance department has received many mandates for IPO, fund raising and other corporate exercises.
17.	<p>As mentioned in the MD&amp;A Pg 13 of AR2020, car rental business is one of the hardest hit due to the Covid-19 pandemic.</p> <p>Will the Group be expanding its car rental business?</p>	<p>The transient car rental business has been badly affected by the Covid-19 crisis due to the reduction of inbound tourist arrivals, locked down and restricted movement controls. The Group has downsized the fleet in order to improve the fleet utilisation ratio.</p> <p>The Group has ventured into last-mile delivery / logistics, and some of the under-utilised fleet cars have been deployed for this new business.</p>
18.	What is the car rental division's fleet size and utilisation rates in FY2020 and current.?	The current feet size is 504 cars, slightly down from 542 cars as at 30 June 2020.
19.	The Group's marketable securities has decreased drastically from RM234m on 30.6.2019 to RM155m on 30.6.2020. What is the decrease made up of ?	There is a net disposal of +/- RM40 mil shares and an unrealised marked to market losses of RM42 mil during the FY 2020 due to the depressed equity market caused by the Covid-19 pandemic.
20.	Will the Board consider to give out e-vouchers or coffee cards to shareholders for attending the AGM?	The meeting is being conducted on a fully virtual basis. As stated in the Notification letter of the 58 <sup>th</sup> AGM sent to shareholders on 30 October 2020, there will be no distribution of door gifts or food vouchers for this virtual AGM.
21.	Page 8 of AR 2020 quote : As a result of unfavourable factors the investment holding segment suffered pre-tax losses of RM49.2 million due to marked to market losses. If make reference to the latest 1 <sup>st</sup> quarter 30 September 2020 results, I did not see any major development on this huge RM49.2 million impairment. Please explain to us how much is this RM49.2 million impairment has been reversed in 1 <sup>st</sup> quarter 30 September 2020?	In September 2020, the marked to market gain on marketable securities is RM0.5 million, an improvement by RM0.5 million from June 2020. As at current date, the marked to market gain has recovered by another RM4.0 million.

No.	Key questions raised and matters discussed	The Company's responses
22.	<p>The segmental information (page 161-162 of AR) showed Segment Assets of RM202.301 million under Property Investment and Development. Despite a high value of segment assets, the revenue for this segment is very low at RM3.411 million in FY 2020 (FY2019:RM2.27 million). Why are the Revenue so low despite high value recorded in balance sheet. What is the nature of the RM10.507 million profit recorded for FY2020?</p>	<p>The high asset position is due to investment properties of RM76 million which generated the net income of RM3.4 million. Another RM62 million is equity share of the net assets of Ho Hup carrying amount. Included in RM10.507 million profit is equity profit contribution from Ho Hup of RM8.5 million.</p>
23.	<p>Page 125 of AR Note 11 Associate others, the carrying cost is RM 20.8 million but our share of profit is RM3.5 million. Can you please brief us this good profit is achieved?</p> <p>Page 134 of AR note 16 property development cost of RM10.9 million, can you please brief us why so negligible progress of only RM194K and what is this project and its status?</p> <p>Page 135 of AR note 19 finance assets at fair value, Malaysia RM46.3 million, Overseas RM108.9 million. Please give us a breakdown of the top 5 of the above investment.</p>	<p>The profit from other associates of RM3.5 million derived mainly from equity accounting of Numoni after disposal of its e-wallet company.</p> <p>There is no major activity yet on property development. RM194K are expenses that are capitalized.</p> <p>Detailed information on marketable securities are considered confidential in nature and cannot be disclosed publicly.</p>
24.	<p>The group reported a loss of RM10.133 million for FY2020 from Winfields Development Sdn Bhd (WDSB) compared to profit of RM2.036 million in FY 2019.</p> <p>What is the reason for this loss?</p> <p>What are the principal projects of this Company and will the Company be contributing positively in FY2021?</p>	<p>Loss in FY 2020 mainly due to marked to market losses on marketable securities.</p> <p>Principal activity of WDSB is investment in properties and share trading. Barring unforeseen circumstances, the market is expected to recover in FY 2021.</p>



No.	Key questions raised and matters discussed	The Company's responses
25.	<p>As at FY 2020, Insas has deposit and cash total of RM672 million and loan borrowing of RM343 million. However, Insas received RM11.4 million of interest income and pay RM14 million of interest expense. It doesn't make sense for Insas to pledge RM300 million cash inside the bank just to secure credit facilities of RM300 million. We lost in financial cost.</p>	<p>The interest income of RM11.4 million and interest expense of RM14 million are disclosed in the profit and loss account. There is an interest income of RM37 million recognized under the revenue section. If we combine the FD interest and interest income from money lending and margin financing, the total interest earned by the Group is close to RM50 million.</p>
26.	<p>Refer to Hexza 2019 50<sup>th</sup> AGM minutes : in respect to the investment in foreign equity, the Company has invested in stocks such as Apple Inc., Facebook Inc., Alibaba Group Holding Ltd, Nvidia etc.</p> <p>The Board of Hexza shared the information on company's investment in foreign equity with shareholders at AGM. Shouldn't the Board of Insas do the same for good corporate governance and transparency?</p>	<p>There is no requirement to disclose Company's investment in equities unless our investment is more than 5% of our shareholders' funds or if we hold more than 5% of the equity of the listed company.</p> <p>Some of the investment information is confidential and we are not permitted to disclose such information.</p>
27.	<p>Page 10 of AR 2020 - Technology unit</p> <p>Sengenics has been evaluated by top pharma and biotech. Can you give us an update on the latest development, what are the value creation of Sengenics and how much is our cost in this investment?</p>	<p>We have sold Sengenics in October 2020 for a very good price. The profit from the disposal will be reported in 2<sup>nd</sup> quarter result ending 31 December 2020.</p>
28.	<p>Diversified Gateway Solutions Berhad (DGSB) looks like it's not performing for a long time even after the recent share consolidation. Is there any effect to your Company?</p>	<p>DGSB's business is primarily in the telco and media infrastructure business and these sectors have been affected by the political changes and Covid-19 pandemic in the last 2 years which resulted in delays in project implementation and rollouts.</p> <p>DGSB has a net cash position as at 30 June 2020 and the financial impacts on the Group's results is not significant.</p>