APPENDIX A

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

Key Matters Discussed at the Extraordinary General Meeting of Insas Berhad held on 23 February 2023

No.	**Questions raised by shareholders/proxy**	**The Company's responses**
1.	Refer : Insas 2022 annual report page : 134 SUBSIDIARY COMPANIES Redeemable convertible preference shares (Note 10(d)) RM 483,600,000 Refer : M&A Securities Sdn Bhd Equity: Share capital RM100,000,000 Redeemable convertible preference shares RM60,000,000 **Question** Is M&A Securities Sdn Bhd RM60,000,000 redeemable convertible preference share totally held by Insas? **Question** The Insas 2022 annual report SUBSIDIARY COMPANIES redeemable convertible preference shares (Note 10(d)) RM483,600,000. Please list down the rest of the redeemable convertible preference shares which were allotted from which subsidiary and the salient terms of each redeemable convertible preference shares?	Yes, the RM60 million RCPS is 100% held by Insas. This RCPS constitutes part of the total shares in M&A Securities (100 million ordinary shares and 60 million RCPS) to be disposed by Insas to SYF for a total disposal consideration of RM222 million, which will be settled by SYF via the issuance of 1,009,090,909 new SYF shares as full settlement of the disposal consideration. The RM483.6 million RCPS (including RM60 million issued by M&A Securities) are issued by various operating subsidiaries of Insas to finance their working capital. These RCPS are issued by the subsidiary companies in full compliance with the Companies Act 2016 and other statutory regulations. Due to confidentiality, the Board is of the view that it is not appropriate to provide detailed names of each of the subsidiary companies and the salient terms, but we can confirm that these subsidiaries are mostly wholly owned by

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		Insas, the board of directors are nominated by Insas, and the key salient terms of the RCPS include the rights of Insas as RCPS holder to convert the RCPS into ordinary shares at any time and the issuers of the RCPS (the subsidiaries) have the option to redeem the RCPS at any time depending on their cashflow position.
2.	Refer key matters discussed on dividend : <u>59th Insas AGM 2021</u> The Board will review and evaluate the financial performance, the availability of free cash and funding commitments of the Company and the global economic outlooks for the next 1 – 2 quarters before deciding any additional dividend that may be proposed and declared by the Company <u>60th Insas AGM 2022</u> The Board has been prudent and conservative in maintaining cash reserves. The key businesses of Insas are stockbroking, structured financing and money lending where the revenue and earnings are volatile, the Group needs to maintain sufficient cash reserves to meet funding requirements and invest in any good investment opportunities that may come along. The key businesses of Insas are stockbroking, corporate finance and structured financing which are performance driven. We hire people who are high achievers and the remuneration of the directors and key management staff of subsidiaries are linked to the financial performance of the respective subsidiary companies and are market driven. The proposed dividend of 2.5 sen represents approximately 3.2% dividend yield based on the current market price. The Board will review and evaluate the financial performance, the availability of free cash and	

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	funding commitments of the Company and the global economic outlooks for the FY 30 June 2023 and review the dividend payment rate. <u>On disposal of M&A Securities</u> The proposed disposal of M&A which is essentially a backdoor listing of M&A via SYF will enable M&A to raise its corporate profile, its future equity and debt funding requirements through the financial and capital market independently from Insas Group, expand its customer base, attract new employees from the financial services industry, and to motivate and retain existing key management staff of M&A. Post completion, we envisage improvement in the financial performance of the combined SYF/M&A group. Currently, the Board has no plans to declare special dividend after the proposed disposal as post completion of the RTO,	
	<u>Question</u> I can understand previously Insas need to support working capital for M&A broking business and keep sufficient cash reserves for M&A provision of share margin financing facilities, corporate finance and structured financing corporate advisory services such as initial public offering, acquisitions and disposals, take-overs, capital fund raising exercise, transfer of listing, general corporate finance advisory as well as placement and underwriting services. Post backdoor listing of M&A via SYF will enable M&A to raise its corporate profile, its future equity and debt funding requirements through the financial and capital market independently from Insas Group. Hence post RTO Insas should have more than enough free cash to reward shareholders with better dividends.	The Board takes note of your appeal and will seriously evaluate and consider the payment of interim dividend in this financial year ending 30 June 2023 after taking into consideration various factors including the general market conditions, the financial performance and financial position of Insas Group. The Board wishes to highlight that the RM222 million M&A Securities' disposal consideration is "non-cash in nature" and will be settled by SYF via the issuance of 1,009,090,909 new SYF shares, and accordingly, it is not appropriate for Insas to declare a special dividend to its shareholders arising from the RTO exercise.

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	I henceforth sincerely appeal to the Board: Will the Board please kindly reconsider and declare a special dividend after the proposed disposal as post completion of the RTO?	
3.	Dear BOD - Kindly give us some e-vouchers, food vouchers or e-wallet (no discount vouchers please) for being loyal shareholders and attending this meeting. Times are bad now. Please be considerate to us shareholders during these trying times. TQ	The meeting is being conducted on a virtual basis and as advised in our Administrative Guide for the EGM published on Bursa website on 7 February 2023, there will be no distribution of door gifts or food vouchers for this virtual EGM.
4.	CHAIRMAN, CEO Two of you are still hiding behind the video camera by holding virtual meeting. Two of you still do not have the courage to face the shareholders. By holding virtual meeting, you do not or selectively answer shareholders question. Two of you are good for nothing. Thousands of Chinese tourists have flocked to Malaysia.	The conduct of the EGM on a virtual basis is in full compliance with the rules and guidelines issued by Bursa Securities and the Malaysian Code on Corporate Governance 2021 (“MCCG”). The Board has appointed Tricor, the leading corporate secretary services and virtual general meetings provider in Malaysia for the conduct of the EGM and Tricor has in place the required infrastructure and tools to support a smooth broadcast of the EGM and interactive participation by shareholders, and all questions posed by shareholders will be made visible to all shareholders and meeting participants during the meeting itself. The Board wishes to highlight that MCCG encourages listed companies to leverage technology to facilitate greater shareholders’ participation and enhance the proceedings of general meetings. The Chairman and the Board will ensure that the conduct of this virtual EGM will be transparent and supports meaningful engagement between the board members and shareholders.
5.	I humbly request BOD to give eWallet or eVoucher to attendees as a gesture of goodwill for this special event.	Please refer to answer for question No.3.
6.	The M&A Securities proposal : 1) Cash inflow of RM55m to Insas from repayment of interco loan. 2) After subscribe for rights issue of RM5m, net effects still positive RM50m	The RM222 million Proposed M&A Disposal consideration is “non-cash in nature” and will be fully satisfied by SYF through the issuance of new SYF shares resulting in Insas becoming a majority shareholder with 67.1% equity shareholding, which will be diluted to 53.7% after the Proposed Restricted Issue and Proposed Rights Issue of shares by SYF. Accordingly, it is not appropriate

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	Based on the above positive effects, have the management consider any reward to existing shareholders in the form of dividend? If not, why not ?	for Insas to declare any dividend to shareholders arising from this RTO exercise. The inter-company loan comprises mostly RM50.2 million related party loan extended by Insas Technology Berhad to M&A Securities to finance its working capital and this related party loan bears interest at 6% p.a.. Upon receipt of payment from M&A Securities, the fund will be redeployed by Insas Group for working capital purposes and/or placed in fixed deposits and other fixed income capital instruments.
7.	1) After the M&A Securities approval today, will 2023 be a better year than 2022 or be worse for the Insas group. 2) After today's EGM, will there be more M&A or asset disposals for 2023?	1) Insas recorded profit after tax of RM217 million for FY2022 but the bulk of the PAT was derived from MFRS accounting for "gain on deemed disposal of equity interest in an associate company" amounting to RM131 million, which is non-cash in nature and this MFRS accounting gain arose from the private placement of shares by Inari Amertron Berhad in July 2021, which resulted in an increase in the net assets ("NA") of Inari by about RM1 billion. Insas' share of increase in NA is treated as a "gain on deemed disposal" which is recognized in the income statement. If we exclude this major non-cash item, the PAT for FY 2022 is only RM80+ million. The performance of Insas Group is dependent largely on general market sentiments and global economy. Barring any negative sentiments in the remaining quarters of FY2023, the Board expects the Group to perform satisfactorily in the FY2023. 2) At this juncture, there is no further M&A exercises or material disposal of assets in the pipeline.
8.	Why insas has taken a longer and more costly route of listing M&A through a backdoor listing, instead of direct listing, since M&A already qualify to be listed on its own? Please explain rationale and the benefit of backdoor listing vs direct listing.	Insas, currently owns 8.8% equity interest in SYF, has taken into consideration the relatively clean financial balance sheet of SYF after its intended disposal of the rubberwood furniture business and the disposal of 2 parcels of vacant development land, and the Proposed RTO of SYF via the injection of M&A Securities was supposed to be a quick and straight forward exercise which will benefit both Insas and SYF shareholders, as compared to a direct listing of the M&A Group on Bursa Securities.

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		Barring unforeseen circumstances, the Proposed M&A Disposal is expected to be completed in end of March or early April 2023.
9.	Disposal of M&A 100% to SYF will result in Insas reducing its overall effective interest to 63% from 100%, surely as a good businessman, this type of transaction will result in positive gain for Insas? Why there is no gain from deemed disposal of M&A? Surely Insas existing holdings of SYF shares, will have a mark to market gain, how come even this existing holdings, there is no gain? How the BOD can justify this no advantage transaction, when the equity interest of M&A had been reduced by 47%?	The Proposed M&A Disposal will result in a one-off gain on disposal of RM46 million, which will be recognised in the income statement at the Company level. However, at the Insas Group level, the gain on deemed disposal of M&A Securities amounting to RM13.9 million cannot be recognized in the income statement as pursuant to the MFRS accounting standards, the "gain on deemed disposal" must be recognised directly to equity (ie retained earnings) of the Group as M&A Securities will remain as a subsidiary of Insas after the completion of the Proposed RTO exercise. The existing holding of SYF shares are marked-to-market on the quarterly basis and any gain or loss arising from the marked-to-market has been consistently taken up in the income statement of Insas Group, but this marked-to-market practice will stop once SYF becomes a subsidiary of Insas. Thereafter, Insas will account the investment in SYF at cost in accordance with the MFRS accounting standards. The rationale for the RTO exercise is to unlock the value of Insas' investment in M&A Securities by monetizing and securitizing the shares in M&A Securities via SYF. This will enable M&A Securities as a separate listed entity under SYF: (a) to raise its future funding requirement through the capital market independently from Insas; (b) expand its customer base; and (c) attract, retain and reward talented employees from the financial services industry.

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10.	Repayment of the inter-co loan of RM52m @ interest rate of 6% pa, will result in Insas losing interest chargeable of RM3.12m pa. In addition, Insas will lose 37% equity earnings potential from M&A when we consolidate the new listed M&A? Please explain to us how management going to make up for the loss of interest charge by Insas and lower equity earnings of 67% through this deemed disposal?	Please refer to answer for question No.6. Upon completion of the RTO exercise, Insas' indirect equity interest in M&A Securities will be diluted to 53.7%. However, M&A Securities as a separate listed entity will be able (a) to raise its future funding requirement through the capital market independently from Insas; (b) expand its customer base; and (c) attract, retain and reward talented employees from the financial services industry to further grow and expand the M&A core businesses. Pursuant to this RTO exercise, SYF will raise RM97 million from the Proposed Rights Issue and Proposed Restricted Issue which will strengthen the financial position of M&A Securities, and we are cautiously optimistic that M&A Securities will grow and expand further its core businesses and its financial performance moving forward. M&A Securities will continue to focus on financial services industry, and intend to expand and strengthen its corporate finance, stockbroking and margin financing businesses. Its future plans include potential investment in asset management businesses and the setting up of a Labuan investment bank to become a diversified financial services group with primary objective to increase the long-term business sustainability and enhance shareholders' value.
11.	This monetisation and reverse takeover proposal looks skewed towards majority shareholders' interest. Can Insas explain how, when, what and where in particular minority shareholders will actually benefit from this exercise? Will there be a special dividend given soon? What changes and improvements are expected by Insas with this new business structure on its growth and profitability after incurring extra expenditures for this proposal?	Please refer to answer for question No.10. The backdoor listing of M&A Securities will create a new listed identity under M&A Securities and we expect M&A Securities as a separate listed entity and highly motivated management team to further expand and grow its core businesses moving forward. Presently, Insas does not have any intention to declare special dividend arising from this RTO exercise as the transaction is "non-cash in nature" and the sale consideration RM222 million will be fully satisfied by SYF through the issuance of new SYF shares.

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12.	I had requested a print Circular for this EGM but had not received till today. Please check and send one. Thanks.	The share registrar will post a copy of the circular to your registered address.
13.	How much does the company spend on this virtual EGM? Would the BOD kindly give e-wallet as a token of appreciation for attending today's meeting? May I know what is rational for this proposal? Please reply and explain.	We are not allowed to disclose the fee charged by Tricor due to restrictions under the confidentiality agreement but we can confirm that the total costs incurred in holding this virtual EGM is much lower as compared to the costs to host a physical meeting. Please refer to answer for question No.3. Please refer to answer for question No.10.
14.	The consolidations of M&A shareholders' fund and earnings will result in lower effective NTA per share and lower earnings per share, how the directors will mitigate this impact on its profitability and its NTA per share, in order to justify its decision for disposing M&A to SYF?	M&A Securities will remain as an indirect subsidiary of Insas and the dilution of NA is marginal as the adjusted NA of SYF on completion of the RTO exercise is about 20 sen per share, which is marginally lower than the issue price of 22 sen per share for the issuance of Consideration Shares to Insas, and the Proposed Rights Issue and Restricted Issue shares to be issued by SYF. The listing status of M&A Securities will enable M&A Securities: (a) to raise fund from the capital market independently from Insas: (b) attract, retain and reward talented staff from the financial services industry; (c) expand and strengthen its corporate finance, stockbroking and margin financing businesses, and to explore complementary businesses such asset management and Labuan investment bank to further grow the financial services business.
15.	When will the company going to physical AGM or EGM? Please reply	The holding of physical AGM or EGM will be dependent on the Government and Bursa Malaysia's directives and guidelines at that material time, after taking into consideration of the Covid-19 recovery and health concern. The Board will consider holding physical general meeting in the future if the situation permits. The Board wishes to highlight that MCCG encourages listed companies to leverage technology to facilitate greater shareholders' participation and enhance the proceedings of general meetings.

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16.	Why we didn't see gain due to the dilution of M&A in Insas. The dilution is deem disposal. This question was raise when Inari has a private placement diluted Insas holding in Inari, but was not acceptable by the board however quarter later, this was restated in the financial statement. Are we going to repeat the same mistake of accounting treatment in M&A dilution similar to the case of Inari dilution? Appreciate the board to explain and take responsible of the accuracy of Insas book.	The Proposed M&A Disposal will result in a one-time gain on disposal of RM46mil, which will be recognised in the income statement at the Company level. At Group level, M&A Securities will remain as an indirect subsidiary of Insas, and pursuant to the MFRS accounting standards, such gain on "deemed disposal" to non-controlling interests amounting to RM13.9 million is recognised directly in equity (i.e retained earnings) of Insas Group. As stated in Note 1 under section 6.2 page 25 of the Circular dated 8 February 2023, the Proposed M&A Disposal will result in an increase in non-controlling interest amounting to RM102.5 million and increase in Insas' retained earnings amounting to RM13.9 million. The RM13.9 million represents the gain on deemed disposal of M&A Securities to non-controlling interests at the Group level.
17.	Will the company issue any of SYF shares to shareholders of the company?	In conjunction with the RTO exercise, SYF will simultaneously carry out a Proposed Rights Issue of 284 million new SYF shares to the shareholders of SYF and a Proposed Restricted Issue of 158 million new SYF shares to the eligible persons at an issue price of 22 sen per SYF share. Upon completion of the RTO exercise, SYF will become a 53.7% direct subsidiary of Insas and M&A Securities will become a 100% owned subsidiary of SYF. Insas is not able to distribute any SYF shares to Insas' shareholders as by doing so, Insas' equity interest in SYF will be diluted to below 50%, which will result in both SYF and M&A Securities ceasing to be Insas' subsidiaries.

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18.	Prospect of stock broking in the next 1 year? Next 3 years? How to grow it via SYF?	Currently, M&A Securities’ corporate finance team have more than 30 professional staff to support its corporate finance business and M&A Securities has continuously been ranked as one of the top principal advisers for IPO for the ACE and LEAP Markets, and capital fund raising and corporate exercises for listed companies on Bursa Securities. The stockbroking industry is volatile and is highly dependent on domestic and global market conditions. The stockbroking and corporate finance divisions performed reasonably well in the last few years and have delivered significant profit to the Group. With the listed status of M&A Securities, M&A Securities will focus on expanding and strengthening its corporate finance services business as well as growing its stock broking and margin financing businesses by leveraging on its competitive strengths and experience in the industry. The Board is cautiously optimistic that the stockbroking business of M&A Securities post RTO exercise will perform satisfactorily moving forward.
19.	The correct treatment of Insas 8% SYF holding, is the mark to market of SYF shares pre M&A listing. Can the auditor clarify whether the current Insas treatment on SYF is correct?	The 8% SYF shares are currently held as marketable securities and are measured at fair value through profit or loss in compliance with the MFRS. These SYF shares are marked to market on each reporting date, and changes in the value of these shares (gain or loss) are recognized in the income statement. Post RTO, this 8% shareholding will not be measured at fair value through profit or loss as SYF will become a subsidiary of Insas. On the date of completion of the Proposed M&A Disposal, the 8% SYF shares will be recognized based on fair value and the difference between the fair value and carrying amount will be recognized in the income statement. Thereafter, Insas shall account for the investment in SYF at cost.

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20.	If Insas share of future earning from M&A is diluted as per the BOD explanation from Sai Mun question, why there is not disposal gain from the dilution. Please explain and we will record this for future reference as we have a misstatement in previous Inari treatment causing the loss of shareholder value which was restated subsequently. It is still a loss to shareholder as clearly demonstrate in the market price of insas due to mis-judgement of the value by investor. Director is hold responsible	In accordance with MFRS, the Proposed M&A Disposal will result in a gain on disposal of RM46mil, which will be recognised in the income statement at the Company level. At Group level, M&A Securities will remain as an indirect subsidiary of Insas after the Proposed M&A Disposal, and the gain on deemed disposal to non-controlling interests will be recognised directly in equity (retained earnings). Accordingly, the RM13.9 million gain on deemed disposal will be recorded in the movement of retained earnings at the Group level. With regards to Insas' accounting treatment of the "deemed gain" arising from Inari's private placement of shares, we wish to clarify that the private placement of shares was carried out by Inari in July 2021 and arising therefrom, the net assets of Inari increased by about RM1.0 billion, and the equity interest of Inari shares held by Insas was diluted to 14.5%. The Inari shares were issued at a premium to its NA and accordingly, the dilution effect has resulted in a "gain on the deemed disposal" to Insas. MFRS 128 Investment in Associates and Joint Ventures does not prescribe where the dilution gains from equity transactions of an associate company should be recognised. Insas had recognised the share of the increase in Inari's share capital within equity in the first 3 quarters of Insas' results instead of income statement and this accounting policy had been consistently adopted by Insas and are in compliance with the MFRS. The International Financial Reporting Standards (IFRS) issued a new discussion paper for discussion at a public meeting of the International Accounting Standards Board (IASB) in June 2022 which recommended that such gain on deemed disposal should be recognized in income statement. Arising thereof and further in-depth discussions with our auditors, Insas adopted a change in accounting policy for the FY2022 to recognise the dilution gains in the income statements retrospectively to follow the recommendation made by the IFRS. The change in accounting treatment will bring the Group's reporting to be in line with the common and best practice adopted by other companies and to adhere to the views of the relevant accounting bodies to enhance the comparability of the Group's financial statements for the benefit of the users of

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		the financial statements. Accordingly, Insas changed its accounting policy in the final quarter ended 30 June 2022. We would like to clarify that the change in accounting policy is not due to misstatement. The change in accounting policy is arrived at after taking into consideration of the latest / recent development of the IASB's meeting on their discussion of the equity accounting on changes in an investor's interest while retaining significant influence.