

**INSAS BERHAD**

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

Key Matters Discussed at the 62ND Annual General Meeting of Insas Berhad held on 29 November 2024

No.	Questions raised by shareholders/proxy	The Company's responses
1.	I'm tired of asking for a better, fairer and equitable dividend year after year with little success. For this year I would like to rephrase my question: Are BOD owed Insas shareholders a duty, responsibility and an explanation when, how and on what conditions the management will use the billion cash hoard for business expansion or return part of the cash hoard as dividend to shareholders?	<p>We expect FY2025 to be another challenging year and the outlook for the Group is highly dependent on the effects of the on-going Russian-Ukraine war, the Middle-East conflicts and the geopolitical tensions. These uncertainties require us to remain vigilant and adaptable in our strategies. In light of these circumstances, the management has maintained a prudent and conservative approach, ensuring sufficient cash reserves to meet the funding requirements of core business units and provide flexibility for the Group to invest in good investment opportunities that may come along. The Group is constantly looking for and evaluating good and viable investment prospects that can generate attractive return on investments.</p> <p>The Board, after careful consideration, has proposed to maintain a stable 2.5 sen cash dividend per ordinary share which will provide a reasonable dividend yield of 2.7% at current market price, and to preserve and reinvest the retained earnings for the long-term growth of the Company, for prudent and cautious financial management practices and to safeguard against the global economic uncertainties.</p>
2.	Are BOD also owed Insas shareholders a duty, responsibility and an explanation as why Mr. Market only valued Insas RM 0.935 as at 10/11/2024 for a market capital of 0.935 X 663,121,852 (excluding 30,327,291 treasury shares) RM 620,018,931 when Insas's net assets is RM 2,616,107,000 with available unpledged cash, bank balance and FD of RM 968,505,000?	The share price of Insas is currently traded at a deep discount to its net asset value (NAV) and a low price earning (PE) multiples, and there are many factors affecting performance of the share price including and not limited to demand & supply of Insas shares, Malaysian & global economic outlooks, political scenario, inflation, rising interest rates & market sentiments, most of which are beyond the control of the Board and the management.

No.	Questions raised by shareholders/proxy	The Company's responses
		<p>The Board focuses in the long-term growth investment with the aim to deliver sustainable returns on its capital & assets, and consistent and stable rewards to shareholders. The Board will always carry out its fiduciary duties diligently with due care and good & sound corporate governance in the best interest of the Company and its shareholders, and will always adhere to our primary objectives, which is to create and enhance shareholders value.</p>
3.	<p>Shouldn't BOD while enjoying all the benefits as Insas's directors feel for the frustration of Insas royal and long term shareholders despite Insas doing very well with billions in cash, bank balance and FD what shareholders can hope for is an unfair dividend of 2.5 cent and share price hardly moving north?</p>	<p>Further to what we have replied in Question 1 and Question 2, the management wishes to point out that Insas' share price has peaked at RM1.35 during FY2024, representing an increase of 71% as compared to the closing price of RM0.79 as at 30 June 2023 and currently remain at an average market price of RM1.00. We are cautiously optimistic that Insas share price will recover and improve further when the market sentiment recovers based on the strong financial fundamental of the Company.</p>
4.	<p>BOD, Are controlling shareholder Dato' Sri Thong Kok Khee and his PACs calling the shots behind the scene to keep Insas share price low so as to time their MGO 33% threshold (Holding from 32.96% to 50%) at lowest cost to them?</p>	<p>As replied in Question 2, the share price is determined by market forces in the open market. We assure you that the Company has a very strong corporate culture and corporate governance and operates in strict compliance with applicable laws, regulations and best practice and conduct.</p> <p>Decisions related to the management and strategic direction of the Group are made collectively by the Board of Directors, with the primary aim of protecting and enhancing shareholder value.</p> <p>The Board will pursue the due processes on waiver for MGO by the controlling shareholders upon receipt of such notice.</p> <p>Such waiver application will be subjected to the approval of the relevant governing authorities and the non-interested shareholders of Insas.</p>
5.	<p>Refer to AR 2024 Page 101 Statements of Cash Flows – Acquisition/ Subscription of shares in associate companies RM31.6mil.</p> <p>BOD, please list down each of the associate companies and amount Acquisition/ Subscription of shares?</p>	<p>This comprises mainly the acquisition of quoted shares in Inari Amertron Berhad.</p>

No.	Questions raised by shareholders/proxy	The Company's responses										
6.	<p>Refer to Annual report page 179: Revenue Rental income from letting of properties:-</p> <table border="1" data-bbox="244 268 992 547"> <thead> <tr> <th data-bbox="248 272 645 304">Division</th> <th data-bbox="645 272 987 304">Amount RM'000</th> </tr> </thead> <tbody> <tr> <td data-bbox="248 304 645 373">Investment holding and trading</td> <td data-bbox="645 304 987 373">2,882</td> </tr> <tr> <td data-bbox="248 373 645 442">IT-related manufacturing, trading and services</td> <td data-bbox="645 373 987 442">732</td> </tr> <tr> <td data-bbox="248 442 645 510">Property investment and development</td> <td data-bbox="645 442 987 510">578</td> </tr> <tr> <td data-bbox="248 510 645 547">Total</td> <td data-bbox="645 510 987 547">4,192</td> </tr> </tbody> </table> <p>BOD, please kindly list down all the properties, carrying amount and rental incomes of each rented property for FY 2024 and also properties, carrying amounts that are unable to rent out?</p>	Division	Amount RM'000	Investment holding and trading	2,882	IT-related manufacturing, trading and services	732	Property investment and development	578	Total	4,192	<p>Kindly refer to Annual report page 234 to 237 for the list of properties and carrying amount.</p> <p>We are unable to provide rental income of each rented properties to maintain the Group's market competitiveness and to protect sensitive business information.</p>
Division	Amount RM'000											
Investment holding and trading	2,882											
IT-related manufacturing, trading and services	732											
Property investment and development	578											
Total	4,192											
7.	<p>Regarding the investment of Omesti and Ho Hup, both of them have serious loss and probably fall into PN17. What is the board's view, will still continue holding them without any effort?</p>	<p>Investment in Ho Hup has been discussed in our reply to MSWG.</p> <p>Ho Hup Group's businesses especially the property development activities have been adversely affected due to the financial constraints faced by Ho Hup, resulting in the disposal and/or dilution of equity interest in the property development subsidiary companies and the disposal of its development land as part of the ongoing restructuring, rationalization and de-gearing exercises aimed at optimizing asset allocation and de-gearing the borrowings of Ho Hup Group.</p> <p>The carrying value of our investment in Ho Hup has been marked to market over the years and the financial performance of Ho Hup for its next financial year ending 31 December 2025 does not have any material effects on the results and net assets of Insas Group. The Board will assess and carefully evaluate the financial position and the business outlooks of Ho Hup after it has substantially completed its restructuring and rationalization exercises before deciding the next course of action.</p> <p>Similar to Ho Hup, the Board will assess and carefully evaluate the financial position and the business outlooks of Omesti before deciding the next course of action.</p>										
8.	<p>Does insas has exposure in Omesti pa, any concern of dividend default and future redeem problem, any safety</p>	<p>Yes, Insas Group currently holds approximately 10.5 million Omesti RPS. Insas Group has received up todate RPS dividends from Omesti.. The management will</p>										

No.	Questions raised by shareholders/proxy	The Company's responses
	precaution, since the company suffers huge loss and raise concern of continuing in operation?	continuously evaluate the investment in Omesti's RPS.
9.	<p>Dear Management,</p> <p>May I know the current holding in Inari in term of%?</p> <p>And, with a fairly good cash pile, would you like to share your future plan on how to use it?</p> <p>Thank you.</p>	<p>Insas' current shareholdings in Inari is 13.6%</p> <p>The management has maintained a prudent and conservative approach in view of the global economic uncertainty. Some of the Inari shares have been pledged to the banks for credit facilities which are used as working capital for the structured finance and money lending division to generate positive return and cash flows to the Group.</p>
10.	Last year's AGM, the management mentioned insas wants to explore into investment banking and wealth management, can brief us the latest development on this matter?	<p>During FY2024 - Insas via its listed subsidiary, M & A Equity Holdings Berhad ("M & A Equity") had completed the acquisition of 75% equity interest in Value Partners Asset Management Malaysia Sdn Bhd (now known as M & A Value Partners Asset Management Malaysia Sdn Bhd) whose core business is in fund management.</p> <p>M&A Equity is still exploring the expansion into investment banking.</p>
11.	I notice the property development and investment division had been losing monies consistently for many years, despite the generally improvement in property sector, the losses had even increase substantial in the latest Q1 2025 result. It is time the Board to review this division carefully for disposal as this division had taken up a lot of valuable resources and management time, better to divest and refocus strongly to our core technology and finance sector for better results.	<p>The losses reported in the property division are mainly due to the Group's share of losses of Ho Hup Group, an associate company. Insas Group itself does not carry out property development activities.</p> <p>The Investment division is largely depends on market conditions and sentiments. The Group's results are mainly affected by unrealised gains/losses on fair value changes of shares and foreign currencies exchange at each reporting date.</p>
12.	Will 2025 be worse than 2024 due to new challenges?	<p>We expect FY2025 to be another challenging year and the outlook for the Group is highly dependent on the effects of the on-going Russian-Ukraine war, the Middle-East conflicts and the potential geopolitical tensions between US and China.</p> <p>We are cautiously optimistic that the Group will continue to be profitable for FY2025.</p>

No.	Questions raised by shareholders/proxy	The Company's responses
13.	The same divestment applies to our car rental and retail trading as the contribution are insignificant and inconsistent thus should focus on our core strength of finance and technology sector	<p>The Group invested in Melium and car rental company in the late 1990s. These businesses are run independently and Insas management is represented in the board of directors of both companies.</p> <p>Car rental division has been profitable even though the profit is considered small in relation to the Insas Group's profit, but the return of investment is considered reasonable.</p> <p>Melium group's performance which include fashion and food and beverages, was badly affected during Covid-19. Its performance had recovered to pre-Covid level in year 2023. Melium's performance for this year was affected mainly due to higher initial set up costs related to the new retail stores opened in new malls, especially in TRX which have yet to achieve optimal sales performance.</p>
14.	On insas prospects going forward, based on latest 2025 Q1 result, why Insas can register substantial RM29m forex losses and why Insas incurred such high forex losses despite Inari forex losses not included here?	<p>The RM29mil forex losses is unrealised based on the closing exchange rate as at 30 September 2024. Insas has cash and deposits held in foreign currencies as at 30 September 2024 and Ringgit had strengthened against major foreign currency, USD-RM = RM4.10. The Group has translated all the shares, cash and deposits which are denominated in foreign currencies into Ringgit using the currency rate as at 30 September 2024 in compliance with the MFRS requirements. As at current date, Ringgit has weakened against USD from 4.10 as at 30 September 2024 to about USD 4.45, and based on this rate, the Group's unrealized FX losses for the 1Q ended 30 September 2024 has recovered by more than 50%. The unrealized foreign exchange gain will be reported in the 2Q for 2025 assuming the rate maintained at current rate.</p>
15.	Can Insas RM29m forex losses be reversed going forward?	<p>USD & SGD have improved substantially post 30 September 2024. As at current date, about 50% of the unrealized FX losses reported as at 1Q ended 30 September 2024 has been recovered.</p>
16.	How is the prospect for DFX? How to monetise this investment?	<p>Divfex Berhad (DFX) is now in the Information and Communications Technology (ICT) business sector. The rapid establishment of new data centers in Malaysia is providing additional opportunities for DFX to expand its ICT business. The Group remains cautiously optimistic that DFX will continue to grow its ICT business in FY2025 and beyond.</p>

No.	Questions raised by shareholders/proxy	The Company's responses
17.	Please have hybrid AGM next year, thank you.	<p>The Securities Commission has issued directive in Aug 2024 requiring all PLCs to hold hybrid or physical general meetings effective from 1 March 2025.</p> <p>The Board will most likely hold physical meeting in the next AGM.</p>
18.	<p>A) insas still have substantial more than RM 1 billion net cash equivalent and this had impacted roe to low 2% to 5% pa, insas should to put these resources to good use to achieve higher return or distribute more to your shareholders.</p> <p>May i suggest insas distribute a special 30 sen per share when close to your warrant expiry date, so that this can support insas shareholders to use this fund to convert their warrant to insas share. This way insas still can get back more cash despite 30 sen dividend.</p>	<p>As stated in Question 1, the management has maintained a prudent and conservative approach, ensuring sufficient cash reserves to meet the funding requirements of core business units and provide flexibility for the Group to invest in good investment opportunities that may come along. The Group is constantly looking for and evaluating good and viable investment prospects that can generate attractive return on investments.</p>
19.	It has been long time since Insas past superb performance in its venture capital division, pls brief us the latest business in this section?	<p>During the past few years, the Technology division has moved from aggressive startup technology investment into more matured forms that can generate stable returns to Insas Group. For FY 2024, Technology division contributed more than 70% to the Group's profit before tax.</p> <p>The management is continuing with its venture technology capital investment but remaining watchful to market opportunities and conditions.</p>
20.	<p>The poor performance of nearly all investments by Insas does not give shareholders confidence in future investments and management of those investments. Why then, does the Board refuse to return a majority of the cash held by Insas to shareholders? Why, in particular, have independent directors not required to do this?</p> <p>Thank you</p>	<p>The management focuses on long term and sustainable growth investment with the aim to deliver sustainable returns on its capital and assets. The Group is monetising some of the cash, free shares and unencumbered properties to secure credit facilities from banks, which are used as working capital for structured finance and money lending business to generate positive return and cash flows to the Group.</p> <p>The Group needs to maintain sufficient cash reserves to meet funding requirements and to invest in any good investment opportunities that may come along.</p> <p>The Company has been consistently paying a stable cash dividend of 2.5 sen</p>

No.	Questions raised by shareholders/proxy	The Company's responses
		per ordinary share which provide a reasonable dividend yield of close to 3% at current market price.
21.	<p>1. Why are insas answer to shareholders not tabled like the reply to minority Watch Group ?</p> <p>2. If the executive directors and senior Management have carefully evaluated the investments for minority shareholders benefits the losses in investments and write offs will not be creeping up. WHO takes responsibility for all the write of and losses over all these years?</p> <p>3. Why expand Melium if the bod is cautious over 2025?</p>	<p>1) All the answers for shareholders' questions will be included in key matters discussed in the AGM which will be published on Insas website within 30 business days after today's AGM.</p> <p>2) The management carries out careful evaluation for all the investments that we have made. The return of investments also depends on the businesses that the investee companies are carrying out. There are also risks involved for all investments, some investments provided good returns like Inari and DFX but some are not providing good returns than the Group expected like Ho Hup and Omesti. The Board is cautious in making decisions in new investments until we have done sufficient due diligence and the overall outlook of the business as a whole.</p> <p>3) The expansion of Melium has been committed before year 2024 and 2025. Whenever there is any new mall being built, the owners of the new mall will approach the potential tenants including Melium who are sizeable in fashions and food & beverages businesses. Melium is required to commit to open the new stores at least 1 or 1 ½ years before the mall is completed. Moreover, Melium is carrying international brands as a franchisee in Malaysia where the principals would insist that Melium must expand the number of outlets, failing which the principals may terminate the franchise. Based on Melium past experiences, new malls are expected to take at least 2 to 3 years to mature and Melium expects the newly opened outlets in TRX to turnaround in the next 1 to 2 years.</p>
22.	Please list down the IT listed companies that incurred substantial losses. What is the board decision on these companies to stop further bleeding?	Insas invested in two (2) listed companies under IT division (Inari and DFX). Neither of the companies are incurring losses. Inari reports substantial profits while DFX results remained overall profitable although there are quarterly fluctuations due to the project nature of its business.
23.	When you say different investment strategy, what does that mean? please elaborate more.	The basic principle behind the investment for IT division is identify opportunities where technology can be applied, preferably disruptively, to improve products or efficiency resulting in improved margins & revenues, and eventually good

No.	Questions raised by shareholders/proxy	The Company's responses
		<p>returns.</p> <p>Going forward, the Technology division is applying the same principle to more matured industries instead of just startup investments.</p>
24.	<p>The lending division are not doing that well despite in this business very well, company like OSK business division lending section contribute very good profit to their group (start about same time as insas money lending).</p> <p>Insas should be more aggressive in expanding in this area since it has the inherent skill and infra.</p>	<p>Insas Credit & Leasing (ICL) is a boutique structured finance provider. ICL works very closely with M & A Securities Sdn Bhd where ICL provide money lending services to their common clients to enhance the returns to the Group.</p> <p>The management is very careful in evaluating the credit risks of the clients. The return on the credit leasing has been reasonably good despite the current tough market conditions.</p>
25.	<p>Melium and PRAC should be listed separately like M&A...to source its own finance.</p> <p>Furthermore M&A is the taiko in small cap listing should help the group to get listed.</p>	<p>The revenue and profit of PRAC does not meet the ACE Listing Requirements.</p> <p>We are evaluating the IPO of Melium group. The financial performance for financial year 2024 is not as good as we expected due to the initial start-up costs for the opening of new outlets in TRX. The Melium management will re-look at it after the financial close as at 31 December 2024, as usually November and December will generate highest revenue and profit due to seasonal trend.</p>