



INSAS BERHAD

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

Key Matters Discussed at the 60TH Annual General Meeting of Insas Berhad held on 25 November 2022

No.	Questions raised by shareholders/proxy	The Company's responses
1.	<p>As a public listed corporation, the Group's long-term business objectives are to generate sustainable earnings supported by positive cash flows, maintain a positive and healthy financial position for future growth and capital appreciation and endeavor to pay a stable dividend yield to our shareholders.</p> <p>Insas has grown its NTA to RM 3.31 and net cash position of RM 504,527,000. Last year the dividend is 2.5 cents equal to 7% of EPS or 29% dividend received.</p> <p>My congratulations to BOD and management for a job well done in generating sustainable earnings supported by positive cash flows, maintaining a positive and healthy financial position for future growth and capital appreciation.</p> <p><u>Question:</u> May I know how the Board of Director is going to generate share price appreciation and endeavor to pay a stable dividend yield to our shareholders?</p>	<p>The Board focuses in long-term growth investment with the aim to deliver sustainable returns on its capital & assets and 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 always adhere to our primary objectives, which is to create and enhance shareholders value.</p> <p>For the current FY2023, the Company has declared a stable interim dividend of 2.5 sen per share (the same as last FY), which will give an indicative dividend yield of 3.2% based on the closing price of 79 sen as at the close of market on 24 Nov 2022.</p> <p>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 share prices including and not limited to demand & supply, financial performance of the Company, Malaysian & global economic outlook, political scenario, inflation, rising interest rates & market sentiments, most of which are beyond the control of the Board and the management.</p>
2.	<p><u>Question:</u></p> <p>Is last year's dividend of 2.5 cents equal to 7% of EPS or 29% dividend received by INSAS a fair and equitable profit distribution to shareholders? Will BOD declare a better dividend during the Q1 FYR2023 result announcement?</p>	<p>The financial performance of the Group for the FY2022 has been affected by negative sentiments caused by events beyond our control such as Covid-19 lock down, Ukraine war, supply chain disruptions, global rise in interest rates & inflation and the bulk of the PAT of Insas for the FY2022 was mainly derived from MFRS accounting for "gain on deemed disposal of equity interest in associate company" amounting to RM131 million, which is non cash generating in nature, and as such, the group's cash position as at 30 June 2022 remains almost the same as in</p>

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		<p>FY2021.</p> <p>The Board, after careful consideration of rising global inflation, rising interest rate and expected global slowdown, proposed a 2.5 sen per ordinary share cash dividend which the Board believes is prudent and cautious financial management under the current challenging global business environment.</p> <p>The Board will review the dividend payment rate at the later date after taking into consideration of the financial performance of the Group for the full FY2023, the available cash position and the global economy at that material time.</p>								
3.	<p>Refer:</p> <p>2021 AGM minutes: The Board will evaluate and consider the merit and demerit of the Share Dividend as suggested by shareholders.</p> <p>2017 AGM minutes: The Board of Directors has taken note on the comment from the shareholders and will consider distribution of treasury shares if it's deemed appropriate.</p> <p>5 years have passed since The BOD promised to consider distribution of treasury shares if it's deemed appropriate.</p> <p><u>Question:</u> May I ask again had The Board made a decision to distribute treasury shares to shareholders?</p>	<p>At this juncture, there is no plan to distribute the Treasury Shares to shareholders. The Board will continue to evaluate the merit and demerit of Share Dividend as such distribution of Treasury Shares will increase the number of shares being traded in the market and the increase in supply of shares will often lead to downward pressure on the share price.</p>								
4.	<p><u>AS AT 30 SEPTEMBER 2022</u></p> <table border="1" data-bbox="241 1262 927 1430"> <thead> <tr> <th data-bbox="241 1262 300 1361"></th> <th data-bbox="300 1262 645 1361">Name of substantial shareholders</th> <th data-bbox="645 1262 831 1361">No. of ordinary shares</th> <th data-bbox="831 1262 927 1361">%</th> </tr> </thead> <tbody> <tr> <td data-bbox="241 1361 300 1430">1.</td> <td data-bbox="300 1361 645 1430">Dato' Sri Thong Kok Khee *</td> <td data-bbox="645 1361 831 1430">166,064,962</td> <td data-bbox="831 1361 927 1430">25.05</td> </tr> </tbody> </table>		Name of substantial shareholders	No. of ordinary shares	%	1.	Dato' Sri Thong Kok Khee *	166,064,962	25.05	<p>The Company had obtained the shareholders' approval for the renewal of the authority to purchase its own shares at the 59th AGM held on 2 December 2021. The said authority is going to expire at the conclusion of the 60th AGM of the Company.</p> <p>Ordinary Resolution 7 is being tabled at the AGM as approval is required from the shareholders of the Company to renew the authority to purchase up to 10% of the</p>
	Name of substantial shareholders	No. of ordinary shares	%							
1.	Dato' Sri Thong Kok Khee *	166,064,962	25.05							

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	2.	M & A Investments International Limited	124,420,289	18.77	<p>total number of issued shares of the Company. The renewal of authority will provide flexibility to the Company for any possible share buy-back activities and to avoid any delay and costs involved in convening general meeting to approve such share buy-back authority in the event:</p> <p>(i) the shareholdings of Dato' Sri Thong and PAC reduce to a level which allows such Share Buy-Back scheme to be undertaken; or</p> <p>(ii) Dato' Sri Thong and PAC seek and obtain waiver of MGO from the shareholders and relevant regulatory authorities.</p>								
	3.	Dato' Thong Kok Yoon **	74,203,648	11.19									
	<p>* Direct and deemed interest by virtue of his family members' interest and his substantial interest in M&A Investments International Limited, Immobiliare Holdings Sdn Bhd, Baktihan Sdn Bhd, Winfields Development Sdn Bhd and Montprimo Sdn Bhd.</p>												
	<p>** Direct and deemed interest by virtue of his family members' interest and his substantial interest in Perak Traders Holdings Sdn Bhd and Baktihan Sdn Bhd.</p>												
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	<p>Dato' Sri Thong Kok Khee + Dato' Thong Kok Yoon deemed interest: $25.05 + 11.19 - 3.28 = 32.96\%$</p>												
	<p>Since Dato' Sri Thong Kok Khee and PAC hold 32.96% and Insas cannot do any SBB that will result in Dato' Sri Thong and PAC trigger the 33% MGO threshold provided Dato' Sri Thong and PAC seek and table a SBB MGO waiver for shareholder approval.</p>												
	<p><u>Question:</u> Why the Board table Ordinary Resolution 7 – Proposed renewal of authority for the Company to purchase its own shares without Dato' Sri Thong and PAC seeking to table a SBB MGO waiver for shareholder approval?</p>												

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5.	<p><u>As at 30 September 2022</u></p> <p>Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP holds 121,992 Insas share or 0.02%</p> <p>Dato' Wong Gian Kui holds 462,160 Insas share or 0.07%</p> <p>Dato' Dr. Tan Seng Chuan holds 350,000 Insas share or 0.05%</p> <p><u>Question:</u> Company secretary, since Y.A.M. Tengku Puteri Seri Kemala, Dato' Wong Gian Kui and Dato' Dr. Tan Seng Chuan cumulatively hold $(0.02 + 0.07 + 0.05) = 0.14\%$ Insas share and since all of them are directors of Insas Berhad hence are Y.A.M. Tengku Puteri Seri Kemala, Dato' Wong Gian Kui and Dato' Dr. Tan Seng Chuan be considered as persons acting in concert (PAC) of Dato' Sri Thong Kok Khee?</p> <p><u>Question:</u> If the answer is yes then Dato' Sri Thong Kok Khee and PAC now hold $(32.96+0.14) = 33.1\%$ above the 33% MGO threshold.</p>	<p>Y.A.M. Tengku Aishah, Dato' Wong and Dato' Dr Tan have declared that they are not persons acting in concert with Dato' Sri Thong Kok Khee.</p>								
6.	<p>THIRTY LARGEST SHAREHOLDERS</p> <table border="1" data-bbox="241 1158 992 1430"> <thead> <tr> <th data-bbox="241 1158 322 1224"></th> <th data-bbox="322 1158 645 1224">Name of shareholders</th> <th data-bbox="645 1158 887 1224">No. of ordinary shares</th> <th data-bbox="887 1158 992 1224">%</th> </tr> </thead> <tbody> <tr> <td data-bbox="241 1224 322 1430">1.</td> <td data-bbox="322 1224 645 1430">M & A Nominee (Asing) Sdn Bhd - Anglo Asia Investments Limited for M&A Investments International Limited</td> <td data-bbox="645 1224 887 1430">47,736,000</td> <td data-bbox="887 1224 992 1430">7.20</td> </tr> </tbody> </table>		Name of shareholders	No. of ordinary shares	%	1.	M & A Nominee (Asing) Sdn Bhd - Anglo Asia Investments Limited for M&A Investments International Limited	47,736,000	7.20	
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1.	M & A Nominee (Asing) Sdn Bhd - Anglo Asia Investments Limited for M&A Investments International Limited	47,736,000	7.20							

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	<p><u>Question:</u></p> <p>What is the relationship between Anglo Asia Investments Limited and M&A Investments International Limited?</p> <p><u>Question:</u></p> <p>Company secretary, since Dato' Sri Thong Kok Khee direct and deemed interest by virtue of his family members' interest and his substantial interest in M & A Investments International Limited did this also qualify Anglo Asia Investments Limited as a friendly party or PAC of Dato' Sri Thong Kok Khee?</p>	<p>We are not aware of any relationship between M&A Investments International Limited ("MAI") and Anglo Asia Investments Limited.</p> <p>The Company Secretary did not receive any notification from either MAI or Dato' Sri Thong Kok Khee in their capacity as substantial shareholder and indirect substantial shareholder of the Company respectively that Anglo Asia Investments Limited is a PAC.</p>
7.	<p>Dear BOD, kindly give us some e-vouchers, food vouchers or e-wallet (no discount voucher please) for being loyal shareholders and attending this meeting. Times are bad now. Please be considerate to us shareholders during these trying time. TQ</p>	<p>The meeting is being conducted on a fully virtual basis and as advised in our Administrative Guide for the 60th AGM published on Bursa website on 26 October 2022, there will be no distribution of door gifts or food vouchers for this virtual AGM.</p>
8.	<p>Can we have a hybrid online/physical AGM/EGM next year? This will meet best practice of MCCG 2021.</p>	<p>The Board will consider your suggestion after taking into consideration of the Covid-19 recovery and health concern, the Malaysian Government and Bursa Malaysia's directives and guidelines for the AGM & EGM to be held in the future. The safety, health and wellbeing of all the shareholders is our primary concern.</p>
9.	<p>Your dividend of 2.5 sen per share proposed is not in line with the EPS of insas 32.4 sen per share?</p> <p>Can management please explain why such a low dividend payout despite achieving such a good result for year 2022</p>	<p>The dividend of 2.5 sen represents dividend yield of approximate 3.2% based on the closing price of 79 sen on 24 November 2022.</p> <p>The bulk of the PAT of Insas for the FY2022 was mainly derived from MFRS accounting for "gain on deemed disposal of equity interest in associate company" amounting to RM131 million, which is non-cash in nature. If we exclude this major</p>

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		non-cash item, the PAT for FY 2022 is only RM80+ million and the dividend payout of RM16.5 million represents approx. 20% of the PAT for FY2022.
10.	After your disposal of M&A to SYF for listing, Insas Cash holding cash per share will further increase from the present already high level, will management distribute a special one-time dividend for Insas shareholders?	<p>The proposed disposal of M&A Securities Sdn Bhd ("M&A") will be fully satisfied by the issuance of new SYF shares and there is no cash payment to Insas in this RTO transaction. Post completion, SYF will become a 53.7% direct subsidiary of Insas and M&A will become a 100% owned subsidiary of SYF.</p> <p>Insas is not able to distribute the SYF shares as dividend-in-specie to Insas shareholders as by doing so, Insas' interest in SYF will be diluted to below the 50% threshold.</p>
11.	<p>Chairman, CEO.</p> <p>By holding virtual AGM, it shows both of you still do not have the courage to face the shareholders.</p> <p>Two of you still hiding behind the video camera.</p> <p>You do not or selectively answer shareholders' questions by having virtual AGM.</p> <p>It is better for both of you to resign since you do not want to face the shareholders physically.</p> <p>Thousands of people attend physically GE 15 public rally.</p>	<p>Though MCGG 2021 permits the conduct of hybrid general meetings, but in view of the current Covid-19 situation, the Board is of the opinion that a fully virtual AGM is better as the safety, health and wellbeing of shareholders is our primary concern.</p> <p>The Board will consider holding physical AGM in the next financial year after taking into consideration of the Covid-19 recovery and Bursa's directives and guidelines for general meetings.</p> <p>The Company is transparent and adhere to strong corporate governance guidelines and the Chairman, CEO & the Board members would be pleased to meet shareholders at physical general meetings in the future, if the situation permits, but we reiterate that the safety, health and wellbeing of all shareholders is our primary concern.</p>
12.	Given that Insas inconsistent performance making huge losses in Q4 June 2022 and Sept 2022, have the management review its investment & trading division strategy for a more sustainable basis looking into bonds that give consistent good returns instead of facing such a volatility of the market?.	Global economy is going through bad market sentiments in the last 12 months due to the Ukraine war, geo political tensions between USA and China, supply chains disruptions, rise in interest and inflation rates. The Group has and will focus on investments in bonds, REITS and public listed companies with good fundamentals and track records that have sustainable income, dividend payment and capital growth.
13.	In view of the recent implementation of minimum wages, what is expected impact (in term of Profit) in the current year?	Minimum wage does not apply to Insas group as a whole as most, if not all, of the Group's employees are paid above the minimum wage as prescribed by the government.

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14.	How much does the company spend on this virtual AGM?	Due to confidentiality, we cannot disclose the quantum but the costs incurred to conduct virtual AGM for this FY is lower as compared to the costs incurred in the last physical AGM held in November 2019.
15.	Can you give an update on the status for the M&A listing proposal. When it is expected to complete.	<p>The proposed disposal of M&A by Insas is conditional on the completion of several corporate exercises undertaken by SYF including the disposal of Seng Yip Furniture, the disposal of 2 parcels of freehold land, proposed special dividend and/or capital repayment, proposed renounceable rights issue and restricted issue and the proposed change of name (collectively referred to as "Proposals"), and the proposed exemption to be granted to Insas to undertake Mandatory Offer on the remaining SYF shares not owned by Insas upon the completion of the Proposals. The Proposals are currently pending the approval of Bursa Securities and Securities Commission.</p> <p>Barring unforeseen circumstances, we expect the approvals from the authorities to be obtained by end of this year or 1 Quarter of 2023.</p> <p>Thereafter, the Proposals and proposed disposal of M&A will be subject to shareholders' approval of SYF and Insas respectively at EGMs to be held.</p>
16.	Our Company has been profitable; but indications are that its profitability has started to decline; what negative factors are seen to be impinging on the profitability our business segments and how is this expected to impact our Company going forward, and are current corporate actions sufficient to tackle the challenges of 2023 and improve earnings?	<p>It has been challenging for most PLCs including Insas in the last 3 years. Global economy has been affected by Covid-19 pandemic, lockdown in China which resulted in major supply chain disruption, Ukraine war which resulted in spike in inflation rate, rising energy costs and increased interest rate. These are the negative factors that have affected most of the world economies.</p> <p>Insas has been performing reasonably well in this difficult environment and continue to generate reasonable earnings and cash flows. The Group has been prudent in its cash management, selective in its lending business and investment in new businesses in order to ride through these difficult environment and challenges.</p>
17.	Can the company provide a presentation to the Shareholders for the coming AGM?	Corporate video of the Group has been presented during the AGM.

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18.	What is the rationale to place cash to earn 1% interest and use the cash as pledged to get credit facility with 5% interest charged?	<p>The Group is monetising some of the cash, shares and properties to secure credit facilities from banks, which are used as working capital for the structured finance, stockbroking and lending businesses to generate positive returns and cash flows.</p> <p>The interest expense is tax deductible and can be used to set off against interest income earned from the borrowers.</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>
19.	Impact of USA China Trade War and Tech War?	<p>The impact of US-China Trade War will depend on how the resulting trading volumes behave as well as the other factors and effects arising from the Ukraine war and Europe markets in terms of drop in demand for smart phones, PC and etc. Assuming all the different segments of the electronic business remains stable, the impact should be positive for Malaysia.</p>
20.	What is the Company's plan for Divfex, still not getting new business?	<p>Divfex has been affected by Covid-19 and the Movement Control Order which have resulted in difficulty to grow and turn around the businesses. Steps are being taken by the Divfex's board to transform Divfex. In a recent announcement to Bursa, Divfex Group has secured a large contract from Telekom Malaysia and this is expected to contribute positively to the revenue, earnings and net assets of Divfex group.</p>
21.	Disposal and Listing of M & A SECURITIES, will Insas offer any restricted rights to shareholders? or planning to declare special dividend after this disposal and listing exercise? Sorry if I have misunderstand the exercise content	<p>There will not be any restricted offer of SYF shares to Insas' shareholders. Currently, the Board has no plans to declare special dividend after the proposed disposal as post completion of the RTO, Insas will only hold 53.7% of the merged SYF/M&A entity, and the disposal consideration will be settled by SYF entirely by the issuance of new SYF shares to Insas.</p>
22.	In good time, management give reason of potential investment therefore need to reserve cash and cannot give better dividend. In bad time, reason is the future outlook is uncertain and preserve cash is the priority. So when do the BOD and management opinion is the best time to frank higher dividend to shareholder?	<p>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.</p> <p>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 FY 30 June 2023 and review the dividend payment rate.</p>

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23.	<p>Please be consistent:</p> <p>On the one hand, the massive remuneration to the key stakeholders is justified on the basis on earnings.</p> <p>On the other hand, you say a higher dividend is not justified on grounds that the earnings were potentially one off and non-recurring.</p> <p>Find a way to eatable minorities to enjoy price discovery of this business. The spoils right now are just being enjoyed by a couple of individuals.</p>	<p>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.</p> <p>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 funding commitments of the Company and the global economic outlooks for the FY 30 June 2023 and review the dividend payment rate.</p>
24.	<p>Upon of disposal of M&A to SYF...thru a reverse takeover and a back door listing...what will be the potential profit of Insas in this transaction?</p> <p>Going forward ...after losing more than 33% of our M&A equity holding thru...this transaction...how can Insas make up for this loss?</p>	<p>Insas' equity interest in M&A will be diluted from 100% to 53.7% after completion of the proposed RTO exercise.</p> <p>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.</p> <p>The proposed RTO exercise will allow investors to separately appraise the business strategies, risks and returns of Insas and SYF/M&A independently.</p>
25.	<p>I notice Insas has a property development assets and business sitting in our balance sheet for many years and doing nothing, when can Insas monetise this business and unlock value.</p>	<p>The property portfolios mainly comprise of apartments developed by Insas Group in 2010 which were retained for rental & capital appreciation purposes, and some apartments and shop offices which were acquired for resale and rental purposes. Over the last 10 years, the Group have sold many of these apartments and the Group is consistently working with property agents to market and sell the remaining units. Those properties that were rented out generated reasonable rental income over the years.</p>