



MINORITY SHAREHOLDER WATCHDOG GROUP
Shareholder Activism and Protection of Minority Interest

20 November 2017

BY FAX/HAND

(Fax No.: 603-22824688)

The Chairman and
Board of Directors

Insas Berhad

No. 45-5, The Boulevard, Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur

Attention: Ms Chow Yuet Kuen
Company Secretary

**Re: 55th Annual General Meeting (AGM) of Insas Berhad ("IB" or "the Company") on
Thursday 23 November 2017**

In the interest of minority shareholders and all other stakeholders of the Group, we would like to raise the following points.

Strategy/Financials

- 1) The stock broking business and advisory services remained challenging in the current market environment. What measures would the Group take to improve the business performance in FY 2018? Given these challenges, would the Group consider exiting from this segment?
- 2) On the regional front, please brief on the Company's future plan for its retail group business segment in Indonesia. What is its current experience in terms of inventory management in that country? How would the Group mitigate the impact of exchange rate risk resulting in a higher cost of imported goods on the Melium Group's overall performance?
- 3) On the car rental segment, please share on the current business outlook in Singapore. What is the average overall utilisation rate by type of vehicles over the last FY? What is the amount of write-off, if any, on the fleet of vehicles last year?
- 4) It was noted that the technology and IT related services revenue had reduced by 65% from RM32.7 million to RM11.6 million as at FYE 2017. Please brief on the management's plan to improve the segment performance.
- 5) Please share on the prospect of the property segment given the current oversupply environment for both commercial and high end properties in and around Kuala Lumpur. Please provide an update on its Pavillion Bukit Jalil City Mall project.

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

(Incorporated in Malaysia • Company No: 524989-M)

Tingkat 11, Bangunan KWSP, No: 3, Changkat Raja Chulan, Off Jalan Raja Chulan, 50200 KUALA LUMPUR.

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Corporate Governance

MSWG is promoting standards of corporate governance best practices in PLCs. In this regard, we hope the Board would give due consideration to address the following issue:-

- Formalise a policy on the tenure of independent director in line with Practice Note 4.1 of the Malaysian Code on Corporate Governance 2017 taking into consideration the two-tier voting rule for long serving independent directors exceeding twelve years.

We would appreciate if the Board could present the points raised here, and their related answers, for the shareholders present at the forthcoming AGM. At the same time, we await a written reply as soon as possible for our records, and for posting on our website for the benefit of all stakeholders.

Thank you.

Yours sincerely



Lya Rahman
General Manager
LR/abd/IB/AGM 2017



INSAS BERHAD (4081-M)

No. 45-5, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.
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Our Ref: IB/2017/MSWG/7810

23 November 2017

Badan Pengawas Pemegang Saham Minoriti Berhad

Tingkat 11, Bangunan KWSP
No. 3 Changkat Raja Chulan
50200 Kuala Lumpur

Attention : Puan Lya Rahman – General Manager

Dear Puan Lya,

FIFTY-FIFTH (55TH) ANNUAL GENERAL MEETING OF INSAS BERHAD

We refer to your letter dated 20 November 2017 in relation to the above matter and wish to reply to the points raised as follows :-

STRATEGY/FINANCIALS

Question 1:

The stock broking business and advisory services remained challenging in the current market environment. What measures would the Group take to improve the business performance in FY2018? Given these challenges, would the Group consider exiting from this segment?

Reply:

The stock broking and advisory services division has performed well and has successfully completed four (4) IPOs on the ACE Market in FY2017 and one (1) IPO on the new LEAP Market for the FY2018. The stock broking division will continue play a lead role to promote SMEs to list on the LEAP Market and we have no plans to divest this business segment.

Question 2 :

On the regional front, please brief on the Company's future plan for its retail group business segment in Indonesia. What is its current experience in terms of inventory management in that country? How would the Group mitigate the impact of exchange rate risk resulting in a higher cost of imported goods on the Melium Group's overall performance?

Reply:

The retail trading is carried out by our 43.3% associate company (Melium Holdings Sdn Bhd) and through a limited liability company incorporated in Indonesia, it indirectly owns a 66,000 sq ft boutique mall in Seminyak, Bali, which has a mixed fashion and F&B tenanted outlets. The Melium Group does not own and operate any retail outlets in Indonesia. The Melium Group will carry out a detailed study and evaluation of the prevailing market conditions as well as its profit margin before the impact of deteriorating exchange rate is included in the eventual sale price of the imported goods

STRATEGY/FINANCIALS (Cont'd)

Question 3

On the car rental segment, please share on the current business outlook in Singapore. What is the average overall utilization rate by type of vehicles over the last FY? What is the amount of write-off, if any, on the fleet of vehicles last year?

Reply:

The car rental business outlook in Singapore is competitive with the entry of UBER and GRAB as alternative transport options for tourists and the public. To mitigate the competitive nature of the car rental business and to improve vehicle utilization rate, our Singapore car rental unit has designed in-house and launched the car sharing and rental apps which provides cars for rent on hourly basis at affordable rate and the vehicles can be collected by the hirers at more than 160 locations across Singapore for ease of convenience. The vehicle utilization rate for our car rental division is trade secret and highly confidential and as such, it is not appropriate for us to disclose such confidential information, but the management will always work to ensure the idle fleet is well within control. There is no vehicle write-off in the FY2017.

Question 4

It was noted that the technology and IT related services revenue had reduced by 65% from RM32.7 million to RM11.6 million as at FYE 2017. Please brief on the management's plan to improve the segment performance.

Reply:

The reduction in Technology segment revenue in FY 2017 was mainly due to lower sale of quoted securities in FY2017 as compared to FY2016. Revenue of the Technology division is subject to market conditions, and the management will work on improving revenue and reducing fluctuation.

Question 5

Please share on the prospect of the property segment given the current oversupply environment for both commercial and high end properties in and around Kuala Lumpur. Please provide an update on its Pavilion Bukit Jalil City Mall project.

Reply:

The Group is not undertaking any property development projects presently. The Pavilion Bukit Jalil City Mall project is a joint venture development between Ho Hup Group (as the landowner) and Malton Group (as the developer), and as such, we are not in the position to provide an update of the development save for such publicly disclosed information made by Ho Hup and Malton.

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55TH ANNUAL GENERAL MEETING OF INSAS BERHAD

CORPORATE GOVERNANCE

Question

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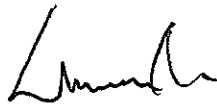
Reply:

Noted and the Board is looking into the recommendation and formalizing policy for MCCG practices.

The Board will present this reply to the shareholders present at the forthcoming 55th Annual General Meeting of the Company on 23 November 2017.

Please do not hesitate to contact us if you should require any further clarification.

Yours faithfully
INSAS BERHAD



Winnie Ng
General Manager - Finance