



# INSAS BERHAD

Registration No. 196101000026 (4081-M)

**ANNUAL REPORT  
2023**

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP**  
Chairperson/Non-Independent Non-Executive Director

**Dato' Wong Gian Kui**  
Chief Executive Officer/  
Executive Director

**Dato' Dr. Tan Seng Chuan**  
Executive Director

**Ms. Soon Li Yen**  
Non-Independent Non-Executive Director

**Dato' Mohamad Azmi Bin Ali**  
Independent Non-Executive Director

**Datuk Mohamed Arsad Bin Sehan**  
Independent Non-Executive Director  
(appointed on 29 August 2023)

## AUDIT COMMITTEE

**Dato' Mohamad Azmi Bin Ali**  
Chairman/Independent Non-Executive Director

**Datuk Mohamed Arsad Bin Sehan**  
Independent Non-Executive Director  
(appointed on 29 August 2023)

**Ms. Soon Li Yen**  
Non-Independent Non-Executive Director

## NOMINATION AND REMUNERATION COMMITTEE

**Datuk Mohamed Arsad Bin Sehan**  
Chairman/Independent Non-Executive Director  
(appointed on 30 August 2023)

**Dato' Mohamad Azmi Bin Ali**  
Independent Non-Executive Director

**Ms. Soon Li Yen**  
Non-Independent Non-Executive Director

## RISK MANAGEMENT COMMITTEE

**Dato' Wong Gian Kui**  
Chairman/Executive Director

**Dato' Mohamad Azmi Bin Ali**  
Independent Non-Executive Director

**Datuk Mohamed Arsad Bin Sehan**  
Independent Non-Executive Director  
(appointed on 30 August 2023)

## COMPANY SECRETARIES

**Ms. Chow Yuet Kuen**  
MAICSA 7010284  
SSM PC No. 202008002730

**Ms. Lau Fong Siew**  
MAICSA 7045893  
SSM PC No. 202008002625

## REGISTERED OFFICE

No. 47-5, The Boulevard  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur  
Tel : 03-2391 9309  
Fax : 03-2282 4688  
Email : insassec@insas.com.my

## PRINCIPAL PLACE OF BUSINESS

Suite 23.02, Level 23  
The Gardens South Tower  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur  
Tel : 03-2282 9311  
Fax : 03-2284 8500

## AUDITORS

Grant Thornton Malaysia PLT  
(No. 201906003682 &  
LLP0022494-LCA)  
(Member Firm of Grant Thornton International Ltd)  
Chartered Accountants (AF 0737)  
Level 11, Sheraton Imperial Court  
Jalan Sultan Ismail  
50250 Kuala Lumpur

## PRINCIPAL BANKERS

Affin Hwang Investment Bank Berhad  
Alliance Bank Malaysia Berhad  
AmBank (M) Berhad  
CIMB Bank Berhad  
Credit Suisse AG  
Hong Leong Bank Berhad  
Malayan Banking Berhad  
OCBC Bank (Malaysia) Berhad  
Public Bank Berhad  
RHB Bank Berhad  
RHB Islamic Bank Berhad  
United Overseas Bank (Malaysia) Berhad

## SOLICITORS

Raslan Loong, Shen & Eow  
Shearn Delamore & Co.  
Tan Pheok San & Co.

## SHARE REGISTRAR

Megapolitan Management Services Sdn. Bhd.  
No. 47-5, The Boulevard  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur  
Tel : 03-2391 9309  
Fax : 03-2282 4688  
Email : insassec@insas.com.my

## STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad  
Stock Name : INSAS  
Sector : Financial Services  
Stock Code : 3379

# PROFILE OF DIRECTORS

## Y.A.M. TENGKU PUTERI SERI KEMALA TENGKU HAJJAH AISHAH BINTI ALMARHUM SULTAN HAJI AHMAD SHAH, DK(II), SIMP

- *Chairperson/Non-Independent Non-Executive Director*

**Aged 66**   **Malaysian**   **Female**

Y.A.M. Tengku Aishah was appointed as the Chairperson of Insas Berhad on 12 November 1986.

She graduated with a Diploma in Business Administration from Dorset Institute, United Kingdom in 1980 and has been a Director of TAS Industries Sdn. Bhd. since 15 August 1990. TAS Industries Sdn. Bhd. is an investment holding and property development company in Kuala Lumpur.

Y.A.M. Tengku Aishah is also the Non-Independent Non-Executive Chairperson of Inari Amertron Berhad and the Independent Non-Executive Chairperson of Divfex Berhad and M & A Equity Holdings Berhad (formerly known as SYF Resources Berhad).

## DATO' WONG GIAN KUI

- *Chief Executive Officer/ Executive Director*
- *Chairman of Risk Management Committee*

**Aged 64**   **Malaysian**   **Male**

Dato' Wong was appointed to the Board of Insas Berhad as an Executive Director on 11 September 1992, as Managing Director from November 2000 to January 2009, re-designated as Non-Independent Non-Executive Director on 30 January 2009 and re-designated as Executive Director on 22 November 2017. He assumed the position of Chief Executive Officer on 28 February 2019.

Dato' Wong is an accountant by profession and has been a member of the Malaysian Institute of Certified Public Accountants since 1985 and a member of the Malaysian Institute of Accountants since 1988. Prior to joining Insas Berhad, Dato' Wong had worked for Harun, Oh & Wong, a member of Horwath International firm of public accountants in Malaysia from 1981 to 1990 and Stoy Hayward London, Chartered Accountants from 1990 to 1991.

He is currently an Executive Director of Inari Amertron Berhad, Divfex Berhad ("DFX") and Ho Hup Construction Company Berhad.

He also sits on the board of Insas Technology Berhad and Diversified Gateway Berhad, both are non-listed public companies 100% owned by Insas Berhad and DFX respectively.

## DATO' DR. TAN SENG CHUAN

- *Executive Director*

**Aged 68**   **Malaysian**   **Male**

Dato' Dr. Tan was appointed to the Board of Insas Berhad on 18 March 1997.

He graduated with First Class Honours in Mechanical Engineering from Imperial College, England in 1978. Dato' Dr. Tan also obtained a Masters and PhD in Engineering Science in 1981 and 1983 respectively from Harvard University, USA. Dato' Dr. Tan has 38 years' experience in the global IT and related high technology industries. He joined Insas Berhad in 1997 where he currently heads the Technology Division.

Dato' Dr. Tan is currently the Executive Vice Chairman of Inari Amertron Berhad and Divfex Berhad ("DFX"). He also sits on the board of Insas Technology Berhad and Diversified Gateway Berhad, both are non-listed public companies 100% owned by Insas Berhad and DFX respectively.

## PROFILE OF DIRECTORS (CONT'D)

### DATO' MOHAMAD AZMI BIN ALI

Aged 66	Malaysian	Male
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- Independent Non-Executive Director
- Chairman of Audit Committee
- Member of Nomination and Remuneration Committee
- Member of Risk Management Committee

Dato' Mohamad Azmi was appointed to the Board of Insas Berhad on 24 February 2022.

Dato' Mohamad Azmi is a member of CPA (Australia) and the Malaysian Institute of Accountants. He holds a Bachelor of Accounting degree from University Kebangsaan Malaysia.

Dato' Mohamad Azmi's experience in the public sector spanned over 36 years, from 1981 until his retirement in 2017. Earlier in his career he was appointed as the Kelantan State's Treasurer from 1983 to 1991. He served in Economic Planning Unit, Prime Minister's Department in the Privatization Task Force and Foreign Investment Committee from 1992 to 2001. Following that, he was the Head of Accountant's General Office in Kuching from 2002 to 2008; and was the Head Accountant of the Ministry of Education from 2008 to 2011. Subsequently, he headed various divisions in the Accountant's General Office before being appointed as the Deputy Accountant General of Malaysia in 2015. On 1 December 2020, he was appointed by the Ministry of Finance ("MOF") as the Registrar of the Malaysian Institute of Accountants. He is also an Audit Committee member at Malaysia Productivity Corporation and Technology Depository Agency Berhad (a MOF Company).

Dato' Mohamad Azmi is currently an Independent Non-Executive Director of Inari Amertron Berhad and M & A Equity Holdings Berhad (formerly known as SYF Resources Berhad).

### DATUK MOHAMED ARSAD BIN SEHAN

Aged 70	Malaysian	Male
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- Independent Non-Executive Director
- Chairman of Nomination and Remuneration Committee
- Member of Audit Committee
- Member of Risk Management Committee

Datuk Mohamed Arsad was appointed to the Board of Insas Berhad on 29 August 2023.

He holds a Bachelor of Economics (Statistics) from the University of Malaya.

Datuk Mohamed Arsad has had an extensive career spanning 31 years, from 1978 to 2009, in the banking industry with Bank Bumiputra Malaysia Berhad and Bank Kerjasama Rakyat Malaysia Berhad ("Bank Rakyat"). Throughout his tenure at Bank Rakyat, he held various senior management positions, including that of General Manager of Commercial Banking, Assistant General Manager of Banking Operations, Sector Head of Financing, and Division Head of Planning and Development and Corporate Services. He spent 7 years as the Managing Director and Chief Executive Officer of a private limited company dealing in the manufacture and supply of standby power systems on secondment from Bank Rakyat.

After retiring from Bank Rakyat, he spent 8 years as the Managing Director and Executive Director of PureCircle Sdn. Bhd., a wholly-owned subsidiary company of PureCircle Limited.

Datuk Mohamed Arsad was an Independent Non-Executive Director of M & A Equity Holdings Berhad (formerly known as SYF Resources Berhad) ("M & A Equity") since 2011 and subsequently was re-designated as the Independent Non-Executive Chairman on 1 July 2020. He stepped down from the Board of M & A Equity on 30 June 2023. Datuk Mohamed Arsad was also an Independent Non-Executive Chairman of Bertam Alliance Berhad from 2014 to 2021.

Currently, Datuk Mohamed Arsad sits on the Board of Inari Amertron Berhad, KIP REIT Management Sdn. Bhd. (the Manager for the listed KIP Real Estate Investment Trust) and Yayasan CanOne KianJoo.

## PROFILE OF DIRECTORS (CONT'D)

### SOON LI YEN

**Aged 55****Malaysian****Female**

- *Non-Independent Non-Executive Director*
- *Member of Audit Committee*
- *Member of Nomination and Remuneration Committee*

Ms. Soon was appointed to the Board of Insas Berhad on 6 March 2009.

She is an accountant by profession and prior to joining Insas Berhad in August 1995, she worked for Coopers & Lybrand as Audit Senior from 1991 to 1995. Ms. Soon graduated from the Royal Melbourne Institute of Technology with a Bachelor of Business in Accounting in 1991. She is a member of the Malaysian Institute of Accountants and Certified Public Accountants of Australia and has extensive experience in auditing, accounting, financial planning and financial related work.

#### Notes:-

None of the Directors have:-

- any family relationship with any Director and/or major shareholder of the Company;
- any conflict of interest with the Company; and
- any conviction for offences (excluding traffic offences, if any) within the past 5 years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 June 2023.

# PROFILE OF KEY SENIOR MANAGEMENT

## DATO' WONG GIAN KUI

Aged 64      Malaysian      Male

- Chief Executive Officer cum Executive Director, Insas Berhad
- Director, Insas Technology Berhad, Insas Credit & Leasing Sdn. Bhd., Insas Plaza Sdn. Bhd., M & A Securities Sdn. Bhd. and Insas Pacific Rent-A-Car Sdn. Bhd. (principal subsidiary companies of Insas Berhad)

The profile of Dato' Wong is stated in the Profile of Directors on page 3 of the Annual Report.

## DATO' DR. TAN SENG CHUAN

Aged 68      Malaysian      Male

- Executive Director, Insas Berhad
- Director, Insas Technology Berhad (a principal subsidiary company of Insas Berhad)

The profile of Dato' Dr. Tan is stated in the Profile of Directors on page 3 of the Annual Report.

## DATO' SRI THONG KOK KHEE

Aged 69      Malaysian      Male

- Director, Insas Plaza Sdn. Bhd., Insas Credit & Leasing Sdn. Bhd. and Insas Technology Berhad (principal subsidiary companies of Insas Berhad)

Dato' Sri Thong was the Chief Executive Officer of Insas Berhad from 10 March 1993 to 29 November 2004. Dato' Sri Thong was appointed to the Board of Insas Berhad as Executive Deputy Chairman on 28 February 2007 and subsequently became the Executive Deputy Chairman cum Chief Executive Officer on 30 January 2009 to 28 February 2019. Dato' Sri Thong resigned from the Board of Insas Berhad on 28 February 2019.

A graduate from the London School of Economics, United Kingdom, Dato' Sri Thong had worked in the financial services industry from 1979 to 1988. He worked for Standard Chartered Merchant Bank Asia Limited in Singapore from October 1982 to June 1988 and his last held position was the Director of its Corporate Finance Division.

Dato' Sri Thong is currently the Deputy Chairman of Omesti Berhad and a Non-Independent Non-Executive Director of Inari Amertron Berhad.

Dato' Sri Thong is a substantial shareholder of Insas Berhad. He has not been convicted of any offence within the past 5 years and there are no sanctions and/or penalties imposed by any regulatory bodies during the financial year.

## PROFILE OF KEY SENIOR MANAGEMENT (CONT'D)

### THONG MEI CHUEN

Aged 41	Malaysian	Female
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- *Head of Global Treasury and Corporate Planning, Insas Berhad*
- *Non-Independent Non-Executive Director, M & A Equity Holdings Berhad ("M & A Equity") (formerly known as SYF Resources Berhad) (a principal subsidiary company of Insas Berhad)*

Ms. Thong was appointed as Head of Global Treasury and Corporate Planning of Insas Berhad on 1 July 2012.

She graduated with a Bachelor of Arts from Dartmouth College. She has had 5 years of equity capital markets experience having worked at Credit Suisse in New York from 2004 to 2006, and Deutsche Bank from 2006 to 2009 at their New York, Hong Kong and Singapore offices. She subsequently joined the corporate finance team in Genting Hong Kong from 2009 to mid-2012.

Her father, Dato' Sri Thong Kok Khee, is a substantial shareholder of Insas Berhad. Ms. Thong was appointed to the Board of Inari Amertron Berhad on 2 July 2013 as an Alternate Director to Dato' Sri Thong Kok Khee, who is a Non-Independent Non-Executive Director of Inari Amertron Berhad. In February 2014, she has also undertaken the role of Chief Operating Officer in Microlink Solutions Berhad's Singapore division. She was appointed as a Non-Independent Non-Executive Director of M & A Equity on 1 August 2023.

She has not been convicted of any offence within the past 5 years and there are no sanctions and/or penalties imposed by any regulatory bodies during the financial year.

### THONG WENG SHENG

Aged 33	Malaysian	Male
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- *Director, Insas Pacific Rent-A-Car Sdn. Bhd. ("IPRAC"), Insas Plaza Sdn. Bhd. ("IPSB") and Insas Credit & Leasing Sdn. Bhd. ("ICL") (principal subsidiary companies of Insas Berhad)*

Mr. Thong was appointed as a Director of IPSB, IPRAC and ICL on 1 January 2016, 22 February 2016 and 1 June 2016 respectively.

Mr. Thong graduated with a BA in Economics from Durham University, United Kingdom in 2012. Prior to joining Insas Group, he worked as a journalist for The Peak (Malaysia) magazine and swiftly rose through the ranks to become the publication's Senior Writer. He joined Insas Group in 2015 and heads the long-term contract car hire and fleet management operations.

Mr. Thong was appointed as IOT Product Manager in Microlink Solutions Berhad, in May 2017.

He does not hold directorships in any public listed companies in Malaysia.

He is the son of Dato' Sri Thong Kok Khee. He has not been convicted of any offence within the past 5 years and there are no sanctions and/or penalties imposed by any regulatory bodies during the financial year.

## PROFILE OF KEY SENIOR MANAGEMENT (CONT'D)

### DATUK TAN CHOON PEOW, BILL

Aged 52

Malaysian

Male

- *Managing Director of M & A Equity*
- *Executive Director-Corporate Finance, M & A Securities*  
*(principal subsidiary companies of Insas Berhad)*

Datuk Bill joined M & A Securities in 2009. He was appointed as the Executive Director-Corporate Finance of M & A Securities on 18 March 2013. He was appointed as the Executive Director of M & A Equity on 10 May 2023 and was subsequently re-designated as the Managing Director on 30 June 2023.

Datuk Bill graduated with a Bachelor of Commerce from Murdoch University, Australia in 1993 and is a member of the Malaysian Institute of Accountants and Certified Public Accountants of Australia, both since 1996. In 2001, he was registered as Chartered Accountant with the Malaysian Institute of Accountants.

He started his career in 1993 as an Audit Assistant in KPMG Peat Marwick where he was involved in various audit assignments. In 1997, he left the firm as Audit Senior to join Bright Rims Manufacturing Sdn. Bhd. as Group Financial Controller where he was responsible for managing its accounts and finance functions up to 2000. Between 2001 to 2004, he was attached to Leverage Management Sdn. Bhd. as a Director where he was involved in the provision of corporate finance advisory.

In 2004, he joined Avenue Securities Sdn. Bhd. as Associate Director, Corporate Finance. In 2007, he left ECM Libra Avenue Securities Sdn. Bhd. (the merged entity of Avenue Securities Sdn. Bhd. and ECM Libra Securities Sdn. Bhd.) to join MIMB Investment Bank Bhd. (now known as Hong Leong Investment Bank Berhad) as a Director (non-board member) and Team Head, Investment Banking till 2009 when he joined M&A Securities.

Datuk Bill has more than 20 years' experience in accounting and corporate finance and was involved in various restructuring, initial public offering, fund raising and merger and acquisition.

Other than his directorship in M & A Equity, he does not hold directorships in any public listed companies in Malaysia.

He has no family relationship with any Director or major shareholder of Insas Berhad and has no conflict of interest with Insas Berhad. He has not been convicted of any offence within the past 5 years and there are no sanctions and/or penalties imposed by any regulatory bodies during the financial year.

## PROFILE OF KEY SENIOR MANAGEMENT (CONT'D)

### DATO' THONG KOK YOON

Aged 72

Malaysian

Male

- *Executive Director, M & A Securities Sdn. Bhd. ("M & A Securities") (a principal subsidiary company of Insas Berhad)*

Dato' Thong was appointed as an Executive Director of M & A Securities on 15 November 1991.

He graduated with a Bachelor of Science majoring in Mechanical Engineering from Imperial College of Science and Technology, University of London. He was attached to Phillip Singapore Limited prior to joining M & A Securities. He has more than 40 years of working experience in the stock broking industry.

He does not hold directorships in any public listed companies in Malaysia.

Dato' Thong is a substantial shareholder of Insas Berhad. He is the brother of Dato' Sri Thong Kok Khee. He has not been convicted of any offence within the past 5 years and there are no sanctions and/or penalties imposed by any regulatory bodies during the financial year.

### DATO' SRI CHEE HONG LEONG, JP

Aged 59

Malaysian

Male

- *Executive Director of M & A Equity (a principal subsidiary company of Insas Berhad)*

Dato' Sri Chee was appointed as an Independent Non-Executive Director of M & A Equity on 13 March 2003 and was subsequently re-designated as Executive Director on 2 December 2011.

He graduated with a Bachelor of Engineering (Computer) and a Master of Business Administration, both from McMaster University, Hamilton, Ontario, Canada. He began his career in 1990 coordinating the development in corporate and annual strategic plans for Leisure Holidays Group of Companies.

In 1992, Dato' Sri Chee ventured into various businesses which involved designing and building individual bungalows for landowners of various housing projects in the Klang Valley as well as building and operating a 100,000 sq. ft. Information Technology Incubation Centre in University Putra Malaysia. Subsequently, he joined Tanco Resort Berhad from 1998 to 2002 where he held various positions from General Manager to Executive Director/Chief Operating Officer. From 2002 to 2009, he joined LPS Global Solutions Sdn. Bhd. as Chief Executive Officer. From 2009 until to-date, he joined Kiara Susila Sdn. Bhd. as Executive Director.

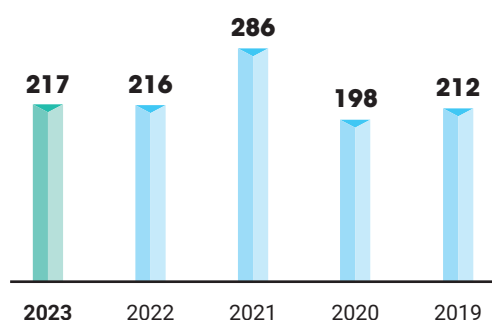
Dato' Sri Chee also sits on the Board of Hextar Industries Berhad and Inari Amertron Berhad as Independent Non-Executive Director and Microlink Solutions Berhad and Ho Hup Construction Company Berhad as Executive Director.

He has no family relationship with any Director or major shareholder of Insas Berhad and has no conflict of interest with Insas Berhad. He has not been convicted of any offence within the past 5 years and there are no sanctions and/or penalties imposed by any regulatory bodies during the financial year.

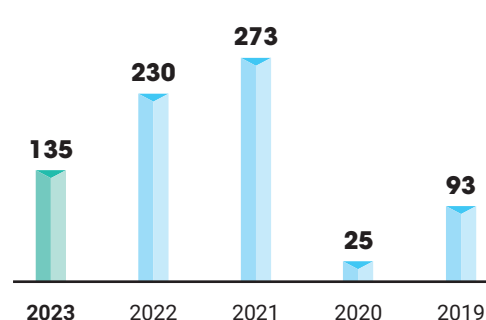
## FIVE YEARS GROUP FINANCIAL HIGHLIGHTS

	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000	2019 RM'000
Revenue	216,835	216,392	285,649	197,502	212,014
Profit Before Taxation	134,733	229,639	273,252	25,211	93,328
Profit After Taxation Attributable to Owners of the Company	122,754	215,145	257,561	14,867	81,831
Total Assets	3,031,362	2,700,699	2,479,868	2,254,873	2,338,959
Total Liabilities	531,153	507,449	498,878	500,191	591,765
Total Borrowings	395,672	409,809	385,424	367,290	514,759
Equity Attributable to Owners of the Company	2,342,233	2,194,089	1,979,447	1,752,941	1,739,358
Number of Shares in Issue, net of Treasury Shares (Thousands)	663,021	663,021	663,021	663,021	663,007
Earnings Per Share – Basic (Sen)	18.51	32.45	38.85	2.24	12.34
Net Assets Per Share (RM)	3.53	3.31	2.99	2.64	2.62
Return on Equity (%)	5.2	9.8	12.2	0.8	4.7
Return on Total Assets (%)	4.0	8.0	9.8	0.7	3.5
Gearing Ratio	0.17	0.19	0.19	0.21	0.30

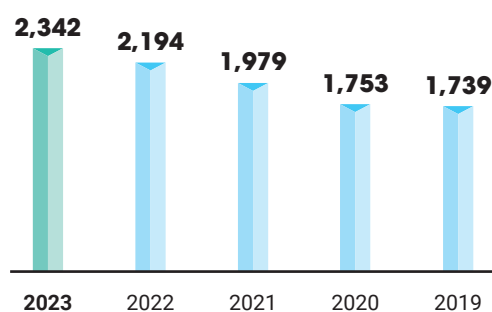
### REVENUE (RM' Million)



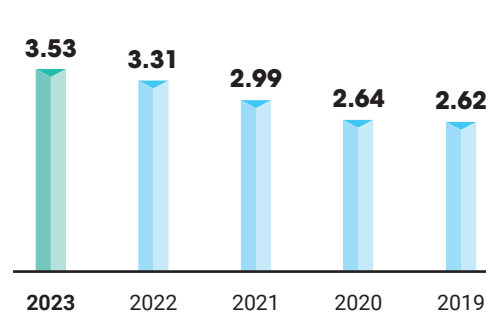
### PROFIT BEFORE TAXATION (RM' Million)



### EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM' Million)



### NET ASSETS PER SHARE (RM)



# MANAGEMENT DISCUSSION AND ANALYSIS

We are pleased to present the Management Discussion and Analysis on the performance of Insas Berhad (“Insas” or “the Group”) for the financial year ended 30 June 2023 (“FY 2023”).

## 1. OVERVIEW OF THE GROUP BUSINESSES

The Group’s principal business segments consist of:-

- (i) stock broking, provision of corporate finance & advisory services and structured finance (“Financial Services”);
- (ii) investment holding & trading;
- (iii) technology & IT related services (“Technology”);
- (iv) manufacturing and distribution of consumer products and services, retail trading and car rental; and
- (v) property investment & development.

The business environment in FY 2023 was challenging. The Group operated under tough and volatile market conditions. On the external front, the global economy experienced a broad-based slowdown with high inflation and rising interest rates and global escalation in the costs of material supplies, production and labour that resulted in tighter financial conditions and decreased discretionary consumption. Together with the ongoing geopolitical tensions and the banking crisis in parts of the United States, these had dampened investors’ confidence in the financial markets. Nevertheless, as with the previous financial years, the Board, together with the dedicated management team and employees, have worked hard together to face the challenges and worked towards the long-term growth and sustainability of the Group.

Despite the tough business environment, the Group closed the FY 2023 with a overall satisfactory financial performance. The Group’s shareholders’ funds improved from RM2.19 billion to RM2.34 billion as at 30 June 2023 despite the Group reporting a lower pre-tax profit of RM134.7 million for FY 2023 as compared to RM229.6 million in the financial year ended 30 June 2022 (“FY 2022”), primarily due to the exceptional accounting gain on deemed disposal of equity interests in associate companies amounted to RM131.3 million which was recorded in the FY 2022 (FY 2023: RM5.7 million).

The Group’s main operations are located in Malaysia and Singapore and our principal associate company’s operations are located in Malaysia, Philippines and China.

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. The uncertainties in global recovery post Covid-19 pandemic, foreign exchange rate volatility, inflation risk, rising borrowing costs, the on-going continuing Ukraine war, the Israel-Palestine conflict and the overall increase in costs of doing businesses have fundamentally changed the general business environment and outlooks globally, and the Board will continuously assess, adapt and strategise in response to these unforeseen events and circumstances which are beyond our control. The Group will strive to achieve these objectives by actively seeking good revenue and earnings growth investment opportunities.

## 2. OPERATIONAL REVIEW

### 2.1 Stock broking and provision of corporate finance & advisory services

On 10 May 2023, the Company had completed the disposal of 100,000,000 ordinary shares and 60,000,000 redeemable convertible preference shares (“RCPS”) representing the entire equity interest and RCPS in its wholly-owned subsidiary company, M & A Securities Sdn Bhd (“M & A Securities”) to M & A Equity Holdings Berhad (formerly known as SYF Resources Berhad) (“M & A Equity”) in exchange of the allotment of 1,009,090,909 new ordinary shares in M & A Equity to the Company at an issue price of RM0.22 each totalling RM222 million and arising therefrom, M & A Equity Group became a 67.12% subsidiary companies of the Group, and M & A Securities and its subsidiary companies became 67.12% indirect subsidiary companies of the Group.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### 2. OPERATIONAL REVIEW (CONT'D)

#### 2.1 Stock broking and provision of corporate finance & advisory services (cont'd)

On 30 June 2023, M & A Equity had completed its renounceable rights issue and restricted issue of 284,436,506 and 136,323,600 new ordinary shares in M & A Equity respectively. Arising therefrom, the Group's equity interests in M & A Equity has been diluted to 60.83% as at 30 June 2023.

The disposal of M & A Securities is essentially a backdoor listing of M & A Securities via M & A Equity, which enabled Insas Group to unlock value by monetising and securitising its investment in M & A Securities, creating a separate listing platform for M & A Securities on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). In addition, the listing status of M & A Securities will enable investors to separately appraise the business strategies, risks and returns of M & A Securities independently from Insas.

M & A Equity has sold its rubberwood and related furniture businesses and turned into a full-fledged financial services group with focus on expanding and strengthening its corporate finance services business as well as growing its stock brokerage and margin financing businesses by leveraging on its competitive strengths and experience in the industry.

M & A Securities is a stock broking company providing trading services for securities listed on Bursa Securities and other recognised foreign stock exchanges, share margin financing, collateralised trading, corporate finance advisory, underwriting and placement of securities, nominee and custodian services and other regulated activities. M & A Securities' principal office is located in Mid Valley City, Kuala Lumpur and it currently has five (5) branch offices located in Kuala Lumpur, Ipoh, Penang and Johor Bahru.

During FY 2023, M & A Securities has acted as principal adviser and successfully listed 6 (FY 2022: 7) companies on the ACE Market. M & A Securities has continuously been ranked as one of the top principal advisers in the IPO market for ACE and LEAP Markets. M & A Securities will continue its niche in the stock broking and corporate finance advisory role in promoting SME and growth companies to list on the ACE and LEAP Markets.

#### 2.2 Structured finance

The Group's lending arm, Insas Credit & Leasing Sdn. Bhd. ("ICL") is licensed under the Moneylenders Act 1951. ICL has established itself as a boutique structured finance provider to selected sophisticated investors and corporations seeking short and medium terms financing for working capital and investment purposes. As of 30 June 2023, ICL has a collateralised loan portfolio of over RM280 million generating recurring interest income to the Group.

ICL has stringent operating and compliance policies and processes in place in evaluating the credit profile of the borrowers, the project viability, the collateral offered and sources of repayments and ICL conducts ongoing monitoring procedures to assess and ensure the loan positions are well maintained, adequately secured and comply with the necessary covenants.

#### 2.3 Investment holding and trading

The Group's investment strategies encompass stringent asset allocation and diversification to manage risk of the portfolio investments of the Group. To achieve this objective, the Group acquires fixed and variable income investments typically money market funds, debt securities and high yield growth stocks, listed equities and options. These investments are held on a medium to long term investment horizon of 1 to 5 years. The Group's investment objectives remain to maximise capital growth with recurring income and cash flows above the cost of funds.

As of 30 June 2023, the Group's investments in listed equities are primarily in REITS, technology and e-commerce, logistics, consumer products and financial services sectors in both local and overseas stock exchanges.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### 2. OPERATIONAL REVIEW (CONT'D)

#### 2.4 Technology and IT related services

In FY 2023, the Group's Technology segment continued its activities in technology projects, trading and investments. The Group's major holdings include investee companies Inari Amertron Berhad ("Inari"), the Outsourced Semiconductor Assembly and Test ("OSAT") group listed on the Main Market and Divfex Berhad ("DFX"), the ACE-listed technology group involved in the digital infrastructure business supplying networking products and solutions, managed services and network performance management.

For FY 2023, Inari reported a revenue of RM1.35 billion, a 13% decrease as compared to RM1.55 billion in FY 2022, and its earnings decreased from RM391 million in FY 2022 to RM325 million in FY 2023. The decrease in earnings was mainly attributable to lower revenues and higher energy costs. Inari exports 100% of its output.

For the same period, DFX reported a revenue of RM76.4 million, a 352% increase as compared to RM16.9 million in FY 2022, and its earnings increased from RM1.0 million in FY 2022 to RM7.4 million in FY 2023. The increase was mainly contributed by higher revenue recorded by Information and Communication Technology ("ICT") business segment. The better performance of DFX for the FY 2023 was also partly attributable to the profit contribution from the 2 complementary ICT business units, Excel Commerce Solutions Sdn. Bhd. and Finther Tecnologica Sdn. Bhd., which were acquired towards the end of FY 2022.

The Group's Technology segment, as in the past financial years, remains a key contributor to the Group's profits and cash flows. The Technology segment continues to maintain a significant equity holding in Inari to generate recurring dividend income at the same time continuing to seek new and promising investments in the technology sector.

#### 2.5 Manufacturing and distribution of consumer products and services

QBI Packaging Sdn. Bhd. ("QBI") is principally engaged in manufacturing of ghee products and offer dry packaging services. The sales of ghee products were affected by inflation and higher raw material costs from a weak Ringgit which resulted in consumers moving to using lower cost substitutes like margarine, while export sales are undergoing lengthy import certification in some countries. Dry packaging services turnover remained steady.

#### 2.6 Retail trading

Melium Group is one of Malaysia's leading retail group on international luxury fashion brands such as Aigner, Givenchy, Hackett London, Max Mara, MCM, Roger Vivier and Tod's and it holds the Malaysian franchise for Dome Café and operates 20 outlets in Klang Valley, Genting Premium Outlet, Johor Premium Outlet and Penang. Melium Group also owns and operates the Seminyak Village, a boutique mall in Bali, Indonesia.

#### 2.7 Car rental

The Group's car rental operation is mainly carried out by Insas Pacific Rent-A-Car Sdn. Bhd. ("IPRAC") in Malaysia.

IPRAC offers both short-term and long-term car rental services, and chauffeured limousine services with its fleet consisting of sedans, SUVs and MPVs. IPRAC is headquartered in Bukit Jalil, Kuala Lumpur and has branch offices located in Johor Bahru and Penang Airport.

IPRAC will continue to closely monitor the travel and consumer patterns to improve vehicle utilization and competitiveness.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### 2. OPERATIONAL REVIEW (CONT'D)

#### 2.8 Property investment and development

The Group's property portfolio comprises a mix of landed and high-rise residential units and shops/office spaces held to generate rental income and for resale. Occupancy for our shops/office spaces remain encouraging with near full occupancy during FY 2023 whereas occupancy rate for the residential properties remained soft primarily due to the oversupply of residential properties in the Klang Valley. The division will continue its efforts to market its property portfolio during financial year ending 30 June 2024 ("FY 2024") in order to capture opportunities in the property resale market.

#### 2.9 Ho Hup Construction Company Berhad ("Ho Hup")

The Group has adopted equity accounting for its investment in Ho Hup since financial year ended 30 June 2016.

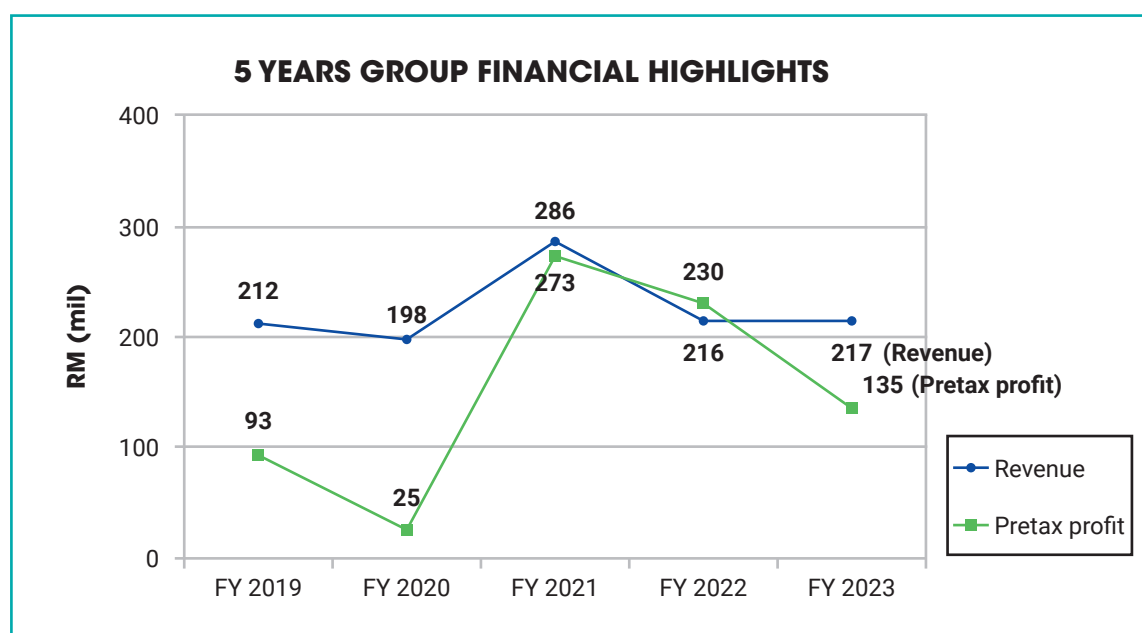
The performance of Ho Hup has improved mainly due to increase in property development activities contributed by newly launched project Flex @ Bukit Jalil in 4th Quarter of FY 2023 and current on-going projects ie. The Crown Suites project in Kota Kinabalu and Laman Iskandaria, Kulai.

#### 2.10 M & A Equity Holdings Berhad ("M & A Equity")

With effect from 10 May 2023, the Group commence to consolidate the financial results of M & A Equity Group upon the completion of disposal of M & A Securities. Post reverse acquisition, M & A Equity Group has 3 principal business segments ie. provision of stockbroking services and corporate finance advisory services (financial services), property investment and development and investment holdings.

M & A Equity Group has only one on-going high-rise residential development project, ie. Alstonia Residence in Bandar Sungai Long, Selangor with a net GDV of RM300 million. The project is 100% sold and vacant possession has been delivered to the end-purchasers in July 2023.

### 3. FINANCIAL REVIEW



## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

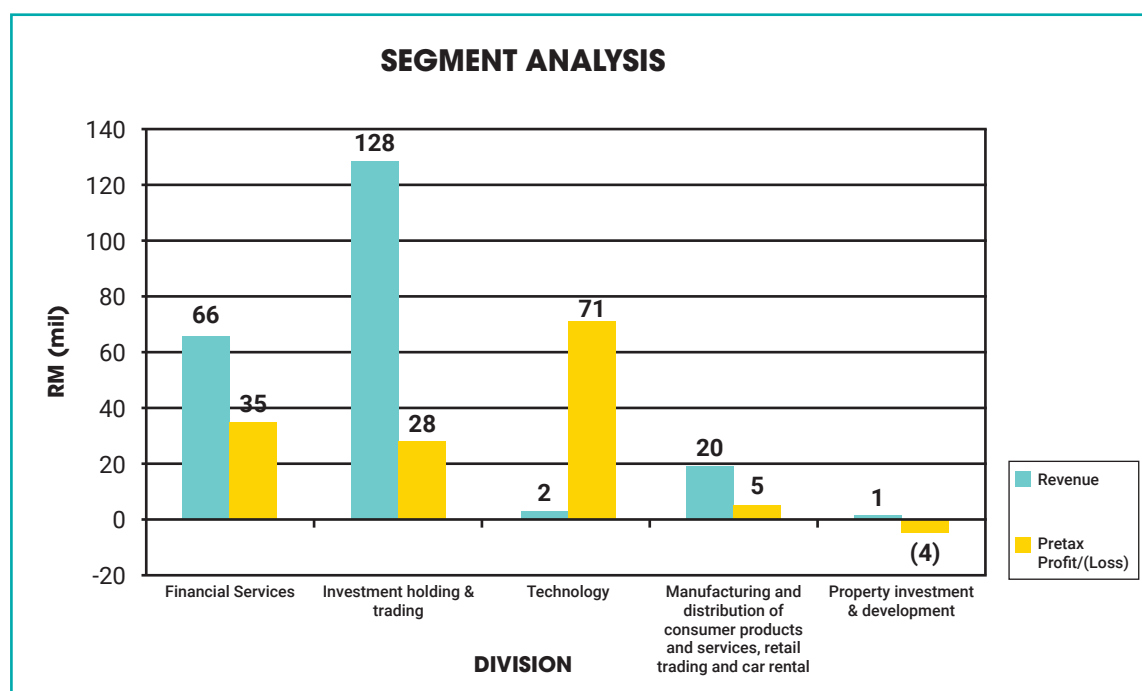
### 3. FINANCIAL REVIEW (CONT'D)

#### Financial performance

For FY 2023, the Group recorded revenue of RM216.8 million as compared to RM216.4 million in FY 2022. The main contributors to the Group's revenue in FY 2023 are the Financial Services segment contributing 30% (FY 2022: 37%), the investment holding & trading segment contributing 59% (FY 2022: 37%), the Technology segment contributing 1% (FY 2022: 18%) and the manufacturing and distribution of consumer products and services and car rental segment contributing 9% (FY 2022: 7%) of the Group's revenue.

The Group recorded a lower pre-tax profit at RM134.7 million in FY 2023 as compared to RM229.6 million in FY 2022. The main contributors of pre-tax profit in FY 2023 are the Technology segment registering RM70.6 million (FY 2022: RM249.7 million), the Financial Services segment contributing RM35.3 million (FY 2022: RM44.7 million) and the investment holding & trading segment contributing RM28.0 million (FY 2022: pre-tax loss of -RM57.6 million).

The financial performance by business segments for FY 2023 is as follows:



Division	2023		2022	
	Revenue	Pretax profit/(loss)	Revenue	Pretax profit/(loss)
	RM'mil	RM'mil	RM'mil	RM'mil
Financial Services	66	35	80	45
Investment holding & trading	128	28	81	(58)
Technology	2	71	38	250
Manufacturing and distribution of consumer products and services, retail trading and car rental	20	5	14	-
Property investment & development	1	(4)	3	(7)
<b>Total</b>	<b>217</b>	<b>135</b>	<b>216</b>	<b>230</b>

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### 3. FINANCIAL REVIEW (CONT'D)

#### 3.1 Stock broking and provision of corporate finance & advisory services

M & A Securities' revenue decreased by -16% from RM48.1 million in FY 2022 to RM40.5 million in FY 2023, mainly due to lower brokerage revenue and corporate finance advisory fee recorded in FY 2023. Net brokerage income dropped by 28% to RM13.4 million in FY 2023 from RM18.7 million in FY 2022 as the stock broking division was negatively affected by the subdued activity in Bursa Securities's market during the financial year, mainly caused by lower retail market participation. The corporate finance advisory division also reported lower financial performance, registering a drop in fee income by 18% to RM16.5 million in FY 2023 from RM20.1 million the year before. Margin interest income saw a modest increase of 20% in FY 2023 to RM9.8 million (FY 2022: RM8.2 million).

M & A Securities recorded a slightly lower pre-tax profit of RM19.8 million in FY 2023 as compared to RM22.8 million in FY 2022, mainly due to lower revenue generated by M & A Securities.

#### 3.2 Structured finance

ICL reported lower revenue of RM25.5 million and pre-tax profit of RM15.9 million in FY 2023 (FY 2022: revenue of RM30.9 million and pre-tax profit of RM22.3 million) from its structured finance business due to a lower loan portfolio of RM281 million as at 30 June 2023 as compared to RM306 million on 30 June 2022. ICL's revenue and pre-tax profit returns remain fairly consistent in line with the level of its loan portfolio.

#### 3.3 Investment holding and trading

Revenue was higher in FY 2023 mainly due to higher trading activities of financial assets at fair value through profit or loss and other financial instruments totalled RM128.0 million in FY 2023 (FY 2022: RM81.0 million).

The investment unit reported a pre-tax profit of RM28.0 million for FY 2023 as compared to a pre-tax loss of -RM57.6 million in FY 2022, mainly due to general stock market recovery and higher foreign exchange gain reported in FY 2023, and provision for impairment loss on investment in an associated company of -RM39.4 million in FY 2022 (FY 2023: Reversal of impairment of RM2.6 million).

As at 30 June 2023, the investment unit holds financial assets at fair value through profit or loss of RM220.9 million, a decrease of 10% as compared to RM244.4 million as of 30 June 2022.

#### 3.4 Technology and IT related services

The Technology segment reported lower revenue of RM1.8 million in FY 2023, a decrease of 95% as compared to RM38.2 million in FY 2022 and pre-tax profit decreased from RM249.7 million in FY 2022 to RM70.6 million in FY 2023. The lower pre-tax profit reported in FY 2023 was primarily due to an exceptional accounting gain on deemed disposal of equity interests in associate companies of RM131.3 million reported in the preceding year (FY 2023: RM5.7 million).

#### 3.5 Manufacturing and distribution of consumer products and services

The manufacturing and distribution of consumer products and services was a new segment in the 4th quarter of FY 2022, reported revenue of RM4 million (FY 2022: RM0.8 million) and a higher pre-tax loss of -RM2.3 million in FY 2023 (FY 2022: -RM0.6 million) mainly due to intangible assets written off of RM0.7 million and higher operating expenses incurred in FY 2023.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### 3. FINANCIAL REVIEW (CONT'D)

#### 3.6 Retail trading

During the financial year, Melium Group's sales have improved considerably to almost pre-Covid level for many of the brands Melium carries. In FY 2023, Melium Group posted a net profit of RM15.4 million as compared to RM2.5 million in FY 2022 as its business continued to improve basing on the numbers of inbound tourists from China are encouraging.

#### 3.7 Car rental

Car rental division reported higher revenue of RM15.6 million in FY 2023 as compared to RM13.4 million in FY 2022 mainly contributed by the increase in fleet size from 364 to 487 vehicles with average vehicle utilisation rate at above 70% for FY 2023 and FY 2022. Despite higher revenue reported in FY 2023, the car rental division pre-tax profit remain fairly consistent mainly due to higher operating cost incurred in line with the higher fleet size. The Management will continue to focus on pursuing new long-term corporate clients while improving on fleet utilisation.

#### 3.8 Property investment and development

There is no significant variance on revenue for FY 2023 as compared to FY 2022.

The unit suffered pre-tax loss of -RM3.7 million in FY 2023 (FY 2022: pre-tax loss -RM6.9 million), primarily due to the continual loss contribution from Ho Hup Group and the adoption of IFRIC Agenda Decision on MFRS 123 Borrowing Cost which resulted in the retrospect effect of charging out capitalized interest cost to the statement of profit and loss of Ho Hup with effect from FY 2022.

### 4. ANALYSIS OF THE ANTICIPATED RISKS

The Board adopts a proactive approach to prudent risks management to sustain and grow the Group's businesses.

During FY 2023, the key risks that affected the Group were military conflict in Ukraine and uncertainties in global economic recovery from Covid-19 endemic. These factors have led to tighter liquidity conditions, global rise in interest rate, energy costs and inflation which dampen economic growth and affected the investors' confidence in the global financial markets.

The major risks which affect the Group's business segments and the respective strategies undertaken to mitigate them are set out below:

#### 4.1 Stock broking and provision of corporate finance & advisory services

The primary threat to M & A Securities is mainly from the highly competitive nature and liberalisation of the stockbroking industry as well as cyber threats. This may lead to potential reduction of brokerage and fee-based income and the inability of M & A Securities to secure potential clients and dealer's representatives.

During the financial year, M & A Securities had received a letter from Securities Commission in relation to the results of the annual capital market cyber simulation 2022. M & A Securities is placed in the third 25 percentile among all participants in the capital market cyber simulation 2022 which is encouraging. This simulation gives the opportunity to M & A Securities to assess its readiness and weakness in handling possible cyberattacks. M & A Securities continues to invest and enhance its front and back office systems and digitalization process. There was no cyber security threat reported during the financial year.

The M & A Equity Group does not consider the business risks in relation to the property development project under its helm to be material as there is only one (1) development project of which the construction has been fully completed and all the units available are fully sold. M & A Equity Group may look into disposing its remaining land bank in Semenyih and focus in the financial services segment.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### 4. ANALYSIS OF THE ANTICIPATED RISKS (CONT'D)

#### 4.2 Structured finance

In the current volatile economic conditions and market environment, ICL is susceptible to credit risk arising from its structured finance loan portfolio and prompt collection from loan receivables continues to be a concern for the business. To counter this, the management incorporated stringent measures and requirements in the loan approval processes, assessment of the quality and adequacy of collateral coverage and close monitoring of the loan receivables' performance to reduce the incidence of bad debts.

#### 4.3 Investment holding and trading

One of the primary anticipated risks faced by the investment holding and trading segment is the fluctuations in foreign currency exchange rates and its effects on its foreign securities portfolio. In line with the Malaysian Financial Reporting Standards, changes in accounting value of the Group's assets, liabilities, revenues and costs arising from foreign exchange translation are taken to the statements of profit or loss. Where necessary, the Group enters into forward foreign exchange contracts and match local currency income and investments to local currency expenditure and borrowings to minimize the foreign exchange exposure.

Our investment portfolio comprises short and medium-term investments with varied maturity periods to meet the Group's operating cash flow needs. These investments have exposure to credit, market, forex and liquidity risks. The Group's investments in financial assets at fair value through profit or loss comprises investment in quoted securities and other structured investments. The fair value of quoted securities and structured investments are determined by reference to their published market closing price as at the reporting date. As with the preceding financial year, the fair value of quoted securities and structured investments as at 30 June 2023 continued to be impacted by global financial and equity market uncertainty and volatility. With careful and consistent monitoring strategies in place, we will continue to monitor to ensure the investment holding and trading unit will contribute positively to the Group's bottom-line.

#### 4.4 Technology and IT related services

Within our technology business, we engage in a spectrum of activities that encompass project management, trading ventures, and strategic investments. In our approach to startup investments, we set our sights on attaining substantial returns, understanding that this pursuit inherently involves the customary risks associated with nascent enterprises. These risks encompass the unpredictability of disruptive concepts, the viability of cutting-edge technologies, the competence and determination of entrepreneurs, and the intricate timing of market entry. It's worth noting that each startup presents a unique blend of risks and opportunities, with its distinctive risk-reward profile.

In contrast, our investments in publicly-listed entities revolve around a comprehensive engagement. We work with the management teams, their technological leadership, and the intricate risk-reward dynamics of the markets they operate within. As committed investors and shareholders, our engagement with the leadership of these companies is ongoing. We collaborate closely to steer our investments towards yielding positive returns, achieved through mechanisms such as dividend disbursements and the appreciation of share prices and overall value.

Nonetheless, technology investments carry inherent risks, including market volatility, rapid technological obsolescence, regulatory changes, fierce competition, cybersecurity threats, supply chain disruptions, intellectual property complexities, susceptibility to economic downturns, leadership changes, scalability limitations, market saturation, environmental concerns, global economic and political uncertainty, unmet expectations, and potential liquidity issues. Managing these risks requires careful risk evaluation, and proactive risk mitigation strategies to navigate the dynamic and competitive technology landscape successfully.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### 4. ANALYSIS OF THE ANTICIPATED RISKS (CONT'D)

#### 4.5 Manufacturing and distribution of consumer food products

Local and export market penetration with our brands of ghee and dry packaging services is the major challenge and risk faced by our manufacturing of consumer food products segment. Inflation and fluctuation of raw material prices and currency rates are the other risk factors in the business.

#### 4.6 Retail trading

The spike in global inflation rate and increase in the costs of raw materials and labour are the major risk faced by the retail, trading and food and beverage industry. Melium fashion products and restaurant sales for all of our Dome outlets in FY 2023 had recovered to pre-Covid level.

The Melium management will focus on cash-flow management and cost monitoring while continue to work on expansions in the new malls opening as well as pricing and promotional strategies to maximise profitability.

#### 4.7 Car rental

We expect a high degree of competition from ride-sharing platforms, car-sharing platforms and 'grey' car rental operators who may not have all the necessary hire & drive permit for their vehicles in the short-term car rental market. This market segment has contributed about 12% of IPRAC's revenue in FY 2023 with the bulk of the revenue being generated from long-term corporate clients.

Globally, there is a growing concern for environmental sustainability. We may face pressure to adopt more environmentally friendly practices, such as offering electric or hybrid vehicles and implementing carbon offset programs.

#### 4.8 Property investment and development

In the local property sector, rising costs and inflationary pressures continue to be Ho Hup Group's biggest challenge. Recognising the challenges ahead, Ho Hup Group has similarly implemented cost cutting activities in ensuring its ability to maintain the margin as it embarked on various projects.

### 5. FUTURE PROSPECTS OF THE GROUP

The Group expects FY 2024 to be another challenging year due to the Russia-Ukraine war, USA-China geopolitical tension causing spike in inflation rate, costs escalation, rising energy costs, increase in interest rate, foreign currency rate volatility and the fears of global economic slowdown.

Nevertheless, the Group has a strong and healthy balance sheet, net cash position, diverse business units that generate reasonable earnings and cash flows, and with prudent management and good corporate governance, the Group will use its best endeavours to deal with and manage these difficult business environment and challenges in FY 2024.

The outlook for the stock broking unit is cautious but is expected to remain positive in FY 2024 whereas the corporate advisory division is expected to project steady performance. M & A Securities will focus on growing market share and expanding its revenue base. The structured finance unit is expected to contribute positively to the Group's results in FY 2024.

Our technology investments, spanning from dynamic startups to established publicly-listed companies, position us for robust short, medium, and long-term returns on investments. Our current holdings in listed technology firms have been notably fruitful, riding on the wave of increasing market enthusiasm and investor interest in technology ventures and enterprises over the years. Unless unforeseen circumstances arise, the ongoing trend of heightened digitalization is expected to continue benefiting our Group.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### 5. FUTURE PROSPECTS OF THE GROUP (CONT'D)

Looking ahead, the prospects for Inari in FY 2024 remains promising. Barring any adverse developments stemming from the prevailing semiconductor market slowdown and tighter monetary policies in major global economies, Inari remains steadfast in its commitment to implement strategies aimed at enhancing production capacity, optimizing energy consumption, and fortifying operational efficiencies. These efforts are geared towards achieving revenue growth in line with or exceeding industry forecasts for FY 2024.

The outlook for our small food manufacturing segment, however, is somewhat clouded by inflationary pressures and the depreciation of the local currency, which have driven up the costs of raw materials in the domestic market. Anticipated consequences include a potential decrease in both local and global food production and consumption during FY 2024, primarily due to escalating prices and waning consumer confidence. The Group will be evaluating its options for the food manufacturing business in FY 2024.

We expect FY 2024 to be another tough and challenging year ahead due to the numerous negative factors that may potentially affect the local and global markets, and we remain cautious and vigilant in managing these difficult operating environments.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Corporate Governance Overview Statement sets out the principal features of Insas Berhad (“the Company”) and its subsidiary companies’ (collectively referred to as “the Group”) corporate governance approach, summary of corporate governance practices during the financial year ended 30 June 2023 as well as the key focus area and future priorities in relation to corporate governance. The Corporate Governance Overview Statement is made pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”) and Practice Note 9 of the Listing Requirements with guidance drawn from the Corporate Governance Guide (4th Edition) issued by Bursa Malaysia Securities Berhad (“Bursa”).

The summary of corporate governance practices makes references to the three (3) key principles of good corporate practices as set out in the Malaysian Code of Corporate Governance 2021 (“MCCG 2021”) as follows:-

## Principle A: Board Leadership and Effectiveness

- Board Responsibilities
- Board Composition
- Remuneration

## Principle B: Effective Audit and Risk Management

- Audit Committee
- Risk Management and Internal Control Framework

## Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

- Engagement with Stakeholders
- Conduct of General Meetings

The Corporate Governance Overview Statement is augmented with a Corporate Governance Report 2023 based on a prescribed format as enumerated in Paragraph 15.25(2) of the Listing Requirements so as to provide a detailed articulation on the application of the Group’s corporate governance practices vis-à-vis the MCCG 2021. The Corporate Governance Report 2023 is available on the Company’s website at [www.insas.net](http://www.insas.net) and on Bursa’s website.

The Corporate Governance Overview Statement should also be read in tandem with the other statements in the Annual Report namely the Statement on Risk Management and Internal Control, Audit Committee Report and Sustainability Statement.

## CORPORATE GOVERNANCE APPROACH

The Board of Directors (“Board”) of Insas Berhad is committed towards reinforcing its corporate governance philosophies which is ingrained in the Group’s corporate governance framework essential to form responsible and responsive decision making in the Group.

The Group’s overall approach to corporate governance is to:-

- (i) aid and promote accountability at the Board and senior management level;
- (ii) identify opportunities to drive the synergistic implementation of corporate governance systems, policies and procedures for improved strategic and operational decision making; and
- (iii) find a fine balance in meeting the expectations of the different groups of stakeholders of the Group.

Given that the Board forms the pivot of good corporate governance, the Board steers effort to promote meaningful application of good corporate governance practices. The Group regularly reviews its corporate governance arrangements and practices to ascertain if they reflect market dynamics, development in the regulatory tapestry and evolving stakeholders’ expectations.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### SUMMARY OF CORPORATE GOVERNANCE PRACTICES

In manifesting the Group's commitment towards sound corporate governance, the Group has benchmarked its practices against the relevant promulgations and best practices. The Group has applied all the practices encapsulated in MCCG 2021 for the financial year ended 30 June 2023 except for the following departures:-

Practice 1.4: The Chairman of the Board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.

**Note:** The Chairperson of the Board, Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP, has stepped down from her positions in the Audit Committee ("AC") on 29 August 2023 and in the Risk Management Committee ("RMC") and the Nomination and Remuneration Committee ("NRC") on 30 August 2023 with the appointment of Datuk Mohamed Arsad Bin Sehan ("Datuk Arsad") as the new Independent Non-Executive Director to the Board of the Company on 29 August 2023. Datuk Arsad has assumed the role as member of the AC and RMC and as the Chairman of the NRC in place of the Chairperson's position in the AC, RMC and the NRC.

Practice 5.2: At least half of the Board comprises independent directors;

Practice 8.2: The Board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits-in-kind and other emoluments in bands of RM50,000.

In line with the latitude accorded in the application mechanism of MCCG 2021, the Company has provided forthcoming explanations for the departures from the said practices, supplemented with descriptions on the alternative measures that seek to achieve the intended outcomes of the departed practices and measures that the Company has undertaken or intended to take to adopt the departed practices as well as the timeframe for adoption of the departed practices. Details on the application of each individual Practice of the MCCG 2021 are available in the Corporate Governance Report 2023.

A summary of the Group's corporate governance practices with reference to the MCCG 2021 is described below:-

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

#### Board Responsibilities

The Board is responsible for the corporate governance practices of the Group. Being at the helm of the Group, the Board governs the affairs of the Group on behalf of the shareholders and retain full and effective control over the Group. The Board is responsible for providing stewardship and oversight of the Group's business affairs.

Several Board Committees, namely the AC, NRC and RMC have been established to assist the Board in its oversight function with reference to their specific areas of responsibilities. The Board Committees have been constituted with clear terms of reference and they are actively engaged to ensure the Group is in adherence with good corporate governance. The Board Committees report to the Board on their meeting proceedings and deliberation as well as make recommendations to the Board on the matters under their purview.

The Board has formalised a Board Charter which sets out the ethos of the Group and the structure and authority of the Board. The Board Charter is the primary document that elucidates on the governance of the Board, the Board Committees and the individual Directors. The Board Charter is made available on the Company's website at [www.insas.net](http://www.insas.net).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### Board Responsibilities (cont'd)

The Directors allocate sufficient time to discharge their responsibilities effectively and attend Board and Board Committees meetings on a scheduled basis to deliberate on matters under their purview. Board meetings are held quarterly with additional meeting convened for special matters, when necessary. The attendance of each individual Director at the Board and Board Committees meetings held during the financial year ended 30 June 2023 is outlined below:-

Directors	Board	AC	RMC	NRC
<b>Executive Directors</b>				
Dato' Wong Gian Kui	5/5	–	2/2	–
Dato' Dr. Tan Seng Chuan	5/5	–	–	–
<b>Non-Independent Non-Executive Directors</b>				
Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK (II), SIMP	5/5	5/5	2/2	1/1
Ms. Soon Li Yen	5/5	5/5	–	1/1
<b>Independent Non-Executive Director</b>				
Dato' Mohamad Azmi Bin Ali	5/5	5/5	2/2	1/1

 Chairman of the Board / Board Committees

There is clear delineation of roles of the Board and the Management. The Chief Executive Officer is the conduit between the Board and the Management in driving the success of the Group's governance and management function. The Chief Executive Officer manages and implements the Board's policies and decisions through the Senior Management of the Company and the respective operating subsidiaries.

In performing their duties, all Directors have access to the advice and services of the Group General Manager-Finance and two suitably qualified Company Secretaries. The Group General Manager – Finance and the Company Secretaries act as corporate governance counsel and ensure requisite information flow within the Board, Board Committees and Senior Management and provide the Directors with complete, adequate and timely information prior to meetings and on an ongoing basis to enable the Directors to make informed decisions.

As integrity is a core value of the Group, the Board is cognisant of its responsibility to set out the ethical tone for the Group. The Code of Conduct & Ethics, the Anti-Corruption and Anti-Bribery Policy and the Whistleblowing Policy have been put in place to foster an ethical culture and allow legitimate ethical concerns to be escalated in confidence without the risk of reprisal. The Code of Conduct & Ethics, the Anti-Corruption and Anti-Bribery Policy and Whistleblowing Policy are published on the Company's website at [www.insas.net](http://www.insas.net).

#### Board Composition

As at 30 June 2023, the Board of the Company comprises five (5) members, two (2) of whom are Executive Directors and three (3) are Non-Executive Directors. With the re-designation of Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP from a Chairperson/Independent Non-Executive Director to Chairperson/Non-Independent Non-Executive Director on 31 May 2023, thus reducing the number of Independent Director to one (1). On 29 August 2023, the Company had appointed Datuk Mohamed Arsad Bin Sehan to the Board as an Independent Director, to comply with Paragraph 15.02 of the Listing Requirements whereby at least two (2) directors or one-third (1/3) of the Board, whichever is the higher, are independent directors. The Board strives to ensure that it has an appropriate mix of skills, gender diversity, qualifications and experience to discharge its role and responsibilities effectively based on the Group's nature of business. Appointments to the Board are made via a formal and transparent process, premised on meritocracy and objective criteria such as qualification, skills, experience, professionalism, integrity and diversity needed on the Board in the context of the Group's strategic direction without discrimination of gender, age, nationality and religion. In the case of Independent Directors, the NRC assesses the candidate's ability to bring the element of detached impartiality and objective judgement to boardroom deliberations.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### Board Composition (cont'd)

The Board reviews its performance, and that of the Board Committees and individual Directors on an annual basis, facilitated by the NRC. The NRC met once during the financial year under review with full attendance of its members and carried out the following activities during the meeting held:-

- (i) Reviewed and discussed the annual assessment of the Board and Board Committees;
- (ii) Evaluated the independence of Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK (II), SIMP who has served as Independent Non-Executive Director for a cumulative term of more than 12 years, and recommended her to continue to act as Independent Director (without her participation) for shareholders' approval at 60<sup>th</sup> Annual General Meeting held on 25 November 2022 ("60<sup>th</sup> AGM");
- (iii) Reviewed and recommended the re-election of Directors who retired pursuant to the Company's Constitution for shareholders' approval at the 60<sup>th</sup> AGM;
- (iv) Reviewed the term of office and performance of the AC and its members pursuant to Paragraph 15.20 of the Listing Requirements; and
- (v) Reviewed Directors' fees and Directors' benefits.

The NRC was satisfied that the Board and the Board Committees' composition had fulfilled the criteria required, possess a right blend of knowledge, experience and mix of skills. The NRC had also recommended for the Board to endorse the re-election of the relevant Directors at the forthcoming Annual General Meeting ("AGM"). In reviewing the independence of Independent Directors, the NRC and the Board adopted a qualitative approach in assessing if the Independent Directors carry the integrity and audacity to advocate professional views without fear or favor.

#### Remuneration

The Group aims to set remuneration at levels which is sufficient to attract and retain high calibre Directors needed to run the businesses of the Group successfully. For oversight on remuneration matters, the NRC implements policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of the Board. Remuneration details of the Directors of the Company for the financial year ended 30 June 2023 for the Company and the Group are disclosed in the Corporate Governance Report 2023.

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### Audit Committee ("AC")

The AC is relied upon by the Board to, amongst others, provide advice primarily in the areas of financial reporting, external audit, internal audit process, the internal controls environment, compliance to laws, rules and regulations, review of related party transactions and conflict of interest situations.

The AC is chaired by an Independent Director who is distinct from the Chairman of the Board. Two of the members of the AC possess adequate financial literacy and are members of the Malaysian Institute of Accountants. The AC has full access to the internal and external auditors. The summary of work done by the AC, the number of meetings held during the financial year and attendance record of each member are set out in the Audit Committee Report in the Annual Report.

#### Risk Management and Internal Control Framework

The Board is cognisant that a robust risk management and internal control framework helps provide risk information to enable better formulation of the Group's strategies and decision making. The Group has established policies and framework for the oversight and management of material business risks and had established a Risk Management Committee since financial year ended 30 June 2018.

The internal audit function is carried out by the in-house Group Internal Audit ("GIA") function. The GIA function reports directly to the AC. The GIA's authority, scope and responsibilities are governed by the Internal Audit Charter, which is approved by the AC.

Further information on the Group's risk management and internal control framework is made available in the Statement of Risk Management and Internal Control in the Annual Report.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### Engagement with Stakeholders

To ensure accountability and transparency to its shareholders and other stakeholders, the Board uphold for continuous communication by the Company with the shareholders and other stakeholders to facilitate effective stakeholders' engagement. The Group is fully committed to maintain high standards for clear, comprehensive, timely and equitable dissemination of relevant and material information comprising financial information and performance, policies of the Group and the latest development of the Group to the stakeholders. Key communication channels include the Annual Report, quarterly results, announcements to Bursa, the corporate website, investors relation activities and the AGM of the Company.

#### Conduct of General Meetings

The Board is of the view that general meetings are important platforms to engage with its shareholders. It provides shareholders the opportunity to meet and discuss with the Board, gain insights on the Group's performance and financial position, raise questions or concerns with regards to the Group as well as to discuss any other important matters with the Board.

For the AGMs in the past, all the Directors were present at the AGMs to answer questions raised by the shareholders. The Group welcome shareholders to attend and participate in the AGM by providing adequate advance notice. The Company's past AGM has always been well attended by the shareholders.

In line with Practice 13.3 of MCCG 2021 and to encourage greater participation of shareholders and voting in absentia, the Company will continue to leverage on technology to conduct the upcoming 61<sup>st</sup> AGM virtually through live streaming and online remote voting via the Remote Participation and Voting facilities. This will enable shareholders to participate fully in the AGM proceedings by audio and video capabilities without the need to be physically present at the meeting venue.

Pursuant to Paragraph 8.29A of the Listing Requirements, all the resolutions set out in the notice of AGM of the Company will be put to vote by poll and an independent scrutineer will be appointed to validate the votes cast at the AGM. The outcome of the AGM will be announced to Bursa on the same meeting day.

### FOCUS AREAS ON CORPORATE GOVERNANCE

Corporate governance areas which were given attention during the financial year ended 30 June 2023 are as follows:-

#### Review of the Board Charter and the Audit Committee's and the Nomination and Remuneration Committee's Terms of Reference

During the financial year, the Board undertook to review the Board Charter and the Audit Committee's and the Nomination and Remuneration Committee's Terms of Reference and these revised Charter and Terms of Reference were published on the Company's website. These documentary references serve to guide the governance and conduct to the Board and the Board Committees.

#### Anti-Corruption and Anti-Bribery ("ACAB") Policy

During the financial year, the Group Internal Audit Manager upheld his commitment on an annual basis to conduct training programmes in relation to Group's ACAB Policy to employees of the Group.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### FOCUS AREAS ON CORPORATE GOVERNANCE (CONT'D)

#### Professional Development of Directors

During the financial year under review, the Directors took cognisance to develop and enhance their knowledge, skills and performance by attending various training programmes to keep themselves abreast of changes in legislative promulgations. The list of training programmes that were attended by the Board members is outlined below:-

Directors	Programme titles	Organiser	Date
Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP	1. Cyber Security Awareness Training 2022	M&A Securities Sdn. Bhd.	13.12.2022
	2. AMLA Segmented Training 2022	M&A Securities Sdn. Bhd.	30.12.2022
Dato' Wong Gian Kui	1. Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers	Bursa Malaysia Securities Berhad	09.08.2022
	2. Cyber Security Awareness Training 2022	M&A Securities Sdn. Bhd.	13.12.2022
	3. AMLA Segmented Training 2022	M&A Securities Sdn. Bhd.	30.12.2022
	4. Can America Stop China's Rise? Will ASEAN Be Damaged?	FIDE Forum	12.01.2023
Dato' Dr. Tan Seng Chuan	Employer's Tax Obligations	KPMG	06.12.2022
Ms. Soon Li Yen	Audit Oversight Board Conversation with Audit Committees	Securities Commission Malaysia	17.11.2022
Dato' Mohamad Azmi Bin Ali	1. Governance Audit Conference 2022	Institute of Internal Audit	06.09.2022
	2. Webinar on Corporate Guide 4 <sup>th</sup> Edition	Malaysian Institute of Corporate Governance	11.04.2023
	3. MIA International Accountants Conference 2023	Malaysian Institute of Accountants	13.06.2023 to 14.06.2023
	4. Malaysia Insolvency Conference 2023	MIA, Malaysian Institute of Certified Public Accountants and Insolvency Practitioner Association of Malaysia	21.06.2023

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### CORPORATE GOVERNANCE PRIORITIES (2023 AND BEYOND)

#### Long-Term Plan – Boardroom Diversity and Sustainability Reporting

##### Boardroom Diversity

In fostering the spirit of Practice 5.2 of the MCCG 2021, the Board will continue to drive efforts in identifying candidates who are suitable for the position of independent directors and endeavours to comply with these practices within the next two (2) years.

##### Sustainability Reporting

The Board aims to be more proactive in engaging and considering the view of its internal and external stakeholders to better understand and manage the Group's sustainability risks and opportunities. The Board will review the skills matrix and professional development required of the board members and the key senior management to enhance the Board's stewardship of the Group's sustainability strategies and governance model. In addition, the Board will take proactive measure to ensure adherence to Bursa's Enhanced Sustainability Reporting requirements set out in the Amendment to the Listing Requirements on 26 September 2022. The enhancement requires disclosures in future Sustainability reporting on the nine (9) prescribed sustainability matters and indicators covering anti-corruption, community/society, diversity, energy management, health and safety, labour practices and standards, supply chain management, data privacy and security and water, that are deemed material for all listed issuers, to be reported in prescribed format. The enhancement also introduced a new requirement for the Sustainability reporting to contain a statement of assurance on whether it has been reviewed internally by internal auditors or independently assured.

This Corporate Governance Overview Statement was approved by the Board on 26 September 2023.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Board of Directors of Insas Berhad (“the Board”) is committed to maintain a sound system of internal control and risk management practices to safeguard shareholders’ investment, the Group’s assets and stakeholders’ interest. The Board is pleased to provide the Statement on Risk Management and Internal Control which is made pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, which requires the Board of Directors of public listed companies to make a statement about the state, nature and scope of risk management and the system of internal control of the listed entity as a Group in the Annual Report.

## ACKNOWLEDGEMENT OF RESPONSIBILITY FOR RISK MANAGEMENT AND INTERNAL CONTROL

The Board affirms its overall responsibility for the Group’s risk management and system of internal control and to oversee the establishment of appropriate control environment as well as review the adequacy, effectiveness and integrity of the Group’s internal control, risk management practices and management information systems. In view of the inherent limitations in any system of internal control, the system is designed to manage rather than to eliminate the risk of failure to achieve its corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance against material errors, misstatement, financial losses or fraud. The system of internal control includes inter alia, financial, operational, organisation, IT and cyber security, regulatory compliance and risk management controls.

The Group’s system of internal control involves all management and employees of the Group from all businesses as well as functional units. The Board is responsible for determining key strategies and policies for significant risks and controls issues, whilst the management team and functional key employees of the Group’s operating units are responsible to implement the Board’s policies effectively by designing, implementing, monitoring and managing the risk management and internal control processes.

The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group throughout the financial year, which is regularly reviewed by the Board through the Audit Committee and the Risk Management Committee, which dedicates separate time for discussion on this matter.

## RISK MANAGEMENT FRAMEWORK

Risk management focuses on identifying threats and opportunities while internal control helps to counter threats and takes advantage of opportunities. The Board recognises that risk management is an integral part of the system of internal control and good governance practice that is critical to the Group’s continued profitability and for enhancement of shareholders’ value.

Risk management in the Group involves an ongoing process for identifying, evaluating and managing significant risks faced by the businesses in the Group. The risk management process involves all businesses and functional units of the Group in identifying the significant risks affecting the achievement of business objectives and the effectiveness of controls in place to manage them.

The Board, assisted by the Chief Executive Officer (“CEO”) and the senior management, upholds the role to assess the key risks inherent in the Group’s businesses and the system of internal control that are in place to manage these risks. The management of the respective key businesses and functional units are responsible for the design, implementation and monitoring of suitable internal controls to mitigate and control these risks. All management and employees are accountable to operate within the risks management policies and procedures that have been put in place. The Group Internal Audit function provides further independent assurance on the adequacy and effectiveness of the risk management and system of internal control and all significant exceptional reporting on the risk management and system of internal control processes are brought to the attention of the Board through the Audit Committee and the Risk Management Committee.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### RISK MANAGEMENT FRAMEWORK (CONT'D)

In identifying risks affecting the Group's businesses, the management of the respective key businesses formulates procedures to identify potential risks having effect on critical business activities from events or circumstances that can adversely affect the Group businesses such as new competitor or sudden change in government regulations. Once the risks have been identified, the management evaluates the impact of these risks that may need to be managed immediately by examining the frequency, consequences and monetary losses arising from the risks. Once evaluated, the management rates the severity of the risks and formulates ways to manage them. The management tests, evaluates and updates the risk management plan regularly as risks can change in tandem with changes to the businesses, industry and the operating environment. The management regularly reviews the risk management plans which are essential for identifying new risks and monitoring the effectiveness of the risk management strategies and key risks issues are addressed at periodic management and operation meetings.

The Group has an on-going credit risk management process undertaken by the respective units' management to identify, evaluate and respond to principal credit risks and to ensure that appropriate risk treatments are in place to mitigate credit risks affecting the achievement of the Group's objectives.

### KEY ELEMENTS OF THE GROUP'S RISK MANAGEMENT AND SYSTEM OF INTERNAL CONTROL

The framework of the Group's risk management and system of internal control and the key procedures include:-

#### 1. Management and direction of the Group's businesses

The CEO is empowered to manage the businesses of the Group and is accountable for the conduct and performance of the Group's businesses within agreed business strategies. The CEO reports to the Board on significant changes in the businesses and external environments which are relevant to the Group's businesses.

#### 2. Investment and capital expenditure appraisals

The CEO and the senior management of the Group's key operating subsidiary companies review material investments and the performance of significant projects undertaken by the Group and make appropriate recommendations and evaluations to be brought to the Board's attention.

Proposals for substantial and major capital expenditure of the Group are reviewed and approved by the Board.

#### 3. Financial and operational review and reporting

The management reviews and reports on significant operational, financial, risk management and legal issues of key operating subsidiary and associate companies and ensures that remedial actions are taken by the management of the subsidiary and associate companies concerned to address deficiencies that arise.

The CEO and/or the management attend management and operational meetings to review financial and operational reports and to monitor the performance and profitability of the Group's businesses. Any deviation in corporate strategy and business objectives are deliberated and necessary action will be instituted. The CEO practices an 'open door' policy whereby matters arising are promptly highlighted and immediately dealt with.

#### 4. Scheduled Board meetings

The Board meets quarterly and at other scheduled intervals when necessary to maintain full and effective supervision of the Group's activities and operations. The Group General Manager – Finance and the Company Secretaries will oversee the presentation of board papers and provide comprehensive explanations on pertinent issues and the Board will go through thorough deliberation and discussion before arriving at any decision which has a bearing on the Group.

The Board reviews the financial and operating information and key performance indicators of strategic business units and legal and regulatory matters on a quarterly basis.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### KEY ELEMENTS OF THE GROUP'S RISK MANAGEMENT AND SYSTEM OF INTERNAL CONTROL (CONT'D)

The framework of the Group's risk management and system of internal control and the key procedures include (cont'd):-

#### 5. Audit Committee

The Board has the assistance of the Audit Committee whose principal duty is to review and monitor the effectiveness of the Group's risk management framework and system of internal control. The Audit Committee meets with the Group's external auditors at least three (3) times a year and when the need arises to review the annual audit plan, the audit findings arising from the statutory and annual audits of the financial statements and the system of internal control, the financial reporting updates and compliance with the relevant laws and regulations.

The Audit Committee also meets with the internal auditors quarterly and at other scheduled intervals when necessary to deliberate on the findings, recommendations and implementation of the recommendations of the internal audit of the various business units and operations as approved by the Audit Committee in its annual internal audit plan.

#### 6. Organisational structure

The Group has an organisational structure which defines the responsibilities and appropriate level of empowerment at various authorisation levels. This is to facilitate quality and timely decision-making process at the appropriate level within the organisation hierarchy.

#### 7. Centralised support functions

The Group also has in place key support functions, which are managed centrally at its Corporate Office. These comprise Group Finance, Secretarial and Share Registration, Legal, Human Resource, IT, Treasury and Tax compliance functions. These support functions ensure consistency and compliance in the setting and application of policies and procedures relating to these functions thus reducing duplication of efforts and thereby providing synergy to the Group.

#### 8. Defined accountability and authorisation levels

The key personnel and management of principal subsidiary companies are responsible for:-

- i) the conduct and performance of their respective business units;
- ii) identification and evaluation of significant risks applicable to their respective businesses together with the design and institution of suitable risk management practices and internal control; and
- iii) meeting defined reporting deadlines and ensuring compliance with policies, procedures and regulatory requirements.

#### 9. Budgeting process

Detailed budgeting process and/or development of business strategies whereby key operating subsidiary and associate companies prepare budgets and performance targets for the coming financial year, which are approved at the operating level. Key performance indicators are set and the performance are monitored via management reporting system which highlights significant variances against budgets for investigation and follow-up by the management of the respective operating subsidiary and associate companies.

#### 10. Specific credit risk management

The Board, through the management, adopted a prudent approach with regard to the management of credit risks. Procedures on credit application, review and approval of high value loans by the subsidiary company in the money lending and structured finance business are undertaken by designated senior management personnel to ensure credit risk is contained and the loans are properly and adequately securitised. Procedures for recovery for non-performing loans exceeding their credit limit and security cover are also in place.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### KEY ELEMENTS OF THE GROUP'S RISK MANAGEMENT AND SYSTEM OF INTERNAL CONTROL (CONT'D)

The framework of the Group's risk management and system of internal control and the key procedures include (cont'd):-

#### 11. Human resource management

The Board considers the integrity of employees at all levels to be of utmost importance, and this is pursued through its comprehensive and structured recruitment, appraisal and reward programme. The Group also has ongoing training and development programmes to ensure the Group attracts, motivates and retains competent and skilled employees.

Corporate values and code of conduct, which emphasise on the importance of key values such as loyalty, integrity, professionalism and cohesiveness are spelled out in the Company's Human Resource Policies and Procedures and the Employee Handbook as well as the Code of Conduct and Ethics and the Anti-Corruption and Anti-Bribery Policy, which are published on the Company's website.

#### 12. Annual statutory audit

The external auditors provide assurance in the form of their statutory and annual audit of the financial statements and review of internal control system relevant to the preparation of the financial statements of the Group. Areas for improvement identified during the course of the statutory and annual audit by the external auditors are brought to the attention of the Audit Committee through management letters or are deliberated at the Audit Committee meetings.

#### 13. Internal audit function

The Board has the support of the Group Internal Audit function, which was established in the financial year ended 30 June 2009. The Group Internal Audit function provides assurance on the adequacy, efficiency and effectiveness of the risk management framework and the system of internal control within the Group. The works of the Group Internal Audit function are focused towards the areas of priority identified in accordance to the annual audit plan approved by the Audit Committee.

The Group Internal Audit function independently reviews the internal control processes implemented by the management, which is based on risk-based audit methodology. At least once every quarter, the Group Internal Audit Manager will report to the Audit Committee their findings and highlight significant issues and exceptions, if any, identified during the course of their review together with the appropriate corrective actions to the Audit Committee.

#### 14. Risk Management Committee

The pivotal role of the Risk Management Committee is to act as an independent committee of the Board with the sole purpose of risk oversight responsibilities for the Group. The Chairman of the Risk Management Committee is the Group's CEO, who has the required expertise and knowledge of the Group's businesses and operational functions for risk assessment and risk management. To ensure better coordination of risk oversight, the remaining two (2) members of the Risk Management Committee are both members of the Audit Committee and are also independent non-executive directors of the Company.

A sub-committee comprising senior executives from their area of responsibilities and expertise from the Finance, Company Secretarial, Group Internal Audit and Legal functions act to assist the Risk Management Committee on identified and emerging risks, and on an ongoing basis, support risk management review on the key strategic, financial sustainability, business and operations, regulatory compliance, cyber security and reputation risks that affect the Group and the related risks assessment and risks management processes.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### KEY ELEMENTS OF THE GROUP'S RISK MANAGEMENT AND SYSTEM OF INTERNAL CONTROL (CONT'D)

The framework of the Group's risk management and system of internal control and the key procedures include (cont'd):-

#### 15. Anti-Corruption and Anti-Bribery Policy ("ACAB Policy")

The Group articulates a zero-tolerance approach to bribery and corruption in all its forms and has in place the ACAB Policy to strengthen the ring-fencing of the Group's ethics parameters, particularly in the area of anti-bribery and anti-corruption.

The Group's ACAB Policy shall be reviewed periodically to assess its effectiveness and at any event, it shall be reviewed at least once in every three (3) years to comply with Paragraph 15.29(1) of the Main Market Listing Requirements. The ACAB Policy was last updated and approved by the Board on 25 August 2022.

The ACAB Policy specifies the Group's commitment to conduct training programmes in relation to Group's ACAB Policy to employees of the Group on an annual basis. A webinar training was conducted by the Group Internal Audit to brief the Directors and employees on the changes made and due diligence procedures. The webinar also serves as a refresher training to the Directors and employees to ensure the Group's core value on integrity are well communicated and disseminated to the employees to meet and comply its legal obligations and prevents, detects, minimizes and eliminates corrupt practices and misconducts.

The Board is committed to ensuring that the Group meets its legal obligations and prevents, detects, minimizes and eliminates all forms of corrupt practices and misconducts.

#### 16. Whistleblowing Policy

The Company has in place a Whistleblowing Policy to provide a structured reporting channel to all employees and external parties to disclose any malpractice or misconduct of which they become aware of and in good faith belief have been committed, without fear of reprisal or adverse consequence. The whistleblower can report directly to the Audit Committee Chairman or the Group Internal Auditor, who are independent from the management of the Group through mail to the Company's registered address and/or telephone and email.

The Board does not regularly review the risk management and system of internal control of its associate companies as the Board does not have any direct control over their operations. Notwithstanding this, the Group's interest is served through representation on the boards of the respective associate companies and receipt and review of periodic management reports and inquiry thereon. Where practical, the Group would request for functional, operating and other financial information prepared in accordance with approved financial reporting standards that are acceptable to the Group in assessing the performance of these entities with the objective of safeguarding the investment of the Group.

### INTERNAL AUDIT FUNCTION

The Board recognises that an internal audit function is necessary to provide independent assessment on the Group's risk management and system of internal control and in the assessment of potential risks exposures in key business processes and in monitoring the proper conduct of businesses within the Group.

During the financial year ended 30 June 2009, the Board established an in-house Group Internal Audit function as an independent appraisal function following the formal adoption of the Internal Audit Charter by the Audit Committee. The Group Internal Audit function reports to the Audit Committee, whose authority is sufficient to ensure a broad range of audit coverage and adequate consideration of effective action on internal audit findings and recommendations. The Group Internal Audit function aims to provide the Audit Committee with independent and objective advices on the effectiveness of the risk management and system of internal control within the Group's businesses and operations. The annual audit plan, established primarily on a risk-based approach, is reviewed and approved by the Audit Committee.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### INTERNAL AUDIT FUNCTION (CONT'D)

The scope of the Group Internal Audit function encompasses examining and evaluating the adequacy, effectiveness and efficiency of the Group's risk management framework and system of internal control. The scope of the examination and the evaluation performed includes:-

- a) identification and evaluation of risks and the course of actions undertaken to manage the risk;
- b) the internal controls established to ensure compliance to internal policies and procedures, relevant laws, guidelines and regulations that could have a significant impact on the Group's operations;
- c) the means of safeguarding the Group's assets and verification of their existence; and
- d) the efficiency which resources are utilised and employed in the Group's businesses.

The works carried out by the Group Internal Audit function during the financial year ended 30 June 2023 were as follows:-

1. Tabled the Annual Audit Plan for Year 2023 and the enhanced Internal Audit Charter and the standard operating procedures of Group Internal Audit Department to reassure each audit process is consistent and adhere with the latest guidelines, regulation and requirements set out for the internal audit function. The Annual Audit Plan for Year 2023 primarily focused on risk assessment and risk management and internal controls including ensuring adherence to Group's ACAB Policy and internal controls to manage corruption risk.
2. Presented the internal audit reports to the Audit Committee for their review and conducted follow-up audit work to monitor the Group Internal Audit's recommendations and the management's remedial action plans were effectively implemented for the internal audit carried out on the following areas:-
  - (a) Selected operating units within the Group:-
    - (i) Car rental division
 

Reviewed the internal control system and risk assessment for car fleet operations, car fleet management and maintenance, vendor selection and procurement processes, revenue and billing cycle management, car maintenance and approval on operating expenses, bank reconciliation, funds placement, intercompany transactions as well as compliance to the Group's ACAB Policy.
    - (ii) Property investment division
 

Reviewed the internal control system and risk assessment for properties maintenance and repairs management, revenue and billing cycle management, review on new and existing Letter of Offer to Rent for car parking services, approval on operating expenses, bank reconciliation, intercompany transactions and compliance to the Group's ACAB Policy.
    - (iii) Structured finance division
 

Reviewed the internal control system and risk assessment for money lending management and operational review on compliance with the Moneylenders Act 1951, revenue and billing cycle management, receivables ageing, repayment and overdue controls, documentation for new loans and the credit assessment, monitoring of loan collateral, controls on operating expenses, bank reconciliation, funds placement, intercompany transactions and compliance to the Group's ACAB Policy.
  - (b) Stock broking subsidiary company:-
    - (i) Reviewed the adequacy of internal control system on the Corporate Finance, Credit Control and Margin, Human Resources and the Risk Management Departments and institutional dealing processes in compliance with the Standard Operating Procedures ("SOP"), current rules and regulations stipulated by the relevant authorities.
    - (ii) Reviewed the adequacy and effectiveness of business continuity management and disaster recovery plan including information security and cyber security controls undertaken by the stock broking company.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### INTERNAL AUDIT FUNCTION (CONT'D)

The works carried out by the Group Internal Audit function during the financial year ended 30 June 2023 were as follows (cont'd):-

2. Presented the internal audit reports to the Audit Committee for their review and conducted follow-up audit work to monitor the Group Internal Audit's recommendations and the management's remedial action plans were effectively implemented for the internal audit carried out on the following areas (cont'd):-
  - (b) Stock broking subsidiary company (cont'd):-
    - (iii) Performed audit review on the Compliance functions of the Principal Office and all branches and ensured compliance with the rules, regulations and guidelines issued by the relevant authorities, validation and completeness of checking on periodic compliance program and reporting, monitoring and submission to the relevant authorities including detection, monitoring and reporting of unusual, exceptional and suspicious transactions are adhered by the Head of Compliance.
    - (iv) Reviewed the adequacy and effectiveness of the internal control system on the Anti-Money Laundering Act ("AMLA") framework and targeted financial sanctions adopted by the Principal Office and branch offices to ensure the internal controls and procedures are in adherence to the rules, regulations and guidelines set by the authorities.
    - (v) Reviewed the revised SOP and internal controls system adopted by the front office, back-office, support and compliance processes on the anti-corruption and anti-bribery controls and procedures are up-to-date and in compliance with the current rules and regulations stipulated by the relevant authorities.
    - (vi) Follow-up audit review on effectiveness of the revised internal control procedures for private placement mandates and records on Watch List and Restricted List are implemented by the Corporate Finance department.
    - (vii) Performed readiness audit on the new Corporate Finance office and new extension to Operation department office.

The cost incurred by the Group Internal Audit function in carrying out its duties in respect of the financial year ended 30 June 2023 is RM263,350.

### COMMENTARY ON THE ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND SYSTEM OF INTERNAL CONTROL

The Board reviews the effectiveness of the Group's risk management and system of internal control towards ensuring their effectiveness which will continue to be reviewed, enhanced and updated in line with the changes in the operating environment. The Board also has the assurance of the CEO and the Group General Manager-Finance that there were no significant weaknesses in the Group's risk management and system of internal control that may have an adverse effect on the Group's financial performance and financial position for the financial year under review.

The Board is of the view that the current risk management and system of internal control that have been put in place throughout the Group is sufficient to safeguard the Group's assets and prevent any material loss to the Group and there were no significant deficiencies or weaknesses that resulted in material losses or contingencies to the Group during the financial year ended 30 June 2023 that would require disclosure in the Annual Report.

**This Statement is made in accordance with a resolution of the Board of Directors dated 26 September 2023 and has been reviewed by the external auditors as required pursuant to Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.**

# AUDIT COMMITTEE REPORT

The Audit Committee (“AC”) is formed to assist the Board of Directors (“the Board”) in fulfilling its oversight responsibilities relating to the financial reporting process, the management of risks and system of internal control, the internal audit and external audit processes as well as governance and compliance with laws and regulatory requirements.

The AC of Insas Berhad is pleased to present the Audit Committee Report for the financial year ended 30 June 2023 (“FY 2023”).

## COMPOSITION

The membership of the AC has been selected with the aim of providing a wide range of financial and commercial expertise and experience necessary to meet its responsibilities. As at 30 June 2023, the AC comprises three (3) members of whom one (1) is Independent Non-Executive Director.

The members of the AC during the financial year ended 30 June 2023 are as follows:-

- **Dato’ Mohamad Azmi Bin Ali**  
Chairman/Independent Non-Executive Director
- **Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP**  
Non-Independent Non-Executive Director  
(re-designated from Independent Non-Executive Director to Non-Independent Non-Executive Director on 31 May 2023)
- **Ms. Soon Li Yen**  
Non-Independent Non-Executive Director

Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP, has stepped down from her position in the AC on 29 August 2023 with the appointment of Datuk Mohamed Arsad Bin Sehan (“Datuk Arsad”) as the new Independent Non-Executive Director to the Board of the Company on 29 August 2023. Datuk Arsad has assumed the role as member of the AC on 29 August 2023.

Dato’ Mohamad Azmi Bin Ali and Ms. Soon Li Yen are qualified accountants and are members of the Malaysian Institute of Accountants.

The annual review of the composition and performance of the AC, including the members’ tenure, accountability and effectiveness were duly assessed via the annual assessment carried out by the Nomination and Remuneration Committee (“NRC”). Having reviewed the objectives, duties and responsibilities and primary activities undertaken by the AC members during FY 2023, the NRC is satisfied that the AC has effectively discharged its duties and responsibilities in accordance with its terms of reference.

## MEETINGS AND ATTENDANCE

The AC meetings for the financial year are pre-scheduled and communicated to the AC members early to ensure their time commitment. The schedule of matters considered by the AC is supported by information provided by the senior management, the Group Internal Auditor (“GIA”) and the External Auditors (“EA”).

Five (5) AC meetings were held during FY 2023 and the details of attendance by the AC members are as follows:-

AC members	Attendance
Dato’ Mohamad Azmi Bin Ali	5/5
Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP	5/5
Ms. Soon Li Yen	5/5

## AUDIT COMMITTEE REPORT (CONT'D)

### MEETINGS AND ATTENDANCE (CONT'D)

The Group General Manager–Finance and the Senior Management of the respective subsidiary companies were invited to attend the AC meetings to facilitate direct communication and to provide clarification on audit issues raised, financial reports and the operations of the Group. The GIA and EA were in regular attendance to the AC meetings. Matters of significant concerns raised by the GIA Manager and the EA which were noted by the AC and requiring the Board of Directors' direction and approval, were highlighted by the AC Chairman at the Board meetings. Minutes of the AC meetings were circulated to the Board for their notation.

### SUMMARY OF WORKS OF THE AC IN DISCHARGING ITS FUNCTION AND DUTIES FOR FY 2023

The works carried out by the AC in the discharge of its functions and duties for the financial year under review were as follows:-

#### (a) Financial Reporting and Announcements

- (i) Reviewed the Group's quarterly financial statements including the announcements pertaining thereto, before recommending to the Board for its approval and release to Bursa Malaysia Securities Berhad.

Details of the review are as follows:-

Date of meetings	Review of Quarterly Financial Statements
25 August 2022	Fourth quarter and full year unaudited results of the Group for the financial year ended 30 June 2022.
24 November 2022	First quarter results for the financial period ended 30 September 2022.
24 February 2023	Second quarter results for the financial period ended 31 December 2022.
25 May 2023	Third quarter results for the financial period ended 31 March 2023.

The AC reviewed and ensured the Group's quarterly financial reporting and disclosures present a true and fair view of the Group's financial position and performance and are in compliance with the reporting requirements outlined in the Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting, International Financial Reporting Standards ("IFRS"), requirements of the Companies Act 2016 ("the Act") and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").

- (ii) Reviewed the Directors' Report and audited financial statements of the Company and the Group for the financial year ended 30 June 2022 before recommending the same for approval by the Board at its meeting held on 28 September 2022, and ensured the financial statements presented a true and fair view of the Company and the Group's financial position and performance for the financial year ended 30 June 2022 and were in compliance with the reporting requirements of the applicable MFRSs, IFRSs, requirements of the Act and the Listing Requirements. The AC had also reviewed the Concluding of Audit Report prepared by the EA on the audit for the financial year ended 30 June 2022 at the said meeting. In reviewing the annual audited financial statements, the AC discussed with the management and the EA on the accounting principles and standards that were applied and their opinion on the matters that may affect the financial statements.
- (iii) Discussed and reviewed the integrity of information and regulatory and accounting standards compliance in the quarterly and annual audited financial statements, with focus on changes in accounting policies and practices arising from implementation of the Act, new Standards, amendments to Standards and annual improvements to Standards and Issues Committee Interpretations, going concern assumption, completeness of disclosures and consistency of presentation of transactions relating to management judgement and estimates to safeguard the integrity of the Group's financial reporting.

## AUDIT COMMITTEE REPORT (CONT'D)

### SUMMARY OF WORKS OF THE AC IN DISCHARGING ITS FUNCTION AND DUTIES FOR FY 2023 (CONT'D)

The works carried out by the AC in the discharge of its functions and duties for the financial year under review were as follows (cont'd):-

#### (b) Internal Audit

- (i) The AC reviewed with the GIA Manager, the annual Group Internal Audit Plan for Year 2023 together with the audit programs to ensure the selection of principal risk areas, key risk management and key processes were appropriately and adequately identified and covered in the audit plan and appraised that adequate scope and comprehensive coverage over the activities of the Group and the principal risks areas including coverage for conflict of interest, insider trading, misconduct under corporate liability as spelled out under Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and compliance to Anti-Money Laundering Policy that is adopted by certain subsidiary companies are covered within the GIA audit scope on an annual basis at the meeting held on 24 November 2022.
- (ii) The AC also reviewed and approved the GIA's enhanced Internal Audit Charter and its standard operating procedures to be applied in future internal audit to be conducted by the GIA. The enhancement primarily covers the authority and scope of audit, reporting and communication, duties and responsibilities and review of the Charter.
- (iii) Reviewed the adequacy of resources and the competencies of the GIA staff to ensure the GIA function has the capabilities to carry out the audit scope and audit programs in execution of the audit plan approved by the AC.
- (iv) Reviewed the internal audit reports issued by the GIA which covered the audit for the principal operating subsidiary companies of the Group in the following areas:-

#### Stock broking subsidiary company

- Prevention of Money Laundering & Terrorism Financing Activities ("PMLATFA") – reviewed the adequacy and effectiveness of risk management and internal controls adopted by the Principal Office and branch offices for compliance procedure and PMLATFA review, KYC for new account opening, clients due diligence, monitoring of high risk clients, unusual and exceptional transactions and suspicious transaction reporting;
- Compliance Department – reviewed Compliance Department's compliance programs are complete and duly supported to the relevant regulations, validate completeness of review function carried out by the Head of Compliance, review the timeliness of submission for regulatory, exceptional and suspicious transaction reporting, verification of physical access controls and logical access for IT security system, and compliance review with the Group' anti-bribery management system;
- Readiness audit including IT readiness audit on new Corporate Finance office and new extension to Operation department office;
- Corporate Finance Department - review primarily covered the adequacy and effectiveness of internal controls applied over corporate advisory function, completeness and compliance of documentation for new/existing proposals, follow up review on compliance of procedures for private placement mandates to operations manual and reviewed submission of watch list and restricted list records to Compliance department;
- Credit Control and Margin Department – operational review on controls on account opening, risk profiling, trading and credit limit review, account maintenance, control measures on staff trading, insider trading and Anti Money Laundering, Terrorism Financing and Proceed of Unlawful Activities Act 2001 ("AMLA") compliance;
- Principal Office and all branches - Business continuity management and disaster recovery planning and execution review;
- Risk Management Department – review primarily covered the established risk management framework, risk appetite and governance controls on emerging risks, completeness of stress testing and risk management reporting for regulatory compliance;
- Human Resource Department – review primarily covered validation of CMSRL licensing, declaration of fit and properness and yearly declaration by staff, staff training and handling of conflict of interest;

## AUDIT COMMITTEE REPORT (CONT'D)

### SUMMARY OF WORKS OF THE AC IN DISCHARGING ITS FUNCTION AND DUTIES FOR FY 2023 (CONT'D)

The works carried out by the AC in the discharge of its functions and duties for the financial year under review were as follows (cont'd):-

#### (b) Internal Audit (cont'd)

- (iv) Reviewed the internal audit reports issued by the GIA which covered the audit for the principal operating subsidiary companies of the Group in the following areas (cont'd):-

##### Stock broking subsidiary company (cont'd)

- Institutional Dealing Department – operational review on controls procedures and adherence to Standard Operating Procedures on institutional dealer trading; and
- Business Continuity Management – reviewed the annual business continuity management and simulation testing.

##### Other operating subsidiary companies

- Car rental units - accountability of rental revenue, car fleet and idle cars management and maintenance, transportation and delivery service management, operating cash and expenses controls, due diligence review on vehicle procurement and suppliers and clients compliance with the Group's Anti-Corruption and Anti-Bribery Policy ("ACAB Policy");
- Structured finance unit – verification of new loan applications, credit assessment and safekeeping of security documentation, review of revenue collection and billing cycles and receivables ongoing monitoring, compliance with due diligence checking and operation expenses controls;
- Property investment units - accountability of rental revenue and billings, operating cash and expenses controls, property repairs and maintenance management; and
- Review on compliance to the Group's ACAB Policy.

The AC also reviewed the audit findings and recommendations to improve weaknesses or non-compliance and the management's responses to the findings raised by the GIA. The GIA monitored the implementation of the management's action plan through follow up reports to ensure appropriate remedial actions were taken to address the key risks and control weaknesses promptly and adequately.

- (v) Together with the GIA function, discussed and reviewed to ensure that an effective system of internal control is in place within the key processes and to ensure with reasonable assurance there is no occurrence of fraud nor material misstatement or error.

#### (c) External Audit

- (i) Reviewed with the EA at the meeting held on 25 August 2022 on the Audit Completion Memorandum in relation to the audit of the financial results and financial position of the Group for the financial year ended 30 June 2022 in particular, the status of the audit which had been substantially completed and the significant audit findings, discussed and considered the audit outstanding matters which required follow-up and the internal control recommendations in respect of control weaknesses noted in the course of their audit. The AC also reviewed with the EA, the assistance and cooperation given by the officers and employees of the Group to the EA and ensured the EA were able to conduct their audit without any restriction.
- (ii) Reviewed with the EA at the meeting held on 28 September 2022 on the Concluding of Audit Report, and that there was no material deviation between the announced unaudited and the audited profit attributable to owners of the Company for the financial year ended 30 June 2022 and reviewed the Directors' Report and the Auditors' Report and the independence of the EA in carrying out their duties. The AC having assessed the suitability and independence of the EA and is satisfied with the performance of the EA, recommended to the Board for approval, the re-appointment of Grant Thornton Malaysia PLT as external auditors for the financial year ended 30 June 2023.
- (iii) Reviewed with the EA at the meeting held on 25 May 2023, the Audit Planning Memorandum with emphasis on composition of the EA key team members, their audit plan and scope for the financial year ended 30 June 2023, outline of recent development of the Group, the audit approach, accounting and auditing development, proposed reporting schedule and areas of audit focus.

## AUDIT COMMITTEE REPORT (CONT'D)

### SUMMARY OF WORKS OF THE AC IN DISCHARGING ITS FUNCTION AND DUTIES FOR FY 2023 (CONT'D)

The works carried out by the AC in the discharge of its functions and duties for the financial year under review were as follows (cont'd):-

#### (d) Risks and Controls

- (i) Evaluated the overall adequacy and effectiveness of the Group's system of internal controls through review of the audit performed by the GIA function and EA and discussion with key senior management.
- (ii) Reviewed and monitored the financial risk management in particular the credit risk and adequacy of allowance for impairment on the Group's receivables with expected credit loss model to assess adequate impairment with emphasis on the Group's structured finance and moneylending operations.
- (iii) Reviewed the adequacy and effectiveness of the Group's risk management framework to key risk areas based on the annual risk-based audit planning and scheduling methodology presented by the GIA and monitored the GIA assessment on the design, implementation and effectiveness of the control environment of the Group including financial, operational, compliance and strategic risks. Based on the GIA's annual audit plan and reporting to the AC on the results of their internal audits, the AC is generally satisfied with the adequacy and integrity of the internal control management and information security systems including compliance with laws, rules, directives and guidelines. No significant irregularity or deficiency in the internal controls was reported to the AC during the financial year ended 30 June 2023.

#### (e) Related Party Transactions

- (i) Reviewed the methods and procedures on reporting of related party transactions and recurrent related party transactions and ensured the transactions were appropriately identified and reported.
- (ii) Reviewed the related party transactions of the Group during the financial year and its disclosure in the Group financial statements and ensured the transactions were undertaken on arm's length basis and on normal commercial terms and that the internal control procedures with regards to the transactions were adequate.

#### (f) Annual Reporting

Reviewed and endorsed the Audit Committee Report and Statement of Risk Management and Internal Control for the Board's approval and inclusion in the Annual Report 2022 at its meeting held on 28 September 2022.

### GROUP INTERNAL AUDIT FUNCTION

The AC obtains reasonable assurance on the effectiveness of the risk management and system of internal control of the Group via the GIA function, which is responsible for the regular review and appraisal of the effectiveness of the risk management, system of internal control and governance processes within the Group.

The GIA function is performed by the in-house internal audit department set up by the Company in the financial year ended 30 June 2009.

The summary of works carried out by the GIA function during the financial year ended 30 June 2023 is disclosed in the Statement on Risk Management and Internal Control.

### TERMS OF REFERENCE OF THE AC

The terms of reference of the AC which outline its duties and responsibilities is accessible via the Company's website at [www.insas.net](http://www.insas.net).

# SUSTAINABILITY STATEMENT

## A. INTRODUCTION

The Board of Directors (“the Board”) of Insas Berhad (“Insas”) is pleased to present this Sustainability Statement which provides an overview of the sustainability initiatives in terms of economic, environmental, social and governance (“EESG”) aspects of Insas and its subsidiary companies (“the Group”) for the financial year ended 30 June 2023 (“FY 2023”), covering the reporting period from 1 July 2022 to 30 June 2023. Through this report, we aim to share the developments of the Group’s sustainability performance and efforts in relation to our most material issues, as well as challenges we faced during the reporting period.

This Statement should be read alongside other sections in this Annual Report namely the Management Discussion and Analysis, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control as well as our Corporate Governance Report, as sustainability efforts may be better contextualised and narrated in the respective sections.

This Statement has been prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”), with reference to the Sustainability Reporting Guide (2nd Edition, 2018) and Toolkit and adheres to the best practice sustainability standards, framework and guidelines provided by the United Nations Sustainable Development Goals (“UNSDGs”) and the Global Reporting Initiative (“GRI”) Standards: Core option. The GRI Content Index is made available on pages 62 to 66. We further illustrate in this Statement the way our sustainability matters relate and aligned to the SDGs on pages 49 to 51.

We have progressively enhanced our sustainability reporting and disclosure processes, and moving forward, we endeavor to refine and expand the coverage of this Statement to provide better insights of our sustainability management and convey the efforts that we have undertaken to address EESG opportunities and risks to our stakeholders. We welcome the support and valuable feedback of all our stakeholders and look forward to continuously strive towards a more sustainable future together. Any comments and queries may be addressed to the designated email address at [enquiry@insas.com.my](mailto:enquiry@insas.com.my).

There are no significant changes in the scope of the Sustainability Statement as compared to the preceding financial year ended 30 June 2022, which covers material issues arising from the Group’s principal business activities and does not include our associate companies. The information disclosed in this Statement is derived from the Group’s internal reporting processes, systems and records.

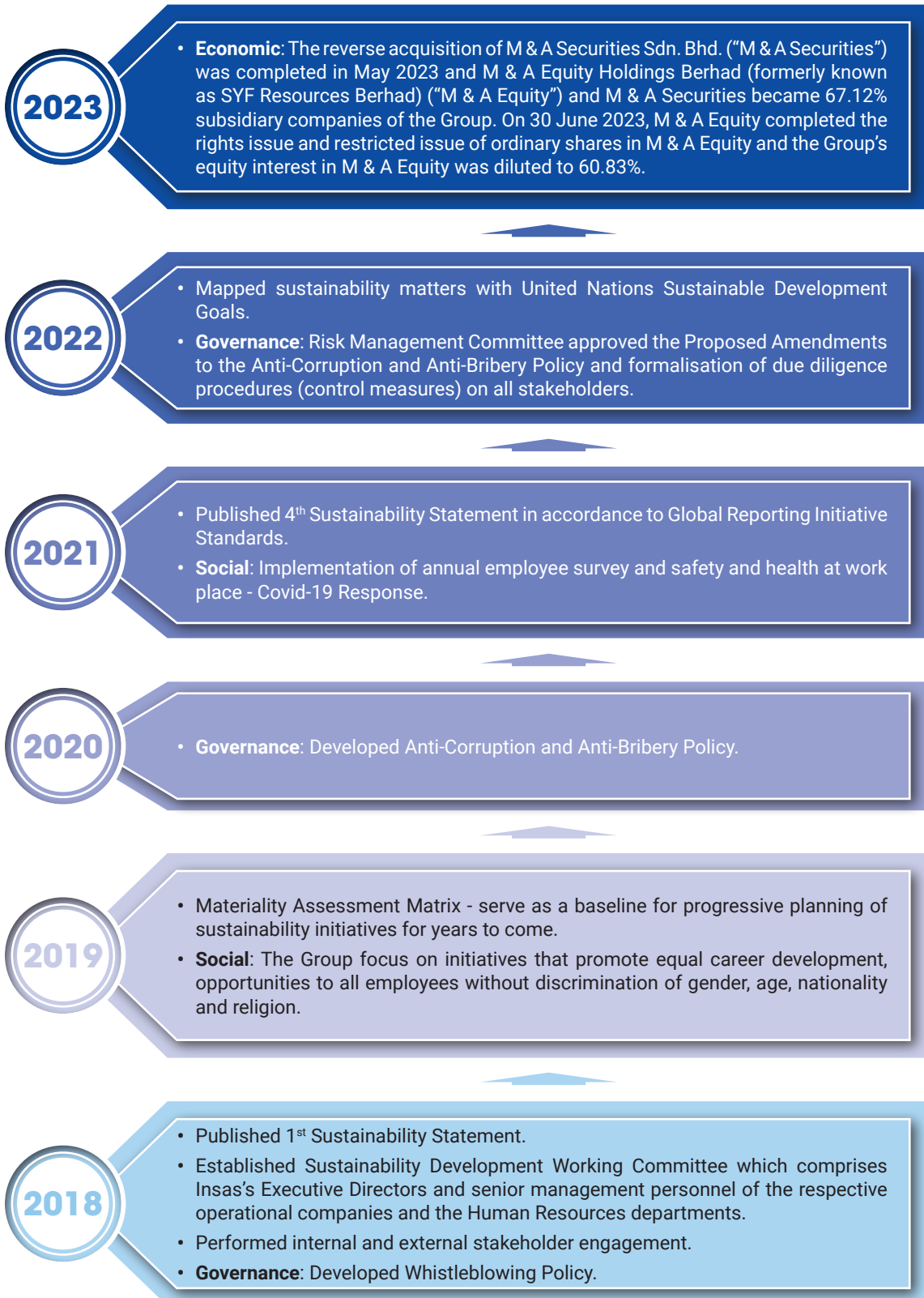
The Group’s ethos for sustainability is motivated by both internal and external drivers. Internal drivers include employee recruitment, retention and leadership, sound business ethics, operational efficiencies, revenue generation and cost savings whereas external drivers are legal and regulatory compliances, managing risks, achieving competitive advantage, market positioning and long-term profitability. Keeping this in view, the Group strives to engage with our stakeholders and operates with the highest degree of integrity and transparency.

Since our first Sustainability Statement in FY 2018, the Group remains committed to build long-term sustainable values towards value creation for our stakeholders and our ongoing efforts in identifying and managing the EESG factors that are material to the Group’s business operations.

To ensure the accuracy and integrity of our disclosures, this Statement has been reviewed by the Group Internal Audit function.

## SUSTAINABILITY STATEMENT (CONT'D)

### B. OUR SUSTAINABILITY JOURNEY AND MILESTONE



## SUSTAINABILITY STATEMENT (CONT'D)

### B. OUR SUSTAINABILITY JOURNEY AND MILESTONE (CONT'D)

#### CORPORATE MEMBERSHIP AND ASSOCIATION

Over the years, the Group contributes to the development of EESG sustainability matters individually and collectively via business associations. We are a corporate member of the following associations and organisations:-

Operating Segments	Associations/Organisations
Car rental	Car Rental Association of Malaysia (“CRAM”)
Technology	Singapore Business Federation (“SBF”)
Stock broking	Malaysian Investment Banking Association (“MIBA”) Association of Stockbroking Companies Malaysia (“ASCM”)

The mission of CRAM is to encourage, promote and safeguard industry members in the transportation industry and promote Malaysia as a travel location. They serve as a representative of the industry, negotiating with JPJ and the Ministry of Transport on issues faced by the industry.

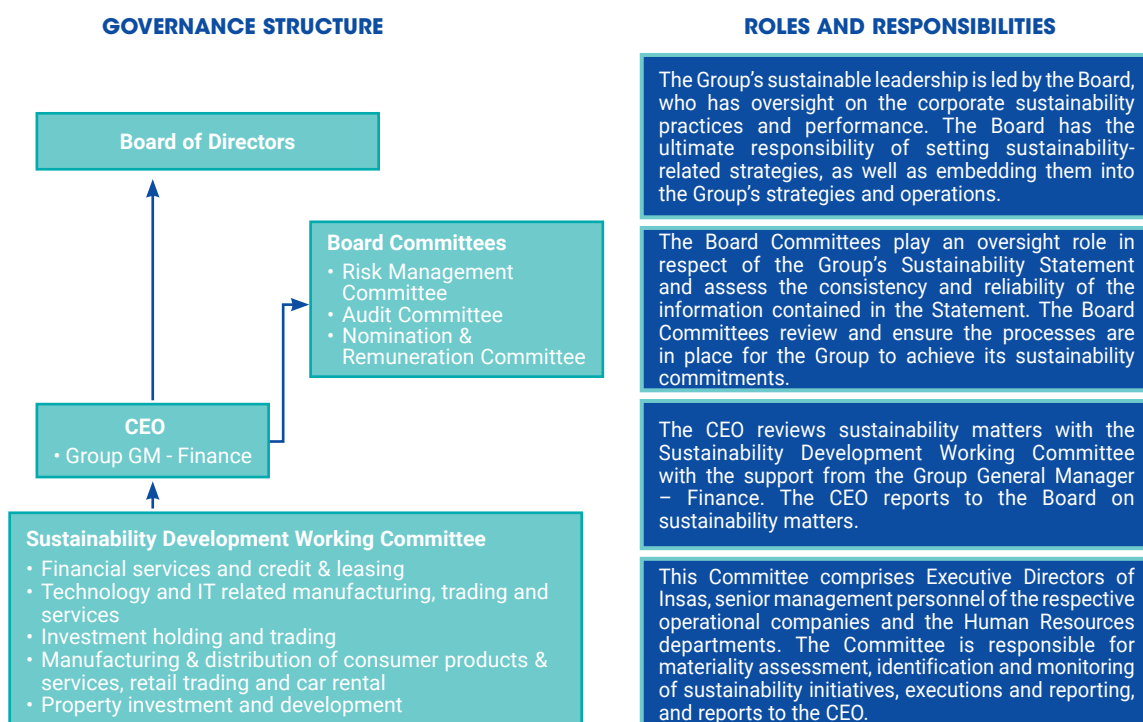
SBF provides a conducive platform for businesses to connect, engage and deepen relationship for business collaborations and offers variety of events and programs for building knowledge and skills of the employees for growth and sustainability.

MIBA and ASCM are active in promoting, protecting and upgrading the level of professionalism within the industry.

We strongly believe that our involvements with these associations and organisations will add value and bring on track the achievements of the Group’s EESG goals.

### C. SUSTAINABILITY GOVERNANCE STRUCTURE

The diagram below illustrates the Group’s sustainability governance structure along with their roles and responsibilities:-



## SUSTAINABILITY STATEMENT (CONT'D)

### D. SUSTAINABILITY REPORTING FRAMEWORK

Materiality assessment is the process of identifying, assessing and refining the potential EESG issues that could affect the Group's businesses and our stakeholders, and help to develop the sustainability strategies and identify opportunities and risks.

#### The Materiality Assessment Process

The assessment involves evaluating the significance of each sustainability issues based on its level of impact and influence on the Group and to the stakeholders. The diagram below summarises our materiality assessment process:-



#### i) Stakeholders' engagement

We value our stakeholders as they have considerable influence on the Group's businesses or they have been impacted by the Group's businesses. Through understanding our stakeholders' expectations, we strive to engage with our stakeholders and manage their needs to benefit both our stakeholders and the Group's businesses.

Please see Section E - Stakeholders' Engagement for our identified key stakeholder groups, their impact and significance, the engagement approaches, frequency of the engagement approaches, area of interest and the desired outcome of engagement.

#### ii) Identification and categorisation of sustainability issues

We assessed the significance of each of the sustainability matters on its level of impact on the operations and the importance of these issues to its key stakeholders based on a rating methodology through internal discussion carried out by the Sustainability Development Working Committee. The results of this assessment were positioned on the Materiality Assessment Matrix in Section F. The Materiality Assessment Matrix is meant to serve as a baseline for progressive planning of sustainability initiatives in the future years.

Going forward, we plan to conduct a comprehensive survey with the representatives from each group of stakeholders identified to ascertain the materiality matrix.

#### iii) Prioritisation and review

We categorise and prioritise key sustainability issues and evaluate materiality assessment process against desired outcome. The outcome of the materiality assessment allows the Group to take into account significant EESG topics to be embedded in wider business processes and prioritise the Group's resources allocation for sustainability issues.

## SUSTAINABILITY STATEMENT (CONT'D)

### D. SUSTAINABILITY REPORTING FRAMEWORK (CONT'D)

#### The Materiality Assessment Process (Cont'd)

##### iii) Prioritisation and review (cont'd)

Based on our materiality assessment, we have identified and categorised the material sustainability matters under four themes as stated below:-

ECONOMIC	ENVIRONMENTAL	SOCIAL	GOVERNANCE
<ul style="list-style-type: none"> <li>Vigilant risks management</li> <li>Data protection and cyber threats</li> <li>Quality services and products</li> <li>Economic performance</li> <li>Reverse acquisition of SYF Resources Berhad (now known as M &amp; A Equity Holdings Berhad) ("M &amp; A Equity"), via completion of the disposal of the Company's 100% equity interest in M &amp; A Securities to M &amp; A Equity on 10 May 2023 ("Reverse acquisition of M &amp; A")</li> </ul>	<ul style="list-style-type: none"> <li>Energy and water conservation</li> <li>Environmental compliance</li> </ul>	<ul style="list-style-type: none"> <li>Diversity and equal opportunity (ie. gender, age, position and nationality)</li> <li>Human capital development               <ul style="list-style-type: none"> <li>training and development opportunities</li> <li>talent management and manpower succession planning</li> <li>sexual harassment and violence</li> <li>compensation and benefits</li> </ul> </li> <li>Employee satisfaction survey</li> <li>Safety and health at workplace</li> <li>Community engagement and development</li> </ul>	<ul style="list-style-type: none"> <li>Corporate governance and compliance</li> <li>Code of Conduct and Ethics</li> <li>Anti-Corruption and Anti-Bribery ("ACAB") Policy</li> <li>Whistleblowing Policy</li> <li>Law and regulations</li> </ul>

The evaluation and process review are discussed in Section H - The Group's Key Sustainability Practices.

## SUSTAINABILITY STATEMENT (CONT'D)

### E. STAKEHOLDERS' ENGAGEMENT

In building long-term business growth, it is essential to understand and be responsive to stakeholders' concern and expectations towards the Group. We define our stakeholders as groups whom our businesses have a significant impact on, and those who have a vested interest in our operations. We actively engage with our stakeholders through different types of platforms and channels to understand their priorities and expectations of the Group.

By assessing the significance and impact of their interest on Insas Group, we have identified our key stakeholder groups and the engagement approaches are as follows:-

Stakeholder Groups	Impact and Significance	Form of Engagement	Frequency	Area of Interest	Desired Outcome of Engagement
Our Employees	Our employees are an important component of our human capital whose competencies and well-being are fundamental to the Group's operational effectiveness	Internal on-the-job trainings, employee development programs and external staff trainings	Periodic	Human capital & career development	Safe, healthy and harmonious working environment
			Periodic	Employees' competencies	Improved dissemination of HR policies
		Periodic inter-departmental and business performance meetings		Equal opportunities	Fair remuneration and employees' welfare
	Our aim is to have our employees realise their full potential and generate a knowledgeable and technically competent workforce who are motivated and dedicated	Job rotation opportunities	Based on planning - every 2 to 5 years	Code of conduct & business ethics	Talent attraction and retention
			Periodic	Work-life balance and employee well-being and satisfaction	
		Employee share option scheme	Approved for implementation	Health and safety	
The Group does not practice discrimination against gender, age nor ethnicity	Employee satisfaction survey	Yearly			
Our Customers	Customers satisfaction, quality and pricing of products and services, delivery and reliability	Face-to-face interaction	Periodic	Customer satisfaction	Better quality and reliable services and products with affordable prices
			Periodic	Product affordability	
		Promotions, communication and feedback through website, emails and social media		Quality of services and products	
				Ethical business practices	

## SUSTAINABILITY STATEMENT (CONT'D)

### E. STAKEHOLDERS' ENGAGEMENT (CONT'D)

By assessing the significance and impact of their interest on Insas Group, we have identified our key stakeholder groups and the engagement approaches are as follows (cont'd):-

Stakeholder Groups	Impact and Significance	Form of Engagement	Frequency	Area of Interest	Desired Outcome of Engagement
Our Suppliers	Service delivery, payment schedule, quality and pricing of products and services	Purchasing and procurement policies and guidelines	Periodic	Prompt payment Cost effective solutions Ethical business practices	Better relationship with suppliers for mutual benefit and improved negotiated terms  Strategic partnership
Government Bodies and Regulators	Compliance with applicable statutory requirements, laws, legislations, standards and regulations that is required of the Group's businesses	Meetings and events  Attendances at talks, programs and seminars organised by government bodies and regulators  Advice from the Group's panel lawyers, external auditors, tax consultants, etc	Ad hoc  Periodic  Ad hoc	Malaysian Code of Corporate Governance ("MCCG") and Listing Requirements  New MFRSs and IFRS accounting standards  Personal data protection  Tax compliance  Licensing matters  Anti-corruption and anti-bribery policies  Anti-money laundering policies  Digital transformation	An opportunity to share Insas Group's commitment and policies and procedures for sustainable operations

## SUSTAINABILITY STATEMENT (CONT'D)

### E. STAKEHOLDERS' ENGAGEMENT (CONT'D)

By assessing the significance and impact of their interest on Insas Group, we have identified our key stakeholder groups and the engagement approaches are as follows (cont'd):-

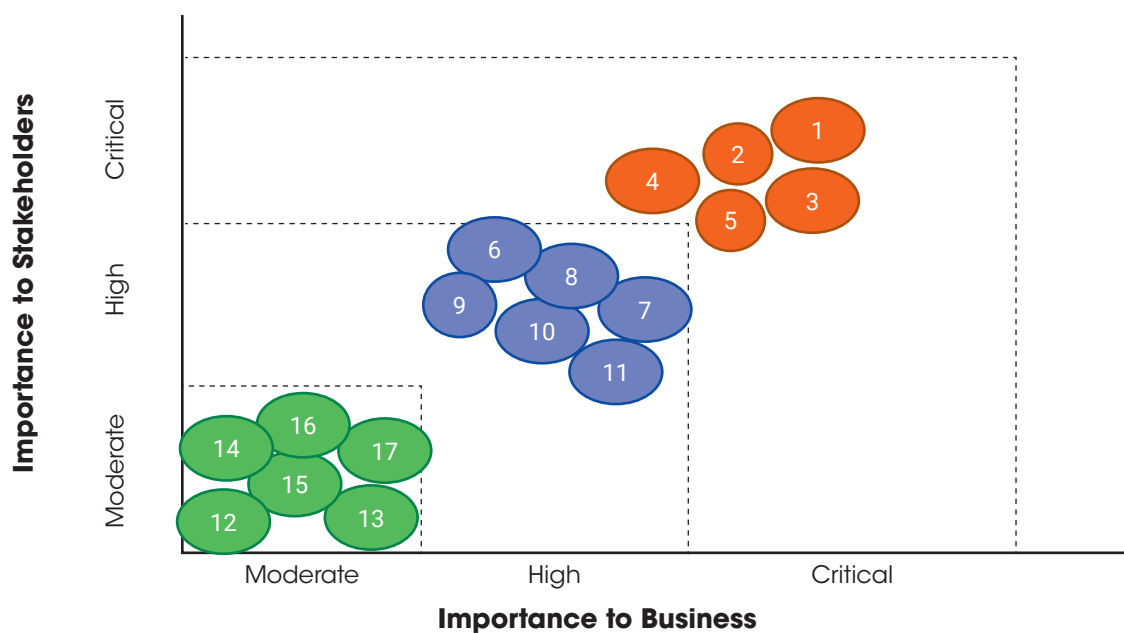
Stakeholder Groups	Impact and Significance	Form of Engagement	Frequency	Area of Interest	Desired Outcome of Engagement
Our Shareholders and Investors	To build on strong fundamentals to deliver continued earnings growth and maximise returns to shareholders	Quarterly reports	Quarterly	Consistent profitability and dividends from the Company	Good relationship with shareholders and investors, and positive reputation amongst investors with constructive feedback
		Annual reports	Yearly		
		Announcements released to Bursa Malaysia Securities Berhad	Periodic	Maximise shareholders' value	
		Annual General Meetings	Yearly	Operational and financial performance and timely announcements and material information on Company website	
		Extraordinary General Meetings	As needed	Group business strategies and investment plans	
Company website	Periodic				
Our Community	To be a committed and responsible corporate citizen contributing to our communities where we operate	Company website	Periodic	Social activities within the community	Better social relations with Insas Group
		Contributions to nominated charities and attendance at charitable events	Periodic	Provide job opportunities to enhance the livelihoods of the community	
		Provides accommodation facilities to certain religious bodies in the country	Ongoing	Community development and support	
		Local employment	Ongoing		

## SUSTAINABILITY STATEMENT (CONT'D)

### F. MATERIALITY ASSESSMENT MATRIX

The Group reviews its sustainability matters annually to ensure they remain relevant and important to our businesses and stakeholders. The outcome of the assessment is displayed and plotted in the Materiality Assessment Matrix below:-

**Materiality Assessment Matrix of Insas Berhad Group**



No.	Sustainability Matters	EESG
<b>Importance is Critical</b>		
1	Quality services and products	Economic
2	Corporate governance and compliance	Governance
3	Good conduct and ethical business practices	Governance
4	Economic performance	Economic
5	Law and regulations	Governance
<b>Importance is High</b>		
6	Reverse acquisition of M & A	Economic
7	Data protection and cyber threats	Economic
8	Whistleblowing policy and ACAB policy	Governance
9	Talent management and manpower succession planning	Social
10	Community engagement and development	Social
11	Vigilant risks management	Economic
<b>Importance is Moderate</b>		
12	Safety and health at workplace	Social
13	Employee well-being & satisfaction - compensation and benefits	Social
14	Training and development opportunities	Social
15	Sexual harassment and violence	Social
16	Energy and water conservation and environmental compliance	Environmental
17	Diversity and equal opportunity	Social

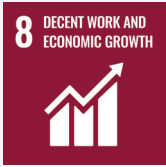

## SUSTAINABILITY STATEMENT (CONT'D)

### G. SUSTAINABILITY MATTERS AND SDGs MAPPING



The Sustainable Development Goals (“SDGs”) are a set of seventeen (17) goals which focus on time-bound targets for People, Planet, Prosperity, Peace and Partnership (the 5Ps) which were established by United Nations General Assembly (“UN”) in 2015 with respective targets to be achieved by the year 2030, with a broad objective for the achievement of peace and prosperity globally.





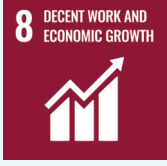
The table below presents the overview of Sustainability Matters and Sustainability Goals which are aligned and mapped with the seven (7) UNSDGs relevant to our Group.

Sustainability Matters	UNSDGs	Sustainability Goals	Performance in FY 2023	Page No.
<b>Economic</b>				
Quality services and products		Achieve prominence in product and services excellence	Earnings per share: 18.51 sen (2022: 32.45 sen)	10
Economic performance		Deliver good returns to our shareholders	Dividend per share: 2.5 sen (2022: 2.5 sen)	180
Data protection and cyber threats			Zero cases related to breaches of privacy and data protection	52
Vigilant risks management				
Reverse acquisition of M & A		Unlock value in M & A Securities	Unlock value by monetising and securitising its investment in M & A Securities, by creating a separate listing platform for M & A Securities on the Main Market of Bursa Malaysia Securities Berhad	53

## SUSTAINABILITY STATEMENT (CONT'D)

### G. SUSTAINABILITY MATTERS AND SDGs MAPPING (CONT'D)

The table below presents the overview of Sustainability Matters and Sustainability Goals which are aligned and mapped with the seven (7) UNSDGs relevant to our Group (cont'd).

Sustainability Matters	UNSDGs	Sustainability Goals	Performance in FY 2023	Page No.
<b>Environmental</b>				
Energy and water conservation		Ensure availability and sustainable management of energy and water consumption for all and improve energy efficiency	Increase 43% (2022: decrease 1%) in energy consumption	53-54
Environmental compliance		Improve education and awareness on climate change mitigation, adaptation and impact reduction and early warning	No confirmed incidents, monetary and non-monetary sanctions or cases that have been brought to the management and the Board's attention for non-compliance with environmental laws and regulations	
<b>Social</b>				
Safety and health at workplace		Respect and achieve 100% compliance to human and labor rights	Zero cases reported for forced labor, discrimination or grievance on human rights	54-60
Talent management and manpower succession planning		Retain talent and succession planning	99% (2022: 99%) local hiring	
Community engagement and development		Promote local hiring	Achieved response rate of 79% (2022: 82%) with an overall score of 64% (2022: 77%) for employee satisfaction survey	
Employee well-being and satisfaction - compensation and benefits		Improve workplace well-being	Achieved total training hours 2,150 (2022: 2,279) with average of 7.62 (2022: 8.83) hours per employee	
Training and development opportunities		Continuous training and development for all staffs to ensure they acquire the knowledge and skills needed	Achieved total training hours 2,150 (2022: 2,279) with average of 7.62 (2022: 8.83) hours per employee	
Sexual harassment and violence		Zero tolerance to all forms of harassment	49% (2022: 52%) of female employees in the Group	
Diversity and equal opportunity		Non-discriminatory hiring and remuneration practices, promote fair and equal opportunity for all		

## SUSTAINABILITY STATEMENT (CONT'D)

### G. SUSTAINABILITY MATTERS AND SDGs MAPPING (CONT'D)

The table below presents the overview of Sustainability Matters and Sustainability Goals which are aligned and mapped with the seven (7) UNSDGs relevant to our Group (cont'd).

Sustainability Matters	UNSDGs	Sustainability Goals	Performance in FY 2023	Page No.
<b>Governance</b>				
Corporate governance and compliance		Ensure strong compliance with laws and regulations	All employees signed and submitted the yearly declaration form	60-61
Good conduct and ethical business practices		Establishing clear, accessible policies and reporting mechanisms which outline our zero-tolerance for corruption, bribery, and discriminatory behaviour	Zero cases of non-compliance on code of conduct and ethical business practices issues	
Law and regulations			No reported incidents of corruption received	
Anti-Corruption and Anti-Bribery Policy			Did not receive any complaint or report on workplace grievances nor malpractice or misconduct activities	
Whistleblowing Policy				

### H. THE GROUP'S KEY SUSTAINABILITY PRACTICES

We focus in building sustainable relationships with stakeholders and utilise our resources to contribute to growth and bring value to our stakeholders.

This section highlights the measures undertaken by the Group to support the various sustainability matters that were identified:-

#### ECONOMIC SUSTAINABILITY

##### i) **Quality services and products**

The Group endeavors to deliver quality and reliable products and services to our customers, uphold good business ethics, and strive to deliver reasonable returns to our shareholders.

##### ii) **Economic performance**

We are determined to grow our Group through strategic and innovative initiatives in our quest to drive robust economic performance. We seek to continue enhancing our market competitiveness to generate long-term economic value for our stakeholders and we are committed to enhance stakeholders' value through direct contributions to the economy.

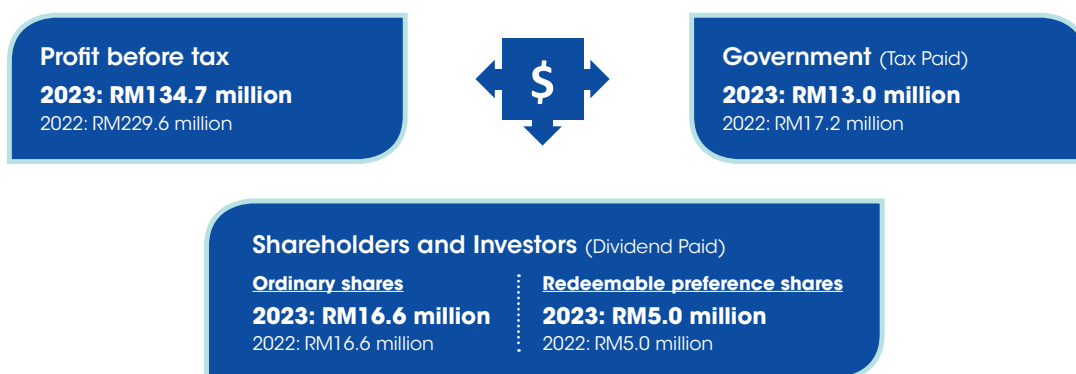
## SUSTAINABILITY STATEMENT (CONT'D)

### H. THE GROUP'S KEY SUSTAINABILITY PRACTICES (CONT'D)

#### ECONOMIC SUSTAINABILITY (CONT'D)

##### ii) Economic performance (cont'd)

In FY 2023, the Group recorded a profit before tax of RM134.7 million. The following diagram summarises the direct economic value contributed by the Group to the different stakeholders:-



##### iii) Data protection and cyber threats

As technology becomes increasingly integral to the workplace to enable more effective and efficient forms of collaboration, this naturally expose business organisations to higher risks of cyber security threats and breaches of data privacy. Therefore, it is vital to ensure our IT systems, networks, applications and personal data are adequately protected against cyber threats and malfunctions to ensure our operations can be carried out without disruptions and to prevent loss of sensitive and confidential data.

The Group continues to improve the resilience of our technology infrastructure, competency of IT personnel, engagement of external security consultants to enhance the cyber security controls on the IT systems and applications, and raise awareness among employees on cyber security issues. In addition, we have in place the necessary policies and procedures to guide our day-to-day operational activities and key internal controls to protect data privacy and cyber security.

The Group recognises the presence of threats to the Group's data being accessed via unauthorised means, and the Group will constantly strive to protect the confidentiality and integrity of our customers and stakeholders' information. Our Information Technology unit has actively conducted testing on cyber security and had sent out alerts to staffs on new security threats. To stay vigilant and mitigate against evolving cyber security threats, the Group is constantly on lookout for areas that we can further enhance our security systems.

During the financial year, M & A Securities had received a letter from Securities Commission in relation to the results of annual capital market cyber simulation 2022. M & A Securities was placed in the third 25 percentile among all participants in the capital market cyber simulation 2022. This simulation gives the opportunity to M & A Securities to assess its readiness and weakness in handling the possible cyberattack.

Due to our data privacy and protection efforts, we have received zero cases related to the breaches of data and complaints received from external stakeholders. There was no cyber security threat reported in FY 2023.

##### iv) Vigilant risks management

Risk management is crucial in sustaining the Group's continuing growth and the Board, together with the Audit Committee, the Risk Management Committee and the senior management team have continuously been identifying, evaluating and formulating procedures to manage the risks affecting the Group's businesses.

## SUSTAINABILITY STATEMENT (CONT'D)

### H. THE GROUP'S KEY SUSTAINABILITY PRACTICES (CONT'D)

#### ECONOMIC SUSTAINABILITY (CONT'D)

##### v) Reverse acquisition of M & A

The Reverse acquisition of M & A was completed on 10 May 2023. M & A Equity became a 67.12% subsidiary company of the Group, and M & A Securities and its subsidiary companies became 67.12% indirect subsidiary companies of the Group.

The Reverse acquisition of M & A is essentially a backdoor listing of M & A Securities via M & A Equity, which will enable the Group to unlock value by monetising and securitising its investment in M & A Securities, by creating a separate listing platform for M & A Securities on the Main Market of Bursa Malaysia Securities Berhad. In addition, the listing status of M & A Equity will enable it to allow investors to separately appraise the business strategies and risks and returns of M & A Securities independently from the Group.

M & A Equity sold its rubberwood furniture segment and turned into a full-fledged financial services group with 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.

On 30 June 2023, M & A Equity completed its renounceable rights issue and restricted issue of 284,436,506 and 136,323,600 new ordinary shares. Arising therefrom, the Group's equity interests in M & A Equity has been diluted to 60.83%.

The Group does not consider the business risks in relation to the acquisition of M & A Equity Group to be material as M & A Equity Group's remaining property development project is fully completed and the project is 100% sold. M & A Equity may look into disposing its remaining landbank and focus in the financial services segment.

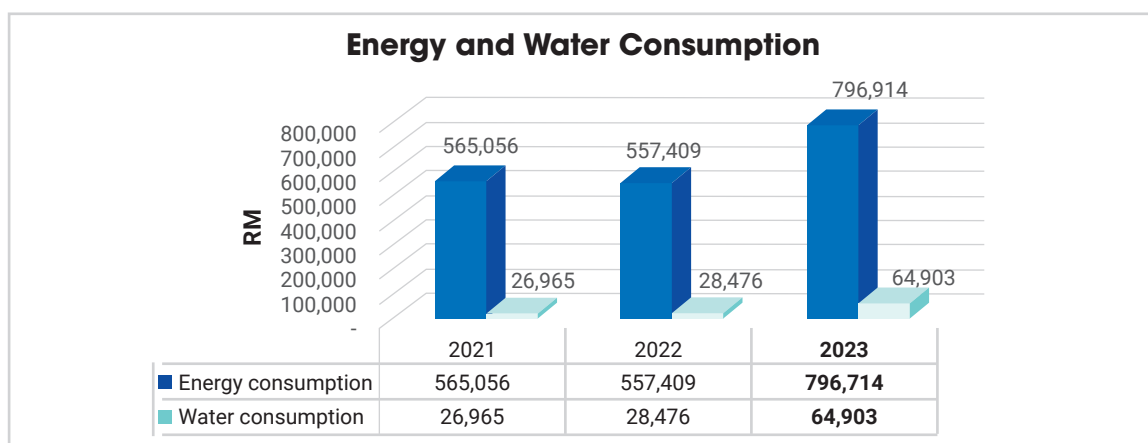
#### ENVIRONMENTAL SUSTAINABILITY

##### Energy and water conservation and environmental compliance

The Group is committed to manage the environmental impact that could arise from operating processes and office facilities.

Minimising energy and water consumptions are the priority in the Group's efforts to conserve energy and water, hence improve the sustainable use of resources. This includes upgrading our existing equipment to be more energy-efficient and enhancing monitoring practices to reduce energy and water usage.

To develop further initiatives to reduce energy and water consumption and promote environmental friendliness, the Group instills awareness among employees to avoid wastages.



## SUSTAINABILITY STATEMENT (CONT'D)

### H. THE GROUP'S KEY SUSTAINABILITY PRACTICES (CONT'D)

#### ENVIRONMENTAL SUSTAINABILITY (CONT'D)

##### Energy and water conservation and environmental compliance (cont'd)

Energy consumption had increased by 43% in FY 2023 (2022: reduced by 1%) as compared to the preceding financial year, mainly due to:-

- i) M & A Securities - expansion of offices occupied;
- ii) The Group's acquisition of QBI Packaging Sdn. Bhd. was completed in April 2022, hence FY 2023 consist of 12 months' consumption compared to FY 2022 consist of 3 months' consumptions; and
- iii) VigTech Labs Sdn. Bhd. ventured into new business in protection films for vehicles in April 2022 and started vending machine business in October 2022.

Moving forward, the Group will continue its efforts to consume energy and water efficiently.

The Group takes steps to comply with all relevant environmental laws and regulations in Malaysia. In FY 2023, there were no confirmed incidents, monetary and non-monetary sanctions or cases that have been brought to the management and the Board's attention for non-compliance with environmental laws and regulations.

#### SOCIAL SUSTAINABILITY

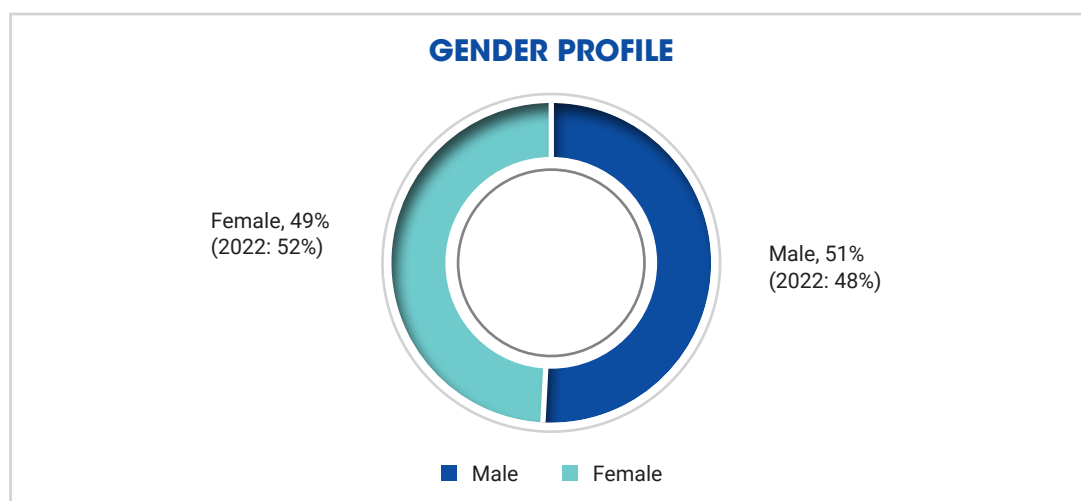
Our employees are the Group's primary assets and also its key stakeholders. We have a great team on board with a diversity of talents, knowledge and experience to take the Group forward. We are determined to foster a workplace culture and environment that attracts, retains and develops our employees to reach their fullest potential to deliver value to our stakeholders.

##### Diversity and equal opportunity

The Group continues to focus on initiatives that promote equal career development opportunities to all of our employees without discrimination of gender, age, nationality and religion.

##### i) **Gender profile**

As at 30 June 2023, the Group has a total of 282 (2022: 258) employees (excluding directors) which consists of 49% (2022: 52%) of female and 51% (2022: 48%) of male.



## SUSTAINABILITY STATEMENT (CONT'D)

### H. THE GROUP'S KEY SUSTAINABILITY PRACTICES (CONT'D)

#### SOCIAL SUSTAINABILITY (CONT'D)

##### Diversity and equal opportunity (cont'd)

##### i) Gender profile (cont'd)

###### Turnover by Gender

Turnover rate	2023	2022	2021
Male	9.2%	10.1%	15.2%
Female	7.8%	6.2%	4.8%
Total	17.0%	16.3%	20.0%

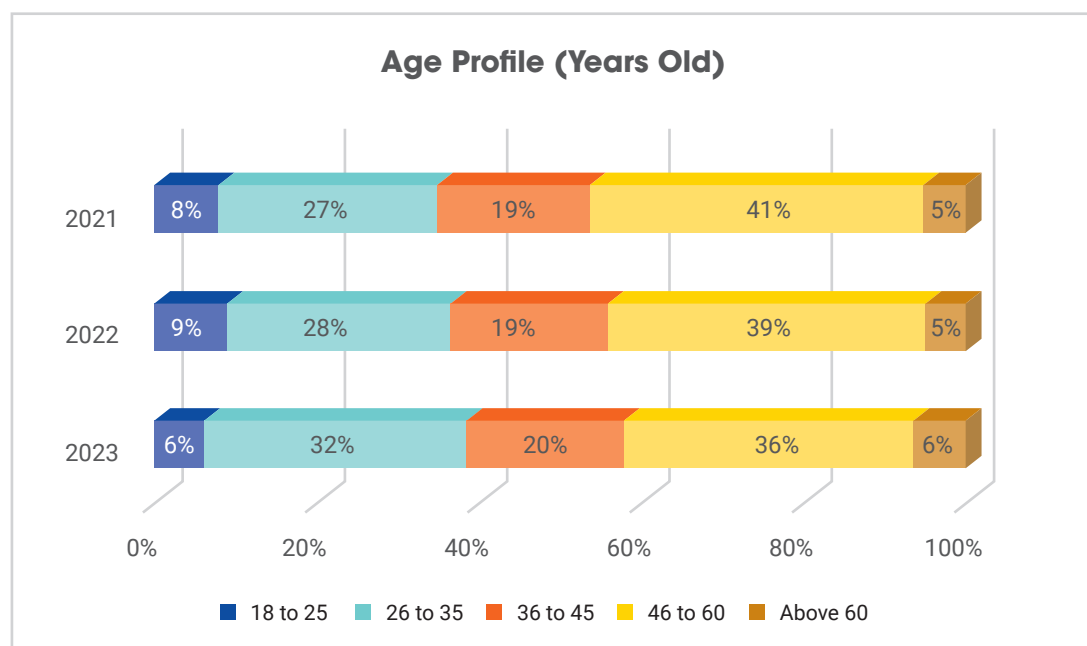
\* Turnover rate is calculated by dividing the number of employees who left the Group by the total number of employees as at the end of the financial year

New Hire Rate	2023	2022	2021
Male	16.3%	10.9%	12.6%
Female	8.5%	11.6%	8.7%
Total	24.8%	22.5%	21.3%

\* New hire rate is calculated by dividing the number of newly hired employees by the total number of employees as at the end of the financial year

##### ii) Age profile

Our employees age profile is balanced with almost 58% (2022: 56%) of our employees being below the age of 45 years old. Majority of our employees are young and energetic, which is parallel with the Group's direction to develop new talents.



## SUSTAINABILITY STATEMENT (CONT'D)

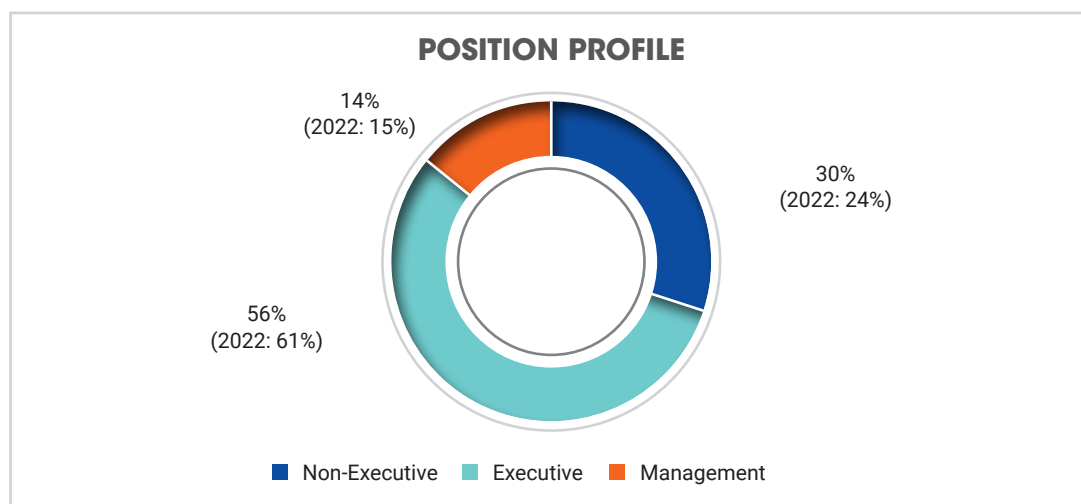
### H. THE GROUP'S KEY SUSTAINABILITY PRACTICES (CONT'D)

#### SOCIAL SUSTAINABILITY (CONT'D)

##### Diversity and equal opportunity (cont'd)

##### iii) Position profile

Our human capital strategy is targeted to attract, develop and retain top talents to drive business and organisation growth. In line with the Group's strategies, our employees are mostly technical skilled and professionals which made up of 70% (2022: 76%) at executive and management level. The Group continuously promotes professional growth to assure its employees with a progressive ladder for better prospect.



The Group has 5.3% (2022: 5.8%) consists of male 3.5% (2022: 3.5%) and female 1.8% (2022: 2.3%) of total employees who are subject to minimum wage rule and the Group had complied with all applicable labour laws, rules and regulations.

##### iv) Nationality profile

As at 30 June 2023, the Group has a total of 282 (2022: 258) employees spread regionally across two (2) countries namely Malaysia and Singapore. 99% (2022: 99%) of our employees are local hires.

## SUSTAINABILITY STATEMENT (CONT'D)

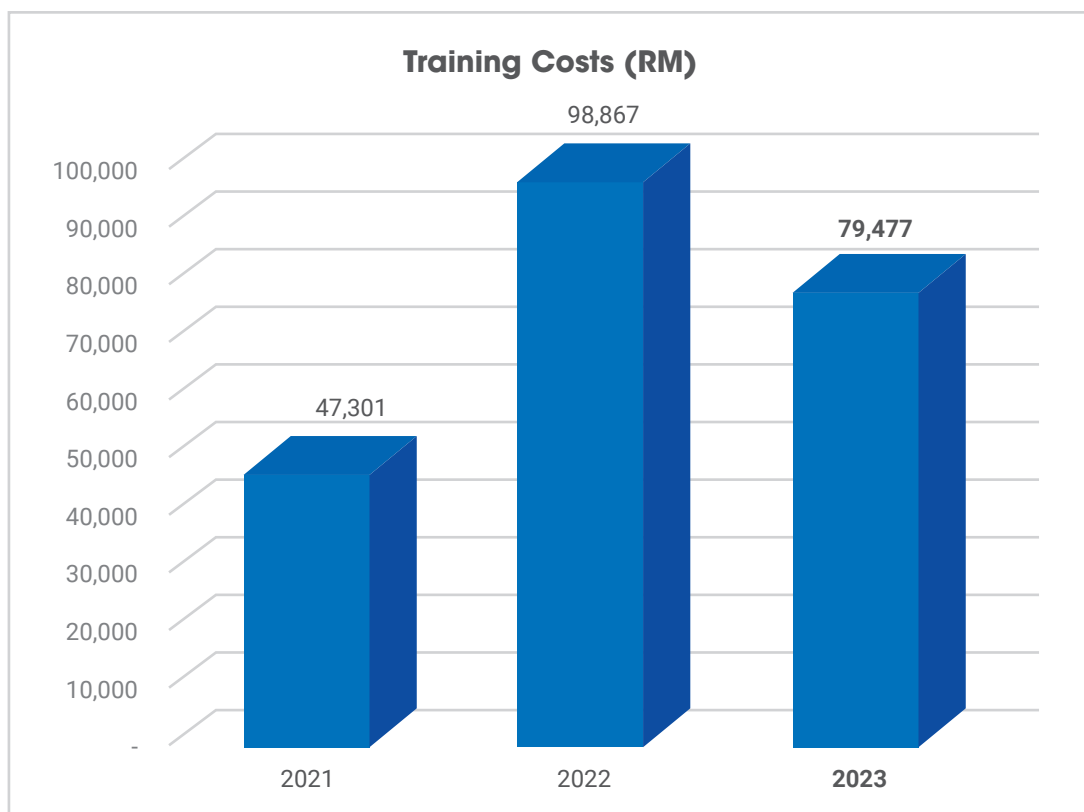
### H. THE GROUP'S KEY SUSTAINABILITY PRACTICES (CONT'D)

#### SOCIAL SUSTAINABILITY (CONT'D)

##### Human capital development

##### i) Training and development opportunities

It is crucial to ensure that our employees are upskilled and updated with the latest industry knowledge to continue to stay relevant and agile. As such, the Group invests in the training and development of employees to improve their knowledge, skills and competencies to enhance their performances and opportunities to advance in their career within the Group. The key training programmes covered topics on compliance, technical skills, competency development and other work-related training. Onboarding training will be provided by respective department leaders to focus on topics that address employees needs and provide them with easy access to information and skills they need to deliver their job efficiently and ensure smooth transition of handover. The Group will provide occupational health and safety and soft skills trainings including leadership and team building in future.



During FY2023, the Group incurred training cost amounting to RM79,477 (2022: RM98,867) for our employees. The average training hours for each employee was 7.62 hours (2022: 8.83 hours).

##### ii) Talent management and manpower succession planning

One of the most important aspects of our human capital development strategy is to actualize the Group's forward plans. The Group has in place succession planning for its next generation of leaders and provide mentoring, coaching and talent development. The ultimate goal is to ensure the placement of the right talent for the right job at the right time, as well as to ensure leadership readiness for the key positions.

## SUSTAINABILITY STATEMENT (CONT'D)

### H. THE GROUP'S KEY SUSTAINABILITY PRACTICES (CONT'D)

#### SOCIAL SUSTAINABILITY (CONT'D)

##### Human capital development (cont'd)

##### iii) Sexual harassment and violence

The Group recognises the importance of raising awareness of sexual harassment and violence to promote a supportive culture, which encourages the reporting of incidents for complaints to be tackled appropriately and to support a safer working environment for all employees. The Group is committed to provide adequate attention to the ethics and conduct of all employees in connection with sexual harassment and violence.

##### iv) Compensation and benefits

The workforce is the Group's greatest asset. To retain our employees, the Group provides the customary benefits and packages as follows:-

##### Insurance/Medical Coverage

- Personal accident and hospitalisation insurance coverage to all permanent employees
- Directors and Officers liability insurance for Directors and principal officers

##### Benefits mandated by law

- Adherence to minimum wage rules
- Annual leave, maternity/paternal leave, medical and hospitalisation leave
- Contribution to statutory funds such as EPF, SOCSO, EIS and HRDF
- Overtime payments

##### Other discretionary benefits

- Performance bonus and increments
- Free Covid-19 test kits for employees
- Travelling allowance and mileage claims
- Study leave, compassionate leave and others

##### Employee satisfaction survey

The Group is committed to build a sustainable and responsible workplace environment for our employees. To this end, we had conducted an Employee Satisfaction Survey ("Survey") annually since year 2021 as we believe that employee satisfaction plays a critical role in driving our sustainability efforts. This Survey will help us in identifying areas where we can enhance our engagement with employees and make improvements accordingly.

We covered five key themes that are relevant for assessing our employees' satisfaction. With 79% (FY2022: 82%) employee participation, excluding directors, we have obtained the results of the Survey for the financial year under review:-

Key driver questions 2023		Score
1.	Work-life balance	67%
2.	Compensation and benefits	59%
3.	Company culture and working environment	67%
4.	Career opportunity and professional growth	64%
5.	Diversity and inclusion	65%
	Average	64%

Among the five themes covered in our Survey, work-life balance and company culture and working environment emerged as the most satisfactory aspect offered by the Group to our employees.

## SUSTAINABILITY STATEMENT (CONT'D)

### H. THE GROUP'S KEY SUSTAINABILITY PRACTICES (CONT'D)

#### SOCIAL SUSTAINABILITY (CONT'D)

##### Employee satisfaction survey (cont'd)

The results of the Survey for the last three financial years are as below:-



During the financial year under review, the Group recorded a lower score of 64% for overall employee satisfaction compared to FY2022 and FY2021 of 77% and 71% respectively mainly due to the compensation and benefits aspect of the Survey. The management has taken note of the results of the Survey and will review and implement on the appropriate action to be undertaken.

We will continue to engage with our employees through annual surveys to promote employee well-being to shape a dynamic and high-performing workforce.

#### Safety and health at workplace

##### **Covid-19 Endemic Response**

Although Malaysia has entered the endemic phase of the Covid-19 as of 1 April 2022, the Group continued to implement strict safety measures and procedures to ensure that everyone could return to work safely.

The critical safety measures includes perform periodic swab tests, maintain social distancing, reducing physical engagements in favour of virtual communication channels, frequent cleaning and disinfecting of workplace and strict procedures for handling positive Covid-19 cases including quarantine measures for suspected and actual cases of infection.

The management shall continue to provide guidance and updates to the employees and related stakeholders on Covid-19 related matters.

## SUSTAINABILITY STATEMENT (CONT'D)

### H. THE GROUP'S KEY SUSTAINABILITY PRACTICES (CONT'D)

#### SOCIAL SUSTAINABILITY (CONT'D)

##### Community engagement and development

The Group strives to build community trust by integrating corporate responsibility and sustainability in our business processes and contributing to the well-being of the communities in which the Group operates.

The Group is committed to continue its corporate social responsibility activities and play a role in enriching the welfare of the community. Contributions in cash and benefit in kind were extended to support charitable and non-profit organisation amounting to RM32,800 (2022: RM65,890) and the Group also provides accommodation facilities to certain religious bodies in the country.

The Group aims to provide more and better job opportunities to enhance the livelihoods of the community. In FY 2023, our employee base comprised 99% (2022: 99%) of local talents.

#### GOVERNANCE SUSTAINABILITY

##### Corporate governance and compliance

The Group strives to comply with the MCGG 2021, and has in place a strong corporate governance framework as a means to establish the Group's creditability standing, enhance shareholders' value, strengthen stakeholders' trust in our business practices and improve the Group's business competitiveness.

Details of our corporate governance framework and practices are elaborated in the Corporate Governance Overview Statement on pages 21 to 27 of this Annual Report as well as the Corporate Governance Report for announcement and publication on the website of Bursa Malaysia Securities Berhad and on the Company's website at [www.insas.net](http://www.insas.net).

In addition, all employees of Insas are required to acknowledge and adhere by signing the Yearly Declaration, which contains the followings:-

- Code of Conduct for Employee and Disciplinary Actions
- Notice Under Personal Data Protection Act 2010
- Policy and Procedures for Conflict of Interest
- Whistleblowing Policy
- Anti-Corruption and Anti-Bribery Policy

##### Code of Conduct and Ethics

The Group's Code of Conduct and Ethics ("the Code") sets out the principles and standards of business ethics and conduct to promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behavior. Hence, the Group's businesses are conducted professionally, ethically and with the highest standard of integrity.

The principles on which the Code relies are those that concerns transparency, integrity and accountability. It provides clear direction on conducting business, guidance on disclosure of conflict of interest situations, maintaining confidentiality and disclosure of information, good practices and internal control and a duty to report when there is a breach against the Code.

In FY 2023, there were no cases of non-compliance and breach of ethical issues reported.

## SUSTAINABILITY STATEMENT (CONT'D)

### H. THE GROUP'S KEY SUSTAINABILITY PRACTICES (CONT'D)

#### GOVERNANCE SUSTAINABILITY (CONT'D)

##### **Anti-Corruption and Anti-Bribery ("ACAB") Policy**

Insas adopts a zero-tolerance approach towards fraud, bribery and corruption. The Group conducts its business professionally, with integrity and in compliance with both the Listing Requirements and Malaysian Anti-Corruption Commission (Amendment) Act 2018 and any amendments made from time to time. Our ACAB Policy is published on the Company's website, provides principles and guidance to Directors, employees and associated third parties the way to recognise and deal with any act of corruption and bribery that may arise in the course of business and operational activities within the Group.

All employees, customers, suppliers and business associates, who are subject to our ACAB Policy, are required to comply with our due diligence procedures (control measures), which include customer and supplier declaration, donation and sponsorship due diligence, and gift and hospitality declaration.

Continuous trainings on ACAB are conducted by the Group Internal Audit function for existing and new staffs on an annual basis. The ACAB controls within the Group are at satisfactory level.

All Directors and employees are adequately informed and are expected to promptly report, via the established whistleblowing channels as provided for in the Whistleblowing Policy, of any suspicious transactions that may indicate corruption, bribery or money laundering. The Group via the Group Internal Audit function, has carried out bribery and corruption risk assessment periodically, and the results are reported to the Risk Management Committee.

There were no reported incidents of corruption received during the financial year.

##### **Whistleblowing Policy**

The Group had developed a Whistleblowing Policy in FY 2018 with the objective to encourage all employees and external parties to come forward and voice out their concerns and report any malpractice or misconduct of which they become aware of.

This Policy outlines the various reporting channels to provide all employees and external parties to report suspected wrongdoings, unethical behaviours or workplace grievances that may cause adverse impact to the Group.

The whistleblowing reporting channel include making a report directly to the employee's immediate line manager or Head of Department or to the designated officers, Audit Committee Chairman or Group Internal Auditor through mail (marked "Strictly Confidential"), by telephone or e-mail.

The Group treats all reports in a confidential manner and at the same time, the whistleblower shall be accorded protection of confidentiality of identity to the extent reasonably practicable, and protection against any adverse and detrimental actions and retaliations of all forms.

For FY 2023, the Group did not receive any complaint or report on workplace grievances nor malpractice or misconduct incidents.

##### **Laws and regulations**

Our policy on governance requires the Group to meet all local requirements including laws and regulations, accounting standards, listing requirements, tax compliance and licensing requirements amongst others.

Regulatory and reporting changes may affect the Group's business models, compliance measures as well as the management of capital, liquidity and profitability. Continuous engagement with regulatory authorities is undertaken to stay abreast of the latest regulatory developments. Senior management and staff attend relevant seminars and trainings to update and enhance their knowledge in order to discharge their works and responsibilities efficiently and effectively.

## SUSTAINABILITY STATEMENT (CONT'D)

**Global Reporting Initiative Sustainability Reporting Standards ('GRI' Index) applied by Insas Group for the period 1 July 2022 to 30 June 2023**

GRI Stds	GRI Content Index		
	Disclosure	Response	Page No.
<b>GRI 102: General Disclosures</b>			
102-1	Name of the organisation	List of subsidiary companies Company website: <a href="http://insas.net/index.html">http://insas.net/index.html</a>	196-199
102-2	Activities, brands, products and services	Management Discussion and Analysis	11-20
102-3	Location of headquarters	Corporate Information	2
102-4	Location of operations	Management Discussion and Analysis Audited Financial Statements Note 51	11-20 196-199
102-5	Ownership and legal form	Analysis of Shareholdings	229-230
102-6	Markets served	Management Discussion and Analysis Audited Financial Statements Note 49(a) Operating Segments and its business activities	11-20 189-192
102-7	Scale of the organisation	Audited Financial Statements	84-225
102-8	Information on employees and other workers	Sustainability Statement - Social Sustainability	54-60
102-9	Supply chain	The Group does not have significant suppliers.	N/A
102-10	Significant changes to the organisation and its supply chain	Therefore supply chain disclosure is N/A to the Group.	N/A
102-11	Precautionary principle or approach	Statement of Risk Management and Internal Control	28-34
102-12	External initiatives	Sustainability Statement - Introduction	40
102-13	Membership of associations	Sustainability Statement - Corporate Membership and Association	42
102-14	Statement from senior decision-maker	To be applied in future	N/A
102-16	Values, principles, standards and norms of behaviour	Sustainability Statement - Governance Sustainability	60-61
102-18	Governance structure	Profile of Directors Profile of Key Senior Management Corporate Governance Overview Statement Sustainability Statement - Sustainability Governance Structure	3-5 6-9 21-27 42
102-40	List of stakeholder groups	Sustainability Statement - Stakeholders' Engagement	45-47
102-41	Collective bargaining agreements	The Group does not have collective bargaining agreement	N/A
102-42	Identifying and selecting stakeholders	Sustainability Statement - Stakeholders' Engagement	45-47
102-43	Approach to stakeholder engagement	Sustainability Statement - Stakeholders' Engagement	45-47
102-44	Key topics and concerns raised	Sustainability Statement - Stakeholders' Engagement - Materiality Assessment Matrix - Sustainability Matters and SDGs Mapping - The Group's Key Sustainability Practices	45-47 48 49-51 51-61
102-45	Entities included in the consolidated financial statements	Audited Financial Statements Note 51 to 53	196-203
102-46	Defining report content and topic boundaries	Sustainability Statement - Introduction - Sustainability Reporting Framework	40 43-44
102-47	List of material topics	Sustainability Statement - Materiality Assessment Matrix - Sustainability Matters and SDGs Mapping	48 49-51

## SUSTAINABILITY STATEMENT (CONT'D)

### GRI Index applied by Insas Group for the period 1 July 2022 to 30 June 2023 (cont'd)

GRI Stds	GRI Content Index		
	Disclosure	Response	Page No.
<b>GRI 102: General Disclosures (Cont'd)</b>			
102-48	Restatements of information	N/A	N/A
102-49	Changes in reporting	Sustainability Statement - Introduction	40
102-50	Reporting period	Sustainability Statement - Introduction	40
102-51	Date of most recent report	Sustainability Statement - Introduction	40
102-52	Reporting cycle	Sustainability Statement - Introduction	40
102-53	Contact point for questions regarding the report	Sustainability Statement - Introduction Company website: <a href="http://www.insas.net/contactus.html">http://www.insas.net/contactus.html</a>	40
102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Statement - Introduction - This Sustainability Statement has been prepared in accordance with the GRI Standards Core Option	40
102-55	GRI content index	Sustainability Statement - GRI Content Index	62-66
102-56	External assurance	Sustainability Statement - Introduction The data included in this report has undergone a review as part of the internal assurance process conducted by our Group Internal Audit function. The objective of this approach is to ensure accuracy and integrity of the data disclosed.	40
<b>GRI 103: Management Approach</b>			
103-1	Explanation of the material topic and its boundary	Sustainability Statement - Introduction - Materiality Assessment Matrix - Sustainability Matters and SDGs Mapping	40 48 49-51
103-2	The management approach and its components	Sustainability Statement - The Group's Key Sustainability Practices	51-61
103-3	Evaluation of the management approach	Sustainability Statement - Sustainability Matters and SDGs Mapping - The Group's Key Sustainability Practices	49-51 51-61
<b>GRI 201: Economic Performance</b>			
201-1	Direct economic value generated and distributed	Audited Financial Statements Sustainability Statement - The Group's Key Sustainability Practices - Economic Sustainability - Economic Performance	84-225 51-52
201-2	Financial implications and other risks and opportunities due to climate change	To be applied in future	N/A
201-3	Defined benefit plan obligations and other retirement plans	Audited Financial Statements	84-225
201-4	Financial assistance received from government	The Group did not received any financial assistance from government in FY 2023	N/A
<b>GRI 202: Market Presence</b>			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Sustainability Statement - Social Sustainability - Position profile	56
202-2	Proportion of senior management hired from local community	Sustainability Statement - Social Sustainability - Position and nationality profile - Community engagement and development	56 60
<b>GRI 204: Procurement Practices</b>			
204-1	Proportion of spending on local suppliers	N/A - please refer GRI 102-9	N/A

## SUSTAINABILITY STATEMENT (CONT'D)

### GRI Index applied by Insas Group for the period 1 July 2022 to 30 June 2023 (cont'd)

GRI	GRI Content Index		
Stds	Disclosure	Response	Page No.
<b>GRI 205: Anti-corruption</b>			
205-1	Operations assessed for risks related to corruption	Audit Committee Report Statement on Risk Management and Internal Control	35-39 28-34
205-2	Communication and training about anti-corruption policies and procedures	Sustainability Statement - Governance Sustainability Anti-Corruption and Anti-Bribery ("ACAB") Policy Statement on Risk Management and Internal Control	61 28-34
205-3	Confirmed incidents of corruption and actions taken	Sustainability Statement - Governance Sustainability Anti-Corruption and Anti-Bribery ("ACAB") Policy -There were no incidents of corruption reported	61
<b>GRI 302: Energy</b>			
302-1	Energy consumption within the organisation	Sustainability Statement - Environmental Sustainability - Energy and water conservation and environmental compliance	53-54
302-2	Energy consumption outside the organisation	N/A	N/A
302-3	Energy intensity	N/A	N/A
302-4	Reduction of energy consumption	Sustainability Statement - Environmental Sustainability - Energy and water conservation and environmental compliance	53-54
302-5	Reduction in energy requirements of products and services	N/A	N/A
<b>GRI 303: Water and Effluents</b>			
303-1	Interactions with water as a shared resource	N/A - minimum consumption of water	N/A
303-2	Management of water discharge-related impacts	N/A - minimum consumption of water	N/A
303-3	Water withdrawal	N/A - minimum consumption of water	N/A
303-4	Water discharge	N/A - minimum consumption of water	N/A
303-5	Water consumption	Sustainability Statement - Environmental Sustainability - Energy and water conservation and environmental compliance	53-54
<b>GRI 307: Environmental Compliance</b>			
307-1	Non-compliance with environmental laws and regulations	Sustainability Statement - Environmental Sustainability - Energy and water conservation and environmental compliance - We have not identified any non-compliances with environmental laws and regulations as of FY 2023	53-54
<b>GRI 308: Supplier Environmental Assessment</b>			
308-1	New suppliers that were screened using environmental criteria	N/A - please refer GRI 102-9	N/A
308-2	Negative environmental impacts in the supply chain and actions taken	N/A - please refer GRI 102-9	N/A
<b>GRI 401: Employment</b>			
401-1	New employee hires and employee turnover	<u>By Gender:-</u> Sustainability Statement - Social Sustainability - Diversity and Equal Opportunity - Gender profile <u>By Age:-</u> - To be applied in future	54-55 N/A
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Statement - Social Sustainability - Human capital development - Compensation and benefits	58
401-3	Parental leave	Sustainability Statement - Social Sustainability - Human capital development - Compensation and benefits	58
<b>GRI 402: Labour/Management Relations</b>			
402-1	Minimum notice periods regarding operational changes	We will ensure the employees are informed with appropriate notice periods regarding operational changes in the Group.	N/A
<b>GRI 403: Occupational Health and Safety</b>			
403-1	Occupational health and safety management system	Sustainability Statement - Social Sustainability - Safety and health at workplace	59
403-2	Hazard identification, risk assessment and incident investigation	N/A	N/A

## SUSTAINABILITY STATEMENT (CONT'D)

### GRI Index applied by Insas Group for the period 1 July 2022 to 30 June 2023 (cont'd)

GRI Stds	GRI Content Index		
	Disclosure	Response	Page No.
<b>GRI 403: Occupational Health and Safety (Cont'd)</b>			
403-3	Occupational health services	Sustainability Statement - Social Sustainability - Safety and health at workplace	59
403-4	Worker participation, consultation and communication on occupational health and safety	Sustainability Statement - Social Sustainability - Safety and health at workplace	59
403-5	Worker training on occupational health and safety	Sustainability Statement - Social Sustainability - Human capital development - Training and development opportunities	57
403-6	Promotion of worker health	Sustainability Statement - Social Sustainability - Safety and health at workplace	59
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	N/A	N/A
403-8	Workers covered by an occupational health and safety management system	All our employees are covered	N/A
403-9	Work-related injuries	No case reported in FY 2023	N/A
403-10	Work-related ill health	No case reported in FY 2023	N/A
<b>GRI 404: Training and Education</b>			
404-1	Average hours of training per year per employee	Sustainability Statement - Social Sustainability - Human capital development - Training and development opportunities	57
404-2	Programmes for upgrading employee skills and transition assistance programmes	Sustainability Statement - Social Sustainability - Human capital development - Training and development opportunities	57
404-3	Percentage of employees receiving regular performance and career development reviews	We conduct annual performance appraisal for all the employees	N/A
<b>GRI 405: Diversity and Equal Opportunity</b>			
405-1	Diversity of governance bodies and employees	Profile of Directors and Profile of Key Senior Management Sustainability Statement - Social Sustainability - Diversity and equal opportunity	3-9 54-56
405-2	Ratio of basic salary and remuneration of women to men	To be applied in future	N/A
<b>GRI 406: Non-discrimination</b>			
406-1	Incidents of discrimination and corrective actions taken	No incidents of discrimination reported in FY 2023	N/A
<b>GRI 408: Child labour</b>			
408-1	Operations and suppliers at significant risk for incidents of child labour	N/A - The Group does not utilise child labour	N/A
<b>GRI 409: Forced or Compulsory Labour</b>			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	N/A - The Group does not utilise forced or compulsory labour	N/A
<b>GRI 413: Local Communities</b>			
413-1	Operations with local community engagement, impact assessments and development programmes	Sustainability Statement - Stakeholders' Engagement - Our Community - The Group's Key Sustainability Practices - Social Sustainability - Community engagement and development	47 60
413-2	Operations with significant actual and potential negative impacts on local communities	N/A	N/A
<b>GRI 414: Supplier Social Assessment</b>			
414-1	New suppliers that were screened using social criteria	N/A - please refer GRI 102-9	N/A
414-2	Negative social impacts in the supply chain and actions taken	N/A - please refer GRI 102-9	N/A

## SUSTAINABILITY STATEMENT (CONT'D)

### GRI Index applied by Insas Group for the period 1 July 2022 to 30 June 2023 (cont'd)

GRI	GRI Content Index		
Stds	Disclosure	Response	Page No.
<b>GRI 415: Public Policy</b>			
415-1	Political contributions	Anti-Corruption and Anti-Bribery ("ACAB") Policy The Group did not make any political contribution in FY 2023.	N/A
<b>GRI 416: Customer Health and Safety</b>			
416-1	Assessment of the health and safety impacts of product and service categories	Sustainability Statement - Social Sustainability - Safety and health at workplace	59
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Sustainability Statement - Social Sustainability - Safety and health at workplace	59
<b>GRI 418: Customer Privacy</b>			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Statement - Economic Sustainability - Data protection and cyber threats - No complaints concerning breaches of customer privacy and losses of customer data reported in FY 2023	52
<b>GRI 419: Socioeconomic Compliance</b>			
419-1	Non-compliance with laws and regulations in the social and economic area	We have not identified any non-compliance with laws and regulations in the social and economic area as of FY 2023	N/A
Remarks: N/A means not applicable to our industry/the Group.			

# STATEMENT OF DIRECTORS' RESPONSIBILITY

## FOR PREPARING THE ANNUAL AUDITED FINANCIAL STATEMENTS

The Board of Directors of the Company is collectively responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2023 and of its performance and cash flows for the financial year ended on that date.

The Directors are pleased to announce that in preparing the financial statements for the financial year ended 30 June 2023, the Company and the Group have:-

- a) ensured compliance with the requirements of the applicable Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board, the International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia;
- b) adopted and consistently applied the appropriate and relevant accounting policies; and
- c) exercised judgements and estimates that are prudent and reasonable.

The Directors are also responsible for ensuring that the Company and the Group keep proper accounting records. In addition, the Directors have overall responsibilities for proper safeguarding of the assets of the Company and of the Group and taking such reasonable steps for the detection and prevention of fraud and other irregularities.

## ADDITIONAL COMPLIANCE INFORMATION

### a) Utilisation of proceeds raised from corporate proposal

There were no unutilized proceeds from any corporate proposals.

### b) Material contracts involving the interests of directors and major shareholders

There were no material contracts entered into by the Company and the Group that involved the interests of directors and major shareholders during the financial year ended 30 June 2023 other than the announcements made by the Company on 1 July 2022, 13 October 2022, 14 November 2022, 16 December 2022, 3 January 2023, 3 February 2023, 8 February 2023, 3 March 2023, 10 March 2023, 7 April 2023 and 10 May 2023 to Bursa Malaysia Securities Berhad.

### c) Audit fees and non-audit fees

The amount of statutory audit fees and non-audit fees paid and payable by the Company and the Group to the external auditors for the financial year ended 30 June 2023 were as follows:-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Statutory audit fees paid and payable to:-				
- Grant Thornton Malaysia PLT	533	331	68	43
- Other external auditors	94	87	-	-
<b>Total (a)</b>	<b>627</b>	<b>418</b>	<b>68</b>	<b>43</b>
Non-audit fees paid and payable to:-				
- Grant Thornton Malaysia PLT	132	92	8	8
- Other external auditors	17	14	-	-
<b>Total (b)</b>	<b>149</b>	<b>106</b>	<b>8</b>	<b>8</b>
<b>% of non-audit fees (b/a)</b>	<b>24%</b>	<b>25%</b>	<b>12%</b>	<b>19%</b>

The non-audit services rendered were incurred mainly for tax compliance advisory services and for the annual review of the Statement on Risk Management and Internal Control.

In considering the nature and scope of non-audit fees, the Audit Committee was satisfied that they were not likely to create any conflict of interest or impair the independence and objectivity of the external auditors.

After assessing the performance and independence of the external auditors, the Audit Committee made recommendation to the Board of Directors of the Company for the re-appointment of Grant Thornton Malaysia PLT as the Group External Auditors for the ensuing year. The proposed re-appointment will be subject to shareholders' approval at the forthcoming 61<sup>st</sup> Annual General Meeting.



# DIRECTORS' REPORT AND FINANCIAL STATEMENTS

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# DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2023.

## PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services. The principal activities of its subsidiary companies, associate companies and jointly controlled entities are disclosed in Note 51 to Note 53 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

## FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	121,354	75,614
Attributable to:-		
Owners of the Company	122,754	75,614
Non-controlling interests	(1,400)	-
	121,354	75,614

## DIVIDENDS

Since the end of the previous financial year, the Company paid the following dividends:-

- (i) a preferential cash dividend of 3.8 sen per annum per redeemable preference share amounting to RM2,498,771 pro-rated in respect of the period from 1 January 2022 to 30 June 2022, paid on 19 July 2022;
- (ii) a preferential cash dividend of 3.8 sen per annum per redeemable preference share amounting to RM2,540,186 pro-rated in respect of the period from 1 July 2022 to 31 December 2022, paid on 17 January 2023; and
- (iii) an interim single tier cash dividend of 2.5 sen per ordinary share amounting to RM16,575,549 in respect of the financial year ended 30 June 2023, paid on 17 January 2023.

The Directors declared a preferential cash dividend of 3.8 sen per annum per redeemable preference share amounting to RM2,498,771 pro-rated for the period from 1 January 2023 to 30 June 2023, paid on 20 July 2023.

The Directors do not recommend any final dividend for the financial year ended 30 June 2023.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the Notes to the financial statements.

## SHARE CAPITAL AND DEBENTURES

There were no issuance of new ordinary shares or debentures during the financial year.

## DIRECTORS' REPORT (CONT'D)

### REDEEMABLE PREFERENCE SHARES ("RPS") AND WARRANTS

There were no issuance of new RPS and Warrants during the financial year.

The terms of the RPS and Warrants are disclosed in Note 29 and Note 25 to the financial statements respectively.

As at the end of the financial year, there is no Warrant that has been exercised into ordinary shares in the Company.

### TREASURY SHARES

During the financial year, the Company did not repurchase any of its shares from the open market. Of the total 693,348,053 issued and fully paid up ordinary shares in the Company, 30,327,291 ordinary shares are being held as treasury shares by the Company for the financial year ended 30 June 2023. Further relevant details are disclosed in Note 24 to the financial statements.

### INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-

- (a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debt; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:-

- (a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

No contingent liability or other liability has become enforceable or is likely to become enforceable within the period of 12 months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due other than those disclosed in the Notes to the financial statements.

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

### SUBSIDIARY COMPANIES

Details of subsidiary companies are set out in Note 51 to the financial statements.

## DIRECTORS' REPORT (CONT'D)

### OTHER STATUTORY INFORMATION

The Directors state that:-

At the date of this report, they are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In their opinion:-

- (a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the Notes to the financial statements; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

The Company maintains Directors and Officers liability insurance for purpose of Section 289 of the Companies Act 2016, throughout the year which provides appropriate insurance cover for the Directors and Officers of the Company and the subsidiary companies. The amount of insurance premium effected as at the financial year end is RM40,000.

### DIRECTORS

The Directors who held office during the financial year and up to the date of this report are as follows:-

Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan  
Haji Ahmad Shah, DK(II), SIMP\*  
Dato' Wong Gian Kui\*  
Dato' Dr. Tan Seng Chuan\*  
Ms. Soon Li Yen\*  
Dato' Mohamad Azmi Bin Ali\*  
Datuk Mohamed Arsad Bin Sehan (appointed on 29 August 2023)

\* Directors of the Company and certain of its subsidiary companies.

The Directors of the subsidiary companies since the beginning of the financial year and up to the date of this report, excluding those who are already Directors of the Company are:-

Dato' Sri Thong Kok Khee	Ms. Winnie Ng Yee Ching
Datin Sri Yeoh Kwee See	Ms. Lee Nyok Faa
Ms. Thong Mei Chuen	Mr. Chang Goh Hoo
Mr. Thong Weng Sheng	Tan Sri Jaganath Derek Steven Sabapathy
Dato' Thong Kok Yoon	Mr. Albert Jayaraj A/L Thanimalai
Datin Tan Few Teng	Ms. Choong Mei Kuan (resigned on 10 April 2023)
Mr. Goh Hock Jin	Dato' Yong Lei Choo (appointed on 6 January 2023)
Ms. Yu Hong Tin	Mr. Tan Choon Thye (appointed on 30 June 2023)
Mr. Seet Hon Chiew	Ms. Yap Lai Lee (appointed on 15 September 2023)
Ms. Mun Nga Lai	Dato' Sri Chee Hong Leong, JP**
Ms. Chow Yuet Kuen	Mr. Ng Wei Ping**
Ms. Boon Yat Mee	Dato' Abdul Rashid Bin Mat Amin** (resigned on 30 June 2023)
Mr. Sundararajah A/L Ramasamy	Datuk Mohamed Arsad Bin Sehan** (resigned on 30 June 2023)
Dato' Ng Jet Heong	Dato' Sri Ng Ah Chai** (resigned on 15 September 2023)
Datuk Tan Choon Peow	Mr. Lee Oon Kar** (resigned on 15 September 2023)
Mr. Monteiro Gerard Clair	Mr. Chee Chik Eng** (resigned on 15 September 2023)

\*\* From 10 May 2023 - as disclosed in Note 45(e) to the financial statements.

## DIRECTORS' REPORT (CONT'D)

### DIRECTORS' INTERESTS

According to the Register of Directors' shareholdings, the interests and deemed interests of Directors in office at the end of the financial year in shares and Warrants in the Company and its subsidiary companies during the financial year are as follows:-

Directors of the Company	At	Number of Ordinary Shares		At
	1.7.2022	Subscribed	Sold	30.6.2023
<b>Interest in the Company</b>				
<u>Direct interest</u>				
Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP	121,992	–	–	121,992
Dato' Wong Gian Kui	462,160	–	–	462,160
Dato' Dr. Tan Seng Chuan	350,000	–	–	350,000
<u>Deemed interest</u>				
Dato' Wong Gian Kui	136,000	–	–	136,000
<b>Interest in subsidiary companies</b>				
<b>Insas Properties Sdn. Bhd.</b>				
<u>Direct interest</u>				
Dato' Wong Gian Kui	80,000	–	–	80,000
<b>Segar Raya Development Sdn. Bhd.</b>				
<u>Direct interest</u>				
Dato' Wong Gian Kui	129,999	–	–	129,999
<u>Deemed interest</u>				
Dato' Wong Gian Kui	80,000	–	–	80,000
<b>Dellmax Worldwide Sdn. Bhd.</b>				
<u>Deemed interest</u>				
Dato' Wong Gian Kui	35,000	–	–	35,000
<b>M &amp; A Equity Holdings Berhad (formerly known as SYF Resources Berhad)</b>				
<u>Direct interest</u>				
Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP	–	1,150,000	–	1,150,000
Dato' Wong Gian Kui	–	2,000,000	–	2,000,000

## DIRECTORS' REPORT (CONT'D)

### DIRECTORS' INTERESTS (CONT'D)

According to the Register of Directors' shareholdings, the interests and deemed interests of Directors in office at the end of the financial year in shares and Warrants in the Company and its subsidiary companies during the financial year are as follows (cont'd):-

Directors of the Company (cont'd)	Number of Redeemable Preference Shares			At 30.6.2023
	At 1.7.2022	Bought	Sold	
<b>Interest in the Company</b>				
<u>Direct interest</u>				
Dato' Wong Gian Kui	712,900	–	–	712,900
Dato' Dr. Tan Seng Chuan	132,600	–	–	132,600
<u>Deemed interest</u>				
Dato' Wong Gian Kui	119,800	–	–	119,800
Directors of the subsidiary companies	Number of Warrants			At 30.6.2023
	At 1.7.2022	Bought	Sold	
<b>Interest in the Company</b>				
<u>Direct interest</u>				
Dato' Wong Gian Kui	1,782,250	–	–	1,782,250
Dato' Dr. Tan Seng Chuan	331,500	–	–	331,500
<u>Deemed interest</u>				
Dato' Wong Gian Kui	299,500	–	–	299,500
Directors of the subsidiary companies	Number of Ordinary Shares			At 30.6.2023
	At 1.7.2022/ Date of appointment	Bought/ Subscribed/ Transferred	Sold/ Transferred	
<b>Interest in the Company</b>				
<u>Direct interest</u>				
Dato' Sri Thong Kok Khee	5,184,678	–	–	5,184,678
Datin Sri Yeoh Kwee See	504,960	–	–	504,960
Ms. Thong Mei Chuen	110,000	–	–	110,000
Mr. Thong Weng Sheng	110,000	–	–	110,000
Dato' Thong Kok Yoon	43,358,813	–	–	43,358,813
Datin Tan Few Teng	2,189,344	–	–	2,189,344
Ms. Winnie Ng Yee Ching	12,652	–	–	12,652
Ms. Chow Yuet Kuen	5,304	–	–	5,304
Ms. Lee Nyok Faa	26,000	–	–	26,000
Tan Sri Jaganath Derek Steven Sabapathy	500,000	–	–	500,000
Mr. Chang Goh Hoo	4,243	–	–	4,243
Dato' Sri Chee Hong Leong, JP	300,000	–	–	300,000

## DIRECTORS' REPORT (CONT'D)

### DIRECTORS' INTERESTS (CONT'D)

According to the Register of Directors' shareholdings, the interests and deemed interests of Directors in office at the end of the financial year in shares and Warrants in the Company and its subsidiary companies during the financial year are as follows (cont'd):-

Directors of the subsidiary companies (cont'd)	Number of Ordinary Shares (cont'd)			
	At 1.7.2022/ Date of appointment	Bought/ Subscribed/ Transferred	Sold/ Transferred	At 30.6.2023
<b>Interest in the Company (cont'd)</b>				
<u>Deemed interest</u>				
Dato' Sri Thong Kok Khee	160,880,284	-	-	160,880,284
Datin Sri Yeoh Kwee See	165,560,002	-	-	165,560,002
Dato' Thong Kok Yoon	30,844,835	-	-	30,844,835
Datin Tan Few Teng	72,014,304	-	-	72,014,304
Mr. Monteiro Gerard Clair	250,000	-	-	250,000
<b>Interest in subsidiary companies</b>				
<b>Special Windfall Sdn. Bhd.</b>				
<u>Deemed interest</u>				
Mr. Monteiro Gerard Clair	109,000	-	-	109,000
Tan Sri Jaganath Derek Steven Sabapathy	109,000	-	-	109,000
<b>QBI Packaging Sdn. Bhd.</b>				
<u>Deemed interest</u>				
Mr. Chang Goh Hoo	100,000	-	-	100,000
<b>Makan Channel Sdn. Bhd.</b>				
<u>Deemed interest</u>				
Mr. Chang Goh Hoo	30,000	-	-	30,000
<b>M &amp; A Equity Holdings Berhad (formerly known as SYF Resources Berhad)</b>				
<u>Direct interest</u>				
Datuk Tan Choon Peow	-	30,000,000	-	30,000,000
Dato' Sri Chee Hong Leong, JP	41,156,600	20,578,300	-	61,734,900
Dato' Ng Jet Heong	-	1,150,000	(1,150,000)	-
Dato' Sri Ng Ah Chai	134,276,200	-	(100,500,000)	33,776,200
Mr. Lee Oon Kar	720,000	-	(720,000)	-
Mr. Chee Chik Eng	20,000	-	-	20,000
Ms. Mun Nga Lai	-	40,000	(20,000)	20,000
Mr. Monteiro Gerard Clair	-	1,039,950	-	1,039,950
Ms. Lee Nyok Faa	-	10,000	-	10,000
<u>Deemed interest</u>				
Tan Choon Thye	1,500,000	-	-	1,500,000
Dato' Ng Jet Heong	-	1,150,000	-	1,150,000
Dato' Sri Ng Ah Chai	1,920,000	-	(1,920,000)	-

## DIRECTORS' REPORT (CONT'D)

### DIRECTORS' INTERESTS (CONT'D)

According to the Register of Directors' shareholdings, the interests and deemed interests of Directors in office at the end of the financial year in shares and Warrants in the Company and its subsidiary companies during the financial year are as follows (cont'd):-

Directors of the subsidiary companies (cont'd)	Number of Redeemable Preference Shares			At 30.6.2023
	At 1.7.2022	Bought	Sold	
<b>Interest in the Company</b>				
<u>Direct interest</u>				
Dato' Sri Thong Kok Khee	1,786,300	–	–	1,786,300
Datin Sri Yeoh Kwee See	299,700	–	–	299,700
Ms. Thong Mei Chuen	22,000	–	–	22,000
Mr. Thong Weng Sheng	22,000	–	–	22,000
Dato' Thong Kok Yoon	8,671,762	–	–	8,671,762
Datin Tan Few Teng	437,868	–	–	437,868
Ms. Winnie Ng Yee Ching	2,600	–	–	2,600
<u>Deemed interest</u>				
Dato' Sri Thong Kok Khee	44,142,746	–	–	44,142,746
Datin Sri Yeoh Kwee See	45,629,346	–	–	45,629,346
Dato' Thong Kok Yoon	7,694,185	–	–	7,694,185
Datin Tan Few Teng	15,928,079	–	–	15,928,079
Mr. Monteiro Gerard Clair	50,000	–	–	50,000
<b>Number of Warrants</b>				
	At 1.7.2022	Bought	Sold	At 30.6.2023
<b>Interest in the Company</b>				
<u>Direct interest</u>				
Dato' Sri Thong Kok Khee	4,400,750	–	–	4,400,750
Datin Sri Yeoh Kwee See	749,250	–	–	749,250
Ms. Thong Mei Chuen	55,000	–	–	55,000
Mr. Thong Weng Sheng	55,000	–	–	55,000
Dato' Thong Kok Yoon	21,679,405	–	–	21,679,405
Datin Tan Few Teng	1,094,670	–	–	1,094,670
Ms. Winnie Ng Yee Ching	6,500	–	–	6,500
Tan Sri Jaganath Derek Steven Sabapathy	250,000	–	–	250,000
<u>Deemed interest</u>				
Dato' Sri Thong Kok Khee	106,311,865	–	–	106,311,865
Datin Sri Yeoh Kwee See	109,963,365	–	–	109,963,365
Dato' Thong Kok Yoon	19,172,212	–	–	19,172,212
Datin Tan Few Teng	39,756,947	–	–	39,756,947
Mr. Monteiro Gerard Clair	125,000	–	–	125,000

By virtue of Dato' Sri Thong Kok Khee's and Datin Sri Yeoh Kwee See's interest in the ordinary shares of the Company, they are also deemed interested in the shares of its related corporations to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

Other than as disclosed above, none of the other Directors in office at the end of the financial year had any interest in the shares, warrants, options and debentures of the Company or its related corporations during the financial year.

## DIRECTORS' REPORT (CONT'D)

### DIRECTORS' REMUNERATIONS AND BENEFITS

During the financial year, the fees and other benefits received and receivable by the Directors of the Company and its subsidiary companies are as follows:-

	Group RM'000	Company RM'000
Directors' fee	288	132
Directors' salaries and other emoluments	13,662	420
Defined contribution plan	1,621	50
Benefits-in-kind	82	41
	15,653	643

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of acquisition of shares in, or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than benefits as disclosed in the Notes to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 50(b) to the financial statements.

### SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 54 to the financial statements.

## DIRECTORS' REPORT (CONT'D)

### AUDITORS

Details of the remuneration paid and payable to the auditors are as follows:-

	Group RM'000	Company RM'000
Grant Thornton Malaysia PLT	533	68
Other external auditors	94	-

There was no indemnity given to or insurance effected for the auditors of the Company, Grant Thornton Malaysia PLT.

Grant Thornton Malaysia PLT have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Board of Directors dated 26 September 2023.

..... )	
<b>Y.A.M. TENGKU PUTERI SERI KEMALA</b> )	
<b>TENGKU HAJJAH AISHAH BINTI</b> )	
<b>ALMARHUM SULTAN HAJI</b> )	
<b>AHMAD SHAH, DK(II), SIMP</b> )	
)	
)	
)	
)	
)	
)	
..... )	
<b>DATO' WONG GIAN KUI</b> )	<b>DIRECTORS</b>

Kuala Lumpur

## STATEMENT BY DIRECTORS

We, Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP and Dato' Wong Gian Kui, being two of the Directors of Insas Berhad, do hereby state that in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023, and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Board of Directors dated 26 September 2023.

.....  
**Y.A.M. TENGKU PUTERI SERI KEMALA  
 TENGKU HAJJAH AISHAH BINTI  
 ALMARHUM SULTAN HAJI  
 AHMAD SHAH, DK(II), SIMP**

Kuala Lumpur

.....  
**DATO' WONG GIAN KUI**

## STATUTORY DECLARATION

I, Dato' Wong Gian Kui, being the Director primarily responsible for the financial management of Insas Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by        )  
 the abovenamed at Kuala Lumpur in         )  
 the Federal Territory this day of            )  
 26 September 2023                                )

.....  
**DATO' WONG GIAN KUI**  
 MIA NO. CA 5376

Before me:

**RAMATHILAGAM A/P T RAMASAMY (W 671)**  
 Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF INSAS BERHAD

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Insas Berhad, which comprise the statements of financial position as at 30 June 2023 of the Group and of the Company, and the statements of profit or loss and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and the notes to the financial statements, including a summary of significant accounting policies as set out on pages 84 to 225.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### *Recoverability of trade receivables*

Due to the inherent subjectivity that is involved in making judgements in relation to credit risk exposures to determine the recoverability of trade receivables, recoverability of trade receivables is considered to be significant audit risk.

The Group applies a simplified approach in calculating provision for expected credit losses ("ECLs"). Therefore, the Group does not track changes in credit risk, but instead recognises a loss provision based on lifetime ECLs at each reporting date. The Group considers among others, its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Our procedures included, amongst others:-

- Evaluating and testing the controls relating to credit control and approval process;
- Assessing the recoverability of overdue receivables by comparing management's views of recoverability of overdue receivables to historical patterns of receipts, in conjunction with reviewing receipts subsequent to the financial year end for its effect in reducing overdue receivables as at the financial year end;
- Holding discussions with management personnel to challenge the management's view on justification on the adequacy of allowance for doubtful debts; and
- Assessing the adequacy of the disclosures in respect of credit risk.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INSAS BERHAD (CONT'D)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

#### Key Audit Matters (cont'd)

##### *Recoverability of trade receivables (cont'd)*

The accounting policies in respect of receivables is outlined in the Group significant accounting policies, the management's judgement in the Group's significant accounting estimates and judgements and disclosures in Notes 2(d)(iii)(b), 3(b), 4(d), 4(i) and 19 to the financial statements.

We have determined that there are no key audit matters to communicate in our report in relation to our audit of the financial statements of the Company.

#### Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the Corporate Information, Profile of Directors, Profile of Key Senior Management, Management Discussion and Analysis, Five Years Group Financial Highlights, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control, Audit Committee Report, Sustainability Statement, Statement of Directors' Responsibility for Preparing the Annual Audited Financial Statements, Additional Compliance Information, Directors' Report and List of Properties, which we obtained prior to the date of this auditors' report, and the rest of the annual report, which is expected to be made available to us after that date. Other information does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company do not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF INSAS BERHAD**

#### **(CONT'D)**

#### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)**

##### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group in order to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicated with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We have provided to the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INSAS BERHAD (CONT'D)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

#### Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary companies of which we have not acted as auditors, are disclosed in Note 51 to the financial statements.

#### Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**GRANT THORNTON MALAYSIA PLT**  
(201906003682 & LLP0022494-LCA)  
CHARTERED ACCOUNTANTS (AF 0737)

Kuala Lumpur  
26 September 2023

**PHON POOI YIN**  
(NO: 03654/04/2024 J)  
CHARTERED ACCOUNTANT

# STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	6	104,865	87,836	645	1,101
Investment properties	7	205,922	189,387	–	–
Financial assets at fair value through other comprehensive income	8	34,529	33,192	595	595
Financial assets at amortised cost	9	–	767	–	–
Subsidiary companies	10(a)	–	–	979,790	925,330
Amount due from subsidiary companies	10(b)	–	–	5,140	5,045
Associate companies	11(a)	577,709	530,630	–	4
Jointly controlled entities	12(a)	(902)	(660)	–	–
Intangible assets	13	43,557	30,379	–	–
Land and property development costs	14	68,041	–	–	–
Deferred tax assets	15	1,280	2,872	–	–
Other receivables	16	7,345	7,345	–	–
<b>Total non-current assets</b>		<b>1,042,346</b>	<b>881,748</b>	<b>986,170</b>	<b>932,075</b>
<b>Current assets</b>					
Land and property development costs	14	14,467	11,250	–	–
Inventories	17	22,096	12,067	–	–
Contract assets	18	75,923	–	–	–
Trade receivables	19	485,504	498,428	–	–
Amount due from subsidiary companies	10(b)	–	–	246,383	231,974
Amount due from associate companies	11(b)	58,315	74,495	147	413
Amount due from jointly controlled entities	12(b)	660	644	5	5
Other receivables, deposits and prepayments	16	51,869	51,176	253	229
Financial assets at fair value through profit or loss	20	222,832	249,370	–	–
Tax recoverable		9,098	7,185	913	1,052
Deposits with licensed banks and financial institutions	21	943,505	602,424	25,523	21,895
Cash and bank balances	22	104,747	311,912	2,939	7,542
<b>Total current assets</b>		<b>1,989,016</b>	<b>1,818,951</b>	<b>276,163</b>	<b>263,110</b>
<b>TOTAL ASSETS</b>		<b>3,031,362</b>	<b>2,700,699</b>	<b>1,262,333</b>	<b>1,195,185</b>

## STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2023  
(CONT'D)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	23	873,700	873,700	873,700	873,700
Treasury shares	24	(14,499)	(14,499)	(14,499)	(14,499)
Reserves	25	63,225	40,032	4,936	4,936
Retained earnings	25	1,419,807	1,294,856	74,769	15,730
Equity attributable to owners of the Company		2,342,233	2,194,089	938,906	879,867
Non-controlling interests	26	157,976	(839)	–	–
<b>TOTAL EQUITY</b>		<b>2,500,209</b>	<b>2,193,250</b>	<b>938,906</b>	<b>879,867</b>
<b>Non-current liabilities</b>					
Loans and borrowings	27	37,652	20,675	–	–
Lease liabilities	28	16,755	13,174	–	326
Deferred tax liabilities	15	15,504	6,527	905	984
Redeemable preference shares	29	128,622	127,921	128,622	127,921
<b>Total non-current liabilities</b>		<b>198,533</b>	<b>168,297</b>	<b>129,527</b>	<b>129,231</b>
<b>Current liabilities</b>					
Derivative financial liabilities	30	3,634	3,667	–	–
Trade payables	31	74,537	45,458	–	–
Contract liabilities	18	1,154	–	–	–
Amount due to subsidiary companies	10(b)	–	–	66,094	62,054
Other payables, deposits received and accruals	32	40,243	40,890	3,450	3,174
Lease liabilities	28	7,334	7,001	326	379
Loans and borrowings	27	205,309	241,038	124,030	120,480
Tax payable		409	1,098	–	–
<b>Total current liabilities</b>		<b>332,620</b>	<b>339,152</b>	<b>193,900</b>	<b>186,087</b>
<b>TOTAL LIABILITIES</b>		<b>531,153</b>	<b>507,449</b>	<b>323,427</b>	<b>315,318</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,031,362</b>	<b>2,700,699</b>	<b>1,262,333</b>	<b>1,195,185</b>

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	33	<b>216,835</b>	216,392	<b>46,490</b>	25,799
Cost of sales	34	<b>(131,460)</b>	(98,297)	-	-
Gross profit		<b>85,375</b>	118,095	<b>46,490</b>	25,799
Other income	35	<b>92,975</b>	101,489	<b>56,779</b>	11,609
Administration expenses	36	<b>(23,928)</b>	(19,047)	<b>(9,318)</b>	(8,061)
Other operating expenses	37	<b>(73,144)</b>	(137,009)	<b>(5,536)</b>	(2,926)
Finance costs	38	<b>(18,775)</b>	(16,188)	<b>(12,258)</b>	(11,396)
Exceptional item	39	<b>5,748</b>	131,292	-	-
Share of profits less losses of associate companies		<b>66,724</b>	51,113	-	-
Share of losses of jointly controlled entities		<b>(242)</b>	(106)	-	-
Profit before tax		<b>134,733</b>	229,639	<b>76,157</b>	15,025
Tax expense	40	<b>(13,379)</b>	(13,017)	<b>(543)</b>	(260)
Profit for the financial year		<b>121,354</b>	216,622	<b>75,614</b>	14,765
Attributable to:-					
Owners of the Company		<b>122,754</b>	215,145	<b>75,614</b>	14,765
Non-controlling interests		<b>(1,400)</b>	1,477	-	-
		<b>121,354</b>	216,622	<b>75,614</b>	14,765
Earnings per share (sen)					
- Basic	41	<b>18.51</b>	32.45		
- Diluted	41	<b>18.51</b>	32.27		

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit for the financial year	<b>121,354</b>	216,622	<b>75,614</b>	14,765
<u>Other comprehensive loss may not be reclassified to profit or loss subsequently</u>				
Unrealised loss on fair value changes of financial assets at fair value through other comprehensive income, net of tax	<b>(875)</b>	-	-	-
<u>Other comprehensive income may be reclassified to profit or loss subsequently</u>				
Share of other comprehensive income of investments accounted for using equity method, net of tax	<b>7,418</b>	4,487	-	-
Foreign currency translation of foreign operations, net of tax	<b>17,262</b>	7,316	-	-
Total other comprehensive income for the financial year, net of tax	<b>23,805</b>	11,803	-	-
Total comprehensive income for the financial year, net of tax	<b>145,159</b>	228,425	<b>75,614</b>	14,765
Attributable to:-				
Owners of the Company	<b>146,559</b>	226,948	<b>75,614</b>	14,765
Non-controlling interests	<b>(1,400)</b>	1,477	-	-
	<b>145,159</b>	228,425	<b>75,614</b>	14,765

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Group	Attributable to Owners of the Company									
	Non-distributable reserves					Distributable reserves				
	Share capital RM'000	Fair value through other comprehensive income reserve RM'000	Warrants reserve RM'000	Other reserves RM'000	Exchange translation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance at 1 July 2021	873,700	-	4,936	(7,159)	30,653	(14,499)	1,091,816	1,979,447	1,543	1,980,990
<u>Total comprehensive income for the financial year</u>										
Profit for the financial year	-	-	-	-	-	-	215,145	215,145	1,477	216,622
Share of other comprehensive income of investments accounted for using equity method, net of tax	-	-	-	-	4,266	-	221	4,487	-	4,487
Foreign currency translation of foreign operations, net of tax	-	-	-	-	7,316	-	-	7,316	-	7,316
Total comprehensive income for the financial year	-	-	-	-	11,582	-	215,366	226,948	1,477	228,425
<u>Transactions with owners:-</u>										
Cash dividends paid to owners of the Company (Note 44)	-	-	-	-	-	-	(16,575)	(16,575)	-	(16,575)
Non-controlling interests' changes in ownership interests in subsidiary companies	-	-	-	-	-	-	4,249	4,249	(4,249)	-
Acquisition of equity interests via allotment of shares in a subsidiary company to non-controlling interests	-	-	-	-	-	-	-	-	300	300
Acquisition of equity interests in subsidiary companies	-	-	-	-	-	-	-	-	90	90
Total transactions with owners	-	-	-	-	-	-	(12,326)	(12,326)	(3,859)	(16,185)
Post-acquisition reserves - associate companies	-	-	-	20	-	-	-	20	-	20
Balance at 30 June 2022	873,700	-	4,936	(7,139)	42,235	(14,499)	1,294,856	2,194,089	(839)	2,193,250

## STATEMENTS OF CHANGES IN EQUITY

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)

Group (cont'd)	← Attributable to Owners of the Company →									
	← Non-distributable reserves →					← Distributable reserves →				
	Share capital RM'000	Fair value through other comprehensive income reserve RM'000	Warrants reserve RM'000	Other reserves RM'000	Exchange translation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance at 1 July 2022	873,700	-	4,936	(7,139)	42,235	(14,499)	1,294,856	2,194,089	(839)	2,193,250
<b>Total comprehensive (loss)/ income for the financial year</b>										
Profit for the financial year	-	-	-	-	-	-	122,754	122,754	(1,400)	121,354
Unrealised loss on fair value changes of financial assets at fair value through other comprehensive income, net of tax	-	(875)	-	-	-	-	-	(875)	-	(875)
Share of other comprehensive income of investments accounted for using equity method, net of tax	-	-	-	-	7,303	-	115	7,418	-	7,418
Foreign currency translation of foreign operations, net of tax	-	-	-	-	17,262	-	-	17,262	-	17,262
<b>Total comprehensive (loss)/ income for the financial year</b>	-	(875)	-	-	24,565	-	122,869	146,559	(1,400)	145,159
<b>Transactions with owners:-</b>										
Cash dividends paid to owners of the Company (Note 44)	-	-	-	-	-	-	(16,575)	(16,575)	-	(16,575)
Acquisition of equity interests in subsidiary companies	-	-	-	-	-	-	-	-	120,452	120,452
Non-controlling interests' changes in ownership interests in subsidiary companies	-	-	-	-	-	-	17,830	17,830	39,843	57,673
Dividend paid to non-controlling interests of a subsidiary company	-	-	-	-	-	-	-	-	(80)	(80)
Transfer of fair value through other comprehensive income reserve to retained earnings	-	875	-	-	-	-	(875)	-	-	-
<b>Total transactions with owners</b>	-	875	-	-	-	-	380	1,255	160,215	161,470
Post-acquisition reserves - associate companies	-	-	-	(1,372)	-	-	1,702	330	-	330
<b>Balance at 30 June 2023</b>	<b>873,700</b>	<b>-</b>	<b>4,936</b>	<b>(8,511)</b>	<b>66,800</b>	<b>(14,499)</b>	<b>1,419,807</b>	<b>2,342,233</b>	<b>157,976</b>	<b>2,500,209</b>

## STATEMENTS OF CHANGES IN EQUITY

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

(CONT'D)

Company	Share capital RM'000	Non-distributable	Distributable		Total RM'000
		← reserves → Warrants reserve RM'000	← reserves → Treasury shares RM'000	Retained earnings RM'000	
Balance at 1 July 2021	873,700	4,936	(14,499)	17,540	881,677
Total comprehensive income for the financial year	-	-	-	14,765	14,765
<u>Transaction with owners:-</u>					
Cash dividends paid to owners of the Company (Note 44)	-	-	-	(16,575)	(16,575)
<b>Balance at 30 June 2022</b>	<b>873,700</b>	<b>4,936</b>	<b>(14,499)</b>	<b>15,730</b>	<b>879,867</b>
Total comprehensive income for the financial year	-	-	-	75,614	75,614
<u>Transaction with owners:-</u>					
Cash dividends paid to owners of the Company (Note 44)	-	-	-	(16,575)	(16,575)
<b>Balance at 30 June 2023</b>	<b>873,700</b>	<b>4,936</b>	<b>(14,499)</b>	<b>74,769</b>	<b>938,906</b>

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before tax	<b>134,733</b>	229,639	<b>76,157</b>	15,025
<b>Adjustments for:-</b>				
Accretion of discounts on financial assets at amortised cost	<b>(646)</b>	-	-	-
(Writeback of allowance)/Allowance for diminution in value of inventories	<b>(42)</b>	1	-	-
Allowance for doubtful debts	<b>289</b>	3,205	<b>313</b>	40
Allowance for doubtful debts no longer required	<b>(8,816)</b>	(525)	-	-
Allowance for obsolete inventories	<b>3</b>	-	-	-
Amortisation of premium on financial assets at amortised cost	-	1	-	-
Amortisation of intangible assets	<b>68</b>	7	-	-
Bad debts written off	<b>8,797</b>	545	-	-
Depreciation of property, plant and equipment	<b>10,538</b>	9,305	<b>488</b>	492
Dividend income	<b>(8,818)</b>	(7,201)	-	-
Fair value (gain)/loss on derivative financial instruments	<b>(33)</b>	760	-	-
Fair value gain on investment properties	<b>(942)</b>	(15,944)	-	-
Gain on acquisition of subsidiary companies upon remeasurement of previously held equity interest in the companies arising from step acquisition	<b>(750)</b>	-	-	-
Gain on disposal of shares in an associate company	-	(27,885)	-	-
Gain on disposal of property, plant and equipment	<b>(2,023)</b>	(1,814)	-	-
Gain on disposal of a subsidiary company	-	-	<b>(45,521)</b>	-
Loss on derecognition of subsidiary companies	-	89	-	-
Loss on disposal of investment properties	<b>250</b>	300	-	-
Loss on fair value changes of financial assets at fair value through profit or loss	<b>3,361</b>	25,815	-	-
Intangible assets written off	<b>4,001</b>	-	-	-
Interest expenses	<b>18,775</b>	16,188	<b>12,258</b>	11,396
Interest income	<b>(25,551)</b>	(12,137)	<b>(9,995)</b>	(8,210)
Inventories written off	<b>64</b>	126	-	-
Loss on other receivables carried at amortised cost	<b>202</b>	202	-	-
Loss on amount due from subsidiary companies carried at amortised cost	-	-	<b>142</b>	146
Net gain on deemed disposal of equity interests in associate companies	<b>(5,748)</b>	(131,292)	-	-

## STATEMENTS OF CASH FLOWS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D)</b>				
<b>Adjustments for (cont'd):-</b>				
Property, plant and equipment written off	32	4	-	-
Provision for impairment loss on investment in subsidiary companies	-	-	1,840	300
Provision for impairment loss on investment in associate companies	5	41,293	4	4
Reversal of provision for impairment loss on investment in associate companies	(4,749)	(885)	-	-
Share of profits less losses of associate companies	(66,724)	(51,113)	-	-
Share of losses of jointly controlled entities	242	106	-	-
Unrealised foreign exchange (gain)/loss	(16,173)	3,692	3,237	2,435
Operating profit before working capital changes	40,345	82,482	38,923	21,628
Changes in working capital:-				
Land and property development costs	8,927	(172)	-	-
Inventories	12	718	-	-
Financial assets at fair value through profit or loss	26,500	(50,028)	-	-
Contract assets	(1,293)	-	-	-
Contract liabilities	1,154	-	-	-
Receivables	75,318	(37,553)	-	(1)
Payables	(839)	(23,784)	223	(25)
Associate companies	10,875	17,125	(9)	(8)
Jointly controlled entities	(16)	(108)	-	-
Subsidiary companies	-	-	(21,999)	(24,661)
Net cash from/(used in) operations	160,983	(11,320)	17,138	(3,067)
Interest received	25,349	11,935	7,393	6,463
Interest paid	(18,031)	(14,645)	(11,561)	(9,740)
Net tax paid	(12,979)	(17,203)	(483)	(689)
Net cash from/(used in) operating activities	155,322	(31,233)	12,487	(7,033)

**STATEMENTS OF CASH FLOWS**  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023  
(CONT'D)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Acquisition/Subscription of shares in associate companies	(5,010)	(44,413)	-	-
Purchase of property, plant and equipment (Note A)	(3,944)	(3,364)	(32)	(35)
Proceeds from disposal of property, plant and equipment	5,240	3,573	-	-
Purchase of intangible assets	-	(398)	-	-
Purchase of investment properties	(24,903)	(6,139)	-	-
Purchase of unquoted investments	(2,115)	(4,178)	-	-
Purchase of financial assets at amortised cost	(96,817)	(423)	-	-
Proceeds from disposal of investment properties	2,280	7,357	-	-
Proceeds from redemption and disposal of financial assets at amortised cost	98,230	3,147	-	-
Dividends received	56,556	62,339	-	-
Proceeds from disposal of shares in an associate company	-	30,000	-	-
Net cash inflow/(outflow) on acquisition of equity interest in subsidiary companies (Note 45)	672	(3,426)	-	-
Net cash from/(used in) investing activities	<b>30,189</b>	44,075	<b>(32)</b>	(35)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase in fixed deposits pledged	(155,920)	(33,520)	(375)	(255)
Decrease in cash and bank balances pledged	164,430	55,260	-	-
Dividends paid to non-controlling interests of a subsidiary company	(80)	-	-	-
Proceeds from acquisition of equity interests in a subsidiary company by non-controlling interests	-	300	-	-
Repayment of lease liabilities	(10,177)	(8,457)	(408)	(408)
Net (repayment)/drawdown of loans and borrowings	(45,890)	24,866	3,550	19,500
Cash dividends paid to owners of the Company	(16,575)	(16,575)	(16,575)	(16,575)
Net cash (used in)/from financing activities	<b>(64,212)</b>	21,874	<b>(13,808)</b>	2,262

## STATEMENTS OF CASH FLOWS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>CASH AND CASH EQUIVALENTS</b>				
Net changes	121,299	34,716	(1,353)	(4,806)
Brought forward	681,929	642,458	11,546	16,355
Exchange differences	8,847	4,755	3	(3)
Carried forward (Note B)	812,075	681,929	10,196	11,546

#### NOTES TO STATEMENTS OF CASH FLOWS

##### A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Total purchase of property, plant and equipment	18,308	10,582	32	35
Less: Purchase through lease liabilities	(13,700)	(6,957)	-	-
Less: Recognition of additional lease liabilities	(87)	-	-	-
Less: Purchase financed by other payables	(577)	(261)	-	-
Cash payments made	3,944	3,364	32	35

##### B. CASH AND CASH EQUIVALENTS COMPRISE OF:-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Bank overdrafts (Note 27)	-	(78)	-	-
Cash and bank balances	104,747	311,912	2,939	7,542
Deposits with licensed banks and financial institutions	943,505	602,424	25,523	21,895
	1,048,252	914,258	28,462	29,437
Less:-				
Cash and bank balances pledged (Note 22)	(2,376)	(166,616)	-	-
Fixed deposits pledged (Note 21)	(233,801)	(65,713)	(18,266)	(17,891)
	812,075	681,929	10,196	11,546

##### C. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Reconciliation of liabilities arising from financing activities are disclosed in Note 27 and Note 28 to the financial statements.

The accompanying notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

## 1 PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The principal activities of the Company are investment holding and provision of management services. The principal activities of its subsidiary companies, associate companies and jointly controlled entities are disclosed in Note 51 to Note 53 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at No. 47-5, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur. The principal place of business of the Company is located at Suite 23.02, Level 23, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 September 2023.

## 2 BASIS OF PREPARATION

### (a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") and Issues Committee Interpretations ("IC Interpretations") issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and the requirements of the Companies Act 2016 in Malaysia.

### (b) Basis of measurement

The financial statements of the Group and of the Company have been prepared under the historical cost convention, except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of the reporting period as indicated in the summary of significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

## NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

### 2 BASIS OF PREPARATION (CONT'D)

#### (b) Basis of measurement (cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:-

- (i) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- (ii) Level 2 – Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- (iii) Level 3 – Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

#### (c) Functional and presentation currencies

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information presented is in Ringgit Malaysia and all values are rounded to the nearest thousand except when otherwise stated.

#### (d) The use of estimates and judgements

The preparation of financial statements in conformity with MFRSs and IC Interpretations require the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. It also requires the management and Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgements are based on the management's and Directors' best knowledge of current events and actions, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised from the period in which the estimate is revised.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses are outlined below:-

#### (i) Useful lives of depreciable assets

The management reviews annually the estimated useful lives of depreciable assets based on factors such as business plans and strategies, expected level of usage and future technological developments. Actual results, however, may vary due to changes in estimates brought about by changes in the factors mentioned.

**NOTES TO THE FINANCIAL STATEMENTS**

- 30 JUNE 2023

(CONT'D)

**2 BASIS OF PREPARATION (CONT'D)****(d) The use of estimates and judgements (cont'd)**

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses are outlined below (cont'd):-

**(i) Useful lives of depreciable assets (cont'd)**

The management does not expect any material difference that would arise on the estimation of useful lives of depreciable assets and the current evaluation of the useful lives of depreciable assets represents a fair estimation of the useful lives of the Group's and of the Company's depreciable assets.

**(ii) Classification between investment properties and property, plant and equipment and inventories**

The Group has developed certain criteria based on MFRS 140 Investment Property in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for owner occupation. If the property is not to be sold separately, the property is an investment property only if an insignificant portion is held for owner occupation.

Completed unsold properties that is intended for disposal in the near future are classified as inventories.

**(iii) Impairment of assets****(a) Non-financial assets**

The carrying amounts of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of the impairment loss. For the purpose of impairment testing of non-financial assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to.

A non-financial asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

**(b) Financial assets****Financial assets at amortised cost**

Credit losses are the differences between all contractual cash flows of the Group and of the Company that are due and the cash flows that they actually expect to receive. An expected credit loss is the probability-weighted estimate of credit losses which requires the Group's and the Company's judgement. The expected credit losses are discounted at the original effective interest rate (or credit-adjusted effective interest rate for the purchased or originated credit-impaired financial assets).

The Group and the Company evaluate the Expected Credit Losses ("ECL") on a case-by-case basis.

## NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

### 2 BASIS OF PREPARATION (CONT'D)

#### (d) The use of estimates and judgements (cont'd)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses are outlined below (cont'd):-

##### (iii) Impairment of assets (cont'd)

###### (b) Financial assets (cont'd)

###### Financial assets at amortised cost (cont'd)

The Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available such as changes in financial capability of the debtor, and default or significant delay in payments.

##### (iv) Income taxes

Significant estimation is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

##### (v) Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unutilised business losses, unutilised reinvestment allowances and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which all the deductible temporary differences, unutilised business losses, unutilised reinvestment allowances and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

##### (vi) Fair value of financial instruments

The management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, the management makes maximum use of market inputs, and uses estimates and assumptions that, as far as possible, consist of observable data that market participants would use in pricing the instrument. Where applicable data is not observable, the management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in a negotiated transaction at the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS**

- 30 JUNE 2023

(CONT'D)

**2 BASIS OF PREPARATION (CONT'D)****(d) The use of estimates and judgements (cont'd)**

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses are outlined below (cont'd):-

**(vii) Classification of financial instruments****(a) Financial assets at amortised cost**

The Group and the Company classify financial assets at amortised cost as those held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss.

**(b) Financial assets at fair value through other comprehensive income**

The Group's and the Company's financial assets at fair value through other comprehensive income are equity securities and other investments which are not held for trading but more for strategic investments. The classification as financial assets at fair value through other comprehensive income is an irrevocable election made on initial recognition.

**(c) Financial assets at fair value through profit or loss**

All financial assets not measured at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument).

**(viii) Leases**

The measurement of the right-of-use assets and lease liabilities for leases where the Group and the Company are a lessee requires the use of significant judgements and assumptions, such as lease term and incremental borrowing rate.

In determining the lease term, the Group and the Company consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

In determining the incremental borrowing rate of the respective leases, the Group and the Company first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

**(ix) Fair value of derivative financial instruments**

The fair values of outstanding derivative financial instrument transactions are based on fair values obtained from major financial institutions. Changes in the underlying assumptions could materially impact the statements of profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

### 2 BASIS OF PREPARATION (CONT'D)

#### (d) The use of estimates and judgements (cont'd)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses are outlined below (cont'd):-

##### (x) Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the time the estimates are made. The Group's core businesses are subject to economic and technology changes which may cause selling prices to change rapidly, and the Group's profit to change.

The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 17 to the financial statements.

##### (xi) Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the statements of profit or loss. The Group engaged independent valuation specialists and make reference to market evidence of transacted prices for similar properties using comparable prices adjusted for specific market factors such as nature, location and condition of the properties to assess fair value as at the end of the reporting period.

The key assumptions used to determine the fair value of investment properties are provided in Note 7 to the financial statements.

##### (xii) Intangible assets - Development costs

The Group capitalises costs for product development projects. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. The carrying amount of the Group's capitalised development costs at the end of the reporting period is disclosed in Note 13 to the financial statements.

##### (xiii) Revenue from contracts with customers

The Group and the Company are required to assess each of their contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group and the Company recognise revenue over time in the following circumstances:-

- (i) the customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performance as the Group and the Company perform;
- (ii) the Group and the Company do not create an asset with an alternative use to the Group and the Company and have an enforceable right to payment for performance completed to-date; and
- (iii) the Group's and the Company's performance create or enhance an asset that the customer controls as the asset is created or enhanced.

**NOTES TO THE FINANCIAL STATEMENTS**

- 30 JUNE 2023

(CONT'D)

**2 BASIS OF PREPARATION (CONT'D)****(d) The use of estimates and judgements (cont'd)**

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses are outlined below (cont'd):-

**(xiii) Revenue from contracts with customers (cont'd)**

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the Group and the Company assess each contract with customers to determine when the performance obligation of the Group and the Company under the contract is satisfied.

**(xiv) Revenue from property development contracts**

Revenue is recognised as and when the control of the asset is transferred to customers and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time.

If control of the asset is transferred over time, revenue is recognised over the period of the contract by reference to the stage of completion of the development activities as at the end of the reporting period. The stage of completion is determined based on the proportion that the property development costs that has been incurred to-date bear to the estimated total costs for the property development.

Significant judgement is required in determining the completeness and accuracy of the total property development costs as estimates of future property development costs are inherently uncertain, which involve management's estimation of future cost to completion of the development. Substantial changes in cost estimates in future periods may affect the profitability of the respective property development projects. In making the estimation, the Group evaluates based on past experiences and by relying on the work of specialists. Where the actual total property development costs are different from the estimated total property development costs, such difference will impact the property development profits/(losses) recognised.

The carrying amount of assets of the Group arising from property development activities are disclosed in Note 18 to the financial statements.

**(xv) Significant influence over associate companies**

Where an entity holds 20% or more of the voting power in an investee, it will be presumed the investor has significant influence unless it can be clearly demonstrated that this is not the case. If the holding is less than 20%, the entity will be presumed not to have significant influence unless such influence can be clearly demonstrated.

**Interest in Ho Hup Construction Company Berhad ("Ho Hup")**

With effect from 1 January 2016, the Group commenced equity accounting for the Group's investment in Ho Hup although it holds less than 20% of the voting shares in Ho Hup, as the Group undertakes to hold its equity interest in Ho Hup for long term and is able to participate in the financial and operating policies in Ho Hup by virtue of having board representation in Ho Hup.

## NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

### 2 BASIS OF PREPARATION (CONT'D)

#### (d) The use of estimates and judgements (cont'd)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses are outlined below (cont'd):-

#### (xv) Significant influence over associate companies (cont'd)

##### Interest in Inari Amertron Berhad ("Inari")

During the financial year ended 30 June 2018, the Group's equity interest in Inari had been diluted to below 20%. The Group continued equity accounting for the Group's investment in Inari although it holds less than 20% of the voting shares in Inari, as the Group undertakes to hold its equity interest in Inari for long-term and is able to participate in the financial and operating policies in Inari by virtue of having board representation in Inari.

### 3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks are interest rate, credit, foreign currency exchange, liquidity and market risks. Financial risk management is carried out through risk reviews, internal control systems and adherence to the Group financial risk management practices. The Board regularly reviews these risks and approves the treasury policies covering the management of these risks. It is not the Group's policy to engage in speculative transactions.

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activity are set out as follows:-

#### (a) Interest rate risk

The Group finances its operations through operating cash flows and borrowings. Interest rate exposures arise from the Group's borrowings. It is the Group's policy to manage its interest costs by obtaining the most favourable interest rates on its borrowings. Surplus funds of the Group are placed with licensed banks and financial institutions on term deposits to generate interest income.

#### (b) Credit risk

The Group seeks to invest cash assets safely and profitably. The Group controls credit risk by application of credit evaluations and approvals, credit limits and monitoring procedures. Trade and loan receivables are monitored on an ongoing basis via management reporting procedures and where necessary, loan receivables are required to deposit sufficient assets as collateral and adhere to credit limits within the fair values of assets placed as collateral. The Group has significant concentration of trade receivables owing which is disclosed in Note 55(b)(ii) to the financial statements. There is no major concentration of credit risk related to any financial instruments.

#### (c) Foreign currency exchange risk

The Group is exposed to foreign currency exchange risk as a result of its normal operating and investing activities where purchases, sales and investments are transacted in currencies other than the functional currencies of the entities within the Group. The Group maintains a natural hedge, whenever possible, by matching local currency income and investments against local currency expenditure and borrowings to minimise foreign exchange exposure. Where necessary, the Group enters into forward foreign currency exchange contracts to hedge the risk exposure on the receivables and payables. The Group also maintains gross profit margin levels that is sufficient to absorb the increase in cost of purchases arising from fluctuation in foreign currencies exchange rates.

## NOTES TO THE FINANCIAL STATEMENTS

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### 3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

#### (d) Liquidity risk

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all financing and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible instruments to meet its working capital requirements. Certain subsidiary companies within the Group maintain reasonable amount of committed credit and banking facilities to meet their operating needs.

#### (e) Market risk

The Group faces exposure to the risk from changes in the debt and equity prices, in particular the Group's exposure from changes in market price on its investments in quoted securities. The risk of loss in value of the Group's quoted securities is minimised through thorough analysis before making investments and continuous monitoring of the performance of the investments.

### 4 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Group and the Company are disclosed as follows:-

#### (a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary companies as disclosed in Note 51 to the financial statements made up to the end of the financial year. The subsidiary companies are consolidated using acquisition method in compliance with the provisions under MFRS 3, Business Combinations.

Under the acquisition method of accounting, the results of the subsidiary companies acquired or disposed of are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair value of the subsidiary companies' net assets are determined and reflected in the Group's financial statements. The excess of the fair value of purchase consideration paid for the shares in the subsidiary companies over the fair value of the underlying net assets of the subsidiary companies acquired represents goodwill arising on consolidation. The goodwill on consolidation is accounted for in accordance with the accounting policy for goodwill stated in Note 4(h) to the financial statements.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

### 4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (a) Basis of consolidation (cont'd)

The excess of fair value of the underlying net assets of the subsidiary companies acquired over the purchase consideration paid for the shares in the subsidiary companies represents excess of fair value over investment costs and it is recognised immediately in the statements of profit or loss.

Upon the loss of control of a subsidiary company, the Group derecognises the assets and liabilities of the subsidiary company, any non-controlling interests and the other components of equity related to the subsidiary company. Any surplus or deficit arising on the loss of control is recognised in the statements of profit or loss.

If the Group retains any interest in the subsidiary company, then such interest is measured at fair value at the date control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset at fair value through other comprehensive income depending on the level of influence retained.

All inter-company transactions, balances and the resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless cost cannot be recovered.

Uniform accounting policies are adopted by the subsidiary companies for transactions and events in similar circumstances. The financial statements of the Company and its subsidiary companies are all drawn up to the same reporting date.

The total assets and liabilities of subsidiary companies are included in the consolidated statements of financial position and the interest of non-controlling interests in the net assets of the subsidiary companies is stated separately.

#### (b) Property, plant and equipment

##### (i) Recognition, measurement and derecognition

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 4(i)(b) to the financial statements.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Restoration cost relating to an item of property, plant and equipment is capitalised only if such expenditure is expected to increase the future benefits of the existing property, plant and equipment beyond its previously assessed standard of performance.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in the statements of profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023  
(CONT'D)

### 4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (b) Property, plant and equipment (cont'd)

##### (ii) Depreciation

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation of other property, plant and equipment is calculated on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life at the following annual rates:-

Buildings	2%
Plant and machineries	10% to 25%
Motor vehicles	12.5% to 33.3%
Renovation	10% to 34%
Office furniture, fittings and equipment	10% to 50%
Leasehold land and buildings	over the period of 99 years
Right-of-use assets - premises	over the period of 2 to 3 years

Capital work-in-progress consists of plant and machineries under installation for their intended use. The amount is stated at cost. Plant and machineries under work-in-progress are not depreciated until they are completed and ready for their intended use.

The depreciable amount is determined after deducting the residual value.

The residual value, depreciation method and useful lives are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Leased assets (including leasehold land and buildings and premises and motor vehicles under lease arrangements) that fulfills the conditions to be recognised as right-of-use assets are presented as right-of-use assets in property, plant and equipment. The recognition and initial and subsequent measurements policies to leased assets is stated in Note 4(w) to the financial statements on right-of-use assets.

#### (c) Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both. These include land held for a currently undetermined future use.

Investment properties are initially measured at cost. The cost of investment properties includes expenditure that is directly attributable to the acquisition of the assets. Subsequent to initial recognition, investment properties are stated at fair value, which is determined by the Directors by reference to market evidence of transacted prices for similar properties or valuation performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Gains or losses arising from changes in the fair value of investment properties are included in the statements of profit or loss in the financial year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on retirement or disposal of an investment property are recognised in the statements of profit or loss in the financial year in which they arise.

## NOTES TO THE FINANCIAL STATEMENTS

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(CONT'D)

### 4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (c) Investment properties (cont'd)

Land held for development with no significant development activity is accounted for as an investment property.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change.

#### **Right-of-use assets that meet the definition of investment property**

Right-of-use assets that meet the definition of investment property in accordance with MFRS 140 Investment Property, is presented in the statements of financial position as investment properties. Subsequent measurement of the right-of-use assets is consistent with those investment properties owned by the Group.

#### (d) Financial assets

##### (i) Classification

The classification of financial assets is determined by both:-

- the Group's and the Company's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial assets.

The Group and the Company classify its financial assets in the following categories:-

##### (a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. The financial assets are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current. The Group's and the Company's financial assets at amortised cost comprise unquoted corporate bonds, trade and other receivables and deposits paid, amount due from subsidiary companies, amount due from associate companies, amount due from jointly controlled entities, deposits with licensed banks and financial institutions and cash and bank balances.

##### (b) Fair value through other comprehensive income

#### **Debt investments**

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt investment is not designated as fair value through profit or loss. The Group and the Company do not have debt investment measured at fair value through other comprehensive income.

## NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023  
(CONT'D)

### 4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (d) Financial assets (cont'd)

##### (i) Classification (cont'd)

The Group and the Company classify its financial assets in the following categories (cont'd):-

##### (b) Fair value through other comprehensive income (cont'd)

###### Equity and other investments

This category comprises investment in equity and other investment that are not held for trading. The classification as financial assets at fair value through other comprehensive income is an irrevocable election made on initial recognition. The Group's and the Company's equity investments are unquoted shares held for long-term whereas other investments comprise of club memberships.

##### (c) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group and the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income to be measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

##### (ii) Initial recognition and measurement

A financial asset is recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition. A trade receivable without a significant financing component is initially measured at the transaction price.

##### (iii) Subsequent measurement - gains and losses

Classifications of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company change their business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

##### (a) Amortised cost

Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statements of profit or loss. Any gain or loss on derecognition is recognised in the statements of profit or loss.

Interest income is recognised by applying the effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

## NOTES TO THE FINANCIAL STATEMENTS

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(CONT'D)

### 4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (d) Financial assets (cont'd)

##### (iii) Subsequent measurement - gains and losses (cont'd)

##### (b) Fair value through other comprehensive income

###### Debt investments

Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the statements of profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to the statements of profit or loss.

Interest income is recognised by applying the effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

###### Equity and other investments

This category comprises investment in equity and other investments that are not held for trading. The Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in the statements of profit or loss unless the dividend represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to retained earnings.

##### (c) Fair value through profit or loss

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the statements of profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity and other investments measured at fair value through other comprehensive income, are subject to impairment assessment.

##### (iv) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expires or is transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in the statements of profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in market place concerned. All regular way purchases or sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

**NOTES TO THE FINANCIAL STATEMENTS**

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**4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(e) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a current enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

**(f) Subsidiary companies**

Subsidiary companies are entities that are controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. Besides, the Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiary companies, which are eliminated on consolidation, are stated at cost in the Company's financial statements less impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount. The policy for the recognition and measurement of impairment losses is in accordance with Note 4(i)(b) to the financial statements.

Upon the disposal of investment in subsidiary companies, the difference between net disposal proceeds and its carrying amounts is recognised in the statements of profit or loss.

Equity loan represents amount due from subsidiary companies for which settlement is not likely to occur in the foreseeable future and is intended to provide the subsidiary companies with a long-term source of additional capital. It is, in substance, an addition to the investment in the subsidiary companies by the Company and accordingly, is accounted for in accordance with MFRS 127 Separate Financial Statements as part of the investments in subsidiary companies and measured at cost.

**(g) Associate companies and jointly controlled entities**

Associate companies are entities in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not in control over those policies.

Jointly controlled entities are a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the jointly controlled entities. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiary companies.

Investments in associate companies and jointly controlled entities are accounted for in the statements of financial position using the equity method. Under the equity method, the investments in associate companies and the jointly controlled entities are initially recognised at cost. The carrying amount of the investments are adjusted to recognise changes in the Group's share of net assets of the associate companies and the jointly controlled entities since the acquisition date. Goodwill relating to the associate companies and the jointly controlled entities is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

## NOTES TO THE FINANCIAL STATEMENTS

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(CONT'D)

### 4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (g) Associate companies and jointly controlled entities (cont'd)

The statements of profit or loss reflect the Group's share of the results of operations of the associate companies and the jointly controlled entities. Any changes in the statements of comprehensive income of these investees is presented as part of the Group's statements of comprehensive income. In addition, where there has been a change recognised directly in the equity of the associate companies or the jointly controlled entities, the Group recognises its share of such change, when applicable, in the statements of changes in equity. Unrealised gains or losses on transactions between the Group and its associate companies or the jointly controlled entities are eliminated to the extent of the Group's interest in the associate companies or jointly controlled entities. When the Group's share of losses exceeds its interest in the associate companies or the jointly controlled entities, the Group does not recognise further losses except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate companies or the jointly controlled entities.

The most recent available financial statements of the associate companies and the jointly controlled entities are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the reporting period. Where necessary, adjustments are made to these financial statements to ensure consistency of the accounting policies used with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss on its investment in the associate companies or the jointly controlled entities. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate companies or the jointly controlled entities is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate companies or the jointly controlled entities and its carrying value. Any impairment loss is recognised in the statements of profit or loss.

When the Group's interest in an associate company or a jointly controlled entity decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in the statements of profit or loss. Any gains or losses previously recognised in the statements of comprehensive income are also reclassified proportionately to the statements of profit or loss if that gain or loss would be required to be reclassified to the statements of profit or loss on the disposal of the related assets or liabilities.

Upon loss of significant influence over the associate company or the jointly controlled entity, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate company or jointly controlled entity upon loss of significant influence or joint control and the fair value of the retained investment against proceeds from disposal is recognised in the statements of profit or loss.

In the Company's separate statements of financial position, investments in associate companies and the jointly controlled entities are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is charged or credited to the statements of profit or loss.

When the Group's effective interest in its associate companies reduces over time pursuant to corporate exercises that do not involve the participation of the Group, and whereby the Group continues to equity account the Group's interest in the associate companies, such reduction in effective interest is taken as deemed disposals.

## NOTES TO THE FINANCIAL STATEMENTS

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(CONT'D)

### 4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (g) Associate companies and jointly controlled entities (cont'd)

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 whether in the statements of profit or loss, statements of comprehensive income or statements of changes in equity. In the absence of further guidance, the Group had reported the dilution gains from deemed disposals as reduction in the share of associate companies' post-acquisition retained earnings as dilution loss in the statements of profit or loss and increase in the share of share capital and other reserves as share of post-acquisition reserves in the statements of changes in equity in the preceding financial years.

During the financial year ended 30 June 2022, the Group has applied a change in accounting policy to recognise the dilution gains from deemed disposals for equity transactions by an associate company that increase the associate company's net assets shall be recognised in the statements of profit or loss retrospectively and the change also resulted in a reclassification of dilution gains from other reserves account to retained earnings for prior years balances. The change in accounting treatment is intended to 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 the financial statements.

#### (h) Intangible assets

Intangible assets acquired are measured at cost on initial recognition. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment losses.

The useful lives of intangible assets are assessed to be either finite or infinite. Intangible assets with finite lives are amortised on a straight-line basis over their estimated economic useful lives and assessed for impairment whenever there is an indication the intangible asset may be impaired. The amortisation period and amortisation method for an intangible asset with a finite useful life are reviewed at least once at each reporting date.

Intangible assets with infinite useful lives are not amortised but tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful life of an intangible asset with an infinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable.

Gain or losses arising from derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statements of profit or loss.

#### **Intangible assets - Stock broking dealer's license**

The stock broking dealer's license was acquired by M & A Securities Sdn. Bhd., an indirect subsidiary company of the Company, to operate as a "1+1 Broker" and the acquisition cost is recognised as an intangible asset in the statements of financial position.

The useful life of the stock broking dealer's license is reassessed to be infinite and therefore is not amortised. The useful life of the intangible asset is reviewed annually to determine whether the infinite useful life assessment continues to be supportable. If not, the change in useful life from infinite to finite is made on a prospective basis.

The intangible asset is stated at cost less accumulated impairment losses. The intangible asset is tested for impairment annually, or more frequently if the event and circumstances indicates that the carrying value may be impaired. The policy for the recognition and measurement of impairment losses is in accordance with Note 4(i)(b) to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

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### 4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (h) Intangible assets (cont'd)

##### Intangible assets - Software

Software is recognised as intangible assets when the software is not an integral part of the related hardware. All software is initially recorded at cost. The cost of an item of software is recognised as an asset if, and only if, it is possible that future benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Software, considered to have finite useful life, is stated at cost less any accumulated impairment losses and is amortised using the straight-line basis over its estimated useful life of 5 years. The policy for the recognition and measurement of impairment losses is in accordance with Note 4(i)(b) to the financial statements.

##### Intangible assets - Development costs

Intangible asset arising from development or from the development phase of an internal project is recognised if all of the following have been demonstrated:-

- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount capitalised for expenditure incurred on development activities is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Expenditure incurred on development activities that do not meet these criteria are expensed to the statements of profit or loss when incurred.

The expenditure on development activities are stated at cost less accumulated amortisation and any impairment in value. This expenditure is to be amortised on a straight line basis over its expected useful life of 5 years.

The policy for measurement and recognition of impairment losses is in accordance with Note 4(i)(b) to the financial statements.

##### Intangible assets - Goodwill

Goodwill acquired in a business combination represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets acquired and the liabilities assumed of a subsidiary company at the date of acquisition.

Goodwill arising on the acquisition of subsidiary companies is included in the consolidated statements of financial position as intangible assets while goodwill arising on the acquisition of associate companies or the jointly controlled entities is included in the carrying amount of the investment in associate companies or the jointly controlled entities.

Goodwill on consolidation is stated at cost less impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the goodwill may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from synergies of the business combination.

**NOTES TO THE FINANCIAL STATEMENTS**

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(CONT'D)

**4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(h) Intangible assets (cont'd)****Intangible assets - Goodwill (cont'd)**

An impairment loss is recognised in the statements of profit or loss when the carrying amount of the cash-generating unit including goodwill exceeds the recoverable amount of the cash-generating unit. Recoverable amount of the cash-generating unit is the higher of the cash-generating unit's fair value less cost to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

The total impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the cash-generating unit and then to the other assets of the cash generating unit proportionately on the basis of the carrying amount of each asset in the cash-generating unit.

Impairment loss recognised on goodwill is not reversed in the event of an increase in recoverable amount in subsequent periods.

**(i) Impairment of assets****(a) Impairment of financial assets**

The Group and the Company assess on a forward-looking basis the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group's and the Company's trade and other receivables and deposits paid, contract assets, amount due from subsidiary companies, amount due from associate companies, amount due from jointly controlled entities, unquoted corporate bonds, deposits with licensed banks and financial institutions and cash and bank balances are subject to the impairment requirements of MFRS 9 Financial Instruments.

ECL represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:-

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the asset while 12 months ECL are the portion of ECL that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating ECL is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company measure loss allowances at an amount equal to lifetime ECL, except for debt securities that are determined to have low credit risk at the reporting date, and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12 months ECL. Loss allowances for trade receivables and contract assets, is measured at an amount equal to lifetime ECL.

## NOTES TO THE FINANCIAL STATEMENTS

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(CONT'D)

### 4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (i) Impairment of assets (cont'd)

##### (a) Impairment of financial assets (cont'd)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

An impairment loss in respect of financial assets measured at amortised cost is recognised in the statements of profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off are still subjected to enforcement activities in order to comply with the Group's and the Company's procedures for recovery of amounts due.

Stated below is the policy adopted by the stock broking subsidiary company of the Group on the impairment of trade receivables.

In accordance with Rule 12.04 of the Rules of Bursa Malaysia Securities Berhad ("Rules"), clients' accounts are classified as non-performing (doubtful and bad) under the following circumstances:-

Type of accounts	Criteria for classification as non-performing	
	Doubtful	Bad
Contra losses	When an account remains outstanding for 16 to 30 calendar days from the date of contra transaction.	When an account remains outstanding for more than 30 calendar days from the date of contra transaction.
Overdue purchase contracts	When an account remains outstanding from T+5 market days to 30 calendar days.	When an account remains outstanding for more than 30 calendar days.
	When a Discretionary Financing ("DF") Account remains outstanding from T+9 market days to 30 calendar days.	When a DF account remains outstanding for more than 30 calendar days.
Margin accounts	-	When the value of the collateral provided to secure the margin accounts have fall below 130% of the outstanding balance.

Specific allowances are made for trade receivables which are considered bad and doubtful or have been classified as non-performing, net of interest-in-suspense and taking into consideration any collateral held and the deposits of all amounts due to the stock broking subsidiary company of the Group in accordance with the Rules.

## NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023  
(CONT'D)

### 4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (i) Impairment of assets (cont'd)

##### (b) Impairment of non-financial assets

At each reporting date, the Group and the Company review the carrying amounts of their non-financial assets to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for a non-financial asset is required, the recoverable amount is estimated and an impairment loss is recognised whenever the recoverable amount of the non-financial asset is less than its carrying amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use.

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the non-financial asset.

An impairment loss is recognised within other operating expenses in the statements of profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses for a non-financial asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the non-financial asset recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss be recognised previously.

All reversals of impairment losses are recognised within other income in the statements of profit or loss. After such a reversal, the depreciation and amortisation of non-financial assets charges are adjusted in future periods to allocate the revised carrying amount of the asset, less any residual value, on a systematic basis over its remaining useful life.

#### (j) Inventories

##### (i) Land held for property development

Land held for property development consists of land held for future development where no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at the lower of cost and net realisable value.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced where the development activities can be completed within the normal operating cycle.

The Group presents land held for property development in the statements of financial position as land and property development costs.

## NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

### 4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (j) Inventories (cont'd)

##### (ii) Property development costs

Property development costs are determined based on a specific identification basis. Property development costs comprising costs of land, direct materials, direct labour, other direct costs and related overheads incurred and are stated at the lower of cost and net realisable value. The property development costs are subsequently recognised as an expense in the statements of profit or loss when or as the control of the asset is transferred to the customer over time or at a point in time.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

Property development costs for which works has been undertaken and development activities are expected to be completed within the normal operating cycle, are classified as current asset.

Property development costs of completed but unsold unit is transferred to completed development properties once the development is completed.

The Group presents property development costs in the statements of financial position as land and property development costs.

##### (iii) Other inventories

Other inventories comprising goods purchased for resale, manufacturing goods and completed development properties held for sale are stated at the lower of cost and net realisable value.

Cost is determined using first-in first-out method, weighted average cost method, or by specific identification. The cost of manufacturing goods includes conversion cost of labour and variable and fixed production overheads. The cost of completed development properties held for sale under inventories comprises cost associated with the acquisition of land and construction costs, other direct costs and appropriate proportion of common costs.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs incurred in marketing, selling and distribution.

Allowance for diminution in value of inventories is recognised in the statements of profit or loss.

#### (k) Contract assets and contract liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of revenue recognised over the billings to-date and deposits or advances received from customers.

Where there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract assets' carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group has performed under the contract and transfer control of the related goods or services to the customers.

**NOTES TO THE FINANCIAL STATEMENTS**

- 30 JUNE 2023

(CONT'D)

**4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(l) Cash and cash equivalents**

Cash and cash equivalents comprise of cash and bank balances, bank overdrafts and deposits with licensed banks and financial institutions that are free from encumbrances and short-term highly liquid investments which have an insignificant risk of change in value.

The Group has excluded dealer's representatives' security deposits and clients' monies held in trust by the stock broking subsidiary company and cash and deposits pledged to licensed banks and financial institutions from its cash and cash equivalents.

**(m) Financial liabilities****(i) Classification**

The Group and the Company classify their financial liabilities in the following categories:-

**(a) Fair value through profit or loss**

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) and financial liabilities that are specifically designated into this category upon initial recognition. The Group's financial liabilities measured at fair value through profit or loss are derivative financial instruments entered into by the Group that do not meet the hedge accounting criteria. The Group and the Company have not elected to designate any financial liability carried at amortised cost as fair value through profit or loss.

**(b) Amortised cost**

The Group's and the Company's other financial liabilities not categorised as fair value through profit or loss include trade payables, other payables, deposits received and accruals, loans and borrowings, redeemable preference shares and amount due to subsidiary companies.

Loans and borrowings are classified as current liabilities unless the Group and the Company have unconditional rights to defer settlement of the liability for at least 12 months after the reporting date.

**(ii) Initial recognition and measurement**

A financial liability is recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred.

## NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

### 4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (m) Financial liabilities (cont'd)

##### (iii) Subsequent measurement - gains and losses

##### (a) Fair value through profit or loss

On initial recognition, the Group and the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:-

- if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise; or
- a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Group is provided internally on that basis to the Group's and the Company's key management personnel.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains and losses, including any interest expense are recognised in the statements of profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in other comprehensive income and the remaining amount of the change in fair value in the statements of profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

##### (b) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains or losses are recognised in the statements of profit or loss. Any gains or losses on derecognition are also recognised in the statements of profit or loss.

##### (iv) Derecognition

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in statements of profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023  
(CONT'D)

### 4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (n) Derivative financial instruments

Derivative financial instruments are initially recognised at fair value at the date a derivative financial instrument contract is entered into and are subsequently remeasured to their fair value at the end of each reporting date. The resulting gain or loss is recognised in the statements of profit or loss immediately.

Fair value changes on derivative financial instruments that are not designated or do not qualify for hedge accounting are recognised in statements of profit or loss when the changes arise.

A derivative financial instrument with a positive fair value is recognised as a financial asset whereas a derivative financial instrument with a negative fair value is recognised as a financial liability. A derivative financial instrument is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivative financial instruments are presented as current assets or current liabilities.

#### (o) Equity instruments

##### (i) Share capital and treasury shares

An equity instrument is any contract that evidences a residual interest in the assets of a company after deducting all of its liabilities. Ordinary shares are equity instruments.

Interim dividends on ordinary shares are recognised in equity in the period in which they are declared.

Final dividends on ordinary shares are recognised in equity in the period in which they are approved for payment.

When issued shares of the Company are repurchased, the consideration paid, including directly attributable transaction costs is presented as a change in equity. Repurchased shares that have not been cancelled are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in the statements of profit or loss on the sale, reissuance or cancellation of treasury shares.

When treasury shares are distributed as share dividends, the cost of the treasury shares is applied as a reduction in retained earnings.

##### (ii) Redeemable preference shares ("RPS")

The RPS issued by the Company are regarded as a compound instrument, consisting of a liability component and an equity component. The component of RPS that exhibits characteristics of a liability is recognised as a financial liability in the statements of financial position. The fair value of the liability component is calculated based on the present value of the discounted cash flows of the RPS and RPS dividends over the term of the RPS, using the weighted average cost of borrowings of the Company. The dividends on the RPS are recognised as interest expense in the statements of profit or loss using the effective interest rate method.

The equity component is represented by the fair value of the free warrants issued pursuant to the issuance of the RPS, of which the fair value is allocated based on the difference between the gross proceeds from the issuance of the RPS and the fair value of the RPS, net of deferred tax. The accounting policy for warrants is in accordance with Note 4(o)(iii) to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

### 4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (o) Equity instruments (cont'd)

##### (iii) Warrants

The warrants issued by the Company is recognised as an equity instrument in the statements of financial position. Its value is determined based on the difference between the gross proceeds from the issuance of the RPS and the fair value of the RPS, net of deferred tax and is classified as warrants reserve in equity.

The issuance of ordinary shares upon exercise of the warrants is treated as new subscription of ordinary shares in the Company. The proceeds are credited to share capital. The warrants reserve in relation to the unexercised warrants will be reversed upon expiry of the warrants.

#### (p) Non-controlling interests

Non-controlling interests in the consolidated statements of financial position consist of their share of the fair values of identifiable assets and liabilities of the acquiree and advances received from the non-controlling interests.

Non-controlling interests are presented in the consolidated statements of financial position and consolidated statements of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented on the face of the consolidated statements of profit or loss as an allocation of the total profit or loss for the period between the non-controlling interests and the owners of the Company.

Changes in the Group's ownership interest in a subsidiary company that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary company. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary company are allocated to the non-controlling interests even if it results in the non-controlling interests carrying a deficit balance.

#### (q) Provision for liabilities

Provision for liabilities are recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation.

#### (r) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statements of financial position and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

## NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023  
(CONT'D)

### 4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (s) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee contracts are recognised in the statements of financial position, initially as a liability at fair value, net of transaction costs.

Financial guarantee contracts are subsequently measured at the higher of:-

- the amount determined in accordance with the Expected Credit Losses model under MFRS 9 Financial Instruments; and
- the amount initially recognised, less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 Revenue from Contracts with Customers.

As at the end of the reporting period, no values were placed on corporate guarantees provided by the Group and the Company as the Directors of the Company regard the value of the credit enhancement provided by the corporate guarantee to be minimal.

#### (t) Income tax and deferred tax

Income tax in the statements of profit or loss for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted or substantively enacted at the reporting date.

Current tax is recognised in the statements of profit or loss except to the extent that the tax relates to items recognised outside the statements of profit or loss, either in other comprehensive income or directly in equity.

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary differences arise from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the statements of profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authorities.

## NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

### 4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (u) Revenue recognition

The Group and the Company recognise revenue from contracts with customers for the provision of services and sale of goods based on the five-step revenue recognition model as set out below:-

- (i) Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.
- (ii) Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- (iii) Determine the transaction price. The transaction price is the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- (iv) Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Group and the Company allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group and the Company expect to be entitled in exchange for satisfying each performance obligation.
- (v) Recognise revenue when or as the Group and the Company satisfy a performance obligation.

The Group and the Company satisfy a performance obligation and recognise revenue over time if the Group's and the Company's performance:-

- (i) Do not create an asset with an alternative use to the Group and the Company and have an enforceable right to payment for performance completed to-date; or
- (ii) Create or enhance an asset that the customer controls as the asset is created or enhanced; or
- (iii) Provide benefits that the customer simultaneously receives and consumes as the Group and the Company perform.

For performance obligations where any one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group and the Company satisfy a performance obligation by delivering the promised goods or services, it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:-

#### (i) Sale of goods and trading activities

Revenue from sale of goods and trading activities is recognised at a point in time which is recognised upon delivery of product and customer acceptance, if any, net of discount and sale returns. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

#### (ii) Sale of securities

Revenue from sale of securities are recognised based on the contracted date and value.

**NOTES TO THE FINANCIAL STATEMENTS**

- 30 JUNE 2023

(CONT'D)

**4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(u) Revenue recognition (cont'd)**

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers (cont'd):-

**(iii) Revenue from stock broking activities**

Revenue from stock broking activities are recognised upon execution of contract. Brokerage income is accounted for before dealer's representatives' commissions and incentives.

**(iv) Rental income**

Rental income from investment properties are recognised in the statements of profit or loss on a straight-line basis over the specific tenure of the respective leases. The aggregate cost of incentives provided to lessee is recognised as a reduction of rental income over the lease term on a straight-line basis.

**(v) Dividend income**

Dividend income is recognised when the right to receive payment has been established and no significant uncertainty existed with regard to its receipt.

**(vi) Interest income**

Interest income is recognised on accrual basis unless recoverability is in doubt, in which case the recognition of interest is suspended. Subsequent to suspension, interest is recognised on receipt basis.

Interest income from investments in bonds, loan stocks and other income generating investments are recognised on a time proportion basis that takes into account the effective yield of the assets.

**(vii) Revenue from services and fee income**

Revenue from services is recognised when services are rendered and invoice issued. Revenue is recognised net of sales and service tax, where applicable.

Fee from advisory and corporate finance activities, revenue on fee income from sale of customised goods and services and contract maintenance are recognised over a period of time upon completion of each stage of the engagement.

**(viii) Revenue from property development**

Revenue from property development is recognised as and when the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to-date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

## NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

### 4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (u) Revenue recognition (cont'd)

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers (cont'd):-

#### (viii) Revenue from property development (cont'd)

The Group recognises revenue over time using the input method, which is based on the level the proportion that the property development costs incurred to-date bear to the estimated total costs for the property development.

The Group recognises revenue at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers.

#### (ix) Other revenue

All other revenues are recognised when the right to receive payment is established and to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

#### (v) Foreign currencies

##### (i) Functional and presentation currencies

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia, which is also the functional currency of the Company.

##### (ii) Foreign currency translation and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates at the dates of initial transaction.

Exchange differences arising on the settlement of monetary items and on the translation of monetary items are included in the statements of profit or loss for the period. Exchange differences arising on the translation of non-monetary items carried at fair value are included in the statements of profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

**NOTES TO THE FINANCIAL STATEMENTS**

- 30 JUNE 2023

(CONT'D)

**4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(v) Foreign currencies (cont'd)****(iii) Foreign operations**

For the purposes of consolidation, net assets of the foreign subsidiary and associate companies are translated into Ringgit Malaysia at the exchange rate ruling at the reporting date. Income and expenses of the foreign subsidiary companies and share of comprehensive income less losses of associate companies are translated at the average rates for the financial year, which is taken as a close approximation of the exchange rates applicable at the date of the transactions. All resulting exchange differences arising from these translations are recognised in other comprehensive income and accumulated under the exchange translation reserve in equity. The exchange translation reserve is reclassified from equity to the statements of profit or loss on disposal of the foreign operation.

**(w) Leases****The Group and the Company as lessee**

At the inception of the contract, the Group and the Company assess whether a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

Contracts may contain both lease and non-lease components. The Group and the Company have elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components and will instead account for the lease and non-lease components as a single lease component.

Leases are recognised as right-of-use ("ROU") asset with a corresponding liability at the date on which the leased asset is available for use by the Group and the Company (i.e. the commencement date).

**(i) Lease term**

In determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group and the Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Company and assess whether the Group and the Company are reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities.

**(ii) ROU assets**

The Group and the Company present ROU assets that meet the definition of investment property in the statements of financial position as investment properties. ROU assets that are not investment properties are presented within property, plant and equipment as disclosed in Note 6 to the financial statements.

**Recognition and initial measurement**

The ROU assets are initially measured at cost, which comprise the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and the estimated costs of dismantling and restoration costs, less any lease incentives received.

## NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

### 4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (w) Leases (cont'd)

##### The Group and the Company as lessee (cont'd)

#### (ii) ROU assets (cont'd)

##### Subsequent measurement

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and accumulated impairment loss (if any) and adjusted for any remeasurement of the lease liability. The policy for the recognition and measurement of impairment losses is in accordance with Note 4(i)(b) to the financial statements.

The ROU assets are generally depreciated over the shorter of the assets' useful life and the lease term on a straight-line basis. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as disclosed in Note 4(b)(ii) to the financial statements. If the Group and the Company are reasonably certain to exercise a purchase option, the ROU assets are depreciated over the underlying assets' useful life.

#### (iii) Lease liabilities

The Group and the Company present the lease liabilities as a separate line item in the statements of financial position. Interest expense on the lease liability is presented within finance costs in the statements of profit or loss.

##### Recognition and initial measurement

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability can comprise of the followings:-

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase and extension option that the Group and the Company are reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group and the Company are reasonably certain not to terminate early.

The Group and the Company exclude variable lease payments that depend on future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in the statements of profit or loss in the period in which the performance or use occurs.

##### Subsequent measurement

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment made to the carrying amount of the ROU asset or is recognised in statements of profit or loss if the carrying amount has been reduced to zero.

**NOTES TO THE FINANCIAL STATEMENTS**

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(CONT'D)

**4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(w) Leases (cont'd)****The Group and the Company as lessee (cont'd)****(iv) Short-term leases and leases of low value assets**

The Group and the Company apply recognition exemption to their short-term leases and low value assets. Short-term leases are leases with a lease term of twelve months or less and do not contain a purchase option. Payments associated with short-term leases and low value assets are recognised as an expense in the statements of profit or loss on a straight-line basis over the lease term.

**The Group as lessor****Recognition and initial measurement**

When the Group acts as lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is finance lease, if not, then it is an operating lease.

**Subsequent measurement**

Where the Group acts as lessor in an operating lease arrangement, the Group recognises lease payments received in the statements of profit or loss on a straight-line basis over the lease term.

**(x) Borrowing costs**

All borrowing costs are expensed to the statements of profit or loss using the effective interest method, in the period in which they are incurred except to the extent that they are capitalised as part of the cost of a qualifying asset if the cost is directly attributable to the acquisition, construction or production of the qualifying asset.

Capitalisation of borrowing costs commences when the activities to prepare the qualifying asset for its intended use or sale are in progress and the expenditure and borrowing costs are incurred. Borrowing costs are capitalised until the asset is substantially completed for its intended use or sale. Capitalisation of borrowing costs is suspended or ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

**(y) Employee benefits****(i) Short-term employee benefits**

Wages, salaries, allowances, bonuses, incentives, employment insurance scheme and social security contributions are recognised as expenses in the financial year in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

## NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

### 4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (y) Employee benefits (cont'd)

##### (ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

Such contribution is recognised as an expense in the statements of profit or loss as incurred. As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiary companies make contributions to their respective countries statutory pension schemes.

#### (z) Segmental reporting

The Group prepares segmental reporting wherein the operating segments are identified on the basis of internal reports on the operating segments of the Group that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segments and to assess their performance.

In identifying the operating segments, the management generally follows the Group's classification of operating segments, which represent the main products and services provided by the Group. Each of these operating segments is managed separately as each of these segments requires different technologies and resources. All inter segment transfers are carried out on negotiated basis.

#### (aa) Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements ("the reporting entity"). A related party transaction is a transfer of resources, services or obligations between the reporting entity and its related party, regardless of whether a price is charged.

A person or a close member of that person's family is related to the reporting entity if that person:-

- has control or joint control over the reporting entity;
- has significant influence over the reporting entity; or
- is a member of the key management personnel of the reporting entity.

An entity is related to the reporting entity if any of the following conditions applies:-

- the entity and the reporting entity are members of the same group;
- one entity is an associate company or jointly controlled entity of the reporting entity;
- both the entities are jointly controlled entities of the same third party;
- one entity is a jointly controlled entity of a third entity and the other entity is an associate company of the third entity;
- the entity is controlled or jointly controlled by a person identified in the preceding paragraph above;
- the entity provides key management personnel services to the reporting entity; or
- a person who has control or joint control over the reporting entity has significant influence over the entity or is a member of the key management personnel of the entity.

**NOTES TO THE FINANCIAL STATEMENTS**

- 30 JUNE 2023

(CONT'D)

**4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(bb) Sales and Service Tax ("SST")**

SST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

The amount of SST payable to the taxation authority is included as part of payables in the statements of financial position.

**(cc) Government grants**

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Where the government grant relates to an asset, the grant is credited to a deferred income account in the statements of financial position and is amortised to the statements of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Other government grants are recognised as income over the periods necessary to match the government grants with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable for the purpose of giving immediate financial support with no future related costs are recognised in the statements of profit or loss in the period in which they become receivable.

**5 MFRSs**

The accounting policies adopted by the Group and the Company are consistent with those of the previous financial year and in conformity with the applicable MFRSs issued by the Malaysian Accounting Standards Board ("MASB"):-

**(a) Adoption of revised Standards that are effective**

At the beginning of the current financial year, the Group and the Company adopted amendments to Standards and annual improvements to Standards issued by the MASB which are relevant to the Group and the Company for the financial year beginning on or after 1 July 2022.

The amendments to Standards and annual improvements to Standards did not have any material financial impact to the financial statements of the Group and of the Company.

**(b) New and revised Standards that have been issued but are not yet effective**

At the date of authorisation of these financial statements, the following new Standard and amendments to Standards have been issued by the MASB but are not yet effective, and have not been early adopted by the Group and the Company:-

**Effective for financial period beginning on or after 1 January 2023**

MFRS 17 and amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	Presentation of Financial Statements - Disclosure of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
Amendments to MFRS 112	Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	Income Taxes - International Tax Reform: Pillar Two Model Rules

## NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

### 5 MFRSs (CONT'D)

The accounting policies adopted by the Group and the Company are consistent with those of the previous financial year and in conformity with the applicable MFRSs issued by the Malaysian Accounting Standards Board ("MASB") (cont'd):-

#### (b) New and revised Standards that have been issued but are not yet effective (cont'd)

At the date of authorisation of these financial statements, the following new Standard and amendments to Standards have been issued by the MASB but are not yet effective, and have not been early adopted by the Group and the Company (cont'd):-

##### **Effective for financial period beginning on or after 1 January 2024**

Amendments to MFRS 16	Leases - Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Presentation of Financial Statements - Non-Current Liabilities with Covenants
Amendments to MFRS 101	Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current
Amendments to MFRS 107 and MFRS 7	Statement of Cash Flows and Financial Instruments: Disclosures - Supplier Finance Arrangements

##### **Effective for financial period beginning on or after 1 January 2025**

Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability
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##### **Effective date deferred indefinitely**

Amendments to MFRS 10 and MFRS 128	Consolidated Financial Statements and Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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Management anticipates that all relevant pronouncements will be adopted in the Group's and the Company's accounting policies for the first period beginning after the effective date of the pronouncements.

The initial applications of the relevant new Standard and amendments to Standards are not expected to have any material financial impact to the financial statements of the Group and the Company.

## NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023  
(CONT'D)

### 6 PROPERTY, PLANT AND EQUIPMENT

Group	← Owned assets →					← ROU assets →				Total RM'000
	Land and buildings RM'000	Plant and machineries RM'000	Motor vehicles RM'000	Renovation RM'000	Office furniture, fittings and equipment RM'000	Plant and machineries work-in- progress RM'000	Land and buildings RM'000	Motor vehicles under lease RM'000	Premises under lease RM'000	
<b>2023</b>										
<b>Cost</b>										
At beginning of financial year	20,974	1,168	16,577	7,438	8,811	18,530	21,350	44,284	1,194	140,326
Additions	-	82	4	116	657	787	-	16,575	87	18,308
Acquisition of subsidiary companies	-	-	1,066	-	-	-	-	-	-	1,066
Reclassify from investment properties	6,483	-	-	-	-	-	5,400	-	-	11,883
Disposals	-	-	(4,336)	-	(84)	-	-	(6,871)	-	(11,291)
Reclassification	-	-	4,347	-	-	-	-	(4,347)	-	-
Written off	(22)	-	-	(127)	(926)	(6)	-	-	-	(1,081)
Expiration of lease contract	-	-	-	-	-	-	-	-	(65)	(65)
Exchange differences	728	-	-	47	(12)	-	-	-	-	763
<b>At end of financial year</b>	<b>28,163</b>	<b>1,250</b>	<b>17,658</b>	<b>7,474</b>	<b>8,446</b>	<b>19,311</b>	<b>26,750</b>	<b>49,641</b>	<b>1,216</b>	<b>159,909</b>
<b>Accumulated depreciation</b>										
At beginning of financial year	2,869	964	13,464	6,100	6,888	-	1,922	19,789	494	52,490
Charge for the financial year	340	34	2,128	275	576	-	264	6,505	416	10,538
Acquisition of subsidiary companies	-	-	1,066	-	-	-	-	-	-	1,066
Disposals	-	-	(4,082)	-	(83)	-	-	(3,909)	-	(8,074)
Reclassification	-	-	3,004	-	-	-	-	(3,004)	-	-
Written off	-	-	-	(123)	(926)	-	-	-	-	(1,049)
Expiration of lease contract	-	-	-	-	-	-	-	-	(65)	(65)
Exchange differences	104	-	-	47	(13)	-	-	-	-	138
<b>At end of financial year</b>	<b>3,313</b>	<b>998</b>	<b>15,580</b>	<b>6,299</b>	<b>6,442</b>	<b>-</b>	<b>2,186</b>	<b>19,381</b>	<b>845</b>	<b>55,044</b>
<b>Net carrying amount as at 30 June 2023</b>	<b>24,850</b>	<b>252</b>	<b>2,078</b>	<b>1,175</b>	<b>2,004</b>	<b>19,311</b>	<b>24,564</b>	<b>30,260</b>	<b>371</b>	<b>104,865</b>

**NOTES TO THE FINANCIAL STATEMENTS**

- 30 JUNE 2023

(CONT'D)

**6 PROPERTY, PLANT AND EQUIPMENT (CONT'D)****Group (cont'd)**

Analysis of land and buildings:-

	<u>Owned assets</u>	<u>ROU assets</u>	
	Freehold land and buildings RM'000	Long term leasehold land and buildings RM'000	Total RM'000
<b>2023</b>			
<b>Cost</b>			
At beginning of financial year	20,974	21,350	42,324
Reclassify from investment properties	6,483	5,400	11,883
Written off	(22)	-	(22)
Exchange differences	728	-	728
At end of financial year	<b>28,163</b>	<b>26,750</b>	<b>54,913</b>
<b>Accumulated depreciation</b>			
At beginning of financial year	2,869	1,922	4,791
Charge for the financial year	340	264	604
Exchange differences	104	-	104
At end of financial year	<b>3,313</b>	<b>2,186</b>	<b>5,499</b>
<b>Net carrying amount</b> as at 30 June 2023	<b>24,850</b>	<b>24,564</b>	<b>49,414</b>

## NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023  
(CONT'D)

### 6 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group (cont'd)

	← Owned assets →					← ROU assets →				Total RM'000
	Land and buildings RM'000	Plant and machineries RM'000	Motor vehicles RM'000	Renovation RM'000	Office furniture, fittings and equipment RM'000	Plant and machineries work-in- progress RM'000	Land and buildings RM'000	Motor vehicles under lease RM'000	Premises under lease RM'000	
<b>2022</b>										
<b>Cost</b>										
At beginning of financial year	13,584	-	14,048	6,605	7,996	14,538	21,350	46,337	1,194	125,652
Additions	-	53	57	840	890	586	-	8,156	-	10,582
Acquisition of subsidiary companies	-	1,115	-	5	145	3,406	-	-	-	4,671
Reclassify from investment properties	7,210	-	-	-	-	-	-	-	-	7,210
Disposals	-	-	(3,280)	-	-	-	-	(4,457)	-	(7,737)
Reclassification	-	-	5,752	-	-	-	-	(5,752)	-	-
Written off	-	-	-	(24)	(223)	-	-	-	-	(247)
Exchange differences	180	-	-	12	3	-	-	-	-	195
<b>At end of financial year</b>	<b>20,974</b>	<b>1,168</b>	<b>16,577</b>	<b>7,438</b>	<b>8,811</b>	<b>18,530</b>	<b>21,350</b>	<b>44,284</b>	<b>1,194</b>	<b>140,326</b>
<b>Accumulated depreciation</b>										
At beginning of financial year	2,543	-	10,857	5,844	6,584	-	1,676	20,704	85	48,293
Charge for the financial year	289	5	1,051	264	422	-	246	6,619	409	9,305
Acquisition of subsidiary companies	-	959	-	2	102	-	-	-	-	1,063
Reclassify from investment properties	14	-	-	-	-	-	-	-	-	14
Disposals	-	-	(3,014)	-	-	-	-	(2,964)	-	(5,978)
Reclassification	-	-	4,570	-	-	-	-	(4,570)	-	-
Written off	-	-	-	(21)	(222)	-	-	-	-	(243)
Exchange differences	23	-	-	11	2	-	-	-	-	36
<b>At end of financial year</b>	<b>2,869</b>	<b>964</b>	<b>13,464</b>	<b>6,100</b>	<b>6,888</b>	<b>-</b>	<b>1,922</b>	<b>19,789</b>	<b>494</b>	<b>52,490</b>
<b>Net carrying amount as at 30 June 2022</b>	<b>18,105</b>	<b>204</b>	<b>3,113</b>	<b>1,338</b>	<b>1,923</b>	<b>18,530</b>	<b>19,428</b>	<b>24,495</b>	<b>700</b>	<b>87,836</b>

**NOTES TO THE FINANCIAL STATEMENTS**

- 30 JUNE 2023

(CONT'D)

**6 PROPERTY, PLANT AND EQUIPMENT (CONT'D)****Group (cont'd)**

Analysis of land and buildings:-

	<u>Owned assets</u>	<u>ROU assets</u>	
	<u>Freehold land and buildings</u>	<u>Long term leasehold land and buildings</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>2022</b>			
<b>Cost</b>			
At beginning of financial year	13,584	21,350	34,934
Reclassify from investment properties	7,210	-	7,210
Exchange differences	180	-	180
At end of financial year	20,974	21,350	42,324
<b>Accumulated depreciation</b>			
At beginning of financial year	2,543	1,676	4,219
Charge for the financial year	289	246	535
Reclassify from investment properties	14	-	14
Exchange differences	23	-	23
At end of financial year	2,869	1,922	4,791
<b>Net carrying amount</b> as at 30 June 2022	18,105	19,428	37,533

## NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023  
(CONT'D)

### 6 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	← Owned assets →					ROU asset Premises under lease RM'000	Total RM'000
	Motor vehicles RM'000	Renovation RM'000	Furniture and fittings RM'000	Computer equipment RM'000	Office equipment RM'000		
<b>2023</b>							
<b>Cost</b>							
At beginning of financial year	343	108	523	227	201	1,129	2,531
Additions	-	-	-	13	19	-	32
At end of financial year	343	108	523	240	220	1,129	2,563
<b>Accumulated depreciation</b>							
At beginning of financial year	91	108	489	150	153	439	1,430
Charge for the financial year	69	-	4	32	7	376	488
At end of financial year	160	108	493	182	160	815	1,918
<b>Net carrying amount</b> as at 30 June 2023	183	-	30	58	60	314	645
<b>2022</b>							
<b>Cost</b>							
At beginning of financial year	343	108	514	234	200	1,129	2,528
Additions	-	-	9	15	11	-	35
Written off	-	-	-	(22)	(10)	-	(32)
At end of financial year	343	108	523	227	201	1,129	2,531
<b>Accumulated depreciation</b>							
At beginning of financial year	23	108	485	134	157	63	970
Charge for the financial year	68	-	4	38	6	376	492
Written off	-	-	-	(22)	(10)	-	(32)
At end of financial year	91	108	489	150	153	439	1,430
<b>Net carrying amount</b> as at 30 June 2022	252	-	34	77	48	690	1,101

**NOTES TO THE FINANCIAL STATEMENTS**

- 30 JUNE 2023

(CONT'D)

**6 PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

- (a) The net carrying amount of property, plant and equipment pledged to licensed banks and financial institutions for banking facilities granted to the Group are as follows:-

	<b>Group</b>	
	<b>2023</b>	2022
	<b>RM'000</b>	RM'000
<hr/>		
<u>Owned assets</u>		
Freehold land and buildings	<b>17,636</b>	11,353
	<hr/>	
<u>ROU assets</u>		
Long term leasehold land and buildings	<b>24,564</b>	19,428
	<hr/>	

- (b) The net carrying amount of property, plant and equipment acquired under lease liabilities are as follows:-

	<b>Group</b>	
	<b>2023</b>	2022
	<b>RM'000</b>	RM'000
<hr/>		
Motor vehicles	<b>30,260</b>	24,495
	<hr/>	

- (c) The Group and the Company have certain leases of equipments, premises and motor vehicles with lease terms of 12 months or less or with low value. The Group and the Company applied the short term lease and lease of low value assets recognition exemptions for these leases.
- (d) Extension and termination options are included in premises' and motor vehicle's leases. These are used to maximise operational flexibility in terms of managing the assets used in operations.

Upon expiry of the lease term, the Group shall have the option to renew the lease at an annual rent to be mutually agreed with the lessor, which the option is exercisable by the Group. In the event the lease is terminated before expiry of the tenure, the Group shall be liable to pay the lessor a sum equal to the annual rent for the remaining unexpired period.

- (e) The Group's cost and accumulated depreciation for motor vehicles under lease amounting to RM4,347,000 (2022: RM5,752,000) and RM3,004,000 (2022: RM4,570,000) respectively were reclassified from ROU assets to owned assets within property, plant and equipment due to ownership of the leased motor vehicles were transferred to the Group as the lease liabilities for the motor vehicles have been fully settled during the financial year.
- (f) The cost and carrying amounts of the freehold land and leasehold land are not segregated from the buildings as required details are not available and unreasonable expenses would be incurred.

## NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023  
(CONT'D)

### 7 INVESTMENT PROPERTIES

Group	← Owned assets →			Total RM'000
	ROU assets Long term leasehold land and buildings RM'000	Freehold land and buildings RM'000	Land held for development RM'000	
<b>2023</b>				
At beginning of financial year	38,529	112,858	38,000	189,387
Additions	24,102	801	-	24,903
Disposal	-	(2,530)	-	(2,530)
Reclassify to property, plant and equipment	(5,400)	(6,483)	-	(11,883)
Fair value gain	670	272	-	942
Exchange differences	-	5,103	-	5,103
<b>Net carrying amount as at 30 June 2023</b>				
- At fair value	57,901	110,021	38,000	205,922
<b>2022</b>				
At beginning of financial year	33,929	109,057	38,000	180,986
Additions	-	6,139	-	6,139
Disposal	-	(7,657)	-	(7,657)
Reclassify to property, plant and equipment	-	(7,196)	-	(7,196)
Fair value gain	4,600	11,344	-	15,944
Exchange differences	-	1,171	-	1,171
<b>Net carrying amount as at 30 June 2022</b>				
- At fair value	38,529	112,858	38,000	189,387

The cost and carrying amounts of the long term leasehold land and freehold land are not segregated from the buildings as required details are not available and unreasonable expenses would be incurred.

- (a) The rental income and associated direct operating expenses of the investment properties are disclosed in Note 33, Note 34 and Note 37 to the financial statements.
- (b) The carrying amount of investment properties pledged to licensed banks and financial institutions for banking facilities granted to the Group are as follows:-

	Group	
	2023 RM'000	2022 RM'000
Freehold land and buildings	88,492	89,778
Long term leasehold land and buildings	33,711	38,441
	<b>122,203</b>	<b>128,219</b>

**NOTES TO THE FINANCIAL STATEMENTS**

- 30 JUNE 2023

(CONT'D)

**7 INVESTMENT PROPERTIES (CONT'D)**

(c) The following table provides an analysis of the fair value hierarchy of investment properties that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3 based on degree to which the fair value is observable:-

- (i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (iii) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>2023</b>				
<u>Investment properties</u>				
ROU assets - Long term				
leasehold land and buildings	-	57,901	-	57,901
Freehold land and buildings	-	110,021	-	110,021
Land held for development	-	38,000	-	38,000
	-	205,922	-	205,922
<b>2022</b>				
<u>Investment properties</u>				
ROU assets - Long term				
leasehold land and buildings	-	38,529	-	38,529
Freehold land and buildings	-	112,858	-	112,858
Land held for development	-	38,000	-	38,000
	-	189,387	-	189,387

The Level 2 fair value measurements are derived from the following valuation methods adopted to determine the fair value of the investment properties:-

- (i) Sales comparison method entails analysing the recent transactions and asking prices of similar property in and around the locality for comparison purposes with adjustments made to differences in location, visibility, size and tenure etc.
- (ii) Reference to market evidence of transacted prices for similar properties using comparable prices adjusted for specific market factors such as nature, location and condition of the investment properties.

## NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023  
(CONT'D)

### 8 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>At fair value</u>				
Unquoted investments outside Malaysia	32,646	30,434	-	-
Unquoted investments in Malaysia	1,228	1,228	-	-
Other investments in Malaysia	60	60	-	-
Other investments outside Malaysia	595	1,470	595	595
	<b>34,529</b>	33,192	<b>595</b>	595

The fair value of unquoted investments is determined based on the valuation techniques supported by available inputs comprising precedent transaction for similar financial instruments.

The fair value of other investments is determined based on the fair value obtained from the club memberships' websites whereby the quotes obtained reflected transactions in similar instruments.

During the financial year, the Group recognised unrealised loss on fair value changes on other investment outside Malaysia of RM875,000 to the fair value through other comprehensive income reserve. The amount charged to the reserve was subsequently transferred and charged out to retained earnings.

In the preceding financial year, the Group reclassified unquoted investment in Malaysia at fair value of RM15,000,000 to investment in associate company due to the Group having subscribed for 30% of the enlarged ordinary share capital in the unquoted entity. The fair value upon derecognition of the unquoted investment was RM15,000,000.

### 9 FINANCIAL ASSETS AT AMORTISED COST

The Group's investment in unquoted corporate bonds is held within a business model whose objective is to hold the assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

	Group	
	2023 RM'000	2022 RM'000
<u>Non-current (maturity later than 1 year)</u>		
Unquoted corporate bonds outside Malaysia, at cost	-	767

In the preceding financial year, the Group's investment in unquoted corporate bonds amounting to RM767,000 have been pledged to a licensed financial institution for credit facilities granted to the Group. The effective interest rate per annum for financial assets at amortised cost was 1.64%.

**NOTES TO THE FINANCIAL STATEMENTS**

- 30 JUNE 2023  
(CONT'D)

**10 SUBSIDIARY COMPANIES**

	Company	
	2023 RM'000	2022 RM'000
(a) Quoted shares, at cost	<b>222,000</b>	–
Unquoted shares, at cost	<b>80,511</b>	196,991
Equity loans (Note 10(c))	<b>278,226</b>	280,946
Redeemable convertible preference shares (Note 10(d))	<b>437,100</b>	483,600
Less: Accumulated impairment loss	<b>(38,047)</b>	(36,207)
	<b>979,790</b>	925,330
Market value of quoted shares	<b>262,364</b>	–

The movement of the impairment account used to record the impairment is as follows:-

	Company	
	2023 RM'000	2022 RM'000
At beginning of financial year	<b>36,207</b>	35,907
Charge for the financial year	<b>1,840</b>	300
At end of financial year	<b>38,047</b>	36,207

The Company assesses whether there is any indicator of impairment during the financial year. If any such indication exists, the management of the Company assesses the recoverable amount of the subsidiary companies and an impairment loss is recognised when the recoverable amount of the subsidiary companies is less than their carrying amount. The recoverable amounts of the subsidiary companies are determined based on fair value less costs to sell method and are within Level 3 of the fair value hierarchy. An impairment loss on investment in subsidiary companies amounting to RM1,840,000 (2022: RM300,000) had been recognised during the financial year.

Details of the Level 3 fair value method used in obtaining the recoverable amounts are as follows:-

Valuation method and key inputs	Significant unobservable inputs	Relationship of unobservable inputs and fair value
Adjusted net asset method which derives the fair value of an investee's equity instruments by reference to the fair value of its assets and liabilities	Fair value of individual assets and liabilities	The higher the net assets, the higher the fair value

On 10 May 2023, the Company completed the disposal of its 100% equity interest in M & A Securities Sdn. Bhd. ("M & A Securities") via the disposal of 100,000,000 ordinary shares and 60,000,000 redeemable convertible preference shares in M & A Securities to M & A Equity Holdings Berhad (formerly known as SYF Resources Berhad) ("M & A Equity") for a sale consideration of RM222,000,000. The sale consideration was satisfied via the allotment of 1,009,090,909 new ordinary shares in M & A Equity at RM0.22 per share to the Company and arising therefrom, M & A Equity and M & A Securities and their subsidiary companies became 67.12% subsidiary companies of the Group. On 30 June 2023, upon completion of the rights issue and restricted issue of ordinary shares in M & A Equity, the Group's equity interest in M & A Equity was diluted to 60.83%.

## NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023  
(CONT'D)

### 10 SUBSIDIARY COMPANIES (CONT'D)

(a) (cont'd)

The Group's and the Company's equity interest in the subsidiary companies, their respective principal activities and countries of incorporation are shown in Note 51 to the financial statements. The Group's does not have any subsidiary companies which are controlled with less than a majority of voting rights. The Group's material non-controlling interests is disclosed in Note 26 to the financial statements.

(b) Amount due from/(to) subsidiary companies

	Company	
	2023 RM'000	2022 RM'000
<b>Non-current asset</b>		
Amount due from subsidiary companies	5,140	5,045
<b>Current asset</b>		
Amount due from subsidiary companies	246,848	232,401
Less: Allowance for impairment	(465)	(427)
	<b>246,383</b>	231,974
<b>Total</b>	<b>251,523</b>	237,019

The amount due from subsidiary companies represents non-trade balances which are interest bearing (except for certain balances which are interest free), unsecured and are repayable on demand.

The amount due to subsidiary companies represents non-trade balances which are interest free, unsecured and are repayable on demand.

The movement of the allowance account used to record the impairment is as follows:-

	Company	
	2023 RM'000	2022 RM'000
At beginning of financial year	427	387
Charge for the financial year	38	40
At end of financial year	<b>465</b>	427

The carrying amount of amount due from subsidiary companies is as follows:-

	Company	
	2023 RM'000	2022 RM'000
Amount due from subsidiary companies, at gross	252,787	238,329
Less: Fair value adjustment calculated based on cash flows discounted using weighted average effective interest rate	(799)	(883)
Amount due from subsidiary companies, at amortised cost	251,988	237,446
Less: Allowance for impairment	(465)	(427)
	<b>251,523</b>	237,019

**NOTES TO THE FINANCIAL STATEMENTS**

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(CONT'D)

**10 SUBSIDIARY COMPANIES (CONT'D)**

- (b) Amount due from/(to) subsidiary companies (cont'd):-

The carrying amount of amount due from subsidiary companies is as follows (cont'd):-

	Company	
	2023	2022
	RM'000	RM'000
Represented by:-		
Amount due from subsidiary companies		
- non-current	5,140	5,045
- current	246,383	231,974
	<b>251,523</b>	<b>237,019</b>

The reconciliation of movements to fair value adjustment for non-current amount due from subsidiary companies is as follows:-

	Company	
	2023	2022
	RM'000	RM'000
At beginning of financial year	(883)	(965)
Unwinding interest on amount due from subsidiary companies carried at amortised cost during the financial year	226	228
Loss on amount due from subsidiary companies carried at amortised cost during the financial year	(142)	(146)
At end of financial year	<b>(799)</b>	<b>(883)</b>

- (c) Equity loans

In the preceding financial year, an amount of RM1,050,000 due from a subsidiary company was reclassified as equity loan as the amount is not expected to be repayable within the next twelve months and is equity in nature. The fair value of this amount cannot be reliably measured, and consequently, the amount has been measured at cost. During the financial year, equity loan of RM2,720,000 due from a subsidiary company (2022: RM45,000) was repaid.

- (d) Redeemable convertible preference shares ("RCPS")

During the financial year, an amount of RM13,500,000 (2022: RM1,450,000) due from certain subsidiary companies were capitalised by way of investment in RCPS upon the allotment of 13,500,000 units (2022: 1,450,000 units) of RCPS by the subsidiary companies to the Company at an issue price of RM1.00 each.

During the financial year, the Company disposed 60,000,000 RCPS in a subsidiary company (2022: 100,000 RCPS were redeemed by a subsidiary company) in exchange for the allotment of new ordinary shares in a subsidiary company at issue price of RM0.22 per ordinary share (2022: at the redemption price of RM1.00 per RCPS out of the capital of the subsidiary company for a total cash of RM100,000). The details of the disposal is disclosed in Note 10(a) and Note 45(e) to the financial statements (2022: Nil).

## NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023  
(CONT'D)

### 11 ASSOCIATE COMPANIES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
(a) Quoted shares in Malaysia, at cost	<b>181,183</b>	180,173	-	-
Unquoted shares in Malaysia, at cost	<b>40,106</b>	36,106	<b>262</b>	262
Unquoted shares outside Malaysia, at cost	<b>30,478</b>	25,298	-	-
Group's share of post acquisition:-				
- profits less losses	<b>132,799</b>	112,703	-	-
- reserves	<b>232,292</b>	220,243	-	-
	<b>616,858</b>	574,523	<b>262</b>	262
Less:-				
Accumulated impairment loss				
- quoted shares	<b>(36,761)</b>	(41,508)	-	-
- unquoted shares	<b>(2,388)</b>	(2,385)	<b>(262)</b>	(258)
	<b>577,709</b>	530,630	-	4
Represented by:-				
Share of net assets	<b>512,458</b>	468,177		
Goodwill on acquisition	<b>65,251</b>	62,453		
	<b>577,709</b>	530,630		
Market value of quoted shares in Malaysia	<b>1,513,182</b>	1,452,030		

The movement of the impairment account used to record the impairment is as follows:-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At beginning of financial year	<b>43,893</b>	3,485	<b>258</b>	254
Charge for the financial year	<b>5</b>	41,293	<b>4</b>	4
Writeback during the financial year	<b>(4,749)</b>	(885)	-	-
At end of financial year	<b>39,149</b>	43,893	<b>262</b>	258

## NOTES TO THE FINANCIAL STATEMENTS

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(CONT'D)

### 11 ASSOCIATE COMPANIES (CONT'D)

(a) (cont'd):-

The Group and the Company assess whether there is any indicator of impairment during the financial year. If any such indication exists, management of the Group and of the Company assess the recoverable amount of the associate companies and an impairment loss is recognised when the recoverable amount of the associate companies is less than their carrying amount. The recoverable amounts of the associate companies are determined based on fair value less costs to sell method and are within Level 1 and Level 3 of the fair value hierarchy. An impairment loss on investment in associate companies of the Group and of the Company amounting to RM5,000 (2022: RM41,293,000) and RM4,000 (2022: RM4,000) respectively have been recognised during the financial year. The Group has also identified writeback of impairment loss of RM4,749,000 (2022: RM885,000) on investment in associate companies in the statements of profit or loss during the financial year due to the recoverable amount is higher than the carrying amount.

Details of the Level 3 fair value method used in obtaining the recoverable amounts are as follows:-

Valuation method and key inputs	Significant unobservable inputs	Relationship of unobservable inputs and fair value
Adjusted net asset method which derives the fair value of an investee's equity instruments by reference to the fair value of its assets and liabilities	Fair value of individual assets and liabilities	The higher the net assets, the higher the fair value

The Group's and the Company's equity interest in the associate companies, their respective principal activities and countries of incorporation are shown in Note 52 to the financial statements.

#### Interest in Ho Hup Construction Company Berhad ("Ho Hup")

With effect from 1 January 2016, the Group commenced equity accounting for the Group's investment in Ho Hup although it holds less than 20% of the voting shares in Ho Hup, as the Group undertakes to hold its equity interest in Ho Hup for long term and is able to participate in the financial and operating policies in Ho Hup by virtue of having board representation in Ho Hup.

#### Interest in Inari Amertron Berhad ("Inari")

During the financial year ended 30 June 2018, the Group's equity interest in Inari had been diluted to below 20%. The Group continued with equity accounting for the Group's investment in Inari although it holds less than 20% of the voting shares in Inari, as the Group undertakes to hold its equity interest in Inari for long term and is able to participate in the financial and operating policies in Inari by virtue of having board representation in Inari.

## NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023  
(CONT'D)

### 11 ASSOCIATE COMPANIES (CONT'D)

- (b) Amount due from associate companies

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Amount due from associate companies	59,031	75,086	422	413
Less: Allowance for impairment	(716)	(591)	(275)	-
	<b>58,315</b>	74,495	<b>147</b>	413

The amount due from associate companies represents non-trade balances which are unsecured, interest free (except for certain balances which are interest bearing) and are repayable on demand.

The movement of the impairment account used to record the impairment is as follows:-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At beginning of financial year	591	184	-	-
Charge for the financial year	289	407	275	-
Writeback during the financial year	(164)	-	-	-
At end of financial year	<b>716</b>	591	<b>275</b>	-

- (c) The associate companies did not have any contingent liabilities as at 30 June 2023 and 30 June 2022.
- (d) Quoted shares in an associate company with market value of RM896,805,000 (2022: RM864,075,000) have been pledged to licensed banks and financial institutions for credit facilities granted to the Company and certain subsidiary companies.
- (e) Total capital commitments reported by the associate companies as at the reporting date are as follow:-

	Group	
	2023 RM'000	2022 RM'000
Authorised and contracted for:-		
- Purchase of property, plant and equipment	<b>51,522</b>	21,399

**NOTES TO THE FINANCIAL STATEMENTS**

- 30 JUNE 2023

(CONT'D)

**11 ASSOCIATE COMPANIES (CONT'D)**

- (f) The summarised financial information in respect of the Group's major associate companies are as follows:-

	Inari Amertron Berhad Group RM'000	Ho Hup Construction Company Berhad Group RM'000	Melium Holdings Sdn. Bhd. Group RM'000	Divfex Berhad Group RM'000	Other associate companies RM'000	Total RM'000
<b>Financial positions as at 30 June 2023</b>						
<b>Assets and liabilities</b>						
Non-current assets	528,103	536,203	58,853	12,249	200,905	1,336,313
Current assets	2,438,649	994,312	60,262	66,447	307,968	3,867,638
Non-current liabilities	(32,672)	(391,067)	(35,073)	(7,122)	(34,046)	(499,980)
Current liabilities	(331,450)	(734,688)	(50,060)	(40,987)	(254,115)	(1,411,300)
Net assets	2,602,630	404,760	33,982	30,587	220,712	3,292,671
Carrying amount of proportion of the Group's ownership	374,407	18,617	14,646	8,259	96,529	512,458
<b>Financial performance for financial year ended 30 June 2023</b>						
<b>Results</b>						
Revenue	1,354,003	255,012	138,002	76,424	176,183	1,999,624
Attributable to owners of the investee:-						
Profit/(Loss) for the financial year	323,535	(8,778)	15,399	5,161	42,899	378,216
Other comprehensive income/(loss)	28,421	(344)	-	(388)	8,020	35,709
Total comprehensive income/(loss)	351,956	(9,122)	15,399	4,773	50,919	413,925
<b>Group's share of:-</b>						
Profit/(Loss) for the financial year	46,543	(1,201)	6,675	1,381	13,326	66,724
Other comprehensive income/(loss)	4,063	(47)	-	(104)	3,506	7,418
Total comprehensive income/(loss)	50,606	(1,248)	6,675	1,277	16,832	74,142
Dividend received	45,109	-	-	-	2,972	48,081

## NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023  
(CONT'D)

### 11 ASSOCIATE COMPANIES (CONT'D)

- (f) The summarised financial information in respect of the Group's major associate companies are as follows (cont'd):-

	Inari Amertron Berhad Group RM'000	Ho Hup Construction Company Berhad Group RM'000	Melium Holdings Sdn. Bhd. Group RM'000	Divfex Berhad Group RM'000	Other associate companies RM'000	Total RM'000
<b>Financial positions</b>						
<b>as at 30 June 2022</b>						
<b><u>Assets and liabilities</u></b>						
Non-current assets	508,978	542,672	53,489	12,942	231,364	1,349,445
Current assets	2,385,559	944,390	44,944	42,616	258,729	3,676,238
Non-current liabilities	(34,671)	(492,164)	(28,964)	(8,408)	(33,265)	(597,472)
Current liabilities	(354,815)	(581,006)	(50,888)	(21,335)	(293,053)	(1,301,097)
Net assets	2,505,051	413,892	18,581	25,815	163,775	3,127,114
Carrying amount of proportion of the Group's ownership	362,691	17,264	7,970	6,764	73,488	468,177
<b>Financial performance</b>						
<b>for financial year</b>						
<b>ended 30 June 2022</b>						
<b><u>Results</u></b>						
Revenue	1,547,899	185,038	99,415	16,914	58,229	1,907,495
Attributable to owners of the investee:-						
Profit/(Loss) for the financial year	390,917	(50,665)	2,487	625	(1,740)	341,624
Other comprehensive income/(loss)	26,552	(398)	-	164	1,646	27,964
Total comprehensive income/(loss)	417,469	(51,063)	2,487	789	(94)	369,588
<b><u>Group's share of:-</u></b>						
Profit/(Loss) for the financial year	56,598	(6,932)	1,078	149	220	51,113
Other comprehensive income/(loss)	3,790	(54)	-	41	710	4,487
Total comprehensive income/(loss)	60,388	(6,986)	1,078	190	930	55,600
Dividend received	55,422	-	-	-	-	55,422

**NOTES TO THE FINANCIAL STATEMENTS**

- 30 JUNE 2023  
(CONT'D)

**12 JOINTLY CONTROLLED ENTITIES**

	Group	
	2023 RM'000	2022 RM'000
(a) Unquoted shares in Malaysia, at cost	150	150
Group's share of post acquisition losses	(1,052)	(810)
	<b>(902)</b>	<b>(660)</b>

The Group's equity interest in the jointly controlled entities, their principal activities and country of incorporation are shown in Note 53 to the financial statements.

- (b) The amount due from jointly controlled entities represents non-trade balances which are unsecured, interest bearing (except for certain balances which are interest free) and are repayable on demand.
- (c) The summarised financial information in respect of the jointly controlled entities are as follows:-

	2023 RM'000	2022 RM'000
<b>Financial position as at 30 June</b>		
<b>Assets and liabilities</b>		
Non-current assets	11	18
Current assets	293	399
Non-current liabilities	(3)	(10)
Current liabilities	(2,110)	(1,924)
Net liabilities	<b>(1,809)</b>	<b>(1,517)</b>
Carrying amount of proportion of the Group's ownership	<b>(902)</b>	<b>(660)</b>

**Financial performance for the financial year ended 30 June**

<b>Results</b>		
Revenue	1,347	1,078
Loss for the financial year	(292)	(409)
<b>Group's share of:-</b>		
Loss for the financial year	<b>(146)</b>	<b>(205)</b>
Dividend received	-	-

The Group has not recognised losses of a jointly controlled entity totalling RM3,000 (2022: RM99,000) as the Group has no obligation in respect of these losses. The losses of the RM99,000 in the preceding financial year was fully recognised by the Group during the financial year.

- (d) The jointly controlled entities did not have any contingent liabilities and capital commitment as at 30 June 2023 and 30 June 2022.

## NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023  
(CONT'D)

### 13 INTANGIBLE ASSETS

Group	Stock broking dealer's license RM'000	Software RM'000	Development costs RM'000	Goodwill on consolidation RM'000	Total RM'000
<b>2023</b>					
<b>Cost</b>					
At beginning of financial year	45,500	259	797	3,287	49,843
Acquisition of subsidiary companies	-	-	-	17,247	17,247
Written off	-	-	(714)	(3,287)	(4,001)
At end of financial year	45,500	259	83	17,247	63,089
Less:-					
<b>Accumulated amortisation</b>					
At beginning of financial year	7,053	4	7	-	7,064
Charge for the financial year	-	52	16	-	68
At end of financial year	7,053	56	23	-	7,132
<b>Accumulated impairment losses</b>					
At beginning and end of financial year	12,400	-	-	-	12,400
<b>Net carrying amount</b>	<b>26,047</b>	<b>203</b>	<b>60</b>	<b>17,247</b>	<b>43,557</b>
<b>2022</b>					
<b>Cost</b>					
At beginning of financial year	45,500	-	-	-	45,500
Acquisition of subsidiary companies	-	-	658	3,287	3,945
Additions	-	259	139	-	398
At end of financial year	45,500	259	797	3,287	49,843
Less:-					
<b>Accumulated amortisation</b>					
At beginning of financial year	7,053	-	-	-	7,053
Acquisition of subsidiary companies	-	-	4	-	4
Charge for the financial year	-	4	3	-	7
At end of financial year	7,053	4	7	-	7,064
<b>Accumulated impairment losses</b>					
At beginning and end of financial year	12,400	-	-	-	12,400
<b>Net carrying amount</b>	<b>26,047</b>	<b>255</b>	<b>790</b>	<b>3,287</b>	<b>30,379</b>

## NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

### 13 INTANGIBLE ASSETS (CONT'D)

#### Impairment testing of stock broking dealer's license

The stock broking dealer's license had been allocated to the stock broking subsidiary company's stock broking business as a cash-generating unit ("CGU"), a reportable segment for impairment testing. The recoverable amount of the CGU has been determined based on a value in use calculation using cash flow projections covering a five-year period with an assumed revenue growth rate of 4% (2022: 5%) approved by the management of the stock broking subsidiary company. The discount rate applied to the cash flow projections is 7% (2022: 5%). The recoverable amount of the CGU is compared to the total carrying amount of the dealer's license. The management of the stock broking subsidiary company believes that no reasonable possible change in any of the key assumptions would cause the carrying value to materially exceed its recoverable amount.

#### **Key assumptions used in value in use calculation of CGU**

The key assumptions on which the management of the stock broking subsidiary company has based its cash flow projections to undertake impairment testing of the stock broking dealer's license are set out below:-

#### **(a) Budgeted gross brokerage rate and gross margin rate**

This is determined based on the CGU's past performance and the management of the stock broking subsidiary company's expectation of the performance of the local stock market index and market development.

#### **(b) Operational costs**

Other operational costs are expected to increase in line with expected inflation or expansion of the stock broking business.

#### Impairment testing of development costs

The development costs had been allocated to the Group's food contract manufacturing business as the cash-generating unit ("CGU"), the reportable segment for impairment testing.

During the financial year, development costs amounting to RM714,000 has been written off within other operating expenses in the statements of profit or loss due to declining business operations of the subsidiary companies.

In the preceding financial year, the recoverable amount of the CGU had been determined based on a value in use calculation using cash flow projections covering a five-year period with an assumed average growth rate of 31% approved by the management of the subsidiary company. The pre-tax discount rate applied to the cash flow projections was 8%. The recoverable amount of the CGU was compared to the total carrying amount of the development costs. The management of the subsidiary company believed that no reasonable possible change in any of the key assumptions would cause the carrying value to materially exceed its recoverable amount except for changes in the prevailing operating environment which is not ascertainable.

## NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023  
(CONT'D)

### 13 INTANGIBLE ASSETS (CONT'D)

#### Impairment testing on goodwill on consolidation

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the CGUs identified according to operating segment, that is expected to benefit from the business combination. The following are the CGUs, being the lowest level of asset for which the management monitors the goodwill of the Group:-

	<b>2023</b>	<b>Group</b>
	<b>RM'000</b>	<b>2022</b>
		<b>RM'000</b>
Food contract manufacturing and the sales and distribution of consumer food and related products CGUs	-	3,287
Investment holding and property development CGUs	17,247	-
	17,247	3,287

#### *Food contract manufacturing and the sales and distribution of consumer food and related products CGUs*

During the financial year, goodwill amounting to RM3,287,000 has been written off within other operating expenses in the statements of profits or loss due to declining business operations of the subsidiary companies.

In the preceding financial year, the recoverable amounts of the CGUs had been determined based on values in use calculations using cash flow projections covering a five-year period with an assumed average growth rate of 31% approved by the management of the subsidiary companies. The pre-tax discount rates applied to the cash flow projections was 8%. The recoverable amounts of the CGUs were compared to the total carrying amounts of the goodwill. The management of the subsidiary companies believed that no reasonable possible change in any of the key assumptions would cause the carrying values to materially exceed their recoverable amounts except for changes in the prevailing operating environment which is not ascertainable.

#### **Key assumptions used in values in use calculation of CGUs**

The key assumptions on which the management of the subsidiary companies have based their cash flow projections to undertake impairment testing of the development costs and goodwill are as follows:-

- the cash flows were projected based on expected operating results and a five-year business plans; and
- the discount rates applied to the cash flows projections are derived from the weighted average cost of capital plus a reasonable risk premium.

#### *Investment holding and property development CGUs*

The derivation of the goodwill on consolidation of RM17,247,000 during the financial year is disclosed in Note 45(e) to the financial statements.

The goodwill was tested for impairment using the fair value less costs to sell ("FVLCTS") method. The FVLCTS was determined by reference to the published market closing price on the quoted closing bid price at the reporting date and is within Level 1 of the fair value hierarchy.

Based on the impairment tests, no impairment is required for goodwill attributed to the investment holding and property development CGUs.

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(CONT'D)

**14 LAND AND PROPERTY DEVELOPMENT COSTS**

	Group	
	2023 RM'000	2022 RM'000
<b>Non-current</b>		
<u>Freehold land</u>		
At beginning of financial year	-	-
Acquisition of subsidiary companies	68,000	-
Addition - land related cost during the financial year	41	-
At end of financial year	<b>68,041</b>	-
<b>Current</b>		
<u>Property development costs</u>		
At beginning of financial year	11,250	11,078
Acquisition of subsidiary companies	268,150	-
Addition during the financial year	1,637	172
Net reimbursement from project stakeholders	(10,481)	-
At end of financial year	<b>270,556</b>	11,250
<u>Less: Accumulated costs recognised in statements of profit or loss</u>		
At beginning of financial year	-	-
Acquisition of subsidiary companies	(255,965)	-
Recognised during the financial year	(124)	-
At end of financial year	<b>(256,089)</b>	-
	<b>14,467</b>	11,250

The freehold land amounting to RM68,041,000 (2022: RMNil) have been pledged to a licensed bank as security for credit facilities granted to the Group.

**15 DEFERRED TAX ASSETS/(LIABILITIES)**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At beginning of financial year	(3,655)	(2,888)	(984)	(1,050)
Recognised in statements of profit or loss (Note 40)	(1,731)	(767)	79	66
Acquisition of subsidiary companies	(8,838)	-	-	-
At end of financial year	<b>(14,224)</b>	(3,655)	<b>(905)</b>	(984)
Presented as follows:-				
Deferred tax assets	1,280	2,872	-	-
Deferred tax liabilities	(15,504)	(6,527)	(905)	(984)
	<b>(14,224)</b>	(3,655)	<b>(905)</b>	(984)

**NOTES TO THE FINANCIAL STATEMENTS**

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(CONT'D)

**15 DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)**

The components of deferred tax assets and liabilities during the financial year are as follows:-

**Deferred tax assets**

Group	Unabsorbed capital allowances RM'000	Temporary differences between depreciation and capital allowances RM'000	Other timing differences RM'000	Total RM'000
<b>2023</b>				
At beginning of financial year	55	226	2,591	2,872
Recognised in statements of profit or loss	(55)	(225)	(1,312)	(1,592)
At end of financial year	–	1	1,279	1,280
<b>2022</b>				
At beginning of financial year	44	332	2,771	3,147
Recognised in statements of profit or loss	11	(106)	(180)	(275)
At end of financial year	55	226	2,591	2,872

The unabsorbed capital allowances are available for offset against future taxable profits. The utilisation of the deferred tax assets is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences.

**Deferred tax liabilities**

Group	Real property gains tax on fair value adjustment of investment properties RM'000	Temporary differences between depreciation and capital allowances RM'000	Warrants reserve RM'000	Other timing differences RM'000	Land and property development costs RM'000	Total RM'000
<b>2023</b>						
At beginning of financial year	5,543	29	1,124	(169)	–	6,527
Acquisition of subsidiary companies	–	–	–	–	8,838	8,838
Recognised in statements of profit or loss	218	(2)	(168)	91	–	139
At end of financial year	5,761	27	956	(78)	8,838	15,504
<b>2022</b>						
At beginning of financial year	4,839	168	1,285	(257)	–	6,035
Recognised in statements of profit or loss	704	(139)	(161)	88	–	492
At end of financial year	5,543	29	1,124	(169)	–	6,527

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**15 DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)**

The components of deferred tax assets and liabilities during the financial year are as follows (cont'd):-

**Deferred tax liabilities (cont'd)**

Company	Temporary differences between depreciation and capital allowances RM'000	Warrants reserve RM'000	Other timing differences RM'000	Total RM'000
<b>2023</b>				
At beginning of financial year	29	1,124	(169)	984
Recognised in statements of profit or loss	(2)	(168)	91	(79)
At end of financial year	<b>27</b>	<b>956</b>	<b>(78)</b>	<b>905</b>
<b>2022</b>				
At beginning of financial year	22	1,285	(257)	1,050
Recognised in statements of profit or loss	7	(161)	88	(66)
At end of financial year	<b>29</b>	<b>1,124</b>	<b>(169)</b>	<b>984</b>

As at reporting date, the Group has deferred tax assets (stated at gross) not recognised in the financial statements as follows:-

	Group 2023 RM'000	2022 RM'000
Property development costs	(10,492)	-
Unutilised reinvestment allowances	(39)	-
Unutilised tax losses		
- expiry by year of assessment 2028	(28,525)	(18,908)
- expiry by year of assessment 2029	(21,337)	(620)
- expiry by year of assessment 2030	(9,509)	(523)
- expiry by year of assessment 2031	(3,139)	(766)
- expiry by year of assessment 2032	(7,400)	(2,633)
- expiry by year of assessment 2033	(5,769)	-
- foreign subsidiary companies	(46,562)	(42,357)
	<b>(122,241)</b>	<b>(65,807)</b>
Unabsorbed capital allowances	(12,702)	(7,247)
	<b>(145,474)</b>	<b>(73,054)</b>

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**15 DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)**

The above unutilised tax losses, unutilised reinvestment allowances and unabsorbed capital allowances are available for offset against future taxable profits. Deferred tax assets in respect of these items have not been recognised as it was not certain that future taxable profit will be available against which the Group can utilise the benefits.

Effective from year of assessment 2019 as announced in the Federal Budget 2019, the unutilised tax losses of the Group's Malaysian companies as at 30 June 2019 and thereafter will only be available for carry forward for a period of 7 consecutive years. Upon expiry of the 7 years, the unutilised tax losses will be disregarded. The existing time limit to carry forward unutilised tax losses is extended to 10 consecutive years as announced in the Budget 2022.

**16 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Non-current asset</u>				
Sundry receivables	7,345	7,345	-	-
<u>Current assets</u>				
Sundry receivables	46,889	48,566	63	39
Deposits paid	5,953	3,539	152	152
Prepayments	1,504	1,551	38	38
	54,346	53,656	253	229
Less: Allowance for impairment	(2,477)	(2,480)	-	-
	51,869	51,176	253	229
	59,214	58,521	253	229

The Group's and the Company's sundry receivables are creditworthy debtors and are repayable on demand. The Group's and the Company's deposits paid are not impaired.

Included in sundry receivables of the Group are:-

- (i) interest receivable on deposits with licensed banks and financial institutions amounting to RM1,724,000 (2022: RM2,140,000). The interest rates of the deposits with licensed banks and financial institutions are disclosed in Note 21 to the financial statements.
- (ii) the deposits paid to Bursa Malaysia Securities Clearing Sdn. Bhd. amounting to RM6,322,000 (2022: RM6,199,000) by the stock broking subsidiary company for the purpose of clearing and settlement of trade contracts.
- (iii) amount due from a company related to Directors of certain subsidiary companies amounting to RM854,000 (2022: RMNil) and is interest free, unsecured and is repayable on demand.

Included in sundry receivables of the Company is interest receivable on deposits with licensed banks amounting to RM63,000 (2022: RM39,000). The interest rates of the deposits with licensed banks are disclosed in Note 21 to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

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**16 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)**

The carrying amount of non-current sundry receivables is as follows:-

	Group	
	2023 RM'000	2022 RM'000
Sundry receivables, at gross	7,985	7,985
Less: Fair value adjustment calculated based on cash flows discounted using weighted average effective interest rate	(640)	(640)
Sundry receivables, at amortised cost	<b>7,345</b>	7,345

The reconciliation of movements to fair value adjustment for the non-current sundry receivables is as follows:-

	Group	
	2023 RM'000	2022 RM'000
At beginning of financial year	(640)	(640)
Loss on sundry receivables carried at amortised cost during the financial year	(202)	(202)
Unwinding interest on sundry receivables carried at amortised cost during the financial year	202	202
At end of financial year	<b>(640)</b>	(640)

The movement of the allowance account used to record impairment is as follows:-

	Group	
	2023 RM'000	2022 RM'000
At beginning of financial year	2,480	3
Charge for the financial year	-	2,477
Writeback during the financial year	(3)	-
At end of financial year	<b>2,477</b>	2,480

**17 INVENTORIES**

	Group	
	2023 RM'000	2022 RM'000
Completed apartments units and retail lots	15,628	5,564
Manufactured goods		
- raw materials, packaging materials and finished goods	1,502	1,466
Wines and others	4,966	5,037
	<b>22,096</b>	12,067

## NOTES TO THE FINANCIAL STATEMENTS

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### 18 CONTRACT ASSETS/(LIABILITIES)

	Group	
	2023 RM'000	2022 RM'000
Contract assets	75,923	-
Contract liabilities	(1,154)	-
	<b>74,769</b>	-
<u>Property development activities</u>		
At beginning of financial year	-	-
Acquisition of subsidiary companies	74,630	-
Additional during the financial year:-		
- Property development revenue recognised	139	-
At end of financial year	<b>74,769</b>	-

Contract assets in relation to property development activities is the excess of revenue recognised in statements of profit or loss over billings to purchasers as at the reporting date. This unbilled amount for work completed will be transferred to trade receivables when the right to bill becomes unconditional.

As at the reporting date, revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) of the Group is RM5,645,000 (2022: RMNil). The Group expects to recognise this revenue over the next 12 months (2022: Nil).

Contract liabilities refers to provision for liquidated ascertained damages which expected to be claimed by the purchasers based on the terms of the applicable sale and purchase agreements.

### 19 TRADE RECEIVABLES

	Group	
	2023 RM'000	2022 RM'000
Trade receivables	488,488	510,056
Less: Allowance for impairment	(2,984)	(11,628)
	<b>485,504</b>	498,428

Trade receivables are recognised at their original invoice amounts which represent their fair values on initial recognition.

**NOTES TO THE FINANCIAL STATEMENTS**

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**19 TRADE RECEIVABLES (CONT'D)**

The ageing analysis of the Group's trade receivables is as follows:-

	Group	
	2023 RM'000	2022 RM'000
Neither past due nor impaired	413,250	429,060
1 to 30 days past due not impaired	3,216	3,010
31 to 60 days past due not impaired	3,539	2,645
61 to 90 days past due not impaired	2,846	2,465
91 to 120 days past due not impaired	2,846	2,278
More than 120 days past due not impaired	59,807	58,970
	72,254	69,368
Impaired	2,984	11,628
	<b>488,488</b>	<b>510,056</b>

Trade receivables that are neither past due nor impaired are creditworthy debtors with insignificant losses noted. These trade receivables amounting to RM316,813,000 (2022: RM348,045,000) are secured in nature.

Trade receivables that are past due but not impaired amounting to RM48,844,000 (2022: RM58,474,000) are secured in nature. The remaining balance of trade receivables of RM23,410,000 (2022: RM10,894,000) that are past due but not impaired are unsecured in nature and the management is of the view these debts are recoverable and it relates to a number of independent customers from whom there is no recent history of default.

Trade receivables that are impaired amounting to RM2,984,000 (2022: RM11,628,000) relate to receivables that are in significant financial difficulties and have defaulted on repayments. These receivables are not secured by any collateral.

The fair value of the collateral at the reporting date is RM938,627,000 (2022: RM825,229,000).

Information on the credit risk of trade receivables is disclosed in Note 55(b)(ii) to the financial statements.

Included in trade receivables is an amount due from an associate company of RM147,582,000 (2022: RM129,154,000). The amount due from the associate company is secured and interest bearing (except for certain balances which is unsecured and interest bearing/interest free).

The movement of the allowance account used to record impairment is as follows:-

	Group	
	2023 RM'000	2022 RM'000
At beginning of financial year	11,628	11,832
Acquisition of subsidiary companies	5	-
Charge for the financial year	-	321
Writeback during the financial year	(8,649)*	(525)
At end of financial year	<b>2,984</b>	<b>11,628</b>
Individually impaired	<b>2,984</b>	<b>11,628</b>

\* The writeback of the allowance for impairment during the financial year was due to recovery of doubtful debts of RM315,000 and bad debts written off of RM8,334,000.

## NOTES TO THE FINANCIAL STATEMENTS

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### 20 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	2023 RM'000	2022 RM'000
Quoted securities, at market value		
- in Malaysia	41,072	69,212
- outside Malaysia	181,760	180,158
	<b>222,832</b>	<b>249,370</b>

The Group's financial assets at fair value through profit or loss amounting to RM151,399,000 (2022: RM160,553,000) are pledged to certain licensed banks and financial institutions for banking facilities granted to the Group.

### 21 DEPOSITS WITH LICENSED BANKS AND FINANCIAL INSTITUTIONS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deposits with licensed banks and financial institutions consist of the following:-				
- fixed deposits	581,646	344,480	18,973	18,586
- short-term deposits	361,859	257,944	6,550	3,309
	<b>943,505</b>	<b>602,424</b>	<b>25,523</b>	<b>21,895</b>

Deposits placed with licensed banks and financial institutions amounting to RM233,801,000 (2022: RM65,713,000) of the Group are pledged to licensed banks and financial institutions as security for banking and credit facilities granted to the Group.

Deposits placed with licensed banks amounting to RM18,266,000 (2022: RM17,891,000) of the Company is pledged as security for credit facilities granted to the Company.

Dealer's representatives' deposits and monies held in trust on behalf of clients of RM224,106,000 (2022: RM143,307,000) in respect of the stockbroking business are excluded from deposits with licensed banks and financial institutions of the Group in accordance with Financial Reporting Standards Implementation Committee ("FRSIC") Consensus 18, as disclosed in Note 31 and Note 32 to the financial statements.

The effective interest rates for deposits with licensed banks and financial institutions of the Group and of the Company range from 0.001% to 5.00% (2022: 0.001% to 2.53%) and 1.55% to 3.00% (2022: 1.30% to 2.15%) per annum respectively.

## NOTES TO THE FINANCIAL STATEMENTS

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### 22 CASH AND BANK BALANCES

Included in the cash and bank balances of the Group are:-

- (a) an amount of RM740,000 (2022: RM510,000) maintained pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and are restricted from use in other operations. The withdrawal of funds from the housing development account is restricted to cost incurred in respect of the development project.
- (b) an amount of RM2,376,000 (2022: RM166,616,000) is pledged to a licensed financial institution for banking facilities granted to the Group.

Dealer's representatives' deposits and monies held in trust on behalf of clients of RM78,115,000 (2022: RM76,733,000) in respect of the stockbroking business are excluded from cash and bank balances of the Group in accordance with Financial Reporting Standards Implementation Committee ("FRSIC") Consensus 18, as disclosed in Note 31 and Note 32 to the financial statements.

### 23 SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	2023	2022	2023	2022
	Unit'000	Unit'000	RM'000	RM'000
<b>Issued and fully paid with no par value:-</b>				
<u>Ordinary shares</u>				
At beginning and end of financial year	<b>693,348</b>	693,348	<b>873,700</b>	873,700

The holders of the ordinary shares are entitled to receive dividends as and when declared and paid by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

### 24 TREASURY SHARES

	Group and Company			
	Number of shares		Amount	
	2023	2022	2023	2022
	Unit'000	Unit'000	RM'000	RM'000
At beginning and end of financial year	<b>30,327</b>	30,327	<b>14,499</b>	14,499

The shareholders of the Company had by an ordinary resolution passed at the Annual General Meeting held on 25 November 2022, approved the Company's plan to purchase its own shares of up to a maximum of 69,334,805 ordinary shares representing 10% of the total issued and fully paid up share capital (including the 30,327,291 treasury shares) of the Company.

The Directors of the Company are of the opinion that the share buy-back is in the best interest of the Company and its shareholders.

The Company did not repurchase any of its shares from the open market during the financial year. The share buy-back transactions in the preceding financial years were financed by internal generated funds of the Company. The shares bought back are being held as treasury shares in accordance with the provision of Section 127 of the Companies Act 2016.

## NOTES TO THE FINANCIAL STATEMENTS

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### 25 RESERVES AND RETAINED EARNINGS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-distributable:-				
- Exchange translation reserve	66,800	42,235	-	-
- Warrants reserve	4,936	4,936	4,936	4,936
- Other reserves	(8,511)	(7,139)	-	-
	<b>63,225</b>	40,032	<b>4,936</b>	4,936

#### Exchange translation reserve

The exchange translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency and the Group's equity share of certain associate companies' exchange translation reserves.

#### Warrants reserve

The carrying amount in warrants reserve represents the allocated fair value of 331,510,380 free detachable warrants issued by the Company in the preceding financial year pursuant to the rights issue of 132,604,152 redeemable preference shares ("RPS") at an issue price of RM1.00 each in the Company on the basis of five (5) free warrants for every two (2) RPS subscribed.

The fair value of the warrants is allocated based on the difference between the gross proceeds from the issuance of the RPS and the fair value of the RPS, net of deferred tax.

The salient terms of the warrants are as follows:-

- (i) The warrants may be exercised into ordinary shares in the Company at any time during the tenure of the warrants of five (5) years including and commencing from the issue date of the warrants and ending on the expiry date, 28 February 2026.
- (ii) Each warrant carries the entitlement to subscribe for one (1) new ordinary share in the Company at the exercise price of RM0.90 which shall be satisfied fully by cash or by way of surrendering 1 RPS held by the warrants holders for cancellation at 100% of the issue price of the RPS in lieu of the exercise price of the warrants, subject to adjustments in accordance with the Deed Poll. The difference between the exercise price of the warrants and the issue price of the RPS shall be repaid by the Company within 1 month from the date the warrants holder exercising his warrant.
- (iii) The warrants holders are not entitled to any voting rights or participation in any dividends, rights, allotments and/or other distributions in the Company until and unless such holder of warrants exercise their warrants into new ordinary shares in the Company.
- (iv) All new ordinary shares to be issued arising from the exercise of the warrants shall upon allotment, rank pari passu in all respects with the existing ordinary shares in the Company, save and except that such new shares will not entitled its holders to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the ordinary shareholders prior to the relevant date of allotment of the new ordinary shares arising from the exercise of the warrants.

## NOTES TO THE FINANCIAL STATEMENTS

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### 25 RESERVES AND RETAINED EARNINGS (CONT'D)

#### Warrants reserve (cont'd)

The salient terms of the warrants are as follows (cont'd):-

- (v) Where a resolution has been passed for a members' voluntary winding-up, compromise or arrangement to which the warrants holders or some persons designated by them for such purposes by a special resolution will be a party, the terms of such winding-up, compromise or arrangement will be binding on all the warrants holders.
- (vi) Subject to the provisions in the Deed Poll, the exercise price and the number of warrants held by each warrants holder may from time to time be adjusted in the event of any alteration to the share capital of the Company.
- (vii) The rights attached to the warrants which are not exercised during the exercise period will lapse on the expiry date on 28 February 2026.

As at the end of the reporting period, the entire 331,510,380 warrants that were issued remained unexercised.

#### Other reserves

Other reserves refer to the Group's equity share of certain associate companies' capital and other reserves and a subsidiary company's other reserve.

#### Retained earnings

Included in the Group's retained earnings are the accumulated dilution gains comprising share of capital and other reserves of the associate companies from deemed disposals of the Group's equity interest in associate companies arising from equity transactions by associate companies amounting to RM228,774,000 (2022: RM222,656,000).

### 26 NON-CONTROLLING INTERESTS

Set out below are the summarised financial information for a subsidiary company that has non-controlling interests ("NCI") that are material to the Group. The financial information is based on amounts before inter-company eliminations with the Company:-

	<b>2023</b>
	<b>M &amp; A Equity Group</b>
NCI's percentage of ownership interest and voting interest (%)	<b>39.2</b>
Carrying amount of NCI (RM'000)	<b>159,480</b>
Loss allocated to NCI (RM'000)*	<b>(815)</b>

- \* Loss allocated to NCI is based on NCI's share of results of M & A Equity Group (including results of M & A Securities Group), for the period from Completion Date to 30 June 2023 as explained in Note 45(e) to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

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### 26 NON-CONTROLLING INTERESTS (CONT'D)

Set out below are the summarised financial information for a subsidiary company that has non-controlling interests ("NCI") that are material to the Group. The financial information is based on amounts before inter-company eliminations with the Company (cont'd):-

	<b>M &amp; A Equity Group RM'000</b>
<hr/>	
<b>Financial position as at 30 June 2023</b>	
<b><u>Assets and liabilities</u></b>	
Non-current assets	139,282
Current assets	466,240
Non-current liabilities	(27,377)
Current liabilities	(168,120)
	410,025
<b>Financial performance for the financial year ended 30 June 2023</b>	
<b><u>Results</u></b>	
Revenue	40,869
Profit for the year	12,112
<b>Summary of Statement of Cash flows for the financial year ended 30 June 2023</b>	
<b><u>Changes in cash and cash equivalent</u></b>	
Net cash from operating activities	12,574
Net cash from investing activities	9,267
Net cash from financing activities	54,916
	76,757

The NCI of the other subsidiary companies totalling -RM1,504,000 (2022: -RM839,000) were individually immaterial to the Group.

There was a dividend of RM80,000 (2022: RMNil) paid to NCI during the financial year.

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**27 LOANS AND BORROWINGS**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Short-term loans and borrowings - secured</u>				
Bank overdrafts	-	78	-	-
Term loans	71,060	91,675	-	-
Revolving credit facilities	134,030	130,480	124,030	120,480
Margin financing facility	219	18,805	-	-
	<b>205,309</b>	241,038	<b>124,030</b>	120,480
<u>Long-term loans and borrowings - secured</u>				
Term loans	37,652	20,675	-	-
	<b>242,961</b>	261,713	<b>124,030</b>	120,480

The maturity profile of the loans and borrowings as at the reporting date are as follows:-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Amount repayable:-</u>				
On demand or within 1 year	205,309	241,038	124,030	120,480
More than 1 year but not later than 2 years	3,703	1,173	-	-
More than 2 years but not later than 5 years	11,229	3,640	-	-
More than 5 years	22,720	15,862	-	-
	<b>242,961</b>	261,713	<b>124,030</b>	120,480

The loans and borrowings of the Group are secured against the followings:-

- (i) fixed charge over certain properties of the Group;
- (ii) certain quoted securities and unquoted corporate bonds, fixed deposits and bank balances of the Group;
- (iii) certain quoted securities of a subsidiary company's margin clients;
- (iv) corporate guarantee by the Company and a subsidiary company;
- (v) deeds of assignment over the rights, titles and interests of certain properties of the Group;
- (vi) assignment of rental proceeds of certain properties of the Group; and
- (vii) power of attorney in favor of the financial institutions over certain pledged properties of the Group.

The loans and borrowings of the Company are secured against the followings:-

- (i) fixed charge over certain properties held by certain subsidiary companies;
- (ii) quoted securities held by certain subsidiary companies;
- (iii) fixed deposits of the Company and a subsidiary company;
- (iv) a deed of assignment over the rights, titles and interests of certain properties held by a subsidiary company; and
- (v) assignment of rental proceeds of properties held by certain subsidiary companies.

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**27 LOANS AND BORROWINGS (CONT'D)**

The effective interest rates per annum on the loans and borrowings as at the reporting date were as follows:-

	Group		Company	
	2023	2022	2023	2022
Bank overdrafts	6.89% - 8.14%	6.89% - 7.47%	-	-
Term loans	0.78% - 6.84%	0.78% - 5.02%	-	-
Revolving credit facilities	3.94% - 5.56%	3.64% - 4.62%	3.94% - 5.56%	3.64% - 4.50%
Margin financing facility	5.67% - 6.67%	5.67%	-	-

The reconciliation of liabilities arising from financing activities in the statements of cash flows is as follows:-

Group	At beginning of financial year RM'000	Acquisition of subsidiary companies RM'000	Net (repayment)/ addition RM'000	Exchange differences RM'000	At end of financial year RM'000
<b>2023</b>					
Term loans	112,350	21,049	(30,854)	6,167	108,712
Revolving credit facilities	130,480	-	3,550	-	134,030
Margin financing facility	18,805	-	(18,586)	-	219
	<b>261,635</b>	<b>21,049</b>	<b>(45,890)</b>	<b>6,167</b>	<b>242,961</b>
<b>2022</b>					
Term loans	105,090	-	6,502	758	112,350
Revolving credit facilities	125,980	-	4,500	-	130,480
Margin financing facility	4,941	-	13,864	-	18,805
	236,011	-	24,866	758	261,635
<b>Company</b>					
<b>2023</b>					
Revolving credit facilities			120,480	3,550	124,030
<b>2022</b>					
Revolving credit facilities			100,980	19,500	120,480

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**28 LEASE LIABILITIES**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Current</b>				
Leases for motor vehicles	<b>6,963</b>	6,611	-	-
Leases for premises	<b>371</b>	390	<b>326</b>	379
	<b>7,334</b>	7,001	<b>326</b>	379
<b>Non-current</b>				
Leases for motor vehicles	<b>16,740</b>	12,848	-	-
Leases for premises	<b>15</b>	326	-	326
	<b>16,755</b>	13,174	-	326
Total lease liabilities	<b>24,089</b>	20,175	<b>326</b>	705

The maturity analysis of lease liabilities of the Group and of the Company are disclosed in Note 55(b)(iv) to the financial statements.

The lease liabilities for motor vehicles are secured by:-

- (i) The motor vehicles acquired under the finance leases;
- (ii) Corporate guarantee by the Company amounting to RM20,621,000 (2022: RM18,050,000);
- (iii) Corporate guarantee by a subsidiary company amounting to RM33,000 (2022: RM194,000); and
- (iv) Personal guarantee extended by a director of a subsidiary company.

The effective interest rates per annum for lease liabilities are as follows:-

	Group		Company	
	2023	2022	2023	2022
Leases for motor vehicles	<b>1.71% - 7.77%</b>	1.71% - 7.77%	-	-
Leases for premises	<b>4.13% - 5.78%</b>	4.13% - 5.78%	<b>4.13%</b>	4.13%

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**28 LEASE LIABILITIES (CONT'D)**

The reconciliation of liabilities arising from financing activities in the statements of cash flows is as follows:-

	At beginning of financial year RM'000	Addition of new lease RM'000	Repayment RM'000	Others RM'000	At end of financial year RM'000
<b>Group</b>					
<b>2023</b>					
Lease liabilities for motor vehicles	19,459	13,961	(9,725)	8	23,703
Lease liabilities for premises	716	87	(452)	35	386
	<b>20,175</b>	<b>14,048</b>	<b>(10,177)</b>	<b>43</b>	<b>24,089</b>
<b>2022</b>					
Lease liabilities for motor vehicles	20,505	6,957	(8,014)	11	19,459
Lease liabilities for premises	1,113	-	(443)	46	716
	<b>21,618</b>	<b>6,957</b>	<b>(8,457)</b>	<b>57</b>	<b>20,175</b>
<b>Company</b>					
<b>2023</b>					
Lease liabilities for premises	705	-	(408)	29	326
<b>2022</b>					
Lease liabilities for premises	1,069	-	(408)	44	705

Cash outflows for leases as a lessee is as follows:-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Included in cash flows from operating activities</u>				
Payment relating to short-term and low value leases	3,165	2,971	95	91
Payment relating to interest on lease liabilities	1,225	1,011	-	-
<u>Included in cash flows from financing activities</u>				
Payment of lease liabilities	10,177	8,457	408	408
Total cash outflows from leases	<b>14,567</b>	<b>12,439</b>	<b>503</b>	<b>499</b>

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**29 REDEEMABLE PREFERENCE SHARES ("RPS")****RPS issued by the Company**

	Group and Company			
	Number of RPS		Amount	
	2023 Unit'000	2022 Unit'000	2023 RM'000	2022 RM'000
<b>Issued and fully paid with no par value:-</b>				
At beginning and end of financial year	<b>132,604</b>	132,604	<b>132,604</b>	132,604

The initial recognition and measurement and the subsequent measurement of the RPS is as follows:-

	2023 RM'000	2022 RM'000
Face value of RPS	<b>132,604</b>	132,604
<b>Less: Equity component of RPS</b>		
- Fair value of 331,510,380 free warrants recognised in equity under warrants reserve	<b>4,936</b>	4,936
- Deferred tax liability on fair value of warrants	<b>1,559</b>	1,559
	<b>6,495</b>	6,495
<b>RPS - liability component at initial recognition</b>	<b>126,109</b>	126,109
<u>Cummulative RPS dividends recognised in the statements of profit or loss:-</u>		
At beginning of financial year	<b>8,534</b>	2,825
During the financial year	<b>5,740</b>	5,709
At end of financial year	<b>14,274</b>	8,534
<u>Cummulative RPS dividends payable/paid:-</u>		
At beginning of financial year	<b>(6,722)</b>	(1,684)
During the financial year	<b>(5,039)</b>	(5,038)
At end of financial year	<b>(11,761)</b>	(6,722)
<b>RPS - liability component at end of financial year</b>	<b>128,622</b>	127,921

On 1 March 2021, the Company issued 132,604,152 RPS 2021/2026 at an issue price of RM1.00 per RPS together with 331,510,380 free detachable warrants on the basis of five (5) free warrants for every two (2) RPS subscribed. The warrants are convertible into ordinary shares in the Company at an exercise price of RM0.90 per warrant. The salient terms of the warrants are disclosed in Note 25 to the financial statements.

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**29 REDEEMABLE PREFERENCE SHARES ("RPS") (CONT'D)**

The salient terms of the RPS 2021/2026 are as follows:-

- (i) The RPS is not convertible into new ordinary shares of the Company.
- (ii) The RPS carries the right to receive cumulative gross preferential dividend out of distributable profits of the Company at a dividend rate of 3.8% per annum on the issue price of the RPS. The dividends shall be made every 6-monthly ending on 30 June and 31 December of each year ("Dividend Date"). The dividends are payable in arrears whereby payment of the dividends shall be made not later than 14 business days from the Dividend Date. The last dividend payment shall be calculated from the date immediately after the last Dividend Date to the maturity date and shall be made not later than 14 business days from the maturity date.
- (iii) The tenure of the RPS is for five (5) years from the date of issuance of the RPS, unless the tenure, if permitted by law, is extended by the Company and the RPS holders.
- (iv) The RPS is redeemable at 100% of the issue price of the RPS at any time during the tenure of the RPS at the option of the Company as the issuer (where a written notice of not less than 14 business days must be given). The Company may redeem the RPS on a pro-rata basis at 100% of the issue price of the RPS commencing from the date of issue of the RPS up to the maturity date. Any RPS not redeemed by the Company or surrendered by the RPS holders at the maturity date shall be redeemed by the Company at 100% of the issue price.
- (v) In the event of liquidation, dissolution, winding-up or other repayment of capital (other than on redemption) and commencement of any dissolution or winding-up of the Company (other than pursuant to a permitted reorganisation) before any redemption of the RPS, the RPS shall confer on the RPS holders the right to receive equally without any preference or priority among themselves and in priority to the holders of all other ordinary and other preference class of shares in the Company but shall rank behind all secured and unsecured obligations of the Company, cash repayment in full together with declared but unpaid dividend. In the event that the Company has insufficient assets to permit payment to the RPS holders of their full preferential amounts, then all the remaining available funds and assets of the Company shall be distributed rateably among the RPS holders in proportion to the amount that each RPS holder would otherwise be entitled to receive.
- (vi) The RPS holders shall have the same rights as ordinary shareholders as regards to receiving notices, reports and audited financial statements and attending general meetings of the Company. The RPS holders however are not entitled to any voting rights in the Company, except in the following circumstances:-
  - (a) where the dividend or part of the dividend on the RPS has been declared but remains unpaid for more than six (6) months;
  - (b) on a proposal to reduce the Company's share capital;
  - (c) on a proposal for the disposal of the Group's assets, business and undertakings in excess of 50% of the Group's total assets based on the latest audited financial statements;
  - (d) upon any resolution which varies or is deemed to vary the rights and privileges attaching to the RPS;
  - (e) upon any resolution for the liquidation, dissolution, winding-up or other repayment of capital (other than on redemption of RPS) of the Company; and
  - (f) other circumstances as may be provided under the law which is applicable to preference shares and/or preference shareholders from time to time.

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**30 DERIVATIVE FINANCIAL LIABILITIES**

Details of derivative financial liabilities are set out below:-

	Group			
	Contract/Notional value		Negative fair value	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Currency forward contract and options - Less than 1 year	225	1,527	330	849
Other equity related contracts - Less than 1 year	34,409	26,969	3,304	2,818
	<b>34,634</b>	<b>28,496</b>	<b>3,634</b>	<b>3,667</b>

These contracts are not designated as cash flows or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

**31 TRADE PAYABLES**

Included in trade payables of the Group is amount due to a company related to Directors of certain subsidiary companies in respect of landowner's entitlement for the property development project amounting to RM398,000 (2022: RMNil) and is unsecured, interest free and is repayable on demand.

Monies held in trust on behalf of clients amounting to RM286,986,000 (2022: RM207,274,000) in respect of the stock broking business are excluded from trade payables of the Group in accordance with Financial Reporting Standards Implementation Committee ("FRSIC") Consensus 18, as disclosed in Note 21 and Note 22 to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

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**32 OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUALS**

Other payables, deposits received and accruals consist of the followings:-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Accrued expenses	24,467	28,171	723	500
Accrued interest expenses	2,789	2,702	2,727	2,674
Deposits received	2,695	2,896	-	-
Other payables	9,676	6,311	-	-
Sales and service tax payables	616	810	-	-
	<b>40,243</b>	<b>40,890</b>	<b>3,450</b>	<b>3,174</b>

Dealer's representatives' security deposits amounting to RM15,235,000 (2022: RM12,766,000) in respect of the stock broking business are excluded from other payables of the Group in accordance with Financial Reporting Standards Implementation Committee ("FRSIC") Consensus 18, as disclosed in Note 21 and Note 22 to the financial statements.

**33 REVENUE**

Significant categories of revenue recognised during the financial year are as follows:-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Financial services and credit &amp; leasing:-</u>				
- Interest income	36,253	40,610	-	-
- Brokerage commissions	13,271	18,489	-	-
- Secretarial, share registration and management services	371	391	-	-
- Corporate finance advisory fee income	16,520	19,931	-	-
	<b>66,415</b>	<b>79,421</b>	<b>-</b>	<b>-</b>
<u>Investment holding and trading:-</u>				
- Sale of financial instruments	124,059	77,660	-	-
- Secretarial fee	-	-	129	119
- Arranger and management fees income	170	-	480	480
- Rental income from letting of properties	2,974	2,752	-	-
- Dividend income	762	575	45,881	25,200
- Others	20	21	-	-
	<b>127,985</b>	<b>81,008</b>	<b>46,490</b>	<b>25,799</b>
<u>Technology and IT-related manufacturing, trading and services:-</u>				
- Sale of financial instruments	784	37,900	-	-
- Sale of goods and services	822	1	-	-
- Rental income from letting of properties	179	344	-	-
	<b>1,785</b>	<b>38,245</b>	<b>-</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS**

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**33 REVENUE (CONT'D)**

Significant categories of revenue recognised during the financial year are as follows (cont'd):-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Manufacturing and distribution of consumer products and services and retail trading and car rental:-</u>				
- Income from car rental and related services	15,067	12,940	-	-
- Sale of goods and services	4,639	1,480	-	-
	<b>19,706</b>	14,420	-	-
<u>Property investment and development:-</u>				
- Sale of goods and services	118	70	-	-
- Sale of properties inventories	-	460	-	-
- Arranger and management fees income	110	2,216	-	-
- Rental income from letting of properties	577	552	-	-
- Property development	139	-	-	-
	<b>944</b>	3,298	-	-
	<b>216,835</b>	216,392	<b>46,490</b>	25,799
<u>Timing of revenue recognition:-</u>				
- at a point in time	181,379	179,873	46,490	25,799
- over time	35,456	36,519	-	-

**34 COST OF SALES**

Included in cost of sales are, amongst other items, the followings:-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cost of inventories recognised in cost of sales	3,522	1,183	-	-
Depreciation of property, plant and equipment	8,368	7,431	-	-
Direct operating expenses arising from investment properties:-				
- rental generating properties	38	29	-	-
(Writeback of allowance)/Allowance for diminution in value of inventories	(42)	1	-	-
Property development costs	124	-	-	-
Short-term lease expenses	847	882	-	-

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**35 OTHER INCOME**

Included in other income are, amongst other items, the followings:-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Accretion of discounts on financial assets at amortised cost	646	-	-	-
Allowance for doubtful debts no longer required	8,816	525	-	-
Bad debts recovered	32	20	1,250	3,383
Fair value gain on derivative financial instruments	33	-	-	-
Fair value gain on investment properties	942	15,944	-	-
Gain on disposal of a subsidiary company	-	-	45,521	-
Gain on disposal of property, plant and equipment	2,023	1,814	-	-
Gain on disposal of shares in an associate company	-	27,885	-	-
Gain on acquisition of subsidiary companies upon remeasurement of previously held equity interest in the companies arising from step acquisition	750	-	-	-
Gross dividends from financial assets at fair value through profit or loss:-				
- quoted in Malaysia	1,365	1,033	-	-
- quoted outside Malaysia	7,453	6,168	-	-
Interest income from:-				
- deposits and cash balances with licensed banks and financial institutions	21,500	9,566	476	419
- an associate company	5	20	-	-
- a jointly controlled entity	16	9	-	-
- subsidiary companies	-	-	9,172	7,520
- trade and other receivables	743	1,497	-	-
- other receivables carried at amortised cost	202	202	-	-
- amount due from subsidiary companies carried at amortised cost	-	-	226	228
- financial assets at amortised cost	35	96	-	-
- accretion in value on short-term money market funds	2,252	623	121	43
- others	798	124	-	-
Rental income	51	24	-	-
Realised foreign exchange gain	2,348	3,411	-	-
Unrealised foreign exchange gain	16,173	-	-	-
Reversal of provision for impairment loss on investment in associate companies	4,749	885	-	-

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**36 ADMINISTRATION EXPENSES**

Included in administration expenses are, amongst other items, the followings:-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Auditors' remuneration:-				
<b>Grant Thornton Malaysia PLT</b>				
Statutory audit fees				
- current financial year	500	330	55	42
- underprovision in preceding financial year	33	1	13	1
Non-audit fee	132	92	8	8
<b>Other external auditors</b>				
Statutory audit fees				
- current financial year	94	87	-	-
Non-audit fee	17	14	-	-
Amortisation of intangible assets	8	2	-	-
Depreciation of property, plant and equipment	613	603	488	492
Short-term and low value lease expenses	770	649	95	91

**37 OTHER OPERATING EXPENSES**

Included in other operating expenses are, amongst other items, the followings:-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Allowance for doubtful debts	289	3,205	313	40
Amortisation of intangible assets	60	5	-	-
Allowance for obsolete inventories	3	-	-	-
Amortisation of premium on financial assets at amortised cost	-	1	-	-
Bad debts written off	8,797	545	-	-
Depreciation of property, plant and equipment	1,557	1,271	-	-
Direct operating expenses arising from investment properties:-				
- rental generating properties	1,310	1,115	-	-
- non-rental generating properties	411	570	-	-
Fair value loss on derivative financial instruments	-	760	-	-
Inventories written off	64	126	-	-
Intangible assets written off	4,001	-	-	-
Loss on disposal of investment properties	250	300	-	-
Loss on amount due from subsidiary companies carried at amortised cost	-	-	142	146

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### 37 OTHER OPERATING EXPENSES (CONT'D)

Included in other operating expenses are, amongst other items, the followings (cont'd):-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Loss on fair value changes of financial assets at fair value through profit or loss	3,361	25,815	-	-
Loss on other receivables carried at amortised cost	202	202	-	-
Loss on derecognition of subsidiary companies	-	89	-	-
Property, plant and equipment written off	32	4	-	-
Provision for impairment loss on investment in associate companies	5	41,293	4	4
Provision for impairment loss on investment in subsidiary companies	-	-	1,840	300
Short-term and low value lease expenses	1,548	1,440	-	-
Realised foreign exchange loss	-	-	-	1
Unrealised foreign exchange loss	-	3,692	3,237	2,435

### 38 FINANCE COSTS

Finance costs comprise of the following interest expenses:-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest expenses on:-				
- term loans	4,893	2,865	-	-
- bank overdrafts	18	33	-	-
- revolving credit facilities	6,429	5,622	6,161	4,926
- dividends on RPS	5,740	5,709	5,740	5,709
- interest on lease liabilities	1,268	1,068	29	44
- margin financing facility	328	717	-	-
- charged by a subsidiary company	-	-	328	717
- others	99	174	-	-
	<b>18,775</b>	<b>16,188</b>	<b>12,258</b>	<b>11,396</b>

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**39 EXCEPTIONAL ITEM**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net gain on deemed disposal of equity interests in associate companies (Note 4(g))	<b>5,748</b>	131,292	-	-

**40 TAX EXPENSE**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Income tax:-</u>				
Provision for current financial year				
- Malaysian income tax	<b>11,652</b>	12,812	<b>622</b>	295
- Overseas income tax	<b>265</b>	213	-	-
(Over)/Underprovision in previous financial year				
- Malaysian income tax	<b>(255)</b>	(832)	-	31
- Overseas income tax	<b>(14)</b>	26	-	-
<u>Real property gains tax:-</u>				
Provision for current financial year	-	31	-	-
<u>Deferred tax (Note 15):-</u>				
Transfer from/(to) deferred taxation	<b>1,391</b>	52	<b>(79)</b>	(66)
Underprovision in previous financial year	<b>122</b>	11	-	-
Deferred Real property gains tax	<b>218</b>	704	-	-
	<b>13,379</b>	13,017	<b>543</b>	260

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**40 TAX EXPENSE (CONT'D)**

The reconciliation of income tax expense on profit before tax with the applicable statutory income tax rate is as follows:-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before tax	<b>134,733</b>	229,639	<b>76,157</b>	15,025
Income tax at the Malaysian statutory tax rate of 24% (2022: 24%)	<b>32,336</b>	55,113	<b>18,278</b>	3,606
Tax effects in respect of:-				
Non-allowable expenses	<b>10,895</b>	19,150	<b>4,586</b>	3,569
Income not subject to tax	<b>(31,444)</b>	(59,575)	<b>(22,321)</b>	(6,946)
Effect of different tax rates in other countries	<b>(218)</b>	(2,271)	-	-
Overseas tax paid on dividend income	<b>387</b>	306	-	-
Deferred Real property gains tax on fair value adjustment of investment properties	<b>218</b>	704	-	-
Real property gains tax on an investment property	-	31	-	-
Utilisation of previously unrecognised deferred tax assets	<b>(124)</b>	(643)	-	-
Deferred taxation not recognised in the financial statements	<b>1,476</b>	997	-	-
Tax expense for current financial year	<b>13,526</b>	13,812	<b>543</b>	229
(Over)/Underprovision for tax expense in previous financial year	<b>(269)</b>	(806)	-	31
Underprovision for deferred taxation in previous financial year	<b>122</b>	11	-	-
Total tax expense for the financial year	<b>13,379</b>	13,017	<b>543</b>	260
Unutilised tax losses carried forward subject to agreement of the tax authorities	<b>122,241</b>	65,807	-	-
Unabsorbed capital allowances carried forward subject to agreement of the tax authorities	<b>12,702</b>	7,477	-	-
Unutilised reinvestment allowances carried forward subject to agreement of the tax authorities	<b>39</b>	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS**

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**41 EARNINGS PER SHARE**Basic earnings per share

Earnings per ordinary share is calculated by dividing the Group's profit for the financial year attributable to owners of the Company of RM122,754,000 (2022: RM215,145,000) to the weighted average number of ordinary shares in issue during the financial year of 663,021,000 ordinary shares (2022: 663,021,000 ordinary shares), after taking into consideration the movement of ordinary shares bought back by the Company.

Diluted earnings per share

For the current financial year, there is no potential conversion of the outstanding Warrants of the Company into ordinary shares and this has an anti-dilutive effect on the basic earnings per ordinary share. As such, the diluted earnings per ordinary share is equivalent to the basic earnings per ordinary share which is in accordance to MFRS 133 Earnings per Share.

In the preceding financial year, the diluted earnings per ordinary share was calculated by dividing the Group's profit attributable to owners of the Company of RM215,145,000 to the weighted average number of ordinary shares in issue (adjusted for the assumed conversion of dilutive Warrants into ordinary shares at the beginning of the financial year) of 666,664,000 ordinary shares.

**42 DIRECTORS' REMUNERATION**

The aggregate remuneration paid and payable to the Directors of the Company and subsidiary companies for the financial year, categorised into the appropriate components are as follows:-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Executive Directors:-</u>				
<b>Directors of the Company</b>				
Salaries and other emoluments	3,227	3,348	420	490
Defined contribution plan	509	515	50	59
Fees	36	-	-	-
Benefits-in-kind	16	16	16	16
	<b>3,788</b>	3,879	<b>486</b>	565
<b>Directors of subsidiary companies</b>				
Salaries and other emoluments	9,461	8,505	-	-
Defined contribution plan	1,038	945	-	-
Benefits-in-kind	41	47	-	-
	<b>10,540</b>	9,497	-	-
Total Executive Directors' remuneration	<b>14,328</b>	13,376	<b>486</b>	565

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### 42 DIRECTORS' REMUNERATION (CONT'D)

The aggregate remuneration paid and payable to the Directors of the Company and subsidiary companies for the financial year, categorised into the appropriate components are as follows (cont'd):-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Non-Executive Directors:-</b>				
<b>Directors of the Company</b>				
Salaries and other emoluments	721	732	-	-
Defined contribution plan	67	66	-	-
Fees	174	120	132	120
Benefits-in-kind	25	24	25	24
	<b>987 *</b>	<b>942 *</b>	<b>157</b>	<b>144</b>
<b>Directors of subsidiary companies</b>				
Salaries and other emoluments	253	257	-	-
Defined contribution plan	7	-	-	-
Fees	78	-	-	-
	<b>338</b>	<b>257</b>	<b>-</b>	<b>-</b>
Total Non-Executive Directors' remuneration	<b>1,325</b>	<b>1,199</b>	<b>157</b>	<b>144</b>
<b>Total Directors' remuneration</b>	<b>15,653</b>	<b>14,575</b>	<b>643</b>	<b>709</b>

\* This includes the aggregate remuneration of Non-Executive Directors of the Company who are Directors and management staff of certain subsidiary companies.

### 43 STAFF COSTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Salaries, bonus, allowances and fees	41,094	40,608	4,749	4,708
Defined contribution plan	5,229	4,954	516	548
Social security cost	210	162	29	27
Other staff related expenses	249	95	36	17
	<b>46,782</b>	<b>45,819</b>	<b>5,330</b>	<b>5,300</b>

Included in staff costs of the Group and of the Company are executive and non-executive Directors' remuneration amounting to RM15,571,000 (2022: RM14,488,000) and RM602,000 (2022: RM669,000) respectively as disclosed in Note 42 to the financial statements.

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**44 DIVIDENDS**

	Company	
	2023 RM'000	2022 RM'000
Interim single-tier dividend of 2.5 sen per ordinary share paid on 17 January 2023 in respect of financial year ended 30 June 2023	16,575	-
Interim single-tier dividend of 2.5 sen per ordinary share paid on 19 January 2022 in respect of financial year ended 30 June 2022	-	16,575
	<b>16,575</b>	<b>16,575</b>

**45 ACQUISITION AND DISSOLUTION AND CHANGES IN THE GROUP'S OWNERSHIP INTEREST IN SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES**

During the financial year:-

## (a) Information on the dissolution of a subsidiary company - Insas Logistics (S) Pte. Ltd. ("ILSPL")

On 30 June 2022, the Company announced that ILSPL, a dormant indirect wholly-owned subsidiary company, had applied to the Accounting and Corporate Regulatory Authority of Singapore ("ACRA") for the striking off of ILSPL pursuant to Section 344A of the Singapore Companies Act ("Proposed Striking Off").

ILSPL had ceased operations and the Proposed Striking Off will reduce the administrative resources and costs for maintaining this dormant subsidiary company.

On 11 October 2022, the Company announced that the strike off application have been approved by ACRA. Accordingly, the name of ILSPL has been struck off from the register and ILSPL ceased to be a subsidiary of the Group.

## (b) Investment in a subsidiary company - Sensecube Sdn. Bhd. ("Sensecube")

On 28 July 2022, Insas Technology Berhad ("ITB"), a wholly-owned subsidiary of the Company, had subscribed for 9,999 new ordinary shares in Sensecube, representing 99.99% of the enlarged share capital in Sensecube for a total subscription price of RM9,999.

On 8 August 2022, ITB further acquired 1 share from a third party shareholder for a consideration of RM1. Arising thereon, Sensecube became a wholly-owned subsidiary company of the Group.

Sensecube's principal activities are investment holding and property investment.

## (c) Information on the dissolution of an associate company - O&amp;S Pacific Co. Ltd. ("O&amp;S")

On 14 July 2022, O&S, a dormant 30% indirect owned associate company, has been struck-off from the register pursuant to Section 151(4) of the Labuan Companies Act 1990. Arising therefrom, O&S ceased to be an associate company of the Group.

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**45 ACQUISITION AND DISSOLUTION AND CHANGES IN THE GROUP'S OWNERSHIP INTEREST IN SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES (CONT'D)**

During the financial year (cont'd):-

(d) Incorporation of a subsidiary company - PRAC BlueBox Sdn. Bhd. ("PRAC BlueBox")

On 9 January 2023, PRAC BlueBox was incorporated as an indirect subsidiary of the Company with an issued and paid up share capital of RM1 comprising of 1 ordinary share. PRAC BlueBox is 100% owned by Insas Logistics (M) Sdn. Bhd. ("ILMSB"), a wholly-owned subsidiary of the Company.

On 9 May 2023, ILMSB further subscribed for 249,999 new ordinary shares in PRAC BlueBox for a total subscription price of RM249,999.

PRAC BlueBox is principally engaged in the business of transportation services, courier services and leasing of trucks.

(e) Investment in subsidiary companies and changes in ownership interest in subsidiary companies

On 6 October 2021, the Company announced that it had entered into a Share Sale and Purchase Agreement ("SSPA") with M & A Equity for the disposal of 100,000,000 ordinary shares and 60,000,000 redeemable convertible preference shares ("RCPS") in its wholly-owned subsidiary company, M & A Securities, representing the entire equity interest and RCPS in M & A Securities. The sale consideration was fully satisfied through the issuance of 1,585,714,286 new ordinary shares ("Shares") in M & A Equity to the Company. On 14 November 2022, the Company announced the number of Shares shall be revised from 1,585,714,286 to 1,009,090,909 Shares ("Consideration Shares") and the revised issue price from RM0.14 to RM0.22 per share, resulted in a total sale consideration of RM222.0 million ("Disposal").

On 10 May 2023 ("Completion Date"), the Company completed the Disposal and arising therefrom, M & A Equity and its subsidiary companies ("M & A Equity Group") became 67.12% subsidiary companies of the Group and the Group's effective equity interest in M & A Securities and its subsidiary companies ("M & A Securities Group") was diluted from 100% to 67.12%. The dilution of equity interest in M & A Securities Group that did not result in a loss of control and the Group recorded a net gain of RM13.9 million wherein the Group recognised an increase in retained earnings and a decrease in non-controlling interests of RM13.9 million respectively.

On 30 June 2023, upon completion of the rights issue and restricted issue of ordinary shares in M & A Equity, the Group's equity interest in M & A Equity was diluted to 60.83%. The dilution of equity interest in M & A Equity that did not result in a loss of control, resulted in a net gain of RM3.9 million which the Group recognised an increase in retained earnings of RM3.9 million and an increase in non-controlling interest of RM53.7 million.

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**45 ACQUISITION AND DISSOLUTION AND CHANGES IN THE GROUP'S OWNERSHIP INTEREST IN SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES (CONT'D)**

During the financial year (cont'd):-

- (e) Investment in subsidiary companies and changes in ownership interest in subsidiary companies (cont'd)

Assets recognised and liabilities assumed

The fair value of identified assets and liabilities of M &amp; A Equity Group as at the Completion Date are as follows:-

	<b>Group 2023 RM'000</b>
<u>Net assets acquired:-</u>	
Investment in M & A Securities	222,000
Land and property development costs	80,185
Inventories	10,066
Trade and other receivables	3,369
Contract assets	74,630
Tax recoverable	1,065
Cash and cash equivalents	3,847
Amount due to a related company	(10,000)
Trade and other payables	(18,930)
Tax payables	(137)
Loans and borrowings	(21,049)
Deferred tax liabilities	(8,838)
Net assets at Completion Date	336,208
Non-controlling interest's share of net assets at Completion Date	(120,452)
Group's share of net assets at Completion Date	215,756
Goodwill on acquisition (Note 13)	17,247
Carrying amount for previously held equity interest in M & A Equity	(10,253)
Gain on remeasurement of previously held equity interest in M & A Equity arising from step acquisition	(750)
Purchase consideration	222,000
Proceeds satisfied by exchange of shares	(222,000)
Add: Deposits with a licensed bank pledged	3,175
Less: Cash and cash equivalents acquired	(3,847)
Net cash inflow from the acquisition of subsidiary companies	(672)

Goodwill arising from business combination

The acquisition gave rise to a goodwill of RM17,247,000 which has been included in the statements of financial position as intangible assets.

**NOTES TO THE FINANCIAL STATEMENTS**

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**45 ACQUISITION AND DISSOLUTION AND CHANGES IN THE GROUP'S OWNERSHIP INTEREST IN SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES (CONT'D)**

During the financial year (cont'd):-

- (e) Investment in subsidiary companies and changes in ownership interest in subsidiary companies (cont'd)

The effects of the acquisition of M & A Equity Group on the financial results of the Group during the financial year is as follows:-

	<b>Group 2023 RM'000</b>
Revenue	139
Cost of sales	(192)
Gross loss	(53)
Other income	264
Administration expenses	(2,302)
Other operating expenses	(473)
Finance costs	(300)
Loss before tax	(2,864)
Tax expense	19
Loss for the financial year	<b>(2,845)</b>
<u>Attributable to:-</u>	
Owners of the Company	(2,754)
Non-controlling interests	(91)
	<b>(2,845)</b>

If the acquisition had taken place at the beginning of the financial year, the Group's revenue and profit for the financial year would have been RM235,230,000 and RM117,535,000 respectively.

In the preceding financial year:-

- (f) Acquisition of subsidiary companies

- (i) Venturescape Sdn. Bhd. ("Venturescape")

On 5 October 2021, M & A Securities had acquired 1 ordinary share in Venturescape for a cash consideration of RM1. Arising from this acquisition, Venturescape became an indirect wholly-owned subsidiary of the Group.

Venturescape is a private limited company incorporated in Malaysia on 23 September 2021 and its principal activity is property investment.

- (ii) QBI Packaging Sdn. Bhd. ("QBI") and Makan Channel Sdn. Bhd. ("MCSB")

On 4 January 2022, ITB had entered into a share sale and purchase agreement ("SSPA") with Divfex Berhad ("Divfex") wherein Divfex agreed to sell to ITB and ITB agreed to acquire:-

- 70% of the issued ordinary shares comprising 233,330 ordinary shares in QBI for a consideration of RM3,430,000; and
- 70% of the issued ordinary shares comprising 70,000 ordinary shares in MCSB for a consideration of RM70,000.

upon such terms and conditions as stated in the SSPA ("Proposed Acquisition").

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**45 ACQUISITION AND DISSOLUTION AND CHANGES IN THE GROUP'S OWNERSHIP INTEREST IN SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES (CONT'D)**

In the preceding financial year (cont'd):-

- (f) Acquisition of subsidiary companies (cont'd)
- (ii) QBI Packaging Sdn. Bhd. ("QBI") and Makan Channel Sdn. Bhd. ("MCSB") (cont'd)

QBI was incorporated in Malaysia and is principally engaged in the business of food and contract manufacturing.

MCSB was incorporated in Malaysia and is principally engaged in the business of sales and distribution of consumer food and related products.

The Proposed Acquisition was completed on 14 April 2022 and arising thereon, QBI and MCSB became indirect subsidiary companies of the Group.

Assets recognised and liabilities assumed

The fair value of assets acquired and liabilities assumed as at the date of acquisition are as follows:-

	<b>Group 2022 RM'000</b>
<u>Net assets acquired:-</u>	
Property, plant and equipment	3,608
Intangible assets	654
Inventories	1,724
Trade receivables	894
Other receivables and deposits	1,166
Tax recoverable	73
Cash and bank balances	74
Trade payables	(548)
Other payables	(7,342)
Net assets at date of acquisition	303
Non-controlling interest's share of net assets at date of acquisition	(90)
Group's share of net assets at date of acquisition	213
Goodwill on acquisition (Note 13)	3,287
Purchase consideration	3,500
Less: Cash and cash equivalents acquired	(74)
Net cash outflow on acquisition of equity interest in subsidiary companies	3,426

Goodwill arising from business combination

The acquisition gave rise to a goodwill of RM3,287,000 which has been included in the statements of financial position as intangible assets.

**NOTES TO THE FINANCIAL STATEMENTS**

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**45 ACQUISITION AND DISSOLUTION AND CHANGES IN THE GROUP'S OWNERSHIP INTEREST IN SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES (CONT'D)**

In the preceding financial year (cont'd):-

- (f) Acquisition of subsidiary companies (cont'd)
- (ii) QBI Packaging Sdn. Bhd. ("QBI") and Makan Channel Sdn. Bhd. ("MCSB") (cont'd)

The effects of the acquisition of QBI and MCSB on the financial results of the Group in the preceding financial year are as follows:-

	<b>Group 2022 RM'000</b>
Revenue	1,009
Cost of sales	(991)
Gross profit	18
Other income	156
Administration expenses	(556)
Other operating expenses	(159)
Finance costs	(49)
Loss before tax	(590)
Tax expense	-
Loss for the financial year	(590)
<u>Attributable to:-</u>	
Owners of the Company	(413)
Non-controlling interests	(177)
	(590)

If the acquisition had taken place at the beginning of the preceding financial year, the Group's revenue and profit for the preceding financial year would have been RM218,465,000 and RM215,707,000 respectively.

## NOTES TO THE FINANCIAL STATEMENTS

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### 45 ACQUISITION AND DISSOLUTION AND CHANGES IN THE GROUP'S OWNERSHIP INTEREST IN SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES (CONT'D)

In the preceding financial year (cont'd):-

- (g) Changes in the Group's ownership interest in subsidiary companies that did not result in a loss of control

- (i) Delta Crest (M) Sdn. Bhd. ("DCMSB")

On 5 October 2021, Delta Crest (KL) Sdn. Bhd., a 55% indirect subsidiary of the Company, had subscribed for 990,000 new ordinary shares at an issue price of RM0.01 each representing 99% of the enlarged share capital in DCMSB for a total cash consideration of RM9,900. Arising thereon, the Group's equity interest in DCMSB has been diluted from 100% to 55.45%.

DCMSB is a private limited company incorporated in Malaysia on 27 October 1994 and its principal activity is property investment.

- (ii) VigTech Labs Sdn. Bhd. ("VLSB")

On 31 May 2022, VLSB, an indirect wholly-owned subsidiary of the Company had allotted 300,000 new ordinary shares at an issue price of RM1.00 each to a third party shareholder, representing 30% of the enlarged share capital in VLSB. Arising thereon, the Group's equity interest in VLSB has been diluted from 100% to 70%.

VLSB is a private limited company incorporated in Malaysia on 8 February 2005 and its principal activities are design and development of software and web applications and the provision of communication and networking services. In the preceding financial year, VLSB ventured into protection films for vehicles and other trading business.

- (h) Investment in an associate company - Duramitt Sdn. Bhd. ("Duramitt")

On 11 August 2021, ITB had entered into a subscription agreement to subscribe for 1,928,623 new ordinary shares in Duramitt, representing 30% of the enlarged share capital in Duramitt for a total subscription price of RM10.7 million.

The subscription of shares was completed on 26 October 2021. Arising thereon, Duramitt became an associate company of the Group.

Duramitt's principal activities are the manufacturing, trading and sale of specialised industrial and medical examination gloves.

**NOTES TO THE FINANCIAL STATEMENTS**

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**46 FINANCIAL GUARANTEES (UNSECURED)**

	Group		Company	
	Limit RM'000	Amount utilised RM'000	Limit RM'000	Amount utilised RM'000
Bank guarantee issued by licensed banks in favour of third parties/local authorities for the performance of development projects:-				
<b>2023</b>				
- certain subsidiary companies	10,418	-	-	-
Corporate guarantees extended to licensed banks and financial institutions for credit facilities granted to:-				
<b>2023</b>				
- certain subsidiary companies	-	-	113,423	51,542
<b>2022</b>				
- certain subsidiary companies	-	-	111,983	68,766
- an associate company	1	1	-	-

As at the reporting date, no values were placed on the corporate guarantees provided by the Company and a subsidiary company as the directors regard the value of the credit enhancement provided by the corporate guarantees to be minimal.

**47 CAPITAL COMMITMENTS**

	Group	
	2023 RM'000	2022 RM'000
Authorised and contracted for:-		
- Acquisition of property, plant and equipment	1,583	9,305
- Investment commitments for new subsidiaries in financing related activities	4,500	-
- Investment commitments in relation to financial assets at fair value through other comprehensive income	532	480
	6,615	9,785

**NOTES TO THE FINANCIAL STATEMENTS**

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**48 LEASE COMMITMENTS****(a) Operating lease commitments - as lessor**

The Group has entered into property leases for certain of its investment properties. The non-cancellable leases are for lease terms of between 1 and 3 years. These leases include a market review clause to enable revision of the rental charge upon renewal of the lease based on prevailing market rates.

As at the reporting date, commitments in respect of non-cancellable operating leases of the Group's investment properties to third parties are as follows:-

	<b>Group</b>	
	<b>2023</b>	2022
	<b>RM'000</b>	RM'000
Not later than 1 year	<b>3,187</b>	2,969
Later than 1 year but not more than 5 years	<b>3,212</b>	773
	<b>6,399</b>	3,742

**(b) Operating lease commitments - as lessee**

Future lease payments in respect of non-cancellable operating leases as at the reporting date and payable:-

	<b>Group</b>	
	<b>2023</b>	2022
	<b>RM'000</b>	RM'000
Not later than 1 year	<b>51</b>	43
Later than 1 year but not more than 5 years	<b>8</b>	-
	<b>59</b>	43

The Group and the Company did not recognise as ROU assets for the short-term leases, leases of low value assets and leases whereby the landlord has the substantial right to substitute the asset being leased throughout the period of the lease.

**(c) Lease liabilities and finance lease commitments**

The future minimum lease payments under lease liabilities are disclosed in Note 55(b)(iv) to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

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### 49 SEGMENTAL INFORMATION

#### (a) Operating Segments

2023	Financial services and credit & leasing RM'000	Investment holding and trading RM'000	Technology and IT-related manufacturing, trading and services RM'000	Manufacturing and distribution of consumer products and services, retail trading and car rental RM'000	Property investment and development RM'000	Elimination RM'000	Group RM'000
<b>Revenue</b>							
External revenue	66,415	127,985	1,785	19,706	944	-	216,835
Inter-segment revenue	186	48,685	35,613	1,520	1,312	(87,316)	-
<b>Total segment revenue</b>	<b>66,601</b>	<b>176,670</b>	<b>37,398</b>	<b>21,226</b>	<b>2,256</b>	<b>(87,316)</b>	<b>216,835</b>
<b>Results</b>							
Interest income	6,040	16,155	17,595	845	289	(15,373)	25,551
Finance costs	(13,859)	(16,489)	(449)	(2,642)	(613)	15,277	(18,775)
Depreciation and amortisation	(747)	(858)	(489)	(8,512)	-	-	(10,606)
Share of profits less losses of associate companies	-	9,409	52,754	5,916	(1,355)	-	66,724
Share of losses of jointly controlled entities	(242)	-	-	-	-	-	(242)
Tax expense	(8,434)	(1,843)	(2,123)	(834)	(145)	-	(13,379)
Other non-cash items (i)	1,919	10,664	8,932	(535)	165	-	21,145
<b>Segment profit/(loss)</b>	<b>26,890</b>	<b>26,187</b>	<b>68,448</b>	<b>3,687</b>	<b>(3,858)</b>	<b>-</b>	<b>121,354</b>
<b>Assets</b>							
Investments in associate companies	-	54,545	463,982	37,090	22,092	-	577,709
Additions to non-current assets (ii)	486	33	30,023	17,078	642	-	48,262
<b>Segment assets</b>	<b>721,449</b>	<b>908,933</b>	<b>977,858</b>	<b>109,154</b>	<b>313,968</b>	<b>-</b>	<b>3,031,362</b>
<b>Liabilities</b>							
<b>Segment liabilities</b>	<b>74,420</b>	<b>353,504</b>	<b>12,062</b>	<b>29,603</b>	<b>61,564</b>	<b>-</b>	<b>531,153</b>

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**49 SEGMENTAL INFORMATION (CONT'D)****(a) Operating Segments (cont'd)**

2022	Financial services and credit & leasing RM'000	Investment holding and trading RM'000	Technology and IT-related manufacturing, trading and services RM'000	Manufacturing and distribution of consumer products and services, retail trading and car rental RM'000	Property investment and development RM'000	Elimination RM'000	Group RM'000
<b>Revenue</b>							
External revenue	79,421	81,008	38,245	14,420	3,298	-	216,392
Inter-segment revenue	531	27,186	44,733	633	923	(74,006)	-
Total segment revenue	79,952	108,194	82,978	15,053	4,221	(74,006)	216,392
<b>Results</b>							
Interest income	4,890	8,982	11,100	40	255	(13,130)	12,137
Finance costs	(12,995)	(14,135)	(258)	(2,100)	(297)	13,597	(16,188)
Depreciation and amortisation	(558)	(864)	(280)	(7,540)	(71)	-	(9,313)
Share of profits less losses of associate companies	-	519	57,222	(332)	(6,296)	-	51,113
Share of losses of jointly controlled entities	(103)	-	-	(3)	-	-	(106)
Tax expense	(9,982)	(1,548)	(1,088)	(315)	(84)	-	(13,017)
Other non-cash items (i)	(346)	(54,079)	130,022	(255)	(2,428)	-	72,914
Segment profit/(loss)	34,751	(59,161)	248,646	(670)	(6,944)	-	216,622
<b>Assets</b>							
Investments in associate companies	-	37,496	441,067	31,167	20,900	-	530,630
Additions to non-current assets (ii)	1,457	41	40,926	19,108	-	-	61,532
Segment assets	737,889	818,532	899,760	99,387	145,131	-	2,700,699
<b>Liabilities</b>							
Segment liabilities	72,982	391,999	13,048	24,036	5,384	-	507,449

## NOTES TO THE FINANCIAL STATEMENTS

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### 49 SEGMENTAL INFORMATION (CONT'D)

#### (a) Operating Segments (cont'd)

Segment revenue, expenses and results include transfers between segments. The prices charged on inter-segment transactions are on negotiated basis. These transactions are eliminated on consolidation.

The Group is organised into five main operating segments. The main operating segments of the Group and their respective business activities are:-

<b><u>Operating segments</u></b>	<b><u>Business activities</u></b>
Financial services and credit & leasing	Stock broking and dealing in securities, provision of corporate finance and advisory services, credit and leasing and granting of loans and other related financing activities, provision of share registration services, management services and nominee agents.
Investment holding and trading	Investment holding and trading of quoted securities and other related financial instruments.
Technology and IT-related manufacturing, trading and services	Manufacture of wireless microwave telecommunication products, wireless broadcast card and provision of electronic manufacturing services, manufacture of light emitting diode, electronics and optical fiber cable devices, research and resale of all kind of optoelectronic devices, manufacturing of advanced communication chips and die preparation, manufacturing, assembling and testing of optoelectronic and sensor components, modules and systems, design and development of software and web applications and provision of communication and networking services, electronic components sourcing, computer hardware dealers and maintenance, trading of multimedia and electronic products, and design, manufacture, repair, assembly and testing of semiconductor equipment and IT consultancy services and protection films trading business and sale of goods.
Manufacturing and distribution of consumer products and services, retail trading and car rental	Food and contract manufacturing, sales and distribution of consumer food and related products, cars and limousines for hire/rental, promote use of electric vehicles, wine merchant, retail and trading of high fashion wear, leather goods and other lifestyle-related products, operating food and beverages outlets and processing and preserving of meat and meat products, manufacturing, trading and sale of specialised industrial and medical examination gloves.
Property investment and development	Property development, property holding and investments and project and property management.

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**49 SEGMENTAL INFORMATION (CONT'D)****(a) Operating Segments (cont'd)**

(i) Other material non-cash items consist of the following items:-

	2023 RM'000	2022 RM'000
Accretion of discounts on financial assets at amortised costs	646	-
Allowance for doubtful debts	(289)	(3,205)
Allowance for doubtful debts no longer required	8,816	525
Allowance for obsolete inventories	(3)	-
Bad debts written off	(8,797)	(545)
Fair value gain on investment properties	942	15,944
Fair value gain/(loss) on derivative financial instruments	33	(760)
Gain on acquisition of subsidiary companies upon remeasurement of previously held equity interest in the companies arising from step acquisition	750	-
Intangible assets written off	(4,001)	-
Inventories written off	(64)	(126)
Loss on fair value changes of financial assets at fair value through profit or loss	(3,361)	(25,815)
Loss on derecognition of subsidiary companies	-	(89)
Loss on other receivables carried at amortised cost	(202)	(202)
Net gain on deemed disposal of equity interests in associates companies	5,748	131,292
Property, plant and equipment written off	(32)	(4)
Provision for impairment loss on investment in associate companies	(5)	(41,293)
Reversal of provision for impairment loss on investment in associate companies	4,749	885
Unrealised foreign exchange gain/(loss)	16,173	(3,692)
Writeback of allowance/(Allowance) for diminution in value of inventories	42	(1)
	<b>21,145</b>	<b>72,914</b>

(ii) Additions to non-current assets consist of the following items:-

	2023 RM'000	2022 RM'000
Property, plant and equipment	18,308	10,582
Investment properties	24,903	6,139
Associate companies	5,010	44,413
Intangible assets	-	398
Land and property development costs	41	-
	<b>48,262</b>	<b>61,532</b>

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**49 SEGMENTAL INFORMATION (CONT'D)****(b) Geographical Information**

Revenue and non-current assets information based on geographical location of the customers and assets respectively are as follows:-

	Revenue RM'000	Non-current assets RM'000
<b>2023</b>		
Malaysia	114,340	876,090
Singapore	102,452	123,102
Other countries	43	-
	<b>216,835</b>	<b>999,192</b>
<b>2022</b>		
Malaysia	138,760	735,460
Singapore	77,619	102,112
Other countries	13	-
	<b>216,392</b>	<b>837,572</b>

Non-current assets information presented above consist of the following items as presented in the consolidated statements of financial position:-

	2023 RM'000	2022 RM'000
Property, plant and equipment	104,865	87,836
Investment properties	205,922	189,387
Associate companies	577,709	530,630
Jointly controlled entities	(902)	(660)
Intangible assets	43,557	30,379
Land and property development costs	68,041	-
	<b>999,192</b>	<b>837,572</b>

**(c) Information about major customer**

The Group does not have any revenue from a single external customer which represents 10% or more of the Group's revenue.

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**50 RELATED PARTY DISCLOSURES**

## (a) Outstanding balances arising from related party transactions

The outstanding balances arising from related companies transactions as at the reporting date were disclosed in Note 10(b), Note 11(b), Note 12(b), Note 16, Note 19 and Note 31 to the financial statements.

## (b) The Group has the following transactions with the following related parties at negotiated terms agreed between the parties during the financial year:-

	Group	
	2023 RM'000	2022 RM'000
Companies related to directors of the Company and directors of certain subsidiary companies:-		
- management fees income	48	48
- refurbishment and maintenance works income	105	59
Companies related to directors of certain subsidiary companies:-		
- rental of motor vehicles income	651	781
- rental of motor vehicles expense	582	793
- Landowner's entitlement	17	-
- rental income from letting of property	16	-
Associate companies of the Group:-		
- advances to	130	264
- acquisition of subsidiary companies	-	3,500
- interest income	5	20
- network services income	-	1
- professional fee income	50	6,458
- purchase of intangible assets	-	301
- purchase of inventories and tools and accessories	59	16
- purchase of property, plant and equipment	13	193
- rental income from letting of properties	155	344
- rental of office premise expense	-	10
- rental of motor vehicles income	664	1,228
- rental of motor vehicles expense	27	-
- refurbishment and maintenance works income	10	11
- sale of goods	269	43
- secretarial, share registration and other related services fee income	382	362
- website, network maintenance and support fee expense and purchase of computer hardware and software	139	85
- website design and IT service fee income	7	-
Jointly controlled entities of the Group:-		
- advances to	-	100
- interest income	16	9
- secretarial and other related services fee income	2	2
Rental of motor vehicles charged to a Director of a subsidiary company	5	16

## NOTES TO THE FINANCIAL STATEMENTS

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### 50 RELATED PARTY DISCLOSURES (CONT'D)

- (c) The Company has the following transactions with the following related corporations during the financial year:-

	Company	
	2023 RM'000	2022 RM'000
Subsidiary companies:-		
- advances to	50,149	39,985
- bad debts recovered	1,250	3,383
- dividend income	45,881	25,200
- interest income	9,172	7,520
- interest expense	328	717
- management fee income	480	480
- professional fee expense	-	180
- renovation and repair maintenance	1	1
- rental of motor vehicle expense	36	32
- rental expense on office premise	57	57
- refurbishment and maintenance works expense	180	163
- secretarial fee income	139	128
- secretarial, share registration and other related services fee expense	6	60
Associate companies:-		
- advances to	10	8
- website maintenance and support fee expense and purchase of computer hardware and software	71	47

- (d) Remuneration of key management personnel

The remuneration of Directors and other members of key management personnel during the financial year were as follows:-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Salaries, bonus, allowances and fees	13,630	12,675	420	490
Defined contribution plan	1,639	1,544	50	59
Social security cost	11	9	1	1
Benefits-in-kind	57	63	16	16
	<b>15,337</b>	14,291	<b>487</b>	566

Included in the total compensation of key management personnel were:-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Executive Directors' remuneration (Note 42)	14,328	13,376	486	565

Other members of key management personnel comprise Executive Directors of the Group and persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

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**51 LIST OF SUBSIDIARY COMPANIES**

Name of companies	% Effective equity interest		Principal activities	Country of incorporation
	2023	2022		
Cellar-One Sdn. Bhd.	<b>100</b>	100	Wine merchant	Malaysia
Darul Majumas Sdn. Bhd.	<b>45.6</b>	–	Property developer	Malaysia
Dellmax Worldwide Sdn. Bhd.	<b>69.3</b>	69.3	Investment holding	Malaysia
Delta Crest (M) Sdn. Bhd.	<b>55.0</b>	55.5	Property investment	Malaysia
Delta Crest (KL) Sdn. Bhd.	<b>55</b>	55	Investment holding	Malaysia
Desa Juara Sdn. Bhd.	<b>100</b>	100	Property investment	Malaysia
Filmont Holdings Sdn. Bhd.	<b>100</b>	100	Investment holding and property investment	Malaysia
Giat Armada Sdn. Bhd.	<b>60.8</b>	–	Property developer	Malaysia
Gryphon Asset Management Sdn. Bhd.	<b>100</b>	100	Investment holding and trading	Malaysia
Insas Construction Sdn. Bhd.	<b>100</b>	100	Construction, landscaping, renovation and other related works	Malaysia
Insas Corporate Services Sdn. Bhd.	<b>100</b>	100	Provision of consultancy and management services and investment holding	Malaysia
Insas Credit & Leasing Sdn. Bhd.	<b>100</b>	100	Credit and leasing and other related financing activities	Malaysia
Insas Logistics (S) Pte. Ltd.*	–	100	Company struck off	Singapore
Insas Logistics (M) Sdn. Bhd.	<b>100</b>	100	Investment holding	Malaysia
Insas Plaza Sdn. Bhd.	<b>100</b>	100	Investment holding, investment trading, property investment, project and property management	Malaysia
Insas Project Management Sdn. Bhd.	<b>100</b>	100	Property and project management (dormant)	Malaysia
Insas Properties Sdn. Bhd.	<b>90</b>	90	Investment holding and property investment	Malaysia
Insas Property Management Sdn. Bhd.	<b>90</b>	90	Property and project management	Malaysia
Insas (S) Pte. Ltd.*	<b>100</b>	100	Investment holding	Singapore

## NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023  
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### 51 LIST OF SUBSIDIARY COMPANIES (CONT'D)

Name of companies	% Effective equity interest		Principal activities	Country of incorporation
	2023	2022		
Insas Technology Berhad	100	100	Investment holding and provision of management services, provision of information technology and consultancy services and trading of electronic, telecommunications and other products	Malaysia
Insas Technology Pte. Ltd.*	100	100	Investment holding	Singapore
Insas Pacific Rent-A-Car Sdn. Bhd.	100	100	Rental of motor vehicles	Malaysia
Langdale E3 Pte. Ltd.*	100	100	Provide telecommunication services, electronic components sourcing and distribution and sale of mobile wireless and fixed line broadband solutions, devices and related peripherals	Singapore
Langdale Systems Sdn. Bhd.	100	100	Computer trading and software consultation	Malaysia
Lifestyle-One Sdn. Bhd.	100	100	Investment holding	Malaysia
M & A Equity Holdings Berhad (formerly known as SYF Resources Berhad)	60.8	–	Investment holding and provision of management services	Malaysia
M & A Nominee (Asing) Sdn. Bhd.	60.8	100	Nominee agent and registration services	Malaysia
M & A Nominee (Tempatan) Sdn. Bhd.	60.8	100	Nominee agent and registration services	Malaysia
M & A Securities Sdn. Bhd.	60.8	100	Stock broking and dealing in securities and provision of corporate finance and advisory services	Malaysia
M & A Securities (HK) Limited*	100	100	Stock broking (ceased operations)	Hong Kong
Makan Channel Sdn. Bhd.	70	70	Sales and distribution of consumer food and related products	Malaysia
Megapolitan Management Services Sdn. Bhd.	100	100	Provision of corporate secretarial, share registration and management services	Malaysia
Media Lang Limited*	100	100	Investment in securities	Hong Kong

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(CONT'D)

**51 LIST OF SUBSIDIARY COMPANIES (CONT'D)**

Name of companies	% Effective equity interest		Principal activities	Country of incorporation
	2023	2022		
Montania Holdings Sdn. Bhd.	100	100	Property investment	Malaysia
Montego Assets Limited	100	100	Investment holding and trading	British Virgin Islands
Montego (S) Pte. Ltd.*	100	100	Investment holding, investment trading and investment and rental of properties	Singapore
Nikmat Sekitar Sdn. Bhd.	60.8	–	Dormant	Malaysia
Numoni Pte. Ltd.*	100	100	Investment holding, manufacture, develop and sale of transaction self-service kiosks that provide prepaid airtime and micro financing transaction (dormant)	Singapore
Numoni Malaysia Sdn. Bhd.	100	100	Provision of telecommunication services (ceased operations)	Malaysia
Nuri Meriah Sdn. Bhd.	60.8	–	Dormant	Malaysia
Parkfair Development Sdn. Bhd.	90	90	Investment holding	Malaysia
PRAC GreenTech Sdn. Bhd.	67	67	Long-term leasing of electric vehicles	Malaysia
Premium Realty Sdn. Bhd.	100	100	Property investment	Malaysia
PRAC Logistics Sdn. Bhd.	55	55	Long-term car lease, fleet management and limousine services	Malaysia
PRAC Transport Sdn. Bhd.	100	100	Provision of transportation services, delivery of goods and courier services	Malaysia
PRAC BlueBox Sdn. Bhd.	100	–	Provision of transportation services, courier services and leasing of trucks	Malaysia
QBI Packaging Sdn. Bhd.	70	70	Food and contract manufacturing	Malaysia
Segar Raya Development Sdn. Bhd.	71.1	71.1	Real property and housing developer	Malaysia
Sensecube Sdn. Bhd.	100	–	Investment holding and property investment	Malaysia
Southgroup Investments Limited*	100	100	Investment holding	Hong Kong

## NOTES TO THE FINANCIAL STATEMENTS

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(CONT'D)

### 51 LIST OF SUBSIDIARY COMPANIES (CONT'D)

Name of companies	% Effective equity interest		Principal activities	Country of incorporation
	2023	2022		
Special Windfall Sdn. Bhd.	60	60	Investment holding	Malaysia
SYF Venture Sdn. Bhd.	60.8	–	Investment holding	Malaysia
SYF Development Sdn. Bhd.	60.8	–	Property development and trading of construction materials	Malaysia
SYF Construction Sdn. Bhd.	60.8	–	Building contractor (ceased operation)	Malaysia
Teraju Usaha Sdn. Bhd.	100	100	Provision of consultancy and advisory services, commission agent and property investment	Malaysia
Tomisho Sdn. Bhd.	60.8	–	Dormant	Malaysia
Topacres Sdn. Bhd.	100	100	Investment holding	Malaysia
Valencia Homes Sdn. Bhd.	90	90	Property investment and letting out of properties	Malaysia
VigSys Sdn. Bhd.	100	100	Manufacture and distribution of mobile wireless and fixed line broadband solutions, devices and related peripherals	Malaysia
VigTech Labs Sdn. Bhd.	70	70	Design and development of software and web applications, provision of communication and networking services and digital media solutions and protection films for vehicles and sale of goods and other trading business	Malaysia
Venturescape Sdn. Bhd.	60.8	100	Property investment	Malaysia

\* Companies not audited by Grant Thornton Malaysia PLT.

### 52 LIST OF ASSOCIATE COMPANIES

Name of companies	% Effective equity interest		Principal activities	Country of incorporation
	2023	2022		
Clear Foods Pte. Ltd.*	33.3	33.3	Processing and preserving of meat and meat products (dormant)	Singapore
Centreplus Sdn. Bhd.	35	35	Property investment	Malaysia
Cool Inspirations Sdn. Bhd.	43.4	43.4	Property investment holding	Malaysia

**NOTES TO THE FINANCIAL STATEMENTS**

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(CONT'D)

**52 LIST OF ASSOCIATE COMPANIES (CONT'D)**

Name of companies	% Effective equity interest		Principal activities	Country of incorporation
	2023	2022		
Diffusion Fashions Sdn. Bhd.	<b>43.4</b>	43.4	Retailer of high fashion products (ceased operations)	Malaysia
Dome Cafe Sdn. Bhd.	<b>43.4</b>	43.4	Operating food and beverages restaurants	Malaysia
Island Cafe Sdn. Bhd.	<b>30.3</b>	30.3	Operating food and beverages restaurants	Malaysia
Lifestyle Inspirations Sdn. Bhd.	<b>43.4</b>	43.4	Operating food and beverages restaurants (ceased operations)	Malaysia
Melium Holdings Sdn. Bhd.	<b>43.4</b>	43.4	Investment holding	Malaysia
Melium Lifestyle Sdn. Bhd. (formerly known as Digital Victory Sdn. Bhd.)*	<b>43.4</b>	-	Retailing of fashion products	Malaysia
Melium Sdn. Bhd.	<b>43.4</b>	43.4	Retailer of high fashion products	Malaysia
Melium Aseana Sdn. Bhd.	<b>43.4</b>	43.4	Trading of Asian made products (ceased operations)	Malaysia
Fancy Connections Sdn. Bhd.	<b>30.3</b>	30.3	Dormant	Malaysia
Rising Inspiration Sdn. Bhd.	<b>43.4</b>	43.4	Retailer of high fashion products (ceased operations)	Malaysia
PT Melium Nusantara*	<b>22.8</b>	22.8	Property investment holding	Indonesia
Smooth Inspirations Sdn. Bhd.	<b>43.4</b>	43.4	Operating food and beverages restaurants (ceased operations)	Malaysia
Duramitt Sdn. Bhd.	<b>30</b>	30	Manufacturing, trading and sale of specialised industrial and medical examination gloves	Malaysia
Inari Amertron Berhad	<b>14.4</b>	14.5	Investment holding and provision of management services	Malaysia
Inari Technology Sdn. Bhd.	<b>14.4</b>	14.5	Manufacturing of wireless microwave telecommunication products, wireless broadcast cards and provision of electronic manufacturing services	Malaysia
Inari International Limited	<b>14.4</b>	14.5	Investment holding	Cayman Islands
Amertron Inc. (Global) Limited	<b>14.4</b>	14.5	Investment holding	Cayman Islands

## NOTES TO THE FINANCIAL STATEMENTS

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(CONT'D)

### 52 LIST OF ASSOCIATE COMPANIES (CONT'D)

Name of companies	% Effective equity interest		Principal activities	Country of incorporation
	2023	2022		
Amertron Incorporated <sup>@</sup>	14.4	14.5	Manufacture of electronics and semiconductor related products and services include electronics optical fiber devices	Philippines
Amertron Technology (Kunshan) Co. Ltd. <sup>@</sup>	14.4	14.5	Manufacturing of semiconductor related products and services include optoelectronics devices	The People's Republic of China
Amertron International Limited <sup>@</sup>	14.4	14.5	Investment holding	Hong Kong
Inari South Keytech Sdn. Bhd.	14.4	14.5	Designing, developing and manufacturing of fiber optic product	Malaysia
Inari Global (HK) Limited	14.4	14.5	Dormant	British Virgin Islands
Inari Datamation Systems Sdn. Bhd.	14.4	-	Dormant	Malaysia
Ceedtec Sdn. Bhd.	-	7.4	Dissolved	Malaysia
Simfoni Bistari Sdn. Bhd.	14.4	14.5	Investment holding and property investment	Malaysia
Inari Semiconductor Labs Sdn. Bhd.	14.4	14.5	Manufacturing of semiconductor related products	Malaysia
Hektar Teknologi Sdn. Bhd.	14.4	14.5	Property investment	Malaysia
Inari Integrated Systems Sdn. Bhd.	14.4	14.5	Manufacturing of semiconductor related products and final testing of advanced communication chips	Malaysia
Inari Optical Technology Sdn. Bhd.	14.4	14.5	Manufacturing, assembling and testing of optoelectronic and sensor components, modules and systems	Malaysia
Inari Matrix Sdn. Bhd.	14.4	14.5	Investment holding	Malaysia
Inari MIT Sdn. Bhd.	7.3	7.4	Design, assembly and supply of semiconductor manufacturing process tools, customised semiconductor process tools and parts	Malaysia

**NOTES TO THE FINANCIAL STATEMENTS**

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(CONT'D)

**52 LIST OF ASSOCIATE COMPANIES (CONT'D)**

Name of companies	% Effective equity interest		Principal activities	Country of incorporation
	2023	2022		
Ho Hup Construction Company Berhad*	13.7	13.7	Investment holding, foundation engineering, civil engineering, building contracting works and provision of management services	Malaysia
Winfields Development Sdn. Bhd.	40	40	Investment holding and rental of properties	Malaysia
Winfields Development Pte. Ltd.*	40	40	Investment holding in properties and trading of securities and other financial instruments	Singapore
Montprimo Sdn. Bhd.*	45	45	Investment holding and real property and housing development	Malaysia
Paragon Spectrum Sdn. Bhd.	40	40	Investment holding	Malaysia
True Acres Sdn. Bhd.	40.1	40.1	Investment holding	Malaysia
PEP Innovation Pte. Ltd.*	30	30	Assembly and testing of semiconductors products	Singapore
O&S Pacific Co. Ltd.*	-	30	Company struck off	Malaysia
Symphony Interactive Sdn. Bhd.*	35	35	Investment holding and property investment	Malaysia
Inshoku Ten Sdn. Bhd.	20	20	Operating food and beverages restaurant	Malaysia
Pyxis CF Pte. Ltd. *	22.6	22.6	Design, manufacture and repair of semiconductor equipment	Singapore
Divfex Berhad	27.0	26.2	Investment holding, business of computer networking solutions and system integration, digital media solutions and services, computer distribution and maintenance of computer networking, network security storage and network management solutions, provision of technology solutions for food and related industries	Malaysia
Ideal Dragon Sdn. Bhd.	20	20	Investment holding	Malaysia

\* Companies not audited by Grant Thornton Malaysia PLT.

@ Companies audited by other member firm of Grant Thornton International Limited.

## NOTES TO THE FINANCIAL STATEMENTS

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### 53 LIST OF JOINTLY CONTROLLED ENTITIES

Name of companies	% Effective equity interest		Principal activities	Country of incorporation
	2023	2022		
Quadrant Biz Solutions Sdn. Bhd.	50	50	Provision of corporate secretarial, share registration and management services	Malaysia
Win Veritas Sdn. Bhd.	50	50	Wine merchant	Malaysia

### 54 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) The details of changes in the composition of the Group during the financial year and in the preceding financial year are disclosed in Note 45 to the financial statements.
- (b) On 3 February 2023, the Securities Commission ("SC") has granted its approval for the change in the shareholder of M & A Securities pursuant to the Disposal of M & A Securities by the Company to M & A Equity.
- (c) On 3 March 2023, the Company announced that the SC had, vide its letter dated 2 March 2023, approved the application made by the Company on 22 February 2023 in relation to the exemption under subparagraph 4.08(1)(a) of the Rules on Take-Overs, Mergers and Compulsory Acquisitions for the Company and its persons acting in concert from the obligation to undertake a mandatory take-over offer to acquire all the remaining ordinary shares of M & A Equity not already owned by them upon completion of the Disposal.
- (d) On 10 May 2023, the Company announced that the Disposal has been completed as explained in Note 45(e) to the financial statements.

### 55 FINANCIAL INSTRUMENTS

#### (a) Categories of financial instruments

The table below provides an analysis on the categories of financial instruments:-

- (i) Amortised cost ("AC")
- (ii) Fair value through other comprehensive income ("FVTOCI")
  - Equity instrument and other investments designated upon initial recognition ("EIDUIR")
- (iii) Fair value through profit or loss ("FVTPL")
  - Mandatorily required by MFRS 9

**NOTES TO THE FINANCIAL STATEMENTS**

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**55 FINANCIAL INSTRUMENTS (CONT'D)****(a) Categories of financial instruments (cont'd)**

The table below provides an analysis on the categories of financial instruments (cont'd):-

	Carrying amount RM'000	AC RM'000	FVTOCI - EIDUIR RM'000	Mandatorily at FVTPL RM'000
<b>2023</b>				
<b>Group</b>				
<b>Financial assets</b>				
Financial assets at fair value through other comprehensive income	34,529	-	34,529	-
Trade receivables	485,504	485,504	-	-
Amount due from associate companies	58,315	58,315	-	-
Amount due from jointly controlled entities	660	660	-	-
Other receivables and deposits paid	57,710	57,710	-	-
Financial assets at fair value through profit or loss	222,832	-	-	222,832
Deposits with licensed banks and financial institutions	943,505	943,505	-	-
Cash and bank balances	104,747	104,747	-	-
	<b>1,907,802</b>	<b>1,650,441</b>	<b>34,529</b>	<b>222,832</b>
		Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000
<b>Financial liabilities</b>				
Derivative financial liabilities	3,634	-	-	3,634
Trade payables	74,537	-	74,537	-
Other payables, deposits received and accruals	39,627	-	39,627	-
Loans and borrowings	242,961	-	242,961	-
Redeemable preference shares	128,622	-	128,622	-
	<b>489,381</b>	<b>485,747</b>	<b>485,747</b>	<b>3,634</b>

## NOTES TO THE FINANCIAL STATEMENTS

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### 55 FINANCIAL INSTRUMENTS (CONT'D)

#### (a) Categories of financial instruments (cont'd)

The table below provides an analysis on the categories of financial instruments (cont'd):-

	Carrying amount RM'000	AC RM'000	FVTOCI - EIDUIR RM'000
<b>2023 (cont'd)</b>			
<b>Company</b>			
<b>Financial assets</b>			
Financial assets at fair value through other comprehensive income	595	-	595
Amount due from subsidiary companies	251,523	251,523	-
Amount due from associate companies	147	147	-
Amount due from a jointly controlled entity	5	5	-
Other receivables and deposits paid	215	215	-
Deposits with licensed banks and financial institutions	25,523	25,523	-
Cash and bank balances	2,939	2,939	-
	<b>280,947</b>	<b>280,352</b>	<b>595</b>
		<b>Carrying amount RM'000</b>	<b>AC RM'000</b>
<b>Financial liabilities</b>			
Amount due to subsidiary companies		66,094	66,094
Other payables and accruals		3,450	3,450
Loans and borrowings		124,030	124,030
Redeemable preference shares		128,622	128,622
		<b>322,196</b>	<b>322,196</b>

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**55 FINANCIAL INSTRUMENTS (CONT'D)****(a) Categories of financial instruments (cont'd)**

The table below provides an analysis on the categories of financial instruments (cont'd):-

	Carrying amount RM'000	AC RM'000	FVTOCI - EIDUIR RM'000	Mandatorily at FVTPL RM'000
<b>2022</b>				
<b>Group</b>				
<b>Financial assets</b>				
Financial assets at fair value through other comprehensive income	33,192	-	33,192	-
Financial assets at amortised cost	767	767	-	-
Trade receivables	498,428	498,428	-	-
Amount due from associate companies	74,495	74,495	-	-
Other receivables and deposits paid	56,970	56,970	-	-
Amount due from jointly controlled entities	644	644	-	-
Financial assets at fair value through profit or loss	249,370	-	-	249,370
Deposits with licensed banks and financial institutions	602,424	602,424	-	-
Cash and bank balances	311,912	311,912	-	-
	<b>1,828,202</b>	<b>1,545,640</b>	<b>33,192</b>	<b>249,370</b>
		<b>Carrying amount RM'000</b>	<b>AC RM'000</b>	<b>Mandatorily at FVTPL RM'000</b>
<b>Financial liabilities</b>				
Derivative financial liabilities	3,667	-	-	3,667
Trade payables	45,458	45,458	-	-
Other payables, deposits received and accruals	40,080	40,080	-	-
Loans and borrowings	261,713	261,713	-	-
Redeemable preference shares	127,921	127,921	-	-
	<b>478,839</b>	<b>475,172</b>	<b>3,667</b>	<b>3,667</b>

**NOTES TO THE FINANCIAL STATEMENTS**

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**55 FINANCIAL INSTRUMENTS (CONT'D)****(a) Categories of financial instruments (cont'd)**

The table below provides an analysis on the categories of financial instruments (cont'd):-

	Carrying amount RM'000	AC RM'000	FVTOCI - EIDUIR RM'000
<b>2022 (cont'd)</b>			
<b>Company</b>			
<b>Financial assets</b>			
Financial assets at fair value through other comprehensive income	595	-	595
Amount due from subsidiary companies	237,019	237,019	-
Amount due from associate companies	413	413	-
Other receivables and deposits paid	191	191	-
Amount due from a jointly controlled entity	5	5	-
Deposits with licensed banks and financial institutions	21,895	21,895	-
Cash and bank balances	7,542	7,542	-
	267,660	267,065	595
		<b>Carrying amount RM'000</b>	<b>AC RM'000</b>
<b>Financial liabilities</b>			
Amount due to subsidiary companies		62,054	62,054
Other payables and accruals		3,174	3,174
Loans and borrowings		120,480	120,480
Redeemable preference shares		127,921	127,921
		313,629	313,629

**(b) Financial risk management and policies**

The Group and the Company are exposed to financial risks arising from the use of financial instruments. The Group's and the Company's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing its interest rate, credit, foreign currency exchange, liquidity and market risks. The Group and the Company operate within guidelines approved by the Board and the Group's and the Company's policies are not to engage in speculative transactions.

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**55 FINANCIAL INSTRUMENTS (CONT'D)****(b) Financial risk management and policies (cont'd)**

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows:-

**(i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group and the Company are not significantly exposed to interest rate risk except for the floating rate borrowings. The interest rates applicable on the Group's and the Company's amount due from associate companies, amount due from a jointly controlled entity, financial assets at amortised cost, trade and other receivables, deposits with licensed banks and financial institutions, lease liabilities, redeemable preference shares and amount due from subsidiary companies are mainly fixed rate in nature and are not exposed to interest rate risk.

The interest rate profiles of the Group's and of the Company's financial assets and financial liabilities are set out as follows:-

	Floating rates instruments RM'000	Fixed rates instruments RM'000	Total RM'000	Effective interest rates during the year % per annum
<b>2023</b>				
<b>Group</b>				
<b>Financial assets</b>				
Trade receivables	-	367,089	367,089	6.00% - 18.00%
Amount due from associate companies	-	2,650	2,650	8.00%
Amount due from a jointly controlled entity	-	650	650	1.85% - 3.00%
Other receivables	-	8,205	8,205	1.49% - 5.00%
Deposits with licensed banks and financial institutions	-	943,505	943,505	0.001% - 5.00%
<b>Financial liabilities</b>				
Loans and borrowings	242,961	-	242,961	0.78% - 8.14%
Lease liabilities	-	24,089	24,089	1.71% - 7.77%
Redeemable preference shares	-	128,622	128,622	3.80%

## NOTES TO THE FINANCIAL STATEMENTS

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### 55 FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Financial risk management and policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

#### (i) Interest rate risk (cont'd)

The interest rate profiles of the Group's and of the Company's financial assets and financial liabilities are set out as follows (cont'd):-

	Floating rates instruments RM'000	Fixed rates instruments RM'000	Total RM'000	Effective interest rates during the year % per annum
<b>2023 (cont'd)</b>				
<b>Company</b>				
<b>Financial assets</b>				
Amount due from subsidiary companies	-	240,856	240,856	1.85% - 6.67%
Deposits with licensed banks and financial institutions	-	25,523	25,523	1.55% - 3.00%
<b>Financial liabilities</b>				
Loans and borrowings	124,030	-	124,030	3.94% - 5.56%
Lease liabilities	-	326	326	4.13%
Redeemable preference shares	-	128,622	128,622	3.80%
<b>2022</b>				
<b>Group</b>				
<b>Financial assets</b>				
Trade receivables	-	408,697	408,697	6.00% - 18.00%
Amount due from associate companies	-	3,219	3,219	2.00% - 8.00%
Amount due from a jointly controlled entity	-	650	650	1.60% - 1.85%
Other receivables	-	8,011	8,011	1.19% - 4.00%
Financial assets at amortised cost	-	767	767	1.64%
Deposits with licensed banks and financial institutions	-	602,424	602,424	0.001% - 2.53%
<b>Financial liabilities</b>				
Loans and borrowings	261,713	-	261,713	0.78% - 7.47%
Lease liabilities	-	20,175	20,175	1.71% - 7.77%
Redeemable preference shares	-	127,921	127,921	3.80%

**NOTES TO THE FINANCIAL STATEMENTS**

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(CONT'D)

**55 FINANCIAL INSTRUMENTS (CONT'D)****(b) Financial risk management and policies (cont'd)**

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

**(i) Interest rate risk (cont'd)**

The interest rate profiles of the Group's and of the Company's financial assets and financial liabilities are set out as follows (cont'd):-

	Floating rates instruments RM'000	Fixed rates instruments RM'000	Total RM'000	Effective interest rates during the year % per annum
<b>2022 (cont'd)</b>				
<b>Company</b>				
<b>Financial assets</b>				
Amount due from subsidiary companies	-	226,903	226,903	1.60% - 6.00%
Deposits with licensed banks and financial institutions	-	21,895	21,895	1.30% - 2.15%
<b>Financial liabilities</b>				
Loans and borrowings	120,480	-	120,480	3.64% - 4.50%
Lease liabilities	-	705	705	4.13%
Redeemable preference shares	-	127,921	127,921	3.80%

The Group's and the Company's exposure to interest rate risk for a 1% (2022: 1%) increase/ (decrease) in interest rate on the financial assets and liabilities with floating interest rates at the reporting date would result in a corresponding effect to the profit/equity for the financial year as follows:-

	Profit/Equity for the financial year RM'000
<b>Group</b>	
<b>2023</b>	
Variable rates	
- increase by 1%	(2,430)
- decrease by 1%	2,430
<b>2022</b>	
Variable rates	
- increase by 1%	(2,617)
- decrease by 1%	2,617

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**55 FINANCIAL INSTRUMENTS (CONT'D)****(b) Financial risk management and policies (cont'd)**

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

**(i) Interest rate risk (cont'd)**

The Group's and the Company's exposure to interest rate risk for a 1% (2022: 1%) increase/ (decrease) in interest rate on the financial assets and liabilities with floating interest rates at the reporting date would result in a corresponding effect to the profit/equity for the financial year as follows (cont'd):-

	<b>Profit/Equity for the financial year RM'000</b>
<b>Company</b>	
<b>2023</b>	
Variable rates	
- increase by 1%	(1,240)
- decrease by 1%	1,240
<b>2022</b>	
Variable rates	
- increase by 1%	(1,205)
- decrease by 1%	1,205

The assumed movement in interest rate of 1% for the interest rate sensitivity analysis is based on the prudent estimate of the current market environment.

**(ii) Credit risk**

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group has significant concentration of trade receivables owing on 5 (2022: 5) debtors which comprise approximately 58% (2022: 61%) of the trade receivables balances as at the reporting date. There is no major concentration of credit risk as these trade receivables are adequately secured with collateral.

The Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of trade and other receivables and amount due from subsidiary companies, associate companies and jointly controlled entities in the statements of financial position.

The credit risk for cash and cash equivalents are considered negligible since the counterparties are reputable banks and financial institutions with high credit rating. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Risk management objectives, policies and processes for managing credit risk

The Group's and the Company's risk management objectives, policies and processes for managing credit risk are disclosed in Note 3(b) to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

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### 55 FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Financial risk management and policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

##### (ii) Credit risk (cont'd)

###### Recognition and measurement of impairment loss - Trade receivables

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions to recover long overdue balances. For trade and loan receivables' credit terms that are past due but not impaired, the Group's debt recovery process is the Group will initiate a structured debt recovery process which is monitored via management reporting procedures and where necessary, loan receivables are required to deposit sufficient assets as collateral and adhere to credit limits within the fair values of assets placed as collateral.

The Group applies the simplified approach under MFRS 9 to measure expected credit losses, which uses a lifetime expected credit loss allowance for all trade receivables. The Group evaluates the expected credit losses on a case-by-case basis.

The Group assesses the expected loss rates based on historical payment profiles of the trade receivables and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on factors affecting the financial capability of the debtor and default or significant delay in payments. No significant changes to estimation techniques or assumptions were made during the reporting period.

The Group's normal trade credit terms to trade receivables ranges from 7 to 90 days (2022: 14 to 90 days) except for a subsidiary company whose credit terms is 2 market days (2022: 2 market days) according to Bursa Malaysia Securities Berhad's Fixed Delivery and Settlement System Trading Rules. The Group's normal credit term in relation to rental receivables is 7 to 14 days (2022: 7 days). Other credit terms are assessed and approved on a case-by-case basis.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired. The gross carrying amounts of credit impaired trade receivables are written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Trade receivables that are written off are still subjected to enforcement activities.

As at the reporting date, the management is of the opinion that all necessary impairment that is required has been provided for and the trade receivables that have not been impaired are creditworthy debtors whereby impairment is not required. Information in respect of the provision for impairment losses, ageing analysis for trade receivables and trade receivables secured by collaterals are disclosed in Note 19 to the financial statements.

###### Recognition and measurement of impairment loss - Debt instruments at amortised cost other than trade receivables

The Group and the Company assess on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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(CONT'D)

**55 FINANCIAL INSTRUMENTS (CONT'D)****(b) Financial risk management and policies (cont'd)**

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

**(ii) Credit risk (cont'd)****Recognition and measurement of impairment loss - Debt instruments at amortised cost other than trade receivables (cont'd)**

The Group and the Company use three categories to reflect their credit risk and how the loss allowance is determined for each of those categories. A summary of the assumptions underpinning the Group's and the Company's expected credit losses model is as follows:-

<b>Category</b>	<b>Definition of categories</b>	<b>Basis of recognising expected credit losses</b>
Performing	Receivables that have a low risk of default and a strong capacity to meet contractual cash flows.	12 months expected credit losses
Underperforming	Receivables for which there is a significant increase in credit risk due to actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations.	Lifetime expected credit losses
Non-performing	Receivables which are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows have occurred.	Lifetime expected credit losses

Based on the above, loss allowance is derived as follows:-

- (i) the likelihood that the debtor would not be able to repay during the contractual period;
- (ii) the percentage of contractual cash flows that will not be collected if default happens; and
- (iii) the outstanding amount that is exposed to default risk.

As at the reporting date, the management are of the opinion that all necessary impairment that is required have been accounted for.

**Financial guarantees**

The Group and the Company provide unsecured financial guarantees to banks and financial institutions in respect of banking facilities granted to certain subsidiary companies and an associate company and monitored the results of repayments by the subsidiary companies and the associate company closely. As at the reporting date, there was no indication that any subsidiary companies and the associate company will default on payment of the banking facilities. The maximum exposure to credit risk is as disclosed in Note 46 to the financial statements.

**(iii) Foreign currency exchange risk**

Foreign currency exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group and the Company are exposed to foreign currency exchange risk on their revenue, operating costs and expenses, assets and investments and liabilities that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are principally the United States Dollar ("US Dollar"), Singapore Dollar, Euro, Sterling Pound, Australian Dollar and the Hong Kong Dollar.

**NOTES TO THE FINANCIAL STATEMENTS**

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(CONT'D)

**55 FINANCIAL INSTRUMENTS (CONT'D)****(b) Financial risk management and policies (cont'd)**

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

**(iii) Foreign currency exchange risk (cont'd)**

The Group is also exposed to foreign currency exchange risk arising from translation of the net assets of the Group's foreign subsidiary and associate companies.

The net unhedged financial assets and liabilities of the Group and of the Company that are not denominated in their respective functional currencies are as follows:-

	US Dollar RM'000	Singapore Dollar RM'000	Euro RM'000	Sterling Pound RM'000	Australian Dollar RM'000	Hong Kong Dollar RM'000	Other currencies RM'000	Total RM'000
<b>2023</b>								
<b>Group</b>								
Financial assets at fair value through other comprehensive income	2,211	-	-	31,030	-	-	-	33,241
Trade receivables	803	1,602	25	83	67	3,251	-	5,831
Other receivables, deposits and prepayments	146	118	20	10	-	36	-	330
Financial assets at fair value through profit or loss	23,175	102,361	151	769	10,469	37,315	7,520	181,760
Deposits with licensed banks and financial institutions	149,911	79,391	-	27,174	30,796	21,407	-	308,679
Cash and bank balances	11,784	8,945	1,916	2,330	(174)	788	1,060	26,649
Lease liabilities	-	(194)	-	-	-	-	-	(194)
Loans and borrowings	-	(56,789)	(9,684)	(4,880)	-	-	-	(71,353)
Derivative financial liabilities	(1,348)	(545)	(178)	-	(282)	(1,281)	-	(3,634)
Trade payables	-	(2)	-	-	-	-	-	(2)
Other payables, deposits received and accruals	-	(298)	(3)	(12)	-	(44)	-	(357)
Net financial assets/(liabilities)	186,682	134,589	(7,753)	56,504	40,876	61,472	8,580	480,950
<b>Company</b>								
Financial assets at fair value through other comprehensive income	-	-	-	595	-	-	-	595
Cash and bank balances	-	-	-	-	108	-	-	108
Amount due from subsidiary companies	-	(16)	-	-	-	-	-	(16)
Amount due to subsidiary companies	-	-	-	-	-	(65,849)	-	(65,849)
Net financial (liabilities)/assets	-	(16)	-	595	108	(65,849)	-	(65,162)

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(CONT'D)

### 55 FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Financial risk management and policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

#### (iii) Foreign currency exchange risk (cont'd)

The net unhedged financial assets and liabilities of the Group and of the Company that are not denominated in their respective functional currencies are as follows (cont'd):-

	US Dollar RM'000	Singapore Dollar RM'000	Euro RM'000	Sterling Pound RM'000	Australian Dollar RM'000	Hong Kong Dollar RM'000	Other currencies RM'000	Total RM'000
<b>2022</b>								
<b>Group</b>								
Financial assets at fair value through other comprehensive income	-	875	-	31,029	-	-	-	31,904
Financial assets at amortised cost	-	-	-	-	767	-	-	767
Trade receivables	470	1,176	2	75	-	1,466	-	3,189
Amount due from associate companies	-	684	-	-	-	-	-	684
Other receivables, deposits and prepayments	-	74	-	2	-	38	-	114
Financial assets at fair value through profit or loss	18,679	85,738	103	7,816	15,594	46,575	5,653	180,158
Deposits with licensed banks and financial institutions	52,532	31,647	-	23,425	867	-	-	108,471
Cash and bank balances	25,358	49,512	2,835	2,503	114,418	11,127	793	206,546
Lease liabilities	-	(270)	-	-	-	-	-	(270)
Loans and borrowings	(9,770)	(58,498)	(3,990)	(4,229)	(17,793)	-	-	(94,280)
Derivative financial liabilities	(499)	(1,471)	(419)	-	(709)	(569)	-	(3,667)
Trade payables	-	(1)	-	-	-	-	-	(1)
Other payables, deposits received and accruals	(2)	(304)	-	(4)	(3)	(40)	-	(353)
<b>Net financial assets/ (liabilities)</b>	<b>86,768</b>	<b>109,162</b>	<b>(1,469)</b>	<b>60,617</b>	<b>113,141</b>	<b>58,597</b>	<b>6,446</b>	<b>433,262</b>

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- 30 JUNE 2023  
(CONT'D)

**55 FINANCIAL INSTRUMENTS (CONT'D)****(b) Financial risk management and policies (cont'd)**

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

**(iii) Foreign currency exchange risk (cont'd)**

The net unhedged financial assets and liabilities of the Group and of the Company that are not denominated in their respective functional currencies are as follows (cont'd):-

	US Dollar RM'000	Singapore Dollar RM'000	Euro RM'000	Sterling Pound RM'000	Australian Dollar RM'000	Hong Kong Dollar RM'000	Other currencies RM'000	Total RM'000
<b>2022 (cont'd)</b>								
<b>Company</b>								
Financial assets at fair value through other comprehensive income	-	-	-	595	-	-	-	595
Cash and bank balances	-	-	-	-	104	-	-	104
Amount due from subsidiary companies	-	(15)	-	-	-	-	-	(15)
Amount due to subsidiary companies	-	-	-	-	-	(61,792)	-	(61,792)
Net financial (liabilities)/ assets	-	(15)	-	595	104	(61,792)	-	(61,108)

A 5% (2022: 5%) weakening/strengthening of Ringgit Malaysia ("RM") against the following major foreign currencies at the reporting date would (decrease)/increase the Group's and the Company's profit/equity for the financial year by the amounts shown below with all other variables held constant:-

		Group's profit/ equity for the financial year RM'000	Company's profit/ equity for the financial year RM'000
<b>2023</b>			
US Dollar/RM	- strengthening	9,334	-
	- weakening	(9,334)	-
Singapore Dollar/RM	- strengthening	6,729	(1)
	- weakening	(6,729)	1
Euro/RM	- strengthening	(388)	-
	- weakening	388	-
Sterling Pound/RM	- strengthening	2,825	30
	- weakening	(2,825)	(30)
Australian Dollar/RM	- strengthening	2,044	5
	- weakening	(2,044)	(5)
Hong Kong Dollar/RM	- strengthening	3,074	(3,292)
	- weakening	(3,074)	3,292

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**55 FINANCIAL INSTRUMENTS (CONT'D)****(b) Financial risk management and policies (cont'd)**

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

**(iii) Foreign currency exchange risk (cont'd)**

A 5% (2022: 5%) weakening/strengthening of Ringgit Malaysia ("RM") against the following major foreign currencies at the reporting date would (decrease)/increase the Group's and the Company's profit/equity for the financial year by the amounts shown below with all other variables held constant (cont'd):-

		<b>Group's profit/ equity for the financial year RM'000</b>	<b>Company's profit/ equity for the financial year RM'000</b>
<b>2022</b>			
US Dollar/RM	- strengthening	4,338	-
	- weakening	(4,338)	-
Singapore Dollar/RM	- strengthening	5,458	(1)
	- weakening	(5,458)	1
Euro/RM	- strengthening	(73)	-
	- weakening	73	-
Sterling Pound/RM	- strengthening	3,031	30
	- weakening	(3,031)	(30)
Australian Dollar/RM	- strengthening	5,657	5
	- weakening	(5,657)	(5)
Hong Kong Dollar/RM	- strengthening	2,930	(3,090)
	- weakening	(2,930)	3,090

The assumed movement in foreign currency exchange rate of 5% for the foreign currency exchange rate sensitivity analysis is based on the prudent estimate of the current market environment.

**(iv) Liquidity risk**

Liquidity risk is the risk that the Group and the Company are unable to meet its financial obligations when they fall due as a result of shortage of funds. The Group's and the Company's liquidity risk exposure mainly arise from trade and other payables, deposits received and accruals, derivative financial liabilities, lease liabilities, loans and borrowings, redeemable preference shares and amount due to subsidiary companies.

The Group and the Company monitor and maintain sufficient level of cash and cash equivalents to ensure adequate financing of the Group's and the Company's operations. The Group and the Company also ensure the availability of funding through adequate amount of committed credit facilities.

The normal trade credit terms granted to the Group is 30 days (2022: 30 days) except for a subsidiary company whose credit terms is 2 market days (2022: 2 market days) according to Bursa Malaysia Securities Berhad's Fixed Delivery and Settlement System Trading Rules.

**NOTES TO THE FINANCIAL STATEMENTS**

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**55 FINANCIAL INSTRUMENTS (CONT'D)****(b) Financial risk management and policies (cont'd)**

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

**(iv) Liquidity risk (cont'd)**

The table below summarised the maturity profile of the Group's and of the Company's financial liabilities based on contractual undiscounted repayment obligations:-

	Less than 1 year RM'000	2 to 5 years RM'000	After 5 years RM'000	Total RM'000
<b>2023</b>				
<b>Group</b>				
<b>Financial liabilities</b>				
Derivative financial liabilities	3,634	-	-	3,634
Trade payables	74,537	-	-	74,537
Other payables, deposits received and accruals	39,627	-	-	39,627
Loans and borrowings	207,346	20,858	24,909	253,113
Lease liabilities	8,538	17,635	801	26,974
Redeemable preference shares	5,046	140,991	-	146,037
<b>Company</b>				
<b>Financial liabilities</b>				
Amount due to subsidiary companies	66,094	-	-	66,094
Other payables and accruals	3,450	-	-	3,450
Loans and borrowings	124,030	-	-	124,030
Lease liabilities	340	-	-	340
Redeemable preference shares	5,046	140,991	-	146,037
Financial guarantee *	51,542	-	-	51,542

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**55 FINANCIAL INSTRUMENTS (CONT'D)****(b) Financial risk management and policies (cont'd)**

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

**(iv) Liquidity risk (cont'd)**

The table below summarised the maturity profile of the Group's and of the Company's financial liabilities based on contractual undiscounted repayment obligations (cont'd):-

	Less than 1 year RM'000	2 to 5 years RM'000	After 5 years RM'000	Total RM'000
<b>2022</b>				
<b>Group</b>				
<b>Financial liabilities</b>				
Derivative financial liabilities	3,667	-	-	3,667
Trade payables	45,458	-	-	45,458
Other payables, deposits received and accruals	40,080	-	-	40,080
Loans and borrowings	241,716	7,110	17,109	265,935
Lease liabilities	7,905	14,022	165	22,092
Redeemable preference shares	5,039	146,036	-	151,075
Financial guarantee *	1	-	-	1
<b>Company</b>				
<b>Financial liabilities</b>				
Amount due to subsidiary companies	62,054	-	-	62,054
Other payables and accruals	3,174	-	-	3,174
Loans and borrowings	120,480	-	-	120,480
Lease liabilities	408	340	-	748
Redeemable preference shares	5,039	146,036	-	151,075
Financial guarantee *	68,766	-	-	68,766

\* Exposure to liquidity risk on financial guarantees will arise only when the financial guarantees, which are contingent liabilities, crystallised and become definite liabilities.

**(v) Market risk**

Market risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market price of quoted securities held as financial assets and derivative financial liabilities at fair value through profit or loss.

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(CONT'D)

**55 FINANCIAL INSTRUMENTS (CONT'D)****(b) Financial risk management and policies (cont'd)**

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

**(v) Market risk (cont'd)**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Financial assets at fair value through profit or loss		
- quoted securities in Malaysia	<b>41,072</b>	69,212
- quoted securities outside Malaysia	<b>181,760</b>	180,158
	<b>222,832</b>	249,370
Derivative financial liabilities	<b>3,634</b>	3,667

If prices of quoted securities and derivative financial liabilities change by 5% (2022: 5%) with other variables held constant, the effects of the change on the Group's profit/equity for the financial year will be as follows:-

	<b>Group's profit/ equity for the financial year RM'000</b>
<b>2023</b>	
Financial assets at fair value through profit or loss and derivative financial liabilities	
- increase by 5%	<b>10,960</b>
- decrease by 5%	<b>(10,960)</b>
<b>2022</b>	
Financial assets at fair value through profit or loss and derivative financial liabilities	
- increase by 5%	12,285
- decrease by 5%	<b>(12,285)</b>

The assumed movement in market price of quoted securities and derivative financial liabilities of 5% for the market price sensitivity analysis is based on the prudent estimate of the current market environment.

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**55 FINANCIAL INSTRUMENTS (CONT'D)****(c) Fair values of financial instruments**

Fair value is the amount at which the financial instruments could be exchanged between knowledgeable willing parties in an arm's length transaction, other than in a forced and liquidation sale.

**(i) Financial instruments not carried at fair value but fair value is disclosed**

The Group and the Company do not have any financial instruments not carried at fair value but fair value is disclosed.

**(ii) Financial instruments carried at fair value**

Financial assets and liabilities of the Group and of the Company that are carried at fair value are as follows:-

- Financial assets at fair value through other comprehensive income - unquoted investments and other investments
- Financial assets at fair value through profit or loss
- Derivative financial liabilities

Other than the above, the carrying amounts of the remaining financial instruments in the statements of financial position are reasonable approximation of their fair values due to their relatively short-term nature and the insignificant impact of discounting.

The following methods and assumptions summarised below are used to determine the fair values of each class of financial instruments:-

**(i) Quoted securities**

The fair values of quoted securities is determined by reference to their published market closing price or the quoted closing bid price at the reporting date.

**(ii) Unquoted investments and other investments**

The fair values of the unquoted investments are determined based on valuation techniques supported by available inputs such as precedent transaction for similar financial instruments.

The fair values of other investments are determined based on the fair values obtained from the club memberships' websites whereby the quotes obtained reflected transactions in similar instruments.

**(iii) Derivative financial instruments**

The fair values of outstanding derivative transactions are obtained from major financial institutions.

**(iv) Financial assets and liabilities with short-term maturity**

The carrying amounts of these financial assets and liabilities at the reporting date are reasonable approximation of their fair values due to their short-term nature and therefore have insignificant impact on discounting.

**(v) Other fixed interest rates financial assets and liabilities**

The fair values of these financial assets and liabilities are estimated by discounting the future cash flows at market incremental lending rate for similar investment and borrowing arrangements at the reporting date.

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**55 FINANCIAL INSTRUMENTS (CONT'D)****(d) Fair value hierarchy of financial instruments**

The following table provides an analysis of the financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the fair value is observable:-

- (i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (iii) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>2023</b>				
<b>Group</b>				
Financial assets at fair value through other comprehensive income				
- other investments	-	655	-	655
- unquoted investments	-	-	33,874	33,874
Financial assets at fair value through profit or loss				
- quoted securities	222,832	-	-	222,832
	<b>222,832</b>	<b>655</b>	<b>33,874</b>	<b>257,361</b>
Derivative financial liabilities	-	3,634	-	3,634
<b>Company</b>				
Financial assets at fair value through other comprehensive income				
- other investments	-	595	-	595

**NOTES TO THE FINANCIAL STATEMENTS**

- 30 JUNE 2023

(CONT'D)

**55 FINANCIAL INSTRUMENTS (CONT'D)****(d) Fair value hierarchy of financial instruments (cont'd)**

The following table provides an analysis of the financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the fair value is observable (cont'd):-

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>2022</b>				
<b>Group</b>				
Financial assets at fair value through other comprehensive income				
- other investments	-	1,530	-	1,530
- unquoted investments	-	-	31,662	31,662
Financial assets at fair value through profit or loss				
- quoted securities	249,370	-	-	249,370
	249,370	1,530	31,662	282,562
Derivative financial liabilities	-	3,667	-	3,667
<b>Company</b>				
Financial assets at fair value through other comprehensive income				
- other investments	-	595	-	595

The following table shows the reconciliation of Level 3 fair values:-

	Group	
	2023 RM'000	2022 RM'000
<u>Unquoted investments</u>		
At beginning of financial year	31,662	42,484
Additions	2,115	4,178
Exchange differences	97	-
Reclassified to investment in associate company	-	(15,000)
At end of financial year	33,874	31,662

**Policy on transfer between levels**

The fair value of the financial instruments to be transferred between levels are determined as of the date of the event or change in circumstances that caused the transfer.

There is no transfer between Level 1, 2 and 3 during the reporting period.

**NOTES TO THE FINANCIAL STATEMENTS**

- 30 JUNE 2023

(CONT'D)

**55 FINANCIAL INSTRUMENTS (CONT'D)****(e) Measurement of fair value of financial instruments**

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used:-

<b>Types of financial instrument carried at fair value</b>	<b>Level</b>	<b>Valuation techniques</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationship between significant unobservable inputs and fair value measurement</b>
Derivative financial liabilities	2	Market comparison technique. The fair values are based on quotes obtained from licensed financial institutions. Similar contracts are traded in an active market and the quotes reflect transactions in similar instruments.	Not applicable	Not applicable
Other investments	2	Market comparison technique. The fair values are obtained from the club memberships' websites whereby the quotes obtained reflected transactions in similar instruments.	Not applicable	Not applicable
Unquoted investments	3	Market comparison technique. The fair values are based on market multiples derived from recent quotes of similar financial instruments.	Adjusted market multiple	The estimated fair values would increase/decrease if the adjusted market multiple were higher/lower.

**56 FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS**

The Group and the Company do not have any non-financial assets measured at fair value, other than investment properties which have been disclosed in Note 7 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023  
(CONT'D)

### 57 CAPITAL MANAGEMENT

The primary objective of capital management is to ensure that an entity maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders value.

The Group and the Company manage their capital structure to safeguard their ability to continue as a going concern in order to maintain investors, creditors and market confidence and to sustain future business development. The Group's and the Company's overall strategy remain unchanged from the previous financial year. There were no externally imposed capital requirements that the Group and the Company need to be in compliance with for the financial years ended 30 June 2023 and 30 June 2022 except for the stock broking subsidiary company which is supervised by the Securities Commission and Bursa Malaysia Securities Berhad and is required to maintain a number of minimum capital adequacy requirements, which the stock broking subsidiary company has complied with.

The Group and the Company monitor capital using a gearing ratio, which is derived by dividing the amount of borrowings over equity. The Group's and the Company's policy is to keep the gearing ratio within manageable ratio.

The Group's and the Company's gearing ratio are summarised as below:-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Total interest bearing borrowings	<b>395,672</b>	409,809	<b>252,978</b>	249,106
Total equity attributable to owners of the Company	<b>2,342,233</b>	2,194,089	<b>938,906</b>	879,867
Gearing ratio	<b>0.17</b>	0.19	<b>0.27</b>	0.28

# LIST OF PROPERTIES

- HELD BY INSAS BERHAD GROUP AS AT 30 JUNE 2023

Location/Address	Description / Existing use	Area	Tenure	Approximate age of building (years)	Date of acquisition	Date of valuation	Carrying amount RM'000
M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh, Perak	10 storey corporate offices leased out and for own use as office premise	10,484 sq feet (Land area)	Freehold	25	18-Jan-1995	30-Jun-2023	12,271
6, Jalan 31/70A, Desa Sri Hartamas 50480 Kuala Lumpur	4 storey shophouse leased out	1,765 sq feet (Land area)	Freehold	26	31-Oct-2001	30-Jun-2023	4,000
Block 45 & 47, The Boulevard Offices Mid Valley City, Lingkarang Syed Putra 59200 Kuala Lumpur	2 blocks of 11 storey shop offices leased out and for own use as office premise	54,277 sq feet	Leasehold (unexpired lease period of 79 years)	21	17-Jun-2002	30-Jun-2023	58,273
21, Plaza Crystalville 1 Jalan 23/70A, Desa Sri Hartamas 50480 Kuala Lumpur	3 storey shop office leased out	4,620 sq feet	Freehold	22	3-Jan-2000	30-Jun-2023	3,800
R-3A-1, D'Aman Ria Apartment, Jalan PJU 1A/41 Ara Jaya, 47301 Petaling Jaya, Selangor	Apartment for lease	1,133 sq feet	Freehold	20	22-Jun-2007	30-Jun-2023	470
8A, Orange Grove Road #11-03, D'Grove Villas Singapore	Apartment for lease	2,701 sq feet	Freehold	30	14-Feb-1996	30-Jun-2023	20,721
5, Draycott Drive #15-02, The Arc at Draycott Singapore	Apartment for lease	1,270 sq feet	Freehold	15	27-Nov-2008	30-Jun-2023	11,051
21 Claymore Road #07-02, The Tate Residences Singapore	Apartment for lease	1,894 sq feet	Freehold	13	24-Feb-2010	30-Jun-2023	18,995
HS (D) 11371, No. P T 14461 Bukit Tinggi Resort Mukim and District of Bentong Pahang	Vacant land for development	130 acres	Freehold	Not applicable	24-Oct-1995	30-Jun-2023	38,000
Ampang Putra Residensi Jalan Ampang Putra 6, 68000 Ampang, Selangor	15 units of apartments & 3 units of retail lots held for sale and for lease	16,584 sq feet	Leasehold (unexpired lease period of 82 years)	13	7-May-2010 3-Sep-2010	-	4,148

## LIST OF PROPERTIES

- HELD BY INSAS BERHAD GROUP AS AT 30 JUNE 2023  
(CONT'D)

Location/Address	Description / Existing use	Area	Tenure	Approximate age of building (years)	Date of acquisition	Date of valuation	Carrying amount RM'000
Lot No. 2-12, 2-13, 2-18, 2-19, 2-31 & 2-32 No. 65, Jalan 1/17, Fadason Business Centre Taman Fadason, Off Jalan Kepong, 52000 Kuala Lumpur	6 units of retail lots held for sale	4,200 sq feet	Leasehold	12	11-Jul-2011	-	1,504
D-07-1, D-07-2, D-07-3, Block D, Plaza Kelana Jaya Jalan SS7/13A, 47301 Petaling Jaya, Selangor	3 storey shop office leased out and for own use as office premise	4,387 sq feet	Freehold	12	17-Mar-2011	30-Jun-2023	2,072
38, Jalan Pemimpin #07-08 M38 Singapore 577178	1 unit factory/office premise for lease	2,906 sq feet	Freehold	8	17-Jul-2014	30-Jun-2023	8,979
38, Jalan Pemimpin #07-09 M38 Singapore 577178	1 unit factory/office premise for own use as operational premise	2,820 sq feet	Freehold	8	25-Jun-2014	-	7,212
No. 8, Jalan Serendah 26/41, Sekitar 26, Seksyen 26, 40400 Shah Alam, Selangor	1 unit 3 storey semi-detached factory for own use as operational premise	10,075 sq feet (Land area)	Freehold	4	31-Oct-2019	30-Jun-2023	6,086
No. 10, Jalan Serendah 26/41, Sekitar 26, Seksyen 26, 40400 Shah Alam, Selangor	1 unit 3 storey semi-detached factory for own use as operational premise	10,075 sq feet (Land area)	Freehold	2	8-Jun-2021	30-Jun-2023	6,200
A-21-02,	2 units of apartments for lease and for sale	1,529 sq feet	Freehold	6	24-Jul-2012	30-Jun-2023	740
A-22-02 Duet Residence, Jalan Kinrara 6, Bandar Kinrara, 47180 Puchong, Selangor.		1,529 sq feet	Freehold	6	24-Jul-2012	30-Jun-2023	740
No. C10 and C11 Aurora Place Plaza Bukit Jalil, No.1, Persiaran Jalil 1, Bandar Bukit Jalil, 57000 Kuala Lumpur	2 units of 5 storey shop offices for lease, for sale and for own use as office premise	17,657 sq feet	Freehold	5	28-Dec-2012	30-Jun-2023	13,603

**LIST OF PROPERTIES**

- HELD BY INSAS BERHAD GROUP AS AT 30 JUNE 2023  
(CONT'D)

Location/Address	Description / Existing use	Area	Tenure	Approximate age of building (years)	Date of acquisition	Date of valuation	Carrying amount RM'000
A-01-02, A-01-03, A-01-3A, A-01-05, A-02-02, A-03-03, A-3A-02, A-06-02, A-13A-03, A-18-02, B-01-01, B-01-03, B-01-06, B-03-06, B-03A-06, B-13-06, B-13A-03, B-16-03, B-19-03, B-20-03, B-21-01 & B-21-02, Duet Residence, Jalan Kinrara 6, Bandar Kinrara, 47180 Puchong, Selangor.	22 units of apartments for lease and for sale	42,422 sq feet	Freehold	6	22-Nov-2017	30-Jun-2023	15,180
No. 75, Lorong Setiabistari 1, Bukit Damansara, 50490 Kuala Lumpur	1 unit of 2 storey linked house for lease	3,810 sq feet	Freehold	3	7-Oct-2020	30-Jun-2023	2,750
No. 8A, Jalan Utarid U5/16, Seksyen U5, 40150 Shah Alam, Selangor	3 storey office premise cum factory for lease	21,824 sq feet	Leasehold (unexpired lease period of 73 years)	1	29-Jul-2022	-	7,603
No. 1, Jalan Halba Satu 16/16A, Seksyen 16, 40200 Shah Alam, Selangor	2 warehouse buildings for lease	66,736 sq feet	Leasehold (unexpired lease period of 71 years)	1	26-Jan-2023	-	16,500
Unit 04-11	2 units of apartments held for sale	1,058 sq feet	Freehold	4	26-Jul-2019	-	406
Unit 17-10 Iris Residence Jalan Kiara Sungai Long, Bandar Sungai Long, 43000 Kajang, Selangor		1,058 sq feet	Freehold	4	26-Jul-2019	-	425
Unit SF-01, SF-02, SF-23, SF-26, SF-28, SG-14, SG-23, SG-24, SG-25, SG-26, SG-27 and SG-28 Kiara Plaza Jalan Semenyih, 43500 Semenyih, Selangor	12 units of retail lots held for sale and for lease	17,803 sq feet	Freehold	5	30-May-2018	-	9,235
Lot 25285 Geran 312793	2 parcels of vacant land	387,393 sq feet	Freehold	Not applicable	13-Oct-2011	2-May-2023	46,500
Lot 25299 Geran 312794 Mukim Semenyih, Daerah Ulu Langat, Selangor		215,493 sq feet	Freehold	Not applicable	5-Aug-2011	2-May-2023	21,500

# ANALYSIS OF SHAREHOLDINGS

## AS AT 29 SEPTEMBER 2023

### ORDINARY SHARES

Number of shares issued	:	663,020,762 (excluding 30,327,291 treasury shares)
Class of shares	:	Ordinary shares
Voting rights	:	One vote per ordinary share

### ANALYSIS BY SIZE OF HOLDINGS

Size of holdings	No. of shareholders	%	No. of ordinary shares	%
Less than 100	2,540	11.58	89,136	0.01
100 - 1,000	1,675	7.63	701,877	0.11
1,001 - 10,000	13,894	63.34	47,418,784	7.15
10,001 - 100,000	3,364	15.33	92,263,710	13.92
100,001 - less than 5% of issued shares	462	2.11	382,438,908	57.68
5% and above of issued shares	2	0.01	140,108,347	21.13
	<b>21,937</b>	<b>100.00</b>	<b>663,020,762</b>	<b>100.00</b>

### THIRTY LARGEST SHAREHOLDERS

Name	No. of ordinary shares	%
1. M & A Nominee (Asing) Sdn Bhd - M&A Investments International Limited	96,749,534	14.59
2. Dato' Thong Kok Yoon	43,358,813	6.54
3. M & A Nominee (Asing) Sdn Bhd - M&A Investments Pte Ltd	27,670,755	4.17
4. Anglo Asia Investments Limited	22,255,713	3.36
5. M & A Nominee (Tempatan) Sdn Bhd - Baktihan Sdn Bhd	21,746,400	3.28
6. Tan Pau Son	19,570,000	2.95
7. Yap Chooi Wah	18,300,000	2.76
8. Immobillaire Holdings Sdn Bhd	13,538,635	2.04
9. Kim Poh Holdings Sdn Bhd	6,364,800	0.96
10. Dato' Sri Thong Kok Khee	5,184,678	0.78
11. Gan Peoy Hong	5,164,701	0.78
12. Khoo Loon See	5,010,000	0.76
13. CGS-CIMB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Dato' Ong Choo Meng (MY3273)	5,000,000	0.75
14. Lim Gaik Bway @ Lim Chiew Ah	4,974,000	0.75
15. Thong Weng Tim	4,739,543	0.71
16. Citigroup Nominees (Asing) Sdn Bhd - CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	4,413,602	0.67
17. Amsec Nominees (Tempatan) Sdn Bhd - AmBank (M) Berhad	4,223,600	0.64

## ANALYSIS OF SHAREHOLDINGS

### AS AT 29 SEPTEMBER 2023

#### (CONT'D)

#### THIRTY LARGEST SHAREHOLDERS (CONT'D)

Name	No. of ordinary shares	%
18. UOB Kay Hian Nominees (Asing) Sdn Bhd - Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)	4,155,292	0.63
19. HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Teng Heng	4,110,000	0.62
20. Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chee Sai Mun (E-KLC)	3,870,797	0.58
21. Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tee Tiam Hock (7009898)	3,340,000	0.50
22. Ong Ah How @ Ong Beng Hwa	3,183,900	0.48
23. RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Fong Loong Tuck (CEB)	3,085,000	0.47
24. Maybank Nominees (Tempatan) Sdn Bhd - Maybank Private Wealth Management for Philip A/L K.O.Kunjappy (PW-M00774)(420784)	2,900,000	0.44
25. Cartaban Nominees (Asing) Sdn Bhd - Exempt An for Standard Chartered Bank Malaysia Berhad (Wealth Management) (Asing)	2,683,300	0.40
26. UOB Kay Hian Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Teo Siew Lai	2,622,400	0.40
27. Low Chu Mooi	2,607,000	0.39
28. Citigroup Nominees (Asing) Sdn Bhd - CBNY for Dimensional Emerging Markets Value Fund	2,517,100	0.38
29. Cimsec Nominees (Tempatan) Sdn Bhd - CIMB for Ong Yoong Nyock (PB)	2,500,000	0.38
30. Phoon Kin Seng	2,500,000	0.38
	<b>348,339,563</b>	<b>52.54</b>

#### SUBSTANTIAL SHAREHOLDERS

AS AT 29 SEPTEMBER 2023

Name of substantial shareholders	No. of ordinary shares	%
1. Dato' Sri Thong Kok Khee *	166,064,962	25.05
2. M & A Investments International Limited	124,420,289	18.77
3. Dato' Thong Kok Yoon **	74,203,648	11.19
* 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.		
** 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.		

# ANALYSIS OF WARRANTS HOLDINGS

AS AT 29 SEPTEMBER 2023

## WARRANTS 2021 /2026

No. of outstanding warrants	:	331,510,380
Exercise price per warrant	:	RM0.90
Expiry date of warrants	:	28 February 2026

## ANALYSIS BY SIZE OF HOLDINGS

Size of holdings	No. of warrants holders	%	No. of warrants	%
Less than 100	103	4.66	4,589	0.01
100 - 1,000	205	9.28	123,780	0.03
1,001 - 10,000	965	43.69	4,135,967	1.25
10,001 - 100,000	647	29.29	23,862,335	7.20
100,001 - less than 5% of issued warrants	285	12.90	197,909,789	59.70
5% and above of issued warrants	4	0.18	105,473,920	31.81
	<b>2,209</b>	<b>100.00</b>	<b>331,510,380</b>	<b>100.00</b>

## THIRTY LARGEST WARRANTS HOLDERS

Name	No. of warrants	%
1. M & A Nominee (Asing) Sdn Bhd - M&A Investments International Limited	48,387,500	14.60
2. Dato' Thong Kok Yoon	21,679,405	6.54
3. Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lee Hock Leong (E-PDG/SAN)	18,759,000	5.66
4. M & A Nominee (Asing) Sdn Bhd - For Qing Shui Wan Holdings Pte Ltd	16,568,015	5.00
5. M & A Nominee (Tempatan) Sdn Bhd - Baktihan Sdn Bhd	14,623,000	4.41
6. M & A Nominee (Asing) Sdn Bhd - M&A Investments Pte Ltd	13,837,500	4.17
7. Immobillaire Holdings Sdn Bhd	9,571,000	2.89
8. Tan Pau Son	5,448,800	1.64
9. Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lim Gim Leong	5,416,900	1.63
10. Dato' Sri Thong Kok Khee	4,400,750	1.33
11. Teo Lay Choo	3,792,400	1.14
12. Gan Peoy Hong	3,711,850	1.12
13. Maybank Nominees (Tempatan) Sdn Bhd - Maybank Private Wealth Management for Philip A/L K.O.Kunjappy (PW-M00774)(420784)	3,450,000	1.04

## ANALYSIS OF WARRANTS HOLDINGS

### AS AT 29 SEPTEMBER 2023

#### (CONT'D)

#### THIRTY LARGEST WARRANTS HOLDERS (CONT'D)

Name	No. of warrants	%
14. HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chee Sai Mun	3,264,400	0.98
15. Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Christina Loh Yoke Lin (8111756)	3,200,000	0.97
16. Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for TNTT Realty Sdn Bhd	3,082,250	0.93
17. Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yeo Bee Kim	2,800,000	0.84
18. Phoon Kin Seng	2,600,000	0.78
19. Cimsec Nominees (Tempatan) Sdn Bhd - CIMB for Ong Yoong Nyock (PB)	2,500,000	0.75
20. HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Teng Heng	2,491,700	0.75
21. Affin Hwang Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chua Hock Gee	2,400,000	0.72
22. Kim Poh Holdings Sdn Bhd	2,382,400	0.72
23. Thong Weng Tim	2,369,770	0.71
24. Amsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yap Wai Leong	2,180,000	0.66
25. TA Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Khor Sun Keong	1,857,000	0.56
26. Low Chu Mooi	1,803,500	0.54
27. Dato' Wong Gian Kui	1,782,250	0.54
28. Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Teh Kian Lang (E-KLC)	1,673,100	0.50
29. Kenanga Nominees (Tempatan) Sdn Bhd - Rakuten Trade Sdn Bhd for Choo On @ Chui Chin Ching	1,640,000	0.49
30. UOB Kay Hian Nominees (Tempatan) Sdn Bhd - For Ong Soon Ho	1,630,600	0.49
	<b>209,303,090</b>	<b>63.14</b>

# ANALYSIS OF REDEEMABLE PREFERENCE SHARES HOLDINGS

AS AT 29 SEPTEMBER 2023

## REDEEMABLE PREFERENCE SHARES ("RPS")

Number of RPS issued	:	132,604,152
Class of shares	:	RPS
Maturity date	:	28 February 2026
Voting rights	:	The holders of RPS are not entitled to any voting rights except in circumstances set out in the Company's Constitution

## ANALYSIS BY SIZE OF HOLDINGS

Size of holdings	No. of RPS holders	%	No. of RPS	%
Less than 100	40	2.05	1,147	0.01
100 - 1,000	584	29.96	337,876	0.25
1,001 - 10,000	921	47.26	3,302,967	2.49
10,001 - 100,000	294	15.09	10,661,709	8.04
100,001 - less than 5% of issued RPS	107	5.49	81,132,245	61.18
5% and above of issued RPS	3	0.15	37,168,208	28.03
	<b>1,949</b>	<b>100.00</b>	<b>132,604,152</b>	<b>100.00</b>

## THIRTY LARGEST RPS HOLDERS

Name	No. of RPS	%
1. M & A Nominee (Asing) Sdn Bhd - M&A Investments International Limited	19,355,000	14.60
2. M & A Nominee (Asing) Sdn Bhd - For Qing Shui Wan Holdings Pte Ltd	9,141,446	6.89
3. Dato' Thong Kok Yoon	8,671,762	6.54
4. Ho Chu Chai	5,856,000	4.42
5. M & A Nominee (Tempatan) Sdn Bhd - Baktihan Sdn Bhd	5,849,200	4.41
6. M & A Nominee (Asing) Sdn Bhd - M&A Investments Pte Ltd	5,535,000	4.17
7. Ho Chu Chai	4,799,800	3.62
8. Ong Ah How @ Ong Beng Hwa	3,932,600	2.97
9. Tan Pau Son	3,834,000	2.89
10. Gan Peoy Hong	3,831,900	2.89
11. Immobillaire Holdings Sdn Bhd	3,828,400	2.89
12. TA Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Wong Dek Kong	3,200,000	2.41
13. Kenanga Nominees (Tempatan) Sdn Bhd - Rakuten Trade Sdn Bhd for Goh Hock Hun	2,440,100	1.84
14. Dato' Sri Thong Kok Khee	1,786,300	1.35

## ANALYSIS OF REDEEMABLE PREFERENCE SHARES HOLDINGS AS AT 29 SEPTEMBER 2023 (CONT'D)

### THIRTY LARGEST RPS HOLDERS (CONT'D)

	Name	No. of RPS	%
15.	Phuah Bee Lan	1,655,000	1.25
16.	Saw Sau Kin	1,652,000	1.25
17.	Kim Poh Holdings Sdn Bhd	1,272,960	0.96
18.	Chu Yee San	1,120,000	0.84
19.	Maybank Nominees (Tempatan) Sdn Bhd - Maybank Private Wealth Management for Philip A/L K.O.Kunjappy (PW-M00774)(420784)	1,050,000	0.79
20.	Cimsec Nominees (Tempatan) Sdn Bhd - CIMB for Ong Yoong Nyock (PB)	1,000,000	0.75
21.	Lim Bun Hwa	1,000,000	0.75
22.	Thong Weng Tim	973,208	0.73
23.	Lim Boon Cheng	935,200	0.71
24.	Tong Seow Mei	902,000	0.68
25.	Tan Boon Ann	900,600	0.68
26.	HLIB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lee Peng Chong (M)	846,100	0.64
27.	Carolyn Kok Hang Poh	780,000	0.59
28.	Lim Swee Ing	774,000	0.58
29.	Ong Chin Teik	768,900	0.58
30.	Kenneth Ng Hang Loong	755,000	0.57
		<b>98,446,476</b>	<b>74.24</b>

# STATEMENT OF DIRECTORS' INTEREST

IN INSAS BERHAD AND ITS RELATED CORPORATIONS AS AT 29 SEPTEMBER 2023

## DIRECTORS' INTEREST IN ORDINARY SHARES

Insas Berhad	Direct Interest Number	Ordinary Shares		Deemed Interest Number	%
		%			
1. Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP	121,992	0.02	–	–	–
2. Dato' Wong Gian Kui	462,160	0.07	136,000 <sup>(1)</sup>	0.02	–
3. Dato' Dr. Tan Seng Chuan	350,000	0.05	–	–	–
4. Ms. Soon Li Yen	–	–	–	–	–
5. Dato' Mohamad Azmi Bin Ali	–	–	–	–	–
6. Datuk Mohamed Arsad Bin Sehan	–	–	–	–	–
<b>Subsidiary Company – M &amp; A Equity Holdings Berhad (formerly known as SYF Resources Berhad)</b>					
1. Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP	1,150,000	0.06	–	–	–
2. Dato' Wong Gian Kui	2,000,000	0.10	–	–	–
<b>Subsidiary Company – Insas Properties Sdn Bhd</b>					
1. Dato' Wong Gian Kui	80,000	10.00	–	–	–
<b>Subsidiary Company – Segar Raya Development Sdn Bhd</b>					
1. Dato' Wong Gian Kui	129,999	13.00	80,000 <sup>(1)</sup>	8.00	–
<b>Subsidiary Company – Dellmax Worldwide Sdn Bhd</b>					
1. Dato' Wong Gian Kui	–	–	35,000 <sup>(2)</sup>	35.00	–

Notes:-

(1) Deemed interested by virtue of his spouse's interest.

(2) Deemed interested by virtue of his interest in True Acres Sdn Bhd and his spouse's interest.

## STATEMENT OF DIRECTORS' INTEREST

### IN INSAS BERHAD AND ITS RELATED CORPORATIONS AS AT 29 SEPTEMBER 2023 (CONT'D)

#### DIRECTORS' INTEREST IN WARRANTS

Insas Berhad	Warrants 2021/2026			
	Direct Interest Number	%	Deemed Interest Number	%
1. Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP	–	–	–	–
2. Dato' Wong Gian Kui	1,782,250	0.54	299,500 <sup>(1)</sup>	0.09
3. Dato' Dr. Tan Seng Chuan	331,500	0.10	–	–
4. Ms. Soon Li Yen	–	–	–	–
5. Dato' Mohamad Azmi Bin Ali	–	–	–	–
6. Datuk Mohamed Arsad Bin Sehan	–	–	–	–

Notes:-

<sup>(1)</sup> Deemed interested by virtue of his spouse's interest.

#### DIRECTORS' INTEREST IN REDEEMABLE PREFERENCE SHARES

Insas Berhad	Redeemable Preference Shares			
	Direct Interest Number	%	Deemed Interest Number	%
1. Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP	–	–	–	–
2. Dato' Wong Gian Kui	712,900	0.54	119,800 <sup>(1)</sup>	0.09
3. Dato' Dr. Tan Seng Chuan	132,600	0.10	–	–
4. Ms. Soon Li Yen	–	–	–	–
5. Dato' Mohamad Azmi Bin Ali	–	–	–	–
6. Datuk Mohamed Arsad Bin Sehan	–	–	–	–

Notes:-

<sup>(1)</sup> Deemed interested by virtue of his spouse's interest.

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 61<sup>st</sup> Annual General Meeting of Insas Berhad (“Company”) will be conducted on a fully virtual basis through live streaming and online remote voting via TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC: D1A282781) on **Monday, 27 November 2023** at **11.00 a.m.** for the following purposes: -

## AGENDA

### AS ORDINARY BUSINESS

- |     |  |                                      |
|-----|--|--------------------------------------|
| 1.  | To receive the Audited Financial Statements for the financial year ended 30 June 2023 and the Reports of the Directors and Auditors thereon. | <b>Please see Explanatory Note 1</b> |
| 2.  | To approve the following payments:-  |                                      |
| 2.1 | Directors’ fees of RM132,000 for the financial year ended 30 June 2023.  | <b>Ordinary Resolution 1</b>         |
| 2.2 | Directors’ benefits of up to RM60,000 for the period from 28 November 2023 until the next Annual General Meeting of the Company.             | <b>Ordinary Resolution 2</b>         |
| 3.  | To re-elect the following Directors retiring pursuant to Clause 103 or 110 of the Company’s Constitution:-                                   |                                      |
| 3.1 | Dato’ Dr. Tan Seng Chuan   | <b>Ordinary Resolution 3</b>         |
| 3.2 | Ms. Soon Li Yen  | <b>Ordinary Resolution 4</b>         |
| 3.3 | Datuk Mohamed Arsad Bin Sehan  | <b>Ordinary Resolution 5</b>         |
| 4.  | To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.               | <b>Ordinary Resolution 6</b>         |

### AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions, with or without modifications:

- |    |  |                              |
|----|--|------------------------------|
| 5. | <b>AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTION 75 AND 76 OF THE COMPANIES ACT 2016</b> | <b>Ordinary Resolution 7</b> |
|----|--|------------------------------|

“**THAT**, subject to the Companies Act 2016, the Constitution of the Company and the approvals of the relevant authorities where required, the Directors of the Company be and are hereby empowered, pursuant to Section 75 and 76 of the Companies Act 2016, to issue and allot new shares in the Company (“New Shares”) from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company (excluding treasury shares) for the time being (“Mandate”) and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company and that the Directors be and are hereby empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued.

**AND THAT** pursuant to Section 85 of the Companies Act 2016 read together with Clause 70 of the Company’s Constitution, approval be hereby given to waive the statutory pre-emptive rights conferred upon the shareholders of the Company and the Board is exempted from the obligation to offer such New Shares first to the existing shareholders of the Company in respect of the allotment and issuance of New Shares pursuant to the Mandate.”

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

### 6. PROPOSED RENEWAL OF THE AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES

### Ordinary Resolution 8

**"THAT**, subject to the Companies Act 2016 ("the Act"), rules, regulations and orders made pursuant to the Act, the Company's Constitution, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authorities, the Directors of the Company be and are hereby authorised to make purchases of ordinary shares in the Company's share capital through Bursa Securities and to take all such steps as are necessary (including the opening and maintaining of a depository account under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchases with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time and to do all such acts and things as the Directors may deem fit and expedient in the best interests of the Company, subject further to the following:-

- (i) the maximum number of ordinary shares which may be purchased and held by the Company pursuant to this resolution shall not exceed 10% of the total number of issued shares of the Company at the time of purchase;
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing the ordinary shares shall not exceed the total retained profits of the Company;
- (iii) the authority conferred by this resolution will commence immediately upon the passing of this resolution and will expire at the conclusion of the next Annual General Meeting of the Company following the passing of this resolution (unless earlier revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting) but not so as to prejudice the completion of purchases by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act, the rules and regulations made pursuant thereto and the guidelines issued by Bursa Securities and/or any other relevant authorities; and
- (iv) upon completion of the purchase(s) of the ordinary shares or any part thereof by the Company, the Directors of the Company be and are hereby authorised to cancel all the shares so purchased or retain all the shares as treasury shares (of which may be dealt with in accordance with Section 127(7) of the Act) or retain part thereof as treasury shares and cancelling the balance, and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authorities for the time being in force."

7. To transact any other business of the Company of which due notice shall have been given in accordance with the Company's Constitution and the Companies Act 2016.

By Order of The Board

Chow Yuet Kuen  
MAICSA 7010284  
SSM Practising Certificate No. 202008002730  
Company Secretary

Lau Fong Siew  
MAICSA 7045893  
SSM Practising Certificate No. 202008002625  
Company Secretary

Kuala Lumpur  
27 October 2023

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

### Explanatory Notes to Ordinary and Special Businesses:-

#### 1. Audited Financial Statements

This agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this agenda item is not put forward for voting.

#### 2. Ordinary Resolutions 1 and 2 – Directors' fees and benefits

The Board had reviewed the Directors' fees (including Board Committees) and benefits after taking into account the responsibilities and time commitment required from the Non-Executive Directors to ensure the fees is in line with market trend for similar positions and is otherwise fair and not excessive.

The benefits payable to the Non-Executive Directors comprise of car, fuel, driver and meeting allowances for attending the Board, Board Committees and general meetings of the Company for the period from 28 November 2023 until the next Annual General Meeting in 2024. The meeting allowances is estimated based on the number of scheduled and unscheduled meetings and the number of Non-Executive Directors involved in these meetings.

The payment of Directors' fees for the financial year 2023 will be payable in full upon the shareholders' approval while the Directors' benefits will be paid as and when they are incurred.

#### 3. Ordinary Resolution 7 – Authority to issue and allot shares pursuant to Section 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 7, if passed, will renew the general mandate given to the Directors of the Company to issue and allot shares up to an amount not exceeding 10% of the total number of issued shares of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. The general mandate sought for the issue of shares is a renewal of the general mandate which was approved by shareholders at the last Annual General Meeting held on 25 November 2022. As at the date of this notice, the Company has not issued any new shares under this general mandate which will lapse at the conclusion of the 61<sup>st</sup> Annual General Meeting.

The renewal of the general mandate will provide flexibility to the Company for any possible fund raising activities including but not limited to issuance of new shares for funding investment projects, working capital and/or acquisitions and to avoid any delay and costs involved in convening a general meeting of the Company to approve such issuance of shares.

Pursuant to Section 85 of the Companies Act 2016 read together with Clause 70 of the Company's Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company. This proposed Ordinary Resolution 7, if passed, will waive the shareholders' pre-emptive rights to be offered the new shares that may be issued by the Company pursuant to the said resolution.

This authority to issue and allot shares, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

#### 4. Ordinary Resolution 8 – Proposed renewal of authority for the Company to purchase its own shares

The proposed Ordinary Resolution 8, if passed, is to empower the Directors to purchase the Company's shares of up to 10% of the total number of issued shares of the Company by utilising the funds allocated out of the retained profits of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company in 2024. For information on the Proposed Renewal of Share Buy-Back Authority, please refer to the Statement in Relation to the Proposed Renewal of the Authority for the Company to Purchase its Own Shares on pages 242 to 246 of the Annual Report 2023.

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

### Notes:-

1. The 61<sup>st</sup> Annual General Meeting ("AGM") will be conducted on a fully virtual basis through live streaming and online remote voting using Remote Participation and Voting facilities ("RPV"). The Company has appointed Tricor Investor & Issuing House Services Sdn Bhd as the poll administrator for the AGM to facilitate the RPV via **TIIH Online website at <https://tiih.online>**. Please follow the procedures set out in the Administrative Guide for the AGM which is available on the Company's website at <http://www.insas.net/ar-gm.html> to register, participate and vote remotely via the RPV.
2. A member entitled to participate and vote at the meeting via RPV is entitled to appoint not more than two (2) proxies to participate and vote in his stead. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company.
3. Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation either under its common seal or under the hand of an officer or attorney duly authorised in writing.
5. The appointment of proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the poll administrator not less than forty-eight (48) hours before the time set for holding the meeting i.e. no later than 25 November 2023 at 11.00 a.m.:-
  - (a) Hard copy form  
Submit to Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
  - (b) Electronic form  
Lodge via TIIH Online website at <https://tiih.online> by following the procedures provided in the Administrative Guide.
6. A member who has appointed a proxy or authorised representative or attorney to participate in the 61<sup>st</sup> AGM via RPV must request his/her proxy or authorised representative or attorney to register himself/herself for RPV at TIIH Online website at <https://tiih.online> in accordance with the procedures set out in the Administrative Guide.
7. Only members whose names appear in the **Record of Depositors as at 17 November 2023** will be entitled to participate or appoint proxy(ies) to participate in his/her stead in the 61<sup>st</sup> AGM. **Kindly take note that ONLY Ordinary Shareholders are entitled to vote at the AGM.**

# STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING  
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

## 1. Details of individuals who are standing for election/re-election as Directors

The profile of the Directors who are standing for election/re-election as per Agenda 3 in the notice of Annual General Meeting ("AGM") is set out on pages 3 to 5 of the Company's Annual Report 2023. The details of their interest in the securities of the Company are set out in the Statement of Directors' Interest on pages 235 to 236 of the Annual Report.

Based on the results of the board effectiveness evaluation, the Nomination and Remuneration Committee ("NRC") views that the Directors standing for election/re-election meet the criteria as prescribed under Paragraph 2.20A of the Main Market Listing Requirements and adhere to the fit and proper criteria as set out in the Directors' Fit and Proper Policy. With the recommendation of NRC, the Board supports the election/re-election of these Directors.

## 2. Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The proposed Ordinary Resolution 7 is a renewal of the general mandate which was approved by shareholders at the last AGM held on 25 November 2022. As at the date of this notice, no new shares were issued under this general mandate which will lapse at the conclusion of the 61<sup>st</sup> AGM.

# STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES (“PROPOSED SHARE BUY-BACK”)

Bursa Malaysia Securities Berhad (“Bursa Securities”) takes no responsibility for the contents of this statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this statement.

## 1. INTRODUCTION

On 26 September 2023, the Company announced its intention to seek shareholders’ approval to renew the authority for the Company to purchase and/or hold its own ordinary shares (“Shares”) up to a maximum of 10% of the total number of issued shares of the Company.

The purpose of this statement is to provide you with the details of the Proposed Share Buy-Back and to seek your approval for the Ordinary Resolution 8 to be tabled at the 61<sup>st</sup> Annual General Meeting (“AGM”) of the Company which will be conducted on a fully virtual basis through live streaming and online remote voting via TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC: D1A282781) on Monday, 27 November 2023 at 11.00 a.m.

## 2. PROPOSED SHARE BUY-BACK

At the 60<sup>th</sup> AGM of the Company held on 25 November 2022, the Company had obtained the shareholders’ approval for, amongst others, the renewal of the authority for the Company to purchase its own Shares. The said authority will expire at the conclusion of the 61<sup>st</sup> AGM of the Company.

A new mandate is required from the shareholders of the Company to renew the authority to purchase up to 10% of the total number of issued shares of the Company. The authority from shareholders, if renewed, will be effective upon the passing of the ordinary resolution for the Proposed Share Buy-Back at the forthcoming AGM, and will remain in force until the conclusion of the next AGM of the Company, or until the expiry of the period within which the next AGM is required by law to be held, unless revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting, whichever occurs first.

Based on the number of issued shares of the Company as at 29 September 2023 of 693,348,053 Shares, the number of Shares that can be purchased by the Company is up to 69,334,805 Shares representing 10% of the total number of issued shares of the Company inclusive of 30,327,291 Shares that have been purchased and retained as treasury shares. As such, the balance that can be purchased by the Company is 39,007,514 Shares.

As at 29 September 2023, the Company has 331,510,380 outstanding warrants 2021/2026 (“Warrants”) which may be exercised into Shares in the Company. For illustrative purposes, assuming that all the 331,510,380 outstanding Warrants are exercised, the maximum number of Shares that can be purchased is 102,485,843 inclusive of 30,327,291 treasury shares as at 29 September 2023, representing 10% of the proforma enlarged issued shares of 1,024,858,433 Shares.

## 3. SOURCE OF FUNDS

Pursuant to Chapter 12 of the Listing Requirements, the Proposed Share Buy-Back must be made wholly out of retained profits of the listed company. Based on the latest audited financial statements as at 30 June 2023, the retained profits of the Company is RM74,769,000. The Board therefore proposes to allocate a sum up to the aggregate of the retained profits for the Proposed Share Buy-Back, which shall be funded by internal generated funds of the Group and/or external borrowings. In the event that the Company intends to fund the Proposed Share Buy-Back via external borrowings, the Company would ensure there is sufficient funds to repay the external borrowings and that the repayment would have no material impact on the cash flows of the Group.

## STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES (“PROPOSED SHARE BUY-BACK”) (CONT'D)

#### 4. RATIONALE FOR, AND POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back will enable the Company to utilise its financial resources to purchase its own Shares from the market. The Company may, through this scheme, be able to reduce the liquidity of the Shares in the market which generally will have a positive impact on the market price of the Shares.

The Directors may at its discretion retain the purchased Shares as treasury shares, or for resale on the Bursa Securities with the intention of realising a potential gain, or to distribute the treasury shares to the shareholders of the Company as dividends to serve as a reward to the shareholders. The Directors could also opt for the purchased Shares to be cancelled, or retain part thereof as treasury shares and cancelling the balance, and to treat the Shares in any manner as prescribed by the Companies Act 2016 (“Act”), rules, regulations and orders made pursuant to the Act, the requirements of Bursa Securities and any other relevant authorities.

The Proposed Share Buy-Back will nevertheless reduce the financial resources of the Group and may result in the Group foregoing other investment opportunities that may emerge in the future.

The Board will be mindful of the interest of the Company and its shareholders in implementing the Proposed Share Buy-Back.

#### 5. EFFECTS OF THE PROPOSED SHARE BUY-BACK

The effects of the Proposed Share Buy-Back on the share capital, earnings, net assets, working capital, public shareholding spread and shareholdings of Substantial Shareholders and Directors of the Company are based on the following assumptions:-

##### Minimum Scenario

Assuming the Proposed Share Buy-Back is undertaken in full and that none of the 331,510,380 outstanding Warrants are exercised into Shares.

##### Maximum Scenario

Assuming the Proposed Share Buy-Back is undertaken in full and all the 331,510,380 outstanding Warrants are exercised into Shares.

##### 5.1 Share Capital

The effect of the Proposed Share Buy-Back on the issued shares of the Company will depend on the intention of the Board with regards to the treatment of the purchased Shares. Assuming that 10% of the Company's issued shares are purchased and cancelled, the proforma effect on the issued shares of the Company is illustrated as follows:-

	No. of Shares	
	Minimum Scenario	Maximum Scenario
Issued shares as at 29 September 2023	693,348,053	693,348,053
Assuming full exercise of all outstanding Warrants	–	331,510,380
Enlarged issued shares	693,348,053	1,024,858,433
Maximum number of Shares that may be purchased and cancelled <sup>(1)</sup>	(69,334,805)	(102,485,843)
Resultant issued shares	624,013,248	922,372,590

##### Notes-

<sup>(1)</sup> Inclusive of the 30,327,291 Shares already purchased and retained as treasury shares as at 29 September 2023.

## STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED SHARE BUY-BACK") (CONT'D)

If all the purchased Shares are to be retained as treasury shares, the Proposed Share Buy-Back will not have any effect on the issued shares of the Company, but the rights attached to the treasury shares so as to voting, dividends and participation in other distribution or otherwise will be suspended.

### 5.2 Earnings

The effect of the Proposed Share Buy-Back on the earnings and earnings per share of the Group will depend on the quantum of Shares purchased, the purchase price and the effective funding cost thereon.

### 5.3 Net Assets

The effect of the Proposed Share Buy-Back on the net assets per share of the Group will depend on the quantum of Shares purchased and the purchase price of the Shares at the time of buy-back.

### 5.4 Working Capital

The Proposed Share Buy-Back will reduce the working capital of the Company, the quantum of which will depend, amongst others, the quantum of Shares purchased and the purchase price of the Shares at the time of buy-back.

### 5.5 Public Shareholding Spread

The public shareholding spread of the Company as at 29 September 2023 and the resulting public shareholding spread of the Company, assuming the Company purchases 10% of its own issued Shares, are as follows:-

As at 29 September 2023	After the Proposed Share Buy-Back	
	Minimum Scenario	Maximum Scenario
66.75%	64.67%	61.21%

### 5.6 Shareholdings of Substantial Shareholders and Directors

The effects of the Proposed Share Buy-Back on the shareholdings of the Substantial Shareholders and Directors of the Company based on the Register of Substantial Shareholders and the Register of Directors' shareholdings respectively as at 29 September 2023 are as follows:-

#### Minimum Scenario

	As at 29 September 2023 <sup>(1)</sup>				After the Proposed Share Buy-Back <sup>(2)</sup>			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Substantial Shareholders</b>								
Dato' Sri Thong Kok Khee <sup>(3)</sup>	5,184,678	0.78	160,880,284	24.26	5,184,678	0.83	160,880,284	25.78
M & A Investments International Limited	124,420,289	18.77	-	-	124,420,289	19.94	-	-
Dato' Thong Kok Yoon <sup>(4)</sup>	43,358,813	6.54	30,844,835	4.65	43,358,813	6.95	30,844,835	4.94
<b>Directors</b>								
Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP	121,992	0.02	-	-	121,992	0.02	-	-
Dato' Wong Gian Kui <sup>(5)</sup>	462,160	0.07	136,000	0.02	462,160	0.07	136,000	0.02
Dato' Dr. Tan Seng Chuan	350,000	0.05	-	-	350,000	0.06	-	-
Ms. Soon Li Yen	-	-	-	-	-	-	-	-
Dato' Mohamad Azmi Bin Ali	-	-	-	-	-	-	-	-
Datuk Mohamed Arsad Bin Sehan	-	-	-	-	-	-	-	-

## STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES (“PROPOSED SHARE BUY-BACK”) (CONT'D)

**Notes:-**

- (1) Calculated based on 663,020,762 Shares, after adjusting for 30,327,291 Shares already purchased and retained as treasury shares as at 29 September 2023.
- (2) Assuming the Proposed Share Buy-Back is undertaken in full and the maximum number of 69,334,805 Shares so purchased representing 10% of the total number of issued shares of the Company as at 29 September 2023 are purchased and cancelled.
- (3) Direct interest and deemed interest by virtue of his family members' interest and his substantial interest in M & A Investments International Limited, Immobillaire Holdings Sdn Bhd, Baktihan Sdn Bhd, Winfields Development Sdn Bhd and Montprimo Sdn Bhd.
- (4) Direct interest and deemed interest by virtue of his family members' interest and his substantial interest in Perak Traders Holdings Sdn Bhd and Baktihan Sdn Bhd.
- (5) Direct interest and deemed interest by virtue of his spouse's interest.

**Maximum Scenario**

	As at 29 September 2023 <sup>(1)</sup>				(I) Assuming full exercise of Warrants <sup>(2)</sup>			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Substantial Shareholders</b>								
Dato' Sri Thong Kok Khee <sup>(4)</sup>	5,184,678	0.78	160,880,284	24.26	9,585,428	0.96	264,951,549	26.64
M & A Investments International Limited	124,420,289	18.77	-	-	186,645,289	18.77	-	-
Dato' Thong Kok Yoon <sup>(5)</sup>	43,358,813	6.54	30,844,835	4.65	65,038,218	6.54	50,014,747	5.03
<b>Directors</b>								
Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP	121,992	0.02	-	-	121,992	0.01	-	-
Dato' Wong Gian Kui <sup>(6)</sup>	462,160	0.07	136,000	0.02	2,244,410	0.23	435,500	0.04
Dato' Dr. Tan Seng Chuan	350,000	0.05	-	-	681,500	0.07	-	-
Ms. Soon Li Yen	-	-	-	-	-	-	-	-
Dato' Mohamad Azmi Bin Ali	-	-	-	-	-	-	-	-
Datuk Mohamed Arsad Bin Sehan	-	-	-	-	-	-	-	-

**After (I) and the Proposed Share Buy-Back<sup>(3)</sup>**

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
<b>Substantial Shareholders</b>				
Dato' Sri Thong Kok Khee <sup>(4)</sup>	9,585,428	1.04	264,951,549	28.73
M & A Investments International Limited	186,645,289	20.24	-	-
Dato' Thong Kok Yoon <sup>(5)</sup>	65,038,218	7.05	50,014,747	5.42
<b>Directors</b>				
Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP	121,992	0.01	-	-
Dato' Wong Gian Kui <sup>(6)</sup>	2,244,410	0.24	435,500	0.05
Dato' Dr. Tan Seng Chuan	681,500	0.07	-	-
Ms. Soon Li Yen	-	-	-	-
Dato' Mohamad Azmi Bin Ali	-	-	-	-
Datuk Mohamed Arsad Bin Sehan	-	-	-	-

## STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED SHARE BUY-BACK") (CONT'D)

### Notes:-

- (1) Calculated based on 663,020,762 Shares, after adjusting for 30,327,291 Shares already purchased and retained as treasury shares as at 29 September 2023.
- (2) Calculated based on 994,531,142 Shares, assuming full exercise of 331,510,380 outstanding Warrants and after adjusting for 30,327,291 Shares already purchased and retained as treasury shares.
- (3) Calculated based on 922,372,590 Shares, assuming full exercise of 331,510,380 outstanding Warrants and the Proposed Share Buy-Back is undertaken in full; and the maximum number of 102,485,843 Shares representing 10% of the enlarged issued shares of the Company are purchased and cancelled.
- (4) Direct interest 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, Montprimo Sdn Bhd and Qing Shui Wan Holdings Pte Ltd.
- (5) Direct interest and deemed interest by virtue of his family members' interest and his substantial interest in Perak Traders Holdings Sdn Bhd and Baktihan Sdn Bhd.
- (6) Direct interest and deemed interest by virtue of his spouse's interest.

### 6. IMPLICATION OF THE MALAYSIAN CODE ON TAKE-OVERS AND MERGERS 2016 ("CODE")

Pursuant to the Code, a person and/or any person acting in concert with him will be required to make a mandatory offer for the remaining shares not already owned by him/them if his and/or their holding of voting shares in a company is increased beyond 33% or, if his and/or their holding of voting shares is more than 33% but less than 50%, his and/or their holding of voting shares is increased by more than 2% in any 6 months period. The Board is mindful of the potential implications under the Code and intend to monitor closely the Proposed Share Buy-Back such that it will not cause any party to trigger the obligation to undertake a Mandatory Offer pursuant to the Code as a result of the Proposed Share Buy-Back undertaken by the Company.

### 7. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST

Save for the proportionate increase in the percentage shareholdings and/or voting rights of all the shareholders in the Company as a consequence of the Proposed Share Buy-Back, none of the Directors and Substantial Shareholders and persons connected to them have any interest, direct or indirect, in the Proposed Share Buy-Back and, if any, the resale of the treasury shares.

### 8. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the Proposed Share Buy-Back is in the best interest of the Company and accordingly recommend that you vote in favour of the Ordinary Resolution 8 to be tabled at the 61<sup>st</sup> AGM.

### 9. FURTHER INFORMATION

Shareholders are requested to refer to the Company's Statements of Changes in Equity for the financial year ended 30 June 2023 and Note 24 to the audited financial statements for further information on the purchases made by the Company of its own Shares.



**INSAS BERHAD**  
(Registration No. 196101000026 (4081-M))

**PROXY FORM**  
**61ST ANNUAL GENERAL MEETING**

<b>NO. OF ORDINARY SHARES HELD</b>	<b>CDS ACCOUNT NO.</b>
<b>NO. OF REDEEMABLE PREFERENCE SHARES HELD</b>	<b>CDS ACCOUNT NO.</b>

I/We \_\_\_\_\_  
(FULL NAME IN BLOCK LETTERS)

NRIC No./Company No. \_\_\_\_\_ Tel No. \_\_\_\_\_

of \_\_\_\_\_  
(FULL ADDRESS)

being a member(s) of **INSAS BERHAD**, hereby appoint:-

1. Name of Proxy \_\_\_\_\_ NRIC No. \_\_\_\_\_  
(FULL NAME IN BLOCK LETTERS)

Address \_\_\_\_\_

\_\_\_\_\_  
(FULL ADDRESS)

and

2. Name of Proxy \_\_\_\_\_ NRIC No. \_\_\_\_\_  
(FULL NAME IN BLOCK LETTERS)

Address \_\_\_\_\_

\_\_\_\_\_  
(FULL ADDRESS)

or failing him/her, the Chairperson of the meeting, as my/our proxy(ies) to vote for me/us on my/our behalf at the 61<sup>st</sup> Annual General Meeting of the Company to be conducted on a fully virtual basis through live streaming and online remote voting via TIH Online website at <https://tiah.online> or <https://tiah.com.my> (Domain registration number with MYNIC:D1A282781) on **Monday, 27 November 2023 at 11.00 a.m.** or at any adjournment thereof in the manner indicated below:

NO.	RESOLUTIONS	FOR	AGAINST
1.	To approve the payment of Directors' fees		
2.	To approve the payment of Directors' benefits		
3.	To re-elect Dato' Dr. Tan Seng Chuan as Director		
4.	To re-elect Ms. Soon Li Yen as Director		
5.	To re-elect Datuk Mohamed Arsad Bin Sehan as Director		
6.	To re-appoint Grant Thornton Malaysia PLT as Auditors		
7.	To approve the authority to issue and allot shares		
8.	To approve the renewal of the authority for the Company to purchase its own shares		

Please indicate with an "X" in the spaces provided how you wish your vote to be cast. If no specific instruction is given on the voting, the proxy will vote or abstain from voting at his/her discretion.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2023

\_\_\_\_\_  
Signature(s)/Common Seal of Member(s)

For appointment of two proxies, the shareholdings to be represented by the proxies

	No. of shares	Percentage
Proxy 1		
Proxy 2		
Total		100%

**Notes:-**

- The 61<sup>st</sup> Annual General Meeting ("AGM") will be conducted on a fully virtual basis through live streaming and online remote voting using Remote Participation and Voting facilities ("RPV"). The Company has appointed Tricor Investor & Issuing House Services Sdn Bhd as the poll administrator for the AGM to facilitate the RPV via **TIH Online website at <https://tiah.online>**. Please follow the procedures set out in the Administrative Guide for the AGM which is available on the Company's website at <http://www.insas.net/ar-gm.html> to register, participate and vote remotely via the RPV.
- A member entitled to participate and vote at the meeting via RPV is entitled to appoint not more than two (2) proxies to participate and vote in his stead. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company.
- Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which holds shares in the Company for multiple beneficial owners in one securities account ('omnibus account'), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.



4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation either under its common seal or under the hand of an officer or attorney duly authorised in writing.
5. The appointment of proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the poll administrator not less than forty-eight (48) hours before the time set for holding the meeting i.e. no later than 25 November 2023 at 11.00 a.m.:-
  - (a) Hard copy form  
Submit to Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
  - (b) Electronic form  
Lodge via TIIH Online website at <https://tiih.online> by following the procedures provided in the Administrative Guide.
6. A member who has appointed a proxy or authorised representative or attorney to participate in the 61<sup>st</sup> AGM via RPV must request his/her proxy or authorised representative or attorney to register himself/herself for RPV at TIIH Online website at <https://tiih.online> in accordance with the procedures set out in the Administrative Guide.
7. Only members whose names appear in the **Record of Depositors as at 17 November 2023** will be entitled to participate or appoint proxy(ies) to participate in his/her stead in the 61<sup>st</sup> AGM. **Kindly take note that ONLY ordinary shareholders are entitled to vote at the AGM.**

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AFFIX  
STAMP

**INSAS BERHAD**  
**c/o TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD**  
Unit 32-01, Level 32  
Tower A, Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur

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## **INSAS BERHAD**

Registration No. 196101000026 (4081-M)

Suite 23.02 Level 23, The Gardens South Tower  
Mid Valley City, Lingkaran Syed Putra  
59200 Kuala Lumpur, MALAYSIA

Tel : 03 2282 9311 Fax : 03 2284 8500

[www.insas.net](http://www.insas.net)