

Quarterly rpt on consolidated results for the financial period ended 31 Dec 2021

INSAS BERHAD

Financial Year End 30 Jun 2022
 Quarter 2 Qtr
 Quarterly report for the financial period ended 31 Dec 2021
 The figures have not been audited

Attachments

IB Q2.2022.pdf
 240.8 kB

Default Currency	Other Currency
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Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION 31 Dec 2021

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	\$5'000	\$5'000	\$5'000	\$5'000
1 Revenue	61,126	37,661	125,189	160,763
2 Profit/(loss) before tax	28,291	86,493	58,924	159,030
3 Profit/(loss) for the period	26,123	82,269	52,790	147,613
4 Profit/(loss) attributable to ordinary equity holders of the parent	26,071	82,225	52,781	147,540
5 Basic earnings/(loss) per share (Subunit)	3.93	12.40	7.96	22.25
6 Proposed/Declared dividend per share (Subunit)	0.00	0.00	2.50	2.00
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7 Net assets per share attributable to ordinary equity holders of the parent (\$\$)		3.2500		2.9900

Remarks :

1) The basic earnings per share for the 6 months period ended 31 December 2021 has been calculated based on the profit attributable to the owners of the Company of RM52,781,000 (2021: RM147,540,000 profit attributable to the owners of the Company) and the weighted average number of ordinary shares in issue during the period of 663,021,000 shares (2021: 663,021,000 shares) net of shares bought back by the Company.

2) The diluted earnings per share for the current financial quarter and financial period is calculated by dividing the net profit attributable to owners of the Company (after taking into consideration the after-tax effect of interest savings on proceeds received upon the assumed conversion of 331,510,380 Warrants) for the financial quarter and financial period by the weighted average number of ordinary shares in issue at the end of the financial quarter and financial period to-date adjusted for the assumed conversion of Warrants into ordinary shares at the beginning of the financial period.

3) The net assets per share attributable to owners of the Company is computed based on Total Shareholders' Funds (excluding non-controlling interests) divided by the total number of ordinary shares in issue, net of shares bought back.

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit. Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

Announcement Info

Company Name	INSAS BERHAD
Stock Name	INSAS
Date Announced	24 Feb 2022
Category	Financial Results
Reference Number	FRA-24022022-00014

INSAS BERHAD
Registration No. 196101000026 (4081-M)
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24 FEBRUARY 2022

BURSA MALAYSIA SECURITIES BERHAD
9th Floor, Exchange Square
Bukit Kewangan
50200 Kuala Lumpur

UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		FY2022	FY2021	Changes	FY2022	FY2021	Changes
		Quarter ended 31-Dec-21 RM'000	Quarter ended 31-Dec-20 RM'000		Period ended 31-Dec-21 RM'000	Period ended 31-Dec-20 RM'000	
Revenue		61,126	37,661	62%	125,189	160,763	* -22%
Cost of sales	1	(24,753)	(11,710)	>100%	(54,816)	(75,625)	* -28%
Other income	2	9,609	94,124	-90%	26,803	124,914	* -79%
Administration expenses	3	(5,988)	(3,051)	96%	(9,107)	(6,623)	38%
Other operating expenses	4	(24,168)	(46,716)	-48%	(53,897)	(66,072)	-18%
Finance costs		(4,028)	(3,464)	16%	(7,870)	(7,162)	10%
Exceptional item	5	-	(180)	-100%	-	(1,053)	-100%
Share of profits less losses of associate companies		16,515	19,871	-17%	32,704	29,972	9%
Share of losses of jointly controlled entities		(22)	(42)	-48%	(82)	(84)	-2%
Profit before tax		28,291	86,493	-67%	58,924	159,030	-63%
Tax expense		(2,168)	(4,224)	-49%	(6,134)	(11,417)	-46%
Profit for the quarter/period		26,123	82,269	-68%	52,790	147,613	-64%
Profit attributable to:-							
Owners of the Company		26,071	82,225	-68%	52,781	147,540	-64%
Non-controlling interests		52	44	18%	9	73	-88%
		26,123	82,269	-68%	52,790	147,613	-64%
Earnings per share (in Sen)							
- Basic		3.93	12.40		7.96	22.25	
- Diluted		2.82	n/a		5.70	n/a	

* Certain figures in the preceding financial period have been reclassified to be consistent with the current financial period's presentation.

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UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS (CONT'D)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	FY2022	FY2021	FY2022	FY2021
	Quarter ended	Quarter ended	Period ended	Period ended
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	RM'000	RM'000	RM'000	RM'000
Note 1				
Included in Cost of sales is the following item:-				
Depreciation	<u>(1,831)</u>	<u>(2,028)</u>	<u>(3,696)</u>	<u>(4,147)</u>
Note 2				
Included in Other income are the following items:-				
Allowance for doubtful debts no longer required due to:				
- bad debts written off * (see Note 4)	-	2,695	-	3,300
- recovery of doubtful debts	43	356	332	649
Bad debts recovered	-	-	5	-
Fair value gain on derivative financial instruments	-	1,175	-	2,486
Gain on disposal of property, plant and equipment	963	385	1,509	1,533
Interest income	3,132	3,070	6,033	6,023
Gain on exchange differences				
- unrealised	-	3,026	-	639
Gain on fair value changes of financial assets at				
fair value through profit or loss	-	2,087	-	2,524
Gain on disposal of unquoted investments	-	77,599	-	77,599
Gain on disposal of shares in an associate company	-	-	-	15,402
Gain on acquisition of subsidiary companies upon				
remeasurement of previously held equity interest in				
associate companies arising from step acquisition	-	1,463	-	1,463
Writeback of impairment on financial assets at				
amortised cost	-	-	-	26
Note 3				
Included in Administration expenses is the following item:-				
Depreciation	<u>(149)</u>	<u>(118)</u>	<u>(296)</u>	<u>(238)</u>
Note 4				
Included in Other operating expenses are the following items:-				
Allowance for doubtful debts	(191)	130	(191)	(167)
Bad debts written off relating to:				
- doubtful debts previously provided for * (see Note 2)	-	(2,695)	-	(3,300)
Property, plant and equipment written off	(3)	(29)	(3)	(29)
Depreciation	(318)	(315)	(643)	(652)
Fair value gain/(loss) on derivative financial instruments	1,113	-	(653)	-
Goodwill written off	-	(1,444)	-	(1,444)
Loss on disposal of investment properties	(300)	-	(300)	-
Loss on fair value changes of financial assets				
at fair value through profit or loss	(18,504)	-	(18,544)	-
Gain/(Loss) on exchange differences				
- unrealised	1,240	-	(865)	-
- realised	802	(2,890)	(1,005)	(141)
Note 5				
Exceptional item represents:-				
Effects of dilution of equity interests in				
associate companies	<u>-</u>	<u>(180)</u>	<u>-</u>	<u>(1,053)</u>

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UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	FY2022	FY2021	Changes	FY2022	FY2021	Changes
	Quarter ended 31-Dec-21 RM'000	Quarter ended 31-Dec-20 RM'000		Period ended 31-Dec-21 RM'000	Period ended 31-Dec-20 RM'000	
Profit for the quarter/period	26,123	82,269	-68%	52,790	147,613	-64%
<u>Other comprehensive (loss)/income may be reclassified to profit or loss subsequently:-</u>						
Share of other comprehensive (loss)/income of investments accounted for using equity method, net of tax	(18)	(1,940)	-99%	283	(4,186)	>-100%
Foreign currency translation of foreign operations, net of tax	(2,608)	(5,118)	-49%	(1,263)	(8,982)	-86%
Total other comprehensive loss for the quarter/period, net of tax	(2,626)	(7,058)	-63%	(980)	(13,168)	-93%
Total comprehensive income for the quarter/period, net of tax	23,497	75,211	-69%	51,810	134,445	-61%
Attributable to:-						
Owners of the Company	23,445	75,167	-69%	51,801	134,372	-61%
Non-controlling interests	52	44	18%	9	73	-88%
	23,497	75,211	-69%	51,810	134,445	-61%

Note 6

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to the Interim Financial Statements.

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UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31/12/2021 RM'000 (Unaudited)	As at 30/06/2021 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	74,520	77,359
Investment properties	181,196	180,986
Financial assets at fair value through other comprehensive income	45,478	44,014
Financial assets at amortised cost	2,284	2,284
Jointly controlled entities	(636)	(554)
Associate companies	528,811	391,690
Other receivables	7,449	7,345
Intangible assets	26,047	26,047
Deferred tax assets	2,994	3,147
Total non-current assets	<u>868,143</u>	<u>732,318</u>
Current assets		
Property development costs	11,078	11,078
Inventories	10,993	11,188
Trade receivables	530,183	443,423
Amount due from associate companies	77,442	82,577
Other receivables, deposits and prepayments	67,378	70,934
Financial assets at amortised cost	423	1,208
Financial assets at fair value through profit or loss	218,098	220,198
Tax recoverable	6,491	4,146
Deposits with licensed banks and financial institutions	554,011	489,106
Cash and bank balances	393,756	413,692
Total current assets	<u>1,869,853</u>	<u>1,747,550</u>
TOTAL ASSETS	<u>2,737,996</u>	<u>2,479,868</u>
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owners of the Company		
Share capital	873,700	873,700
Treasury shares	(14,499)	(14,499)
Reserves	265,236	122,644
Retained earnings	1,029,381	997,602
	<u>2,153,818</u>	<u>1,979,447</u>
Non-controlling interests	(2,732)	1,543
TOTAL EQUITY	<u>2,151,086</u>	<u>1,980,990</u>
LIABILITIES		
Non-current liabilities		
Loans and borrowings	17,402	20,145
Lease liabilities	13,524	13,983
Deferred tax liabilities	5,900	6,035
Redeemable preference shares	127,561	127,250
Total non-current liabilities	<u>164,387</u>	<u>167,413</u>
Current liabilities		
Derivative financial liabilities	3,559	2,907
Trade payables	93,662	55,982
Other payables, deposits received and accruals	74,356	45,162
Loans and borrowings	242,015	216,411
Lease liabilities	5,587	7,635
Tax payable	3,344	3,368
Total current liabilities	<u>422,523</u>	<u>331,465</u>
TOTAL LIABILITIES	586,910	498,878
TOTAL EQUITY AND LIABILITIES	<u>2,737,996</u>	<u>2,479,868</u>
Net assets per share attributable to owners of the Company⁽⁷⁾ (RM)	3.25	2.99

Note 7

Net assets per share attributable to owners of the Company is computed based on Total Shareholders' Funds (excluding Non-controlling interests) divided by the total number of ordinary shares in issue, net of shares bought back

Note 8

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to the Interim Financial Statements.

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UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	<----- Attributable to Owners of the Company ----->								Total equity RM'000
	<-----Non-distributable reserves----->			< - Distributable reserves- >					
	Share capital 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	
Period ended 31 December 2021									
As at 1 July 2021	873,700	4,936	87,055	30,653	(14,499)	997,602	1,979,447	1,543	1,980,990
Transactions with owners:-									
Post-acquisition reserves - associate companies	-	-	143,572	-	-	(8,711)	134,861	-	134,861
Cash dividends payable to owners of the Company	-	-	-	-	-	(16,575)	(16,575)	-	(16,575)
Non-controlling interests' changes in ownership interests in a subsidiary company	-	-	-	-	-	4,284	4,284	(4,284)	-
Total transactions with owners	-	-	143,572	-	-	(21,002)	122,570	(4,284)	118,286
Total comprehensive (loss)/income for the financial period									
Profit for the financial period	-	-	-	-	-	52,781	52,781	9	52,790
Share of other comprehensive income of investments accounted for using equity method, net of tax	-	-	-	283	-	-	283	-	283
Foreign currency translation of foreign operations, net of tax	-	-	-	(1,263)	-	-	(1,263)	-	(1,263)
Total comprehensive (loss)/income for the financial period	-	-	-	(980)	-	52,781	51,801	9	51,810
Balance at 31 December 2021	873,700	4,936	230,627	29,673	(14,499)	1,029,381	2,153,818	(2,732)	2,151,086

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UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D)

	< ----- Attributable to Owners of the Company ----- >							
	<-- Non-distributable reserves-->			--Distributable reserves-->				
	Share capital 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
Period ended 31 December 2020								
As at 1 July 2020	873,700	89,188	37,690	(14,499)	766,862	1,752,941	1,741	1,754,682
<u>Transactions with owners:-</u>								
Post-acquisition reserves - associate companies	-	(2,673)	-	-	7,640	4,967	-	4,967
Cash dividends payable to owners of the Company	-	-	-	-	(13,260)	(13,260)	-	(13,260)
Acquisition of equity interests in subsidiary companies	-	-	(746)	-	-	(746)	1	(745)
Dividends paid to non-controlling interests of a subsidiary company	-	-	-	-	-	-	(80)	(80)
Total transactions with owners	-	(2,673)	(746)	-	(5,620)	(9,039)	(79)	(9,118)
<u>Total comprehensive (loss)/income for the financial period</u>								
Profit for the financial period	-	-	-	-	147,540	147,540	73	147,613
Share of other comprehensive loss of investments accounted for using equity method, net of tax	-	-	(4,186)	-	-	(4,186)	-	(4,186)
Foreign currency translation of foreign operations, net of tax	-	-	(8,982)	-	-	(8,982)	-	(8,982)
Total comprehensive (loss)/income for the financial period	-	-	(13,168)	-	147,540	134,372	73	134,445
Balance at 31 December 2020	873,700	86,515	23,776	(14,499)	908,782	1,878,274	1,735	1,880,009

Note 9

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to the Interim Financial Statements.

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UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Period ended 31/12/2021 RM'000	Period ended 31/12/2020 RM'000
Cash flows from operating activities		
Profit before tax	58,924	159,030
Adjustments for:-		
Non-cash items	(11,983)	(126,131)
Finance costs	7,870	7,162
Interest income	(6,033)	(6,023)
Operating profit before working capital changes	<u>48,778</u>	<u>34,038</u>
Changes in working capital:-		
Net changes in current assets	(83,215)	(21,225)
Net changes in current liabilities	49,391	42,164
Cash from operations	<u>14,954</u>	<u>54,977</u>
Interest paid	(6,672)	(7,151)
Interest received	5,929	5,916
Tax paid	(8,378)	(5,223)
Net cash from operating activities	<u>5,833</u>	<u>48,519</u>
Cash flows from investing activities		
Subscription/Acquisition of shares in associate companies	(11,090)	(491)
Purchase of property, plant and equipment	(1,101)	(648)
Purchase of financial assets at amortised cost	(423)	(16,739)
Net (purchase)/proceeds from disposal of unquoted investments	(1,465)	54,057
Purchase of an investment property	(6,137)	(2,720)
Proceeds from disposal of investment properties	5,627	-
Proceeds from disposal of shares in an associate company	-	17,670
Proceeds from disposal of property, plant and equipment	3,281	2,852
Proceeds from disposal and redemption of financial assets at amortised cost	1,208	11,495
Proceeds from redemption of preference shares in an associate company	-	8,555
Dividend received	31,182	18,840
Net cash inflow on acquisition of equity interest in subsidiary companies	-	2,554
Net cash from investing activities	<u>21,082</u>	<u>95,425</u>
Cash flows from financing activities		
(Increase)/Decrease in fixed deposits pledged	(129)	142,398
Decrease/(Increase) in cash and bank balances pledged	17,769	(125,680)
Net drawdown/(repayment) of loans and borrowings	23,410	(18,712)
Dividend paid to non-controlling interests of a subsidiary company	-	(80)
Repayment of lease liabilities	(4,953)	(5,021)
Net cash from/(used in) financing activities	<u>36,097</u>	<u>(7,095)</u>
Net increase in cash and cash equivalents	63,012	136,849
Cash and cash equivalents at beginning of the financial period	642,458	398,817
Exchange differences	209	(3,728)
Cash and cash equivalents at end of the financial period	<u>705,679</u>	<u>531,938</u>
Cash and cash equivalents comprise of:-		
Bank overdrafts	(619)	(604)
Cash and bank balances	393,756	354,082
Deposits with licensed banks and financial institutions	554,011	432,910
	<u>947,148</u>	<u>786,388</u>
Less:		
Cash and bank balances pledged	(208,126)	(219,599)
Fixed deposits pledged	(33,343)	(34,851)
	<u>705,679</u>	<u>531,938</u>

Note 10

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to the Interim Financial Statements.

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UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021 - NOTES TO THE UNAUDITED FINANCIAL REPORT.

Part A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134: Interim Financial Reporting

A1. Basis of Preparation

This set of financial report is unaudited and has been prepared in compliance with the reporting requirements outlined in the Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad.

This Report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2021, which were prepared under the Malaysian Financial Reporting Standards. The explanatory notes attached to this financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2021.

A2. Changes in Accounting Policies

The accounting policies and methods of computation and presentation adopted by the Group in this Quarterly Report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2021 except for the adoption of certain new Standard, amendments to Standards and annual improvements to Standards issued by the MASB that became effective and relevant to the Group for the financial year beginning on or after 1 July 2021. The adoption of these relevant new Standard, amendments to Standards and annual improvements to Standards did not have any material financial impact on the financial statements of the Group.

The Group has not early adopted new Standard, amendments to Standards and annual improvements to Standards that have been issued but are not yet effective for the accounting period beginning 1 July 2021.

A3. Declaration of Audit Qualification

There was no qualified report issued by the auditors in the audited financial statements of the Group for the financial year ended 30 June 2021.

A4. Seasonality and Cyclicity of Interim Operations

The performance of the Group is not significantly affected by seasonal and cyclical fluctuation.

A5. Exceptional/Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

The following are the exceptional items that occurred during the current financial quarter and financial period under review which affect the assets, liabilities, equity, net income or cash flows of the Group:-

Recognised in the Statements of Profit or Loss

	Individual Quarter		Cumulative Quarter	
	Quarter ended	Quarter ended	Period ended	Period ended
	31-Dec-2021	31-Dec-2020	31-Dec-2021	31-Dec-2020
	RM'000	RM'000	RM'000	RM'000
Fair value gain/(loss) on derivative financial instruments	1,113	1,175	(653)	2,486
Gain on disposal of shares in an associate company	-	-	-	15,402
Gain on acquisition of subsidiary companies upon remeasurement of previously held equity interest in associate companies arising from step acquisition	-	1,463	-	1,463
Gain on disposal of unquoted investments	-	77,599	-	77,599
Loss on disposal of investment properties	(300)	-	(300)	-
(Loss)/Gain on fair value changes of financial assets at fair value through profit or loss	(18,504)	2,087	(18,544)	2,524
Gain/(Loss) on exchange differences				
- realised	802	(2,890)	(1,005)	(141)
- unrealized	1,240	3,026	(865)	639
Goodwill written off	-	(1,444)	-	(1,444)
Effects of dilution of equity interests in associate companies	-	(180)	-	(1,053)

A6. Material Changes in Estimates

There are no material changes in accounting estimates used in the preparation of the financial statements in the current financial quarter and financial period as compared to the preceding corresponding financial quarter and financial period.

A7. Debts and Equity Securities

The shareholders of the Company, by an ordinary resolution passed in the Annual General Meeting of the Company held on 2 December 2021, approved the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

The Company did not repurchase any of its shares from the open market during the financial period ended 31 December 2021. Of the total 693,348,053 issued and fully paid-up ordinary shares, 30,327,291 shares are being held as treasury shares by the Company as at 31 December 2021.

Other than the above, there were no issuance and repayment of equity and debts securities, share cancellations and resale of treasury shares by the Company for the financial period ended 31 December 2021.

A8. Dividends Paid

During the current financial quarter and financial period-to-date, the Company paid a preferential cash dividend of 3.8 sen per annum per redeemable preference share amounting to RM1,684,253 pro-rated in respect of the period from 1 March 2021 (date of issue) to 30 June 2021, paid on 16 July 2021.

A9. Segment Information

The segment analysis on the Group's results for the financial period ended 31 December 2021 is as follows:-

	Financial services and credit & leasing	Investment holding and trading	Technology and IT-related manufacturing, trading and services	Retail trading and car rental	Property investment and development	Eliminations	Consolidated Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External revenue	37,741	41,421	38,043	6,265	1,719	-	125,189
Inter-segment revenue	378	4,056	22,733	319	455	(27,941)	-
Total segment revenue	38,119	45,477	60,776	6,584	2,174	(27,941)	125,189
Results							
Segment profit/(loss) from operations	26,748	(20,198)	19,129	1,475	1,215	(230)	28,139
Interest income	2,404	4,569	5,036	12	130	(6,118)	6,033
Finance costs	(6,353)	(6,676)	(105)	(934)	(150)	6,348	(7,870)
Share of profits less losses of associate companies	-	2,866	31,088	1,677	(2,927)	-	32,704
Share of losses of jointly controlled entities	(81)	-	-	(1)	-	-	(82)
Profit/(Loss) before tax	22,718	(19,439)	55,148	2,229	(1,732)	-	58,924
Tax expense	(5,430)	(320)	(327)	(23)	(34)	-	(6,134)
Profit/(Loss) for the financial period	17,288	(19,759)	54,821	2,206	(1,766)	-	52,790
Attributable to:-							
Owners of the Company							52,781
Non-controlling interests							9
Segment assets	833,474	796,876	847,438	70,777	189,431	-	2,737,996
Segment liabilities	133,148	409,825	15,164	23,317	5,456	-	586,910

A9. Segment Information (Cont'd)

The segment analysis on the Group's results for the financial period ended 31 December 2020 is as follows:-

	Financial services and credit & leasing	Investment holding and trading	Technology and IT-related manufacturing, trading and services	Retail trading and car rental	Property investment and development	Eliminations	Consolidated Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External revenue	48,448	30,338	72,748	6,838	2,391	-	160,763
Inter-segment revenue	1,001	3,888	13,379	598	385	(19,251)	-
Total segment revenue	49,449	34,226	86,127	7,436	2,776	(19,251)	160,763
Results							
Segment profit from operations	26,098	4,001	99,034	1,371	937	(107)	131,334
Interest income	1,387	4,666	5,135	31	142	(5,338)	6,023
Finance costs	(5,467)	(6,076)	(61)	(879)	(124)	5,445	(7,162)
Exceptional item	-	-	(1,053)	-	-	-	(1,053)
Share of profits less losses of associate companies	-	4,379	25,013	(1,748)	2,328	-	29,972
Share of losses of jointly controlled entities	(82)	-	-	(2)	-	-	(84)
Profit/(Loss) before tax	21,936	6,970	128,068	(1,227)	3,283	-	159,030
Tax expense	(5,633)	(4,520)	(924)	-	(340)	-	(11,417)
Profit/(Loss) for the financial period	16,303	2,450	127,144	(1,227)	2,943	-	147,613
Attributable to:-							
Owners of the Company							147,540
Non-controlling interests							73
Segment assets	772,526	742,278	630,473	74,913	195,786	-	2,415,976
Segment liabilities	143,900	344,027	17,802	26,303	3,935	-	535,967

A10. Valuation of Property, Plant and Equipment

The valuation of land and building held under property, plant and equipment has been brought forward without amendment from the annual financial statements of the Group for the financial year ended 30 June 2021.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current financial quarter and financial period, including business combinations, acquisition or disposal of subsidiary companies and long-term investments, restructuring and discontinuing operations other than as disclosed below:-

- (i) On 11 August 2021, Insas Technology Bhd. ("ITB"), a wholly-owned subsidiary of the Company, had entered into a subscription agreement to subscribe for 1,928,623 new ordinary shares in Duramitt Sdn. Bhd. ("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.

The principal activities of Duramitt are the manufacturing, trading and sale of specialised industrial gloves and medical examination gloves.

A11. Changes in the Composition of the Group (Cont'd)

- (ii) On 5 October 2021, M&A Securities Sdn. Bhd., a wholly-owned subsidiary of the Company had acquired 1 ordinary share in Venturescape Sdn. Bhd. ("Venturescape") for a total consideration of RM1. Arising from this acquisition, Venturescape became a wholly-owned subsidiary of the Group.

Venturescape was incorporated in Malaysia on 23 September 2021 and its issued and paid-up share capital is RM1. The principal activity of Venturescape is property investment.

A12. Material Subsequent Events

There were no material events subsequent to the financial period ended 31 December 2021 and up to the date of this Report, which affects substantially the results of the operation of the Group.

A13. Contingent Assets or Liabilities

As at the date of this Report, the Group and the Company has provided guarantees as follows:-

	Group		Company	
	Limit RM'000	Amount utilised RM'000	Limit RM'000	Amount utilised RM'000
Unsecured: Guarantees to secure banking and credit facilities granted to:-				
- certain subsidiary companies	-	-	109,603	64,915
- an associate company	3	3	-	-

There is no contingent asset as at the date of this Report.

A14. Commitments

Contractual commitments not provided for in the financial statements as at 31 December 2021 are as follows:-

To acquire property, plant and equipment	RM'000
Investment commitments in relation to financial assets at fair value through other comprehensive income	1,987
	<u>3,248</u>

A15. Related Party Transactions

Related party transactions had been entered into in the ordinary course of business that had been undertaken at arm's length basis on normal commercial terms.

ADDITIONAL INFORMATION REQUIRED BY PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

Comparison between current financial quarter against preceding year corresponding financial quarter

Group's summary

The Group reported revenue of RM61.1 million and a pre-tax profit of RM28.3 million in the current financial quarter (Q2/2022) as compared to revenue of RM37.7 million and a pre-tax profit of RM86.5 million in the preceding year corresponding quarter (Q2/2021). The review of performance by division is as follows:-

Financial services and credit & leasing division

The unit reported lower revenue of RM19.4 million in the current financial quarter as compared to the preceding year corresponding quarter of RM23.4 million mainly due to lower brokerage income generated by the stock broking unit. Despite lower revenue reported, the unit reported slightly higher pre-tax profit of RM9.9 million in Q2/2022 as compared RM9.6 million in Q2/2021.

Investment holding and trading division

The investment unit reported higher revenue of RM16.4 million in Q2/2022 mainly due to higher trading activities as compared to RM5.7 million in Q2/2021.

The investment unit reported higher pre-tax loss of -RM19.5 million in Q2/2022 as compared to a pre-tax loss -RM9.0 million in Q2/2021 mainly due to higher unrealised loss on fair value changes of financial assets at fair value through profit or loss.

Technology and IT-related manufacturing, trading and services division

The Technology unit reported higher revenue of RM20.7 million in Q2/2022 as compared to revenue of RM3.9 million in Q2/2021 mainly due to disposal of quoted shares in an associate company in Q2/2022.

The Technology unit reported lower pre-tax profit of RM36.1 million in Q2/2022 as compared to RM85.4 million in Q2/2021 mainly due to the one-off capital gain on disposal of unquoted investment of RM77.6 million in Q2/2021.

Current financial period to date against preceding year's corresponding financial period

Group's summary

The Group reported lower revenue of RM125.2 million and a pre-tax profit of RM58.9 million for the six months period ended 31 December 2021 as compared to revenue of RM160.8 million and a pre-tax profit of RM159.0 million in the corresponding period in the preceding year. The review of performance by division is as follows:-

B1. Review of Performance (Cont'd)

Current financial period to date against preceding year's corresponding financial period (cont'd)

Financial services and credit & leasing division

The unit reported lower revenue of RM37.7 million for the six months period ended 31 December 2021 as compared to the corresponding period in the preceding year of RM48.4 million. The stock broking division reported exceptionally higher brokerage income due to the strong retail trading volumes on the local exchange in the corresponding period in the preceding year ended 31 December 2020

Despite lower revenue reported, the unit reported slightly higher pre-tax profit of RM22.7 million for the six months period ended 31 December 2021 as compared to the corresponding period in the preceding year of RM21.9 million due to higher placement fee income from the corporate advisory division in the current period under review.

Investment holding and trading division

The investment unit reported higher revenue of RM41.4 million for the six months period ended 31 December 2021 as compared to the corresponding period in preceding year of RM30.3 million mainly due to higher trading activities.

The investment unit reported a pre-tax loss of -RM19.4 million for the six months period ended 31 December 2021 (six months period ended 31 December 2020: a pre-tax profit RM7.0 million) mainly due to higher unrealised loss on fair value changes of financial assets at fair value through profit or loss, unrealised fair value loss on derivative financial instrument and loss on foreign exchange.

Technology and IT-related manufacturing, trading and services division

The Technology unit reported lower revenue of RM38.0 million and pre-tax profits of RM55.1 million for the six months period ended 31 December 2021 (six months period ended 31 December 2020: revenue of RM72.7 million and pre-tax profit of RM128.1 million respectively). The higher pre-tax profits in the preceding year period was mainly due to the one-off capital gain on disposal of unquoted investment of RM77.6 million recorded in the six months period ended 31 December 2020.

B2. Comments on material changes in the revenue and profit before tax for the current financial quarter as compared with the immediate preceding financial quarter

	Current Quarter 31-Dec-2021 RM'000	Immediate Preceding Quarter 30-Sep-2021 RM'000	Changes (%)
Revenue	61,126	64,063	-5%
Profit from operations	12,694	15,445	-18%
Profit before tax	28,291	30,633	-8%
Profit after tax	26,123	26,667	-2%
Profit attributable to owners of the Company	26,071	26,710	-2%

The Group reported lower revenue of RM61.1 million and pre-tax profit of RM28.3 million in the current financial quarter as compared to the immediate preceding financial quarter of RM64.1 million and RM30.6 million respectively mainly due to higher unrealised loss on fair value changes of financial assets at fair value through profit or loss in the current financial quarter.

B3. Prospects for financial year ending 30 June 2022

The Group remains resilient supported by strong financial fundamentals and prudent cash and financial management, and the Board will continue its vigilance to navigate the Group through the continuous uncertainties due to the Covid-19 pandemic.

Financial services and credit & leasing division

The outlook for the stock broking unit is expected to remain positive in FY2022 due to projected strong performance from the corporate advisory division, having secured a number of IPO transactions in the pipeline.

Investment trading division

The investment unit's performance for the financial year ending 30 June 2022 is largely dependent on the global economy and financial markets.

Technology and IT-related manufacturing, trading and services division

Barring any dangerous resurgence of the Covid-19 pandemic beyond the Omicron, the Board expects the Technology unit to generate positive contribution to the Group in the near term in line with continual strong performance by Inari's RF segment arising from good demand for 5G devices and tight supply from semiconductor producers.

B4. Variance of Actual Profit from Forecast Profit/Profit Guarantee

This note is not applicable for the financial period under review as the Group did not enter into any scheme that requires it to present forecast results or guarantee any profit.

B5. Tax Expense

The tax expense for the current financial quarter and financial period ended 31 December 2021 is as follows:-

	Individual Quarter ended 31-Dec-2021 RM'000	Quarter Quarter ended 31-Dec-2020 RM'000	Cumulative Period ended 31-Dec-2021 RM'000	Quarter Period ended 31-Dec-2020 RM'000
<u>Income tax:-</u>				
Provision for current financial quarter/period				
- Malaysian income tax	2,028	3,963	5,986	11,115
- Overseas income tax	-	-	22	18
Underprovision in preceding financial quarter/period	108	239	109	239
<u>Deferred tax:-</u>				
Transfer (to)/from deferred taxation	(12)	22	(27)	45
Deferred Real Property Gains Tax	44	-	44	-
	<u>2,168</u>	<u>4,224</u>	<u>6,134</u>	<u>11,417</u>

B5. Tax Expense (Cont'd)

The reconciliation between the statutory tax rate and the effective tax rate on the pre-tax profit of the Group are as follows:-

	Individual Quarter ended 31-Dec-2021 RM'000	Quarter Quarter ended 31-Dec-2020 RM'000	Cumulative Period ended 31-Dec-2021 RM'000	Quarter Period ended 31-Dec-2020 RM'000
Profit before tax	28,291	86,493	58,924	159,030
Income tax at Malaysian statutory tax rate of 24%	6,790	20,758	14,142	38,167
<u>Tax effects in respect of:-</u>				
Non-allowable expenses	1,967	10,780	5,824	12,477
Income not subject to tax	(5,601)	(26,743)	(11,961)	(37,438)
Deferred Real Property Gains				
Tax on fair value adjustment of investment properties	44	-	44	-
Effect of different tax rates in other countries	(1,125)	(885)	(1,798)	(1,975)
Overseas tax paid on dividend income	35	57	128	134
Utilisation of previously unrecognised deferred tax assets	(81)	(12)	(393)	(244)
Deferred tax not recognised in the financial statements	31	30	39	57
Tax expenses for the financial quarter/period	2,060	3,985	6,025	11,178
Underprovision for tax expense in preceding financial quarter/period	108	239	109	239
	2,168	4,224	6,134	11,417

B6. Status of Corporate Proposal announced but not completed as at the date of this Report

There is no corporate proposal that has been announced but has not been completed as at the date of this Report, other than as disclosed below:-

On 6 October 2021, the Company entered into a share sale and purchase agreement (“SSPA”) with SYF Resources Berhad (“SYF”):

- i) For the proposed disposal of 100,000,000 ordinary shares and 60,000,000 redeemable convertible preference shares (“RCPS”) in M & A Securities Sdn Bhd (“M&A”) representing 100% equity interest and 100% of RCPS in M&A to SYF for a total consideration of RM222.0 million, to be satisfied via the issuance of 1,585,714,286 new ordinary shares in SYF (“SYF Shares”) at an issue price of RM0.14 each (“Proposed M&A Disposal”); and
- ii) Proposed exemption from the obligation to undertake a mandatory offer for all the remaining SYF Shares not held by Insas Group and parties acting in concert upon completion of the Proposed M&A Disposal (“Proposed Exemption”)

On 2 December 2021, the Company entered into a supplemental agreement (“Supplemental SSPA”) with SYF to vary certain terms of the SSPA.

The Proposed M&A Disposal and Proposed Exemption are conditional upon the approval from the relevant authorities and the shareholders of the Company at an extraordinary general meeting to be convened.

B7. Status of Utilisation of Proceeds

There are no unutilised proceeds from any corporate proposal.

B8. Group Borrowings and Debt Securities as at 31 December 2021

	As at 31 December 2021					
	Long term		Short term		Total borrowings	
	Foreign denomination '000	RM denomination RM'000	Foreign denomination '000	RM denomination RM'000	Foreign denomination '000	RM denomination RM'000
Secured						
Bank overdrafts						
- RM	-	-	-	619	-	619
Term loans						
- RM	-	13,807	-	855	-	14,662
- SGD	1,165	3,595	17,077	52,692	18,242	56,287
- AUD	-	-	5,112	15,464	5,112	15,464
- USD	-	-	1,418	5,914	1,418	5,914
- GBP	-	-	786	4,428	786	4,428
- EUR	-	-	925	4,369	925	4,369
Revolving credit facilities	-	-	-	138,880	-	138,880
Margin financing facility	-	-	-	18,794	-	18,794
Total loans and borrowings	-	17,402	-	242,015	-	259,417

B8. Group Borrowings and Debt Securities as at 31 December 2021 (Cont'd)

	As at 31 December 2020					
	Long term		Short term		Total borrowings	
	Foreign denomination '000	RM denomination RM'000	Foreign denomination '000	RM denomination RM'000	Foreign denomination '000	RM denomination RM'000
Secured						
Bank overdrafts						
- RM	-	-	-	604	-	604
Term loans						
- RM	-	16,050	-	973	-	17,023
- SGD	1,217	3,698	16,885	51,296	18,102	54,994
- AUD	-	-	6,755	20,907	6,755	20,907
- USD	-	-	1,433	5,760	1,433	5,760
- GBP	-	-	776	4,249	776	4,249
- EUR	-	-	1,676	8,285	1,676	8,285
Revolving credit facilities	-	-	-	198,600	-	198,600
Margin financing facility	-	-	-	14,987	-	14,987
Total loans and borrowings	-	19,748	-	305,661	-	325,409

The weighted average interest rates per annum were as follows:-

	Interest Rate (%)	
	As at 31.12.2021	As at 31.12.2020
Secured		
Bank overdrafts	6.89%-7.65%	6.89%-8.14%
Term loans	0.78%-5.90%	0.78%-6.79%
Revolving credit facilities	3.64%-4.28%	3.52%-4.59%
Margin financing facility	5.42%	5.67%-6.67%

Debt securities

	RM'000
<u>Redeemable preference shares ("RPS")</u>	
132,604,152 RPS at RM1.00 per RPS	132,604
- Fair value of 331,510,380 free Warrants recognised in equity under warrants reserve	(4,936)
- Effects of deferred tax liability	(1,559)
Accumulated RPS dividends charged to statements of profit or loss	5,676
Accumulated RPS dividends payable	<u>(4,224)</u>
RPS issued by the Company – liability component, disclosed as per MFRS requirements	<u>127,561</u>

B8. Group Borrowings and Debts Securities as at 31 December 2021 (Cont'd)

In accordance with MFRS 132 Financial Instruments: Disclosure and Presentation, MFRS 112: Income Taxes and FRSIC Consensus 9/2008: Accounting for Rights Issue with Free Warrants, the Group has disclosed the RPS as a long-term liability, net of fair value for the free Warrants issued and the effects of deferred tax liability. As of the date of this Report, none of the Warrants issued were converted into ordinary shares.

B9. Material Litigation

There are no material pending litigation since the last annual reporting date up to the date of this Report. The Group was not engaged in any litigation which is likely to give rise to proceedings which may materially and adversely affect the financial position or the business operations of the Group.

B10. Dividend

The Board of Directors had on 23 November 2021 declared an interim single tier dividend of 2.5 sen per ordinary share each in the Company in respect of the financial year ending 30 June 2022.

The interim dividend totalling RM16,575,489 was paid on 19 January 2022.

B11. Earnings per share

(a) Basic earnings per share

The basic earnings per share for the current financial quarter and financial period have been calculated by dividing the profit attributable to owners of the Company for the financial quarter and financial period by the weighted average number of ordinary shares in issue during the financial quarter and financial period.

	Individual	Quarter	Cumulative	Quarter
	Quarter ended 31-Dec-2021	Quarter ended 31-Dec-2020	Period ended 31-Dec-2021	Period ended 31-Dec-2020
Net profit attributable to owners of the Company for the financial quarter and financial period (RM'000)	26,071	82,225	52,781	147,540
Weighted average number of ordinary shares in issue, after accounting for the effect of shares bought back ('000)	663,021	663,021	663,021	663,021
Basic earnings per share (Sen)	3.93	12.40	7.96	22.25

B11. Earnings per share (Cont'd)

(b) Diluted earnings per share

The diluted earnings per share for the current financial quarter and financial period is calculated by dividing the net profit attributable to owners of the Company (after taking into consideration the after-tax effect of interest savings on proceeds received upon the assumed conversion of 331,510,380 Warrants) for the financial quarter and financial period by the weighted average number of ordinary shares in issue at the end of the financial quarter and financial period to-date adjusted for the assumed conversion of Warrants into ordinary shares at the beginning of the financial period.

	Individual	Quarter	Cumulative	Quarter
	Quarter ended 31-Dec-2021	Quarter ended 31-Dec-2020	Period ended 31-Dec-2021	Period ended 31-Dec-2020
Net profit attributable to owners of the Company for the financial quarter and financial period (RM'000)	26,071	82,225	52,781	147,540
Adjust for interest savings on proceeds received upon the assumed conversion of Warrants into ordinary shares (RM'000)	1,991	-	3,954	-
Adjusted net profit attributable to owners of the Company (RM'000)	28,062	82,225	56,735	147,540
Weighted average number of ordinary shares in issue, after accounting for the effect of shares bought back ('000)	663,021	663,021	663,021	663,021
Adjusted for the assumed conversion of Warrants into ordinary shares ('000)	331,510	-	331,510	-
Adjusted weighted average number of ordinary shares ('000)	994,531	663,021	994,531	663,021
Diluted earnings per share (Sen)	2.82	n/a	5.70	n/a

B12. Derivative Financial Liabilities

Details of derivative financial liabilities as at 31 December 2021 are set out below:-

Type of Derivatives	As at 31.12.2021	
	<u>Contract/ Notional value</u> RM'000	<u>Fair value</u> RM'000
<u>Currency Forward Contract and Options</u>		
- Less than 1 year	160	(159)
<u>Other equity related contracts</u>		
- Less than 1 year	(26,638)	(3,400)
	<u>(26,478)</u>	<u>(3,559)</u>

There is no significant changes in respect of the following since the end of the preceding financial year ended 30 June 2021:-

- (a) the cash requirements of the derivative financial instruments;
- (b) the policies that is in place for mitigating or controlling the risks associated with these derivative financial instruments; and
- (c) the related accounting policies.

B13. Disclosure of Gains/Losses Arising from Fair Value Changes of Financial Liabilities

Financial liabilities of the Group are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include derivative financial instruments entered into by the Group that do not meet the hedge accounting criteria.

The fair value changes of the derivative financial instruments are derived from quotes obtained from licensed financial institutions. The resulting gain or loss is recognised in the statements of profit or loss. Fair value gain on derivative financial instruments of RM1.1 million in the current financial quarter and fair value loss of -RM0.7 million for the financial period ended 31 December 2021 have been recognised in the statements of profit or loss.

Other financial liabilities

The Group's other financial liabilities include trade payables, other payables and accruals and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

B13. Disclosure of Gains/Losses Arising from Fair Value Changes of Financial Liabilities (cont'd)

The carrying amounts of other financial liabilities as at the end of the reporting period approximate to their fair values due to their short-term nature, or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

There is no gain or loss arising from fair value changes to other financial liabilities.