

Quarterly rpt on consolidated results for the financial period ended 31 Mar 2016

INSAS BERHAD

Financial Year End 30 Jun 2016
 Quarter 3 Qtr
 Quarterly report for the financial period ended 31 Mar 2016
 The figures have not been audited

Attachments

IB Q32016.pdf
 147.5 kB

Remarks :

- 1) The basic earnings per share for the 9 months period ended 31 March 2016 has been calculated based on the profit attributable to the owners of the Company of RM40,888,000 (2015: RM58,687,000) and the weighted average number of ordinary shares in issue during the period of 663,007,000 shares (2015: 665,017,000 shares) net of shares bought back by the Company.
- 2) The fully diluted earnings per share is not computed as there were no dilutive potential equity instruments in issue that gave diluted effect to the earnings per share.
- 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.

Default Currency	Other Currency
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Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION
 31 Mar 2016

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	84,673	139,690	204,223	319,469
2 Profit/(loss) before tax	20,526	30,354	48,213	65,699
3 Profit/(loss) for the period	19,914	28,827	41,811	59,861
4 Profit/(loss) attributable to ordinary equity holders of the parent	18,578	28,116	40,888	58,687
5 Basic earnings/(loss) per share (Subunit)	2.81	4.23	6.17	8.82
6 Proposed/Declared dividend per share (Subunit)	0.00	0.00	1.00	1.00
	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 (\$\$)		1.9800		1.9100

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

INSAS BERHAD
Company No. 4081-M
(Incorporated in Malaysia)

26 May 2016

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

UNAUDITED FINANCIAL REPORT FOR THE THIRD QUARTER AND 9 MONTHS PERIOD ENDED 31 MARCH 2016.

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE THIRD QUARTER AND 9 MONTHS PERIOD ENDED 31 MARCH 2016

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		FY 2016 Current financial quarter ended 31-Mar-16 RM'000	FY 2015 Preceding year corresponding financial quarter ended 31-Mar-15 RM'000	FY 2016 Financial period ended 31-Mar-16 RM'000	FY 2015 Preceding year financial period ended 31-Mar-15 RM'000
Revenue		84,673	139,690	204,223	319,469
Cost of sales	1	(87,678)	(95,448)	(156,560)	(223,175)
Other income	2	50,030	38,449	109,450	90,509
Administration expenses	3	(5,989)	(6,878)	(22,707)	(21,207)
Other operating expenses	4	(20,443)	(47,650)	(86,937)	(109,013)
Finance costs		(4,516)	(3,361)	(13,339)	(9,061)
Exceptional item	5	470	(2,196)	(3,004)	(5,854)
Share of profits less losses of associate companies		3,979	7,748	17,087	24,031
Profit before tax		20,526	30,354	48,213	65,699
Tax expense		(612)	(1,527)	(6,402)	(5,838)
Profit for the quarter/period		19,914	28,827	41,811	59,861
Profit attributable to:-					
Owners of the Company		18,578	28,116	40,888	58,687
Non-controlling Interests		1,336	711	923	1,174
		19,914	28,827	41,811	59,861
Earnings per share (In Sen)					
- Basic		2.81	4.23	6.17	8.82
- Diluted		n/a	n/a	n/a	n/a

	Financial quarter ended 31-Mar-16 RM'000	Financial quarter ended 31-Mar-15 RM'000	Financial period ended 31-Mar-16 RM'000	Financial period ended 31-Mar-15 RM'000
Note 1 Included in Cost of sales is the following item:-				
Depreciation	(6,182)	(2,572)	(16,971)	(8,588)
Note 2 Included in Other income are the following items:-				
Allowance for doubtful debts no longer required	12	436	898	436
Fair value gain on derivatives financial instruments	6,427	-	8,493	-
Gain on disposal of property, plant and equipment	235	394	219	1,311
Gain on disposal of quoted securities	-	25,744	9,305	50,461
Gain on disposal of shares in an associate company	31,769	-	58,562	-
Interest income	2,933	2,610	8,652	7,374
Gain on exchange differences - unrealised	624	-	3,651	-
Note 3 Included in Administration expenses is the following item:-				
Depreciation	(104)	(44)	(310)	(213)
Note 4 Included in Other operating expenses are the following items:-				
Allowance for doubtful debts	(12)	(242)	(234)	(809)
Depreciation	(2,292)	(576)	(5,765)	(1,741)
Fair value gain/(loss) on derivative financial instruments	-	1,277	-	(10,526)
Loss on fair value changes of financial assets at fair value through profit or loss	(973)	(17,100)	(30,108)	(22,404)
(Loss)/Gain on exchange differences - realised	(7,113)	7,214	(18,964)	(13,301)
- unrealised	-	(23,086)	-	(27,898)
Property, plant and equipment written off	-	-	-	(91)
Note 5 Exceptional item represents:-				
Effects of dilution of equity interests in associate companies	470	(2,196)	(3,004)	(5,854)

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UNAUDITED FINANCIAL REPORT FOR THE THIRD QUARTER AND 9 MONTHS PERIOD ENDED 31 MARCH 2016.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER AND 9 MONTHS PERIOD ENDED 31 MARCH 2016

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		FY 2016 Current financial quarter ended 31-Mar-16 RM'000	FY 2015 Preceding year corresponding financial quarter ended 31-Mar-15 RM'000	FY 2016 Financial period ended 31-Mar-16 RM'000	FY 2015 Preceding year financial period ended 31-Mar-15 RM'000
Profit for the quarter/period		19,914	28,827	41,811	59,861
<u>Other comprehensive (loss)/income may be reclassified to profit or loss subsequently:-</u>					
Realised fair value gain transferred to Income statements upon disposal of available for sale investments, net of tax	1	-	(23,897)	(6,718)	(49,361)
Unrealised gain on fair value changes on available for sale investments, net of tax		5,063	13,466	1,773	11,701
Share of other comprehensive (loss)/income of investments accounted for using equity method, net of tax		(5,695)	(584)	(360)	3,097
Foreign currency translation of foreign operations, net of tax		(8,385)	4,318	5,406	8,193
Total other comprehensive (loss)/income for the quarter/period, net of tax		(9,017)	(6,697)	101	(26,430)
Total comprehensive income for the quarter/period, net of tax		10,897	22,130	41,912	33,431
Attributable to:-					
Owners of the Company		9,710	21,332	41,464	32,108
Non-controlling interests		1,187	798	448	1,323
		10,897	22,130	41,912	33,431

Note 1

These deductions from Other Comprehensive Income/(loss) represent realised gain on disposal of available for sale investments that have been included as income in the Consolidated Income Statements. These amounts were recognised in Other Comprehensive Income/(loss) as unrealised gain in previous financial periods.

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to the Interim Financial Statements)

INSAS BERHAD
Company No. 4081-M
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UNAUDITED FINANCIAL REPORT FOR THE THIRD QUARTER AND 9 MONTHS PERIOD ENDED 31 MARCH 2016.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THIRD QUARTER AND 9 MONTHS PERIOD ENDED 31 MARCH 2016.

	Attributable to Owners of the Company								Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Non-Distributable				Distributable						
	Share capital RM'000	Share premium RM'000	Available for sale investments fair value reserve RM'000	Warrants reserve RM'000	Other reserves RM'000	Exchange translation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000			
9 months ended 31 March 2016											
As at 1 July 2015	693,334	47,751	15,002	4,622	11,279	17,407	(14,499)	490,674	1,265,770	4,523	1,270,293
Transactions with owners:-											
Post-acquisition reserves - associate companies	-	-	-	-	15,038	-	-	-	15,038	-	15,038
Cash dividends payable to owners of the Company	-	-	-	-	-	-	-	(6,630)	(6,630)	-	(6,630)
Non-controlling interests' changes in ownership interests in subsidiary companies	-	-	-	-	-	-	-	(2,078)	(2,078)	2,078	-
Total transactions with owners	-	-	-	-	15,038	-	-	(6,708)	6,330	2,078	8,408
Total comprehensive (loss)/income for the financial period											
Profit for the financial period	-	-	-	-	-	-	-	40,888	40,888	923	41,811
Realised fair value gain transferred to income statements upon disposal of available for sale investments, net of tax	-	-	(6,718)	-	-	-	-	-	(6,718)	-	(6,718)
Unrealised gain on fair value changes on available for sale investments, net of tax	-	-	1,773	-	-	-	-	-	1,773	-	1,773
Share of other comprehensive (loss)/income of investments accounted for using equity method, net of tax	-	-	-	-	(1,472)	1,135	-	(23)	(360)	-	(360)
Foreign currency translation of foreign operations, net of tax	-	-	-	-	-	5,881	-	-	5,881	(475)	5,406
Total comprehensive (loss)/income for the financial period	-	-	(4,945)	-	(1,472)	7,016	-	40,865	41,484	448	41,912
Balance at 31 March 2016	693,334	47,751	10,057	4,622	24,845	24,423	(14,499)	523,031	1,313,564	7,049	1,320,613
9 months ended 31 March 2015											
As at 1 July 2014	693,334	47,751	52,820	-	3,394	5,335	(13,522)	406,569	1,195,661	7,137	1,202,818
Transactions with owners:-											
Repurchase of shares	-	-	-	-	-	-	(977)	-	(977)	-	(977)
Cash dividends paid to owners of the Company	-	-	-	-	-	-	-	(6,630)	(6,630)	-	(6,630)
Acquisition of equity interest in subsidiary companies	-	-	-	-	-	-	-	-	-	241	241
Issued, at premium pursuant to the rights issue of redeemable preference shares	-	-	-	27,859	-	-	-	-	27,859	-	27,859
Total transactions with owners	-	-	-	27,859	-	-	(977)	(6,630)	20,252	241	20,493
Total comprehensive (loss)/income for the financial period											
Profit for the financial period	-	-	-	-	-	-	-	58,687	58,687	1,174	59,861
Realised fair value gain transferred to income statements upon disposal of available for sale investments, net of tax	-	-	(49,361)	-	-	-	-	-	(49,361)	-	(49,361)
Unrealised gain on fair value changes on available for sale investments, net of tax	-	-	11,701	-	-	-	-	-	11,701	-	11,701
Share of other comprehensive income of investments accounted for using equity method, net of tax	-	-	-	-	69	2,968	-	-	3,037	-	3,037
Foreign currency translation of foreign operations, net of tax	-	-	-	-	-	8,044	-	-	8,044	149	8,193
Total comprehensive (loss)/income for the financial period	-	-	(37,660)	-	69	11,012	-	58,687	32,108	1,323	33,431
Balance at 31 March 2015	693,334	47,751	15,160	27,859	3,463	16,347	(14,499)	458,626	1,248,041	8,701	1,256,742

(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 2015 and the accompanying explanatory notes attached to the Interim Financial Statements)

INSAS BERHAD
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UNAUDITED FINANCIAL REPORT FOR THE THIRD QUARTER AND 9 MONTHS PERIOD ENDED 31 MARCH 2016.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31/03/2016 RM'000	(Audited) As at preceding financial year ended 30/06/2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	151,136	110,357
Investment properties	181,285	171,875
Available for sale investments	55,461	47,243
Held to maturity investments	4,833	45,633
Associate companies	273,415	224,848
Intangible assets	26,050	26,050
Deferred tax assets	2,038	2,056
Total non-current assets	694,218	628,062
Current assets		
Property development costs	9,775	9,760
Inventories	11,234	11,899
Trade receivables	346,863	303,622
Amount due from associate companies	93,093	92,371
Other receivables, deposits and prepayments	26,596	22,323
Held to maturity investments	5,544	6,978
Financial assets at fair value through profit or loss	293,222	291,080
Tax recoverable	1,608	2,055
Deposits with licensed banks and financial institutions	346,851	485,006
Cash and bank balances	70,588	88,595
Total current assets	1,205,374	1,313,689
TOTAL ASSETS	1,899,592	1,941,751
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owners of the Company		
Share capital	693,334	693,334
Treasury shares	(14,499)	(14,499)
Reserves	111,698	96,061
Retained earnings	523,031	490,874
	1,313,564	1,265,770
Non-controlling interests	7,049	4,523
TOTAL EQUITY	1,320,613	1,270,293
LIABILITIES		
Non-current liabilities		
Loans and borrowings	12,225	13,630
Hire purchase payables	59,057	37,437
Deferred tax liabilities	5,601	5,661
Preference shares	129,679	129,242
Total non-current liabilities	206,562	185,970
Current liabilities		
Derivative financial liabilities	685	9,165
Trade payables	80,327	63,326
Other payables and accruals	36,103	28,456
Hire purchase payables	26,623	18,195
Loans and borrowings	227,380	366,044
Tax payable	1,299	302
Total current liabilities	372,417	485,488
TOTAL LIABILITIES	578,979	671,458
TOTAL EQUITY AND LIABILITIES	1,899,592	1,941,751
Net assets per share attributable to owners of the Company (RM)	1.98	1.91

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to the Interim Financial Statements)

* 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.

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UNAUDITED FINANCIAL REPORT FOR THE THIRD QUARTER AND 9 MONTHS PERIOD ENDED 31 MARCH 2016.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THIRD QUARTER AND 9 MONTHS PERIOD ENDED 31 MARCH 2016.

	Current financial period ended 31/03/2016 RM'000	Preceding year financial period ended 31/03/2015 RM'000
Cash flows from operating activities		
Profit before tax	48,213	65,699
Adjustments for:-		
Non-cash items	(44,996)	(23,914)
Finance costs	13,339	9,061
Interest income	(8,852)	(7,374)
Operating profit before working capital changes	<u>7,704</u>	<u>43,472</u>
Changes in working capital:-		
Net changes in current assets	(90,876)	(110,904)
Net changes in current liabilities	23,718	42,816
Cash used in operations	<u>(59,454)</u>	<u>(24,616)</u>
Interest paid	(12,901)	(9,061)
Interest received	8,852	7,374
Tax paid	(4,857)	(1,751)
Net cash used in operating activities	<u>(68,360)</u>	<u>(28,054)</u>
Cash flows from investing activities		
Acquisition of additional equity interests in associated companies	(10,749)	(60,303)
Purchase of property, plant and equipment	(9,982)	(11,541)
Purchase of held to maturity investments	(792)	(25,268)
Purchase of available for sale investments	(34,070)	(3,668)
Purchase of investment properties	(7,645)	(5,607)
Proceeds from disposal of shares in an associate company	73,318	-
Proceeds from disposal of property, plant and equipment	10,863	2,102
Proceeds from redemption and disposal of held to maturity investments	36,194	11,018
Proceeds from redemption and disposal of available for sale investments	9,305	85,419
Proceeds from redemption of preference shares in an associate company	-	2,000
Dividend received	22,269	21,367
Net cash outflow on acquisition of equity interest in subsidiary companies	-	(27)
Net cash from investing activities	<u>88,711</u>	<u>15,492</u>
Cash flows from financing activities		
Decrease/(Increase) in fixed deposits pledged	165,176	(117,930)
Increase in cash and bank balances pledged	(4,908)	(4,707)
Net cash used in share buyback	-	(977)
Drawdown of loans and borrowings	315,895	263,735
Proceeds from issuance of redeemable preference shares	-	132,601
Repayment of loans and borrowings	(430,970)	(173,636)
Repayment of hire purchase payables	(32,805)	(5,609)
Cash dividends paid to owners of the Company	(6,630)	(6,630)
Net cash from financing activities	<u>5,758</u>	<u>86,847</u>
Net increase in cash and cash equivalents	26,109	74,285
Cash and cash equivalents at beginning of the financial period	184,292	111,007
Exchange differences	2,207	658
Cash and cash equivalents at end of the financial period	<u>212,608</u>	<u>185,950</u>
Cash and cash equivalents comprise of:-		
Bank overdrafts	(6,461)	(22,021)
Cash and bank balances	43,635	38,587
Deposits with licensed banks and financial institutions	175,434	169,384
	<u>212,608</u>	<u>185,950</u>

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to the Interim Financial Statements)

INSAS BERHAD
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UNAUDITED FINANCIAL REPORT FOR THE THIRD QUARTER AND NINE MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2016 - 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 2015, 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 2015.

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 2015 except for the adoption of new MFRS, amendments to MFRSs and IC Interpretations issued by the MASB that became effective and relevant to the Group for the financial year beginning 1 July 2015. The adoption of the new standards, amendments to standards and interpretations are not expected to have any material financial impact on the financial statements of the Group.

The Group has not early adopted new or revised standards and amendments to standards that have been issued but are not yet effective for the accounting period beginning 1 July 2015.

At the beginning of the current financial quarter, the Group, in compliance with the provisions contained in MFRS 128 Investments in Associates and Joint Ventures, had adopted equity accounting for the Group’s investment in Ho Hup Construction Company Berhad (“Ho Hup”) although the Group holds less than 20% of the voting shares in Ho Hup. With effect from the current financial quarter, the Group intends to hold Ho Hup as long term investment of the Group. Moreover, the Group has board representation in Ho Hup and is able to participate in the financial and operating policies in Ho Hup and with the Group’s holding of approximately 13% interest in Ho Hup at the beginning of the current financial quarter, the Group is evidenced to have significant influence over Ho Hup.

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 2015.

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 Income Statements

	Individual	Quarter	Cumulative	Quarter
	Quarter ended	Quarter ended	Period ended	Period ended
	31-Mar-2016	31-Mar-2015	31-Mar-2016	31-Mar-2015
	RM'000	RM'000	RM'000	RM'000
Allowance for doubtful debts no longer required	12	436	898	436
Allowance for doubtful debts	(12)	(242)	(234)	(809)
Fair value gain/(loss) on derivative financial instruments	6,427	1,277	8,493	(10,526)
Gain on disposal of quoted securities	-	25,744	9,305	50,461
Gain on disposal of shares in an associate company	31,769	-	58,562	-
Loss on fair value changes of financial assets at fair value through profit or loss	(973)	(17,100)	(30,108)	(22,404)
(Loss)/ Gain on exchange differences				
- realised	(7,113)	7,214	(18,964)	(13,301)
- unrealised	624	(23,086)	3,651	(27,898)
Effects on dilution of equity interests in associate companies	470	(2,196)	(3,004)	(5,854)

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 17 December 2015, 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 9 months period ended 31 March 2016. Of the total 693,333,633 issued and fully paid up ordinary shares, 30,327,291 shares are being held as treasury shares by the Company as at 31 March 2016.

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 March 2016.

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 2015.

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 and associate companies and long term investments, restructuring and discontinuing operations other than as disclosed below:-

- (i) On 15 July 2015, Mr. Wong Yew Kiang ("WYK"), the Managing Director and a 39% shareholder of Roset Limousine Services Pte. Ltd. ("Roset"), has exercised the option pursuant to a Share Sale Agreement dated 15 April 2011 between WYK and Insas Pacific Rent-A-Car Sdn. Bhd. ("IPRAC") to buy back 15,303 ordinary shares representing 10% of the total issued ordinary share capital of Roset for a cash consideration of S\$18,978 ("Share Buyback"). Arising from the Share Buyback, IPRAC's equity interest in Roset has been diluted from 51% to 41%.

Roset is a private limited company incorporated in Singapore on 1 June 2004 and its principal activities are the provision of premium limousines services and cars for hire.

- (ii) On 31 July 2015, Insas Plaza Sdn. Bhd. ("IPSB"), a wholly-owned subsidiary company, had subscribed for 120,000 new ordinary shares of RM1.00 each at an issue price of RM1.00 per ordinary shares representing 40% of the enlarged share capital of PRAC Logistics Sdn Bhd ("PRAC Logistics").

On 28 December 2015 and 4 March 2016, IPSB had subscribed for its 40% entitlement representing an additional 80,000 ordinary shares of RM1.00 each in the enlarged ordinary share capital of PRAC Logistics for a cash consideration of RM80,000. On 4 March 2016, IPSB had also subscribed for 150,000 redeemable convertible preference shares ("RCPS") of RM0.01 each at RM1.00 per RCPS in PRAC Logistics.

PRAC Logistics is a private limited company incorporated in Malaysia on 4 July 2012 and its principal activity is car rental services.

- (iii) On 30 September 2015, Roset Logistics Holdings Pte. Ltd. (formerly known as Montego Management Services Pte. Ltd.) ("Roset Holdings"), a private limited company incorporated in Singapore and a wholly-owned subsidiary of the Company has entered into a share sale agreement with WYK and A.B. Melwani Pte. Ltd. for the acquisition of 180,614 ordinary shares representing 59% equity interest in Roset not owned by the Group at a purchase price of SGD1,151,667, which is arrived at based on the audited net tangible assets of Roset as at 30 June 2015. The purchase price will be satisfied by the issuance of 1,151,667 new ordinary shares in the capital of Roset Holdings at the issue price of SGD1 per share.

On the same date, the Group implemented an internal restructuring of the car rental and logistic division wherein the Group's 100% interest in IPRAC and Insas Logistics (S) Pte. Ltd. ("ILS"), will be transferred and consolidated under Roset Holdings. Upon completion of the proposed acquisition of Roset and the internal restructuring, the Group will hold 79.5% equity interest in Roset Holdings and Roset, IPRAC and ILS will become 100% owned subsidiaries of Roset Holdings.

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

- (iv) As mentioned in A2, based on the Group's adoption of the provisions in MFRS 128: Investments in Associates and Joint Ventures, the Group had assessed and equity accounted for the Group's investment in Ho Hup as an associate company of the Group with effect from 1 January 2016.

The principal activities of Ho Hup are those of investment holding, foundation engineering, civil engineering, building contracting works and the provision of management services.

- (v) On 4 March 2016, Roset Holdings had incorporated a subsidiary in Singapore known as Tribecar Pte. Ltd. ("Tribecar"). The issued and paid-up share capital of Tribecar is SGD1,000 comprising 1,000 ordinary shares.

Roset Holdings together with Montego (S) Pte. Ltd., an indirect wholly-owned subsidiary of the Company, hold an aggregate equity interest of 77% in Tribecar. Arising therefrom, Tribecar became an indirect subsidiary of the Group, having an effective interest of 63.24% in Tribecar.

The principal activities of Tribecar are the development of fleet-related software and other programming activities.

- (vi) On 29 March 2016, the Company announced that the following subsidiaries have been placed under members' voluntary winding-up:-
- (a) M & A Research Sdn Bhd, a wholly-owned subsidiary
 - (b) M & A Futures Sdn Bhd, a wholly-owned subsidiary
 - (c) Magxo Sdn Bhd, an indirect wholly-owned subsidiary
 - (d) Hastanas Development Sdn Bhd, an indirect subsidiary
 - (e) Premium Yield Sdn Bhd, an indirect subsidiary

These subsidiary companies are presently dormant.

A12. Material Subsequent Events

There were no material events subsequent to the financial period ended 31 March 2016 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 Company has issued guarantees amounting to RM224,292,000 to financial institutions in respect of banking and credit facilities granted to certain of its subsidiary and associate companies. 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 March 2016 are as follows:-

	RM'000
To acquire property, plant and equipment	1,772
To acquire investment properties	22,998
Investment commitments in relation to available for sale investments	<u>28,849</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's corresponding financial quarter

Group's summary

The Group reported revenue of RM84.7 million and a pre-tax profit of RM20.5 million in the current financial quarter as compared to revenue of RM139.7 million and a pre-tax profit of RM30.4 million in the preceding year's corresponding financial quarter. The review of performance by divisions is as follows:-

Financial services and credit & leasing division

Revenue and pre-tax results for the third quarter in FY 2016 declined as compared to the corresponding quarter in the preceding year primarily due to weaker market sentiments which had resulted in lower revenue reported by the stock broking unit and loss on fair value changes of financial assets at fair value through profit and loss of –RM0.8 million in the current financial quarter (Q3/2015: loss on fair value changes of -RM0.1 million).

Investment holding and trading division

The investment unit reported lower revenue in the current financial quarter mainly due to lower trading activities as compared to the preceding year corresponding financial quarter.

The unit reported pre-tax loss of –RM3.0 million in the current financial quarter (Q3/2015: pre-tax loss of –RM7.0 million) primarily due to higher fair value gain on derivatives and lower loss on fair value changes of financial assets at fair value through profit or loss during the current quarter.

Technology and IT-related manufacturing, trading and services division

The Technology unit reported lower pre-tax profit in the current financial quarter as compared to the preceding year corresponding financial quarter primarily due to unrealised foreign exchange losses and lower contribution from the Group's equity accounting for Inari Amertron Group after-tax profit. For the current financial quarter, Inari Amertron Group contributed after-tax profit of RM3.8million (Q3/2015: RM9.9 million). The lower contribution from Inari Amertron Group was due to lower revenue from reduction in end user demand for Inari Amertron Group's products and foreign exchange losses reported by Inari Amertron Group.

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

Group's summary

The Group reported revenue of RM204.2 million and a pre-tax profit of RM48.2 million for the nine months period ended 31 March 2016 as compared with revenue of RM319.5 million and a pre-tax profit of RM65.7 million reported in the corresponding financial period in the preceding year.

The lower pre-tax profit reported for the nine months period ended 31 March 2016 as compared to the corresponding financial period in the preceding year were mainly due to:

Financial services and credit & leasing division

The unit reported higher pre-tax profit of RM26.7 million for the nine months period ended 31 March 2016 (nine months period ended 31 March 2015: pre-tax profit RM13.0 million) primarily due to higher revenue from the structured finance unit and gain on fair value changes of financial assets at fair value through profit and loss of RM9.8 million for the nine months period ended 31 March 2016 (nine months period ended 31 March 2015: loss on fair value changes of -RM2.0 million).

B1. Review of Performance (Cont'd)

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

Investment holding and trading division

The investment unit reported pre-tax loss of –RM48.9 million for the nine months period ended 31 March 2016 (nine months period ended 31 March 2015: -RM22.2 million) primarily due to loss on fair value changes of financial assets at fair value through profit or loss of –RM42.0 million (nine months period ended 31 March 2015: –RM21.6 million).

Technology and IT-related manufacturing, trading and services division

The Technology unit reported lower pre-tax profit for the nine months period ended 31 March 2016 as compared to the corresponding period in the preceding year mainly due to lower gain on disposal of quoted securities of RM9.3 million and gain on disposal of shares in an associate company of RM35.9 million (nine months period ended 31 March 2015: gain of RM50.5 million).

The Group's equity accounting for Inari Amertron Group's after-tax profit for the current financial period was lower at RM25.7 million (nine months period ended 31 March 2015: RM31.1 million).

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

The Group reported revenue of RM84.7 million and a pre-tax profit of RM20.5 million in the current financial quarter as compared to revenue of RM72.2 million and a pre-tax profit of RM53.4 million in the immediate preceding financial quarter.

The lower profit in the current financial quarter is primarily due to losses reported by the investment unit in the current financial quarter, lower gain on disposal of quoted securities and disposal of shares in an associate company of RM31.8 million (Q2/2016: RM36.1 million) and loss on foreign exchange of –RM6.5 million in the current quarter (Q2/2016: gain on foreign exchange of RM1.2 million) primarily due to the recovering of the US dollar against the Ringgit in the current financial quarter.

The Group's equity accounting for Inari Amertron Group's after-tax profit for the current financial period was RM3.8 million (Q2/2016: RM9.5 million).

B3. Prospects for the financial year ending 30 June 2016

Financial services and investment trading division

The Board is of the view that the stock broking and structured finance units are resilient and positioned adequately to meet the challenging market conditions whereas the financial performance of the investment unit will be affected by the weak market sentiments.

Technology and IT-related manufacturing, trading and services division

The Board is cautiously optimistic the Technology unit and Inari Amertron Group will maintain their financial performance in the last quarter of the financial year 2016 amidst the downward projections in the global mobile device market.

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 March 2016 is as follows:-

	Individual Quarter ended 31-Mar-2016 RM'000	Quarter Quarter ended 31-Mar-2015 RM'000	Cumulative Period ended 31-Mar-2016 RM'000	Quarter Period ended 31-Mar-2015 RM'000
Income tax:-				
Provision for the current financial quarter/period				
- Malaysian income tax	549	1,537	6,240	6,549
- Overseas income tax	126	17	178	219
Under/(Over)provision in preceding financial quarter/period	56	(27)	56	(575)
Deferred tax:-				
Transfer (from)/to deferred taxation	(119)	160	(72)	(195)
Overprovision in preceding financial quarter/period	-	(160)	-	(160)
	612	1,527	6,402	5,838

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-Mar-2016 RM'000	Quarter Quarter ended 31-Mar-2015 RM'000	Cumulative Period ended 31-Mar-2016 RM'000	Quarter Period ended 31-Mar-2015 RM'000
Profit before tax	20,526	30,354	48,213	65,699
Income tax at Malaysian statutory tax rate of 24% (2015: 25%)	4,926	7,589	11,571	16,425
Tax effect in respect of:-				
Non-allowable expenses	(1,684)	(898)	13,355	12,372
Income not subject to tax	(3,253)	(4,744)	(18,890)	(22,474)
Effect of different tax rates in other countries	101	(307)	(114)	(557)
Overseas tax paid on dividend income	128	15	179	287
Effects of change in tax rates	-	(3)	-	31
Utilisation of previously unrecognised deferred tax assets	(357)	(77)	(581)	(690)
Deferred tax not recognised in the financial statements	695	139	826	1,179
Tax expenses for the financial quarter/period	556	1,714	6,346	6,573
Under/(Over) provision for tax expense in preceding financial quarter/period	56	(27)	56	(575)
Overprovision for deferred taxation in preceding financial quarter/period	-	(160)	-	(160)
	612	1,527	6,402	5,838

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.

B7. Status of Utilisation of Proceeds

The Company received proceeds amounting to RM132.6 million from the issuance of 132,601,268 redeemable preference shares ("RPS") at an issue price of RM1.00 per RPS. The proceeds have been utilised in the following manner as at 31 March 2016:-

Purpose	Approved utilisation RM'000	Amount utilised RM'000	Balance unutilised RM'000	Previous utilisation expiry date	Revised utilisation timeline
Capital injection into M&A Securities Sdn Bhd	60,000	60,000	-	Within 6 months from the listing of the RPS	-
Capital injection into Insas Pacific Rent-A-Car Sdn Bhd	5,000	5,000	-		
Repayment of bank borrowings	20,000	20,000	-		
Subscription of the rights issue of an associate company	30,000	30,000	-		
Working capital and general business purposes	16,201	11,226	4,975	Within 12 months from the listing of the RPS	31 March 2017
To defray expenses relating to the RPS issue	1,400	1,400	-	Within 1 month from the listing of the RPS	-
Total	132,601	127,626	4,975		

As announced on 8 March 2016, the Company has resolved to extend the timeframe for the utilisation of the remaining proceeds to 31 March 2017.

B8. Group Borrowings and Debts Securities as at 31 March 2016

<u>Borrowings</u>	Foreign Currency ('000)	RM'000
<u>Short term secured borrowings</u>		
- in US dollars	27,696	108,915
- in Hong Kong dollars	48,399	24,548
- in Singapore dollars	16,768	48,825
- in Euro dollars	2,120	9,450
- in Ringgit Malaysia		35,642
		<u>227,380</u>
<u>Long term secured borrowings</u>		
- in US dollars	520	2,045
- in Singapore dollars	639	1,860
- in Ringgit Malaysia		8,320
		<u>12,225</u>
Total Group borrowings		<u>239,605</u>

B8. Group Borrowings and Debts Securities as at 31 March 2016 (Cont'd)

Debt securities

	RM'000
<u>Redeemable Convertible Preference Shares ("RCPS")</u>	
RCPS to non-controlling interests of a subsidiary company	<u>1,611</u>
<u>Redeemable preference shares ("RPS")</u>	
132,601,268 RPS issued by the Company on 26 February 2015 at RM1.00 per RPS	132,601
Fair value of 265,202,536 free Warrants issued by the Company on 26 February 2015 accounted for under Warrants reserve after accounting for effects of deferred tax liabilities	(6,082)
Accumulated RPS dividend charged to income statements	7,326
Accumulated RPS dividend paid and payable	<u>(5,777)</u>
RPS issued by the Company – liability portion, disclosed as per MFRS requirements	<u>128,068</u>
Total Group debt securities	<u><u>129,679</u></u>

In accordance with MFRS 132 Financial Instruments: Disclosure and Presentation, MFRS 112: Income Taxes and FRSIC Consensus 8/2008: Accounting for Free Warrants with Rights Issue, 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 liabilities. 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 balance sheet 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 declared an interim single tier dividend of 1.0 sen per ordinary share of RM1.00 each in the Company in respect of the financial year ending 30 June 2016.

The dividend was paid on 24 February 2016.

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 to-date.

	Individual	Quarter	Cumulative	Quarter
	Quarter ended 31-Mar-2016	Quarter ended 31-Mar-2015	Period ended 31-Mar-2016	Period ended 31-Mar-2015
Net profit attributable to owners of the Company for the financial quarter and financial period to-date (RM'000)	18,578	28,116	40,888	58,687
Weighted average number of ordinary shares in issue, after accounting for the effect of shares bought back ('000)	663,007	665,017	663,007	665,017
Basic earnings per share (Sen)	2.81	4.23	6.17	8.82

(b) Diluted earnings per share

The diluted earnings per share is not computed as there are no dilutive potential equity instruments in issue that gave diluted effect to the earnings per share.

B12. Disclosure on Realised and Unrealised Profits and Losses

The Group's retained earnings as at 31 March 2016 and 31 March 2015 are analysed as follows:-

	<u>As at 31.03.2016</u> RM'000	<u>As at 31.03.2015</u> RM'000
<u>Total retained earnings of the Company and its subsidiary companies</u>		
- Realised	345,222	309,639
- Unrealised	73,930	46,173
	<u>419,152</u>	<u>355,812</u>
<u>Total share of retained earnings from associate companies</u>		
- Realised	80,887	81,752
- Unrealised	(2,801)	542
	<u>78,086</u>	<u>82,294</u>
Add: Consolidated adjustments	<u>25,793</u>	<u>20,520</u>
Total Group retained earnings as per consolidated financial statements	<u>523,031</u>	<u>458,626</u>