

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

INSAS BERHAD

Financial Year End	30 Jun 2017
Quarter	2 Qtr
Quarterly report for the financial period ended	31 Dec 2016
The figures	have not been audited

Attachments

IB Q22017.pdf
179.6 kB

Remarks :

1) The basic earnings per share for the 6 months period ended 31 December 2016 has been calculated based on the profit attributable to the owners of the Company of RM79,893,000 (2016: RM22,310,000) and the weighted average number of ordinary shares in issue during the period of 663,007,000 shares (2016: 663,007,000 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 Dec 2016

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	70,684	72,244	122,555	119,550
2 Profit/(loss) before tax	22,698	53,413	84,397	27,687
3 Profit/(loss) for the period	21,123	50,176	79,603	21,897
4 Profit/(loss) attributable to ordinary equity holders of the parent	21,307	51,331	79,893	22,310
5 Basic earnings/(loss) per share (Subunit)	3.21	7.74	12.05	3.36
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 (\$\$)		2.1800		2.0400

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	23 Feb 2017
Category	Financial Results
Reference Number	FRA-23022017-00007

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

23 February 2017

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 2016.

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2016

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		FY 2017 Current financial quarter ended 31-Dec-16 RM'000	FY 2016 Preceding year corresponding financial quarter ended 31-Dec-15 RM'000	FY 2017 Financial period ended 31-Dec-16 RM'000	FY 2016 Preceding year financial period ended 31-Dec-15 RM'000
Revenue		70,684	72,244	122,555	119,550
Cost of sales	1	(48,193)	(49,753)	(85,286)	(73,134)
Other income	2	6,424	52,185	59,159	59,420
Administration expenses	3	(5,382)	(11,098)	(12,212)	(16,718)
Other operating expenses	4	(8,242)	(14,622)	(19,199)	(62,242)
Finance costs		(4,915)	(4,409)	(9,433)	(8,823)
Exceptional item	5	176	(2,924)	-	(3,474)
Share of profits less losses of associate companies		12,146	11,780	28,813	13,108
Profit before tax		22,698	53,413	84,397	27,687
Tax expense		(1,575)	(3,237)	(4,794)	(5,790)
Profit for the quarter/period		21,123	50,176	79,603	21,897
Profit attributable to:-					
Owners of the Company		21,307	51,331	79,893	22,310
Non-controlling interests		(184)	(1,155)	(290)	(413)
		21,123	50,176	79,603	21,897
Earnings per share (in Sen)					
- Basic		3.21	7.74	12.05	3.36
- Diluted		n/a	n/a	n/a	n/a
		Financial quarter ended 31-Dec-16 RM'000	Financial quarter ended 31-Dec-15 RM'000	Financial period ended 31-Dec-16 RM'000	Financial period ended 31-Dec-15 RM'000
Note 1					
Included in Cost of sales is the following item:-					
Depreciation		(8,294)	(7,419)	(16,650)	(13,325)
Note 2					
Included in Other Income are the following items:-					
Allowance for doubtful debts no longer required		28	805	49	886
Fair value (loss)/gain on derivative financial instruments		(3,863)	3,946	1,126	2,066
Gain on disposal of property, plant and equipment		99	-	168	-
Interest income		2,924	2,854	5,926	5,919
Gain on exchange differences					
- unrealised		412	5,324	6,402	3,027
- realised		858	-	141	-
Gain on fair value changes of financial assets at fair value through profit or loss		1,694	-	8,224	-
Gain on disposal of quoted securities		-	9,305	-	9,305
Gain on disposal of shares in an associate company		-	26,793	24,653	26,793
Note 3					
Included in Administration expenses is the following item:-					
Depreciation		(179)	(105)	(346)	(206)

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23 February 2017

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50200 Kuala Lumpur

UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2016.

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2016

Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	FY 2017 Current financial quarter ended 31-Dec-16 RM'000	FY 2016 Preceding year corresponding financial quarter ended 31-Dec-15 RM'000	FY 2017 Financial period ended 31-Dec-16 RM'000	FY 2016 Preceding year financial period ended 31-Dec-15 RM'000
Note 4 Included in Other operating expenses are the following items:-				
Allowance for doubtful debts	-	(185)	(7)	(222)
Depreciation	(550)	(459)	(1,050)	(937)
Loss on disposal of property, plant and equipment	-	(4)	-	(18)
Loss on fair value changes of financial assets at fair value through profit or loss	-	(2,237)	-	(29,135)
Loss on exchange differences - realised	-	(4,076)	-	(11,851)
Note 5 Exceptional item represents:-				
Effects of dilution of equity interests in associate companies	176	(2,924)	-	(3,474)

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Company No. 4081-M
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UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2016.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2016

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		FY 2017 Current financial quarter ended 31-Dec-16 RM'000	FY 2016 Preceding year corresponding financial quarter ended 31-Dec-15 RM'000	FY 2017 Financial period ended 31-Dec-16 RM'000	FY 2016 Preceding year financial period ended 31-Dec-15 RM'000
Profit for the quarter/period		21,123	50,176	79,603	21,897
<u>Other comprehensive income/(loss) 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	6	-	(6,718)	-	(6,718)
Unrealised loss on fair value changes on available for sale investments, net of tax		(348)	(1,449)	(232)	(3,290)
Share of other comprehensive income/(loss) of investments accounted for using equity method, net of tax		6,428	(1,460)	7,439	5,335
Effects of dilution of equity interests in associate companies		(1,861)	-	(1,861)	-
Foreign currency translation of foreign operations, net of tax		7,207	(2,642)	12,455	13,791
Total other comprehensive income/(loss) for the quarter/period, net of tax		11,426	(12,269)	17,801	9,118
Total comprehensive income for the quarter/period, net of tax		32,549	37,907	97,404	31,015
Attributable to:-					
Owners of the Company		32,599	39,783	97,461	31,754
Non-controlling interests		(50)	(1,856)	(57)	(739)
		32,549	37,907	97,404	31,015

Note 6

These deductions from Other Comprehensive Income/(loss) represent realized 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.

Note 7

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to the Interim Financial Statements.

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

UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2016.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS	As at 31/12/2016 RM'000	As at preceding financial year ended 30/06/2016 RM'000 (Audited)
Non-current assets		
Property, plant and equipment	190,321	161,424
Investment properties	184,520	179,644
Available for sale investments	34,968	35,154
Held to maturity investments	4,573	3,095
Associate companies	273,765	276,524
Intangible assets	26,047	26,047
Deferred tax assets	1,985	1,763
Total non-current assets	716,179	683,651
Current assets		
Property development costs	9,969	9,969
Inventories	14,061	11,251
Trade receivables	334,900	290,833
Amount due from associate companies	98,810	92,519
Other receivables, deposits and prepayments	36,501	30,519
Held to maturity investments	5,655	8,878
Financial assets at fair value through profit or loss	334,948	312,594
Tax recoverable	1,062	800
Deposits with licensed banks and financial institutions	407,255	382,963
Cash and bank balances	94,106	75,625
Total current assets	1,337,267	1,215,951
TOTAL ASSETS	2,053,446	1,899,602
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owners of the Company		
Share capital	693,334	693,334
Treasury shares	(14,499)	(14,499)
Reserves	132,854	111,289
Retained earnings	630,942	559,540
	1,442,631	1,349,664
Non-controlling interests	7,813	7,558
TOTAL EQUITY	1,450,444	1,357,222
LIABILITIES		
Non-current liabilities		
Loans and borrowings	20,969	14,437
Hire purchase payables	82,377	60,546
Deferred tax liabilities	6,772	6,745
Preference shares	130,095	129,818
Total non-current liabilities	240,213	211,546
Current liabilities		
Derivative financial liabilities	6,165	7,288
Trade payables	47,637	34,226
Other payables and accruals	33,710	30,116
Hire purchase payables	31,625	32,221
Loans and borrowings	241,141	225,958
Tax payable	2,511	1,025
Total current liabilities	362,789	330,834
TOTAL LIABILITIES	603,002	542,380
TOTAL EQUITY AND LIABILITIES	2,053,446	1,899,602
Net assets per share attributable to owners of the Company⁽⁶⁾ (RM)	2.18	2.04

Note 8

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 9

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to the Interim Financial Statements.

INSAS BERHAD
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UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2016.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2016.

	Attributable to Owners of the Company										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	Total RM'000			
Period ended 31 December 2016												
As at 1 July 2016	693,334	47,751	5,863	4,622	25,397	27,656	(14,499)	559,540	1,349,664	7,559	1,357,222	
Transactions with owners:-												
Post-acquisition reserves - associate companies	-	-	-	-	2,136	-	-	-	2,136	-	2,136	
Cash dividends payable to owners of the Company	-	-	-	-	-	-	-	(6,630)	(6,630)	-	(6,630)	
Subscription of shares in subsidiary companies by non-controlling interests	-	-	-	-	-	-	-	-	-	245	245	
Deconsolidation of subsidiary companies on completion of members' voluntary winding up	-	-	-	-	-	-	-	-	-	110	110	
Capital repayment to non-controlling interests	-	-	-	-	-	-	-	-	-	(43)	(43)	
Total transactions with owners	-	-	-	-	2,136	-	-	(6,630)	(4,494)	312	(4,182)	
Total comprehensive (loss)/income for the financial period												
Profit for the financial period	-	-	-	-	-	-	-	79,893	79,893	(290)	79,603	
Unrealised loss on fair value changes on available for sale investments, net of tax	-	-	(232)	-	-	-	-	-	(232)	-	(232)	
Share of other comprehensive income of investments accounted for using equity method, net of tax	-	-	-	-	5,196	2,243	-	-	7,439	-	7,439	
Effects of dilution of equity interests in associate companies	-	-	-	-	-	-	-	(1,861)	(1,861)	-	(1,861)	
Foreign currency translation of foreign operations, net of tax	-	-	-	-	-	12,222	-	-	12,222	233	12,455	
Total comprehensive (loss)/income for the financial period	-	-	(232)	-	5,196	14,465	-	78,032	97,461	(57)	97,404	
Balance at 31 December 2016	693,334	47,751	5,631	4,622	32,729	42,121	(14,499)	630,942	1,442,631	7,813	1,450,444	
Period ended 31 December 2015												
As at 1 July 2015	693,334	47,751	15,002	4,622	11,279	17,407	(14,499)	490,874	1,265,770	4,523	1,270,293	
Transactions with owners:-												
Post-acquisition reserves - associate companies	-	-	-	-	12,805	-	-	-	12,805	-	12,805	
Cash dividends payable to owners of the Company	-	-	-	-	-	-	-	(6,630)	(6,630)	-	(6,630)	
Non-controlling interests' changes in ownership interests in subsidiary companies	-	-	-	-	-	-	-	(2,436)	(2,436)	2,436	-	
Total transactions with owners	-	-	-	-	12,805	-	-	(9,066)	3,739	2,436	6,175	
Total comprehensive (loss)/income for the financial period												
Profit for the financial period	-	-	-	-	-	-	-	22,310	22,310	(413)	21,897	
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 loss on fair value changes on available for sale investments, net of tax	-	-	(3,290)	-	-	-	-	-	(3,290)	-	(3,290)	
Share of other comprehensive (loss)/income of investments accounted for using equity method, net of tax	-	-	-	-	(11)	5,369	-	(23)	5,335	-	5,335	
Foreign currency translation of foreign operations, net of tax	-	-	-	-	-	14,117	-	-	14,117	(326)	13,791	
Total comprehensive (loss)/income for the financial period	-	-	(10,008)	-	(11)	19,486	-	22,287	31,754	(739)	31,015	
Balance at 31 December 2015	693,334	47,751	4,994	4,622	24,073	36,893	(14,499)	504,095	1,301,283	6,220	1,307,483	

Note 10

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 2016 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 SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2016.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2016.

	Current financial period ended 31/12/2016 RM'000	Preceding financial period ended 31/12/2015 RM'000
Cash flows from operating activities		
Profit before tax	84,397	27,887
Adjustments for:-		
Non-cash items	(56,169)	(12,055)
Finance costs	9,433	8,823
Interest income	(5,926)	(5,919)
Operating profit before working capital changes	<u>31,735</u>	<u>18,526</u>
Changes in working capital:-		
Net changes in current assets	(55,602)	(69,852)
Net changes in current liabilities	11,400	(17,145)
Cash used in operations	<u>(12,467)</u>	<u>(68,471)</u>
Interest paid	(9,357)	(8,534)
Interest received	5,926	5,919
Tax paid	(3,578)	(3,589)
Net cash used in operating activities	<u>(19,476)</u>	<u>(74,675)</u>
Cash flows from investing activities		
Acquisition of additional equity interest in associated companies	(25)	(97)
Purchase of property, plant and equipment	(14,823)	(12,437)
Purchase of held to maturity investments	(2,279)	-
Purchase of available for sale investments	(33)	(249)
Purchase of investment properties	(2,589)	(6,091)
Proceeds from disposal of shares in associate companies	52,569	33,180
Proceeds from disposal of property, plant and equipment	9,226	7,245
Proceeds from redemption and disposal of held to maturity investments	4,228	-
Proceeds from redemption and disposal of available for sale investments	-	9,305
Dividend received	15,961	14,178
Net cash from investing activities	<u>62,235</u>	<u>44,160</u>
Cash flows from financing activities		
Decrease in fixed deposits pledged	4,248	25,227
(Increase)/Decrease in cash and bank balances pledged	(12,263)	14,116
Net drawdown of loans and borrowings	8,355	32,390
Proceeds from issuance of shares in subsidiary companies to non-controlling interests	245	-
Repayment of hire purchase payables	(21,674)	(17,476)
Capital repayment to non-controlling interests	(43)	-
Net cash (used in)/from financing activities	<u>(21,132)</u>	<u>54,257</u>
Net increase in cash and cash equivalents	21,627	23,742
Cash and cash equivalents at beginning of the financial period	258,051	184,292
Exchange differences	3,850	4,443
Cash and cash equivalents at end of the financial period	<u>283,528</u>	<u>212,477</u>
Cash and cash equivalents comprise of:-		
Bank overdrafts	(8,753)	(7,373)
Cash and bank balances	71,081	34,293
Deposits with licensed banks and financial institutions	221,200	185,557
	<u>283,528</u>	<u>212,477</u>

Note 11

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016 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 SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 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 2016, 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 2016.

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 2016 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 2016. The adoption of the new standards, amendments to standards and IC 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 2016.

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 2016.

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-Dec-2016	31-Dec-2015	31-Dec-2016	31-Dec-2015
	RM'000	RM'000	RM'000	RM'000
Fair value (loss)/gain on derivative financial instruments	(3,863)	3,946	1,126	2,066
Gain on disposal of quoted securities	-	9,305	-	9,305
Gain/(Loss) on fair value changes of financial assets at fair value through profit or loss	1,694	(2,237)	8,224	(29,135)
Gain/(Loss) on exchange differences				
- realised	858	(4,076)	141	(11,851)
- unrealised	412	5,324	6,402	3,027
Gain on disposal of shares in an associate company	-	26,793	24,653	26,793
Effects of dilution of equity interests in associate companies	176	(2,924)	-	(3,474)

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 24 November 2016, 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 6 months period ended 31 December 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 December 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 December 2016.

A8. Dividends paid

No dividend has been paid for the current financial quarter and financial period to-date.

A9. Segment Information

The segment analysis for the Group's results for the financial period ended 31 December 2016 is as follows:-

	Financial services and credit & leasing	Property investment and development	Investment holding and trading	Retail trading and car rental	Technology and IT-related manufacturing, trading and services	Eliminations	Consolidated Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External revenue	20,966	1,123	65,821	32,297	2,348	-	122,555
Inter-segment revenue	425	244	3,867	7,288	9,736	(21,560)	-
Total segment revenue	21,391	1,367	69,688	39,585	12,084	(21,560)	122,555
Results							
Segment profit from operations	9,398	165	32,015	3,396	14,737	(620)	59,091
Interest income	1,892	76	5,153	12	2,495	(3,702)	5,926
Finance costs	(3,215)	(360)	(6,663)	(3,418)	(99)	4,322	(9,433)
Share of profits less losses of associate companies	-	3,076	5,754	(621)	20,604	-	28,813
Profit/(loss) before tax	8,075	2,957	36,259	(631)	37,737	-	84,397
Tax expense	(2,554)	(72)	(2,323)	155	-	-	(4,794)
Profit/(loss) for the financial period	5,521	2,885	33,936	(476)	37,737	-	79,603
Attributable to:-							
Owners of the Company							79,893
Non-controlling interests							(290)

The segment analysis for the Group's results for the financial period ended 31 December 2015 was as follows:-

	Financial services and credit & leasing	Property investment and development	Investment holding and trading	Retail trading and car rental	Technology and IT-related manufacturing, trading and services	Eliminations	Consolidated Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External revenue	27,536	1,811	38,097	29,070	23,036	-	119,550
Inter-segment revenue	71	271	3,834	1,396	8,169	(13,741)	-
Total segment revenue	27,607	2,082	41,931	30,466	31,205	(13,741)	119,550
Results							
Segment profit/(loss) from operations	25,067	564	(39,073)	4,317	30,384	(302)	20,957
Interest income	1,685	105	7,271	41	1,264	(4,447)	5,919
Finance costs	(2,244)	(378)	(8,023)	(2,243)	(684)	4,749	(8,823)
Exceptional item	-	-	-	-	(3,474)	-	(3,474)
Share of profits less losses of associate companies	-	1,154	(6,055)	(1,521)	19,530	-	13,108
Profit/(loss) before tax	24,508	1,445	(45,880)	594	47,020	-	27,687
Tax expense	(3,612)	(159)	(1,898)	(121)	-	-	(5,790)
Profit/(loss) for the financial period	20,896	1,286	(47,778)	473	47,020	-	21,897
Attributable to:-							
Owners of the Company							22,310
Non-controlling interests							(413)

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 2016.

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 1 July 2016, Roset Logistics Holdings Pte Ltd, an indirect subsidiary company of the Group, had incorporated a wholly owned subsidiary company in Singapore known as Roset Auto Care Services Pte Ltd ("Roset Auto Care").

The issued and paid up share capital of Roset Auto Care is S\$1 comprising 1 ordinary share and its principal activity is repair and maintenance of motor vehicles.

- (ii) On 13 July 2016, the Company, together with its 55% indirect subsidiary company, PRAC Logistics Sdn Bhd, subscribed for 80,000 ordinary shares of RM1.00 each representing 80% equity interest in Prac GreenTech Sdn Bhd ("Prac GreenTech") for a cash consideration of RM80,000.

Prac GreenTech is a private limited company incorporated in Malaysia on 29 April 2016 and its authorised capital is RM400,000 divided into 400,000 ordinary shares of RM1.00 each.

Prac GreenTech is set up to provide a platform to promote awareness and understanding about electric mobility and to promote use of electric vehicles in road transportation in Malaysia.

Arising from the subscription of the ordinary shares, Prac GreenTech became a 66.95% indirect subsidiary of the Group.

- (iii) In the previous financial quarter, the Company announced that the following dormant subsidiary companies had conducted their final meetings to conclude the members' voluntary winding-up:-

Subsidiary companies:-	Date final meeting was held:-	Return by Liquidators Relating to Final Meetings lodged on:-
Hastanas Development Sdn Bhd	12 July 2016	14 July 2016
M&A Research Sdn Bhd	23 August 2016	25 August 2016
Magxo Sdn Bhd	5 September 2016	7 September 2016
M&A Futures Sdn Bhd	26 September 2016	26 September 2016
Premium Yield Sdn Bhd	26 September 2016	26 September 2016

The above dormant companies have been dissolved as at the date of this Report.

A12. Material Subsequent Events

There were no material events subsequent to the financial period ended 31 December 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 Group has provided guarantees amounting to RM248,161,000 to financial institutions in respect of banking and credit facilities granted to certain of its subsidiary and a third party. 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 2016 are as follows:-

	RM'000
To acquire property, plant and equipment	1,198
To acquire investment properties	20,098
Investment commitments in relation to available for sale investments	<u>17,188</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 RM70.7 million and a pre-tax profit of RM22.7 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 preceding year's corresponding financial quarter. The review of performance by divisions is as follows:-

Financial services and credit & leasing division

There is no significant variance on revenue between current financial quarter as compared to the preceding year corresponding financial quarter.

The unit reported lower pre-tax profit of RM4.7 million in the current financial quarter as compared to preceding year corresponding financial quarter of RM13.2 million mainly due to loss on fair value changes of financial assets at fair value through profit and loss of –RM0.3 million in the current financial quarter (Q2/2016: gain on fair value changes of RM8.3 million).

B1. Review of Performance (Cont'd)

Comparison between current financial quarter against preceding year corresponding financial quarter (cont'd)

Investment holding and trading division

The investment unit reported higher revenue of RM42.8 million in the current financial quarter mainly due to higher trading activities as compared to revenue of RM21.5 million in the preceding year corresponding financial quarter.

The unit reported a pre-tax profit of RM4.4 million in the current financial quarter (Q2/2016: RM5.6 million) after taking into account fair value loss on derivative financial instruments of -RM3.9 million (Q2/2016: gain of RM3.9 million), gain on fair value changes of financial assets at fair value through profit or loss of RM2.4 million (Q2/2016: loss of -RM11.3 million) and gain on disposal of quoted securities of RM3.7 million (Q2/2016: RM7.1 million).

Technology and IT-related manufacturing, trading and services division

The Technology unit reported lower pre-tax profit of RM12.9 million in the current financial quarter as compared to RM32.6 million in the preceding year corresponding financial quarter primarily due to gain on disposal of quoted securities of RM9.3 million and gain on disposal of shares in an associate company of RM21.0 million in the preceding corresponding financial quarter (Q2/2017: RM Nil).

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

Group's summary

The Group reported revenue of RM122.6 million and a pre-tax profit of RM84.4 million for the six months ended 31 December 2016 as compared with revenue of RM119.6 million and a pre-tax profit of RM27.7 million reported in the corresponding period in the preceding year.

The higher pre-tax profit reported for the six months period ended 31 December 2016 as compared to the corresponding period in the preceding year were mainly due to:

Financial services and credit & leasing division

Revenue for the six months period ended 31 December 2016 declined as compared to the corresponding period in the preceding year primarily due to the lower revenue reported by stock broking and the structured finance units on the back of weaker market sentiment.

The unit reported lower pre-tax profit of RM8.1 million for the six months ended 31 December 2016 (six months period ended 31 December 2015: RM24.5 million) due to lower revenue reported and loss on fair value changes of financial assets at fair value through profit and loss of -RM1.5 million in the current period (six months period ended 31 December 2015: gain on fair value changes RM10.6 million).

Investment holding and trading division

The investment unit reported higher revenue of RM65.8 million for the six months period ended 31 December 2016 as compared to revenue of RM38.1 million reported in the preceding year's corresponding period as a results of higher trading activities in the current financial period.

B1. Review of Performance (Cont'd)

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

Investment holding and trading division (cont'd)

The investment unit reported pre-tax profit of RM36.2 million for the six months period ended 31 December 2016 (six months period ended 31 December 2015: pre-tax loss of –RM45.9 million) primarily due gain on fair value changes of financial assets at fair value through profit and loss of RM10.0 million and gain on foreign exchange of RM7.7 million (six months period ended 31 December 2015: loss on fair value changes of –RM42.0 million and loss on foreign exchange of –RM12.4 million).

Technology and IT-related manufacturing, trading and services division

The Technology unit reported a lower pre-tax profit of RM37.7 million for the six months period ended 31 December 2016 as compared to RM47.0 million in the corresponding period in the preceding year due to gain on disposal of shares in an associate company of RM18.5 million (six months period ended 31 December 2015: gain on disposal of quoted securities of RM9.3 million and gain on disposal of shares in an associate company of RM21.0 million).

The Group's equity accounting for Inari Amertron Group's after-tax profit for the six months period ended 31 December 2016 was RM23.0 million (six months period ended 31 December 2015: RM21.8 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 RM70.7 million and a pre-tax profit of RM22.7 million in the current financial quarter as compared to revenue of RM51.9 million and a pre-tax profit of RM61.7 million in the immediate preceding financial quarter.

The lower profit in the current financial quarter is primarily due to fair value loss on derivative financial instruments of –RM3.9 million (Q1/2017: fair value gain of RM5.0 million), lower gain on fair value changes of financial assets at fair value through profit or loss of RM1.7 million (Q1/2017: RM6.5 million), lower gain on foreign exchange of RM1.3 million (Q1/2017: RM5.3 million) and nil gain on disposal of quoted securities (Q1/2017: RM24.7 million).

B3. Prospects for financial year ending 30 June 2017

Financial services and investment trading division

The Board is of the view that the Group is positioned adequately and will be resilient to meet the challenging market conditions.

Technology and IT-related manufacturing, trading and services division

The Board is cautiously optimistic the Technology unit and Inari Amertron Group will maintain their positive financial performance in the current financial year despite the uncertainties to the global markets and trade.

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 2016 is as follows:-

	Individual Quarter ended 31-Dec-2016 RM'000	Quarter Quarter ended 31-Dec-2015 RM'000	Cumulative Period ended 31-Dec-2016 RM'000	Quarter Period ended 31-Dec-2015 RM'000
Income tax:-				
Provision for current financial quarter/period				
- Malaysian income tax	1,575	3,246	4,720	5,691
- Overseas income tax	59	23	300	52
Underprovision in preceding financial quarter/period	49	-	49	-
Deferred tax:-				
Transfer (from)/to deferred taxation	(108)	(32)	(275)	47
	<u>1,575</u>	<u>3,237</u>	<u>4,794</u>	<u>5,790</u>

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-2016 RM'000	Quarter Quarter ended 31-Dec-2015 RM'000	Cumulative Period ended 31-Dec-2016 RM'000	Quarter Period ended 31-Dec-2015 RM'000
Profit before tax	22,698	53,413	84,397	27,687
Income tax at Malaysian statutory tax rate of 24%	5,447	12,819	20,255	6,645
Tax effect in respect of:-				
Non-allowable expenses	1,579	3,815	3,631	15,039
Income not subject to tax	(5,648)	(12,167)	(18,950)	(15,637)
Effect of different tax rates in other countries	86	(305)	(330)	(215)
Overseas tax paid on dividend income	59	21	300	51
Utilisation of previously unrecognised deferred tax assets	(76)	(192)	(331)	(224)
Deferred tax not recognised in the financial statements	46	(754)	170	131
Tax expenses for the financial quarter/period	1,493	3,237	4,745	5,790
Underprovision in preceding financial quarter/period	49	-	49	-
Underprovision for deferred taxation in preceding financial quarter/period	33	-	-	-
	<u>1,575</u>	<u>3,237</u>	<u>4,794</u>	<u>5,790</u>

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 December 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	16,201	-	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	132,601	-		

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. The proceeds have been fully utilised as at 31 December 2016.

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

Borrowings

	Foreign Currency ('000)	RM'000
<u>Short term secured borrowings</u>		
- in US dollars	22,900	102,684
- in Hong Kong dollars	47,839	27,665
- in Singapore dollars	17,851	55,380
- in Euro dollars	999	4,729
- in Ringgit Malaysia		50,683
		<u>241,141</u>
<u>Long term secured borrowings</u>		
- in Singapore dollars	3,056	9,480
- in Ringgit Malaysia		11,489
		<u>20,969</u>
Total Group borrowings		<u>262,110</u>

B8. Group Borrowings and Debts Securities as at 31 December 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 at RM1.00 per RPS	132,601
Fair value of 265,202,536 free Warrants	
- Recognised in equity under warrants reserve	(4,622)
- Effects of deferred tax liabilities	(1,460)
Accumulated RPS dividend charged to income statements	11,745
Accumulated RPS dividend paid and payable	<u>(9,780)</u>
RPS issued by the Company – liability portion, disclosed as per MFRS requirements	128,484
Total Group debt securities	<u>130,095</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 financial year ending 30 June 2017.

The dividend was paid on 21 February 2017.

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-Dec-2016	Quarter ended 31-Dec-2015	Period ended 31-Dec-2016	Period ended 31-Dec-2015
Net profit attributable to owners of the Company for the financial quarter and financial period to-date (RM'000)	21,307	51,331	79,893	22,310
Weighted average number of ordinary shares in issue, after accounting for the effect of shares bought back ('000)	663,007	663,007	663,007	663,007
Basic earnings per share (Sen)	3.21	7.74	12.05	3.36

(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 December 2016 and 31 December 2015 are analysed as follows:-

	As at 31.12.2016 RM'000	As at 31.12.2015 RM'000
<u>Total retained earnings of the Company and its subsidiary companies</u>		
- Realised	450,269	329,650
- Unrealised	67,905	68,812
	<u>518,174</u>	<u>398,462</u>
<u>Total share of retained earnings of associate companies</u>		
- Realised	84,749	83,932
- Unrealised	5,178	(1,914)
	<u>89,927</u>	<u>82,018</u>
Add: Consolidated adjustments	<u>22,841</u>	<u>23,615</u>
Total Group retained earnings as per consolidated financial statements	<u>630,942</u>	<u>504,095</u>