

Quarterly rpt on consolidated results for the financial period ended 31 Mar 2018

INSAS BERHAD

Financial Year End	30 Jun 2018
Quarter	3 Qtr
Quarterly report for the financial period ended	31 Mar 2018
The figures	have not been audited

Attachments

IB - Q318.pdf
293.5 kB

Remarks :

- 1) The basic earnings per share for the 9 months period ended 31 March 2018 has been calculated based on the profit attributable to the owners of the Company of RM83,579,000 (2017: RM146,097,000) and the weighted average number of ordinary shares in issue during the period of 663,007,000 shares (2017: 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 Mar 2018

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	76,459	113,838	263,138	236,393
2 Profit/(loss) before tax	10,698	68,001	91,606	152,398
3 Profit/(loss) for the period	7,893	66,051	83,369	145,654
4 Profit/(loss) attributable to ordinary equity holders of the parent	7,930	66,204	83,579	146,097
5 Basic	1.20	9.99	12.61	22.04

	earnings/(loss) per share (Subunit)				
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 (\$\$)		2.4700		2.3400

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	22 May 2018
Category	Financial Results
Reference Number	FRA-21052018-00055

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

22 MAY 2018

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

UNAUDITED FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2018

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		FY2018 Quarter ended 31-Mar-18 RM'000	FY2017 Quarter ended 31-Mar-17 RM'000	Changes %	FY2018 Period ended 31-Mar-18 RM'000	FY2017 Period ended 31-Mar-17 RM'000	Changes %
Revenue		76,459	113,838	-33%	263,138	236,393	11%
Cost of sales	1	(49,223)	(84,822)	-42%	(174,721)	(170,108)	3%
Other income	2	22,956	57,242	-60%	76,754	116,401	-34%
Administration expenses	3	(6,545)	(10,408)	-37%	(21,491)	(22,620)	-5%
Other operating expenses	4	(31,089)	(17,719)	75%	(63,646)	(36,918)	72%
Finance costs		(5,859)	(5,269)	11%	(17,180)	(14,702)	17%
Exceptional item	5	(1,791)	(2,052)	-13%	(6,727)	(2,052)	>100%
Share of profits less losses of associate companies		5,790	17,191	-66%	35,479	46,004	-23%
Profit before tax		10,698	68,001	-84%	91,606	152,398	-40%
Tax expense		(2,805)	(1,950)	44%	(8,237)	(6,744)	22%
Profit for the quarter/period		7,893	66,051	-88%	83,369	145,654	-43%
Profit attributable to:-							
Owners of the Company		7,930	66,204	-88%	83,579	146,097	-43%
Non-controlling interests		(37)	(153)	-76%	(210)	(443)	-53%
		7,893	66,051	-88%	83,369	145,654	-43%
Earnings per share (in Sen)							
- Basic		1.20	9.99		12.61	22.04	
- Diluted		n/a	n/a		n/a	n/a	

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UNAUDITED FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2018

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	FY2018 Quarter ended 31-Mar-18 RM'000	FY2017 Quarter ended 31-Mar-17 RM'000	FY2018 Period ended 31-Mar-18 RM'000	FY2017 Period ended 31-Mar-17 RM'000
Note 1				
Included in Cost of sales is the following item:-				
Depreciation	<u>(6,838)</u>	<u>(7,929)</u>	<u>(21,476)</u>	<u>(24,579)</u>
Note 2				
Included in Other income are the following items:-				
Allowance for doubtful debts no longer required	(2)	34	110	83
Bad debts recovered	-	318	-	318
Fair value gain on derivative financial instruments	-	3,767	-	4,893
(Loss)/Gain on disposal of property, plant and equipment	(65)	642	49	810
Interest income	3,356	2,338	10,626	8,264
Gain on exchange differences				
- unrealised	-	12,138	-	18,540
Gain on fair value changes of financial assets at fair value through profit or loss	-	22,604	-	30,828
Gain on disposal of available for sale investment	8,962	-	8,962	-
Gain on disposal of shares in associate companies	<u>12,350</u>	<u>9,313</u>	<u>36,112</u>	<u>33,966</u>
Note 3				
Included in Administration expenses is the following item:-				
Depreciation	<u>(175)</u>	<u>(199)</u>	<u>(545)</u>	<u>(545)</u>
Note 4				
Included in Other operating expenses are the following items:-				
Allowance for doubtful debts	(38)	(1)	(459)	(8)
Bad debt written off	(10)	-	(15)	-
Property, plant and equipment written off	(124)	-	(168)	-
Depreciation	(450)	(599)	(1,353)	(1,649)
Fair value loss on derivative financial instruments	(3,662)	-	(425)	-
Loss on fair value changes of financial assets at fair value through profit or loss	(12,446)	-	(9,050)	-
Impairment of held to maturity investments	(13)	-	(40)	-
(Loss)/Gain on exchange differences				
- unrealised	(12,675)	-	(19,845)	-
- realised	<u>278</u>	<u>(6,846)</u>	<u>(398)</u>	<u>(6,705)</u>
Note 5				
Exceptional item represents:-				
Effects of dilution of equity interests in associate companies	<u>(1,791)</u>	<u>(2,052)</u>	<u>(6,727)</u>	<u>(2,052)</u>

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UNAUDITED FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2018

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER			
	FY2018	FY2017	Changes	FY2018	FY2017	Changes	
	Quarter ended 31-Mar-18	Quarter ended 31-Mar-17		Period ended 31-Mar-18	Period ended 31-Mar-17		
Note	RM'000	RM'000	%	RM'000	RM'000	%	
Profit for the quarter/period	7,893	66,051	-88%	83,369	145,654	-43%	
<u>Other comprehensive (loss)/income may be reclassified to profit or loss subsequently:-</u>							
Realised fair value gain transferred to Statements of Profit or Loss upon disposal of available for sale investments, net of tax	6	(8,824)	-	>-100%	(8,824)	-	>-100%
Unrealised (loss)/gain on fair value changes on available for sale investments, net of tax	(10,801)	3,135	>-100%	11,997	2,903	>100%	
Share of other comprehensive (loss)/income of investments accounted for using equity method, net of tax	(2,737)	(1,029)	>100%	(5,220)	6,410	>-100%	
Effect of dilution of equity interests in associate companies	-	1,861	-100%	-	-	-	
Foreign currency translation of foreign operations, net of tax	(7,297)	5,213	>-100%	(16,048)	17,668	>-100%	
Total other comprehensive (loss)/income for the quarter/period, net of tax	(29,659)	9,180	>-100%	(18,095)	26,981	>-100%	
Total comprehensive (loss)/income for the quarter/period, net of tax	(21,766)	75,231	>-100%	65,274	172,635	-62%	
Attributable to:-							
Owners of the Company	(21,596)	75,264	>-100%	65,733	172,725	-62%	
Non-controlling interests	(170)	(33)	>100%	(459)	(90)	>100%	
	(21,766)	75,231	>-100%	65,274	172,635	-62%	

Note 6

These deductions from Other Comprehensive (Loss)/Income represent realised gain on disposal of available for sale investments that have been included as income in the Consolidated Statements of Profit or Loss. These amounts were recognised in Other Comprehensive (Loss)/Income as unrealised gain on fair value changes on available for sale investments, net of tax, 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 2017 and the accompanying explanatory notes attached to the Interim Financial Statements.

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UNAUDITED FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2018

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31/03/2018 RM'000 (Unaudited)	As at 30/06/2017 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	167,678	184,946
Investment properties	176,495	177,877
Available for sale investments	50,802	42,970
Held to maturity investments	4,594	4,591
Associate companies	354,365	301,303
Intangible assets	26,047	26,047
Deferred tax assets	2,499	2,642
Total non-current assets	782,480	740,376
Current assets		
Property development costs	10,232	10,233
Inventories	14,085	14,107
Trade receivables	399,370	404,778
Amount due from associate companies	86,899	92,702
Other receivables, deposits and prepayments	30,013	28,625
Held to maturity investments	739	2,383
Financial assets at fair value through profit or loss	263,833	330,544
Tax recoverable	2,083	1,881
Deposits with licensed banks and financial institutions	550,775	461,092
Cash and bank balances	119,318	118,258
Total current assets	1,477,347	1,464,603
TOTAL ASSETS	2,259,827	2,204,979
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owners of the Company		
Share capital	741,113	741,113
Treasury shares	(14,499)	(14,499)
Reserves	99,287	93,485
Retained earnings	811,007	734,058
	1,636,908	1,554,157
Non-controlling interests	7,298	7,757
TOTAL EQUITY	1,644,206	1,561,914
LIABILITIES		
Non-current liabilities		
Loans and borrowings	22,736	21,555
Hire purchase payables	61,574	74,183
Deferred tax liabilities	6,498	6,741
Preference shares	129,295	130,422
Total non-current liabilities	220,103	232,901
Current liabilities		
Derivative financial liabilities	7,980	7,572
Trade payables	57,581	49,086
Other payables and accruals	29,259	30,399
Hire purchase payables	30,962	33,860
Loans and borrowings	267,055	288,593
Tax payable	2,681	654
Total current liabilities	395,518	410,164
TOTAL LIABILITIES	615,621	643,065
TOTAL EQUITY AND LIABILITIES	2,259,827	2,204,979
Net assets per share attributable to owners of the Company⁽⁸⁾ (RM)	2.47	2.34

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 2017 and the accompanying explanatory notes attached to the Interim Financial Statements.

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UNAUDITED FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2018

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to Owners of the Company									
	Non-Distributable					Distributable				
	Share capital RM'000	Available for sale investments RM'000	Warrants reserve RM'000	Other reserves RM'000	Exchange translation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Period ended 31 March 2018										
As at 1 July 2017	741,113	8,302	4,622	39,834	40,727	(14,499)	734,058	1,554,157	7,757	1,561,914
Transactions with owners:-										
Post-acquisition reserves - associate companies	-	-	-	23,648	-	-	-	23,648	-	23,648
Cash dividends paid to owners of the Company	-	-	-	-	-	-	(6,630)	(6,630)	-	(6,630)
Total transactions with owners	-	-	-	23,648	-	-	(6,630)	17,018	-	17,018
Total comprehensive income/(loss) for the financial period	-	-	-	-	-	-	83,579	83,579	(210)	83,369
Realised fair value gain transferred to Statements of Profit or Loss upon disposal of available for sale investments, net of tax	-	(8,824)	-	-	-	-	-	(8,824)	-	(8,824)
Unrealised gain on fair value changes on available for sale investments, net of tax	-	11,997	-	-	-	-	-	11,997	-	11,997
Share of other comprehensive income/(loss) of investments accounted for using equity method, net of tax	-	-	-	6	(5,226)	-	-	(5,220)	-	(5,220)
Foreign currency translation of foreign operations, net of tax	-	-	-	-	(15,799)	-	-	(15,799)	(249)	(16,048)
Total comprehensive income/(loss) for the financial period	-	3,173	-	6	(21,025)	-	83,579	65,733	(459)	65,274
Balance at 31 March 2018	741,113	11,475	4,622	63,488	19,702	(14,499)	811,007	1,636,908	7,298	1,644,206

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UNAUDITED FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2018

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

	Attributable to Owners of the Company										
	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 transition 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 March 2017											
As at 1 July 2016	693,334	47,751	5,863	4,622	25,397	27,656	(14,459)	559,540	1,349,664	7,558	1,357,222
Adjustments for effects of Companies Act 2016 (Note 10)	47,751	(47,751)	-	-	-	-	-	-	-	-	-
Transactions with owners:-											
Post-acquisition reserves - associate companies	-	-	-	-	7,149	-	-	-	7,149	-	7,149
Cash dividends paid 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	-	-	-	-	7,149	-	-	(6,630)	519	312	831
Total comprehensive income for the financial period	-	-	-	-	-	-	-	146,097	146,097	(443)	145,654
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-
Unrealised gain on fair value changes on available for sale investments, net of tax	-	-	2,903	-	-	-	-	-	2,903	-	2,903
Share of other comprehensive income of investments accounted for using equity method, net of tax	-	-	-	-	4,185	2,225	-	-	6,410	-	6,410
Foreign currency translation of foreign operations, net of tax	-	-	-	-	-	17,315	-	-	17,315	353	17,668
Total comprehensive income for the financial period	-	-	2,903	-	4,185	19,540	-	146,097	172,725	(90)	172,635
Balance at 31 March 2017	741,085	-	8,766	4,622	36,731	47,196	(14,459)	699,007	1,622,909	7,760	1,530,688

Note 10
With the new Companies Act, 2016 ("New Act") coming into effect on 31 January 2017, the credit standing in the share premium account of the Company of RM47,751,000, has been transferred to the share capital accounts. Pursuant to subsection 618(3) and 618(4) of the New Act, the Company may exercise its rights to use the credit amounts being transferred from the share premium account within 24 months after the commencement of the New Act.

Note 11
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 2017 and the accompanying explanatory notes attached to the Interim Financial Statements.

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UNAUDITED FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2018

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Period ended 31/03/2018 RM'000	Period ended 31/03/2017 RM'000
Cash flows from operating activities		
Profit before tax	91,606	152,398
Adjustments for:-		
Non-cash items	(27,341)	(115,175)
Finance costs	17,180	14,702
Interest income	(10,626)	(8,264)
Operating profit before working capital changes	<u>70,819</u>	<u>43,661</u>
Changes in working capital:-		
Net changes in current assets	53,377	(126,287)
Net changes in current liabilities	8,764	67,948
Cash from/(used in) operations	<u>132,960</u>	<u>(14,678)</u>
Interest paid	(16,997)	(14,585)
Interest received	10,626	8,264
Tax paid	(6,203)	(6,943)
Net cash from/(used in) operating activities	<u>120,386</u>	<u>(27,942)</u>
Cash flows from investing activities		
Subscription/Acquisition of shares in associate companies	(42,208)	(27,119)
Purchase of property, plant and equipment	(2,690)	(16,749)
Purchase of held to maturity investments	-	(2,279)
Purchase of available for sale investments	(13,039)	(33)
Purchase of investment properties	(690)	(2,589)
Proceeds from disposal of shares in associate companies	41,883	78,654
Proceeds from disposal of property, plant and equipment	8,282	14,226
Proceeds from redemption of held to maturity investments	1,526	4,246
Proceeds from disposal of available for sale investments	17,324	-
Capital repayment from an associate company	29	-
Dividend received	37,035	26,682
Net cash from investing activities	<u>47,452</u>	<u>75,039</u>
Cash flows from financing activities		
Increase in fixed deposits pledged	(25,842)	(27,636)
Decrease/(Increase) in cash and bank balances pledged	14,170	(11,553)
Net (repayment)/drawdown of loans and borrowings	(11,714)	45,190
Proceeds from issuance of shares in subsidiary companies to non-controlling interests	-	245
Repayment of hire purchase payables	(30,554)	(32,196)
Capital repayment to non-controlling interests	-	(43)
Cash dividends paid to owners of the Company	(6,630)	(6,630)
Net cash used in financing activities	<u>(60,570)</u>	<u>(32,623)</u>
Net increase in cash and cash equivalents	107,268	14,474
Cash and cash equivalents at beginning of the financial period	301,394	258,051
Exchange differences	(5,026)	4,699
Cash and cash equivalents at end of the financial period	<u>403,636</u>	<u>277,224</u>
Cash and cash equivalents comprise of:-		
Bank overdrafts	(4,130)	(6,145)
Cash and bank balances	93,837	73,858
Deposits with licensed banks and financial institutions	313,929	209,511
	<u>403,636</u>	<u>277,224</u>

Note 12

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 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 FINANCIAL PERIOD ENDED 31 MARCH 2018 - 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 2017, 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 2017.

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 2017 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 2017. 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 2017.

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 2017.

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-Mar-2018	31-Mar-2017	31-Mar-2018	31-Mar-2017
	RM'000	RM'000	RM'000	RM'000
Fair value (loss)/gain on derivative financial instruments	(3,662)	3,767	(425)	4,893
Gain on disposal of available for sale investment	8,962	-	8,962	-
Gain on disposal of shares in an associate company	12,350	9,313	36,112	33,966
(Loss)/Gain on fair value changes of financial assets at fair value through profit or loss	(12,446)	22,604	(9,050)	30,828
Gain/(Loss) on exchange differences				
- realised	278	(6,846)	(398)	(6,705)
- unrealised	(12,675)	12,138	(19,845)	18,540
Effects of dilution of equity interests in associate companies	(1,791)	(2,052)	(6,727)	(2,052)

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 23 November 2017, 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 2018. 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 2018.

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 2018.

A8. Dividends paid

During the 9 months financial period ended 31 March 2018, the Company paid the following dividends:-

- (i) an interim single tier cash dividend of 1.0 sen per ordinary share amounting to RM6,630,063 in respect of the financial year ending 30 June 2018, on 14 February 2018; and
- (ii) a preferential cash dividend of 2.0 sen per redeemable preference share amounting to RM2,652,025 in respect of the 6 months period ended 31 December 2017, on 2 January 2018.

A9. Segment Information

The segment analysis on the Group's results for the financial period ended 31 March 2018 is as follows:-

	Financial services and credit & leasing RM'000	Investment holding and trading RM'000	Technology and IT-related manufacturing, trading and services RM'000	Retail trading and car rental RM'000	Property investment and development RM'000	Eliminations RM'000	Consolidated Total RM'000
Revenue							
External revenue	45,458	156,000	13,996	47,152	532		263,138
Inter-segment revenue	848	5,725	24,547	10,757	385	(42,262)	-
Total segment revenue	46,306	161,725	38,543	57,909	917	(42,262)	263,138
Results							
Segment profit/(loss) from operations	14,974	19,040	31,881	4,420	(296)	(611)	69,408
Interest income	2,510	11,625	4,684	4	30	(8,227)	10,626
Finance costs	(7,821)	(12,631)	(52)	(4,956)	(558)	8,838	(17,180)
Exceptional item	-	-	(6,727)	-	-	-	(6,727)
Share of profits less losses of associate companies	-	770	33,079	(1,856)	3,486	-	35,479
Profit/(loss) before tax	9,663	18,804	62,865	(2,388)	2,662	-	91,606
Tax expense	(5,525)	(2,071)	(524)	(117)	-	-	(8,237)
Profit/(loss) for the financial period	4,138	16,733	62,341	(2,505)	2,662	-	83,369
Attributable to:-							
Owners of the Company							83,579
Non-controlling interests							(210)
Segment assets	538,031	853,382	517,223	188,562	162,629	-	2,259,827
Segment liabilities	74,648	413,445	2,411	120,944	4,173	-	615,621

A9. Segment Information (Cont'd)

The segment analysis on the Group's results for the financial period ended 31 March 2017 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	38,514	143,672	5,481	47,363	1,363	-	236,393
Inter-segment revenue	846	6,744	15,864	9,227	371	(33,052)	-
Total segment revenue	39,360	150,416	21,345	56,590	1,734	(33,052)	236,393
Results							
Segment profit from operations	18,354	70,482	21,343	5,189	508	(992)	114,884
Interest income	2,533	8,003	3,415	13	81	(5,781)	8,264
Finance costs	(5,239)	(10,302)	(116)	(5,288)	(530)	6,773	(14,702)
Exceptional item	-	-	(1,696)	-	(356)	-	(2,052)
Share of profits less losses of associate companies	-	12,999	29,510	502	2,993	-	46,004
Profit before tax	15,648	81,182	52,456	416	2,696	-	152,398
Tax expense	(4,272)	(2,395)	(24)	39	(92)	-	(6,744)
Profit for the financial period	11,376	78,787	52,432	455	2,604	-	145,654
Attributable to:-							
Owners of the Company							146,097
Non-controlling interests							(443)
Segment assets	518,366	915,278	400,640	213,196	155,680	-	2,203,160
Segment liabilities	117,027	404,488	8,153	138,661	4,143	-	672,472

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 2017.

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 3 August 2017 and 14 February 2018, 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 Meeting was lodged on:-
Xota Communications Sdn Bhd	31 July 2017	3 August 2017
Xotapoint Sdn Bhd	31 July 2017	3 August 2017
Noble Builders Sdn Bhd	12 February 2018	14 February 2018
Premium-One Sdn Bhd	12 February 2018	14 February 2018

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

- (ii) On 2 November 2017, Insas Technology Berhad ("ITB"), a wholly-owned subsidiary of the Company had acquired a total of 270,000,000 ordinary shares in Diversified Gateway Solutions Berhad ("DGSB") ("DGSB Shares"), representing 19.91% of the total issued share capital of DGSB via direct business transaction from Omesti Berhad for a total cash consideration of RM12,825,000 which represents a purchase price of RM0.0475 per DGSB Share ("Acquisition").

DGSB was incorporated as a private limited company on 15 December 2004 under the name of ISS Consulting Solutions Sdn Bhd. It was converted to a public limited company on 3 March 2005 and assumed its present name on 22 September 2011. DGSB was listed on the ACE Market of Bursa Malaysia Securities Berhad on 2 August 2006. DGSB's current issued share capital comprises of 1,355,877,090 DGSB Shares.

DGSB is principally engaged in investment holding activities whilst its subsidiaries are involved in the business of computer networking solutions and system integration and in the business of providing computer networking and digital media solutions and services as well as in the business of computer distribution and maintenance of computer networking, network security storage and network management solutions.

ITB's principal business involves, among others investment holding, the provision of information technology and consultancy services and trading of electronic and telecommunications related products. The Acquisition is expected to have synergistic benefits as both ITB and DGSB operates in the business of information technology.

- (iii) On 3 May 2018, the Company announced that following its application, M & A Financial Services Inc., a dormant indirect wholly-owned subsidiary company incorporated in the British Virgin Islands ("BVI"), had been struck off from the register maintained by the Registrar of Corporate Affairs of BVI on 1 May 2018.

A12. Material Subsequent Events

There were no material events subsequent to the financial period ended 31 March 2018 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 RM188,908,000 to financial institutions in respect of banking and credit facilities granted to certain of its subsidiaries. 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 2018 are as follows:-

	RM'000
To acquire property, plant and equipment	1,061
To acquire investment properties	16,477
Investment commitments in relation to available for sale investments	<u>13,365</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 RM76.5 million and a pre-tax profit of RM10.7 million in the current financial quarter as compared to revenue of RM113.8 million and a pre-tax profit of RM68.0 million in the preceding year corresponding financial quarter. The review of performance by divisions is as follows:-

Financial services and credit & leasing division

The unit reported lower revenue of RM14.4 million in the current financial quarter as compared to preceding year corresponding financial quarter of RM17.5 million mainly due to lower revenue generated by the structured finance from disposal of quoted investment of RMNil (Q3/2017: RM4.1 million).

B1. Review of Performance (Cont'd)

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

Financial services and credit & leasing division (cont'd)

The unit reported lower pre-tax profit of RM3.2 million in the current financial quarter as compared to preceding year corresponding financial quarter of RM7.6 million mainly due to gain from disposal of quoted investment of RMNil (Q3/2017: RM1.2 million) and loss on fair value changes on financial assets at fair value through profit and loss of –RM3.4 million (Q3/2017: gain of RM1.9 million).

Investment holding and trading division

The investment unit reported lower revenue of RM45.0 million in the current financial quarter mainly due to lower trading activities as compared to revenue of RM77.9 million in the preceding year corresponding financial quarter.

The unit reported a pre-tax loss of –RM13.0 million in the current financial quarter as compared to preceding year corresponding financial quarter pre-tax profit of RM44.9 million mainly due to fair value loss on derivative financial instruments of –RM3.7 million (Q3/2017: gain of RM3.8 million), loss on fair value changes of financial assets at fair value through profit or loss of –RM9.0 million (Q3/2017: gain of RM20.4 million) and loss on foreign exchange of –RM12.1 million (Q3/2017: gain of RM6.8 million).

Technology and IT-related manufacturing, trading and services division

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

The Technology unit reported higher pre-tax profit of RM20.7 million in the current financial quarter as compared to RM14.7 million in the preceding year corresponding financial quarter primarily due to gain on disposal of shares in an associate company of RM12.4 million in current financial quarter (Q3/2017: RM12.6 million) and lower loss on foreign exchange of –RM0.2 million (Q3/2017: –RM1.6 million). For the current financial quarter, Inari Amertron Group contributed after-tax profit of RM10.4 million (Q3/2017: RM10.1 million).

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

Group's summary

The Group reported revenue of RM263.1 million and a pre-tax profit of RM91.6 million for the nine months period ended 31 March 2018 as compared to revenue of RM236.4 million and a pre-tax profit of RM152.4 million reported in the corresponding period in the preceding year.

Despite the higher revenue, the Group reported lower pre-tax profit for the nine months period ended 31 March 2018 as compared to the corresponding period in the preceding year mainly due to:-

Financial services and credit & leasing division

The unit reported higher revenue of RM45.5 million for the nine months period ended 31 March 2018 as compared to the corresponding period in the preceding year of RM38.5 million due to higher revenue generated by the stock broking's corporate finance advisory unit and structured finance from loans to new clients.

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 (cont'd)

The unit reported lower pre-tax profit of RM9.7 million for the nine months period ended 31 March 2018 (9M2017: RM15.6 million) mainly due to higher loss on fair value changes of financial assets at fair value through profit or loss of –RM10.3 million (9M2017: gain of RM0.4 million).

Investment holding and trading division

The unit reported higher revenue of RM156.0 million for the nine months period ended 31 March 2018 as compared to the corresponding period in the preceding year of RM143.7 million mainly due to higher trading activities in the current financial period.

Despite the higher revenue, the unit reported lower pre-tax profit of RM18.8 million for the nine months period ended 31 March 2018 (9M2017: RM81.2 million) mainly due to fair value loss on derivative financial instruments of –RM0.4 million (9M2017: gain of RM4.9 million), lower gain on fair value changes of financial assets at fair value through profit or loss of RM1.0 million (9M2017: RM30.4 million) and loss on foreign exchange of –RM20.8 million (9M2017: gain of RM14.5 million).

Technology and IT-related manufacturing, trading and services division

The unit reported higher revenue of RM14.0 million for the nine months period ended 31 March 2018 as compared to the corresponding period in the preceding year of RM5.5 million mainly due to revenue from new trading products reported during the current period.

The unit reported higher pre-tax profit of RM62.9 million for the nine months period ended 31 March 2018 (9M2017: RM52.5 million) mainly due to gain on disposal of shares in an associate company of RM33.6 million (9M2017: RM31.1 million) and gain on foreign exchange of RM0.6 million (9M2017: loss of –RM2.9 million).

The Group's equity accounting for Inari Amertron Group's after-tax profit for the nine months period ended 31 March 2018 is RM37.2 million (9M2017: RM33.1 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

	Current Quarter 31-Mar-2018 RM'000	Immediate Preceding Quarter 31-Dec-2017 RM'000	Changes (%)
Revenue	76,459	93,941	-18.6%
Profit from operations	9,202	30,280	-69.6%
Profit before tax	10,698	39,080	-72.6%
Profit after tax	7,893	36,080	-78.1%
Profit attributable to owners of the Company	7,930	36,174	-78.1%

The Group reported lower pre-tax profit of RM10.7 million as compared to immediate preceding financial quarter of RM39.1 million mainly due to fair value loss on derivative financial instruments of –RM3.7 million (Q2/2018: gain of RM6.8 million), loss on fair value changes of financial assets at fair value through profit or loss of –RM12.4 million (Q2/2018: gain of RM4.8 million), lower gain on disposal of shares in an associate company of RM12.4 million (Q2/2018: RM14.6 million) and higher loss on foreign exchange of –RM12.4 million (Q2/2018: -RM9.7 million).

B3. Prospects for financial year ending 30 June 2018

Financial services and credit & leasing division

The Board is of the view that the stock broking and structured finance units will maintain their positive contribution to the Group. M&A Securities Sdn Bhd will continue its niche in its stock broking and corporate finance advisory role in promoting SME companies to list on the new LEAP Market.

Investment trading division

The investment unit's performance for the financial year ending 30 June 2018 is largely dependent on the global economy and financial markets outlook.

Technology and IT-related manufacturing, trading and services division

Barring any unforeseen circumstances resulting from global factors, the Board is cautiously optimistic the Technology unit and Inari Amertron Group will maintain their positive financial performance for the remainder of the current financial year ending 30 June 2018 with focus on managing costs and margins.

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 2018 is as follows:-

	Individual Quarter ended 31-Mar-2018 RM'000	Quarter Quarter ended 31-Mar-2017 RM'000	Cumulative Period ended 31-Mar-2018 RM'000	Quarter Period ended 31-Mar-2017 RM'000
<u>Income tax:-</u>				
Provision for current financial quarter/period				
- Malaysian income tax	2,694	1,824	7,850	6,544
- Overseas income tax	155	144	402	444
(Over)/Underprovision in preceding financial quarter/period	(3)	21	(9)	70
<u>Deferred tax:-</u>				
Transfer from deferred taxation	(41)	(39)	(6)	(314)
	<u>2,805</u>	<u>1,950</u>	<u>8,237</u>	<u>6,744</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-Mar-2018 RM'000	Quarter Quarter ended 31-Mar-2017 RM'000	Cumulative Period ended 31-Mar-2018 RM'000	Quarter Period ended 31-Mar-2017 RM'000
Profit before tax	<u>10,698</u>	<u>68,001</u>	<u>91,606</u>	<u>152,398</u>
Income tax at Malaysian statutory tax rate of 24%	2,567	16,321	21,985	36,576
<u>Tax effect in respect of:-</u>				
Non-allowable expenses	4,036	3,471	10,260	7,102
Income not subject to tax	(3,314)	(17,980)	(23,164)	(36,930)
Effect of different tax rates in other countries	(129)	(159)	(614)	(489)
Overseas tax paid on dividend income	155	143	389	443
Utilisation of previously unrecognised deferred tax assets	(900)	(158)	(2,003)	(489)
Deferred tax not recognised in the financial statements	393	291	1,393	461
Tax expenses for the financial quarter/period	<u>2,808</u>	<u>1,929</u>	<u>8,246</u>	<u>6,674</u>
(Over)/Underprovision in preceding financial quarter/period	(3)	21	(9)	70
	<u>2,805</u>	<u>1,950</u>	<u>8,237</u>	<u>6,744</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

There is no unutilised proceeds from any corporate proposal.

B8. Group Borrowings and Debt Securities as at 31 March 2018

	As at 31 March 2018					
	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	-	-	-	2,371	-	2,371
- SGD	-	-	597	1,759	597	1,759
Term loans						
- RM	-	12,768	-	893	-	13,661
- SGD	3,383	9,968	18,481	54,570	21,864	64,538
- HKD	-	-	7,614	3,818	7,614	3,818
- USD	-	-	16,658	65,750	16,658	65,750
- GBP	-	-	745	3,991	745	3,991
- EUR	-	-	10,433	49,203	10,433	49,203
Revolving credit facilities						
	-	-	-	84,700	-	84,700
Total loans and borrowings	-	22,736	-	267,055	-	289,791

B8. Group Borrowings and Debt Securities as at 31 March 2018 (cont'd)

	As at 31 March 2017					
	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	-	-	-	4,203	-	4,203
- SGD	-	-	614	1,942	614	1,942
Term loans						
- RM	-	9,633	-	54,262	-	63,895
- SGD	3,019	9,550	17,786	56,262	20,805	65,812
- HKD	-	-	45,462	25,881	45,462	25,881
- USD	-	-	23,176	102,521	23,176	102,521
- EUR	-	-	4,883	23,076	4,883	23,076
Revolving credit facilities	-	-	-	-	-	-
Margin financing facility	-	-	-	-	-	-
Total loans and borrowings	-	19,183	-	268,147	-	287,330

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

	Floating (%)	
	As at 31.03.2018	As at 31.03.2017
Secured		
Bank overdrafts	5.50%-9.29%	5.50%-8.85%
Term loans	0.30%-8.00%	0.30%-7.45%
Revolving credit facilities	4.96%-6.14%	4.91%-6.21%
Margin financing facility	NA	6.67%-6.82%

B8. Group Borrowings and Debt Securities as at 31 March 2018 (Cont'd)**Debt securities**

RM'000

Redeemable preference shares ("RPS")

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 dividends charged to statements of profit or loss 19,153

Accumulated RPS dividends paid and payable (16,377)**RPS issued by the Company – liability component,
disclosed as per MFRS requirements** 129,295**Total Group debt securities** 129,295

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 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 on 21 November 2017 declared an interim single tier dividend of 1.0 sen per ordinary share each in the Company in respect of financial year ending 30 June 2018.

The dividend was paid on 14 February 2018.

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-Mar-2018	Quarter ended 31-Mar-2017	Period ended 31-Mar-2018	Period ended 31-Mar-2017
Net profit attributable to owners of the Company for the financial quarter and financial period (RM'000)	7,930	66,204	83,579	146,097
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)	1.20	9.99	12.61	22.04

(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 during the current financial quarter and financial period.

B12. Trade Receivables

	<u>As at 31.03.2018</u> RM'000	<u>As at 31.03.2017</u> RM'000
Trade receivables	413,302	432,403
Less: Allowance for impairment	(13,932)	(14,719)
	<u>399,370</u>	<u>417,684</u>

The ageing analysis of the Group's trade receivables is as follows:-

	<u>As at 31.03.2018</u> RM'000	<u>As at 31.03.2017</u> RM'000
Neither past due nor impaired	340,314	362,096
Past due but not impaired	59,056	55,588
Impaired	13,932	14,719
	<u>413,302</u>	<u>432,403</u>

The Group's normal trade credit terms to trade receivables ranges from 30 to 90 days (Q3/2017: 30 to 90 days) except for a subsidiary company whose credit terms is 3 market days according to the Bursa Malaysia Securities Berhad's Fixed Delivery and Settlement Trading Rules. The Group's normal credit term in relation to rental receivables is 7 days (Q3/2017: 7 days). Other credit terms are assessed and approved on a case-by-case basis. Trade receivables that are past due but not impaired are largely secured in nature.

B13. Derivative Financial Liabilities

Details of derivative financial liabilities as at 31 March 2018 are set out below:-

Type of Derivatives	<u>As at 31.03.2018</u>	
	<u>Contract/ Notional value</u> RM'000	<u>Fair value</u> RM'000
<u>Currency Forward Contract and Options</u>		
- Less than 1 year	19,827	(4,680)
<u>Other equity related contracts</u>		
- Less than 1 year	57,757	(3,300)
	<u>77,584</u>	<u>(7,980)</u>

There is no significant changes in respect of the following since the end of the previous financial year ended 30 June 2017:-

- (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.

B14. 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 loss on derivative financial instruments of -RM3.7 million in the current financial quarter and -RM0.4 million for the nine months period ended 31 March 2018 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, hire purchase payables 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.

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.