

# Quarterly rpt on consolidated results for the financial period ended 30 Jun 2018

## INSAS BERHAD

Financial Year End	30 Jun 2018
Quarter	4 Qtr
Quarterly report for the financial period ended	30 Jun 2018
The figures	have not been audited

### Attachments

IB Q4.18.pdf  
393.3 kB

### Remarks:

- 1) The basic earnings per share for the year ended 30 June 2018 has been calculated based on the profit attributable to the owners of the Company of RM90,517,000 (2017: RM181,010,000) 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 for the current financial year as there were no dilutive potential equity instruments in issue that gave diluted effect to the earnings per share. The diluted earnings per share for the preceding financial year have been calculated by dividing the adjusted profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the preceding financial year adjusted for the number of ordinary shares issuable on the assumption all the Warrants are exercised into new ordinary shares in the Company at the beginning of the financial year.
- 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 30 Jun 2018

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	78,108	111,436	341,246	347,829
2 Profit/(loss) before tax	9,215	37,098	100,821	189,496
3 Profit/(loss) for the period	7,000	34,987	90,369	180,641
4 Profit/(loss) attributable to ordinary equity holders of the	6,938	34,913	90,517	181,010

	parent				
5	Basic earnings/(loss) per share (Subunit)	1.04	5.26	13.65	27.30
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 (\$\$)		2.4900		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**

<b>Company Name</b>	INSAS BERHAD
<b>Stock Name</b>	INSAS
<b>Date Announced</b>	28 Aug 2018
<b>Category</b>	Financial Results
<b>Reference Number</b>	FRA-28082018-00023

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

28 AUGUST 2018

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

**UNAUDITED FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2018**

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		FY2018 Quarter ended 30-Jun-18 RM'000	FY2017 Quarter ended 30-Jun-17 RM'000	Changes %	FY2018 Year ended 30-Jun-18 RM'000	FY2017 Year ended 30-Jun-17 RM'000	Changes %
Revenue		78,108	111,436	-30%	341,246	347,829	-2%
Cost of sales	1	(62,625)	(80,356)	-22%	(237,346)	(250,464)	-5%
Other income	2	23,017	21,659	6%	99,771	138,060	-28%
Administration expenses	3	(6,394)	(5,502)	16%	(27,885)	(28,122)	-1%
Other operating expenses	4	(30,760)	(15,078)	>100%	(94,406)	(51,996)	82%
Finance costs		(5,610)	(5,740)	-2%	(22,790)	(20,442)	11%
Exceptional item	5	(1,407)	(1,086)	30%	(8,134)	(3,138)	>100%
Share of profits less losses of associate companies		14,886	11,765	27%	50,365	57,769	-13%
Profit before tax		9,215	37,098	-75%	100,821	189,496	-47%
Tax expense		(2,215)	(2,111)	5%	(10,452)	(8,855)	18%
Profit for the quarter/year		7,000	34,987	-80%	90,369	180,641	-50%
Profit attributable to:-							
Owners of the Company		6,938	34,913	-80%	90,517	181,010	-50%
Non-controlling interests		62	74	-16%	(148)	(369)	-60%
		7,000	34,987	-80%	90,369	180,641	-50%
Earnings per share (in Sen)							
- Basic		1.04	5.26		13.65	27.30	
- Diluted		n/a	4.03		n/a	20.56	

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**UNAUDITED FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2018**

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	FY2018 Quarter ended 30-Jun-18 RM'000	FY2017 Quarter ended 30-Jun-17 RM'000	FY2018 Year ended 30-Jun-18 RM'000	FY2017 Year ended 30-Jun-17 RM'000
<b>Note 1</b>				
Included in Cost of sales are the following items:-				
Writeback of allowance for diminution in value of inventories	62	28	62	28
Depreciation	<u>(6,820)</u>	<u>(7,896)</u>	<u>(28,296)</u>	<u>(32,475)</u>
<b>Note 2</b>				
Included in Other income are the following items:-				
Allowance for doubtful debts no longer required	26	67	136	150
Bad debts recovered	-	4	-	322
Fair value gain on investment properties	2,404	-	2,404	-
Gain/(Loss) on disposal of property, plant and equipment	168	(3)	217	807
Interest income	5,664	3,626	16,290	11,890
(Loss)/Gain on exchange differences				
- unrealised	-	(2,573)	-	15,967
Gain on fair value changes of financial assets at fair value through profit or loss	-	11,339	-	42,167
Gain on disposal of available for sale investment	10	-	8,972	-
Gain on disposal of an investment property	-	244	-	244
Gain on disposal of shares in associate companies	<u>13,161</u>	<u>572</u>	<u>49,273</u>	<u>34,538</u>
<b>Note 3</b>				
Included in Administration expenses is the following item:-				
Depreciation	<u>(121)</u>	<u>(215)</u>	<u>(666)</u>	<u>(760)</u>
<b>Note 4</b>				
Included in Other operating expenses are the following items:-				
Allowance for doubtful debts	233	(203)	(226)	(211)
Bad debt written off	(415)	(40)	(430)	(47)
Property, plant and equipment written off	(206)	(162)	(374)	(166)
Depreciation	(425)	(212)	(1,778)	(1,861)
Fair value loss on derivative financial instruments	(4,045)	(5,180)	(4,470)	(287)
Fair value loss on investment properties	-	(376)	-	(376)
Provision for impairment loss on investment in associate companies	(3,917)	(26)	(3,917)	(26)
Loss on fair value changes of financial assets at fair value through profit or loss	(13,477)	-	(22,527)	-
Writeback of impairment/(Impairment) of held to maturity investments	15	-	(25)	-
Gain/(Loss) on exchange differences				
- unrealised	1,776	-	(18,069)	-
- realised	<u>(3,031)</u>	<u>32</u>	<u>(3,429)</u>	<u>(6,673)</u>
<b>Note 5</b>				
Exceptional item represents:-				
Effects of dilution of equity interests in associate companies	<u>(1,407)</u>	<u>(1,086)</u>	<u>(8,134)</u>	<u>(3,138)</u>

**INSAS BERHAD**  
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**UNAUDITED FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2018**

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	FY2018	FY2017	Changes	FY2018	FY2017	Changes
	Quarter ended 30-Jun-18	Quarter ended 30-Jun-17		Year ended 30-Jun-18	Year ended 30-Jun-17	
Note	RM'000	RM'000	%	RM'000	RM'000	%
Profit for the quarter/year	7,000	34,987	-80%	90,369	180,641	-50%
<b><u>Other comprehensive income/(loss) may be reclassified to profit or loss subsequently:-</u></b>						
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%
Unrealised (loss)/gain on fair value changes on available for sale investments, net of tax	(5,400)	(464)	>100%	6,597	2,439	>100%
Share of other comprehensive income/(loss) of investments accounted for using equity method, net of tax	2,226	(3,263)	>100%	(2,994)	3,147	>-100%
Foreign currency translation of foreign operations, net of tax	3,828	(5,266)	>100%	(12,220)	12,402	>-100%
<b>Total other comprehensive income/(loss) for the quarter/year, net of tax</b>	<b>654</b>	<b>(8,993)</b>	<b>&gt;100%</b>	<b>(17,441)</b>	<b>17,988</b>	<b>&gt;-100%</b>
<b>Total comprehensive income for the quarter/year, net of tax</b>	<b>7,654</b>	<b>25,994</b>	<b>-71%</b>	<b>72,928</b>	<b>198,629</b>	<b>-63%</b>
<b>Attributable to:-</b>						
Owners of the Company	7,580	26,016	-71%	73,313	198,741	-63%
Non-controlling interests	74	(22)	>100%	(385)	(112)	>100%
	<b>7,654</b>	<b>25,994</b>	<b>-71%</b>	<b>72,928</b>	<b>198,629</b>	<b>-63%</b>

**Note 6**

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 Statements of Profit or Loss. These amounts were recognised in Other Comprehensive Income/(Loss) as unrealised gain on fair value changes on available for sale investments, net of tax, in previous financial years.

**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.

**INSAS BERHAD**  
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**UNAUDITED FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2018**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<b>As at 30/06/2018 RM'000 (Unaudited)</b>	<b>As at 30/06/2017 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	161,405	184,946
Investment properties	198,304	177,877
Available for sale investments	45,022	42,970
Held to maturity investments	4,576	4,591
Associate companies	357,629	301,303
Intangible assets	26,047	26,047
Deferred tax assets	2,813	2,642
<b>Total non-current assets</b>	<b>795,796</b>	<b>740,376</b>
<b>Current assets</b>		
Property development costs	10,497	10,233
Inventories	12,408	14,107
Trade receivables	376,481	404,778
Amount due from associate companies	80,300	92,702
Other receivables, deposits and prepayments	30,955	28,625
Held to maturity investments	776	2,383
Financial assets at fair value through profit or loss	236,563	330,544
Tax recoverable	941	1,881
Deposits with licensed banks and financial institutions	572,703	461,092
Cash and bank balances	103,763	118,258
<b>Total current assets</b>	<b>1,425,387</b>	<b>1,464,603</b>
<b>TOTAL ASSETS</b>	<b>2,221,183</b>	<b>2,204,979</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	741,113	741,113
Treasury shares	(14,499)	(14,499)
Reserves	104,031	93,485
Retained earnings	817,914	734,058
	1,648,559	1,554,157
Non-controlling interests	7,372	7,757
<b>TOTAL EQUITY</b>	<b>1,655,931</b>	<b>1,561,914</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loans and borrowings	22,683	21,555
Hire purchase payables	55,205	74,183
Deferred tax liabilities	7,359	6,741
Preference shares	129,444	130,422
<b>Total non-current liabilities</b>	<b>214,691</b>	<b>232,901</b>
<b>Current liabilities</b>		
Derivative financial liabilities	12,030	7,572
Trade payables	35,550	49,086
Other payables and accruals	29,227	30,399
Hire purchase payables	30,779	33,860
Loans and borrowings	241,977	288,593
Tax payable	998	654
<b>Total current liabilities</b>	<b>350,561</b>	<b>410,164</b>
<b>TOTAL LIABILITIES</b>	<b>565,252</b>	<b>643,065</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,221,183</b>	<b>2,204,979</b>
<b>Net assets per share attributable to owners of the Company<sup>(8)</sup> (RM)</b>	<b>2.49</b>	<b>2.34</b>

**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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2018**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to Owners of the Company									
	Share capital 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	Non-controlling interests RM'000	Total equity RM'000
<b>Year ended 30 June 2018</b>										
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
<b>Transactions with owners:-</b>										
Post-acquisition reserves - associate companies	-	-	-	27,719	-	-	-	27,719	-	27,719
Cash dividends paid to owners of the Company	-	-	-	-	-	-	(6,630)	(6,630)	-	(6,630)
<b>Total transactions with owners</b>	-	-	-	27,719	-	-	(6,630)	21,089	-	21,089
<b>Total comprehensive (loss)/income for the financial year</b>	-	-	-	-	-	-	90,517	90,517	(148)	90,369
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	-	6,597	-	-	-	-	-	6,597	-	6,597
Share of other comprehensive loss of investments accounted for using equity method, net of tax	-	-	-	(153)	(2,810)	-	(31)	(2,994)	-	(2,994)
Foreign currency translation of foreign operations, net of tax	-	-	-	-	(11,983)	-	-	(11,983)	(237)	(12,220)
<b>Total comprehensive (loss)/income for the financial year</b>	-	(2,227)	-	(153)	(14,793)	-	90,486	73,313	(385)	72,928
Balance at 30 June 2018	741,113	6,075	4,622	67,400	25,934	(14,499)	817,914	1,648,559	7,372	1,655,931

INSAS BERHAD  
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UNAUDITED FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2018

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTD)

	Attributable to Owners of the Company										
	Non-Distributable			Distributable				Non-controlling interests			Total equity
	Share capital	Share premium	Available for sale investments	Warrants reserve	Other reserves	Exchange translation reserve	Treasury shares	Retained earnings	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Year ended 30 June 2017											
As at 1 July 2016	693,334	47,751	5,063	4,622	25,397	27,656	(14,499)	559,540	1,349,664	7,558	1,357,222
Adjustments for effects of Companies Act 2016 (Note 10)	47,779	(47,751)	-	-	(28)	-	-	-	-	-	-
<b>Transactions with owners:</b>											
Post-acquisition reserves - associate companies	-	-	-	-	12,382	-	-	-	12,382	-	12,382
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	-	-	-	-	-	-	-	-	-	109	109
Capital repayment to non-controlling interests	-	-	-	-	-	-	-	-	-	(43)	(43)
<b>Total transactions with owners</b>	-	-	-	-	12,382	-	-	(6,630)	5,752	311	6,063
<b>Total comprehensive income for the financial year</b>	-	-	-	-	-	-	-	181,010	181,010	(369)	180,641
Profit for the financial year	-	-	-	-	-	-	-	-	-	-	-
Unrealised gain on fair value changes on available for sale investments, net of tax	-	-	2,439	-	-	-	-	-	2,439	-	2,439
Share of other comprehensive income of investments accounted for using equity method, net of tax	-	-	-	-	2,083	926	-	138	3,147	-	3,147
Foreign currency translation of foreign operations, net of tax	-	-	-	-	-	12,145	-	-	12,145	257	12,402
<b>Total comprehensive income for the financial year</b>	-	-	2,439	-	2,083	13,071	-	181,148	198,741	(112)	198,629
Balance at 30 June 2017	741,113	-	8,302	4,622	39,834	40,727	(14,499)	734,058	1,554,157	7,757	1,561,914

**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 and the capital redemption reserve account of a subsidiary company of RM47,751,000 and RM28,000 respectively, have been transferred to the share capital accounts. Pursuant to subsection 618(3) and 618(4) of the New Act, the Company and the subsidiary company may exercise their rights to use the credit amounts being transferred from the share premium account and the capital redemption reserve 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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2018**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Year ended 30/06/2018 RM'000	Year ended 30/06/2017 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	100,821	189,496
Adjustments for:-		
Non-cash items	(29,547)	(123,961)
Finance costs	22,790	20,442
Interest income	(16,290)	(11,890)
Operating profit before working capital changes	<u>77,774</u>	<u>74,087</u>
Changes in working capital:-		
Net changes in current assets	96,733	(78,861)
Net changes in current liabilities	(13,546)	17,359
<b>Cash from operations</b>	<u>160,961</u>	<u>12,585</u>
Interest paid	(22,497)	(20,288)
Interest received	16,290	11,890
Tax paid	(8,170)	(10,843)
<b>Net cash from/(used in) operating activities</b>	<u>146,584</u>	<u>(6,656)</u>
<b>Cash flows from investing activities</b>		
Subscription/Acquisition of shares in associate companies	(52,739)	(29,177)
Purchase of property, plant and equipment	(6,113)	(17,196)
Purchase of held to maturity investments	-	(2,279)
Purchase of available for sale investments	(13,020)	(4,071)
Purchase of investment properties	(3,840)	(4,012)
Proceeds from disposal of shares in associate companies	57,454	78,897
Proceeds from disposal of property, plant and equipment	9,884	16,996
Proceeds from disposal of investment properties	-	8,287
Proceeds from redemption of held to maturity investments	1,515	7,484
Proceeds from disposal of available for sale investments	17,334	-
Capital repayment from an associate company	29	-
Dividend received	46,754	38,034
<b>Net cash from investing activities</b>	<u>57,258</u>	<u>92,963</u>
<b>Cash flows from financing activities</b>		
Increase in fixed deposits pledged	(13,447)	(37,289)
Decrease/(Increase) in cash and bank balances pledged	15,179	(29,653)
Net (repayment)/drawdown of loans and borrowings	(40,003)	70,250
Proceeds from subscription of shares in subsidiary companies to non-controlling interests	-	245
Repayment of hire purchase payables	(37,647)	(43,348)
Capital repayment to non-controlling interests	-	(43)
Cash dividends paid to owners of the Company	(6,630)	(6,630)
<b>Net cash used in financing activities</b>	<u>(82,548)</u>	<u>(46,468)</u>
<b>Net increase in cash and cash equivalents</b>	121,294	39,839
<b>Cash and cash equivalents at beginning of the financial year</b>	301,394	258,050
<b>Exchange differences</b>	(4,098)	3,505
<b>Cash and cash equivalents at end of the financial year</b>	<u>418,590</u>	<u>301,394</u>
<b>Cash and cash equivalents comprise of:-</b>		
Bank overdrafts	(3,862)	(7,708)
Cash and bank balances	78,651	77,895
Deposits with licensed banks and financial institutions	343,801	231,207
	<u>418,590</u>	<u>301,394</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.

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**UNAUDITED FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 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 year 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	Year ended	Year ended
	30-June-2018	30-June-2017	30-June-2018	30-June-2017
	RM'000	RM'000	RM'000	RM'000
Fair value loss on derivative financial instruments	(4,045)	(5,180)	(4,470)	(287)
Fair value gain/(loss) on investment properties	2,404	(376)	2,404	(376)
Gain on disposal of available for sale investment	10	-	8,972	-
Gain on disposal of shares in associate companies	13,161	572	49,273	34,538
(Loss)/Gain on fair value changes of financial assets at fair value through profit or loss	(13,477)	11,339	(22,527)	42,167
(Loss)/Gain on exchange differences				
- realised	(3,031)	32	(3,429)	(6,673)
- unrealised	1,776	(2,573)	(18,069)	15,967
Provision for impairment loss on investment in associate companies	(3,917)	(26)	(3,917)	(26)
Effects of dilution of equity interests in associate companies	(1,407)	(1,086)	(8,134)	(3,138)

**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 year as compared to the preceding corresponding financial quarter and financial year.

#### **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 financial year ended 30 June 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 30 June 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 year ended 30 June 2018.

#### **A8. Dividends paid**

During the financial year ended 30 June 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 ended 30 June 2018, on 14 February 2018;
- (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; and
- (iii) 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 30 June 2018, on 2 July 2018.

## A9. Segment Information

The segment analysis on the Group's results for the financial year ended 30 June 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
<b>Revenue</b>							
External revenue	65,270	192,602	18,900	63,745	729		341,246
Inter-segment revenue	1,099	18,204	32,098	14,877	516	(66,794)	-
Total segment revenue	66,369	210,806	50,998	78,622	1,245	(66,794)	341,246
<b>Results</b>							
Segment profit/(loss) from operations	19,774	5,712	35,022	6,566	(1,240)	(744)	65,090
Interest income	3,434	15,515	7,861	10	51	(10,581)	16,290
Finance costs	(10,407)	(16,465)	(70)	(6,420)	(753)	11,325	(22,790)
Exceptional item	-	-	(8,134)	-	-	-	(8,134)
Share of profits less losses of associate companies	-	(1,919)	42,773	(3,015)	12,526	-	50,365
Profit/(loss) before tax	12,801	2,843	77,452	(2,859)	10,584	-	100,821
Tax expense	(5,216)	(3,883)	(880)	(551)	78	-	(10,452)
Profit/(loss) for the financial year	7,585	(1,040)	76,572	(3,410)	10,662	-	90,369
<b>Attributable to:-</b>							
Owners of the Company							90,517
Non-controlling interests							(148)
Segment assets	526,490	821,204	517,123	181,962	174,404	-	2,221,183
Segment liabilities	50,183	392,813	3,619	114,515	4,122	-	565,252

### A9. Segment Information (Cont'd)

The segment analysis on the Group's results for the financial year ended 30 June 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
<b>Revenue</b>							
External revenue	54,033	217,070	11,569	63,607	1,550	-	347,829
Inter-segment revenue	1,214	19,086	23,093	11,222	5,257	(59,872)	-
Total segment revenue	55,247	236,156	34,662	74,829	6,807	(59,872)	347,829
<b>Results</b>							
Segment profit from operations	23,543	89,124	22,600	6,952	2,234	(1,036)	143,417
Interest income	3,297	11,207	5,408	13	100	(8,135)	11,890
Finance costs	(7,636)	(14,357)	(134)	(6,780)	(706)	9,171	(20,442)
Exceptional item	-	-	(2,781)	-	(357)	-	(3,138)
Share of profits less losses of associate companies	-	14,313	40,256	(468)	3,668	-	57,769
Profit/(loss) before tax	19,204	100,287	65,349	(283)	4,939	-	189,496
Tax expense	(4,905)	(3,256)	(319)	(148)	(227)	-	(8,855)
Profit/(loss) for the financial year	14,299	97,031	65,030	(431)	4,712	-	180,641
<b>Attributable to:-</b>							
Owners of the Company							181,010
Non-controlling interests							(369)
Segment assets	508,765	922,978	408,483	206,018	158,735	-	2,204,979
Segment liabilities	67,832	432,033	5,252	133,744	4,204	-	643,065

### 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 year, 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"), representing 19.91% of the total issued share capital of DGSB via direct business transaction from Omesti Holdings Berhad, a wholly owned subsidiary of 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 listed on the ACE Market of Bursa Malaysia Securities Berhad on 2 August 2006. 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.

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**

On 17 August 2018, ITB acquired an additional 110,000,000 ordinary shares in DGSB via direct business transaction from Omesti Holdings Berhad for a total cash consideration of RM6,930,000.

Arising from this second acquisition, ITB's shareholding in DGSB has increased to 25.48%, and DGSB became an associate company of the Group.

Other than the above, there were no material events subsequent to the financial year ended 30 June 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 RM186,136,000 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 30 June 2018 are as follows:-

	RM'000
To acquire property, plant and equipment	2,668
To acquire investment properties	249
Investment commitments in relation to available for sale investments	<u>13,037</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 RM78.1 million and a pre-tax profit of RM9.2 million in the current financial quarter as compared to revenue of RM111.4 million and a pre-tax profit of RM37.1 million in the preceding year corresponding financial quarter. The review of performance by divisions is as follows:-



## **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

The unit reported higher revenue of RM19.8 million in the current financial quarter as compared to preceding year corresponding financial quarter of RM15.5 million mainly due to higher revenue generated by the structured finance unit from disposal of quoted investment of RM8.7 million (Q4/2017: RM0.2 million).

There is no significant variance on pre-tax profit between the current financial quarter of RM3.1 million as compared to the preceding year corresponding financial quarter of RM3.6 million.

#### Investment holding and trading division

The investment unit reported lower revenue of RM36.6 million in the current financial quarter mainly due to lower trading activities as compared to revenue of RM73.4 million in the preceding year corresponding financial quarter.

The unit reported a pre-tax loss of –RM16.0 million in the current financial quarter as compared to the preceding year corresponding financial quarter pre-tax profit of RM19.1 million mainly due to lower trading activities and loss on fair value changes of financial assets at fair value through profit or loss of –RM15.5 million (Q4/2017: gain of RM13.0 million).

#### Technology and IT-related manufacturing, trading and services division

There is no significant variance on revenue between the current financial quarter of RM4.9 million as compared to the preceding year corresponding financial quarter of RM6.1 million.

The Technology unit reported higher pre-tax profit of RM14.6 million in the current financial quarter as compared to RM12.9 million in the preceding year corresponding financial quarter primarily due to gain on disposal of shares in an associate company of RM8.5 million in the current financial quarter (Q4/2017: Nil). For the current financial quarter, Inari Amertron Group contributed after-tax profit of RM10.4 million (Q4/2017: RM12.8 million).

### **Current financial year against preceding financial year**

#### Group's summary

The Group reported revenue of RM341.2 million and a pre-tax profit of RM100.8 million for financial year ended 30 June 2018 as compared to revenue of RM347.8 million and a pre-tax profit of RM189.5 million reported in the preceding year.

The Group reported lower pre-tax profit for the financial year ended 30 June 2018 as compared to the preceding year mainly due to:-

#### Financial services and credit & leasing division

The unit reported higher revenue of RM65.3 million for the financial year ended 30 June 2018 as compared to the preceding year of RM54.0 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 year against preceding financial year (cont'd)**

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

The unit reported lower pre-tax profit of RM12.8 million for the financial year ended 30 June 2018 (2017: RM19.2 million) mainly due to higher losses on fair value changes of financial assets at fair value through profit or loss of –RM8.3 million (2017: –RM1.3 million).

#### Investment holding and trading division

The unit reported lower revenue of RM192.6 million for the financial year ended 30 June 2018 as compared to the preceding year of RM217.1 million mainly due to lower trading activities in the current financial year.

The unit reported lower pre-tax profit of RM2.8 million for the financial year ended 30 June 2018 (2017: RM100.3 million) mainly due to fair value loss on derivative financial instruments of –RM4.5 million (2017: –RM0.3 million), loss on fair value changes of financial assets at fair value through profit or loss of –RM14.5 million (2017: gain of RM43.3 million) and loss on foreign exchange of –RM21.7 million (2017: gain of RM11.2 million).

#### Technology and IT-related manufacturing, trading and services division

The unit reported higher revenue of RM18.9 million for the financial year ended 30 June 2018 as compared to the preceding year of RM11.6 million mainly due to revenue from new trading products reported during the current financial year.

The unit reported higher pre-tax profit of RM77.5 million for the financial year ended 30 June 2018 (2017: RM65.3 million) mainly due to gain on disposal of shares in an associate company of RM42.1 million (2017: gain of RM31.7 million) and gain on foreign exchange of RM1.1 million (2017: loss of –RM2.2 million).

The Group's equity accounting for Inari Amertron Group's after-tax profit for the financial year ended 30 June 2018 is RM47.6 million (2017: RM46.0 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 30-June-2018 RM'000	Immediate Preceding Quarter 31-Mar-2018 RM'000	Changes (%)
Revenue	78,108	76,459	2.2%
Profit from operations	(4,318)	9,202	-146.9%
Profit before tax	9,215	10,698	-13.9%
Profit after tax	7,000	7,893	-11.3%
Profit attributable to owners of the Company	6,938	7,930	-12.5%

The Group reported lower pre-tax profit of RM9.2 million as compared to immediate preceding financial quarter of RM10.7 million mainly due to higher loss on fair value changes of financial assets at fair value through profit or loss of -RM13.5 million (Q3/2018: -RM12.4 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 2019 is largely dependent on the global economy and financial markets outlook which the Group expects will be moderate and/or to the downside, on the possibility of disorderly financial market movements, escalating trade protectionism and rising geopolitical tensions.

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 financial year ending 30 June 2019 with focus on growing its optoelectronics and sensor segment to offset possible lag in its radio frequency portfolio.

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

This note is not applicable for the financial year 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 year ended 30 June 2018 is as follows:-

	Individual Quarter ended 30-June-2018 RM'000	Quarter Quarter ended 30-June-2017 RM'000	Cumulative Year ended 30-June-2018 RM'000	Quarter Year ended 30-June-2017 RM'000
<b><u>Income tax:-</u></b>				
Provision for current financial quarter/year				
- Malaysian income tax	1,958	2,761	9,808	9,305
- Overseas income tax	106	(117)	508	327
(Over)/Underprovision in preceding financial quarter/year	(101)	122	(110)	192
<b><u>Deferred tax:-</u></b>				
Transfer from/(to) deferred taxation	187	(1,283)	181	(1,597)
Underprovision in previous financial year	25	487	25	487
Deferred Real Property Gains Tax	40	141	40	141
	<hr/>	<hr/>	<hr/>	<hr/>
	2,215	2,111	10,452	8,855
	<hr/>	<hr/>	<hr/>	<hr/>

## B5. Tax Expense (Cont'd)

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

	Individual Quarter ended 30-June-2018 RM'000	Quarter Quarter ended 30-June-2017 RM'000	Cumulative Year ended 30-June-2018 RM'000	Quarter Year ended 30-June-2017 RM'000
Profit before tax	9,215	37,098	100,821	189,496
Income tax at Malaysian statutory tax rate of 24%	2,212	8,903	24,197	45,479
<u>Tax effects in respect of:-</u>				
Non-allowable expenses	(393)	(1,263)	9,867	5,839
Income not subject to tax	(609)	(5,296)	(23,773)	(42,226)
Deferred Real Property Gain				
Tax on fair value adjustment of investment properties	39	141	39	141
Effect of different tax rates in other countries	241	(162)	(373)	(651)
Overseas tax paid on dividend income	98	63	487	506
Utilisation of previously unrecognised deferred tax assets	1,237	(1,065)	(766)	(1,554)
Deferred tax not recognised in the financial statements	(534)	181	859	642
Tax expenses for the financial quarter/year	2,291	1,502	10,537	8,176
(Over)/Underprovision for tax expense in preceding financial quarter/year	(101)	122	(110)	192
Underprovision for deferred taxation in preceding financial quarter/year	25	487	25	487
	2,215	2,111	10,452	8,855

## 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 30 June 2018**

	As at 30 June 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
<b>Secured</b>						
<b>Bank overdrafts</b>						
- RM	-	-	-	2,502	-	2,502
- SGD	-	-	460	1,359	460	1,359
<b>Term loans</b>						
- RM	-	12,799	-	698	-	13,497
- SGD	3,343	9,884	22,024	65,115	25,367	74,999
- HKD	-	-	5,974	3,077	5,974	3,077
- USD	-	-	11,849	47,901	11,849	47,901
- GBP	-	-	2,587	13,681	2,587	13,681
- EUR	-	-	4,993	23,360	4,993	23,360
<b>Revolving credit facilities</b>	-	-	-	82,300	-	82,300
<b>Margin financing facility</b>	-	-	-	1,984	-	1,984
<b>Total loans and borrowings</b>	-	22,683	-	241,977	-	264,660

	As at 30 June 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
<b>Secured</b>						
<b>Bank overdrafts</b>						
- RM	-	-	-	3,816	-	3,815
- SGD	-	-	374	1,165	374	1,165
- HKD	-	-	4,958	2,728	4,958	2,728
<b>Term loans</b>						
- RM	-	12,587	-	601	-	13,188
- SGD	2,880	8,968	18,085	56,313	20,965	65,281
- HKD	-	-	19,599	10,786	19,599	10,786
- USD	-	-	25,788	110,760	25,788	110,760
- GBP	-	-	738	4,125	738	4,125
- EUR	-	-	2,588	12,712	2,588	12,712
<b>Revolving credit facilities</b>	-	-	-	83,700	-	83,700
<b>Margin financing facility</b>	-	-	-	1,887	-	1,888
<b>Total loans and borrowings</b>	-	21,555	-	288,593	-	310,148

**B8. Group Borrowings and Debt Securities as at 30 June 2018 (cont'd)**

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

	Floating (%)	
	As at 30.06.2018	As at 30.06.2017
<b>Secured</b>		
Bank overdrafts	3.78%-9.29%	5.50%-9.29%
Term loans	0.40%-8.00%	0.30%-6.59%
Revolving credit facilities	4.96%-6.14%	4.91%-6.21%
Margin financing facility	6.67%-6.92%	6.67%

**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 20,639

Accumulated RPS dividends paid and payable (17,714)

**RPS issued by the Company – liability component, disclosed as per MFRS requirements** **129,444**

**Total Group debt securities** **129,444**

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 ended 30 June 2018. The dividend was paid on 14 February 2018.

The Board of Directors do not recommend any final dividend for the financial year ended 30 June 2018.

## B11. Earnings per share

### (a) Basic earnings per share

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

	Individual	Quarter	Cumulative	Quarter
	Quarter ended 30-June-2018	Quarter ended 30-June-2017	Year ended 30-June-2018	Year ended 30-June-2017
Net profit attributable to owners of the Company for the financial quarter and financial year (RM'000)	6,938	34,913	90,517	181,010
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)	1.04	5.26	13.65	27.30



**B11. Earnings per share (Cont'd)****(b) Diluted earnings per share**

The diluted earnings per share is not computed for the current financial quarter and financial year 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 year.

The diluted earnings per share for the preceding year corresponding financial quarter and preceding financial year have been calculated by dividing the adjusted profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the preceding year corresponding financial quarter and preceding financial year adjusted for the number of ordinary shares issuable on the assumption all the Warrants are exercised into new ordinary shares in the Company at the beginning of the financial year.

	Individual	Quarter	Cumulative	Quarter
	Quarter ended 30-June-2018	Quarter ended 30-June-2017	Year ended 30-June-2018	Year ended 30-June-2017
Adjusted net profit attributable to owners of the Company for the financial quarter and financial year (RM'000)	N/A	37,366	N/A	190,819
Weighted average number of ordinary shares in issue, after accounting for the effect of shares bought back ('000)	N/A	663,007	N/A	663,007
Adjusted for assumed new ordinary shares issuable arising from the exercise of the warrants into new ordinary shares ('000)	N/A	265,202	N/A	265,202
Adjusted number of ordinary shares in issue and issuable ('000)	N/A	928,209	N/A	928,209
Diluted earnings per share (Sen)	N/A	4.03	N/A	20.56

## B12. Trade Receivables

	<u>As at 30.06.2018</u> RM'000	<u>As at 30.06.2017</u> RM'000
Trade receivables	390,027	419,605
Less: Allowance for impairment	(13,546)	(14,827)
	<u>376,481</u>	<u>404,778</u>

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

	<u>As at 30.06.2018</u> RM'000	<u>As at 30.06.2017</u> RM'000
Neither past due nor impaired	317,555	348,950
Past due but not impaired	58,926	55,828
Impaired	13,546	14,827
	<u>390,027</u>	<u>419,605</u>

The Group's normal trade credit terms to trade receivables ranges from 30 to 90 days (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 (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 30 June 2018 are set out below:-

Type of Derivatives	<u>As at 30.06.2018</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	937	(7,438)
<u>Other equity related contracts</u>		
- Less than 1 year	46,498	(4,592)
	<u>47,435</u>	<u>(12,030)</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 -RM4.0 million in the current financial quarter and -RM4.5 million for the financial year ended 30 June 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.