

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

INSAS BERHAD

Financial Year End 30 Jun 2019
 Quarter 2 Qtr
 Quarterly report for the financial period ended 31 Dec 2018
 The figures have not been audited

Attachments

[IB - 02.19.pdf](#)
 285.5 kB

Default Currency	Other Currency
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Currency: **Malaysian Ringgit (MYR)**

SUMMARY OF KEY FINANCIAL INFORMATION 31 Dec 2018

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
		\$\$'000	\$\$'000	\$\$'000	\$\$'000
1	Revenue	56,147	93,941	96,835	186,679
2	Profit/(loss) before tax	10,668	39,080	39,458	80,908
3	Profit/(loss) for the period	8,903	36,080	35,547	75,476
4	Profit/(loss) attributable to ordinary equity holders of the parent	8,732	36,174	35,364	75,649
5	Basic earnings/(loss) per share (Subunit)	1.31	5.46	5.33	11.41
6	Proposed/Declared dividend per share (Subunit)	0.00	0.00	2.00	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 (\$\$)	2.5400		2.4900	

Remarks :

1) The basic earnings per share for the 6 months period ended 31 December 2018 has been calculated based on the profit attributable to the owners of the Company of RM35,364,000 (2018: RM75,649,000) and the weighted average number of ordinary shares in issue during the period of 663,007,000 shares (2018: 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.

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	21 Feb 2019
Category	Financial Results
Reference Number	FRA-21022019-00008

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

21 FEBRUARY 2019

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

UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2018

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		FY2019 Quarter ended 31-Dec-18 RM'000	FY2018 Quarter ended 31-Dec-17 RM'000	Changes %	FY2019 Period ended 31-Dec-18 RM'000	FY2018 Period ended 31-Dec-17 RM'000	Changes %
Revenue		56,147	93,941	-40%	96,835	186,679	-48%
Cost of sales	1	(34,296)	(65,547)	-48%	(53,992)	(125,498)	-57%
Other income	2	23,468	31,495	-25%	53,055	53,798	-1%
Administration expenses	3	(8,709)	(8,677)	0%	(14,717)	(14,946)	-2%
Other operating expenses	4	(29,459)	(16,761)	76%	(48,411)	(32,557)	49%
Finance costs		(5,591)	(5,554)	1%	(11,502)	(11,321)	2%
Exceptional item	5	(1,128)	(2,732)	-59%	(2,692)	(4,936)	-45%
Share of profits less losses of associate companies		10,236	12,915	-21%	20,882	29,689	-30%
Profit before tax		10,668	39,080	-73%	39,458	80,908	-51%
Tax expense		(1,765)	(3,000)	-41%	(3,911)	(5,432)	-28%
Profit for the quarter/period		8,903	36,080	-75%	35,547	75,476	-53%
Profit attributable to:-							
Owners of the Company		8,732	36,174	-76%	35,364	75,649	-53%
Non-controlling interests		171	(94)	>100%	183	(173)	>100%
		8,903	36,080	-75%	35,547	75,476	-53%
Earnings per share (in Sen)							
- Basic		1.31	5.46		5.33	11.41	
- Diluted		n/a	n/a		n/a	n/a	

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UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2018

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	FY2019	FY2018	FY2019	FY2018
	Quarter ended	Quarter ended	Period ended	Period ended
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
	RM'000	RM'000	RM'000	RM'000
Note 1				
Included in Cost of sales is the following item:-				
Depreciation	<u>(6,548)</u>	<u>(7,149)</u>	<u>(13,198)</u>	<u>(14,638)</u>
Note 2				
Included in Other income are the following items:-				
Allowance for doubtful debts no longer required	39	42	53	112
Bad debts recovered	5	-	205	-
Fair value gain on derivative financial instruments	3,028	6,831	7,328	3,237
Gain on disposal of property, plant and equipment	635	64	937	114
Interest income	4,429	4,171	8,959	7,270
Gain on exchange differences				
- realised	322	-	183	-
Gain on fair value changes of financial assets at fair value through profit or loss	-	4,793	-	3,396
Gain on disposal of an investment property	572	-	572	-
Gain on disposal of a subsidiary company	-	-	6	-
Gain on disposal of shares in an associate company	<u>12,017</u>	<u>14,603</u>	<u>24,398</u>	<u>23,762</u>
Note 3				
Included in Administration expenses is the following item:-				
Depreciation	<u>(93)</u>	<u>(150)</u>	<u>(294)</u>	<u>(370)</u>
Note 4				
Included in Other operating expenses are the following items:-				
Allowance for doubtful debts	(22)	(74)	(52)	(421)
Bad debt written off	-	(1)	-	(5)
Property, plant and equipment written off	-	(4)	-	(44)
Depreciation	(439)	(447)	(869)	(903)
Loss on fair value changes of financial assets at fair value through profit or loss	(15,605)	-	(23,200)	-
Impairment of held to maturity investments	-	(27)	-	(27)
(Loss)/Gain on exchange differences				
- unrealised	(6,900)	(9,814)	(5,914)	(7,170)
- realised	<u>-</u>	<u>128</u>	<u>-</u>	<u>(676)</u>
Note 5				
Exceptional item represents:-				
Effects of dilution of equity interests in associate companies	<u>(1,128)</u>	<u>(2,732)</u>	<u>(2,692)</u>	<u>(4,936)</u>

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UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2018

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	FY2019	FY2018	Changes %	FY2019	FY2018	Changes %
	Quarter ended 31-Dec-18 RM'000	Quarter ended 31-Dec-17 RM'000		Period ended 31-Dec-18 RM'000	Period ended 31-Dec-17 RM'000	
Profit for the quarter/period	8,903	36,080	-75%	35,547	75,476	-53%
<u>Other comprehensive (loss)/income may be reclassified to profit or loss subsequently:-</u>						
Unrealised gain on fair value changes on available for sale investments, net of tax	-	22,972	-100%	-	22,798	-100%
Share of other comprehensive (loss)/income of investments accounted for using equity method, net of tax	(112)	(2,157)	-95%	1,459	(2,483)	>100%
Foreign currency translation of foreign operations, net of tax	(8)	(6,677)	-100%	4,658	(8,751)	>100%
Total other comprehensive (loss)/income for the quarter/period, net of tax	(120)	14,138	>-100%	6,117	11,564	-47%
Total comprehensive income for the quarter/period, net of tax	8,783	50,218	-83%	41,664	87,040	-52%
Attributable to:-						
Owners of the Company	8,606	50,421	-83%	41,365	87,329	-53%
Non-controlling interests	177	(203)	>100%	299	(289)	>100%
	8,783	50,218	-83%	41,664	87,040	-52%

Note 6

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the Interim Financial Statements.

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UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2018

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31/12/2018 RM'000 (Unaudited)	As at 30/06/2018 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	159,788	161,405
Investment properties	185,420	198,304
Financial assets at fair value through other comprehensive income	27,158	-
Available for sale investments	-	45,022
Financial assets at amortised cost	3,077	-
Held to maturity investments	-	3,814
Jointly controlled entity	150	-
Associate companies	416,435	357,628
Intangible assets	26,058	26,047
Deferred tax assets	2,870	2,834
Total non-current assets	820,956	795,054
Current assets		
Property development costs	10,497	10,497
Inventories	12,452	12,408
Trade receivables	399,702	376,481
Amount due from associate companies	93,455	80,300
Other receivables, deposits and prepayments	59,158	30,953
Financial assets at amortised cost	2,303	-
Held to maturity investments	-	1,538
Financial assets at fair value through profit or loss	234,373	236,562
Tax recoverable	1,308	941
Deposits with licensed banks and financial institutions	569,258	572,703
Cash and bank balances	120,517	103,763
Total current assets	1,503,023	1,426,146
TOTAL ASSETS	2,323,979	2,221,200
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owners of the Company		
Share capital	741,085	741,085
Treasury shares	(14,499)	(14,499)
Reserves	114,548	104,058
Retained earnings	846,115	817,936
	1,687,249	1,648,580
Non-controlling interests	7,685	7,386
TOTAL EQUITY	1,694,934	1,655,966
LIABILITIES		
Non-current liabilities		
Loans and borrowings	20,836	20,909
Hire purchase payables	55,171	55,052
Deferred tax liabilities	6,957	7,395
Preference shares	129,750	129,444
Total non-current liabilities	212,714	212,800
Current liabilities		
Derivative financial liabilities	4,714	12,030
Trade payables	44,308	35,550
Other payables and accruals	45,090	29,173
Hire purchase payables	27,140	30,932
Loans and borrowings	294,280	243,751
Tax payable	799	998
Total current liabilities	416,331	352,434
TOTAL LIABILITIES	629,045	565,234
TOTAL EQUITY AND LIABILITIES	2,323,979	2,221,200
Net assets per share attributable to owners of the Company⁽⁷⁾ (RM)	2.54	2.49

Note 7

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

Note 8

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the Interim Financial Statements.

INSAS BERHAD
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UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 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 fair value reserve RM'000	Fair value through other comprehensive income 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
Period ended 31 December 2018											
As at 1 July 2018	741,085	6,075	-	4,622	67,428	25,933	(14,499)	817,936	1,648,580	7,386	1,655,966
Effect of adoption of MFRS 9	-	(6,075)	6,075	-	-	-	-	-	-	-	-
Restated total equity as at 1 July 2018	741,085	-	6,075	4,622	67,428	25,933	(14,499)	817,936	1,648,580	7,386	1,655,966
Transactions with owners:-											
Post-acquisition reserves - associate companies	-	-	-	-	10,564	-	-	-	10,564	-	10,564
Cash dividends payable to owners of the Company	-	-	-	-	-	-	-	(13,260)	(13,260)	-	(13,260)
Effect of fair value adjustment on initial recognition of investment in an associate company arising from increase in ownership interest in an equity instrument	-	-	(6,075)	-	-	-	-	6,075	-	-	-
Total transactions with owners	-	-	(6,075)	-	10,564	-	-	(7,185)	(2,696)	-	(2,696)
Total comprehensive income for the financial period											
Profit for the financial period	-	-	-	-	-	-	-	35,364	35,364	183	35,547
Share of other comprehensive income of investments accounted for using equity method, net of tax	-	-	-	-	-	1,459	-	-	1,459	-	1,459
Foreign currency translation of foreign operations, net of tax	-	-	-	-	-	4,542	-	-	4,542	116	4,658
Total comprehensive income for the financial period	-	-	-	-	-	6,001	-	35,364	41,365	299	41,664
Balance at 31 December 2018	741,085	-	-	4,622	77,992	31,934	(14,499)	846,115	1,687,249	7,685	1,694,934

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UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2018

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

	< ----- Attributable to Owners of the Company ----- >							Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	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			
Period ended 31 December 2017										
As at 1 July 2017	741,085	8,302	4,622	39,862	40,727	(14,499)	734,058	1,554,157	7,757	1,561,914
Transactions with owners:-										
Post-acquisition reserves - associate companies	-	-	-	16,951	-	-	-	16,951	-	16,951
Cash dividends payable to owners of the Company	-	-	-	-	-	-	(6,630)	(6,630)	-	(6,630)
Total transactions with owners	-	-	-	16,951	-	-	(6,630)	10,321	-	10,321
Total comprehensive income/(loss) for the financial period										
Profit for the financial period	-	-	-	-	-	-	75,649	75,649	(173)	75,476
Unrealised gain on fair value changes on available for sale investments, net of tax	-	22,798	-	-	-	-	-	22,798	-	22,798
Share of other comprehensive income/(loss) of investments accounted for using equity method, net of tax	-	-	-	6	(2,489)	-	-	(2,483)	-	(2,483)
Foreign currency translation of foreign operations, net of tax	-	-	-	-	(8,635)	-	-	(8,635)	(116)	(8,751)
Total comprehensive income/(loss) for the financial period	-	22,798	-	6	(11,124)	-	75,649	87,329	(289)	87,040
Balance at 31 December 2017	741,085	31,100	4,622	56,819	29,603	(14,499)	803,077	1,651,807	7,468	1,659,275

Note 9

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the Interim Financial Statements.

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UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2018

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Period ended 31/12/2018 RM'000	Period ended 31/12/2017 RM'000
Cash flows from operating activities		
Profit before tax	39,458	80,908
Adjustments for:-		
Non-cash items	(10,943)	(36,781)
Finance costs	11,502	11,321
Interest income	(8,959)	(7,270)
Operating profit before working capital changes	<u>31,058</u>	<u>48,178</u>
Changes in working capital:-		
Net changes in current assets	(80,587)	14,077
Net changes in current liabilities	11,058	15,976
Cash (used in)/from operations	<u>(38,471)</u>	<u>78,231</u>
Interest paid	(11,250)	(11,082)
Interest received	8,959	7,270
Tax paid	(4,807)	(3,795)
Net cash (used in)/from operating activities	<u>(45,569)</u>	<u>70,624</u>
Cash flows from investing activities		
Acquisition/Subscription of shares in associate companies	(35,230)	(28,073)
Subscription of shares in a jointly controlled entity	(150)	-
Payment for intangible asset	(11)	-
Purchase of property, plant and equipment	(2,959)	(1,288)
Purchase of financial assets at amortised cost	(767)	-
Purchase of financial assets at fair value through other comprehensive income	(1,037)	-
Purchase of available for sale investments	-	(12,942)
Purchase of investment properties	(250)	(480)
Proceeds from disposal of shares in an associate company	28,300	27,783
Proceeds from disposal of property, plant and equipment	6,264	30,320
Proceeds from disposal of an investment property	14,872	-
Proceeds from redemption of financial assets at amortised cost	767	-
Proceeds from redemption of held to maturity investments	-	1,549
Capital repayment from an associate company	-	29
Dividend received	24,426	25,258
Net cash from investing activities	<u>34,225</u>	<u>42,156</u>
Cash flows from financing activities		
Increase in fixed deposits pledged	(20,866)	(22,946)
Decrease in cash and bank balances pledged	3,271	8,175
Net drawdown of loans and borrowings	45,415	7,078
Repayment of hire purchase payables	(17,590)	(36,340)
Net cash from/(used in) financing activities	<u>10,230</u>	<u>(44,033)</u>
Net (decrease)/increase in cash and cash equivalents	(1,114)	68,747
Cash and cash equivalents at beginning of the financial period	418,590	301,394
Exchange differences	1,792	(2,505)
Cash and cash equivalents at end of the financial period	<u>419,268</u>	<u>367,636</u>
Cash and cash equivalents comprise of:-		
Bank overdrafts	(3,341)	(3,859)
Cash and bank balances	99,094	85,378
Deposits with licensed banks and financial institutions	323,515	286,117
	<u>419,268</u>	<u>367,636</u>

Note 10

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the Interim Financial Statements.

INSAS BERHAD
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UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 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 2018, 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 2018.

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 2018 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 2018. 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 except for the following:-

MFRS 9 “Financial Instruments”

MFRS 9 replaces MFRS 139 and amends the previous requirements in three main areas: (a) classification and measurement of financial assets; (b) impairment of financial assets, mainly by introducing a forward looking expected loss impairment model; and (c) hedge accounting including removing some of the restrictions on applying hedge accounting in MFRS 139. The impact of the adoption of MFRS 9 on the financial statements of the Group are described below:-

1) Classification and measurement

Under MFRS 9, financial assets are classified according to their cash flow characteristics and the business model which they are managed. The Group has categorised its financial assets as financial assets measured at amortised cost, fair value through profit or loss (“FVTPL”) and fair value through other comprehensive income (“FVOCI”).

A2. Changes in Accounting Policies (Cont'd)

MFRS 9 "Financial Instruments" (cont'd)

1) Classification and measurement (cont'd)

The Group has elected to classify the Group's equity investments previously classified as available for sale investments as financial assets at FVOCI. Fair value changes on equity investments at FVOCI are presented in other comprehensive income ("OCI") and are not subsequently transferred to profit or loss. Upon sale of equity instruments at FVOCI, the cumulative gain or loss in OCI is reclassified to retained earnings.

The other financial assets held by the Group include:-

- equity investments currently measured at fair value through profit or loss will continue to be measured on the same basis under MFRS 9; and
- debts instruments currently classified as loans and receivables and held to maturity investments and are measured at amortised cost meet the conditions to be classified at amortised cost under MFRS 9.

As MFRS 9 retains most of MFRS 139 requirements on financial liabilities, there is no change to the classification and measurement of the Group's financial liabilities.

2) Impairment

Under MFRS 9, the Group is required to record expected credit loss on its trade and other receivables either on a 12-month expected credit loss and/or lifetime expected credit loss basis.

The Group's trade receivables mainly consist of creditworthy debtors with good payment records and debtors which are adequately securitised. The Group minimises credit risk by dealing with high credit rating counterparties, application of credit approval limits and continuous monitoring procedures. There is no significant financial impact to the Group's financial statements arising from impairment based on the expected credit loss model on the Group's trade and non-trade receivables.

A2. Changes in Accounting Policies (Cont'd)

MFRS 9 "Financial Instruments" (cont'd)

In accordance with the transitional provisions in MFRS 9, comparative figures have not been restated. The effects of adoption of MFRS 9 to the Group's consolidated statements of financial position are as follows:-

	As at 30/06/2018	Effects of adoption of MFRS 9	As at 01/07/2018
	RM'000	RM'000	RM'000
Non-current assets			
Available for sale investments	45,022	(45,022)	-
Financial assets at fair value through other comprehensive income	-	45,022	45,022
Held to maturity investments	3,814	(3,814)	-
Financial assets at amortised cost	-	3,814	3,814
Current assets			
Held to maturity investments	1,538	(1,538)	-
Financial assets at amortised cost	-	1,538	1,538
Equity			
Available for sale investments fair value reserve	6,075	(6,075)	-
Fair value through other comprehensive income reserve	-	6,075	6,075

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 2018.

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 2018.

A4. Seasonality and Cyclicity of Interim Operations

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

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

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

Recognised in the Statements of Profit or Loss

	Individual Quarter		Cumulative Quarter	
	Quarter ended	Quarter ended	Period ended	Period ended
	31-Dec-2018	31-Dec-2017	31-Dec-2018	31-Dec-2017
	RM'000	RM'000	RM'000	RM'000
Fair value gain on derivative financial instruments	3,028	6,831	7,328	3,237
Gain on disposal of shares in an associate company	12,017	14,603	24,398	23,762
Gain on disposal of an investment property	572	-	572	-
(Loss)/Gain on fair value changes of financial assets at fair value through profit or loss	(15,605)	4,793	(23,200)	3,396
Gain/(Loss) on exchange differences				
- realised	322	128	183	(676)
- unrealised	(6,900)	(9,814)	(5,914)	(7,170)
Effects of dilution of equity interests in associate companies	(1,128)	(2,732)	(2,692)	(4,936)

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 28 November 2018, approved the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

The Company did not repurchase any of its shares from the open market during the financial period ended 31 December 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 December 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 December 2018.

A8. Dividends paid

During the current financial quarter and financial period-to-date, the Company paid the following dividend:

- (i) 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; 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 2018, on 31 December 2018.

A9. Segment Information

The segment analysis on the Group's results for the financial period ended 31 December 2018 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	28,068	30,845	6,220	31,282	420	-	96,835
Inter-segment revenue	458	9,822	16,588	7,809	313	(34,990)	-
Total segment revenue	28,526	40,667	22,808	39,091	733	(34,990)	96,835
Results							
Segment profit/(loss) from operations	15,019	(16,796)	21,542	3,946	370	(270)	23,811
Interest income	2,065	9,047	5,259	1	29	(7,442)	8,959
Finance costs	(6,608)	(9,349)	(36)	(2,812)	(409)	7,712	(11,502)
Exceptional item	-	-	(2,692)	-	-	-	(2,692)
Share of profits less losses of associate companies	-	(4,494)	23,345	620	1,411	-	20,882
Profit/(loss) before tax	10,476	(21,592)	47,418	1,755	1,401	-	39,458
Tax expense	(2,892)	(457)	(488)	(42)	(32)	-	(3,911)
Profit/(loss) for the financial period	7,584	(22,049)	46,930	1,713	1,369	-	35,547
Attributable to:-							
Owners of the Company							35,364
Non-controlling interests							183
Segment assets	531,764	855,732	572,930	186,905	176,648	-	2,323,979
Segment liabilities	57,132	447,060	3,217	117,033	4,603	-	629,045

A9. Segment Information (Cont'd)

The segment analysis on the Group's results for the financial period ended 31 December 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	31,054	111,026	11,693	32,564	342	-	186,679
Inter-segment revenue	583	3,835	16,606	7,004	258	(28,286)	-
Total segment revenue	31,637	114,861	28,299	39,568	600	(28,286)	186,679
Results							
Segment profit/(loss) from operations	9,997	27,412	20,292	3,162	(181)	(476)	60,206
Interest income	1,734	7,772	3,357	3	20	(5,616)	7,270
Finance costs	(5,234)	(8,429)	(35)	(3,344)	(371)	6,092	(11,321)
Exceptional item	-	-	(4,936)	-	-	-	(4,936)
Share of profits less losses of associate companies	-	5,087	23,480	(1,362)	2,484	-	29,689
Profit/(loss) before tax	6,497	31,842	42,158	(1,541)	1,952	-	80,908
Tax expense	(3,726)	(1,463)	-	(243)	-	-	(5,432)
Profit/(loss) for the financial period	2,771	30,379	42,158	(1,784)	1,952	-	75,476
Attributable to:-							
Owners of the Company							75,649
Non-controlling interests							(173)
Segment assets	550,795	916,703	494,992	198,002	161,581	-	2,322,073
Segment liabilities	88,502	437,292	4,332	128,453	4,219	-	662,798

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 2018.

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 25 July 2018, Insas Technology Berhad (“ITB”), a wholly-owned subsidiary of the Group had disposed off 12,000 ordinary shares, representing the entire shareholding in Vigcashlimited LLC (“Vigcash”), to Mr. Sanj Natsagdorj for a total cash consideration of USD1,500 (“Disposal”). Arising from the Disposal, Vigcash ceased to be an indirect subsidiary company of the Group.

Vigcash was incorporated in Mongolia on 7 December 2005 and its issued and paid-up share capital is USD10,000. The Company is currently dormant and the net asset value of the Company is USD31.

There is no material financial impact to the Group arising from the Disposal.

- (ii) On 17 August 2018, ITB acquired an additional 110,000,000 ordinary shares in Diversified Gateway Solutions Berhad (“DGSB”) via direct business transaction from Omesti Holdings Berhad for a total cash consideration of RM6,930,000.

Arising from this acquisition, ITB’s shareholding in DGSB has increased from 19.91% to 25.48%, and DGSB became an associate company of the Group.

A12. Material Subsequent Events

There were no material events subsequent to the financial period ended 31 December 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 RM185,901,000 to financial institutions in respect of banking and credit facilities granted to certain of its subsidiary companies and an associate company. There is no contingent asset as at the date of this Report.

A14. Commitments

Contractual commitments not provided for in the financial statements as at 31 December 2018 are as follows:-

	RM’000
To acquire property, plant and equipment	2,668
Investment commitments in relation to financial assets at fair value through other comprehensive income	<u>11,964</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 RM56.1 million and a pre-tax profit of RM10.7 million in the current financial quarter (Q2/2019) as compared to revenue of RM93.9 million and a pre-tax profit of RM39.1 million in the preceding year corresponding financial quarter (Q2/2018). The review of performance by divisions is as follows:-

Financial services and credit & leasing division

The unit reported lower revenue of RM13.2 million in Q2/2019 as compared to RM16.3 million in Q2/2018 mainly due to lower revenue generated by the stock broking's broking and corporate finance advisory units.

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

Investment holding and trading division

The investment unit reported lower revenue of RM21.6 million in the Q2/2019 mainly due to lower trading activities as compared to revenue of RM62.5 million in Q2/2018.

The unit reported a pre-tax loss of -RM21.5 million in Q2/2019 as compared to pre-tax profit of RM14.4 million in Q2/2018 mainly due to the depressed stock market condition which resulted in an unrealised loss on fair value changes of financial assets at fair value through profit or loss amounting to -RM15.0 million in Q2/2019 as compared to gain on fair value changes of RM7.6 million in Q2/2018.

Technology and IT-related manufacturing, trading and services division

The Technology unit reported higher revenue of RM5.1 million in Q2/2019 as compared to revenue of RM1.5 million in Q2/2018 mainly due to higher sales of trading products.

The Technology unit reported higher pre-tax profit of RM24.7 million in Q2/2019 as compared to RM19.4 million in Q2/2018 mainly due to increase in equity accounting share of profits from its associated company involved in the assembly and testing of semiconductor products.

B1. Review of Performance (Cont'd)

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

Group's summary

The Group reported revenue of RM96.8 million and pre-tax profit of RM39.5 million for the six months period ended 31 December 2018 as compared to revenue of RM186.7 million and a pre-tax profit of RM80.9 million reported in the corresponding period in the preceding year. The review of performance by divisions is as follows:-

Financial services and credit & leasing division

The unit reported lower revenue of RM28.1 million for the six months period ended 31 December 2018 as compared to the corresponding period in the preceding year of RM31.1 million mainly due to lower revenue generated by the stock broking's broking and corporate finance advisory units.

Despite lower revenue, the unit reported higher pre-tax profit of RM10.5 million for the six months period ended 31 December 2018 as compared to the corresponding period in the preceding year of RM6.5 million mainly due to lower loss on fair value changes of financial assets at fair value through profit or loss of -RM1.3 million (six months period ended 31 December 2017: -RM6.9 million).

Investment holding and trading division

The unit reported lower revenue of RM30.8 million for the six months period ended 31 December 2018 as compared to the corresponding period in the preceding year of RM111.0 million mainly due to lower trading activities in the current financial period.

The unit reported pre-tax loss of -RM21.6 million for the six months period ended 31 December 2018 (six months period ended 31 December 2017: pre-tax profit of RM31.8 million) mainly due to unrealised loss on fair value changes of financial assets at fair value through profit or loss of -RM21.9 million (six months period ended 31 December 2017: gain on fair value of RM10.0 million).

Technology and IT-related manufacturing, trading and services division

The unit reported lower revenue of RM6.2 million for the six months period ended 31 December 2018 as compared to corresponding period in the preceding year of RM11.7 million due to lower sales of trading products.

The unit reported higher pre-tax profit of RM47.4 million for the six months period ended 31 December 2018 (six months period ended 31 December 2017: RM42.2 million) mainly due to gain on disposal of shares in an associate company of RM24.4 million (six months period ended 31 December 2017: RM21.3 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-Dec-2018 RM'000	Immediate Preceding Quarter 30-Sept-2018 RM'000	Changes (%)
Revenue	56,147	40,688	38.0%
Profit from operations	2,722	21,089	-87.1%
Profit before tax	10,668	28,790	-62.9%
Profit after tax	8,903	26,644	-66.6%
Profit attributable to owners of the Company	8,732	26,632	-67.2%

The Group reported lower pre-tax profit of RM10.7 million as compared to the immediate preceding financial quarter of RM28.8 million mainly due to higher unrealised loss on fair value changes of financial assets at fair value through profit or loss of -RM15.6 million (Q1/2019: -RM7.6 million) and higher loss on foreign exchange of -RM6.6 million (Q1/2019: gain of RM0.8 million).

B3. Prospects for financial year ending 30 June 2019

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 ACE and 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 the financial markets outlook remains moderate with the possibility of disorderly financial market movements due to the current geo-political and geo-economic uncertainties.

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 will maintain their positive financial performance for the financial year ending 30 June 2019.

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

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

B5. Tax Expense

The tax expense for the current financial quarter and financial period ended 31 December 2018 is as follows:-

	Individual Quarter ended 31-Dec-2018 RM'000	Quarter Quarter ended 31-Dec-2017 RM'000	Cumulative Period ended 31-Dec-2018 RM'000	Quarter Period ended 31-Dec-2017 RM'000
<u>Income tax:-</u>				
Provision for current financial quarter/period				
- Malaysian income tax	1,853	2,784	3,918	5,156
- Overseas income tax	(7)	152	110	247
Overprovision in preceding financial quarter/period	(73)	(6)	(73)	(6)
Real Property Gains Tax	480	-	480	-
<u>Deferred tax:-</u>				
Transfer to/(from) deferred taxation	(37)	70	(73)	35
Deferred Real Property Gains Tax	(451)	-	(451)	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,765	3,000	3,911	5,432
	<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 31-Dec-2018 RM'000	Quarter Quarter ended 31-Dec-2017 RM'000	Cumulative Period ended 31-Dec-2018 RM'000	Quarter Period ended 31-Dec-2017 RM'000
Profit before tax	10,668	39,080	39,458	80,908
Income tax at Malaysian statutory tax rate of 24%	2,560	9,379	9,470	19,418
<u>Tax effects in respect of:-</u>				
Non-allowable expenses	3,797	3,093	6,157	6,224
Income not subject to tax	(4,800)	(9,089)	(12,204)	(19,850)
Real Property Gains Tax on investment properties	480	-	480	-
Effect of different tax rates in other countries	183	(238)	113	(485)
Overseas tax paid on dividend income	95	26	214	234
Utilisation of previously unrecognised deferred tax assets	9	(1,062)	(60)	(1,103)
Deferred Real Property Gains Tax on fair value adjustment of investment properties	(451)	-	(451)	-
Deferred tax not recognised in the financial statements	(35)	897	265	1,000
Tax expenses for the financial quarter/period	1,838	3,006	3,984	5,438
Overprovision in preceding financial quarter/period	(73)	(6)	(73)	(6)
	1,765	3,000	3,911	5,432

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 December 2018

	As at 31 December 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	-	-	-	1,117	-	1,117
- SGD	-	-	734	2,225	734	2,225
Term loans						
- RM	-	12,722	-	699	-	13,421
- SGD	2,675	8,114	25,844	78,396	28,519	86,510
- HKD	-	-	12,891	8,577	12,891	8,577
- USD	-	-	19,464	80,688	19,464	80,688
- GBP	-	-	753	3,961	753	3,961
- EUR	-	-	3,461	16,422	3,461	16,422
Revolving credit facilities	-	-	-	90,200	-	90,200
Margin financing facility	-	-	-	11,995	-	11,995
Total loans and borrowings	-	20,836	-	294,280	-	315,116

	As at 31 December 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	-	-	-	3,835	-	3,835
- SGD	-	-	7	22	7	22
Term loans						
- RM	-	12,778	-	602	-	13,380
- SGD	3,418	10,381	18,571	56,396	21,989	66,777
- HKD	-	-	8,458	4,397	8,458	4,397
- USD	-	-	20,071	81,549	20,071	81,549
- GBP	-	-	742	4,052	742	4,052
- EUR	-	-	9,393	45,578	9,393	45,578
Revolving credit Facilities	-	-	-	90,100	-	90,100
Total loans and borrowings	-	23,159	-	286,531	-	309,690

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

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

	Floating (%)	
	As at 31.12.2018	As at 31.12.2017
Secured		
Bank overdrafts	8.29%-11.50%	7.85%-11.50%
Term loans	0.40%-8.00%	0.30%-8.00%
Revolving credit facilities	5.52%-6.13%	4.96%-5.88%
Margin financing facility	6.92%	NA

Debt securities

	RM'000
<u>Redeemable preference shares ("RPS")</u>	
132,601,268 RPS at RM1.00 per RPS	132,601
- Fair value of 265,202,536 free Warrants recognised in equity under warrants reserve	(4,622)
- Effects of deferred tax liabilities	(1,460)
Accumulated RPS dividends charged to statements of profit or loss	23,619
Accumulated RPS dividends paid and payable	<u>(20,388)</u>
RPS issued by the Company – liability component, disclosed as per MFRS requirements	<u>129,750</u>
Total Group debt securities	<u>129,750</u>

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 26 November 2018 declared an interim single tier dividend of 2.0 sen per ordinary share each in the Company in respect of financial year ending 30 June 2019.

The dividend was paid on 10 January 2019.

B11. Earnings per share

(a) Basic earnings per share

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

	Individual	Quarter	Cumulative	Quarter
	Quarter ended 31-Dec-2018	Quarter ended 31-Dec-2017	Period ended 31-Dec-2018	Period ended 31-Dec-2017
Net profit attributable to owners of the Company for the financial quarter and financial period (RM'000)	8,732	36,174	35,364	75,649
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)	1.31	5.46	5.33	11.41

(b) Diluted earnings per share

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

B12. Derivative Financial Liabilities

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

Type of Derivatives	As at 31.12.2018	
	Contract/ Notional value RM'000	Fair value RM'000
<u>Currency Forward Contract and Options</u>		
- Less than 1 year	522	(3,023)
<u>Other equity related contracts</u>		
- Less than 1 year	6,719	(1,691)
	7,241	(4,714)

There is no significant changes in respect of the following since the end of the previous financial year ended 30 June 2018:-

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

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

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

Financial liabilities at fair value through profit or loss

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

The fair value changes of the derivative financial instruments are derived from quotes obtained from licensed financial institutions. The resulting gain or loss is recognised in the statements of profit or loss. Fair value gain on derivative financial instruments of RM3.0 million in the current financial quarter and RM7.3 million for the six months period ended 31 December 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.

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

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.