

# Quarterly rpt on consolidated results for the financial period ended 31 Mar 2019

## INSAS BERHAD

Financial Year End	30 Jun 2019
Quarter	3 Qtr
Quarterly report for the financial period ended	31 Mar 2019
The figures	have not been audited

### Attachments

IB - 03.19.pdf  
282.8 kB

Default Currency	Other Currency
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Currency: Malaysian Ringgit (MYR)

### SUMMARY OF KEY FINANCIAL INFORMATION 31 Mar 2019

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	37,121	76,459	133,956	263,138
2 Profit/(loss) before tax	30,643	10,698	70,101	91,606
3 Profit/(loss) for the period	28,645	7,893	64,192	83,369
4 Profit/(loss) attributable to ordinary equity holders of the parent	28,543	7,930	63,907	83,579
5 Basic earnings/(loss) per share (Subunit)	4.31	1.20	9.64	12.61
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 (\$\$)		2.5900		2.4900

#### Remarks :

1) The basic earnings per share for the 9 months period ended 31 March 2019 has been calculated based on the

profit attributable to the owners of the Company of RM63,907,000 (2018: RM63,579,000) 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

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Announcement Info

Company Name	INSAS BERHAD
Stock Name	INSAS
Date Announced	23 May 2019
Category	Financial Results
Reference Number	FRA-23052019-00015

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

23 MAY 2019

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

UNAUDITED FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2019

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		FY2019	FY2018	Changes %	FY2019	FY2018	Changes %
		Quarter ended 31-Mar-19 RM'000	Quarter ended 31-Mar-18 RM'000		Period ended 31-Mar-19 RM'000	Period ended 31-Mar-18 RM'000	
Revenue		37,121	76,459	-51%	133,956	263,138	-49%
Cost of sales	1	(16,443)	(49,223)	-67%	(70,435)	(174,721)	-60%
Other income	2	11,969	22,956	-48%	65,024	76,754	-15%
Administration expenses	3	(6,803)	(6,545)	4%	(21,520)	(21,491)	0%
Other operating expenses	4	(2,211)	(31,089)	-93%	(50,622)	(63,646)	-20%
Finance costs		(5,845)	(5,859)	0%	(17,347)	(17,180)	1%
Exceptional item	5	(350)	(1,791)	-80%	(3,042)	(6,727)	-55%
Share of profits less losses of associate companies		13,333	5,790	>100%	34,215	35,479	-4%
Share of profits less losses of a jointly controlled entity		(128)	-	>-100%	(128)	-	>-100%
Profit before tax		30,643	10,698	>100%	70,101	91,606	-23%
Tax expense		(1,998)	(2,805)	-29%	(5,909)	(8,237)	-28%
Profit for the quarter/period		28,645	7,893	>100%	64,192	83,369	-23%
Profit attributable to:-							
Owners of the Company		28,543	7,930	>100%	63,907	83,579	-24%
Non-controlling interests		102	(37)	>100%	285	(210)	>100%
		28,645	7,893	>100%	64,192	83,369	-23%
Earnings per share (in Sen)							
- Basic		4.31	1.20		9.64	12.61	
- Diluted		n/a	n/a		n/a	n/a	

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**UNAUDITED FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2019**

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	FY2019 Quarter ended 31-Mar-19 RM'000	FY2018 Quarter ended 31-Mar-18 RM'000	FY2019 Period ended 31-Mar-19 RM'000	FY2018 Period ended 31-Mar-18 RM'000
<b>Note 1</b>				
Included in Cost of sales is the following item:-				
Depreciation	<u>(6,258)</u>	<u>(6,838)</u>	<u>(19,456)</u>	<u>(21,476)</u>
<b>Note 2</b>				
Included in Other income are the following items:-				
Allowance for doubtful debts no longer required	11	(2)	64	110
Bad debts recovered	-	-	205	-
Fair value gain on derivative financial instruments	3,599	-	10,927	-
Gain/(Loss) on disposal of property, plant and equipment	676	(65)	1,613	49
Interest income	4,900	3,356	13,859	10,626
Gain on disposal of available for sale investment	-	8,962	-	8,962
Gain on disposal of an investment property	-	-	572	-
Gain on disposal of a subsidiary company	-	-	6	-
Gain on disposal of shares in an associate company	-	12,350	24,398	36,112
<b>Note 3</b>				
Included in Administration expenses is the following item:-				
Depreciation	<u>(131)</u>	<u>(175)</u>	<u>(425)</u>	<u>(545)</u>
<b>Note 4</b>				
Included in Other operating expenses are the following items:-				
Allowance for doubtful debts	5	(38)	(47)	(459)
Bad debt written off	-	(10)	-	(15)
Property, plant and equipment written off	(43)	(124)	(43)	(168)
Depreciation	(437)	(450)	(1,306)	(1,353)
Fair value loss on derivative financial instruments	-	(3,662)	-	(425)
Gain/(Loss) on fair value changes of financial assets at fair value through profit or loss	10,441	(12,446)	(12,759)	(9,050)
Impairment of held to maturity investments	-	(13)	-	(40)
Impairment of financial assets at amortised cost	(7)	-	(7)	-
(Loss)/Gain on exchange differences				
- unrealised	(1,184)	(12,675)	(7,098)	(19,845)
- realised	(446)	278	(263)	(398)
<b>Note 5</b>				
Exceptional item represents:-				
Effects of dilution of equity interests in associate companies	<u>(350)</u>	<u>(1,791)</u>	<u>(3,042)</u>	<u>(6,727)</u>

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**UNAUDITED FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2019**

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER			
	FY2019	FY2018	Changes	FY2019	FY2018	Changes	
	Quarter ended 31-Mar-19	Quarter ended 31-Mar-18		Period ended 31-Mar-19	Period ended 31-Mar-18		
Note	RM'000	RM'000	%	RM'000	RM'000	%	
Profit for the quarter/period	28,645	7,893	>100%	64,192	83,369	-23%	
<u>Other comprehensive (loss)/income</u> <u>may be reclassified to profit or loss</u> <u>subsequently:-</u>							
Realised fair value gain transferred to Statements of Profit or Loss upon disposal of available for sale investments, net of tax	6	-	(8,824)	>100%	-	(8,824)	>100%
Unrealised (loss)/gain on fair value changes on available for sale investments, net of tax	-	(10,801)	>100%	-	11,997	-100%	
Share of other comprehensive (loss)/income of investments accounted for using equity method, net of tax	(204)	(2,737)	-93%	1,255	(5,220)	>100%	
Foreign currency translation of foreign operations, net of tax	(1,873)	(7,297)	-74%	2,785	(16,048)	>100%	
Total other comprehensive (loss)/income for the quarter/period, net of tax	(2,077)	(29,659)	-93%	4,040	(18,095)	>100%	
Total comprehensive income/(loss) for the quarter/period, net of tax	26,568	(21,766)	>100%	68,232	65,274	5%	
Attributable to:-							
Owners of the Company	26,501	(21,596)	>100%	67,866	65,733	3%	
Non-controlling interests	67	(170)	>100%	366	(459)	>100%	
	26,568	(21,766)	>100%	68,232	65,274	5%	

**Note 6**

These deductions from Other Comprehensive (Loss)/Income represent realised gain on disposal of available for sale investments that have been included as income in the Consolidated Statements of Profit or Loss. These amounts were recognised in Other Comprehensive (Loss)/Income as unrealised gain on fair value changes on available for sale investments, net of tax, in previous financial periods.

**Note 7**

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

**INSAS BERHAD**  
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**UNAUDITED FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2019**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<b>As at 31/03/2019 RM'000 (Unaudited)</b>	<b>As at 30/06/2018 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	157,249	161,405
Investment properties	185,059	198,304
Financial assets at fair value through other comprehensive income	22,159	-
Available for sale investments	-	45,022
Financial assets at amortised cost	3,077	-
Held to maturity investments	-	3,814
Jointly controlled entity	22	-
Associate companies	428,986	357,628
Intangible assets	26,058	26,047
Deferred tax assets	2,822	2,834
<b>Total non-current assets</b>	<b>825,432</b>	<b>795,054</b>
<b>Current assets</b>		
Property development costs	10,497	10,497
Inventories	12,513	12,408
Trade receivables	431,898	376,481
Amount due from associate companies	94,468	80,300
Other receivables, deposits and prepayments	63,688	30,953
Financial assets at amortised cost	2,292	-
Held to maturity investments	-	1,538
Financial assets at fair value through profit or loss	245,640	236,562
Tax recoverable	2,608	941
Deposits with licensed banks and financial institutions	553,678	572,703
Cash and bank balances	114,632	103,763
<b>Total current assets</b>	<b>1,531,914</b>	<b>1,426,146</b>
<b>TOTAL ASSETS</b>	<b>2,357,346</b>	<b>2,221,200</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	741,085	741,085
Treasury shares	(14,499)	(14,499)
Reserves	115,358	104,058
Retained earnings	874,658	817,936
	1,716,602	1,648,580
Non-controlling interests	7,752	7,386
<b>TOTAL EQUITY</b>	<b>1,724,354</b>	<b>1,655,966</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loans and borrowings	20,479	20,909
Hire purchase payables	54,818	55,052
Deferred tax liabilities	6,849	7,395
Preference shares	-	129,444
<b>Total non-current liabilities</b>	<b>82,146</b>	<b>212,800</b>
<b>Current liabilities</b>		
Derivative financial liabilities	1,115	12,030
Trade payables	49,228	35,550
Preference shares	129,928	-
Other payables and accruals	33,060	29,173
Hire purchase payables	25,662	30,932
Loans and borrowings	309,828	243,751
Tax payable	2,025	998
<b>Total current liabilities</b>	<b>550,846</b>	<b>352,434</b>
<b>TOTAL LIABILITIES</b>	<b>632,992</b>	<b>565,234</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,357,346</b>	<b>2,221,200</b>
<b>Net assets per share attributable to owners of the Company<sup>(8)</sup> (RM)</b>	<b>2.59</b>	<b>2.49</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 2018 and the accompanying explanatory notes attached to the Interim Financial Statements.

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**UNAUDITED FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2019**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to Owners of the Company										
	Non-Distributable					Distributable					
	Share capital RM'000	Available for sale investments RM'000	Fair value through other comprehensive income RM'000	Warrants reserve RM'000	Other reserves RM'000	Exchange translation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Period ended 31 March 2019											
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
<b>Transactions with owners:-</b>											
Post-acquisition reserves - associate companies	-	-	-	-	13,416	-	-	-	13,416	-	13,416
Cash dividends paid 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	-	-	-
<b>Total transactions with owners</b>	-	-	(6,075)	-	13,416	-	-	(7,185)	156	-	156
<b>Total comprehensive income for the financial period</b>	-	-	-	-	-	-	-	63,907	63,907	285	64,192
Share of other comprehensive income of investments accounted for using equity method, net of tax	-	-	-	-	-	1,255	-	-	1,255	-	1,255
Foreign currency translation of foreign operations, net of tax	-	-	-	-	-	2,704	-	-	2,704	81	2,785
<b>Total comprehensive income for the financial period</b>	-	-	-	-	-	3,959	-	63,907	67,866	366	68,232
Balance at 31 March 2019	741,085	-	-	4,622	80,844	29,892	(14,499)	874,658	1,716,602	7,752	1,724,354

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**UNAUDITED FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2019**

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

	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
Period ended 31 March 2018										
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
<b>Transactions with owners:-</b>										
Post-acquisition reserves - associate companies	-	-	-	23,648	-	-	-	23,648	-	23,648
Cash dividends paid to owners of the Company	-	-	-	-	-	-	(6,630)	(6,630)	-	(6,630)
<b>Total transactions with owners</b>	-	-	-	23,648	-	-	(6,630)	17,018	-	17,018
<b>Total comprehensive income/(loss) for the financial period</b>	-	-	-	-	-	-	83,579	83,579	(210)	83,369
Realised fair value gain transferred to Statements of Profit or Loss upon disposal of available for sale investments, net of tax	-	(8,824)	-	-	-	-	-	(8,824)	-	(8,824)
Unrealised gain on fair value changes on available for sale investments, net of tax	-	11,997	-	-	-	-	-	11,997	-	11,997
Share of other comprehensive income/(loss) of investments accounted for using equity method, net of tax	-	-	-	6	(5,226)	-	-	(5,220)	-	(5,220)
Foreign currency translation of foreign operations, net of tax	-	-	-	-	(15,799)	-	-	(15,799)	(249)	(16,048)
<b>Total comprehensive income/(loss) for the financial period</b>	-	3,173	-	6	(21,025)	-	83,579	65,733	(459)	65,274
<b>Balance at 31 March 2018</b>	741,085	11,475	4,622	63,516	19,702	(14,499)	811,007	1,636,908	7,298	1,644,206

**Note 10**

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



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UNAUDITED FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2019

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Period ended 31/03/2019 RM'000	Period ended 31/03/2018 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	70,101	91,606
Adjustments for:-		
Non-cash items	(32,165)	(27,341)
Finance costs	17,347	17,180
Interest income	(13,859)	(10,626)
Operating profit before working capital changes	<u>41,424</u>	<u>70,819</u>
Changes in working capital:-		
Net changes in current assets	(102,445)	53,377
Net changes in current liabilities	16,985	8,764
<b>Cash (used in)/from operations</b>	<u>(44,036)</u>	<u>132,960</u>
Interest paid	(16,917)	(16,997)
Interest received	13,859	10,626
Tax paid	(6,835)	(6,203)
<b>Net cash (used in)/from operating activities</b>	<u>(53,929)</u>	<u>120,386</u>
<b>Cash flows from investing activities</b>		
Acquisition/Subscription of shares in associate companies	(41,174)	(42,208)
Subscription of shares in a jointly controlled entity	(150)	-
Payment for intangible asset	(11)	-
Purchase of property, plant and equipment	(3,909)	(2,690)
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	-	(13,039)
Purchase of investment properties	(250)	(690)
Proceeds from disposal of shares in an associate company	28,300	41,883
Proceeds from disposal of property, plant and equipment	11,242	8,282
Proceeds from disposal of an investment property	492	-
Proceeds from redemption of financial assets at amortised cost	767	-
Proceeds from redemption of held to maturity investments	-	1,526
Proceeds from disposal of available for sale investments	-	17,324
Capital repayment from an associate company	-	29
Dividend received	35,056	37,035
<b>Net cash from investing activities</b>	<u>28,559</u>	<u>47,452</u>
<b>Cash flows from financing activities</b>		
Increase in fixed deposits pledged	(30,844)	(25,842)
Decrease in cash and bank balances pledged	1,898	14,170
Net drawdown/(repayment) of loans and borrowings	63,246	(11,714)
Repayment of hire purchase payables	(27,130)	(30,554)
Cash dividends paid to owners of the Company	(13,260)	(6,630)
<b>Net cash used in financing activities</b>	<u>(6,090)</u>	<u>(60,570)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(31,460)</u>	<u>107,268</u>
<b>Cash and cash equivalents at beginning of the financial period</b>	<u>418,590</u>	<u>301,394</u>
<b>Exchange differences</b>	<u>999</u>	<u>(5,026)</u>
<b>Cash and cash equivalents at end of the financial period</b>	<u>388,129</u>	<u>403,636</u>
<b>Cash and cash equivalents comprise of:-</b>		
Bank overdrafts	(2,755)	(4,130)
Cash and bank balances	91,624	93,837
Deposits with licensed banks and financial institutions	299,260	313,929
	<u>388,129</u>	<u>403,636</u>

**Note 11**

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

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**UNAUDITED FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2019 - 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
<b>Non-current assets</b>			
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
<b>Current assets</b>			
Held to maturity investments	1,538	(1,538)	-
Financial assets at amortised cost	-	1,538	1,538
<b>Equity</b>			
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-Mar-2019	31-Mar-2018	31-Mar-2019	31-Mar-2018
	RM'000	RM'000	RM'000	RM'000
Fair value gain/(loss) on derivative financial instruments	3,599	(3,662)	10,927	(425)
Gain on disposal of available for sale investment	-	8,962	-	8,962
Gain on disposal of shares in an associate company	-	12,350	24,398	36,112
Gain on disposal of an investment property	-	-	572	-
Gain/(Loss) on fair value changes of financial assets at fair value through profit or loss	10,441	(12,446)	(12,759)	(9,050)
(Loss)/Gain on exchange differences				
- realised	(446)	278	(263)	(398)
- unrealised	(1,184)	(12,675)	(7,098)	(19,845)
Effects of dilution of equity interests in associate companies	(350)	(1,791)	(3,042)	(6,727)

**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 March 2019. Of the total 693,333,633 issued and fully paid up ordinary shares, 30,327,291 shares are being held as treasury shares by the Company as at 31 March 2019.

Other than the above, there were no issuance and repayment of equity and debts securities, share cancellations and resale of treasury shares by the Company for the financial period ended 31 March 2019.

#### **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 period from 31 December 2017 to 29 June 2018, paid on 2 July 2018;
- (ii) a preferential cash dividend of 2.0 sen per redeemable preference share amounting to RM2,652,025 in respect of the period from 30 June 2018 to 30 December 2018, paid on 31 December 2018; and
- (iii) an interim single tier cash dividend of 2.0 sen per ordinary share amounting to RM13,260,127 in respect of the financial year ending 30 June 2019, paid on 10 January 2019.

## A9. Segment Information

The segment analysis on the Group's results for the financial period ended 31 March 2019 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	42,128	38,033	6,254	46,890	651	-	133,956
Inter-segment revenue	619	11,712	23,322	11,570	471	(47,694)	-
Total segment revenue	42,747	49,745	29,576	58,460	1,122	(47,694)	133,956
<b>Results</b>							
Segment profit/(loss) from operations	21,164	(4,844)	20,456	5,906	256	(394)	42,544
Interest income	3,112	13,925	7,896	1	42	(11,117)	13,859
Finance costs	(9,503)	(14,435)	(53)	(4,252)	(615)	11,511	(17,347)
Exceptional item	-	-	(3,042)	-	-	-	(3,042)
Share of profits less losses of associate companies	-	1,383	29,860	661	2,311	-	34,215
Share of profits less losses of a jointly controlled entity	(128)	-	-	-	-	-	(128)
Profit/(Loss) before tax	14,645	(3,971)	55,117	2,316	1,994	-	70,101
Tax expense	(4,094)	(596)	(1,090)	(92)	(37)	-	(5,909)
Profit/(Loss) for the financial period	10,551	(4,567)	54,027	2,224	1,957	-	64,192
<b>Attributable to:-</b>							
Owners of the Company							63,907
Non-controlling interests							285
Segment assets	573,313	878,148	543,501	184,296	178,088	-	2,357,346
Segment liabilities	63,329	449,373	2,341	114,195	3,754	-	632,992

## A9. Segment Information (Cont'd)

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

## 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 March 2019 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 RM184,521,000 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 March 2019 are as follows:-

	RM'000
To acquire property, plant and equipment	1,432
Investment commitments in relation to financial assets at fair value through other comprehensive income	<u>12,117</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 RM37.1 million and a pre-tax profit of RM30.6 million in the current financial quarter (Q3/2019) as compared to revenue of RM76.5 million and a pre-tax profit of RM10.7 million in the preceding year corresponding financial quarter (Q3/2018).

Despite the lower revenue, the Group reported higher pre-tax profit in Q3/2019 as compared to Q3/2018 mainly due to:-

##### Financial services and credit & leasing division

There is no significant variance on revenue between Q3/2019 as compared to Q3/2018.

The unit reported higher pre-tax profit of RM4.2 million in Q3/2019 as compared to pre-tax profit of RM3.2 million in Q3/2018 mainly due to lower unrealised loss on fair value changes of financial assets at fair value through profit or loss amounting to -RM0.01 million in Q3/2019 as compared to -RM3.4million in Q3/2018.

##### Investment holding and trading division

The investment unit reported lower revenue of RM7.2 million in the Q3/2019 mainly due to lower trading activities as compared to revenue of RM45.0 million in Q3/2018.

Despite lower revenue, the unit reported a pre-tax profit of RM17.6 million in Q3/2019 as compared to a pre-tax loss of -RM13.0 million in Q3/2018 mainly due to unrealised gain on fair value changes of financial assets at fair value through profit or loss amounting to RM10.4 million in Q3/2019 (Q3/2018: unrealised loss of -RM9.0 million), and fair value gain on derivative financial instruments of RM3.6 million during the quarter (Q3/2018: loss of -RM3.7 million).

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

The Technology unit reported lower revenue of RM0.03 million in Q3/2019 as compared to revenue of RM2.3 million in Q3/2018 mainly due to lower sales of trading products in the current quarter.

The Technology unit reported lower pre-tax profit of RM7.7 million in Q3/2019 as compared to RM20.7 million in Q3/2018 mainly due to gain on disposal of shares in an associate company of RMNil (Q3/2018: gain of RM12.4 million).

## 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 RM134.0 million and a pre-tax profit of RM70.1 million for the nine months period ended 31 March 2019 as compared to revenue of RM263.1 million and a pre-tax profit of RM91.6 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 RM42.1 million for the nine months period ended 31 March 2019 as compared to the corresponding period in the preceding year of RM45.5 million mainly due to lower revenue generated by the stock broking and corporate finance advisory units.

Despite lower revenue, the unit reported higher pre-tax profit of RM14.6 million for the nine months period ended 31 March 2019 as compared to the corresponding period in the preceding year of RM9.7 million mainly due to lower unrealised loss on fair value changes of financial assets at fair value through profit or loss of -RM1.3 million (nine months period ended 31 March 2018: -RM10.3 million).

#### Investment holding and trading division

The unit reported lower revenue of RM38.0 million for the nine months period ended 31 March 2019 as compared to the corresponding period in the preceding year of RM156.0 million mainly due to lower trading activities in the current financial period.

The unit reported pre-tax loss of -RM4.0 million for the nine months period ended 31 March 2019 (nine months period ended 31 March 2018: pre-tax profit of RM18.8 million) mainly due to lower trading activities in the current financial period, unrealised loss on fair value changes of financial assets at fair value through profit or loss of -RM11.4 million (nine months period ended 31 March 2018: gain on fair value changes of RM1.0 million).

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

The unit reported lower revenue of RM6.3 million for the nine months period ended 31 March 2019 as compared to the corresponding period in the preceding year of RM14.0 million due to lower sales of trading products and disposal of quoted investment.

The unit reported lower pre-tax profit of RM55.1 million for the nine months period ended 31 March 2019 (nine months period ended 31 March 2018: RM62.9 million) mainly due to lower gain on disposal of shares in an associate company of RM24.4 million (nine months period ended 31 March 2018: RM33.6 million).

**B2. Comments on material changes in the revenue and profit before tax for the current financial quarter as compared with the immediate preceding financial quarter**

	Current Quarter 31-Mar-2019 RM'000	Immediate Preceding Quarter 31-Dec-2018 RM'000	Changes (%)
Revenue	37,121	56,147	-33.9%
Profit from operations	18,733	2,722	>100%
Profit before tax	30,643	10,668	>100%
Profit after tax	28,645	8,903	>100%
Profit attributable to owners of the Company	28,543	8,732	>100%

The Group reported higher pre-tax profit of RM30.6 million as compared to the immediate preceding financial quarter of RM10.7 million mainly due to unrealised gain on fair value changes of financial assets at fair value through profit or loss of RM10.4 million (Q2/2019: loss of -RM15.6 million) and lower loss on foreign exchange of -RM1.6 million (Q2/2019: loss of -RM6.6 million) and gain on disposal of shares in an associate company of RMNil (Q2/2019: gain of RM12.0 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

The outlook of the Technology unit is clouded by the on-going trade-war between the United States and China.

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

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

#### B5. Tax Expense

The tax expense for the current financial quarter and financial period ended 31 March 2019 is as follows:-

	Individual Quarter ended 31-Mar-2019 RM'000	Quarter Quarter ended 31-Mar-2018 RM'000	Cumulative Period ended 31-Mar-2019 RM'000	Quarter Period ended 31-Mar-2018 RM'000
<b><u>Income tax:-</u></b>				
Provision for current financial quarter/period				
- Malaysian income tax	2,191	2,694	6,109	7,850
- Overseas income tax	45	155	155	402
Overprovision in preceding financial quarter/period	(195)	(3)	(268)	(9)
Real Property Gains Tax	-	-	480	-
<b><u>Deferred tax:-</u></b>				
Transfer from deferred taxation	(43)	(41)	(116)	(6)
Deferred Real Property Gains Tax	-	-	(451)	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,998	2,805	5,909	8,237
	<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-Mar-2019 RM'000	Quarter Quarter ended 31-Mar-2018 RM'000	Cumulative Period ended 31-Mar-2019 RM'000	Quarter Period ended 31-Mar-2018 RM'000
Profit before tax	30,643	10,698	70,101	91,606
Income tax at Malaysian statutory tax rate of 24%	7,354	2,567	16,824	21,985
<u>Tax effects in respect of:-</u>				
Non-allowable expenses	(804)	4,036	5,353	10,260
Income not subject to tax	(4,134)	(3,314)	(16,338)	(23,164)
Real Property Gains Tax on investment properties	-	-	480	-
Effect of different tax rates in other countries	(371)	(129)	(258)	(614)
Overseas tax paid on dividend income	97	155	311	389
Utilisation of previously unrecognised deferred tax assets	(3)	(900)	(63)	(2,003)
Deferred Real Property Gains Tax on fair value adjustment of investment properties	-	-	(451)	-
Deferred tax not recognised in the financial statements	54	393	319	1,393
Tax expenses for the financial quarter/period	2,193	2,808	6,177	8,246
Overprovision in preceding financial quarter/period	(195)	(3)	(268)	(9)
	1,998	2,805	5,909	8,237

## B6. Status of Corporate Proposal announced but not completed as at the date of this Report

There is no corporate proposal that has been announced but has not been completed as at the date of this Report.

## B7. Status of Utilisation of Proceeds

There is no unutilised proceeds from any corporate proposal.

## B8. Group Borrowings and Debt Securities as at 31 March 2019

	As at 31 March 2019					
	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	-	-	-	699	-	699
- SGD	-	-	684	2,056	684	2,056
<b>Term loans</b>						
- RM	-	12,539	-	699	-	13,238
- SGD	2,639	7,940	26,249	78,970	28,888	86,910
- HKD	-	-	13,531	7,030	13,531	7,030
- USD	-	-	22,417	91,451	22,417	91,451
- GBP	-	-	756	4,028	756	4,028
- EUR	-	-	4,174	19,121	4,174	19,121
<b>Revolving credit facilities</b>	-	-	-	88,700	-	88,700
<b>Margin financing facility</b>	-	-	-	17,074	-	17,074
<b>Total loans and borrowings</b>		20,479		309,828	-	330,307

	As at 31 March 2018					
	Long term		Short term		Total borrowings	
	Foreign Denomination '000	RM Denomination RM'000	Foreign Denomination '000	RM Denomination RM'000	Foreign Denomination '000	RM Denomination RM'000
<b>Secured</b>						
<b>Bank overdrafts</b>						
- RM	-	-	-	2,371	-	2,371
- SGD	-	-	597	1,759	597	1,759
<b>Term loans</b>						
- RM	-	12,768	-	893	-	13,661
- SGD	3,383	9,968	18,481	54,570	21,864	64,538
- HKD	-	-	7,614	3,818	7,614	3,818
- USD	-	-	16,658	65,750	16,658	65,750
- GBP	-	-	745	3,991	745	3,991
- EUR	-	-	10,433	49,203	10,433	49,203
<b>Revolving credit facilities</b>	-	-	-	84,700	-	84,700
<b>Total loans and borrowings</b>	-	22,736	-	267,055	-	289,791

## B8. Group Borrowings and Debt Securities as at 31 March 2019 (cont'd)

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

	Floating (%)	
	As at 31.03.2019	As at 31.03.2018
<b>Secured</b>		
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%-6.14%
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 liability	(1,460)
Accumulated RPS dividends charged to statements of profit or loss	25,112
Accumulated RPS dividends paid and payable	<u>(21,703)</u>
<b>RPS issued by the Company – liability component, disclosed as per MFRS requirements</b>	<b><u>129,928</u></b>
<b>Total Group debt securities</b>	<b><u>129,928</u></b>

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 liability, net of fair value for the free Warrants issued and the effects of deferred tax liability. 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-Mar-2019	Quarter ended 31-Mar-2018	Period ended 31-Mar-2019	Period ended 31-Mar-2018
Net profit attributable to owners of the Company for the financial quarter and financial period (RM'000)	28,543	7,930	63,907	83,579
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)	4.31	1.20	9.64	12.61

### (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 March 2019 are set out below:-

Type of Derivatives	As at 31.03.2019	
	<u>Contract/ Notional value</u> RM'000	<u>Fair value</u> RM'000
<u>Currency Forward Contract and Options</u>		
- Less than 1 year	2,968	(579)
<u>Other equity related contracts</u>		
- Less than 1 year	7,671	(536)
	10,639	(1,115)

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 RM3.6 million in the current financial quarter and RM10.9 million for the nine months period ended 31 March 2019 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.