

Quarterly rpt on consolidated results for the financial period ended 30 Jun 2015

INSAS BERHAD

Financial Year End 30 Jun 2015
 Quarter 4 Qtr
 Quarterly report for the financial period ended 30 Jun 2015
 The figures have not been audited

Attachments

IB Q42015.pdf
 160.0 kB

Remarks :

- 1) The basic earnings per share for the year ended 30 June 2015 has been calculated based on the profit attributable to the owners of the Company of RM92,164,000 (2014: RM160,404,000) and the weighted average number of ordinary shares in issue during the year of 663,573,000 shares (2014: 665,649,000 shares) net of shares bought back by the Company.
- 2) The fully diluted earnings per share is not computed as there were no dilutive potential equity instruments in issue that gave diluted effect to the earnings per share.
- 3) The net assets per share attributable to owners of the Company is computed based on Total Shareholders' Funds (excluding non-controlling interests) divided by the total number of ordinary shares in issue, net of shares bought back.

Default Currency Other Currency

Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION
 30 Jun 2015

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30 Jun 2015	30 Jun 2014	30 Jun 2015	30 Jun 2014
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	93,290	57,391	412,759	276,520
2 Profit/(loss) before tax	34,565	34,839	100,264	171,151
3 Profit/(loss) for the period	34,049	29,164	93,910	160,684
4 Profit/(loss) attributable to ordinary equity holders of the parent	33,477	29,395	92,164	160,404
5 Basic earnings/(loss) per share (Subunit)	5.07	4.42	13.89	24.10
6 Proposed/Declared dividend per share (Subunit)	0.00	0.00	1.00	1.00
	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END		
7 Net assets per share attributable to ordinary equity holders of the parent (\$\$)		1 9100		1 8000

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

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

17 August 2015

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

UNAUDITED FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2015.

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2015

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		FY 2015 Current financial quarter ended 30-Jun-15 RM'000	FY 2014 Preceding year corresponding financial quarter ended 30-Jun-14 RM'000	FY 2015 Financial year ended 30-Jun-15 RM'000	FY 2014 Preceding financial year ended 30-Jun-14 RM'000
Revenue		93,290	57,391	412,759	276,520
Cost of sales	1	(75,352)	(38,547)	(298,527)	(193,033)
Other income	2	20,105	24,385	110,615	126,719
Administration expenses	3	(5,185)	(4,550)	(26,392)	(18,561)
Other operating expenses	4	(775)	(12,921)	(109,788)	(56,501)
Finance costs		(5,568)	(2,737)	(14,629)	(9,080)
Exceptional item	5	(1,302)	552	(7,156)	(145)
Share of profits less losses of associate companies		9,351	11,266	33,382	45,232
Profit before tax		34,565	34,839	100,264	171,151
Tax expense		(516)	(5,675)	(6,354)	(10,467)
Profit for the financial quarter/year		34,049	29,164	93,910	160,684
Profit attributable to:-					
Owners of the Company		33,477	29,395	92,164	160,404
Non-controlling interests		572	(231)	1,746	280
		34,049	29,164	93,910	160,684
Earnings per share (In Sen)					
- Basic		5.07	4.42	13.89	24.10
- Diluted		n/a	n/a	n/a	n/a

	Financial quarter ended 30-Jun-15 RM'000	Financial quarter ended 30-Jun-14 RM'000	Financial year ended 30-Jun-15 RM'000	Financial year ended 30-Jun-14 RM'000
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Note 1
Included in Cost of sales are the following items:-

Writeback of allowance for diminution in value/ (Allowance for diminution in value) of inventories	26	(80)	26	(80)
Allowance for obsolete inventories	(116)	(392)	(116)	(392)
Depreciation	(5,392)	(2,602)	(13,980)	(8,665)

Note 2
Included in Other income are the following items:-

Allowance for doubtful debts no longer required	(394)	(575)	42	651
Bad debts recovered	-	3,600	-	3,600
Excess of fair value over investment cost on acquisition of additional interest in subsidiary companies	15	194	15	194
Fair value gain on financial derivatives	-	2,947	-	16,304
Fair value gain on investment properties	951	3,225	951	3,225
Gain on disposal of property, plant and equipment	442	376	1,753	1,308
Gain/(Loss) on disposal of quoted securities	5,773	(17)	56,234	21,685
Gain on disposal of non-current assets classified as held for sale	-	1,060	-	1,050
Interest income	3,039	2,305	10,413	7,472
Gain/(Loss) on exchange differences				
- realised	-	4,260	-	2,136
- unrealised	-	(2,491)	-	5,990
Gain on fair value changes of financial assets at fair value through profit or loss	-	8,752	-	41,312

Note 3
Included in Administration expenses is the following item:-

Depreciation	(143)	(188)	(356)	(307)
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Note 4
Included in Other operating expenses are the following items:-

Allowance for doubtful debts	507	(2,335)	(302)	(3,321)
Allowance for impairment of available for sale investments	(1,981)	(27)	(1,981)	(27)
Bad debt written off	(45)	(951)	(45)	(951)
Depreciation	(843)	(423)	(2,594)	(1,758)
Fair value gain/(loss) on financial derivatives	5,278	-	(5,248)	-
Gain/(Loss) on fair value changes of financial assets at fair value through profit or loss	4,495	-	(17,909)	-

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17 August 2015

BURSA MALAYSIA SECURITIES BERHAD
8th Floor, Exchange Square
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50200 Kuala Lumpur

UNAUDITED FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2015.

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2015

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	FY 2015 Current financial quarter ended 30-Jun-15 RM'000	FY 2014 Preceding year corresponding financial quarter ended 30-Jun-14 RM'000	FY 2015 Financial year ended 30-Jun-15 RM'000	FY 2014 Preceding financial year ended 30-Jun-14 RM'000
Note 4 (Cont'd)				
Included in Other operating expenses are the following items (cont'd):-				
Inventories written off	-	(5)	-	(5)
Gain/(Loss) on exchange differences				
- realised	1,215	-	(12,085)	-
- unrealised	8,750	-	(19,148)	-
Property, plant and equipment written off	2	(8)	(89)	(45)
Provision for impairment loss on investment in an associate company	(2)	(14)	(2)	(14)
Note 5				
Exceptional item represents:-				
Effects of dilution of equity interests in associate companies	(1,302)	552	(7,155)	(145)

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UNAUDITED FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2015.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2015

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		FY 2015 Current financial quarter ended 30-Jun-15 RM'000	FY 2014 Preceding year corresponding financial quarter ended 30-Jun-14 RM'000	FY 2015 Financial year ended 30-Jun-15 RM'000	FY 2014 Preceding financial year ended 30-Jun-14 RM'000
Profit for the financial quarter/year		34,049	29,164	93,910	160,684
<u>Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent year:-</u>					
Realised fair value gain transferred to income statements upon disposal of available for sale investments, net of tax	1	-	(11,450)	(49,361)	(24,550)
Unrealised gain on fair value changes on available for sale investments, net of tax		(158)	2,461	11,543	38,318
Share of other comprehensive income/(loss) of investments accounted for using equity method, net of tax		833	(1,493)	3,870	(1,077)
Foreign currency translation, net of tax		1,936	(722)	10,129	781
Total other comprehensive income/(loss) for the financial quarter/year, net of tax		2,611	(11,204)	(23,819)	13,472
Total comprehensive income for the financial quarter/year, net of tax		36,660	17,960	70,091	174,156
Attributable to:-					
Owners of the Company		35,951	18,204	68,059	173,842
Non-controlling interests		709	(244)	2,032	314
		36,660	17,960	70,091	174,156

Note 1

These deductions from Other Comprehensive Income/(loss) represent realised gain on disposal of available for sale investments in the financial quarter/year that have been included as income in the Consolidated Income Statements. These amounts were recognised in Other Comprehensive Income/(loss) as unrealised gain in previous financial periods.

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014 and the accompanying explanatory notes attached to the Interim Financial Statements)

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UNAUDITED FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2015.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2015.

	Attributable to Owners of the Company										Non-controlling Interests RM'000	Total equity RM'000
	Non-Distributable					Distributable						
	Share capital RM'000	Share premium RM'000	Available for sale investments fair value reserve RM'000	Reserve fund 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		
Year ended 30 June 2015												
As at 1 July 2014	693,334	47,751	52,820	-	-	3,394	5,335	(13,522)	406,569	1,195,681	7,137	1,202,818
Transactions with owners:-												
Repurchase of shares	-	-	-	-	-	-	-	(977)	-	(977)	-	(977)
Post-acquisition reserves - associate companies	-	-	-	-	-	7,517	-	-	-	7,517	-	7,517
Cash dividends paid to owners of the Company	-	-	-	-	-	-	-	-	(6,630)	(6,630)	-	(6,630)
Acquisition of equity interests in subsidiary companies	-	-	-	-	-	-	-	-	-	-	241	241
Disposal of equity interests in subsidiary companies	-	-	-	-	-	-	-	-	-	-	(4,309)	(4,309)
Repayment to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(163)	(163)
Issued, at premium pursuant to the rights issue of redeemable preference shares in the Company	-	-	-	-	4,623	-	-	-	-	4,623	-	4,623
Total transactions with owners	-	-	-	-	4,623	7,517	-	(977)	(6,630)	4,533	(4,231)	302
Comprehensive income/(loss) for the financial year												
Profit for the financial year	-	-	-	-	-	-	-	-	92,164	92,164	1,746	93,910
Realised fair value gain transferred to income statements upon disposal of available for sale investments, net of tax	-	-	(49,361)	-	-	-	-	-	-	(49,361)	-	(49,361)
Unrealised gain on fair value changes on available for sale investments, net of tax	-	-	11,543	-	-	-	-	-	-	11,543	-	11,543
Share of other comprehensive income of investments accounted for using equity method, net of tax	-	-	-	-	-	-	4,088	-	(218)	3,870	-	3,870
Foreign currency translation, net of tax	-	-	-	-	-	-	9,843	-	-	9,843	286	10,129
Total comprehensive (loss)/income for the financial year	-	-	(37,818)	-	-	-	13,931	-	91,946	68,059	2,032	70,091
Balance at 30 June 2015	693,334	47,751	15,002	-	4,623	10,911	19,266	(14,499)	491,865	1,268,273	4,938	1,273,211
Year ended 30 June 2014												
As at 1 July 2013	693,334	47,751	39,052	1,200	-	1,829	4,907	(10,146)	252,365	1,030,292	2,922	1,033,214
Transactions with owners:-												
Repurchase of shares	-	-	-	-	-	-	-	(3,376)	-	(3,376)	-	(3,376)
Share-based compensation by an associate company pursuant to ESOS granted	-	-	-	-	-	1,565	-	-	-	1,565	-	1,565
Acquisition of equity interests in subsidiary companies	-	-	-	-	-	-	-	-	-	-	3,901	3,901
Cash dividends paid to owners of the Company	-	-	-	-	-	-	-	-	(6,642)	(6,642)	-	(6,642)
Total transactions with owners	-	-	-	-	-	1,565	-	(3,376)	(6,642)	(8,453)	3,901	(4,552)
Comprehensive income/(loss) for the financial year												
Profit for the financial year	-	-	-	-	-	-	-	-	160,404	160,404	260	160,664
Realised fair value gain transferred to income statements upon disposal of available for sale investments, net of tax	-	-	(24,550)	-	-	-	-	-	-	(24,550)	-	(24,550)
Unrealised gain on fair value changes on available for sale investments, net of tax	-	-	38,318	-	-	-	-	-	-	38,318	-	38,318
Reserve fund transfer to retained earnings	-	-	-	(1,200)	-	-	-	-	1,200	-	-	-
Share of other comprehensive income of investments accounted for using equity method, net of tax	-	-	-	-	-	-	(319)	-	(758)	(1,077)	-	(1,077)
Foreign currency translation, net of tax	-	-	-	-	-	-	747	-	-	747	34	781
Total comprehensive income/(loss) for the financial year	-	-	13,768	(1,200)	-	-	428	-	160,346	173,842	314	174,156
Balance at 30 June 2014	693,334	47,751	52,820	-	-	3,394	5,335	(13,522)	406,569	1,195,681	7,137	1,202,818

(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 2014 and the accompanying explanatory notes attached to the Interim Financial Statements)

INSAS BERHAD
Company No. 4081-M
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UNAUDITED FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2015.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 30/06/2015 RM'000	(Audited) As at preceding financial year ended 30/06/2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	110,340	79,824
Investment properties	171,901	159,716
Available for sale investments	47,243	106,241
Held to maturity investments	45,633	29,990
Associate companies	225,063	141,731
Intangible assets	26,049	26,051
Deferred tax assets	2,095	1,733
Total non-current assets	628,324	545,286
Current assets		
Property development costs	9,761	9,567
Inventories	11,899	13,609
Trade receivables	303,820	341,068
Amount due from associate companies	81,205	19,145
Other receivables, deposits and prepayments	33,895	21,276
Tax recoverable	2,055	1,929
Held to maturity investments	6,978	6,175
Financial assets at fair value through profit or loss	291,080	288,174
Deposits with licensed banks and financial institutions	485,006	319,585
Cash and bank balances	88,398	41,238
Total current assets	1,314,097	1,061,766
TOTAL ASSETS	1,942,421	1,607,052
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owners of the Company		
Share capital	693,334	693,334
Treasury shares	(14,499)	(13,522)
Reserves	97,553	109,300
Retained earnings	491,885	406,569
	1,268,273	1,195,681
Non-controlling interests	4,938	7,137
TOTAL EQUITY	1,273,211	1,202,818
LIABILITIES		
Non-current liabilities		
Loans and borrowings	13,724	16,278
Hire purchase payables	41,943	26,854
Deferred tax liabilities	5,520	3,801
Preference shares	129,242	-
Total non-current liabilities	190,429	46,933
Current liabilities		
Derivative financial liabilities	9,165	3,873
Trade payables	63,417	69,618
Other payables and accruals	25,875	44,591
Hire purchase payables	13,691	10,332
Loans and borrowings	366,230	228,875
Tax payable	403	12
Total current liabilities	478,781	357,301
TOTAL LIABILITIES	669,210	404,234
TOTAL EQUITY AND LIABILITIES	1,942,421	1,607,052
Net assets per share attributable to owners of the Company (RM)	1.91	1.80

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014 and the accompanying explanatory notes attached to the Interim Financial Statements)

* 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.

INSAS BERHAD
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UNAUDITED FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2015.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2015.

	Current financial year ended 30/06/2015 RM'000	Preceding financial year ended 30/06/2014 RM'000
Cash flows from operating activities		
Profit before tax	100,264	171,151
Adjustments for:-		
Non-cash items	(42,739)	(123,735)
Finance costs	14,629	9,080
Interest income	(10,413)	(7,472)
Operating profit before working capital changes	<u>61,741</u>	<u>49,024</u>
Changes in working capital:-		
Net changes in current assets	(43,125)	(167,672)
Net changes in current liabilities	(24,118)	23,728
Cash used in operations	<u>(5,502)</u>	<u>(94,920)</u>
Interest paid	(13,517)	(9,931)
Interest received	10,413	7,584
Tax paid	(6,116)	(5,311)
Net cash used in operating activities	<u>(14,722)</u>	<u>(102,578)</u>
Cash flows from investing activities		
Acquisition of additional equity interests in associated companies	(63,100)	(19,855)
Purchase of property, plant and equipment	(27,222)	(6,657)
Purchase of held to maturity investments	(67,338)	(13,196)
Purchase of available for sale investments	(3,692)	(3,430)
Purchase of investment properties	(6,457)	(5,799)
Proceeds from disposal of intangible assets	-	396
Proceeds from disposal of property, plant and equipment	3,435	2,394
Proceeds from redemption and disposal of held to maturity investments	49,372	10,162
Proceeds from redemption and disposal of available for sale investments	85,511	21,750
Proceeds from disposal of non-current assets classified as held for sale	-	2,760
Proceeds from redemption of preference shares in an associate company	2,000	-
Capital repayment by an associate company	-	1,100
Dividend received	27,455	17,719
Net cash inflow for disposal of equity interest in subsidiary companies	3,916	-
Net cash outflow on acquisition of equity interest in subsidiary companies	(27)	(110)
Net cash from investing activities	<u>3,853</u>	<u>7,234</u>
Cash flows from financing activities		
Increase in fixed deposits pledged	(142,633)	(59,066)
(Increase)/Decrease in cash and bank balances pledged	(7,903)	10,620
Net cash used in share buyback	(977)	(3,376)
Drawdown of loans and borrowings	356,050	440,388
Proceeds from issuance of redeemable preference shares by the Company	132,601	-
Proceeds from issuance of redeemable convertible preference shares to non-controlling interests in a subsidiary company	1,611	-
Repayment of loans and borrowings	(239,627)	(371,351)
Repayment of hire purchase payables	(3,615)	(8,901)
Cash dividends paid to owners of the Company	(6,630)	(6,642)
Net cash from financing activities	<u>88,877</u>	<u>1,672</u>
Net increase/(decrease) in cash and cash equivalents	<u>78,008</u>	<u>(93,672)</u>
Cash and cash equivalents at beginning of the financial year	<u>111,007</u>	<u>204,286</u>
Exchange differences	2,407	393
Cash and cash equivalents at end of the financial year	<u>191,422</u>	<u>111,007</u>
Cash and cash equivalents comprise of:-		
Bank overdrafts	(29,980)	(51,061)
Cash and bank balances	70,820	32,537
Deposits with licensed banks and financial institutions	150,582	129,531
	<u>191,422</u>	<u>111,007</u>

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014 and the accompanying explanatory notes attached to the Interim Financial Statements)

INSAS BERHAD
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UNAUDITED FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2015 - 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 2014, 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 2014.

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 2014 except for the adoption of the following Amendments to MFRSs and IC Interpretation issued by the MASB that became effective and relevant to the Group for the financial year beginning 1 July 2014:-

Amendments to MFRS 2	Share-based Payment (Annual improvements to MFRSs 2010-2012 Cycle)
Amendments to MFRS 3	Business Combinations (Annual Improvements to MFRSs 2010-2012 and 2011-2013 Cycles)
Amendments to MFRS 8	Operating Segments (Annual Improvements to MFRSs 2010-2012 Cycle)
Amendments to MFRS 10	Consolidated Financial Statements: Investment Entities
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Investment Entities
Amendments to MFRS 13	Fair Value Measurement (Annual Improvements to MFRSs 2011-2013 Cycle)
Amendments to MFRS 116	Property, Plant and Equipment (Annual Improvements to MFRSs 2010-2012 Cycle)
Amendments to MFRS 119	Defined Benefit Plans: Employee Contributions
Amendments to MFRS 124	Related Party Disclosures (Annual Improvements to MFRSs 2010-2012 Cycle)
Amendments to MFRS 127	Separate Financial Statements: Investment Entities
Amendments to MFRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136	Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 138	Intangible Assets (Annual Improvements to MFRSs 2010-2012 Cycle)

A2. Changes in Accounting Policies (Cont'd)

Cont'd

Amendments to MFRS 139	Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting
Amendments to MFRS 140	Investment Property (Annual Improvements to MFRSs 2011-2013 Cycle)
IC Interpretation 21	Levies

The adoption of the above mentioned Amendments to MFRSs and IC Interpretation are not expected to have any material financial impact on the financial statements of the Group.

The Group has not early adopted new or revised standards and amendments to standards that have been issued but are not yet effective for the accounting period beginning 1 July 2014.

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 2014.

A4. Seasonality and Cyclicity of Interim Operations

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

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

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

Recognised in the Income Statements

	Individual Quarter ended 30-June-2015 RM'000	Quarter Quarter ended 30-June-2014 RM'000	Cumulative Year ended 30-June-2015 RM'000	Quarter Year ended 30-June-2014 RM'000
Allowance for doubtful debts no longer required	(394)	(575)	42	661
Allowance for doubtful debts	507	(2,335)	(302)	(3,321)
Bad debts recovered	-	3,600	-	3,600
Fair value gain/(loss) on financial derivatives	5,278	2,947	(5,248)	16,304
Fair value gain on investment properties	961	3,225	961	3,225
Gain/(Loss) on fair value changes of financial assets at fair value through profit or loss	4,495	8,752	(17,909)	41,312
Gain/(Loss) on disposal of quoted securities	5,773	(17)	56,234	21,685
Effects on dilution of equity interests in associate companies	(1,302)	552	(7,156)	(145)
Gain/(Loss) on exchange differences				
- realised	1,215	4,260	(12,086)	2,136
- unrealised	8,750	(2,491)	(19,148)	5,980

A6. Material changes in Estimates

There are no material changes in accounting estimates used in the preparation of the financial statements in the current financial quarter and financial year as compared to the preceding corresponding financial quarter and financial year.

A7. Debts and Equity Securities

(i) Share buyback

The shareholders of the Company, by an ordinary resolution passed in the Annual General Meeting of the Company held on 17 December 2014, 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.

During the financial year ended 30 June 2015, the Company repurchased 1,200,000 of its issued share capital from the open market. The average price paid for the shares repurchased was RM0.8141 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with the requirement of Section 67A of the Companies Act 1965. Of the total 693,333,633 issued and fully paid up ordinary shares, 30,327,291 shares are being held as treasury shares by the Company as at 30 June 2015.

(ii) Redeemable Preference Shares

On 26 February 2015, pursuant to the Company's renounceable rights issue of redeemable preference shares with warrants, the Company issued 132,601,268 redeemable preference shares ("RPS") of RM0.01 each at an issue price of RM1.00 per RPS together with 265,202,536 free detachable warrants on the basis of two (2) free warrants for every one (1) RPS subscribed. The RPS is redeemable at RM1.00 any time within five (5) years from date of issue of the RPS and carries a dividend rate of four (4) sen per annum per RPS.

Other than the above, there were no issuance and repayment of equity and debts securities, share cancellations and resale of treasury shares by the Company for the financial year ended 30 June 2015.

A8. Dividends paid

The Company paid an interim single tier cash dividend of 1.0 sen per ordinary share of RM1.00 each amounting to RM6,630,063 on 25 February 2015 in respect of the financial year ending 30 June 2015.

A9. Segment Information

The segment analysis for the Group's results for the financial year ended 30 June 2015 is as follows:-

	Financial services and credit & leasing	Property investment and development	Investment holding and trading	Retail trading and car rental	IT-related manufacturing, trading and services	Eliminations	Consolidated total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External revenue	48,946	3,062	316,540	34,665	9,546	-	412,759
Inter-segment revenue	3,182	577	6,023	186	12,887	(22,855)	-
Total segment revenue	52,128	3,639	322,563	34,851	22,433	(22,855)	412,759
Results							
Segment profit/(loss) from operations	21,396	1,849	(4,824)	5,368	56,044	(1,579)	78,254
Interest income	1,700	231	15,298	27	1,842	(8,685)	10,413
Finance costs	(8,441)	(766)	(11,891)	(2,698)	(1,097)	10,264	(14,629)
Exceptional item	-	-	-	-	(7,156)	-	(7,156)
Share of profits less losses of associate companies	-	(2,614)	(4,351)	1,017	39,330	-	33,382
Profit/(loss) before tax	14,655	(1,300)	(5,768)	3,714	88,963	-	100,264
Tax expense	(4,271)	(35)	(2,025)	(558)	535	-	(6,354)
Profit/(loss) for the financial year	10,384	(1,335)	(7,793)	3,156	89,498	-	93,910
Attributable to:-							
Owners of the Company							92,164
Non-controlling interests							1,746

The segment analysis for the Group's results for the financial year ended 30 June 2014 was as follows:-

	Financial services and credit & leasing	Property investment and development	Investment holding and trading	Retail trading and car rental	IT-related manufacturing, trading and services	Eliminations	Consolidated total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External revenue	57,342	5,553	185,621	22,988	5,016	-	276,520
Inter-segment revenue	4,711	700	4,323	169	10,342	(20,245)	-
Total segment revenue	62,053	6,253	189,944	23,157	15,358	(20,245)	276,520
Results							
Segment profit/(loss) from operations	36,129	770	76,275	2,949	15,374	(3,825)	127,672
Interest income	1,212	286	11,035	16	1,056	(6,133)	7,472
Finance costs	(10,318)	(767)	(5,514)	(1,650)	(789)	9,958	(9,080)
Exceptional item	-	-	-	-	(145)	-	(145)
Share of profits less losses of associate companies	-	(824)	12,451	885	32,720	-	45,232
Profit/(loss) before tax	27,023	(535)	94,247	2,200	48,216	-	171,151
Tax expense	(6,658)	(778)	(2,679)	(396)	44	-	(10,467)
Profit/(loss) for the financial year	20,365	(1,313)	91,568	1,804	48,260	-	160,684
Attributable to:-							
Owners of the Company							160,404
Non-controlling interests							280

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 2014.

A11. Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial quarter and financial year, including business combinations, acquisition or disposal of subsidiary and associate companies and long term investments, restructuring and discontinuing operations other than as disclosed below:-

- (i) On 1 July 2014, Topacres Sdn. Bhd. ("Topacres"), a wholly-owned subsidiary company, had subscribed for 300,000 new ordinary shares of RM1.00 each and 2,700,000 redeemable preference shares ("RPS") of RM0.01 each representing 60% of the enlarged share capital of Special Windfall Sdn. Bhd. ("SWSB") for a total subscription price of RM3.0 million. SWSB had on 26 February 2014 entered into a conditional Share Sale Agreement to acquire 100% equity interest in Tahap Wawasan Sdn. Bhd. ("TWSB") for a cash consideration of RM9.52 million and a Repayment Agreement for the assumption of liabilities amounting to RM3.98 million. TWSB is the registered owner of a piece of freehold land in Bandar Nilai Utama, Daerah Seremban, Negeri Sembilan measuring approximately 41,476 square metres.

The Share Sale Agreement and the Repayment Agreement were subsequently mutually terminated on 2 October 2014, and all the deposit and sums paid have been fully refunded to SWSB.

On 29 October 2014, Topacres subscribed for additional 27,000 ordinary shares and on the same date, the RPS was fully redeemed by SWSB.

- (ii) On 19 September 2014, the Company had incorporated a wholly-owned subsidiary company in Singapore known as Insas (S) Pte. Ltd. ("ISPL"). The issued and paid-up share capital of ISPL is S\$10,000 comprising 10,000 ordinary shares. The principal activity of ISPL is investment holding.
- (iii) On 9 January 2015, J&C Pacific Sdn Bhd ("J&C"), a 51% indirect subsidiary company, entered into a share sale agreement to acquire 91,250 ordinary shares of RM1.00 each, representing 91.25% of the equity capital of ECI Communications Sdn Bhd ("ECI") for a purchase price of RM91,250. ECI is a private limited company incorporated in Malaysia on 20 June 2012 and its principal activities are the provision of multimedia and communication services.
- (iv) On 23 June 2015, Insas Technology Berhad ("ITB"), a wholly-owned subsidiary company together with the 49% minority shareholders (collectively referred as "the Vendors") of J&C, entered into a Share Sale Agreement ("SSA") with Numoni Pte Ltd ("Numoni") for the proposed disposal of 1,250,000 ordinary shares of RM1 each representing the entire issued and paid up share capital of J&C to Numoni at a total consideration of RM12 million, to be satisfied by the issue of 1,361,740 Series A1 Convertible Preference Shares ("CPS") in the capital of Numoni at an issue price of S\$3.30 each.

Pursuant to the SSA, ITB shall sell its entire 637,500 ordinary shares representing 51% equity interest in J&C to Numoni for a sale consideration of RM6.12 million to be satisfied by the issue of 694,487 CPS ("Proposed Disposal").

Numoni is a private limited company incorporated in Singapore on 1 January 2012 and its principal activities are in financial technology comprising investment holding in e-wallet, e-payment and e-lending businesses and self service terminals.

Prior to the Proposed Disposal, Numoni is a 21.26% indirect associate company of ITB. Upon completion of the Proposed Disposal, the Group will hold an indirect interest of 26.56% in the enlarged issued and paid-up share capital of Numoni. J&C will cease to be a subsidiary company of ITB and become an indirect associate company of the Group.

A12. Material Subsequent Events

There were no material events subsequent to the financial year ended 30 June 2015 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 Company has issued guarantees amounting to RM214,977,000 to financial institutions in respect of banking and credit facilities granted to certain of its subsidiary and associate companies. There is no contingent asset as at the date of this Report.

A14. Commitments

Contractual commitments not provided for in the financial statements as at 30 June 2015 are as follows:-

	RM'000
To acquire property, plant and equipment	4,555
To acquire investment properties	<u>35,440</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's corresponding financial quarter

Group's summary

The Group reported revenue of RM93.3 million and a pre-tax profit of RM34.6 million in the current financial quarter as compared to revenue of RM57.4 million and a pre-tax profit of RM34.8 million in the preceding year's corresponding financial quarter. The review of performance by divisions are as follows:-

Financial services and credit & leasing division

Revenue and pre-tax results for the current financial quarter declined as compared to the preceding year corresponding quarter primarily due to lower revenue reported by the structured finance unit during the current financial quarter.

B1. Review of Performance (Cont'd)

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

Investment holding and trading division

The investment unit reported higher revenue in the current financial quarter as compared to the preceding year corresponding quarter mainly due to higher trading activities in the current financial quarter.

Despite the higher revenue, the investment unit reported lower pre-tax profit of RM16.4 million in the current financial quarter (Q4/2014: pre-tax profit of RM20.4 million) primarily due to lower gain on fair value changes of financial assets at fair value through profit or loss of RM4.3 million reported in the current financial quarter (Q4/2014: RM9.0 million).

IT-related manufacturing, trading and services division

The IT unit reported higher pre-tax profit in the current financial quarter as compared to the preceding year corresponding quarter mainly due to gain from sale of quoted securities.

Current financial year against preceding financial year

Group's summary

The Group reported revenue of RM412.8 million and a pre-tax profit of RM100.3 million for the financial year ended 30 June 2015 as compared with revenue of RM276.5 million and a pre-tax profit of RM171.2 million reported in the preceding financial year.

Despite the higher revenue, the Group reported lower pre-tax profit for the financial year ended 30 June 2015 as compared to the preceding financial year mainly due to lower profit reported by stock broking, structured finance and investment units for the financial year ended 30 June 2015. The review of performance by divisions are as follows:-

Financial services and credit & leasing division

Revenue and pre-tax results for the financial year ended 30 June 2015 declined as compared to the preceding financial year primarily due to lower revenue reported by stock broking and the structured finance units on the back of weaker market sentiment and lower loans portfolio.

Investment holding and trading division

The investment unit reported pre-tax loss of –RM5.8 million for the financial year ended 30 June 2015 (2014: pre-tax profit of RM94.2 million) after taking into account loss on fair value changes of financial assets at fair value through profit or loss of –RM17.2 million (2014: gain on fair value change of RM37.4 million) and fair value loss on financial derivatives of –RM5.2 million (2014: fair value gain of RM16.3 million).

IT-related manufacturing, trading and services division

The IT unit reported higher pre-tax profit for the financial year ended 30 June 2015 as compared to the preceding financial year mainly due to higher gain from sale of quoted securities of RM56.2 million (2014: RM21.7 million) and higher profit contribution from the IT unit's associate company, Inari Amertron Berhad Group .

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

The Group reported revenue of RM93.3 million and a pre-tax profit of RM34.6 million in the current financial quarter as compared to revenue of RM139.7 million and a pre-tax profit of RM30.4 million in the immediate preceding financial quarter.

The higher pre-tax profit in the current financial quarter is primarily due to gain on fair value changes of financial assets at fair value through profit or loss of RM4.5 million (Q3/2015: loss on fair value changes of –RM17.1 million) and higher fair value gain on financial derivatives of RM5.3 million (Q3/2015: RM1.3 million) set off against lower gain from sale of quoted securities of RM5.8 million reported by the IT unit (Q3/2015: RM25.7 million) in the current financial quarter.

B3. Prospects for the financial year ending 30 June 2016

Financial services and investment trading division

The Board is of the view that the performance of the stock broking, structured finance and investment units will be challenging in view of the current market condition.

IT-related manufacturing, trading and services division

The Board expects the IT unit and Inari Amertron Berhad Group to continue their positive contribution to the Group results in the current financial year.

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

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

B5. Tax Expense

The tax expense for the current financial quarter and financial year ended 30 June 2015 is as follows:-

	Individual Quarter ended 30-June-2015 RM'000	Quarter Quarter ended 30-June-2014 RM'000	Cumulative Year ended 30-June-2015 RM'000	Quarter Year ended 30-June-2014 RM'000
Income tax:-				
Provision for the current financial quarter/year	442	844	7,210	5,313
(Over)/Underprovision in previous financial quarter/year	(132)	(306)	(707)	17
Deferred tax:-				
Transfer (from)/to deferred taxation	(346)	2,419	(541)	2,419
Underprovision in previous financial quarter/year	254	212	94	212
Effect of changes in tax rates	-	36	-	36
Deferred Real Property Gains Tax	298	2,470	298	2,470
	516	5,675	6,354	10,467

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

	Individual Quarter ended 30-June-2015 RM'000	Quarter Quarter ended 30-June-2014 RM'000	Cumulative Year ended 30-June-2015 RM'000	Quarter Year ended 30-June-2014 RM'000
Profit before tax	34,565	34,839	100,264	171,151
Income tax at Malaysian statutory tax rate	8,641	8,710	25,066	42,788
Tax effect in respect of:-				
Non-allowable expenses	(3,125)	3,018	9,247	5,606
Income not subject to tax	(5,184)	(10,739)	(27,658)	(39,452)
Deferred Real Property Gains Tax on fair value adjustment of investment properties	298	2,470	298	2,470
Effect of different tax rates in other countries	81	(251)	(476)	(721)
Overseas tax paid on dividend income	20	(72)	307	510
Effect of changes in tax rates	(31)	36	-	36
Utilisation of previously unrecognised deferred tax assets	396	2,360	(294)	(1,391)
Deferred tax not recognised in the financial statements	(702)	237	477	392
Tax expenses for the financial quarter/year	394	5,769	6,967	10,238
(Over)/Underprovision for tax expense in previous financial quarter/year	(132)	(306)	(707)	17
Underprovision for deferred taxation in previous financial quarter/year	254	212	94	212
	516	5,675	6,354	10,467

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

On 25 July 2014, the Company proposed to undertake a renounceable rights issue of up to 138,666,727 redeemable preference shares of RM0.01 each ("RPS") together with up to 277,333,454 free detachable warrants ("Warrants") on the basis of one (1) RPS and two (2) Warrants for every five (5) existing ordinary shares of RM1.00 each held in the Company at an issue price of RM1.00 per RPS ("Rights Issue with Warrants").

The Rights Issue with Warrants was approved by the shareholders at an extraordinary general meeting held on 3 November 2014.

The Rights Issue with Warrants was completed on 3 March 2015 following the listing and quotation of 132,601,268 RPS and 265,202,536 Warrants on the Main Market of Bursa Malaysia Securities Berhad on the same day.

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

B7. Status of Utilisation of Proceeds

The Company received proceeds amounting to RM132.6 million from the issuance of 132,601,268 RPS at an issue price of RM1.00 per RPS. The proceeds have been utilised in the following manner as at 30 June 2015:-

Purpose	Proposed utilisation RM'000	Amount utilised RM'000	Balance unutilised RM'000
Capital injection into M&A Securities Sdn Bhd	60,000	60,000	-
Capital injection into Insas Pacific Rent-A-Car Sdn Bhd	5,000	5,000	-
Repayment of bank borrowings	20,000	20,000	-
Subscription of the rights issue of our associate company	30,000	30,000	-
Working capital and general business purposes	16,201	1,266	14,935
To defray expenses relating to the rights issue	1,400	1,400	-
Total	132,601	117,666	14,935

B8. Group Borrowings and Debts Securities as at 30 June 2015

<u>Borrowings</u>	Foreign Currency ('000)	RM'000
Short term secured borrowings		
- in US dollars	79,992	302,090
- in Australian dollars	(10,416)	(30,143)
- in Hong Kong dollars	(13,007)	(6,337)
- in Singapore dollars	25,022	70,145
- in Ringgit Malaysia		30,475
		<u>366,230</u>
Long term secured borrowings		
- in US dollars	1,520	5,740
- in Singapore dollars	733	2,055
- in Ringgit Malaysia		5,929
		<u>13,724</u>
Total Group borrowings		<u>379,954</u>
<u>Debt securities</u>		RM'000
<u>Redeemable Convertible Preference Shares ("RCPS")</u> RCPS to non-controlling interests of a subsidiary company		<u>1,611</u>
<u>Redeemable preference shares ("RPS")</u> 132,601,268 RPS issued by the Company on 26 February 2015 at RM1.00 per RPS		132,601
Fair value of 265,202,536 free Warrants issued by the Company on 26 February 2015 accounted for under Warrants reserve and effects of deferred tax liabilities		(6,082)
Accumulated RPS dividend charged to income statement		2,914
Accumulated RPS dividend paid		<u>(1,802)</u>
RPS issued by the Company – liability portion, disclosed as per MFRS requirements		<u>127,631</u>
Total Group debt securities		<u>129,242</u>

In accordance with MFRS 132 Financial Instruments: Disclosure and Presentation, MFRS 112: Income Taxes and FRSIC Consensus 8/2008: Accounting for Free Warrants with Rights Issue, the Group has disclosed the RPS as a long term liability, net of fair value for the free Warrants issued and the effects of deferred tax liabilities. As of the date of this Report, none of the Warrants issued were converted into ordinary shares.

B9. Material Litigation

There are no material progress/changes on pending material litigation since the last annual balance sheet date up to the date of this Report. The Group was not engaged in any litigation which is likely to give rise to proceedings which may materially and adversely affect the financial position or the business operations of the Group.

B10. Dividend

The Board of Directors had declared an interim single-tier dividend of 1.0 sen per ordinary share of RM1.00 each in respect of financial year ending 30 June 2015.

The dividend was paid on 25 February 2015.

The Board of Directors do not recommend any final dividend for the current quarter and current financial year ended 30 June 2015.

B11. Earnings per share

(a) Basic earnings per share

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

	Individual Quarter ended 30-June-2015	Quarter Quarter ended 30-June-2014	Cumulative Year ended 30-June-2015	Quarter Year ended 30-June-2014
Net profit attributable to owners of the Company for the financial quarter and financial year to-date (RM'000)	33,477	29,395	92,164	160,404
Weighted average number of ordinary shares in issue, after accounting for the effect of shares bought back ('000)	663,573	665,649	663,573	665,649
Basic earnings per share (Sen)	5.07	4.42	13.89	24.10

(b) Diluted earnings per share

The 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.

B12. Disclosure on Realised and Unrealised Profits and Losses

The Group's retained earnings as at 30 June 2015 and 30 June 2014 are analysed as follows:-

	As at 30.06.2015 RM'000	As at 30.06.2014 RM'000
<u>Total retained earnings of the Company and its subsidiary companies</u>		
- Realised	319,343	198,890
- Unrealised	62,747	117,406
	<u>382,090</u>	<u>316,296</u>
<u>Total share of retained earnings from associate companies</u>		
- Realised	86,766	67,520
- Unrealised	(793)	7,993
	<u>85,973</u>	<u>75,513</u>
Add: Consolidated adjustments	<u>23,822</u>	<u>14,760</u>
Total Group retained earnings as per consolidated financial statements	<u>491,885</u>	<u>406,569</u>