

General Announcement

Reference No **II-110919-57078**

Company Name : **INSAS BERHAD**
Stock Name : **INSAS**
Date Announced : **19/09/2011**

Type : **Announcement**
Subject : **OTHERS**

Description : **SHAREHOLDERS' AGREEMENT BETWEEN TOPACRES SDN BHD, NOSTALGIC PROPERTIES SDN BHD, RED ZONE DEVELOPMENT SDN BHD AND MACRODON SDN BHD ("MSB")**

Attachments : [☺Announcement - Topacres .pdf](#)

Announcement Details/Table Section :

The Board of Directors of Insas Berhad ("Insas") is pleased to announce that Topacres Sdn Bhd ("TSB"), a wholly-owned subsidiary of Insas had on 19 September 2011 entered into a Shareholders' Agreement with Nostalgic Properties Sdn Bhd, Red Zone Development Sdn Bhd and Macrodon Sdn Bhd ("MSB") to regulate their relationship as shareholders of MSB which will be undertaking the business of property development.

Please refer to the attachment for the full announcement.

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SHAREHOLDERS' AGREEMENT BETWEEN TOPACRES SDN BHD, NOSTALGIC PROPERTIES SDN BHD, RED ZONE DEVELOPMENT SDN BHD AND MACRODON SDN BHD ("MSB")

1. Introduction

The Board of Directors of Insas Berhad ("Insas") is pleased to announce that Topacres Sdn Bhd ("TSB"), a wholly-owned subsidiary of Insas had on 19 September 2011 entered into a Shareholders' Agreement with Nostalgic Properties Sdn Bhd, Red Zone Development Sdn Bhd and MSB to regulate their relationship as shareholders of MSB which will be undertaking the business of property development.

2. Information on Nostalgic Properties Sdn Bhd

Nostalgic Properties Sdn Bhd (Company No. 330351-M) ("NPSB"), a wholly-owned subsidiary of Man Yau Holdings Berhad (Company No. 254679-T), which in turn is a wholly owned subsidiary of Formis Resources Berhad (Company No: 530701-T) ("FRB"), was incorporated in Malaysia on 12 January 1995 under the Companies Act, 1965 as a private limited company. FRB is a public limited company listed on the Main Market of Bursa Malaysia Securities Berhad. Presently the authorised capital of NPSB is RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each of which 10,000 ordinary shares have been issued and fully paid-up. NPSB is principally engaged in property development activities.

3. Information on Red Zone Development Sdn Bhd

Red Zone Development Sdn Bhd (Company No. 687427-D)("RZD") was incorporated in Malaysia on 6 April 2005 under the Companies Act, 1965 as a private limited company. Presently, the authorised capital of RZD is RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each of which 100,000 ordinary shares have been issued and fully paid-up. The principal activities of RZD are property development and investment holding.

4. Information on Macrodon Sdn Bhd

Macrodon Sdn Bhd (Company No. 846386-H) ("MSB") was incorporated in Malaysia on 11 February 2009 under the Companies Act 1965 as a private limited company. The total issued and paid up share capital of MSB is RM2.00 comprising 2 ordinary shares of RM1.00 each. MSB is presently a dormant company and its intended principal activity shall be property development. TSB, NPSB and RZD intend to carry out the business of property development through MSB and any other business determined by TSB, NPSB and RZD (collectively "the Shareholders") upon the terms and conditions as set out in the Shareholders' Agreement. The shareholding of MSB shall comprise TSB: 40%, NPSB: 30% and RZD: 30%.

5. Salient terms of the Shareholders' Agreement

5.1 Business of MSB

MSB shall undertake the following business:-

- (i) The business of property development; and
- (ii) Any other business determined by the Shareholders.

5.2 Subscription of Shares

5.2.1 To undertake the business of MSB, the Shareholders agree to subscribe to the following shares and such additional shares to be agreed between the Shareholders from time to time pursuant to the terms of the Shareholders' Agreement :

Shares	TSB (40%) (RM)	NPSB (30%) (RM)	RZD (30%) (RM)	Total (RM)
Ordinary Shares of RM1.00 each at an issue price of RM1.00 each	100,000.00	75,000.00	75,000.00	250,000.00
Redeemable Preference Shares of RM0.01 each at an issue price of RM1.00 each	3,900,000.00	2,925,000.00	2,925,000.00	9,750,000.00
Total	4,000,000.00	3,000,000.00	3,000,000.00	10,000,000.00

5.2.2 To commence the business of MSB, the Shareholders shall subscribe to the following first tranche of the shares in MSB upon the execution of the Shareholders' Agreement:

Shares	TSB (40%) (RM)	NPSB (30%) (RM)	RZD (30%) (RM)	Total (RM)
Ordinary Shares of RM1.00 each at an issue price of RM1.00 each	100,000.00	75,000.00	75,000.00	250,000.00
Redeemable Preference Shares of RM0.01 each at an issue price of RM1.00 each	1,300,000.00	975,000.00	975,000.00	3,250,000.00
Total	1,400,000.00	1,050,000.00	1,050,000.00	3,500,000.00

6. **Basis in Arriving at the Subscription Price**

- (a) The subscription price of RM100,000 for the subscription of 100,000 ordinary shares of RM1 each (at RM1.00 per ordinary share) was arrived at through arm's length negotiation on a willing buyer willing seller basis.
- (b) The subscription price of RM1,300,000 for the subscription of 1,300,000 RPS of nominal value RM0.01 each at an issue price of RM1.00 per RPS was arrived at through arm's length negotiation on a willing buyer willing seller basis.

7. **Source of Funds**

The investment by TSB in MSB will be financed by internally generated funds.

8. Rationale

The entry of the Shareholders' Agreement by TSB will pave the way for the Company to expand its market presence in the property development industry in the near future.

9. Financial Effects

The entry into the Shareholders' Agreement is not expected to have any material impact on the earnings and net tangible assets of Insas for the financial year ending 30 June 2012.

The entry into the Shareholders' Agreement will not have any effect on the gearing, share capital and substantial shareholders of Insas.

10. Approvals Required

The entry into the Shareholders' Agreement is not subject to the approval of shareholders of Insas and any other government authorities. The highest percentage ratio applicable to the entry into the Shareholders' Agreement pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 0.17%

11. Major Shareholders' and Directors' Interests

Save for Dato' Thong Kok Khee, none of the directors and/or major shareholders of Insas have any interest, direct or indirect, in the Shareholders' Agreement.

Dato' Thong Kok Khee is the Executive Deputy Chairman cum Chief Executive Officer and a substantial shareholder of Insas. Insas through its subsidiaries hold 15,097,000 ordinary shares of RM1.00 each representing 8.12% equity interest in FRB. Dato' Thong Kok Khee is also a Non-Independent Non-Executive Director of FRB.

RZD holds 30,508,700 ordinary shares of RM1.00 each representing 16.41% equity interest in FRB.

12. Documents available for inspection

The Shareholders' Agreement is available for inspection for three (3) months from the date of this announcement during normal business hours at the Registered Office of Insas at No. 45-5, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

This announcement is dated 19 September 2011.