

Financial ResultsReference No **II-111129-51087**

Company Name : **INSAS BERHAD**
 Stock Name : **INSAS**
 Date Announced : **29/11/2011**
 Financial Year End : **30/06/2012**
 Quarter : **1**
 Quarterly report for the financial period ended : **30/09/2011**
 The figures : **have not been audited**

Converted attachment :

Please attach the full Quarterly Report here:

[☞QRExcel Sept2011.xls](#)[☞QReportword Sept2011.doc](#)

Remark:

1)The basic (loss)/earnings per share for the 3 months ended 30 September 2011 has been calculated based on the (loss)/profit attribute to ordinary equity holders of the Company of - RM19,619,000 (2011: RM27,019,000) and the weighted average number of ordinary shares in issue during the period of 681,164,000 shares (2011: 687,148,000 shares) after taking into account the movement 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 is calculated based on the Shareholders' Fund (excluding non-controlling interests) dividend by the number of ordinary shares in issue after deducting shares bought back by the Company.

- DEFAULT CURRENCY
- OTHER CURRENCY

Currency : Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION
30/09/2011

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/09/2011 \$\$'000	30/09/2010 \$\$'000	30/09/2011 \$\$'000	30/09/2010 \$\$'000
1Revenue	73,505	75,865	73,505	75,865

2Profit/(loss) before tax	-18,795	27,294	-18,795	27,294
3Profit/(loss) for the period	-19,725	26,974	-19,725	26,974
4Profit/(loss) attributable to ordinary equity holders of the parent	-19,619	27,019	-19,619	27,019
5Basic earnings/(loss) per share (Subunit)	-2.88	3.93	-2.88	3.93
6Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00

AS AT END OF CURRENT
QUARTERAS AT PRECEDING FINANCIAL
YEAR END

7Net assets per share attributable to ordinary equity holders of the parent (\$\$)		1.3400		1.3700
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Remarks :

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

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

29 November 2011

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

UNAUDITED FINANCIAL REPORT FOR THE FIRST QUARTER AND 3 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		FY 2012 Current financial quarter ended 30-Sep-11 RM'000	FY 2011 Preceding corresponding financial quarter ended 30-Sep-10 RM'000	FY 2012 Financial period ended 30-Sep-11 RM'000	FY 2011 Preceding financial period ended 30-Sep-10 RM'000
Revenue		73,505	75,865	73,505	75,865
Cost of sales		(57,722)	(62,075)	(57,722)	(62,075)
Administrative expenses		(6,103)	(8,210)	(6,103)	(8,210)
Other operating expenses	1	(34,500)	(11,692)	(34,500)	(11,692)
Other income	2	8,359	32,549	8,359	32,549
Finance costs		(1,870)	(1,124)	(1,870)	(1,124)
Exceptional items	3	5,112	285	5,112	285
Share of profit less losses of associate companies		(5,648)	1,721	(5,648)	1,721
Share of profit less losses of jointly controlled entities		72	(25)	72	(25)
(Loss)/profit before taxation		(18,795)	27,294	(18,795)	27,294
Taxation		(930)	(320)	(930)	(320)
(Loss)/profit for the quarter/period		(19,725)	26,974	(19,725)	26,974
(Loss)/profit attributable to :					
Owners of the Parent		(19,619)	27,019	(19,619)	27,019
Non-controlling interests		(106)	(45)	(106)	(45)
		(19,725)	26,974	(19,725)	26,974
(Loss)/earnings per share (in sen)					
- Basic		(2.88)	3.93	(2.88)	3.93
- Diluted		n/a	n/a	n/a	n/a

	Quarter ended 30/9/2011 RM'000	Quarter ended 30/9/2010 RM'000	Period ended 30/9/2011 RM'000	Period ended 30/9/2010 RM'000
Note 1 Included in Other operating expenses are the following items :-				
Fair value loss on derivatives	(5,676)	-	(5,676)	-
Impairment of financial assets at fair value through profit or loss	(22,562)	-	(22,562)	-
Loss on disposal of quoted securities	(27)	(1,011)	(27)	(1,011)
Note 2 Included in Other income are the following items :-				
Allowance for doubtful debts no longer required	2,400	6	2,400	6
Writeback of impairment of financial assets at fair value through profit or loss	-	7,333	-	7,333
Note 3 Exceptional items represent :-				
Gain on dilution of equity interests in associate companies	5,112	-	5,112	-
Gain on dilution of equity interests in subsidiary companies	-	285	-	285

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UNAUDITED FINANCIAL REPORT FOR THE FIRST QUARTER AND 3 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	FY 2012 Current financial quarter ended 30-Sep-11 RM'000	FY 2011 Preceding corresponding financial quarter ended 30-Sep-10 RM'000	FY 2012 Financial period ended 30-Sep-11 RM'000	FY 2011 Preceding financial period ended 30-Sep-10 RM'000
(Loss)/profit for the quarter/period	(19,725)	26,974	(19,725)	26,974
Other comprehensive income/(loss)				
Transfer of fair value gain on available for sale investments upon disposal	-	(231)	-	(231)
Unrealised (loss)/gain on fair value changes on available for sale investments	(5,075)	1,326	(5,075)	1,326
Foreign currency translation	2,779	(847)	2,779	(847)
Total other comprehensive (loss)/income for the quarter/period	(2,296)	248	(2,296)	248
Total comprehensive (loss)/income for the quarter/period	(22,021)	27,222	(22,021)	27,222
(Loss)/profit attributable to :				
Owners of the Parent	(22,062)	27,420	(22,062)	27,420
Non-controlling interests	41	(198)	41	(198)
	(22,021)	27,222	(22,021)	27,222

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2011 and the accompanying explanatory notes attached to the Interim Financial Statements)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 30/9/2011 RM'000	(Audited) As at preceding financial year ended 30/06/2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	40,803	39,551
Investment properties	102,761	102,745
Land held for development	37,576	37,576
Available for sale investments	45,345	50,419
Held to maturity investments	36,212	41,585
Associate companies	40,632	41,728
Jointly controlled entities	40,570	40,498
Intangible assets	17,580	17,986
Deferred tax assets	3,675	3,674
Total non-current assets	365,154	375,762
Current assets		
Property development costs	5,073	5,073
Inventories	17,884	18,849
Trade receivables	318,284	179,056
Amount due from associate companies	-	17,484
Other receivables, deposits and prepayments	31,096	32,436
Held to maturity investments	13,211	13,709
Financial assets at fair value through profit or loss	104,483	98,379
Tax recoverable	2,499	2,478
Deposits with licensed banks and financial institutions	320,545	442,304
Cash and bank balances	63,846	56,410
	876,921	866,178
Non-current assets classified as held for sale	7,993	7,993
	884,914	874,171
TOTAL ASSETS	1,250,068	1,249,933
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	693,334	693,334
Treasury shares	(6,163)	(4,887)
Reserves	66,608	69,051
Retained earnings	156,522	176,141
	910,301	933,639
Non-controlling interests	8,289	7,784
Total equity	918,590	941,423
Non-current liabilities		
Hire purchase payables	9,584	9,640
Deferred tax liabilities	8,274	8,273
	17,858	17,913
Current liabilities		
Derivative financial liabilities	13,693	8,023
Trade payables	87,592	179,018
Amount due to associate companies	89,464	-
Other payables and accruals	32,291	51,625
Loans and borrowings	89,556	51,459
Tax payable	1,024	472
	313,620	290,597
TOTAL LIABILITIES	331,478	308,510
TOTAL EQUITY AND LIABILITIES	1,250,068	1,249,933
	(0)	
Net assets per share attributable to owners of the Parent (RM)*	1.34	1.37

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2011 and the accompanying explanatory notes attached to the Interim Financial Statements)

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

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UNAUDITED FINANCIAL REPORT FOR THE FIRST QUARTER AND 3 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST QUARTER AND 3 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011.

	Attributable to Owners of the Parent							Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Available for sale investment fair value reserve RM'000	Reserve fund RM'000	Exchange translation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000			
Period ended 30 September 2011										
Balance at 1 July 2011	693,334	54,489	15,440	1,200	(2,078)	(4,887)	176,141	933,639	7,784	941,423
Transactions with owners:-										
Repurchase of shares	-	-	-	-	-	(1,276)	-	(1,276)	-	(1,276)
Advances from non-controlling interests	-	-	-	-	-	-	-	-	464	464
Total transactions with owners	-	-	-	-	-	(1,276)	-	(1,276)	464	(812)
Total comprehensive income/ (loss) for the period	-	-	(5,075)	-	2,632	-	(19,619)	(22,062)	41	(22,021)
Balance at 30 September 2011	693,334	54,489	10,365	1,200	554	(6,163)	156,522	910,301	8,289	918,590
										0
Period ended 30 September 2010										
As at 1 July 2010										
- As previously reported	693,334	54,489	-	1,200	924	(2,963)	59,898	806,882	19,549	826,431
- Adoption of FRS 139	-	-	6,760	-	-	-	-	6,760	-	6,760
As restated	693,334	54,489	6,760	1,200	924	(2,963)	59,898	813,642	19,549	833,191
Transactions with owners:-										
Repurchase of shares	-	-	-	-	-	(111)	-	(111)	-	(111)
Dilution of equity interests in subsidiary companies	-	-	-	-	-	-	-	-	(12,044)	(12,044)
Total transactions with owners	-	-	-	-	-	(111)	-	(111)	(12,044)	(12,155)
Total comprehensive income/ (loss) for the period	-	-	1,095	-	(694)	-	27,019	27,420	(198)	27,222
Balance at 30 September 2010	693,334	54,489	7,855	1,200	230	(3,074)	86,917	840,951	7,307	848,258

(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 2011 and the accompanying explanatory notes attached to the Interim Financial Statements)

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UNAUDITED FINANCIAL REPORT FOR THE FIRST QUARTER AND 3 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER AND 3 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011.

	Current financial period ended 30/9/2011 RM'000	Preceding corresponding financial period ended 30/9/2010 RM'000
Cash flows from operating activities		
(Loss)/profit before taxation	(18,795)	27,294
Adjustments for :		
Non-cash items	33,447	(30,688)
Finance costs	1,870	1,124
Interest income	(2,916)	(1,289)
Operating profit/(loss) before working capital changes	<u>13,606</u>	<u>(3,559)</u>
Changes in working capital :-		
Net changes in current assets	(58,840)	17,487
Net changes in current liabilities	11,593	13,046
Cash (used in)/generated from operations	<u>(33,641)</u>	<u>26,974</u>
Finance costs	(1,870)	(1,124)
Interest income	2,916	1,289
Tax refund	22	-
Tax paid	(82)	(362)
Net cash (used in)/generated from operating activities	<u>(32,655)</u>	<u>26,777</u>
Cash flows from investing activities		
Subscription of shares in an associate company	(1,400)	-
Purchase of property, plant and equipment	(2,220)	(1,251)
Purchase of held to maturity investments	(613)	(1,319)
Proceeds from disposal of property, plant and equipment	452	284
Proceeds from disposal of available for sale investments	-	6,699
Proceeds from redemption and disposal of held to maturity investments	6,412	4,962
Payment for intangible assets	(3)	(1)
Payment for development expenditure	-	(1)
Dividend received	3,517	405
Net cash outflow on dilution of equity interest in subsidiary companies	-	(260)
Net cash generated from investing activities	<u>6,145</u>	<u>9,518</u>
Cash flows from financing activities		
Increase in fixed deposits pledged	(2,603)	(41,960)
Increase in cash and bank balances pledged	(4,588)	(1,935)
Net cash used in share buyback	(1,276)	(111)
Drawdown of loans and borrowings	77,655	77,544
Repayment of loans and borrowings	(41,331)	(56,022)
Repayment of hire purchase payables	(1,314)	(1,205)
Advances from non-controlling interests of a subsidiary company	464	-
Net cash generated from/(used in) financing activities	<u>27,007</u>	<u>(23,689)</u>
Net increase in cash and cash equivalents	497	12,606
Cash and cash equivalents at beginning of the financial period	183,931	168,337
Exchange differences	485	(422)
Cash and cash equivalents at end of the financial period	<u>184,913</u>	<u>180,521</u>
Cash and cash equivalents comprise of :-		
Bank overdrafts	(863)	(1,237)
Cash and bank balances	34,611	50,713
Deposits with licensed banks and financial institutions	151,165	131,045
	<u>184,913</u>	<u>180,521</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 2011 and the accompanying explanatory notes attached to the Interim Financial Statements)

INSAS BERHAD
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**UNAUDITED FINANCIAL REPORT FOR THE FIRST QUARTER AND 3 MONTHS
FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011.**

NOTES TO THE UNAUDITED FINANCIAL REPORT.

A1. Basis of Preparation

This set of financial report is unaudited and has been prepared in compliance with the reporting requirements outlined in the Financial Reporting Standard (“FRS”) 134 :Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the 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 2011. 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 2011.

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 2011 except for the adoption of the following new and revised Financial Reporting Standards (“FRSs”), Amendments to FRSs and Issues Committee Interpretations (“IC Interpretations”) issued by the MASB that become effective and are relevant to the Group for the financial year beginning 1 July 2011:-

Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 3	Business Combinations. Amendments relating to measurement of non-controlling interests and un-replaced and voluntarily replaced share-based payment awards
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 101	Presentation of Financial Statements. Amendments relating to clarification of statement of changes in equity
Amendments to FRS 121	The Effects of Changes in Foreign Exchange Rates. Amendment relating to transition requirements for amendments arising as a result of FRS 127 Consolidated and Separate Financial Statements
Amendments to FRS 128	Investments in Associates. Amendment relating to transition requirements for amendments arising as a result of FRS 127 Consolidated and Separate Financial Statements
Amendments to FRS 131	Investments in Joint Ventures. Amendment relating to transition requirements for amendments arising as a result of FRS 127 Consolidated and Separate Financial Statements
Amendments to FRS 132	Financial Instruments : Presentation. Amendment relating to transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised FRS (consequential amendments arising from Improvements to FRSs (2010) – FRS 3)

A2. Changes in Accounting Policies (Cont'd)

Cont'd

Amendments to FRS 134	Interim Financial Reporting. Amendment relating to significant events and transactions
Amendments to FRS 139	Financial Instruments : Recognition and Measurements. Amendments relating to eligible hedged items, reclassification of financial assets and embedded derivatives
IC Interpretation 4	Determining Whether an Arrangement contains a Lease
Amendments to IC Interpretation 13	Customer Loyalty Programmes (Improvements to FRS (2010))
Amendment to IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 19	Extinguishing Financial Liabilities with equity instruments

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

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 2011.

A4. Seasonality and Cyclicity of Interim Operations

The performance of the Group was 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 Income Statements

	Individual	Quarter	Cumulative	Quarter
	Quarter ended	Quarter ended	Period ended	Period ended
	30-Sept-2011	30-Sept-2010	30-Sept-2011	30-Sept-2010
	RM'000	RM'000	RM'000	RM'000
Allowance for doubtful debts no longer required	2,400	6	2,400	6
Gain on dilution of equity interest in associate companies	5,112	-	5,112	-
Gain on dilution of equity interest in subsidiary companies	-	285	-	285
Fair value loss on derivative	(5,676)	-	(5,676)	-
(Impairment)/writeback of impairment of financial assets at fair value through profit or loss	(22,562)	7,333	(22,562)	7,333
Total	(20,726)	7,624	(20,726)	7,624

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 current financial period as compared to the previous 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 21 December 2010, 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 3 months financial period ended 30 September 2011, the Company repurchased 2,635,100 of its issued share capital from the open market. The average price paid for the shares repurchased was RM0.4842 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, 12,401,952 shares are being held as treasury shares by the Company as at 30 September 2011.

Other than the above, there were no issuance and repayment of equity and debts securities, share cancellations and resale of treasury shares for the financial period ended 30 September 2011.

A8. Dividends paid

No dividend has been paid for the current financial quarter and financial period to date.

A9. Segment Information

The segment analysis for the Group for the 3 months financial period ended 30 September 2011 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	Elimination	Consolidated total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External revenue	11,759	1,843	54,422	4,073	1,408	-	73,505
Inter-segment revenue	68	334	1,077	97	96	(1,672)	-
Total segment revenue	11,827	2,177	55,499	4,170	1,504	(1,672)	73,505
Results							
Segment profit/(loss) from operations	8,063	132	(22,763)	638	(4,275)	(1,172)	(19,377)
Interest income	922	93	3,274	-	104	(1,477)	2,916
Finance costs	(1,544)	(1,961)	(671)	(307)	(36)	2,649	(1,870)
Exceptional items	-	-	-	-	5,112	-	5,112
Share of results of associate companies	-	-	(7,009)	64	1,297	-	(5,648)
Share of results of jointly controlled entities	-	72	-	-	-	-	72
Profit/(loss) before taxation	7,441	(1,664)	(27,169)	395	2,202	-	(18,795)
Taxation	(603)	(6)	(321)	-	-	-	(930)
Profit/(loss) for the financial period	6,838	(1,670)	(27,490)	395	2,202	-	(19,725)
Attributable to :							
Owners of the Parent							(19,619)
Non-controlling interests							(106)

A9. Segment Information (Cont'd)

The segment analysis for the Group for the 3 months financial period ended 30 September 2010 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	Elimination	Consolidated Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External revenue	2,874	6,855	46,553	3,791	15,792	-	75,865
Inter-segment revenue	1,075	1,008	280	69	294	(2,726)	-
Total segment revenue	3,949	7,863	46,833	3,860	16,086	(2,726)	75,865
Results							
Segment profit from operations	748	803	21,461	885	1,439	(188)	25,148
Interest income	(617)	84	2,760	-	96	(1,034)	1,289
Finance costs	(1,039)	(514)	(382)	(300)	(111)	1,222	(1,124)
Exceptional items	-	-	-	-	285	-	285
Share of results of associate companies	-	-	731	234	756	-	1,721
Share of results of jointly controlled entities	-	(25)	-	-	-	-	(25)
Profit/(loss) before taxation	(908)	348	24,570	819	2,465	-	27,294
Taxation	-	(175)	(7)	-	(138)	-	(320)
Profit/(loss) for the financial period	(908)	173	24,563	819	2,327	-	26,974
Attributable to :							
Owners of the Parent							27,019
Non-controlling interests							(45)

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 2011.

A11. Material Subsequent Events

There were no material events subsequent to 30 September 2011 to the date of this Report that have not been reflected in the financial statements for the current financial period.

A12. 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:-

- (a) On 19 July 2011, Inari Berhad ("Inari"), a 44.05% associate company of the Group, issued 83,000,000 new ordinary shares of RM0.10 each at an issue price of RM0.38 per ordinary shares pursuant to the Initial Public Offering in conjunction with the listing of Inari on the ACE Market of Bursa Malaysia Securities Berhad. The issuance of shares increased the issued and paid up share capital of Inari from RM24,860,870 to RM33,160,870 of RM0.10 each.

Accordingly, the Group's equity interest in Inari was diluted from 44.05% to 33.02%.

A12. Changes in the composition of the Group (Cont'd)

- (b) On 19 September 2011, the Company announced that Topacres Sdn Bhd ("Topacres"), a wholly owned subsidiary company entered into a Shareholders' Agreement with Nostalgic Properties Sdn Bhd ("Nostalgic"), Red Zone Development Sdn Bhd ("Red Zone") and Macrodon Sdn Bhd ("Macrodon") to regulate their relationship as shareholders in Macrodon which will undertake the business of property development.

Macrodon is a private limited company incorporated in Malaysia on 11 February 2009. Macrodon is presently a dormant company and its intended principal activity is in property development.

Topacres, Nostalgic and Red Zone intends to carry out the business of property development through Macrodon and the shareholding of Macrodon comprises Topacres 40%, Nostalgic 30% and Red Zone 30%. The intended paid up share capital of Macrodon is RM10,000,000 comprising RM250,000 ordinary shares of RM1.00 each and RM9,750,000 redeemable preference shares of RM0.01 each at an issue price of RM1.00 each.

A13. Contingent Assets or Liabilities

As at the date of this Report, the Company has issued guarantees amounting to RM52,240,000 to financial institutions in respect of banking and credit facilities granted to its subsidiary companies.

A14. Commitments

Contractual commitments not provided for in the financial statements as at 30 September 2011 are as follows :-

	RM'000
To acquire property, plant and equipment	608
To acquire investment properties	2,940
To acquire unquoted shares in companies	<u>5,000</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 for current financial quarter and period against preceding year's corresponding financial quarter and period to date

The Group reported revenue of RM73.5 million and a pre-tax loss of RM18.8 million for the first quarter ended 30 September 2011 compared with revenue of RM75.9 million and a pre-tax profit of RM27.3 million reported in the preceding year's corresponding quarter ended 30 September 2010.

The overall declining results reported for the first quarter ended 30 September 2011 compared to the preceding year's corresponding quarter are mainly due to the following :-

Financial service and credit & leasing

Revenue and pre-tax results for the first quarter ended 30 September 2011 improved compared to the preceding year's corresponding quarter primarily due to new loans given out by the money lending unit and higher brokerage and corporate advisory fee income generated by the stock broking unit. The stock broking unit has commenced operations on two new branches in Kuchai Lama, Kuala Lumpur and Penang during the current quarter.

Property investment and development

Revenue and pre-tax results for the first quarter ended 30 September 2011 declined due to the Group's development projects have been completed during the previous financial year.

Investment holding and trading

Revenue for the first quarter ended 30 September 2011 is higher than the preceding year's corresponding quarter due to higher investment trading activities. Overall pre-tax results declined primarily due to the marked-to-market losses on the Group's financial assets at fair value through profit or loss and financial derivatives totalling RM23.6 million (Q1/2011: Gain RM6.0 million) as a result of the financial market downturn during the current quarter.

Retail trading and car rental

Revenue improved for the first quarter ended 30 September 2011 as compared to the preceding year's corresponding quarter due to higher revenue reported by the Group's car rental business as a result of increased fleet size and as well as consolidation of its 51% subsidiary company involved in the limousine-for-hire business in Singapore with effect from April 2011. There is no significant fluctuation in the division's pre-tax results between the two quarters.

IT-related manufacturing, trading and services

Revenue for the first quarter ended 30 September 2011 is lower compared to the preceding year's corresponding quarter due to the deconsolidation of the results of Inari Technology Sdn Bhd ("Inari Tech") with effect from August 2010. The pre-tax results for the current quarter ended 30 September 2011 declined due to marked-to-market losses of RM3.6mil on the IT unit's investment in Mint Wireless Limited, Australia. The IT unit reported an exceptional gain of RM5.1million in the current quarter ended 30 September 2011 arising from gain on dilution of its equity interest in Inari Berhad Group as stated in the accompanying Note A12(a).

Group's summary

The pre-tax loss in the current financial quarter is derived after accounted for fair value loss on derivative of RM5.7 million (Q1/2011 : Nil) and impairment of financial assets at fair value through profit or loss of RM22.6 million (Q1/2011 : writeback of impairment of RM7.3 million).

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

The Group reported revenue of RM73.5 million and a pre-tax loss of RM18.8 million in the current financial quarter as compared with revenue of RM56.3 million and a pre-tax profit of RM39.3 million in the immediate preceding financial quarter.

The higher revenue in the current financial quarter was mainly due to higher revenue reported by the investment unit.

Despite higher revenue, the Group reported a pre-tax loss of RM18.8 million in the current financial quarter as compared with the immediate preceding financial quarter mainly due to fair value loss on derivative of RM5.7 million (Q4/2011 : Gain RM4.9 million) and impairment of financial assets at fair value through profit or loss of RM22.6 million (Q4/2011 : writeback of impairment of RM7.1 million).

B3. Prospects for the next financial year ending 30 June 2012

The Board of Directors is of the view that the business prospect of the Group will be challenging in view of the uncertainty in the global financial market and global economy and accordingly, the Group will be cautious in evaluating new investment opportunities.

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 profits.

B5. Taxation

The taxation charge for the current financial quarter and financial period ended 30 September 2011 is as follows:-

	Individual Quarter ended 30-Sept-2011 RM'000	Quarter Quarter ended 30-Sept-2010 RM'000	Cumulative Period ended 30-Sept-2011 RM'000	Quarter Period ended 30-Sept-2010 RM'000
Taxation for the financial quarter/period to date	930	262	930	262
Transfer to deferred taxation	-	58	-	58
	<u>930</u>	<u>320</u>	<u>930</u>	<u>320</u>

B5. Taxation (Cont'd)

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

	Individual Quarter ended 30-Sept-2011 RM'000	Quarter Quarter ended 30-Sept-2010 RM'000	Cumulative Period ended 30-Sept-2011 RM'000	Quarter Period ended 30-Sept-2010 RM'000
(Loss)/profit before taxation	(18,795)	27,294	(18,795)	27,294
Income tax at Malaysian statutory tax rate	(4,699)	6,823	(4,699)	6,823
<u>Tax effect in respect of :</u>				
Non-allowable expenses	8,202	288	8,202	288
Income not subject to tax	(4,265)	(6,069)	(4,265)	(6,069)
Effect of different tax rates in other countries	339	(146)	339	(146)
Overseas tax paid on dividend income	279	7	279	7
Tax savings from utilisation of capital allowances	(117)	(16)	(117)	(16)
Tax savings from utilisation of tax losses	(1,344)	(1,064)	(1,344)	(1,064)
Deferred tax not recognised in the financial statements	2,535	439	2,535	439
Tax expenses for the financial quarter/ period to date	930	262	930	262
Transfer to deferred taxation	-	58	-	58
	930	320	930	320

B6. Profit/(Loss) on Sale of Unquoted Investments and Properties

The Group did not report any gain or loss (2010: Nil) on disposal of investment properties and sale of unquoted investments for the financial period ended 30 September 2011.

B7. Quoted Securities

The particulars of purchases and disposals of quoted securities incurred by the Group excluding those of the stock broking subsidiaries for the financial period ended 30 September 2011 are as follows :-

- (a) Total purchases and proceeds from disposals and gain arising thereon for the financial period ended 30 September 2011:-

	RM'000
Total purchases	77,151
Total proceeds from disposal	48,734
Loss on disposal	1,100

- (b) Investment in quoted securities as at 30 September 2011 are as follows :-

	RM'000
Total investments at cost	108,137
Total investments at carrying value	84,398
Total investments at market value	84,398

B8. 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.

B9. Group Borrowings and Debts Securities as at 30 September 2011

	Foreign Currency ('000)	RM'000
Short term secured borrowings		
- in Euro dollars	670	2,900
- in US dollars	16,751	53,360
- in Australian dollars	476	1,484
- in Hong Kong dollars	7,785	3,183
- in Singapore dollars	2,143	5,265
- in Ringgit Malaysia		23,364
		<u>89,556</u>

B10. Material Litigation

There is 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.

B11. Dividend

The Directors do not recommend the payment of any dividend for the financial period ended 30 September 2011.

B12. Earnings per share

(a) Basic (loss)/earnings per share

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

	Individual	Quarter	Cumulative	Quarter
	Quarter ended 30-Sept-2011 RM'000	Quarter ended 30-Sept-2010 RM'000	Period ended 30-Sept-2011 RM'000	Period ended 30-Sept-2010 RM'000
Net (loss)/profit attributable to owners of the Company for the financial quarter and period to date (RM'000)	(19,619)	27,019	(19,619)	27,019
Weighted average number of ordinary shares in issue, after accounting for the effect of shares bought back ('000)	681,164	687,148	681,164	687,148
Basic (loss)/earnings per share (Sen)	(2.88)	3.93	(2.88)	3.93

B12. Earnings per share (Cont'd)

(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.

B13. DISCLOSURE ON REALISED AND UNREALISED PROFITS AND LOSSES

The Group's retained profits as at 30 September 2011 and 30 June 2011 are analysed as follows:

	As at 30.9.2011 RM'000	As at 30.6.2011 RM'000
<u>Total retained profits of the Company and its subsidiaries</u>		
- Realised	36,062	34,901
- Unrealised	29,295	60,980
	<u>65,357</u>	<u>95,881</u>
<u>Total share of retained profits from associate companies</u>		
- Realised	14,524	16,558
- Unrealised	2,225	2,698
	<u>16,749</u>	<u>19,256</u>
<u>Total share of retained profits from jointly controlled entities</u>		
- Realised	339	267
- Unrealised	15,913	15,913
	<u>16,252</u>	<u>16,180</u>
Add : Consolidated adjustments	<u>58,164</u>	<u>44,824</u>
Total Group retained profits as per consolidated statements of financial position	<u>156,522</u>	<u>176,141</u>