

**Financial Results**Reference No **II-120228-31138**

Company Name : **INSAS BERHAD**  
 Stock Name : **INSAS**  
 Date Announced : **28/02/2012**  
 Financial Year End : **30/06/2012**  
 Quarter : **2**  
 Quarterly report for the financial period ended : **31/12/2011**  
 The figures : **have not been audited**

Converted attachment :

Please attach the full Quarterly Report here:

[QRExcel December 2011.xls](#)

[QReportword December 2011.doc](#)

Remark:

1) The basic earnings per share for the 6 months period ended 31 December 2011 has been calculated based on the profit attributable to owners of the Parent of RM1,065,000(2010: RM39,061,000) and the weighted average number of ordinary shares in issue during the period of 680,131,000 shares (2010:RM686,711,000) 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 is no dilutive potential on the ordinary shares during the reporting periods.

3) The net assets per share is calculated based on the Shareholders' Fund (excluding non-controlling interests) divided 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**  
**31/12/2011**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/2011 \$\$'000	31/12/2010 \$\$'000	31/12/2011 \$\$'000	31/12/2010 \$\$'000
<b>1Revenue</b>	49,285	45,480	122,790	121,345

<b>2Profit/(loss) before tax</b>	22,052	12,916	3,257	40,210
<b>3Profit/(loss) for the period</b>	20,848	12,157	1,123	39,131
<b>4Profit/(loss) attributable to ordinary equity holders of the parent</b>	20,684	12,042	1,065	39,061
<b>5Basic earnings/(loss) per share (Subunit)</b>	3.04	1.76	0.16	5.69
<b>6Proposed/Declared dividend per share (Subunit)</b>	0.00	0.00	0.00	0.00

**AS AT END OF CURRENT  
QUARTER**

**AS AT PRECEDING FINANCIAL  
YEAR END**

<b>7Net assets per share attributable to ordinary equity holders of the parent (\$\$)</b>		1.3800		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

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

28 February 2012

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

**UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2011.**

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		FY 2012 Current financial quarter ended 31-Dec-11 RM'000	FY 2011 Preceding corresponding financial quarter ended 31-Dec-10 RM'000	FY 2012 Financial period ended 31-Dec-11 RM'000	FY 2011 Preceding financial period ended 31-Dec-10 RM'000
Revenue		49,285	45,480	122,790	121,345
Cost of sales		(38,198)	(34,471)	(95,920)	(96,546)
Administrative expenses		(3,370)	(5,226)	(9,473)	(13,436)
Other operating expenses	1	(8,469)	(9,988)	(42,969)	(21,680)
Other income	2	10,595	14,095	18,954	46,644
Finance costs		(2,386)	(1,240)	(4,256)	(2,364)
Exceptional items	3	9,151	-	14,263	285
Share of profit less losses of associate companies		5,318	4,097	(330)	5,818
Share of profit less losses of jointly controlled entities		126	169	198	144
<b>Profit before taxation</b>		<b>22,052</b>	<b>12,916</b>	<b>3,257</b>	<b>40,210</b>
Taxation		(1,204)	(759)	(2,134)	(1,079)
<b>Profit/(loss) for the quarter/period</b>		<b>20,848</b>	<b>12,157</b>	<b>1,123</b>	<b>39,131</b>
Profit/(loss) attributable to :					
Owners of the Parent		20,684	12,042	1,065	39,061
Non-controlling interests		164	115	58	70
		<b>20,848</b>	<b>12,157</b>	<b>1,123</b>	<b>39,131</b>
<b>(Loss)/earnings per share (in sen)</b>					
- Basic		3.04	1.76	0.16	5.69
- Diluted		n/a	n/a	n/a	n/a

  

	Quarter ended 31/12/2011 RM'000	Quarter ended 31/12/2010 RM'000	Period ended 31/12/2011 RM'000	Period ended 31/12/2010 RM'000
<b>Note 1</b> Included in Other operating expenses are the following items :-				
Impairment of financial assets at fair value through profit or loss	(835)	-	(23,397)	-
(Loss)/Gain on disposal of quoted securities	(601)	4	(628)	(1,007)
<b>Note 2</b> Included in Other income are the following items :-				
Allowance for doubtful debts no longer required	7	13	2,407	19
Writeback of impairment of financial assets at fair value through profit or loss	1,314	4,966	1,314	12,299
<b>Note 3</b> Exceptional items represent :-				
Gain on dilution of equity interest in associate companies	-	-	5,112	-
Gain on capital repayment by an associated company	9,151	-	9,151	-
Gain on dilution of equity interest in subsidiary companies	-	-	-	285

**INSAS BERHAD**  
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UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER AND 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2011.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	FY 2012 Current financial quarter ended 31-Dec-11 RM'000	FY 2011 Preceding corresponding financial quarter ended 31-Dec-10 RM'000	FY 2012 Financial period ended 31-Dec-11 RM'000	FY 2011 Preceding financial period ended 31-Dec-10 RM'000
Profit/(loss) for the quarter/period	20,848	12,157	1,123	39,131
<b>Other comprehensive income/(loss)</b>				
Transfer of fair value gain on available for sale investments upon disposal	-	(92)	-	(323)
Unrealised gain on fair value changes on available for sale investments	12,136	5,899	7,061	7,225
Foreign currency translation	(1)	(581)	2,778	(1,428)
<b>Total other comprehensive income for the quarter/period</b>	<b>12,135</b>	<b>5,226</b>	<b>9,839</b>	<b>5,474</b>
<b>Total comprehensive income for the quarter/period</b>	<b>32,983</b>	<b>17,383</b>	<b>10,962</b>	<b>44,605</b>
Profit/(loss) attributable to :				
Owners of the Parent	32,832	17,236	10,770	44,656
Non-controlling interests	151	147	192	(51)
	<b>32,983</b>	<b>17,383</b>	<b>10,962</b>	<b>44,605</b>

(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**

	<b>As at 31/12/2011 RM'000</b>	<b>(Audited) As at preceding financial year ended 30/06/2011 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	42,667	39,551
Investment properties	104,006	102,745
Land held for development	37,576	37,576
Available for sale investments	64,480	50,419
Held to maturity investments	35,625	41,585
Associate companies	45,968	41,728
Jointly controlled entities	40,696	40,498
Intangible assets	17,171	17,986
Deferred tax assets	3,674	3,674
<b>Total non-current assets</b>	<b>391,863</b>	<b>375,762</b>
<b>Current assets</b>		
Property development costs	5,156	5,073
Inventories	17,266	18,849
Trade receivables	318,875	179,056
Amount due from associate companies	20,647	17,484
Other receivables, deposits and prepayments	26,790	32,436
Held to maturity investments	5,687	13,709
Financial assets at fair value through profit or loss	139,975	98,379
Tax recoverable	2,080	2,478
Deposits with licensed banks and financial institutions	333,636	442,304
Cash and bank balances	71,666	56,410
	941,778	866,178
Non-current assets classified as held for sale	7,993	7,993
	949,771	874,171
<b>TOTAL ASSETS</b>	<b>1,341,634</b>	<b>1,249,933</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Parent</b>		
Share capital	693,334	693,334
Treasury shares	(6,840)	(4,887)
Reserves	78,756	69,051
Retained earnings	177,206	176,141
	942,456	933,639
Non-controlling interests	7,976	7,784
<b>Total equity</b>	<b>950,432</b>	<b>941,423</b>
<b>Non-current liabilities</b>		
Hire purchase payables	10,146	9,640
Deferred tax liabilities	8,273	8,273
	18,419	17,913
<b>Current liabilities</b>		
Derivative financial liabilities	3,887	8,023
Trade payables	107,889	179,018
Other payables and accruals	96,825	51,625
Loans and borrowings	162,691	51,459
Tax payable	1,491	472
	372,783	290,597
<b>TOTAL LIABILITIES</b>	<b>391,202</b>	<b>308,510</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,341,634</b>	<b>1,249,933</b>
	(0)	
<b>Net assets per share attributable to owners of the Parent (RM)*</b>	<b>1.38</b>	<b>1.37</b>

(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 SECOND QUARTER AND 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2011.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SECOND QUARTER AND 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2011.

	< ----- Attributable to Owners of the Parent ----- >							Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	< ----- Non-Distributable ----- >				< ----- Distributable ----- >					
	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			
<b>Period ended 31 December 2011</b>										
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
<b>Transactions with owners:-</b>										
Repurchase of shares	-	-	-	-	-	(1,953)	-	(1,953)	-	(1,953)
<b>Total transactions with owners</b>	-	-	-	-	-	(1,953)	-	(1,953)	-	(1,953)
Total comprehensive income/ (loss) for the period	-	-	7,061	-	2,644	-	1,065	10,770	192	10,962
Balance at 31 December 2011	693,334	54,489	22,501	1,200	566	(6,840)	177,206	942,456	7,976	950,432
<b>Period ended 31 December 2010</b>										
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
<b>Transactions with owners:-</b>										
Repurchase of shares	-	-	-	-	-	(463)	-	(463)	-	(463)
Dilution of equity interests in subsidiary companies	-	-	-	-	-	-	-	-	(12,044)	(12,044)
<b>Total transactions with owners</b>	-	-	-	-	-	(463)	-	(463)	(12,044)	(12,507)
Total comprehensive income/ (loss) for the period	-	-	6,902	-	(1,307)	-	39,061	44,656	(51)	44,605
Balance at 31 December 2010	693,334	54,489	13,662	1,200	(383)	(3,426)	98,959	857,835	7,454	865,289

(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 SECOND QUARTER AND 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2011.**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND QUARTER AND 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2011.**

	Current financial period ended 31/12/2011  RM'000	Preceding corresponding financial period ended 31/12/2010  RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation	3,257	40,210
Adjustments for :		
Non-cash items	21,932	(41,252)
Finance costs	4,256	2,364
Interest income	(4,694)	(4,464)
Operating profit/(loss) before working capital changes	<u>24,751</u>	<u>(3,142)</u>
Changes in working capital :-		
Net changes in current assets	(205,102)	8,523
Net changes in current liabilities	4,625	5,688
<b>Cash (used in)/generated from operations</b>	<u>(175,726)</u>	<u>11,069</u>
Finance costs	(4,256)	(2,364)
Interest income	4,694	4,464
Tax refund	22	-
Tax paid	(386)	(511)
<b>Net cash (used in)/generated from operating activities</b>	<u>(175,652)</u>	<u>12,658</u>
<b>Cash flows from investing activities</b>		
Subscription of shares in an associate company	(1,400)	-
Purchase of property, plant and equipment	(2,786)	(2,391)
Purchase of held to maturity investments	-	(10,591)
Purchase of available for sale investments	(7,000)	-
Proceeds from disposal of property, plant and equipment	1,362	671
Proceeds from disposal of available for sale investments	-	6,699
Proceeds from redemption and disposal of held to maturity investments	13,852	4,962
Proceeds from disposal of non-current assets held for sale	-	1,650
Payment for intangible assets	(3)	(13)
Payment for development expenditure	-	(1)
Dividend received	3,936	803
Net cash outflow on dilution of equity interest in subsidiary companies	-	(260)
<b>Net cash generated from investing activities</b>	<u>7,961</u>	<u>1,529</u>
<b>Cash flows from financing activities</b>		
(Increase)/decrease in fixed deposits pledged	(31,351)	52,817
(Increase)/decrease in cash and bank balances pledged	(1,976)	14,624
Net cash used in share buyback	(1,953)	(463)
Drawdown of loans and borrowings	196,010	305,786
Repayment of loans and borrowings	(108,975)	(376,766)
Repayment of hire purchase payables	(3,767)	(2,383)
<b>Net cash generated from/(used in) financing activities</b>	<u>47,988</u>	<u>(6,385)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(119,703)	7,802
<b>Cash and cash equivalents at beginning of the financial period</b>	183,931	168,337
<b>Exchange differences</b>	368	(167)
<b>Cash and cash equivalents at end of the financial period</b>	<u>64,596</u>	<u>175,972</u>
<b>Cash and cash equivalents comprise of :-</b>		
Bank overdrafts	(24,843)	(889)
Cash and bank balances	48,374	40,978
Deposits with licensed banks and financial institutions	41,065	135,883
	<u>64,596</u>	<u>175,972</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 SECOND QUARTER AND 6 MONTHS  
FINANCIAL PERIOD ENDED 31 DECEMBER 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
	31-Dec-2011	31-Dec-2010	31-Dec-2011	31-Dec-2010
	RM'000	RM'000	RM'000	RM'000
Allowance for doubtful debts no longer required	7	13	2,407	19
Gain on dilution of equity interest in associate companies	-	-	5,112	-
Gain on capital repayment by an associated company	9,151	-	9,151	-
Gain on dilution of equity interest in subsidiary companies	-	-	-	285
(Impairment)/writeback of impairment of financial assets at fair value through profit or loss	479	4,966	(22,083)	12,299
Total	9,637	4,979	(5,413)	12,603

## 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 20 December 2011, 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 6 months financial period ended 31 December 2011, the Company repurchased 4,012,100 of its issued share capital from the open market. The average price paid for the shares repurchased was RM0.4866 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, 13,778,952 shares are being held as treasury shares by the Company as at 31 December 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 31 December 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 6 months financial period ended 31 December 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
<b>Revenue</b>							
External revenue	22,271	2,470	86,797	8,096	3,156	-	122,790
Inter-segment revenue	135	6,802	2,160	201	239	(9,537)	-
Total segment revenue	22,406	9,272	88,957	8,297	3,395	(9,537)	122,790
<b>Results</b>							
Segment profit/(loss) from operations	12,317	6,433	(14,532)	1,608	(11,174)	(5,963)	(11,311)
Interest income	1,025	160	8,081	-	221	(4,794)	4,693
Finance costs	(4,514)	(6,592)	(3,213)	(624)	(70)	10,757	(4,256)
Exceptional items	-	-	9,151	-	5,112	-	14,263
Share of results of associate companies	-	-	(4,458)	753	3,375	-	(330)
Share of results of jointly controlled entities	-	198	-	-	-	-	198
Profit/(loss) before taxation	8,828	199	(4,971)	1,737	(2,536)	-	3,257
Taxation	(1,144)	(34)	(977)	21	-	-	(2,134)
Profit/(loss) for the financial period	7,684	165	(5,948)	1,758	(2,536)	-	(1,123)
<b>Attributable to :</b>							
Owners of the Parent							(1,065)
Non-controlling interests							58

## A9. Segment Information (Cont'd)

The segment analysis for the Group for the 6 months financial period ended 31 December 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
<b>Revenue</b>							
External revenue	7,700	11,670	77,878	6,232	17,865	-	121,345
Inter-segment revenue	1,800	2,022	575	200	539	(5,136)	-
Total segment revenue	9,500	13,692	78,453	6,432	18,404	(5,136)	121,345
<b>Results</b>							
Segment profit from operations	3,754	3,818	22,866	1,153	809	(537)	31,863
Interest income	(640)	212	4,564	-	328	-	4,464
Finance costs	(1,051)	(3)	(695)	(474)	(141)	-	(2,364)
Exceptional items					285	-	285
Share of results of associate companies	-	-	1,700	1,345	2,773	-	5,818
Share of results of jointly controlled entities	-	144	-	-	-	-	144
Profit before taxation	2,063	4,171	28,435	2,024	4,054	(537)	40,210
Taxation	(32)	(892)	(17)	-	(138)	-	(1,079)
Profit for the financial period	2,031	3,279	28,418	2,024	3,916	(537)	39,131
<b>Attributable to :</b>							
Owners of the Company							39,061
Non-controlling interests							70

## 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 31 December 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 and associated 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.

- (c) On 28 December 2011, the Company announced that it had through its wholly owned subsidiary companies, Insas Credit & Leasing Sdn Bhd and Delta Crest (M) Sdn Bhd, collectively subscribed for a total of 55,000 new ordinary shares of RM1.00 each representing 55% equity interest in the enlarged issued and paid up share capital of Delta Crest (KL) Sdn Bhd ("DC (KL)") for a total cash consideration of RM55,000.

DC (KL) was incorporated on 10 October 2011 as a private limited company under the Companies Act 1965. DC (KL) is presently a dormant company and its intended principal activity is property investment holding and development.

## A13. Contingent Assets or Liabilities

As at the date of this Report, the Company has issued guarantees amounting to RM72,635,000 to financial institutions in respect of banking and credit facilities granted to its subsidiary and associated companies.

## A14. Commitments

Contractual commitments not provided for in the financial statements as at 31 December 2011 are as follows :-

	RM'000
To acquire property, plant and equipment	746
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

#### Current financial quarter against preceding year's corresponding financial quarter

The Group reported revenue of RM49.3 million and a pre-tax profit of RM22.1 million for the second quarter ended 31 December 2011 compared with revenue of RM45.5 million and a pre-tax profit of RM12.9 million reported in the preceding year's corresponding quarter ended 31 December 2010.

The improvement in results reported for the second quarter ended 31 December 2011 compared to the preceding year's corresponding quarter are mainly due to the following :-

##### Financial service and credit & leasing division

Revenue and pre-tax results for the second quarter ended 31 December 2011 improved compared to the preceding year's corresponding quarter primarily due to new loans given out by the money lending unit and higher corporate advisory fee income generated by the stock broking unit.

##### Property investment and development division

Revenue and pre-tax results for the second quarter ended 31 December 2011 declined compared to the preceding year's corresponding quarter due to the Group's development projects have been completed during the preceding financial year.

##### Investment holding and trading division

Revenue for the second quarter ended 31 December 2011 is higher than the preceding year's corresponding quarter due to higher investment trading activities. The pre-tax results improved primarily due to reversal of fair value loss on the Group's financial derivatives totalling RM9.8 million in the current quarter (Q2/2011: Nil).

##### Retail trading and car rental division

Revenue and pre-tax results improved in the second quarter ended 31 December 2011 as compared to the preceding year's corresponding quarter due to higher revenue and pre-tax profits reported by the Group's car rental business as a result of increased fleet size, higher gain on disposal of vehicles due for fleet replacement and the consolidation of the results for the Group's 51% subsidiary company involved in the limousine-for-hire business in Singapore with effect from April 2011.

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

There is no significant fluctuation in the division's revenue for the second quarter ended 31 December 2011 as compared to the preceding year's corresponding quarter. The pre-tax results for the current quarter ended 31 December 2011 declined mainly due to marked-to-market losses of RM6.3 million on the IT unit's investment in Mint Wireless Limited, Australia (Q2/2011 : Nil).

##### Group's summary

The pre-tax results in the current financial quarter is derived after accounting for gain on capital repayment from an associated company of RM9.1 million (Q2/2011 : Nil), reversal of fair value loss on financial derivatives of RM9.8 million (Q2/2011 : Nil) and writeback of impairment of financial assets at fair value through profit or loss of RM0.5 million (Q2/2011 : writeback of impairment of RM4.9 million).

## **B1. Review of Performance (cont'd)**

### **Financial period to date against preceding year's corresponding financial period**

For the six months ended 31 December 2011, the Group reported revenue of RM122.8 million and a pre-tax profit of RM3.2 million as compared to revenue of RM121.3 million and a pre-tax profit of RM40.2 million in the preceding year's corresponding financial period.

#### Financial service and credit & leasing division

Revenue and pre-tax results for the six months period ended 31 December 2011 improved compared to the preceding year's corresponding period 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 commenced operations on two new branches in Kuchai Lama, Kuala Lumpur and Penang during the preceding quarter.

#### Property investment and development division

Revenue and pre-tax results for the six months period ended 31 December 2011 declined compared to the preceding year's corresponding period primarily due to the winding down of the Group's development projects completed in the preceding financial year.

#### Investment holding and trading division

Revenue for the six months period ended 31 December 2011 is higher than the preceding year's corresponding period due to higher investment trading activities. The pre-tax results declined primarily due to the financial market downturn in the current period affecting the performance of the investment trading unit and the marked-to-market losses incurred on the Group's financial assets at fair value through profit or loss totaling RM13.3 million (Preceding period ended 31.12.2010 : Reversal of marked-to-market losses of RM10.4 million)

#### Retail trading and car rental division

Revenue and pre-tax results improved for the six months period ended 31 December 2011 as compared to the preceding year's corresponding period due to higher revenue and pre-tax profits reported by the Group's car rental business as a result of increased fleet size, higher gain on disposal of vehicles due for fleet replacement and the consolidation of the results of the Group's 51% subsidiary company involved in the limousine-for-hire business in Singapore with effect from April 2011.

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

The IT unit reported lower revenue for the current period ended 31 December 2011 as compared to the preceding year's corresponding period due to the inclusion of Inari Tech's revenue of RM14 million in the preceding year's corresponding period prior to the deconsolidation of Inari Tech arising from the dilution of the Group's equity interest in Inari Tech from 51% to 44.05% with effect from 5 August 2010.

The pre-tax results for the current period ended 31 December 2011 declined mainly due to the marked-to-market losses of RM9.9 million on the IT unit's investment in Mint Wireless Limited, Australia (Preceding period ended 31.12.2010 : Nil). The IT unit also reported an exceptional gain of RM5.1million in the current period arising from gain on dilution of its equity interest in Inari Group as stated in the accompanying Note A12(a).

#### Group's summary

The pre-tax results in the current period ended 31 December 2011 is derived after accounting for gain on capital repayment from an associated company for RM9.1 million (preceding period : Nil) and impairment of financial assets at fair value through profit or loss of RM22.1 million (Preceding period ended 31.12.2010 : write back of impairment of RM12.3 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 RM49.3 million and a pre-tax profit of RM22.1 million in the current financial quarter as compared with revenue of RM73.5 million and a pre-tax loss of RM18.8 million in the immediate preceding financial quarter.

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

Despite the lower revenue in the current financial quarter, the Group's pre-tax profit of RM22.1 million in the current financial quarter is derived after taking into account gain on capital repayment by an associated company of RM9.1 million in the current financial quarter (Preceding quarter : Nil), reversal of fair value loss on financial derivatives of RM9.8 million (Preceding quarter : Loss of RM5.6 million) and writeback of impairment of financial assets at fair value through profit or loss of RM0.5 million (Preceding quarter : impairment of RM22.5 million).

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

### Financial services and investment trading division

The Board of Directors is of the view that the business prospect of the stock broking and investment trading units will be challenging in view of the uncertainty in the global economy and financial markets affecting the stock broking and investment trading units and accordingly, the Group will be cautious in evaluating new investment.

### Property investment and development division

The Group has completed its two property development projects in Ampang Putra and Bukit Rahman Putra. The Board plans to participate in certain new property development projects within the Klang Valley on a joint venture basis whereby these are at the preliminary planning stages.

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

The IT unit, through its associate company, Inari Berhad, is looking to invest into Amertron Inc. (Global) Limited, an investment holding company with subsidiaries in the provision of electronics manufacturing services. The proposed investment is in line with the IT unit's and Inari Berhad's long term capacity expansion plans and customer concentration reduction plans. As the proposed investment in Amertron has not been finalised at this stage, the Board expects the IT unit's performance to improve in the next financial year after completion of the investment in Amertron.

## 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 31 December 2011 is as follows:-

	Individual Quarter ended 31-Dec-2011 RM'000	Quarter Quarter ended 31-Dec-2010 RM'000	Cumulative Period ended 31-Dec-2011 RM'000	Quarter Period ended 31-Dec-2010 RM'000
Taxation for the financial quarter/period to date	1,225	759	2,155	1,021
Under provision in respect of prior financial quarter/period to date	(21)	-	(21)	-
Transfer to deferred taxation	-	-	-	58
	<u>1,204</u>	<u>759</u>	<u>2,134</u>	<u>1,079</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 31-Dec-2011 RM'000	Quarter Quarter ended 31-Dec-2010 RM'000	Cumulative Period ended 31-Dec-2011 RM'000	Quarter Period ended 31-Dec-2010 RM'000
Profit/(Loss) before taxation	22,052	12,916	3,257	40,210
Income tax at Malaysian statutory tax rate	5,513	3,230	814	10,053
<u>Tax effect in respect of :</u>				
Non-allowable expenses	627	114	8,829	402
Income not subject to tax	(3,465)	(949)	(7,730)	(7,018)
Effect of different tax rates in other countries	(241)	(15)	98	(161)
Overseas tax paid on dividend income	227	10	506	17
Tax savings from utilisation of capital allowances	48	14	(69)	(2)
Tax savings from utilisation of tax losses	1,153	(1,528)	(191)	(2,592)
Deferred tax not recognised in the financial statements	(2,637)	(117)	(102)	380
Tax expenses for the financial quarter/ period to date	1,225	759	2,155	1,079
Under provision in respect of prior financial quarter/ period to date	(21)	-	(21)	-
	<u>1,204</u>	<u>759</u>	<u>2,134</u>	<u>1,079</u>

## 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. Group Borrowings and Debts Securities as at 31 December 2011

	Foreign Currency ('000)	RM'000
<b>Short term secured borrowings</b>		
- in Euro dollars	240	986
- in US dollars	24,624	78,118
- in Australian dollars	491	1,583
- in Hong Kong dollars	73,076	29,830
- in Singapore dollars	1,958	4,782
- in Ringgit Malaysia		47,392
		<u>162,691</u>



## B8. 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.

## B9. Dividend

On 13 December 2011, the Board of Directors declared a share dividend by way of distribution of one (1) Treasury Share for every fifty (50) existing ordinary shares of RM1.00 each held in the Company.

Approval of the Bursa Malaysia Depository Sdn Bhd for the transfer of the treasury share to be distributed has been obtained on 23 February 2012. The share dividend will be credited into the entitled shareholders' accounts within eight (8) market days from the entitlement date of 2 March 2012.

Other than the above, the Board of Directors does not recommend the payment of any dividend for the financial period ended 31 December 2011.

## B10. Earnings per share

### (a) Basic earnings/(loss) per share

The basic earnings/(loss) per share for the current financial quarter and period to date have been calculated by dividing the net profit/(loss) 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 31-Dec-2011 RM'000	Quarter ended 31-Dec-2010 RM'000	Period ended 31-Dec-2011 RM'000	Period ended 31-Dec-2010 RM'000
Net profit/(loss) attributable to owners of the Company for the financial quarter and period to date (RM'000)	20,684	12,042	1,065	39,061
Weighted average number of ordinary shares in issue, after accounting for the effect of shares bought back ('000)	680,131	686,711	680,131	686,711
Basic earnings/(loss) per share (Sen)	3.04	1.76	0.16	5.69

### (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.

## B11. DISCLOSURE ON REALISED AND UNREALISED PROFITS AND LOSSES

The Group's retained profits as at 31 December 2011 and 30 June 2011 are analysed as follows:

	As at 31.12.2011 RM'000	As at 30.6.2011 RM'000
<u>Total retained profits of the Company and its subsidiaries</u>		
- Realised	52,456	34,901
- Unrealised	27,867	60,980
	<hr/> 80,323	<hr/> 95,881
 <u>Total share of retained profits from associate companies</u>		
- Realised	21,264	16,558
- Unrealised	804	2,698
	<hr/> 22,068	<hr/> 19,256
 <u>Total share of retained profits from jointly controlled entities</u>		
- Realised	465	267
- Unrealised	15,913	15,913
	<hr/> 16,378	<hr/> 16,180
 Add : Consolidated adjustments	<hr/> 58,437	<hr/> 44,824
 Total Group retained profits as per consolidated statements of financial position	<hr/> <hr/> 177,206	<hr/> <hr/> 176,141