Company No: 4081 M

INSAS BERHAD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

30 JUNE 2011

SJ GRANT THORNTON
CHARTERED ACCOUNTANTS
Member Firm of Grant Thornton International Ltd

Company No: 4081 M

INSAS BERHAD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

30 JUNE 2011

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INSAS BERHAD
(Incorporated in Malaysia)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairperson
*Y.A.M. Tengku Puteri Seri Kemala Pahang Tengku Hajjah Aishah bte Sultan Haji Ahmad Shah, DK(II), SIMP

Executive Deputy Chairman / Chief Executive Officer
Dato' Thong Kok Khee

Executive Director
Dr. Tan Seng Chuan

Non-Executive Directors
Dato' Wong Gian Kui
Ms. Soon Li Yen
*Mr. Oh Seong Lye

AUDIT COMMITTEE
*Y.A.M.Tengku Puteri Seri Kemala Pahang Tengku Hajjah Aishah bte Sultan Haji Ahmad Shah, DK(II), SIMP
Ms. Soon Li Yen
*Mr. Oh Seong Lye

COMPANY SECRETARIES
Ms. Chow Yuet Kuen
Ms. Yau Jye Yee

REGISTERED OFFICE
No. 45-5, The Boulevard, Mid Valley City
Lingkaran Syed Putra, 59200 Kuala Lumpur
Tel : 03-22848311 Fax: 03-22824688

PRINCIPAL PLACE OF BUSINESS
Suite 23.02, Level 23
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra, 59200 Kuala Lumpur
Tel : 03-22829311 Fax: 03-22848500

(*) - Independent Non-Executive Directors

INSAS BERHAD
(Incorporated in Malaysia)

CORPORATE INFORMATION (CONT'D)

AUDITORS
SJ Grant Thornton *(AF 0737)*
(Member Firm of Grant Thornton International Ltd)
Chartered Accountants
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

PRINCIPAL BANKERS
Affin Investment Bank Berhad
Credit Suisse, AG Singapore
Citibank, N.A.
Goldman Sachs (Asia) L.L.C
Hong Leong Bank Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Berhad

SOLICITORS
Raslan Loong
Shearn Delamore & Co.
Tan Pheck San & Co.
James Monteiro Advocates & Solicitors

SHARE REGISTRARS
Megapolitan Management Services Sdn. Bhd.
No. 45-5, The Boulevard, Mid Valley City
Lingkaran Syed Putra, 59200 Kuala Lumpur
Tel : 03-22848311 Fax: 03-22824688

STOCK EXCHANGE LISTING
Main Market of Bursa Malaysia Securities Berhad

SECTOR
Finance

STOCK CODE
3379

INSAS BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2011.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management services. The principal activities of its subsidiary companies, associate companies and jointly controlled entities are disclosed in Note 55 to 57 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM'000	**Company** RM'000
Profit for the financial year	100,737	15,470
Attributable to :		
Owners of the Parent	101,406	15,470
Non-controlling interests	(669)	-
	100,737	15,470

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the Notes to the financial statements.

SHARE CAPITAL AND DEBENTURES

There were no shares or debentures issued during the financial year.

INFORMATION ON THE FINANCIAL STATEMENTS

Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

(a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all bad debts had been written off and adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their value as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

(a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due other than those disclosed in the Notes to the financial statements.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 58 to the financial statements.

SIGNIFICANT EVENT SUBSEQUENT TO REPORTING DATE

Significant event subsequent to the reporting date is disclosed in Note 59 to the financial statements.

OTHER STATUTORY INFORMATION

The Directors state that:

At the date of this report, they are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In their opinion:

(a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the Notes to the financial statements; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The Directors in office since the date of the last report are:

Y.A.M. Tengku Puteri Seri Kemala Pahang Tengku Hajjah Aishah bte Sultan Haji Ahmad Shah, DK(II), SIMP
Dato' Thong Kok Khee
Dato' Wong Gian Kui
Dr. Tan Seng Chuan
Ms. Soon Li Yen
Mr. Oh Seong Lye

In accordance with Article 96 of the Company's Articles of Association, Dato' Wong Gian Kui and Dr. Tan Seng Chuan retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

The shareholdings in the Company and in its related corporations of those who were Directors at the end of the financial year are as follows:

	Number of ordinary shares of RM1 each			
Interest in the Company	At 1.7.2010	Bought	Sold	At 30.6.2011
Direct interest				
Y.A.M. Tengku Puteri Seri Kemala Pahang Tengku Hajjah Aishah bte Sultan Haji Ahmad Shah, DK(II), SIMP	119,600	-	-	119,600
Dato' Thong Kok Khee	2,337,920	-	-	2,337,920
Dato' Wong Gian Kui	387,920	-	-	387,920

DIRECTORS (CONT'D)

Interest in the Company (Cont'd)	Number of ordinary shares of RM1 each At 1.7.2010	Bought	Sold	At 30.6.2011
Deemed interest				
Dato' Thong Kok Khee	154,004,889	-	-	154,004,889
Dato' Wong Gian Kui	1,031,680	-	-	1,031,680

Interest in subsidiary companies	Number of ordinary shares of RM1 each At 1.7.2010	Bought	Sold	Wound up *	At 30.6.2011
Insas Properties Sdn Bhd					
Direct interest					
Dato' Wong Gian Kui	80,000	-	-	-	80,000
Segar Raya Development Sdn Bhd					
Direct interest					
Dato' Wong Gian Kui	129,999	-	-	-	129,999
Deemed interest					
Dato' Wong Gian Kui	80,000	-	-	-	80,000
Premium Yield Sdn Bhd					
Deemed interest					
Dato' Wong Gian Kui	49,999	-	-	-	49,999
Dellmax Worldwide Sdn Bhd					
Deemed interest					
Dato' Wong Gian Kui	35,000	-	-	-	35,000
Contibina Sdn Bhd					
Deemed interest					
Dato' Thong Kok Khee	80,000	-	-	(80,000)	-
Gryphon Asset Management Sdn Bhd					
Deemed interest					
Dato' Thong Kok Khee	500,000	-	-	-	500,000

Micromodule Pte Ltd	Number of ordinary shares At 1.7.2010	Bought	Sold	At 30.06.2011
Direct interest				
Dr Tan Seng Chuan	315,161	-	-	315,161

* Company under voluntary liquidation during the financial year

DIRECTORS (CONT'D)

By virtue of Dato' Thong Kok Khee's interest in the shares of the Company, he is also deemed interested in the shares of its related corporations to the extent that the Company has an interest under Section 6A of the Companies Act, 1965.

Other than as disclosed above, none of the other Directors in office at the end of the financial year had any interest in shares, options and debentures of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than benefits as disclosed in the Notes to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

AUDITORS

The Auditors, Messrs SJ Grant Thornton, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with the resolution of the Board of Directors dated 20 October 2011.

....

Y.A.M. TENGKU PUTERI SERI KEMALA PAHANG
TENGKU HAJJAH AISHAH BTE SULTAN HAJI
AHMAD SHAH, DK(II), SIMP
Director

....

DATO' THONG KOK KHEE
Director

Kuala Lumpur

Company No: 4081 M

INSAS BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, Y.A.M. Tengku Puteri Seri Kemala Pahang Tengku Hajjah Aishah bte Sultan Haji Ahmad Shah, DK(II), SIMP and Dato' Thong Kok Khee, being two of the Directors of Insas Berhad, do hereby state that in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2011, the financial performance and the cash flows of the Group and of the Company for the financial year then ended.

The supplementary information set out on page 124 has been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits and Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the Board of Directors dated 20 October 2011.

....	....
Y.A.M. TENGKU PUTERI SERI KEMALA PAHANG TENGKU HAJJAH AISHAH BTE SULTAN HAJI AHMAD SHAH, DK(II), SIMP	DATO' THONG KOK KHEE

Kuala Lumpur

STATUTORY DECLARATION

I, Dato' Thong Kok Khee, being the Director primarily responsible for the financial management of Insas Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Ku~~ala Lum~~pur in)
the Fed~~eral Terr~~itory this day of)
20 October 2011)
Petaling Jaya, Selangor

....
DATO' THONG KOK KHEE

Before me:

PESURUHJAYA SUMPAH
No:
Nama: NG SAY HUNG
MALAYSIA

Commissioner for Oaths

No. 10-1, Jalan PJS 11/28A,
Sunway Metro, 47150 Petaling Jaya.
Selangor Darul Ehsan.

Grant Thornton

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

INSAS BERHAD

(Incorporated in Malaysia)
Company No: 4081 M

SJ Grant Thornton (AF:0737)
Level 11, Faber Imperial Court
Jalan Sultan Ismail
P. O. Box 12337
50774 Kuala Lumpur, Malaysia

T +603 2692 4022
F +603 2691 5229
www.gt.com.my

Report on the Financial Statements

We have audited the financial statements of Insas Berhad, which comprise the statements of financial position of the Group and of the Company as at 30 June 2011, and the income statements, the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 12 to 123.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2011 and of their financial performance and cash flows for the financial year then ended.

Grant Thornton

Company No: 4081 M

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:-

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its Malaysia subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

b) We have considered the financial statements and the auditors' reports of all the subsidiary companies of which we have not acted as auditors, as disclosed in Note 55 to the financial statements.

c) We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

d) The auditors' reports on the financial statements of the subsidiary companies did not contain any qualification or any adverse comment made under Section 174 (3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in page 124 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Persuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

SJ GRANT THORNTON
(NO. AF: 0737)
CHARTERED ACCOUNTANTS

JOHN LAU TIANG HUA, DJN
CHARTERED ACCOUNTANT
(NO: 1107/03/12(J))
PARTNER

Date : 20 October 2011

Kuala Lumpur

Company No: 4081 M

INSAS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	Group			Company	
			(Restated)	(Restated)		
		2011	2010	2009	**2011**	2010
		RM'000	RM'000	RM'000	**RM'000**	RM'000
ASSETS						
Non-current assets						
Property, plant and equipment	6	**39,551**	62,460	66,527	**468**	581
Prepaid land lease payments	7	**-**	4,781	4,893	**-**	-
Investment properties	8	**102,745**	90,751	77,521	**-**	-
Land held for development	9	**37,576**	37,576	37,576	**-**	-
Available for sale investments	10	**50,419**	43,194	53,016	**345**	345
Held to maturity investments	11	**41,585**	53,260	44,689	**-**	-
Subsidiary companies	12(a)	**-**	-	-	**162,689**	162,689
Associate companies	13(a)	**41,728**	17,084	16,830	**1,184**	1,184
Jointly controlled entities	14	**40,498**	24,122	-	**-**	-
Intangible assets	15	**17,986**	19,644	21,313	**-**	-
Goodwill	16	**-**	-	184	**-**	-
Deferred tax assets	17	**3,674**	4,644	1,570	**-**	-
Total non-current assets		**375,762**	357,516	324,119	**164,686**	164,799
Current assets						
Property development costs	18	**5,073**	6,955	42,298	**-**	-
Inventories	19	**18,849**	33,584	20,245	**-**	-
Trade receivables	20	**179,056**	171,960	169,288	**-**	-
Accrued billings	21	-	5,918	9,602	**-**	-
Amount due from subsidiary companies	12(b)	**-**	-	-	**644,808**	632,924
Amount due from associate companies	13(b)	**17,484**	21,497	4,761	**116**	114
Other receivables, deposits and prepayments	22	**32,436**	29,469	36,646	**9,796**	9,909
Tax recoverable		**2,478**	2,293	4,366	**746**	550
Held to maturity investments	11	**13,709**	5,943	19,768	**-**	-
Financial assets at fair value through profit or loss	23	**98,379**	71,643	93,077	**-**	-
Deposits with licensed banks and financial institutions	24	**442,304**	525,999	430,611	**-**	-
Cash and bank balances	25	**56,410**	73,704	30,717	**336**	507
		866,178	948,965	861,379	**655,802**	644,004
Non-current assets classified as held for sale	26	**7,993**	8,593	**-**	**-**	-
Total current assets		**874,171**	957,558	861,379	**655,802**	644,004
TOTAL ASSETS		**1,249,933**	1,315,074	1,185,498	**820,488**	808,803
EQUITY AND LIABILITIES						
EQUITY						
Equity attributable to owners of the Parent						
Share capital	27	**693,334**	693,334	693,334	**693,334**	693,334
Treasury shares	28	**(4,887)**	(2,963)	(11,312)	**(4,887)**	(2,963)
Reserves	29	**69,051**	56,471	79,281	**54,489**	54,489
Retained earnings		**176,141**	89,074	35,762	**26,208**	10,738
		933,639	835,916	797,065	**769,144**	755,598
Non-controlling interests		**7,784**	19,549	20,328	**-**	-
TOTAL EQUITY		**941,423**	855,465	817,393	**769,144**	755,598

Company No: 4081 M

INSAS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2011 (CONT'D)

	Note	Group 2011 RM'000	Group (Restated) 2010 RM'000	Group (Restated) 2009 RM'000	Company 2011 RM'000	Company 2010 RM'000
LIABILITIES						
Non-current liabilities						
Redeemable convertible preference shares	30	-	4,611	-	-	-
Loans and borrowings	31	-	6,260	3,314	-	-
Hire purchase payables	32	9,640	9,418	8,232	-	-
Deferred tax liabilities	17	8,273	6,886	6,366	104	104
Total non-current liabilities		17,913	27,175	17,912	104	104
Current liabilities						
Derivative financial liabilities	33	8,023	-	-	-	-
Trade payables		179,018	198,495	210,746	-	-
Progress billings		-	-	63	-	-
Amount due to subsidiary companies	12(b)	-	-	-	48,922	52,707
Amount due to an associate company	13(b)	-	-	10,304	-	-
Other payables and accruals	34	51,625	40,589	48,596	2,318	394
Loans and borrowings	31	51,459	192,544	80,259	-	-
Tax payable		472	806	225	-	-
Total current liabilities		290,597	432,434	350,193	51,240	53,101
TOTAL LIABILITIES		308,510	459,609	368,105	51,344	53,205
TOTAL EQUITY AND LIABILITIES		1,249,933	1,315,074	1,185,498	820,488	808,803

The accompanying notes form an integral part of the financial statements.

INSAS BERHAD
(Incorporated in Malaysia)

INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	Note	Group		Company	
			(Restated)		
		2011	2010	**2011**	2010
		RM'000	RM'000	**RM'000**	RM'000
Revenue	35	**235,861**	426,093	**4,888**	438
Cost of sales	36	**(180,698)**	(349,821)	**-**	-
Gross profit		**55,163**	76,272	**4,888**	438
Other income	37	**84,563**	46,844	**18,653**	9,648
Administration expenses	38	**(15,138)**	(21,907)	**(7,408)**	(4,527)
Other operating expenses	39	**(46,004)**	(48,097)	**-**	(8,412)
Finance costs	40	**(4,635)**	(4,922)	**-**	(169)
Exceptional items	41	**2,497**	13,049	**-**	13,049
Share of profit less losses of associate companies		**10,922**	265	**-**	-
Share of profit less losses of jointly controlled entities		**16,660**	(480)	**-**	-
Profit before taxation		**104,028**	61,024	**16,133**	10,027
Taxation	42	**(3,291)**	(131)	**(663)**	9
Profit for the financial year		**100,737**	60,893	**15,470**	10,036
Attributable to :					
Owners of the Parent		**101,406**	53,312	**15,470**	10,036
Non-controlling interests		**(669)**	7,581	**-**	-
Profit for the financial year		**100,737**	60,893	**15,470**	10,036
Earnings per share (sen)					
- Basic	43	**14.78**	7.89		

The accompanying notes form an integral part of the financial statements.

Company No: 4081 M

INSAS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	Group		Company	
		(Restated)		
	2011	2010	**2011**	2010
	RM'000	RM'000	**RM'000**	RM'000
Profit for the financial year	**100,737**	60,893	**15,470**	10,036
Other comprehensive income/(loss) :				
Transfer of fair value gain on available for sale investment upon disposal	**(323)**	**-**	**-**	**-**
Unrealised gain on fair value changes on available for sale investments	**9,003**	**-**	**-**	**-**
Foreign currency translation	**(2,941)**	(11,481)	**-**	**-**
Total other comprehensive income/(loss) for the financial year, net of tax	**5,739**	(11,481)	-	-
Total comprehensive income for the financial year, net of tax	**106,476**	49,412	**15,470**	10,036
Attributable to :				
Owners of the Parent	**107,226**	42,407	**15,470**	10,036
Non-controlling interests	**(750)**	7,005	**-**	-
Total comprehensive income for the financial year	**106,476**	49,412	**15,470**	10,036

The accompanying notes form an integral part of the financial statements.

INSAS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	< ------ Attributable to owners of the Parent ------ >									
	< ------ Non-Distributable ------ >					< ----Distributable----- >				
Group	Share capital RM'000	Share premium RM'000	Available for sale investments fair value reserve RM'000	Reserve fund RM'000	Exchange translation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance at 1 July 2009										
- As previously stated	693,334	66,394	-	1,200	11,687	(11,312)	13,436	774,739	20,328	795,067
- Effects of changes in accounting policy for investment properties (Note 63)	-	-	-	-	-	-	22,326	22,326	-	22,326
As restated	693,334	66,394	-	1,200	11,687	(11,312)	35,762	797,065	20,328	817,393
Total comprehensive income/(loss) for the financial year	-	-	-	-	(10,905)	-	53,312	42,407	7,005	49,412
Transactions with owners :-										
Repurchase of shares	-	-	-	-	-	(3,556)	-	(3,556)	-	(3,556)
Acquisition of equity interest in a subsidiary company from non-controlling interest	-	-	-	-	-	-	-	-	(75)	(75)
Repayment of advances to non-controlling interests	-	-	-	-	-	-	-	-	(1,907)	(1,907)
Share dividends paid to owners of the Parent (Note 46)	-	(11,905)	-	-	-	11,905	-	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(5,802)	(5,802)
Total transactions with owners	-	(11,905)	-	-	-	8,349	-	(3,556)	(7,784)	(11,340)
Balance at 30 June 2010 (restated)	693,334	54,489	-	1,200	782	(2,963)	89,074	835,916	19,549	855,465
Balance at 30 June 2010										
- As previously reported	**693,334**	**54,489**	**-**	**1,200**	**924**	**(2,963)**	**59,898**	**806,882**	**19,549**	**826,431**
- Effects of changes in accounting policy for investment properties (Note 63)	**-**	**-**	**-**	**-**	**(142)**	**-**	**29,176**	**29,034**	**-**	**29,034**
As restated	**693,334**	**54,489**	**-**	**1,200**	**782**	**(2,963)**	**89,074**	**835,916**	**19,549**	**855,465**
- Effects of adopting FRS 139 (Note 4(a))	**-**	**-**	**6,760**	**-**	**-**	**-**	**(14,339)**	**(7,579)**	**-**	**(7,579)**
	693,334	**54,489**	**6,760**	**1,200**	**782**	**(2,963)**	**74,735**	**828,337**	**19,549**	**847,886**
Total comprehensive income/(loss) for the financial year	**-**	**-**	**8,680**	**-**	**(2,860)**	**-**	**101,406**	**107,226**	**(750)**	**106,476**
Transactions with owners :-										
Repurchase of shares	**-**	**-**	**-**	**-**	**-**	**(1,924)**	**-**	**(1,924)**	**-**	**(1,924)**
Acquisition of equity interests in a subsidiary company (Note 47(c))	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,830**	**2,830**
Capital repayment to non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(80)**	**(80)**
Dilution of equity interest in subsidiary companies (Note 49)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(12,044)**	**(12,044)**
Disposal of equity interests in subsidiary companies (Note 48)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,721)**	**(1,721)**
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**(1,924)**	**-**	**(1,924)**	**(11,015)**	**(12,939)**
Balance at 30 June 2011	**693,334**	**54,489**	**15,440**	**1,200**	**(2,078)**	**(4,887)**	**176,141**	**933,639**	**7,784**	**941,423**

INSAS BERHAD
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STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011 (CONT'D)

	< -------- Attributable to owners of the Parent -------------- >				
	<------Non-distributable------>		<-----------Distributable----------->		
	Share capital	Share premium	Treasury shares	Retained earnings	Total
Company	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 July 2009	693,334	66,394	(11,312)	702	749,118
Total comprehensive income for the financial year	-	-	-	10,036	10,036
Transactions with owners :-					
Repurchase of shares	-	-	(3,556)	-	(3,556)
Share dividends paid to owners of the Parent (Note 46)	-	(11,905)	11,905	-	-
Total transactions with owners	-	(11,905)	8,349	-	(3,556)
Balance at 30 June 2010	**693,334**	**54,489**	**(2,963)**	**10,738**	**755,598**
Total comprehensive income for the financial year	-	-	-	**15,470**	**15,470**
Transaction with owners :-					
Repurchase of shares	-	-	**(1,924)**	-	**(1,924)**
Total transaction with owners	-	-	**(1,924)**	-	**(1,924)**
Balance at 30 June 2011	**693,334**	**54,489**	**(4,887)**	**26,208**	**769,144**

The accompanying notes form an integral part of the financial statements.

INSAS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	Group		Company	
		(Restated)		
	2011	2010	**2011**	2010
	RM'000	RM'000	**RM'000**	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	**104,028**	61,024	**16,133**	10,027
Adjustments for:				
Accretion of discount on held to maturity investments	**(385)**	(721)	**-**	-
Impairment of available for sale investments	**-**	5,767	**-**	-
Impairment of financial assets at fair value through profit or loss	**-**	26	**-**	-
Impairment of held to maturity investments	**167**	**-**	**-**	-
Allowance for doubtful debts	**3,536**	474	**-**	-
Allowance for doubtful debts no longer required	**(155)**	(362)	**-**	(192)
Allowance for obsolete inventories	**594**	270	**-**	-
Amortisation of development expenditure	**25**	44	**-**	-
Amortisation of available for sale investment	**-**	21	**-**	-
Amortisation of prepaid land lease payments	**21**	112	**-**	-
Amortisation of intangible assets	**1,646**	1,636	**-**	-
Amortisation of premium on held to maturity investments	**40**	44	**-**	-
Amount due from a subsidiary company written off	**-**	-	**-**	12
Bad debts written off	-	1,227	**-**	258
Debts waived by a subsidiary company	**-**	-	**-**	(5,042)
Depreciation of property, plant and equipment	**7,307**	18,840	**111**	130
Gain on disposal of investment properties	**-**	(11)	**-**	-
Gain on capital repayment by an associate company	**-**	(13,049)	**-**	(13,049)
Gain on redemption of held to maturity investments	**(732)**	-	-	-
Gain on disposal of available for sale investments	**(106)**	-	-	-
Goodwill written off	**284**	184	**-**	-
Fair value gain on derivatives	**(4,995)**	-	-	-
Fair value gain on investment properties	**(11,192)**	(7,465)	**-**	-
Impairment loss on investment in a subsidiary company	**-**	-	**-**	8,400
Intangible asset written off	**-**	11	**-**	-
Inventories written off	**1**	8	**-**	-
Loss on disposal of an associate company	**73**	-	-	-
Available for sale investment written off	-	70	**-**	-
Net gain on disposal of property, plant and equipment	**(804)**	(896)	**-**	-
Property, plant and equipment written off	**86**	41	**6**	-
Share of profits of associate companies	**(10,922)**	(265)	**-**	-
Share of (profits)/losses of jointly controlled entities	**(16,660)**	480	**-**	-
Transfer from available for sale investments reserve	**(323)**	-	**-**	-
Unrealised foreign exchange (gain)/loss	**(10,017)**	7,868	**(14,806)**	(807)
Writeback of impairment of financial assets at fair value through profit or loss	**(20,126)**	(17,186)	**-**	-
Writeback of impairment of held to maturity investments	-	(142)	**-**	-
Writeback of impairment of available for sale investments	-	(3,000)	**-**	-
Writeback of impairment of inventories	-	(35)	**-**	-
Writeback of allowance for inventories loss	-	(7)	**-**	-
Writeback of allowance for obsolete inventories	**(153)**	**-**	**-**	**-**
Dividend income	**(2,515)**	(4,368)	**-**	**-**
Interest expenses	**4,635**	4,922	**-**	169
Interest income	**(10,647)**	(11,164)	**(3,847)**	(3,607)
Gain on disposal of subsidiary companies (Note 48)	**(2,209)**	**-**	**-**	**-**
Gain on deemed disposal of subsidiary companies (Note 49)	**(288)**	-	**-**	-
Operating profit/(loss) before working capital changes	**30,214**	44,398	**(2,403)**	(3,701)
Changes in working capital:-				
Property development costs	**(1,338)**	35,343	**-**	-
Inventories	**2,735**	(13,709)	**-**	-
Financial assets at fair value through profit or loss	**(2,404)**	36,848	**-**	-
Receivables	**(29,831)**	(21,922)	**113**	85
Accrued billings	**5,918**	3,684	**-**	-
Payables	**25,597**	(12,804)	**1,929**	(527)
Progress billings	-	(63)	**-**	-
Amount due from/to associate companies	**14,682**	(27,040)	**(2)**	(10,309)
Amount due from/to subsidiary companies	**-**	-	**1,026**	13,322
Net cash generated from/(used in) operations	**45,573**	44,735	**663**	(1,130)

Company No: 4081 M

INSAS BERHAD
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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011 (CONT'D)

	Group		Company	
		(Restated)		
	2011	2010	**2011**	2010
	RM'000	RM'000	**RM'000**	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D)				
Interest received	**10,647**	11,164	**1,100**	764
Interest paid	**(4,635)**	(4,922)	**(5)**	(115)
Tax refund	**-**	1,959	**-**	365
Tax paid	**(1,532)**	(1,939)	**(3)**	-
Net cash generated from/(used in) operating activities	**50,053**	50,997	**1,755**	(116)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment (Note A)	**(5,455)**	(9,328)	**(4)**	(453)
Proceeds from disposal of property, plant and equipment	**1,792**	1,871	**-**	-
Subscription of shares in associate companies	**(2,020)**	-	**-**	-
Capital repayment by an associate company	**-**	13,049	**-**	13,049
Subscription of shares in a subsidiary company (Note 12(a))	**-**	-	**-**	(30,000)
Acquisition of equity interest in a subsidiary company from a non-controlling interest	**-**	(75)	**-**	-
Purchase of investment properties	**-**	(17,110)	**-**	-
Proceeds from disposal of investment properties	**-**	2,217	**-**	-
Purchase of available for sale investments	**-**	(14,173)	**-**	-
Purchase of held to maturity investments	**(13,508)**	-	**-**	-
Proceeds from disposal of available for sale investments	**8,644**	5,894	**-**	-
Proceeds from redemption and disposal of held to maturity investments	**18,400**	20,337	**-**	-
Payment for intangible asset	**(13)**	(22)	**-**	-
Dividends received	**2,305**	4,067	**-**	-
Proceeds from disposal of non-current assets classified as held for sale	**1,843**	-	**-**	-
Investment in jointly controlled entities	**-**	(22,903)	**-**	-
Net cash inflow from acquisition of equity interest in subsidiary companies (Note 47(c))	**1,799**	-	**-**	-
Net cash outflow on disposal of equity interest in subsidiary companies (Note 48)	**(960)**	-	**-**	-
Net cash outflow on dilution of equity interest in subsidiary companies (Note 49)	**(10,511)**	-	**-**	-
Net cash generated from/(used in) investing activities	**2,316**	(16,176)	**(4)**	(17,404)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid to non-controlling interests of subsidiary companies	**-**	(5,802)	**-**	-
Decrease/(increase) in fixed deposits pledged	**112,296**	(190,716)	**-**	-
Increase in cash and bank balances pledged	**(1,484)**	(17,258)	**-**	-
Net cash used in share buyback	**(1,924)**	(3,556)	**(1,924)**	(3,556)
Drawdown of loans and borrowings	**456,141**	354,233	**-**	-
Repayment of loans and borrowings	**(597,006)**	(230,214)	**-**	(4,000)
Repayment of advances to non-controlling interests	**-**	(1,907)	**-**	-
Capital repayment to non-controlling interests	**(80)**	-	**-**	-
Subscription of redeemable convertible preference shares in a subsidiary company by non-controlling interests	**-**	4,611	**-**	-
Repayment of hire purchase payables	**(4,707)**	(4,367)	**-**	(8)
Net cash used in financing activities	**(36,764)**	(94,976)	**(1,924)**	(7,564)

INSAS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011 (CONT'D)

	Group		Company	
		(Restated)		
	2011	2010	**2011**	2010
	RM'000	RM'000	**RM'000**	RM'000
CASH AND CASH EQUIVALENTS				
Net changes	**15,605**	(60,155)	**(173)**	(25,084)
Brought forward	**168,337**	229,495	**507**	25,591
Exchange differences	**(11)**	(1,003)	**2**	-
Carried forward (Note B)	**183,931**	168,337	**336**	507

NOTES TO STATEMENTS OF CASH FLOWS

A. PROPERTY, PLANT AND EQUIPMENT

Group

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of **RM9,252,000** (2010:RM15,799,000) of which **RM3,797,000** (2010:RM6,471,000) was acquired by means of hire purchase arrangements. Cash payments for the acquisition of property, plant and equipment amounted to **RM5,455,000** (2010:RM9,328,000).

Company

During the financial year, the Company acquired property, plant and equipment with an aggregate cost of **RM4,000** (2010:RM453,000) via cash.

B. CASH AND CASH EQUIVALENTS COMPRISE OF :

	Group		Company	
		(Restated)		
	2011	2010	**2011**	2010
	RM'000	RM'000	**RM'000**	RM'000
Bank overdrafts	**(864)**	(694)	**-**	-
Cash and bank balances	**56,410**	73,704	**336**	507
Deposits with licensed banks and financial institutions	**442,304**	525,999	**-**	-
	497,850	599,009	**336**	507
Less:				
Cash and bank balances pledged	**(18,812)**	(17,328)	**-**	-
Remisiers' deposits and clients' trust monies	**(171,563)**	(177,504)	**-**	-
Fixed deposits pledged	**(123,544)**	(235,840)	**-**	-
	183,931	168,337	**336**	507

The accompanying notes form an integral part of the financial statements.

INSAS BERHAD
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NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2011

1. **BASIS OF PREPARATION**

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards ("FRSs") issued by the Malaysian Accounting Standards Board ("MASB"). At the beginning of the current financial year, the Group and the Company have adopted the new and revised FRSs that were effective for financial periods beginning on or before 1 July 2010 as describe in Note 4 to the financial statements.

(b) Basis of measurement

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

(c) Functional and presentation currencies

The financial statements are presented in Ringgit Malaysia, which is the Company's functional currency. All financial information presented is in Ringgit Malaysia and all values are rounded to the nearest thousand except when otherwise stated.

(d) The use of estimates and judgements

The preparation of financial statements in conformity with FRSs require the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires the management and Directors to exercise their judgement in the process of applying the Company's accounting policies. Although these estimates and judgements are based on the management's and Directors' best knowledge of current events and actions, actual results may defer from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses are outlined below :-

1. **BASIS OF PREPARATION (CONT'D)**

(d) The use of estimates and judgements (cont'd)

(i) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their useful lives. The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed on a periodical basis and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of property, plant and equipment are based on the internal evaluation and experience with similar assets. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

The Group does not expect any material difference that would arise on the estimation of the useful lives of property, plant and equipment and the current evaluation of the useful lives of property, plant and equipment represent a fair estimation of the useful lives of the Group's property, plant and equipment.

(ii) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 Investment Property in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for administration purposes. If the property is not to be sold separately, the property is an investment property only if an insignificant portion is held for administrative purpose.

(iii) Property development revenue and costs

The Group recognises property development revenue and costs in the income statements using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the property development costs. In making the judgement, the Group evaluates based on past experience and by relying on the work of the related project architects and specialists.

A 10% difference in the estimated total property development revenue or costs would result in approximately 0.77% (2010: 1.63%) variance in the Group's revenue and 0.68% (2010: 1.88%) variance in the Group's cost of sales.

1. **BASIS OF PREPARATION (CONT'D)**

(d) The use of estimates and judgements (cont'd)

(iv) Impairment of assets

(a) Non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of the impairment loss. For the purpose of impairment testing of non-financial assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to.

A non-financial asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(b) Financial assets

(i) Loans and receivables and other financial assets carried at amortised cost

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine if a financial asset is impaired, the Group considers factors such as probability of insolvency or significant or prolonged financial difficulties of the debtor and default and significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

(ii) Available for sale investments

The Group reviews its available for sale investments at each reporting date to assess whether they are impaired. The Group also records impairment charges on available for sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of 'significant' or 'prolonged' requires judgement. The Group evaluates, amongst other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

1. **BASIS OF PREPARATION (CONT'D)**

(d) The use of estimates and judgements (cont'd)

(v) Income taxes

Significant estimation is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(vi) Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unutilised business losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which all the deductible temporary differences, unutilised business losses and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(vii) Product liability claim

One of the associate companies (2010 : one of the subsidiary companies) provided warranty for manufacturing defects on its products sold. The product warranty will be in effect based on the associate company's (2010 : subsidiary company's) normal warranty period or 1 year from the date the products were sold and shipped to its customers, whichever was longer. Based on the proposed insurance premium charged by the insurer, the associate company (2010 : subsidiary company) provided for product liability claim calculated at 1.10% on its annual revenue from the sale of its products.

As the products manufactured by the associate company (2010 : subsidiary company) were constantly upgraded for technology developments, the level of manufacturing defects for the upgraded and/or new products may not necessary reflect past trends and in such circumstances, the original basis used to calculate the amount for product liability claim may be revised when appropriate.

(viii) Fair value of financial instruments

The management uses valuation techniques in measuring the fair value of financial instructions where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, the management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consist with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, the management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in a negotiated transaction at the reporting date.

1. **BASIS OF PREPARATION (CONT'D)**

(d) The use of estimates and judgements (cont'd)

(ix) Classification of financial instruments

Held to maturity investments

The Group classifies financial assets as held to maturity investments when it has a positive intention and ability to hold the investments to maturity.

Financial assets at fair value through profit or loss

The Group classifies portfolio quoted investments which was managed and principally held for short term profit making as financial assets at fair value through profit or loss.

Loans and receivables

The Group classifies non-derivative financial assets with fixed or determinable payments that are not quoted in an active market as loans and receivables.

Available for sale investments

The Group classifies non-derivative financial assets as available for sale investments when an instrument cannot be classified in any of the above categories.

(x) Classification of leases

In applying the classification of leases in FRS 117, the management considers its leases of motor vehicles as finance lease arrangements. In some cases, the lease transaction is not always conclusive, and the management uses judgement in determining whether the lease is a finance lease arrangement that transfers substantially all the risks and rewards incidental to ownership.

(xi) Fair value of derivatives financial instruments

The fair values of outstanding derivative transactions are based on fair values obtained from major financial institutions. Changes in the underlying assumptions could materially impact the income statements.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks are foreign currency exchange risk, interest rate risk, market risk, credit risk and liquidity risks. Financial risk management is carried out through risk reviews, internal control systems and adherence to the Group financial risk management practices. The Board regularly reviews these risks and approves the treasury policies covering the management of these risks. It is not the Group's policy to engage in speculative transactions.

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activity are set out as follows:-

(a) Interest rate risk

The Group finances its operations through operating cashflows and borrowings. Interest rate exposures arise from the Group's borrowings and placement of deposits with licensed banks and financial institutions. It is the Group's policy to manage its interest costs by obtaining the most favourable interest rates on its borrowings. Surplus funds of the Group are placed with licensed banks and financial institutions on short term deposits to generate interest income.

(b) Credit risk

The Group seeks to invest cash assets safely and profitably. The Group controls credit risk by application of credit evaluations and approvals, credit limits and monitoring procedures. Trade and loan receivables are monitored on an ongoing basis via management reporting procedures and where necessary, loan receivables are required to deposit sufficient assets as collateral and adhere to credit limits within the fair values of assets placed as collateral. The Group does not have any significant exposure to any individual customer nor does it have any major concentration of credit risk related to any financial instruments.

(c) Foreign currency exchange risk

The Group is exposed to foreign currency exchange risk as a result of its normal operating and investing activities whereby purchases and sales are transacted in currencies other than the functional currencies of the Group. The Group maintains a natural hedge, whenever possible, by matching local currency income against local currency expenditure to minimise foreign exchange exposure. Where necessary, the Group enters into forward foreign currency exchange contracts to hedge the risk exposure on the receivables and payables. The Group also maintains gross profit margin levels that is sufficient to absorb the cost of purchases denominated in foreign currencies.

(d) Liquidity risks

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all financing and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible instruments to meet its working capital requirements. Certain subsidiary companies within the Group maintain reasonable amount of committed credit and banking facilities to meet their operating needs.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

(e) Market risk

The Group faces exposure to the risk from changes in the debt and equity prices, in particular the Group's exposure from changes in market price on its quoted securities and other long term quoted investments. The risk of loss in value of the Group's quoted securities and investments are minimised through thorough analysis before making investments and continuous monitoring of the performance of the investments.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary companies as disclosed in Note 55 to the financial statements made up to the end of the financial year. The subsidiary companies are consolidated using purchase method except for M & A Securities Sdn Bhd, which is consolidated using the merger method of accounting in accordance with the provisions of Malaysian Accounting Standards No. 2.

Under the merger method of accounting, the results of the subsidiary companies are accounted on a full year basis irrespective of the date of merger. The difference between the nominal value of shares issued as consideration for merger and nominal value of share capital of the subsidiary companies is taken to merger reserve, which in turn is transferred to the income statements.

Following the adoption of FRS No. 3, Business Combinations, the Group will comply with the required criteria stipulated in the said standard to consolidate the financial statements using purchase method for future acquisition of subsidiary companies.

Under the purchase method of accounting, the results of the subsidiary companies acquired or disposed off are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair value of the subsidiary companies' net assets are determined and reflected in the Group's financial statements. The excess of the purchase consideration paid for the shares in the subsidiary companies over the fair value of the underlying net assets of the subsidiary companies acquired represents goodwill arising on consolidation. The goodwill on consolidation is accounted for in accordance with the accounting policy for goodwill stated in Note 3(k) to the financial statements.

All significant inter-company transactions, balances and the resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless cost cannot be recovered.

Any exchange differences arising on translation of inter-company indebtedness are taken to the equity in the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

Uniform accounting policies are adopted by the subsidiary companies for transactions and events in similar circumstances. The financial statements of the Company and its subsidiary companies are all drawn up to the same reporting date.

The total assets and liabilities of subsidiary companies are included in the consolidated statement of financial position and the interest of non-controlling interests in the net assets is stated separately.

(b) Property, plant and equipment

(i) Recognition, measurement and derecognition

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(l)(ii) to the financial statements.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Restoration cost relating to an item of property, plant and equipment is capitalised only if such expenditure is expected to increase the future benefits from the existing property, plant and equipment beyond its previously assessed standard of performance.

Cost of properties under construction includes attributable borrowing cost incurred to finance these assets up to the date when these properties are completed and ready for use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in the income statements.

(ii) Depreciation

Freehold land has an unlimited useful life and therefore is not depreciated. Properties under construction are also not depreciated until these assets are fully completed and brought into use.

Depreciation of other property, plant and equipment is calculated on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life at the following annual rates:-

Freehold buildings	2%
Plant, machinery, motor vehicles and renovation	10 – 33%
Office furniture, fittings and equipment	10 – 50%
Leasehold building	Over the period of 45 years

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(b) Property, plant and equipment (cont'd)

(ii) Depreciation (cont'd)

The depreciable amount is determined after deducting the residual value. The residual value, depreciation method and useful lives are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

(c) Prepaid land lease payments

Leasehold land that has an indefinite economic life with title that is not expected to pass to the Group by end of the lease term is classified as operating lease. The up front payments for the right to use the leasehold land over a predetermined period are accounted for as prepaid land lease payments. Prepaid land lease payments are stated at cost less accumulated amortisation and impairment losses. The Group's prepaid land lease payments are amortised on a straight line basis over the lease term of 45 years. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(l)(ii) to the financial statements.

(d) Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both. These include land held for a currently undetermined future use.

Investment properties are initially measured at cost. The cost of investment properties includes expenditure that is directly attributable to the acquisition of the assets. Subsequent to initial recognition, investment properties are stated at fair value, which is determined by the Directors by reference to market evidence of transaction prices for similar properties and valuation performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Gain or losses arising from changes in the fair value of investment properties are included in the income statements in the financial year in which they arise.

Investment properties are derecognised when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on retirement or disposal of an investment property are recognised in the income statements in the financial year in which they arise.

Investment properties under construction are measured at cost. These properties are measured at fair value upon them being brought into use.

Prior to 1 July 2010, investment properties are stated at cost less depreciation and impairment losses. During the financial year, the Company changed its accounting policy for investment properties to be stated at fair value. This change in accounting policy has been accounted for retrospectively and the effects of this change are disclosed in Note 63 to the financial statements.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(e) Land held for development

Land held for development consists of cost of land on which no significant development activities have been carried out or where development activities is not expected to be completed within the Group's normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(l)(ii) to the financial statements.

Included in land held for development is cost associated with the acquisition of land and all related costs incurred on activities necessary to put the land in a condition ready for development. Land held for development is transferred to property development costs within current asset at the point when development activities commence and where it can be demonstrated that the development activities can be completed with the Group's normal operating cycle.

(f) Financial assets

Financial assets are recognised when the Group and the Company become a party to the contractual provisions of the financial instrument.

Financial assets are measured initially at fair value plus transaction costs, except for financial assets carried at fair value through profit or loss, which are measured initially at fair value. All financial assets except for those at fair value through profit or loss are subject to review of impairment loss at the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired or when the financial assets and all subsequent risks and rewards are transferred. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that have been recognised in other comprehensive income is recognised in the income statements.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit and loss, loans and receivables, held to maturity investments and available for sale investments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are financial assets acquired principally for the purpose of selling in the near future.

Financial assets held for trading include derivatives entered into by the Group that do not meet the hedge accounting criteria.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(f) Financial assets (cont'd)

(i) Financial assets at fair value through profit or loss (cont'd)

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in the income statements. Net gains or losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in the income statements as part of other losses or other income.

Financial assets at fair value through profit or loss that are held primarily for trading purposes are presented as current whereas financial assets that are not held for trading purposes are presented as non-current based on the settlement date.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed and determinable payments that are not quoted in an active market. The Group's and the Company's loans and receivables comprise of receivables, deposits and cash and bank balances.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method less allowance for impairment loss. Discounting is omitted where the effect of discounting is immaterial. Gains and losses are recognised in the income statements when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than twelve months after the reporting date which are classified as non-current.

(iii) Held to maturity investments

Financial assets that are non-derivative in nature with fixed and determinable payments and fixed maturity are classified as held to maturity investments when the Group and the Company have the intention and ability to hold the investments to maturity.

Subsequent to initial recognition, held to maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in income statements when the held to maturity investments are derecognised or impaired, and through the amortisation process.

Held to maturity investments are classified as non-current assets, except for those having maturity within twelve months after the reporting date which are classified as current.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(f) Financial assets (cont'd)

(iv) Available for sale investments

Available for sale investments are non-derivative financial assets that are designated as available for sale or are not classified in any other categories of financial assets. The Group's and the Company's available for sale investments comprise of investments in unquoted shares and club memberships.

Available for sale investments are measured at fair value subsequent to the initial recognition. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income and reported within the available for sale reserve within equity, except for impairment losses, foreign exchange differences on monetary assets and interest calculated using the effective interest method which are recognised in the income statements. When the asset is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the income statements and presented as a reclassification adjustment within other comprehensive income.

Interest income calculated using the effective interest method is recognised in the income statements. Dividends on an available for sale equity investment are recognised in income statements when the Group's and the Company's rights to receive payment are established.

Available for sale investments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available for sale investments are classified as non-current assets unless they are expected to be realised within twelve months after the reporting date.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in market place concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

(g) Subsidiary companies

Subsidiary companies are those companies which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from its activities.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(g) Subsidiary companies (cont'd)

Investment in subsidiary companies, which are eliminated on consolidation, are stated at cost in the Company's financial statements less impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(l)(ii) to the financial statements.

On the disposal of investment in subsidiary companies, the difference between net disposal proceeds and their carrying amounts is recognised in the income statement.

(h) Associate companies

Associate companies are entities in which the Group has significant influence and that is neither a subsidiary company nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investments in associate companies are accounted for in the consolidated financial statements using the equity method of accounting.

Under the equity method, the investment in associate company is carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate company. The Group's share of the net profit or loss of the associate company is recognised in the consolidated income statement. Where there has been a change recognised directly in the equity of the associate company, the Group recognises its share of such changes in equity. In applying the equity method, unrealised gains and losses on transaction between the Group and the associate company are eliminated to the extent of the Group's interest in the associate company. After the application of the equity method, the Group determines whether it is necessary to recognise any additional impairment losses with respect to the Group's net investment in the associate company. The associate company is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate company.

Goodwill relating to an associate company is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associate company's identifiable assets and liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate company's profit or loss in the period in which the investment is acquired.

When the Group's share of losses in an associate company equals or exceeds its interest in the associate company, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate companies.

The most recent available audited and/or management financial statements of the associated companies are used by the Group in applying equity method of accounting.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(h) Associate companies (cont'd)

In the Company's separate financial statements, investments in associate companies are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(l)(ii) to the financial statements.

On the disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in the income statements.

(i) Jointly controlled entities

Jointly controlled entities are joint venture that involves the establishment of a separate entity in which the Group and each venture have interest and in which there is contractually agreed sharing of control. The Group's interest in jointly controlled entities is accounted for in the consolidated financial statements using the equity method of accounting.

Under the equity method of accounting, the Group's share of profits or losses of jointly controlled entities during the financial year is included in the consolidated income statement. The Group's interest in jointly controlled entities is carried in the consolidated statement of financial position at cost plus the Group's share of post-acquisition unappropriated profits or accumulated losses and other reserves and goodwill on acquisition.

Unrealised profits or losses arising from transactions between the Group and its jointly controlled entities are recognised only to the extent of that portion of the gain or loss which is attributable to the interests of other ventures. Unrealised losses are recognised in full when the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

On disposal of such investment, the difference between net disposal proceeds and the carrying amount is included in the income statements.

(j) Intangible assets

Intangible assets acquired separately are measured at cost on initial recognition. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment losses.

The useful lives of intangible assets are assessed to be either finite or infinite. Intangible assets with finite lives are amortised on a straight-line basis over their estimated economic useful lives and assessed for impairment whenever there is an indication the intangible asset may be impaired. The amortisation period and amortisation method for an intangible asset with a finite useful life are reviewed at least at each reporting date.

Intangible assets with infinite useful lives are not amortised but tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful life of an intangible asset with an infinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(j) Intangible assets (cont'd)

(i) Intangible assets – Stock broking dealer's license

The stock broking dealer's license was acquired by M & A Securities Sdn Bhd, a wholly-owned subsidiary company of the Company to operate a branch office in Kuala Lumpur and is recognised as an intangible asset in the statements of financial position.

The intangible asset is stated at cost less accumulated amortisation and impairment losses. The intangible asset is amortised on a straight line basis over a period of 20 years, being the estimated life of the asset. The carrying value is reviewed annually by the Directors to ensure it is not in excess of the recoverable value. The recoverable amount is assessed on the basis of the expected cash flows which will be received from the employment of the intangible asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(l)(ii) to the financial statements.

(ii) Intangible assets - Development expenditure

Intangible asset arising from development or from the development phase of an internal project is recognised if all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for expenditure incurred on development activities is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Expenditure incurred on development activities that do not meet these criteria are expensed to the income statements when incurred.

The expenditure on development activities are stated at cost less accumulated amortisation and impairment losses. This expenditure is to be amortised on a straight line basis over its expected useful lives of between 2 to 3 years.

The policy for measurement and recognition of impairment losses is in accordance with Note 3(l)(ii) to the financial statements.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(j) Intangible asset (cont'd)

(iii) Intangible assets – Trademarks and patents

The initial cost incurred on the search, application for registration and certification for the rights to use a trademark and patents is capitalised, and is stated at cost less accumulated amortisation and impairment losses. The trademark is assessed to have a finite useful life and is amortised on a straight-line basis over 10 years, being the validity period the certificate of registration of the trademark and patents is to be granted.

The policy for measurement and recognition of impairment losses is in accordance with Note 3(l)(ii) to the financial statements.

(k) Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary company at the date of acquisition.

Goodwill arising on the acquisition of subsidiary companies is presented separately in the consolidated statement of financial position while goodwill arising on the acquisition of associate companies and jointly controlled entities is included in the carrying amount of the investment in associate company and/or jointly controlled entities.

Negative goodwill represents the excess of the fair value of the underlying net assets of the subsidiary companies acquired over the purchase consideration paid for the shares in the subsidiary companies. With the adoption of FRS 3 Business Combinations beginning 1 January 2006, negative goodwill is recognised immediately in the income statements.

Goodwill on consolidation is stated at cost less impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the goodwill may be impaired. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units that are expected to benefit from synergies of the business combination.

An impairment loss is recognised in the income statements when the carrying amount of the cash generating unit including goodwill exceeds the recoverable amount of the cash generating unit. Recoverable amount of the cash generating unit is the higher of the cash generating unit's fair value less cost to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The total impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the cash generating unit and then to the other assets of the cash generating unit proportionately on the basis of the carrying amount of each asset in the cash generating unit.

Impairment loss recognised on goodwill is not reversed in the event of an increase in recoverable amount in subsequent periods.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(l) Impairment of assets

(i) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial assets is impaired.

(i) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the receivables and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio over the average credit period and the observable changes in national or local economic conditions that correlate with default in receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in the income statements.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the income statements.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(l) Impairment of assets (cont'd)

(i) Impairment of financial assets (cont'd)

(ii) Available for sale investments

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor and the disappearance of an active trading market are considerations to determine whether there is objective evidence that non current investments classified as available for sale investments are impaired.

If an available for sale investment is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in income statements, is transferred from equity to the income statements.

Impairment losses on available for sale equity investments are not reversed in the income statements in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available for sale debt investments, impairment losses are subsequently reversed in the income statements if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in the income statements. However, any subsequent recovery in the fair value of an impaired available for sale investment is recognised in other comprehensive income.

(ii) Impairment of non financial assets

At each reporting date, the Group and the Company review the carrying amounts of its non-financial assets to determine whether there is any indication of impairment.

If any such indication exists, or when annual impairment testing for a non-financial asset is required, the recoverable amount is estimated and an impairment loss is recognised whenever the recoverable amount of the non-financial asset is less than its carrying amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use.

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the non-financial asset.

An impairment loss is recognised in the income statements.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(l) Impairment of assets (cont'd)

(ii) Impairment of non financial assets (cont'd)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses for a non-financial asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the non-financial asset recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss be recognised previously.

All reversals of impairment losses are recognised as income in the income statements. After such a reversal, the depreciation charge is adjusted in future periods to allocate the revised carrying amount of the asset, less any residual value, on a systematic basis over its remaining useful lives.

(m) Non-current assets classified as held for sale and discontinued operations

A component of the Group is classified as discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed off and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated major line of business or geographical area of operations or is a subsidiary company acquired exclusively with a view for resale.

Disposal groups or non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual or customary.

Immediately before the initial recognition of the disposal group or the asset classified as held for sale, the carrying amounts of the assets are measured in accordance with applicable FRSs. Upon classification as held for sale, the disposal group and non-current assets is measured at the lower of carrying amount and fair value less costs to sell and is not depreciated. Any differences are recognised in the income statements.

(n) Property development cost

Property development costs comprise cost of land and all related costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Property development cost (cont'd)

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenditure are recognised in the income statements by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs. In applying this method, only those costs that reflect actual development work performed are included as property development costs incurred.

Where the financial outcome of a development activity cannot be reliably estimated, development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defect liability period is recognised as an expense immediately.

The excess of revenue recognised in income statements over billings to purchasers is classified as accrued billings and the excess of billings to purchasers over revenue recognised in the income statements is classified as progress billings within the consolidated statement of financial position.

(o) Inventories

Inventories comprising raw material, work-in-progress, finished goods, goods purchased for resale and completed development properties held for sale are stated at the lower of cost and net realisable value.

Cost is determined using first in first out method, weighted average cost method or by specific identification. The cost of raw materials comprises costs of purchase. The cost of finished goods and work-in-progress comprise cost of raw materials, direct labor, other direct costs and appropriate proportions of production overheads based on normal operating capacity. The cost of completed development properties held for sale under inventories comprises cost associated with the acquisition of land and construction costs, other direct costs and appropriate proportion of common costs.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs incurred in marketing, selling and distribution.

(p) Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and bank balances, bank overdraft and deposits placed with licensed banks and financial institutions that are free from encumbrances and short term highly liquid investments which have an insignificant risk of changes in value.

The Group has excluded remisiers' deposits and clients' monies held in trust by the stock broking subsidiary companies and cash and fixed deposits pledge to licensed banks and financial institutions from its cash and cash equivalents.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(q) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognised in the statements of financial position when the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group that do not meet the hedge accounting criteria.

(ii) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables, hire purchase payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group and the Company have unconditional rights to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains or losses are recognised in income statements when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statements.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(r) Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting date. The resulting gain or loss is recognised in the income statements immediately.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in income statements when the changes arise.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

(s) Equity

Ordinary shares are classified as equity which are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction cost of an equity transaction which comprise only those incremental external costs directly attributable to the equity transaction are accounted for as a deduction from share premium, net of tax, from the proceeds.

When issued shares of the Company are repurchased, the consideration paid, including directly attributable costs is presented as a change in equity. Repurchased shares that have not been cancelled are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in the income statements on the sale, reissuance or cancellation of treasury shares.

When treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the share premium account or distributable reserves, or both.

(t) Non-controlling interests

Non-controlling interests in the consolidated statement of financial position consist of their share of the fair values of identifiable assets and liabilities of the acquiree and advances received from the non-controlling interests.

Non-controlling interests are presented in the consolidated statement of financial position and statements of changes in equity within equity, separately from equity attributable to the owners of the Parent. Non-controlling interests in the results of the Group is presented on the face of the consolidated income statement as an allocation of the total profit or loss for the period between the non-controlling interests and the owners of the parent.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(t) Non-controlling interests (cont'd)

Where losses applicable to the non-controlling interests exceed the non-controlling interest in the equity of a subsidiary company, the excess and any further losses applicable to the non-controlling interest are charged against the Group's interest except to the extent that the non-controlling interests has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary company subsequently reports profits, the Group's interest is allocated all such profits until the non-controlling interests' share of losses previously absorbed by the Group has been recovered.

(u) Compound financial instruments

The compound financial instruments issued by the Group comprise redeemable convertible preference shares ("RCPS") that may be converted to ordinary shares at the option of the holders, and the number of shares to be issued does not vary with changes in their fair value.

The RCPS was recognised as a component of liability at its fair value in the statements of financial position, net of transaction costs. The RCPS dividends were recognised as interest expense in income statements using the effective interest rate method.

(v) Hire purchase payables

The cost of property, plant and equipment acquired under hire purchase arrangements are capitalised. The depreciation policy on these property, plant and equipment is similar to that of the Group's property, plant and equipment depreciation policy. Outstanding obligation due under the hire purchase arrangements after deducting finance expenses are included as liabilities in the financial statements. Finance charges on hire purchase agreements are allocated to income statements over the period of the respective agreements.

(w) Provision for liabilities

Provision for liabilities are recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation.

(x) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs such that the outflow is probable and can be measured reliably, they will then be recognised as a provision.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(y) Financial guarantee contracts

Prior to the implementation of FRS 139 in the previous financial year, where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within the Group, the Company treats the guarantee as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

With the implementation of FRS 139 in the current financial year, financial guarantee contracts are recognised in the statements of financial position, initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as expenses in the income statements over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

(z) Income tax and deferred tax

Income tax on the income statements for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the reporting date.

Current tax is recognised in the income statements except to the extent that the tax relates to items recognised outside the income statements, either in other comprehensive income or directly in equity.

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary differences arise from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the income statements, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authorities.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(aa) Revenue recognition

(i) Sale of goods and trading activities

Revenue from sale of goods and trading activities is measured at the fair value of the consideration receivable and is recognised upon delivery of product and customer acceptance, if any, net of discount and sales returns. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(ii) Sale of development properties

Revenue from sale of development properties represents the proportionate sales value of development properties sold attributable to the percentage of development work performed during the financial year.

(iii) Sale of securities

Revenue from sale of securities are recognised based on the contracted value.

(iv) Revenue from broking activities

Revenue from broking activities are recognised upon execution of contracts. Brokerage income is accounted for before remisiers' commission and dealers' incentives.

(v) Rental income

Rental income from investment property is recognised in income statements on a straight-line basis over the specific tenure of the respective leases. The aggregate cost of incentives provided to lessee is recognised as a reduction of rental income over the lease term on a straight-line basis.

(vi) Dividend income

Dividend income is recognised when the right to receive payment has been established and no significant uncertainty existed with regard to its receipt.

(vii) Interest income

Interest income is recognised on accruals basis unless recoverability is in doubt, in which case the recognition of interest is suspended. Subsequent to suspension, interest is recognised on receipt basis.

Interest income from investments in bonds, loan stocks and dual currency investments are recognised on a time proportion basis that takes into account the effective yield of the assets.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(aa) Revenue recognition (cont'd)

(viii) Revenue from services and fee income

Revenue from services are recognised when services are rendered and invoice issued. Revenue is recognised net of sales and service tax, where applicable.

Fee from advisory and corporate finance activities, revenue on fee income from sale of customised goods and services and contract maintenance are recognised on completion of each stage of engagement.

(ix) All other revenues are recognised when the right to receive payment is established and to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

(bb) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia, which is also the functional currency of the Company.

(ii) Foreign currency transaction and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates at the dates of initial transaction.

Exchange differences arising on the settlement of monetary items and on the translation of monetary items are included in the income statements for the period. Exchange differences arising on the translation of non-monetary items carried at fair value are included in the income statements for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(bb) Foreign currencies (cont'd)

(iii) Foreign operations

For the purposes of consolidation, net assets of the foreign subsidiary companies are translated into Ringgit Malaysia at the exchange rate ruling at the reporting date. Income and expenses of the foreign subsidiary companies are translated at average exchange rates for the financial year, which approximates the exchange rates at the date of the transactions. All resulting exchange differences arising from these translations are recognised in other comprehensive income and accumulated under exchange translation reserves in equity. The exchange translation reserve is reclassified from equity to the consolidated income statement of the Group on disposal of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity on or after 1 January 2006 are treated as assets and liabilities of the foreign entity and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date. Goodwill and fair value adjustments that arose in the acquisition of foreign subsidiary companies before 1 January 2006 are deemed to be assets and liabilities of the parent company and are recorded in Ringgit Malaysia ("RM") at the rates prevailing at the date of acquisition.

(cc) Operating leases

Leases of assets where substantially all the risks and rewards of ownership of the assets remain with the lessor are accounted for as operating leases. Operating lease payments are recognised as an expense in the income statements on a straight-line basis over the term of the relevant lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the income statements immediately. The aggregate benefit of incentives provided by the lessor, if any, is recognised as a reduction of rental expense on a straight-line basis over the term of the lease.

(dd) Borrowing costs

All borrowing costs are expensed to the income statements using the effective interest method, in the period in which they are incurred except to the extent that they are capitalised as part of the cost of a qualifying asset if the cost is directly attributable to the acquisition, construction or production of the qualifying asset.

Capitalisation of borrowing costs commences when the activities to prepare the qualifying asset for its intended use or sale are in progress and the expenditure and borrowing costs are incurred. Borrowing costs are capitalised until the asset is substantially completed for its intended use or sale. Capitalisation of borrowing costs is suspended or ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(ee) Employee benefits

(i) Short term employee benefits

Wages, salaries, allowances, bonuses, incentives and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plan

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

Such contribution is recognised as an expense in the income statements as incurred. As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiaries make contributions to their respective countries statutory pension schemes.

(ff) Segmental reporting

The Group prepares segmental reporting wherein the operating segments are identified on the basis of internal reports on the operating segments of the Group that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segment and to assess its performance.

In identifying the operating segments, the management generally follows the Group's classification of operating segments, which represent the main products and services provided by the Group. Each of these operating segments is managed separately as each of these segments requires different technologies and resources. All inter segment transfers are carried out at negotiated basis.

4. **ADOPTION OF FRSs**

The accounting policies adopted by the Group and the Company are consistent with those of the previous financial year and in conformity with the applicable FRSs, the approved accounting standards for entities other than private entities issued by the MASB, except for the adoption of the following new and revised FRSs, Amendments to FRSs and Issues Committee Interpretations ("IC Interpretations") issued by the MASB that become effective and are relevant to the Group and the Company for the financial year beginning 1 July 2010:-

(a) Adoption of new and/or revised FRSs, amendments to FRSs and IC Interpretations by the Group and the Company

At the beginning of the financial year, the Group and the Company had adopted the following new/revised Standards and IC Interpretations which are relevant to the Group and the Company that have been issued by the MASB :-

Effective for financial period beginning on or after 1 January 2010

Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations. Amendment relating to disclosures of non-current assets (or disposal groups) classified as held for sale or discontinued operations
FRS 7	Financial Instruments : Disclosures
Amendments to FRS 7	Financial Instruments : Disclosures. Amendments relating to financial assets
Amendment to FRS 8	Operating Segments. Amendment relating to disclosure information about segment assets
FRS 101	Presentation of Financial Statements
Amendment to FRS 107	Statement of Cash Flows. Amendment relating to classification of expenditures on unrecognised assets
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors. Amendment relating to selection and application of accounting policies
Amendment to FRS 110	Events After the Reporting Period. Amendment relating to reason for dividend not recognised as a liability at the end of the reporting period
Amendment to FRS 116	Property, Plant and Equipment. Amendment relating to derecognition of asset
Amendment to FRS 117	Leases. Amendment relating to classification of leases
Amendment to FRS 118	Revenue. Amendment relating to Appendix of this standard and recognition and measurement
Amendment to FRS 119	Employee Benefits. Amendment relating to definition, curtailment and settlements
FRS 123	Borrowing Costs
Amendment to FRS 123	Borrowing Costs. Amendment relating to components of borrowing costs

4. **ADOPTION OF FRSs (CONT'D)**

(a) Adoption of new and/or revised FRSs, amendments to FRSs and IC Interpretations by the Group and the Company (cont'd)

At the beginning of the financial year, the Group and the Company had adopted the following new/revised Standards and IC Interpretations which are relevant to the Group and the Company that have been issued by the MASB (cont'd) :-

Effective for financial period beginning on or after 1 January 2010 (cont'd)

Amendment to FRS 127	Consolidated and Separate Financial Statements. Amendment relating to cost of an investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendment to FRS 128	Investment in Associates. Amendment relating to impairment losses in application of the equity method and the scope of this standard
Amendment to FRS 131	Interests in Joint Ventures. Amendment relating to additional disclosure required for joint venture that does not apply FRS 131
Amendments to FRS132	Financial Instruments : Presentation. Amendment relating to puttable financial instruments
Amendment to FRS 134	Interim Financial Reporting. Amendment relating to disclosure of earnings per share
Amendment to FRS 136	Impairment of Assets. Amendment relating to the disclosure of recoverable amount
Amendment to FRS 138	Intangible Assets. Amendment relating to recognition of an expense
FRS 139	Financial Instruments : Recognition and Measurement
Amendment to FRS 140	Investment Property. Amendment relating to inability to determine fair value reliably
IC Interpretation 9	Reassessment of Embedded Derivatives
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes

Effective for financial period beginning on or after 1 March 2010

Amendments to FRS 132	Financial Instruments : Presentation. Amendments relating to classification of rights issues

4. **ADOPTION OF FRSs (CONT'D)**

(a) Adoption of new and/or revised FRSs, amendments to FRSs and IC Interpretations by the Group and the Company (cont'd)

At the beginning of the financial year, the Group and the Company had adopted the following new/revised Standards and IC Interpretations which are relevant to the Group and the Company that have been issued by the MASB (cont'd) :-

Effective for financial periods beginning on or after 1 July 2010

FRS 3	Business Combinations
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations. Amendment relating to the inclusion of non-current assets as held for distribution to owners in the standards
FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 138	Intangible Assets. Amendments relating to the revision to FRS 3
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives. Amendments relating to the scope of the IC Int and revision to FRS 3
IC Interpretation 17	Distributions of Non-cash Assets to Owners

The adoption of the above FRSs, amendments to FRSs and IC Intepretations do not have any significant financial effect on the financial statements of the Group and of the Company in the period of initial application except for application of FRS 7, FRS 101 and FRS 139 of which the effects are summarised as below (cont'd) :-

(a) **FRS 7 : Financial Instruments : Disclosures**

FRS 7 requires disclosures in the financial statements that enable users to evaluate the significance of financial instruments on the entity's financial position and performance, and the nature and extent of risks arising from financial instruments to which an entity is exposed during the period and at the reporting date, and how the entity manages those risks. The principles in this FRS complement the principles for presenting, recognising and measuring financial instruments in FRS 132 Financial Instruments : Presentation and FRS 139 Financial Instruments : Recognition and Measurements.

FRS 7 introduces new disclosures of qualitative and quantitative information about exposure to risks arising from financial instruments, including sensitivity analysis and market risk. The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the financial year ended 30 June 2011.

4. **ADOPTION OF FRSs (CONT'D)**

(a) Adoption of new and/or revised FRSs, amendments to FRSs and IC Interpretations by the Group and the Company (cont'd)

The adoption of the above FRSs, amendments to FRSs and IC Intepretations do not have any significant financial effect on the financial statements of the Group and of the Company in the period of initial application except for application of FRS 7, FRS 101 and FRS 139 of which the effects are summarised as below (cont'd) :-

(b) **FRS 101 : Presentation of Financial Statements**

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes details of transactions with owners, with all non-owners changes in equity presented as a single line labeled as total comprehensive income.

The Standard also introduces the statement of comprehensive income; presenting all items of income and expense recognised in profit or loss, together with all other items of income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company have elected to present this statement in two linked statements.

In addition, the adoption of the Standard has resulted in the consolidated balance sheet now being renamed as consolidated statement of financial position. A statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of terms in the financial statements. The revised FRS 101 also required Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital as disclose in Note 61 to the financial statements.

The revised FRS 101 was adopted retrospectively by the Group and the Company.

(c) **FRS 139 : Financial Instruments – Recognition and Measurement**

FRS 139 sets out the new requirements for the classification, recognition and measurement of the Group's and of the Company's financial assets and liabilities.

Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments in the statements of financial position reflects the designation of the financial instruments. The designation depends on the nature of the financial assets and liabilities and the purpose for which the financial assets/liabilities were acquired/incurred. Set out below are the changes in classifications of financial assets and liabilities of the Group and of the Company as a result of adopting FRS 139 :-

4. **ADOPTION OF FRSs (CONT'D)**

(a) Adoption of new and/or revised FRSs, amendments to FRSs and IC Interpretations by the Group and the Company (cont'd)

The adoption of the above FRSs, amendments to FRSs and IC Intepretations do not have any significant financial effect on the financial statements of the Group and of the Company in the period of initial application except for application of FRS 7, FRS 101 and FRS 139 of which the effects are summarised as below (cont'd) :-

(c) **FRS 139 : Financial Instruments – Recognition and Measurement (cont'd)**

(i) Financial assets at fair value through profit or loss

Prior to the adoption of FRS 139, quoted securities intended for short term investments were accounted for at the lower of cost and market value. With the application of FRS 139, short term quoted equity investment are now measured at fair value on the date of transaction and subsequently re-measured at fair value with changes in fair value recognised in the income statements.

(ii) Loans and receivables

Prior to the adoption of FRS 139, loans and receivables were measured at invoiced amount less allowance for doubtful debts and subject to impairment. With the adoption of FRS 139, loans and receivables are now measured at fair value plus transaction costs and subsequently at amortised cost using effective interest method and subject to impairment.

Gains or losses arising from derecognition of the loans and receivables, effective interest rate amortisation and impairment losses are recognised in the income statements.

(iii) Held to maturity investments

Investments which have fixed or determinable payments and fixed maturity are designated as held to maturity investments when the Group and the Company have the intention and ability to hold the investments till maturity. Such investments are initially recognised at fair value including transaction costs and subsequently measured at amortised cost using effective interest method and subject to impairment.

Any changes in relation to amortisation and impairment are recognised in the income statements.

4. **ADOPTION OF FRSs (CONT'D)**

(a) Adoption of new and/or revised FRSs, amendments to FRSs and IC Interpretations by the Group and the Company (cont'd)

The adoption of the above FRSs, amendments to FRSs and IC Intepretations do not have any significant financial effect on the financial statements of the Group and of the Company in the period of initial application except for application of FRS 7, FRS 101 and FRS 139 of which the effects are summarised as below (cont'd) :-

(c) **FRS 139 : Financial Instruments – Recognition and Measurement (cont'd)**

(iv) Available for sale investments

Prior to the adoption of FRS 139, non-current investments were accounted for at cost less impairment. Upon the adoption of FRS 139, available for sale investments are initially measured at fair value plus transaction costs and subsequently at fair value. Investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, are measured at cost. Changes in fair value of available for sale investments measured at fair value are recognised in other comprehensive income, together with the related currency translation differences, until the investments are disposed or until the investments are determined to be impaired, at which time the cumulative gain or losses previously reported in other comprehensive income are included in income statements.

(v) Financial liabilities

The Group and the Company do not designate financial liabilities through profit or loss.

The Group and the Company carry only financial liabilities measured at amortised cost which include trade and other payables and loans and borrowings. Under FRS 139, these financial liabilities are measured initially at fair value and subsequently carried at amortised cost using the effective interest method.

(vi) Derivative assets/liabilities

Prior to the adoption of FRS 139, all derivative financial instruments were recognised in the financial statements only upon settlement. Upon the adoption of FRS 139, the derivatives held by the Group as at 1July 2010 are recognised at their fair value totaling –RM14,339,000 and are classified as derivative financial liabilities in the financial statements of the subsidiary companies and associated companies concerned.

4. **ADOPTION OF FRSs (CONT'D)**

(a) Adoption of new and/or revised FRSs, amendments to FRSs and IC Interpretations by the Group and the Company (cont'd)

The adoption of the above FRSs, amendments to FRSs and IC Intepretations do not have any significant financial effect on the financial statements of the Group and of the Company in the period of initial application except for application of FRS 7, FRS 101 and FRS 139 of which the effects are summarised as below (cont'd) :-

(d) **FRS 123 Borrowing Costs (Revised)**

FRS 123 (Revised) eliminates the option available under the previous version of FRS 123 to recognise all borrowing costs immediately as an expense. The revised standard requires capitalisation of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

As at the reporting date, RM1,056,000 and RM1,222,000 of borrowing costs have been capitalised on freehold land and building held under property, plant and equipment and property development cost respectively.

(e) **IC Interpretation 10 Interim Financial Reporting and Impairment**

This interpretation prohibits the reversal of an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument classified as available-for-sale or a financial asset carried at cost. Upon the adoption of this Interpretation as of 1 January 2010, the Group has changed its accounting policy relating to the reversal of impairment losses on goodwill or these financial assets recognised in the prior interim period. In accordance with the transitional provisions of the Interpretation, the Group has applied the Interpretation to goodwill and to investments in equity instruments or in financial assets carried at cost prospectively from the date at which the Group first applied FRS 136 Impairment of Assets and the measurement criteria of FRS 139 Financial Instruments: Recognition and Measurement respectively.

(f) **FRS 3 Business Combination**

The revised standard continues to apply the acquisition method to business combinations, with some significant changes. All payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice to measure the non-controlling interest in the acquiree at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed.

4. ADOPTION OF FRSs (CONT'D)

(a) Adoption of new and/or revised FRSs, amendments to FRSs and IC Interpretations by the Group and the Company (cont'd)

The adoption of the above FRSs, amendments to FRSs and IC Intepretations do not have any significant financial effect on the financial statements of the Group and of the Company in the period of initial application except for application of FRS 7, FRS 101 and FRS 139 of which the effects are summarised as below (cont'd) :-

(g) **FRS 127 Consolidated and Separate Financial Statements**

The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in income statement. Losses are required to allocate to non-controlling interests, even if it results in the non-controlling interest to be in a deficit position.

(h) **IC Interpretation 17 Distributions of Non-cash Assets to Owners**

This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. The Company should measure the dividend payable at the fair value of the assets to be distributed when the dividend is appropriately authorised and is no longer at the discretion of the Company. On settlement of the dividend, the difference between the dividend paid and the carrying amount of the assets distributed is recognised in income statement. If the dividend remains unpaid at the end of the financial year end, the dividend payable carrying amount is reviewed with any changes recognised in equity.

4. ADOPTION OF FRSs (CONT'D)

(a) Adoption of new and/or revised FRSs, amendments to FRSs and IC Interpretations by the Group and the Company (cont'd)

In accordance with the transitional provisions for the first time adoption of FRS 139, the effects arising from the adoption of this Standard has been accounted for prospectively and the comparatives period results are not restated. Accordingly, the changes have been accounted for by adjusting and/or reclassifying the following opening balances in the statements of financial position as at 1 July 2010 : -

	Balance as at 30.6.2010 As previously stated	**Effect of adoption of FRS 139**	**Balance as at 30.6.2010 As reclassified**
	RM'000	RM'000	RM'000
Reclassification of balances:			
Non-current assets			
Long term investments	96,454	(96,454)	-
Available for sale investments	-	43,194	43,194
Held to maturity investments	-	53,260	53,260
Current assets			
Short term investments	5,943	(5,943)	-
Marketable securities	71,643	(71,643)	-
Held to maturity investments		5,943	5,943
Financial assets at fair value through profit or loss	-	71,643	71,643

	Balance as at 30.6.2010 As reclassified	**Effect of Adoption of FRS 139**	**Balance as at 1.7.2010 As restated**
	RM'000	RM'000	RM'000
Restatement of opening balances as at 1.7.2010 :			
Non-current assets			
Available for sale investments	43,194	6,760	49,954
Associate companies	17,084	(1,321)	15,763
Current liabilities			
Derivative financial liabilities	-	13,018	13,018
Equity			
Available for sale investment reserves	-	6,760	6,760
Retained earnings	89,074	(14,339)	74,735

4. **ADOPTION OF FRSs (CONT'D)**

(b) New and/or revised FRSs, amendments to FRSs and IC Interpretations that are issued but not yet effective

The Group and the Company have not early adopted the following new/revised Standards and IC Intepretations which are applicable to the Group and the Company that have been issued by the MASB but not yet effective as at the date of this report :-

Effective for financial period beginning on or after 30 August 2010

Amendment to IC Intepretation 15	Agreements for the Construction of Real Estate

Effective for financial periods beginning on or after 1 January 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)
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))

4. **ADOPTION OF FRSs (CONT'D)**

(b) New and/or revised FRSs, amendments to FRSs and IC Interpretations that are issued but not yet effective (cont'd)

The Group and the Company have not early adopted the following new/revised Standards and IC Intepretations which are applicable to the Group and the Company that have been issued by the MASB but not yet effective as at the date of this report (cont'd) :-

Effective for financial periods beginning on or after 1 July 2011

IC Interpretation 19	Extinguishing Financial Liabilities with equity instruments

Effective for financial periods beginning on or after 1 January 2012

FRS 124	Related Party Disclosures
IC Interpretation 15	Agreements for the Construction of Real Estate

The amendments to FRSs and IC Interpretations that are effective for financial periods beginning on or after 1 July 2011 will be adopted in the annual financial statements of the Group and of the Company for the financial year commencing 1 July 2011. Other than changes in disclosure requirements, the adoption of these amendments to FRSs and IC Interpretations are not expected to have any material financial impact on the financial statements of the Group and of the Company upon initial application.

5. **PRINCIPAL ACTIVITIES AND GENERAL INFORMATION**

The principal activities of the Company are investment holding and the provision of management services. The principal activities of its subsidiary companies, associate companies and jointly controlled entities are disclosed in Note 55 to 57 to the financial statements. There were no significant changes in the Group's activities during the financial year other than the dilution of the Group's interest in certain subsidiary companies to associate companies during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at No. 45-5, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur. The principal place of business of the Company is located at Suite 23.02, Level 23, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 20 October 2011.

6. PROPERTY, PLANT AND EQUIPMENT

Group

2011 Cost	Land and buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovation RM'000	Office furniture, fittings and equipment RM'000	Total RM'000
At beginning of financial year	21,788	45,760	35,081	6,928	17,004	126,561
Additions	-	383	5,120	1,857	1,892	9,252
Disposals	-	-	(3,912)	(30)	(18)	(3,960)
Acquisition of subsidiary companies	-	-	7,459	237	4,770	12,466
Disposal of subsidiary companies	-	-	(131)	(159)	(5,204)	(5,494)
Exchange differences	-	507	104	26	34	671
Deconsolidation of subsidiary companies	(7,968)	(36,353)	(135)	(3,902)	(5,459)	(53,817)
Written off	-	-	(42)	(416)	(920)	(1,378)
At end of financial year	13,820	10,297	43,544	4,541	12,099	84,301
Accumulated depreciation						
At beginning of financial year	3,068	28,947	16,130	3,764	12,192	64,101
Charge for the financial year	283	955	4,831	472	766	7,307
Disposals	-	-	(2,930)	(29)	(13)	(2,972)
Acquisition of subsidiary companies	-	-	2,227	172	4,572	6,971
Disposal of subsidiary companies	-	-	(15)	(123)	(4,552)	(4,690)
Exchange differences	-	511	32	24	31	598
Deconsolidation of subsidiary companies	(405)	(20,256)	(45)	(2,212)	(2,355)	(25,273)
Written off	-	-	(32)	(348)	(912)	(1,292)
At end of financial year	2,946	10,157	20,198	1,720	9,729	44,750
Net carrying amount as at 30 June 2011	10,874	140	23,346	2,821	2,370	39,551

Analysis of land and buildings:-

2011 Cost	Freehold land RM'000	Freehold building RM'000	Short term leasehold buildings RM'000	Total RM'000
At beginning of financial year	1,530	12,290	7,968	21,788
Deconsolidation of subsidiary companies	-	-	(7,968)	(7,968)
At end of financial year	1,530	12,290	-	13,820
Accumulated depreciation				
At beginning of financial year	-	2,700	368	3,068
Charge for the financial year	-	246	37	283
Deconsolidation of subsidiary companies	-	-	(405)	(405)
At end of financial year	-	2,946	-	2,946
Net carrying amount as at 30 June 2011	1,530	9,344	-	10,874

6. **PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

Group (cont'd)

2010	Land and buildings	Plant and machinery	Motor vehicles	Renovation	Office furniture, fittings and equipment	Total
Cost	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At beginning of financial year	21,788	40,925	32,104	5,855	15,566	116,238
Additions	-	5,278	7,579	1,149	1,793	15,799
Disposals	-	(8)	(4,600)	(7)	(95)	(4,710)
Exchange differences	-	(435)	(2)	(19)	(54)	(510)
Written off	-	-	-	(50)	(206)	(256)
At end of financial year	21,788	45,760	35,081	6,928	17,004	126,561
Accumulated depreciation						
At beginning of financial year	2,645	18,459	15,337	2,541	10,729	49,711
Charge for the financial year	423	10,918	4,490	1,253	1,756	18,840
Disposals	-	(2)	(3,696)	(1)	(36)	(3,735)
Exchange differences	-	(428)	(1)	(18)	(53)	(500)
Written off	-	-	-	(11)	(204)	(215)
At end of financial year	3,068	28,947	16,130	3,764	12,192	64,101
Net carrying amount as at 30 June 2010	18,720	16,813	18,951	3,164	4,812	62,460

Analysis of land and buildings:-

2010	Freehold land	Freehold building	Short term leasehold buildings	Total
Cost	RM'000	RM'000	RM'000	RM'000
At beginning and end of financial year	1,530	12,290	7,968	21,788
Accumulated depreciation				
At beginning of financial year	-	2,454	191	2,645
Charge for the financial year	-	246	177	423
At end of financial year	-	2,700	368	3,068
Net carrying amount as at 30 June 2010	1,530	9,590	7,600	18,720

6. **PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

Company

2011 **Cost**	Motor vehicle RM'000	Renovation RM'000	Furniture and fittings RM'000	Computer equipment RM'000	Office equipment RM'000	Total RM'000
At beginning of financial year	185	116	905	194	294	1,694
Additions	-	-	-	3	1	4
Written off	-	-	(327)	(96)	(95)	(518)
At end of financial year	185	116	578	101	200	1,180
Accumulated depreciation						
At beginning of financial year	185	29	548	146	205	1,113
Charge for the financial year	-	22	52	19	18	111
Written off	-	-	(324)	(95)	(93)	(512)
At end of financial year	185	51	276	70	130	712
Net carrying amount as at 30 June 2011	-	65	302	31	70	468

2010 **Cost**	Motor vehicle RM'000	Renovation RM'000	Furniture and fittings RM'000	Computer equipment RM'000	Office equipment RM'000	Total RM'000
At beginning of financial year	185	7	603	193	253	1,241
Additions	-	109	302	1	41	453
At end of financial year	185	116	905	194	294	1,694
Accumulated depreciation						
At beginning of financial year	176	6	495	124	182	983
Charge for the financial year	9	23	53	22	23	130
At end of financial year	185	29	548	146	205	1,113
Net carrying amount as at 30 June 2010	-	87	357	48	89	581

6. **PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

(a) The net carrying amount of property, plant and equipment pledged to licensed banks for banking facilities granted to the Group are as follows:-

	Group 2011 RM'000	Group 2010 RM'000
Plant and machinery	-	3,912
Freehold land and buildings	10,874	11,120
Short term leasehold buildings	-	1,824
	10,874	16,856

(b) The net carrying amount of property, plant and equipment acquired under hire purchase arrangements are as follows:-

	Group 2011 RM'000	Group 2010 RM'000
Motor vehicles	21,506	17,238
Plant and machinery	-	1,267
	21,506	18,505

7. **PREPAID LAND LEASE PAYMENTS**

	Group 2011 RM'000	Group 2010 RM'000
Cost		
At beginning of financial year	4,985	4,985
Deconsolidation of subsidiary companies	(4,985)	-
At end of financial year	-	4,985
Accumulated amortisation		
At beginning of financial year	204	92
Amortised during the financial year	21	112
Deconsolidation of subsidiary companies	(225)	-
At end of financial year	-	204
Net carrying amount	-	4,781
Analysed as:-		
Short term leasehold land	-	4,781

Included in prepaid land lease payments in the previous financial year was net carrying amount of RM1,736,000 pledged to a licensed bank for banking facilities granted to a subsidiary company.

8. INVESTMENT PROPERTIES

Group

2011	Freehold land	Freehold land and buildings	Long term leasehold land and buildings	Leasehold land and buildings under construction	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At beginning of financial year					
- at valuation (restated)	10,240	35,913	40,655	-	86,808
- at cost	-	-	-	3,943	3,943
	10,240	35,913	40,655	3,943	90,751
Fair value gain	490	4,802	5,900	-	11,192
Transfer to non-current assets classified as held for sale	-	-	-	(1,243)	(1,243)
Exchange differences	-	1,722	323	-	2,045
At end of financial year					
- at valuation	10,730	42,437	46,878	-	100,045
- at cost	-	-	-	2,700	2,700
Net carrying amount as at 30 June 2011	10,730	42,437	46,878	2,700	102,745

2010	Freehold land	Freehold land and buildings	Long term leasehold land and buildings	Leasehold land and buildings under construction	Total
At beginning of financial year					
- at valuation (restated)	9,260	22,108	35,460	-	66,828
- at cost	-	-	-	10,693	10,693
	9,260	22,108	35,460	10,693	77,521
Additions	-	11,509	5,601	-	17,110
Fair value gain	980	4,862	1,623	-	7,465
Disposals	-	(175)	(2,031)	-	(2,206)
Transfer to non-current assets classified as held for sale	-	(1,650)	-	(6,750)	(8,400)
Exchange differences	-	(741)	2	-	(739)
At end of financial year					
- at valuation	10,240	35,913	40,655	-	86,808
- at cost	-	-	-	3,943	3,943
Net carrying amount as at 30 June 2010	10,240	35,913	40,655	3,943	90,751

(a) Prior to 1 July 2010, investment properties are stated at cost less depreciation and impairment losses with the exception of leasehold land and buildings under construction which is not depreciated. During the financial year, the Company changed its accounting policy for investment properties to be stated at fair value. This change in accounting policy has been accounted for retrospectively and the effects of this change are disclosed in Note 63 to the financial statements.

The fair value of the investment properties were determined by independent professional valuer, financial institutions' valuers and on recorded transaction values used for similar properties in the location concerned based on current prices in the active market for similar properties.

8. **INVESTMENT PROPERTIES (CONT'D)**

(b) The carrying amount of investment properties pledged to licensed banks for banking facilities granted to the Group are as follows:-

	Group	
		(Restated)
	2011	2010
	RM'000	RM'000
Freehold land and buildings	41,958	35,473
Long term leasehold land and buildings	46,878	40,655
	88,836	76,128

(c) The rental income and associated direct operating expenses of the investment properties are disclosed in Note 35 and 39 to the financial statements.

9. **LAND HELD FOR DEVELOPMENT**

	Group	
	2011	2010
	RM'000	RM'000
At beginning and end of financial year		
Leasehold land, at cost	25,558	25,558
Development cost and incidental expenses	12,018	12,018
	37,576	37,576

Included in development cost and incidental expenses is interest and financing cost of RM11,989,000 (2010 : RM11,989,000).

10. **AVAILABLE FOR SALE INVESTMENTS**

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Unquoted investment in Malaysia, at cost	1,575	1,575	-	-
Quoted securities in Malaysia				
- at cost	-	33,296	-	-
- at valuation	47,219	-	-	-
Quoted securities outside Malaysia				
- at valuation	-	7,188	-	-
Other investments, at cost	1,825	1,825	345	345
	50,619	43,884	345	345
Add/(Less):				
Exchange differences	-	(490)	-	-
Accumulated amortisation	(200)	(200)	-	-
	50,419	43,194	345	345

10. **AVAILABLE FOR SALE INVESTMENTS (CONT'D)**

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Market value of quoted securities				
- in Malaysia	47,219	40,056	-	-
- outside Malaysia	-	6,698	-	-
	47,219	46,754	-	-

11. **HELD TO MATURITY INVESTMENTS**

	Group	
	2011	2010
	RM'000	RM'000
Non-current (maturity later than 1 year)		
Unquoted corporate bonds, at cost		
- in Malaysia	1,000	1,000
- outside Malaysia	41,259	54,026
	42,259	55,026
Add/(Less):		
Accretion of discounts	(686)	(1,823)
Amortisation of premiums	12	57
	41,585	53,260
Current (maturity within 1 year)		
Unquoted corporate bonds outside Malaysia, at cost	13,754	5,947
Add/(Less):		
Accretion of discounts	(32)	(1)
Amortisation of premiums	6	1
Exchange difference	(19)	(4)
	13,709	5,943
	55,294	59,203

The Group's investments in unquoted corporate bonds outside Malaysia have been charged to a licensed financial institution for credit facilities granted to certain subsidiary companies.

The effective interest rate per annum for held to maturity investments are 3.41% to 13.0% (2010 : 3.41% to 13.0%).

12. SUBSIDIARY COMPANIES

		Company	
		2011 RM'000	2010 RM'000
(a)	Unquoted shares, at cost	212,469	182,469
	Add/(Less):		
	Subscription of shares in a subsidiary company	-	30,000
	Accumulated impairment losses	(49,780)	(49,780)
		162,689	162,689

The Company's equity interest in subsidiary companies, their respective principal activities and countries of incorporation are shown in Note 55 to the financial statements.

(b) Amount due from/(to) subsidiary companies

	Company	
	2011 RM'000	2010 RM'000
Amount due from subsidiary companies	649,427	637,543
Less: Allowance for doubtful debts	(4,619)	(4,619)
	644,808	632,924

The amount due from/(to) subsidiary companies are interest bearing (except for certain advances which are interest free) and are repayable on demand.

13. ASSOCIATE COMPANIES

		Group		Company	
			(Restated)		
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
(a)	Unquoted shares, at cost	22,343	8,737	1,184	1,184
	Add:				
	Group's share of post acquisition profits less losses	19,256	8,358	-	-
	Group's share of exchange translation reserve	129	(11)	-	-
		41,728	17,084	1,184	1,184

Represented by :-

	Group 2011 RM'000	Group 2010 RM'000
Share of net assets	40,829	15,717
Goodwill on acquisition	899	1,367
	41,728	17,084

13. ASSOCIATE COMPANIES (CONT'D)

(a) cont'd

The Group's and the Company's equity interest in the associate companies, their respective principal activities and countries of incorporation are shown in Note 56 to the financial statements.

(b) The amount due from/(to) associate companies are interest free and is repayable on demand.

(c) The summarised financial information of the associated companies not adjusted for the proportion of ownership interests held by the Group are as follows:-

	Group	
		(Restated)
	2011	2010
	RM'000	RM'000
Assets and liabilities		
Non-current assets	133,064	63,752
Current assets	229,781	66,802
Non-current liabilities	(12,115)	(7,147)
Current liabilities	(251,183)	(79,441)
Net assets	99,547	43,966
Results		
Revenue	288,584	119,201
Profit for the financial year	31,681	9,614

14. JOINTLY CONTROLLED ENTITIES

	Group	
	2011	2010
	RM'000	RM'000
(a) Unquoted shares, at cost	28,917	28,917
Group's share of post acquisition profit less losses	16,180	(480)
Group's share of exchange translation reserve	(4,599)	(4,315)
	40,498	24,122

The Group's equity interest in the jointly controlled entities, their respective principal activities and countries of incorporation are shown in Note 57 to the financial statements.

14. **JOINTLY CONTROLLED ENTITIES (CONT'D)**

(b) The summarised financial information of the jointly controlled entities not adjusted for the proportion of ownership interests held by the Group are as follows:-

	Group	
	2011 RM'000	2010 RM'000
Assets and liabilities		
Non-current assets	150,927	104,103
Current assets	8,514	8,912
Non-current liabilities	(60,538)	(61,260)
Current liabilities	(17,906)	(3,511)
Net assets	80,997	48,244
Results		
Revenue	6,375	5,671
Profit/(Loss) for the financial year	33,320	(961)

(c) The jointly controlled entities do not have any contingent liabilities as at 30 June 2011 and 30 June 2010.

15. **INTANGIBLE ASSETS**

Group

2011	Stock broking dealer's license RM'000	Development expenditure capitalised RM'000	Trademarks and patents RM'000	Total RM'000
Cost				
At beginning of financial year	45,500	165	104	45,769
Additions	-	-	13	13
At end of financial year	45,500	165	117	45,782
Accumulated amortisation				
At beginning of financial year	13,565	140	20	13,725
Charge for the financial year	1,628	25	18	1,671
At end of financial year	15,193	165	38	15,396
Accumulated impairment losses				
At beginning and end of financial year	12,400	-	-	12,400
Net carrying amount as at 30 June 2011	17,907	-	79	17,986

15. **INTANGIBLE ASSETS (CONT'D)**

Group (cont'd)

2010	Stock broking dealer's license RM'000	Development expenditure capitalised RM'000	Trademarks and patents RM'000	Total RM'000
Cost				
At beginning of financial year	45,500	165	93	45,758
Additions	-	-	22	22
Written off	-	-	(11)	(11)
At end of financial year	45,500	165	104	45,769
Accumulated amortisation				
At beginning of financial year	11,937	96	12	12,045
Charge for the financial year	1,628	44	8	1,680
At end of financial year	13,565	140	20	13,725
Accumulated impairment losses				
At beginning and end of financial year	12,400	-	-	12,400
Net carrying amount as at 30 June 2010	19,535	25	84	19,644

Impairment testing of stock broking dealer's license

The stock broking dealer's license had been allocated to the Kuala Lumpur branch of the stock broking subsidiary company's cash generating unit ("CGU"), a reportable segment for impairment testing. The recoverable amount of the Kuala Lumpur branch CGU has been determined based on value in use calculation using cash flow projections approved by the management of the stock broking subsidiary company. The discount rate applied to the cash flow projections is 9%. The recoverable amount of the Kuala Lumpur branch CGU is compared to the total carrying amount of the dealer's license.

Key assumptions used in value in use calculation of Kuala Lumpur Branch CGU

The key assumptions on which the management of the stock broking subsidiary company has based its cash flow projections to undertake impairment testing of the stock broking dealer's license are:

(a) Budgeted gross brokerage rate and gross margin rate

This is determined based on the CGU's past performance and the management's expectation for the market development.

(b) Operational costs

Other operational costs are expected to increase in line with expected inflation or expansion of the branch's stock broking business.

16. GOODWILL

	Group 2011 RM'000	Group 2010 RM'000
At beginning of financial year	-	184
Add:		
Goodwill arising from acquisition of a subsidiary company (Note 47(c))	284	-
Less:		
Written off during the financial year	(284)	(184)
At end of financial year	-	-

The goodwill represents the excess of the purchase consideration paid for the shares in the subsidiary companies over the Group's interest in the fair value of the identifiable net assets of the subsidiary companies acquired.

The carrying amount of goodwill was written down to nil.

17. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2011 RM'000	(Restated) 2010 RM'000	2011 RM'000	2010 RM'000
At beginning of financial year	(2,242)	(4,796)	(104)	-
Recognised in the income statements (Note 42)	(1,591)	2,554	-	(104)
Exchange differences	(2)	-	-	-
Acquisition of subsidiary companies (Note 47 (c))	(49)	-	-	-
Deconsolidation of subsidiary companies (Note 49)	(715)	-	-	-
At end of financial year	(4,599)	(2,242)	(104)	(104)

Presented as follows:-

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Deferred tax assets	3,674	4,644	-	-
Deferred tax liabilities	(8,273)	(6,886)	(104)	(104)
	(4,599)	(2,242)	(104)	(104)

17. **DEFERRED TAX ASSETS/(LIABILITIES)(CONT'D)**

The components of deferred tax assets and liabilities during the financial year are as follows:-

Deferred tax assets

Group 2011	Unutilised tax losses RM'000	Unabsorbed capital allowances RM'000	Temporary differences between depreciation and capital allowances RM'000	Total RM'000
At beginning of financial year	3,274	564	806	4,644
Recognised in the income statements	(260)	295	39	74
Acquisition of subsidiary companies	107	6	-	113
Deconsolidation of subsidiary companies	(123)	(229)	(806)	(1,158)
Exchange differences	1	-	-	1
At end of financial year	2,999	636	39	3,674
2010				
At beginning of financial year	1,398	156	16	1,570
Recognised in the income statements	1,876	408	790	3,074
At end of financial year	3,274	564	806	4,644

The unutilised tax losses and unabsorbed capital allowances are available for offset against future taxable profits. The utilisation of the deferred tax assets is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences.

Deferred tax liabilities

Group 2011	Fair value gain on investment properties RM'000	Temporary differences between depreciation and capital allowances RM'000	Total RM'000
At beginning of financial year (Restated)	6,072	814	6,886
Recognised in the income statements	1,393	272	1,665
Acquisition of subsidiary companies	-	162	162
Deconsolidation of subsidiary companies	-	(443)	(443)
Exchange differences	-	3	3
At end of financial year	7,465	808	8,273
2010			
At beginning of financial year (Restated)	5,390	976	6,366
Recognised in the income statements (Restated)	682	(162)	520
At end of financial year (Restated)	6,072	814	6,886

17. **DEFERRED TAX ASSETS/(LIABILITIES)(CONT'D)**

The components of deferred tax assets and liabilities during the financial year are as follows (cont'd):-

Deferred tax liabilities (cont'd)

Company	Temporary differences between depreciation and capital allowances	Total
2011	RM'000	RM'000
At beginning and end of financial year	104	104
2010		
At beginning of financial year	-	-
Recognised in the income statement	104	104
At end of financial year	104	104

As at reporting date, the Group has deferred tax assets not recognised in the financial statements as follows:-

	Group	
	2011	2010
	RM'000	RM'000
Temporary differences between depreciation and capital allowances	328	298
Unutilised tax losses	(23,003)	(24,258)
Unabsorbed capital allowances	(1,656)	(1,747)
	(24,331)	(25,707)

The above unutilised tax losses and unabsorbed capital allowances are available for offset against future taxable profits. Deferred tax assets in respect of these items have not been recognised as it was not certain that future taxable profit will be available against which the Group can utilise the benefits.

18. PROPERTY DEVELOPMENT COSTS

Group **2011**	Freehold land RM'000	Leasehold land RM'000	Development cost RM'000	Total RM'000
Accumulated cost at beginning of financial year	8,917	12,147	139,778	160,842
Costs incurred during the financial year	-	4	7,997	8,001
Accumulated costs recognised as expense in income statements	(8,125)	(10,169)	(136,261)	(154,555)
Unsold units transferred to inventories	(792)	(1,982)	(6,441)	(9,215)
At end of financial year	-	-	5,073	5,073
2010				
Accumulated cost at beginning of financial year	8,917	12,106	98,001	119,024
Costs incurred during the financial year	-	41	41,777	41,818
Accumulated costs recognised as expense in income statements	(8,125)	(9,817)	(124,380)	(142,322)
Unsold units transferred to inventories	(792)	(1,172)	(9,601)	(11,565)
At end of financial year	-	1,158	5,797	6,955

Included in property development costs incurred is interest expenses of RM1,222,000 (2010 : RM1,222,000).

19. INVENTORIES

	Group 2011 RM'000	Group 2010 RM'000
At cost,		
Unsold units of apartments and houses	10,598	11,565
Consumables	23	23
Electronic, multimedia and computer devices, components and peripherals	3,578	16,645
Painting works	32	-
Wines	4,228	4,826
	18,459	33,059
At net realisable value,		
Electronic, multimedia and computer devices, components and peripherals	277	391
Wines	113	134
	390	525
	18,849	33,584

During the financial year, the amount of inventories recognised as an expense in the cost of sale of the Group was RM1,645,000 (2010 : RM 1,836,000). The reversal of write-down of inventories was made during the financial year when the related inventories were sold above their carrying amounts.

20. TRADE RECEIVABLES

	Group 2011 RM'000	Group 2010 RM'000
Trade receivables	255,839	246,069
Less: Allowance for impairment	(76,783)	(74,109)
	179,056	171,960

Trade receivables are recognised at their original invoice amounts which represent their fair values on initial recognition.

The ageing analysis of the Group's trade receivables is as follows:

	Group 2011 RM'000	Group 2010 RM'000
Neither past due nor impaired	80,159	51,690
1 to 30 days past due not impaired	1,322	6,204
31 to 60 days past due not impaired	413	1,761
61 to 90 days past due not impaired	657	2,195
91 to 120 days past due not impaired	1,518	2,609
More than 121 days past due not impaired	94,987	107,501
Impaired	76,783	74,109
	255,839	246,069

Trade receivable that is neither past due nor impaired are creditworthy debtors with insignificant losses noted. These trade receivables amounting to RM75,308,000 (2010 : RM19,204,000) are secured in nature.

Trade receivables that are past due but not impaired amounting to RM92,836,000 (2010 : RM106,778,000) are secured in nature. The remaining balance of trade receivables of RM6,061,000 (2010 : RM13,492,000) that are past due but not impaired are unsecured in nature and the management is of the view it is recoverable and it relates to a number of independent customers from whom there is no recent history of default.

Trade receivables that are impaired amounting to RM76,783,000 (2010 : RM74,109,000) relate to receivables that are in significant financial difficulties and have defaulted on repayments. These receivables are not secured by any collateral.

The movement of the allowance account used to record the impairment is as follows :

	Group 2011 RM'000	Group 2010 RM'000
At beginning of financial year	74,109	74,801
Charge for the financial year	2,868	474
Acquisition of a subsidiary company	17	-
Written off against trade receivables	(28)	(938)
Exchange differences	(28)	(58)
Reversal/Writeback during the financial year	(155)	(170)
At end of financial year	76,783	74,109

21. ACCRUED BILLINGS

	Group	
	2011	2010
	RM'000	RM'000
Revenue recognised as income to-date	116,568	151,362
Less: Progress billings to-date	(116,568)	(145,444)
Accrued billings in respect of property development activities	-	5,918

22. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Sundry receivables	25,991	24,011	9,072	9,183
Deposits paid	4,681	4,098	697	698
Prepayments	2,432	1,360	27	28
	33,104	29,469	9,796	9,909
Less: Allowance for impairment	(668)	-	-	-
	32,436	29,469	9,796	9,909

The Group's and Company's sundry receivables are creditworthy debtors with insignificant losses noted and are repayable on demand. The Group's and the Company's deposits paid are not impaired.

The movement of the allowance account used to record the impairment is as follows :

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
At beginning of financial year	-	192	-	192
Charge for the financial year	668	-	-	-
Reversal/Writeback during the financial year	-	(192)	-	(192)
At end of financial year	668	-	-	-

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	2011	2010
	RM'000	RM'000
Quoted securities, at market value		
- in Malaysia	41,744	50,697
- outside Malaysia	56,534	21,530
	98,278	72,227
Add/(Less) :		
Exchange differences	101	(584)
	98,379	71,643

The Group's financial assets at fair value through profit or loss amounting to RM37,130,000 (2010: RM17,021,000) are pledged to certain licensed banks and financial institutions for banking facilities granted to the Group.

24. DEPOSITS WITH LICENSED BANKS AND FINANCIAL INSTITUTIONS

	Group	
	2011	2010
	RM'000	RM'000
Deposits placed with :-		
- licensed banks	319,236	225,080
- other licensed financial institutions	123,068	300,919
	442,304	525,999

Included under deposits placed with licensed banks and financial institutions are :

(a) fixed deposits of RM123,544,000 (2010: RM235,840,000) which have been pledged to licensed banks and financial institutions as security for banking and credit facilities granted to the Group.

(b) remisiers' and dealers' deposits and clients' trust monies received of RM162,858,000 (2010: RM173,824,000).

The effective interest rate per annum for deposits with licensed banks and financial institutions are 0.001% to 5.00% (2010 : 0.001% to 5.00%).

25. CASH AND BANK BALANCES

Included in the cash and bank balances of the Group are :

(a) an amount of RM8,705,000 (2010: RM3,680,000) which represents remisiers' and dealers' deposits and clients' trust monies received.

(b) an amount of RM2,893,000 (2010: RM7,519,000) maintained pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and are restricted from use in other operations. The withdrawal of funds from the housing development accounts are restricted to property development costs incurred in respect of the development projects.

25. **CASH AND BANK BALANCES (CONT'D)**

(c) an amount of RM18,812,000 (2010: RM17,328,000) pledged to certain licensed banks and financial institutions for banking facilities granted to the Group.

26. **NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE**

The non-current assets classified as held for sale are as follows:-

	Group 2011 RM'000	Group (Restated) 2010 RM'000
Investment properties		
Freehold land and buildings, at valuation	-	1,650
Leasehold land and buildings under construction	7,993	6,750
	7,993	8,400
Available for sale investments		
Club memberships, at cost	-	193
	7,993	8,593

In the previous financial year, certain investment properties and available for sale investments of the Group were reclassified to non-current assets classified as held for sale due to :-

(a) A wholly-owned subsidiary company entered into several Sale and Purchase Agreements with third parties for the disposal of the certain freehold and leasehold land and buildings owned by the wholly-owned subsidiary company for a total disposal proceed of RM12,156,000.

(b) The directors of a wholly-owned subsidiary company via a circular resolution, resolved to dispose club memberships with a carrying amount of RM193,000 to prospective buyers.

During the financial year, the freehold land and buildings and club memberships were disposed at a consideration of RM1,650,000 and RM193,000 respectively.

During the financial year, the Group has reclassified certain leasehold investment properties to non-current assets classified as held for sale due to several Sale and Purchase Agreements signed with third parties for the disposal of these properties for a total disposal proceed of RM2,380,000.

27. **SHARE CAPITAL**

	Group and Company			
	Number of shares (in '000) 2011	Number of shares (in '000) 2010	Amount 2011 RM'000	Amount 2010 RM'000
Authorised:				
Ordinary shares of RM1 each				
At beginning and end of financial year	1,500,000	1,500,000	1,500,000	1,500,000
Issued and fully paid up:				
Ordinary shares of RM1 each				
At beginning and end of financial year	693,334	693,334	693,334	693,334

27. **SHARE CAPITAL (CONT'D)**

The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

28. **TREASURY SHARES**

	Group and Company			
	Number of shares (in '000)		Amount	
	2011	2010	2011 RM'000	2010 RM'000
At beginning of financial year	6,005	26,264	2,963	11,312
Shares repurchased classified as treasury shares	3,762	6,299	1,924	3,556
Distribution of treasury shares	-	(26,558)	-	(11,905)
At end of financial year	9,767	6,005	4,887	2,963

The shareholders of the Company had by an ordinary resolution passed at the Annual General Meeting held on 21 December 2010, approved the Company's plan to purchase its own shares up to a maximum of 69,333,363 ordinary shares of RM1 each representing approximately 10% of the total issued and fully paid up share capital of the Company.

The Directors of the Company are of the opinion that the share buy-back is in the best interests of the Company and its shareholders.

During the financial year, the Company bought back its issued ordinary shares from the open market as follows:-

2011	No. of shares	Total cost RM	Purchase price per share Highest RM	Lowest RM	Average RM
At beginning of financial Year	6,005,152	2,962,729	0.86	0.24	0.49
Purchases during the financial year					
- September 2010	216,900	111,318	0.52	0.50	0.51
- October 2010	200,000	104,256	0.52	0.52	0.52
- November 2010	300,000	162,679	0.55	0.53	0.54
- December 2010	150,000	84,613	0.56	0.56	0.56
- February 2011	23,500	12,073	0.50	0.50	0.50
- March 2011	1,734,500	848,197	0.51	0.47	0.49
- April 2011	661,500	355,298	0.54	0.53	0.54
- May 2011	274,500	143,498	0.53	0.51	0.52
- June 2011	200,800	102,897	0.52	0.50	0.51
At end of financial year	9,766,852	4,887,558	0.86	0.24	0.50

The share buy-back transactions were financed by internal generated funds of the Group. The shares bought back are being held as treasury shares in accordance with the provision of Section 67A of the Companies Act, 1965.

29. RESERVES

	Group		Company	
		(Restated)		
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Non-distributable:				
Reserve fund	1,200	1,200	-	-
Share premium	54,489	54,489	54,489	54,489
Available for sale investments fair value reserve	15,440	-	-	-
Exchange translation reserve	(2,078)	782	-	-
	69,051	56,471	54,489	54,489

The reserve fund is maintained in compliance with the provisions of the Rules of Bursa Malaysia Securities Berhad Relating to Participating Organisations and is not distributable.

Share premium represents the excess of the consideration received over the nominal value of shares issued by the Company. It is not to be distributed by way of cash dividends and its utilisation shall be in the manner as set out in Section 60(3) of the Companies Act, 1965.

The available for sale investments fair value reserve represents the cumulative fair value changes of available for sale investments until they are disposed of or impaired.

The exchange translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

30. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS")

	Group			
	Number of shares (in '000)		Amount	
	2011	2010	2011	2010
			RM'000	RM'000
Issued and fully paid up:				
RCPS of RM0.01 each				
Issued during the financial year	-	1,215	-	12
Share premium of RM3.785 per share	-	-	-	4,599
	-	1,215	-	4,611

In the previous financial year, Inari Technology Sdn Bhd ("Inari Tech"), a 51% indirect subsidiary company allotted and issued 1,215,000 RCPS of RM0.01 per share at a premium of RM3.785 each in accordance to a subscription agreement entered into by Inari Tech, the shareholders of Inari Tech and the holder of the RCPS.

The RCPS was classified as a component of liability in the statement of financial position in accordance with the provisions of FRS 132 Financial Instruments : Disclosure and Presentation.

30. **REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS") (CONT'D)**

The salient terms of the RCPS were as follows:

(a) Each RCPS may be converted, at the option of the holders, at any time after the date of issuance into one (1) fully paid ordinary shares of the subsidiary company.

(b) Each RCPS shall automatically be converted into one (1) ordinary share of the subsidiary company upon the last regulatory approval required being obtained in respect of an Initial Public Offering ("IPO") of the ordinary shares of the subsidiary company on any stock exchange or upon the implementation of a trade sale at such price and/or in such manner as may be approved by the shareholders of the subsidiary company and the RCPS holders.

(c) The RCPS holders are entitled to receive an annual dividend in priority and preference to any cash or non-cash dividends declared or paid in respect of ordinary shares or any other class of shares of the subsidiary company to an amount equivalent to 8% of each financial year's distributable profits. The dividend payable to the holder of the RCPS is recognised as finance cost in profit or loss.

The RCPS was converted into ordinary shares in Inari Tech during the financial year as described in Note 58 to the financial statements.

31. **LOANS AND BORROWINGS**

	Group	
	2011 RM'000	2010 RM'000
Current – secured		
Bank overdrafts	864	694
Term loans	48,595	189,850
Revolving credit facilities	2,000	2,000
	51,459	192,544
Non-current – secured		
Term loans	-	6,260
	51,459	198,804

The maturities of the loans and borrowings as at reporting date are as follows:

	Group	
	2011 RM'000	2010 RM'000
On demand or within 1 year	51,459	192,544
More than 1 year and less than 2 years	-	2,141
More than 2 years and less than 5 years	-	4,119
	51,459	198,804

31. LOANS AND BORROWINGS (CONT'D)

The loans and borrowings of the Group are secured against the following :

(i) fixed charge over certain landed properties of the Group;
(ii) certain quoted and unquoted securities, fixed deposits and bank balances of the Group;
(iii) corporate guarantee of the Company;
(iv) a deed of assignment over certain landed properties of the Group; and
(v) assignment of rental proceeds from certain landed properties of the Group.

The effective interest rates per annum as at the reporting date on the loans and borrowings were as follows:

	Group	
	2011	2010
Bank overdrafts	7.80% - 9.10%	7.55% - 8.55%
Term loans	0.07% - 6.71%	0.07% - 8.25%
Revolving credit facilities	4.35% - 5.60%	4.35% - 4.80%

32. HIRE PURCHASE PAYABLES

	Group	
	2011 RM'000	2010 RM'000
Payable within 1 year	6,472	5,514
Payable after 1 year but not later than 5 years	10,504	10,569
Payable after 5 years	15	-
	16,991	16,083
Less: Interest in suspense	(1,758)	(2,033)
Present value of hire purchase payables	15,233	14,050
Present value of hire purchase Payables		
- within 1 year (Note 34)	5,593	4,632
- after 1 year but not later than 5 years	9,625	9,418
- after 5 years	15	-
	15,233	14,050

The hire purchase payables within 1 financial year have been included under other payables and accruals.

The effective interest rate per annum for hire purchase payables are 3.0% to 6.27% (2010 : 2.16% to 4.75%).

33. **DERIVATIVE FINANCIAL LIABILITIES**

	Group	
	2011 RM'000	2010 RM'000
Negative fair value on :		
Currency forwards contracts and options	2,618	-
Other equity related contracts	5,405	-
	8,023	-

As at the reporting date, the contracted underlying principal amount of the Group's currencies forward contracts and options and the equity related contracts are RM73,295,000 (2010: Nil).

34. **OTHER PAYABLES AND ACCRUALS**

The other payables and accruals consist of the followings:-

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Hire purchase payables (Note 32)	5,593	4,632	-	-
Accrued expenses	9,837	14,961	270	337
Deposits received	3,300	5,393	-	-
Accrued interest expenses	859	491	-	5
Other payables	32,036	15,112	2,048	52
	51,625	40,589	2,318	394

35. **REVENUE**

Significant categories of revenue recognised during the financial year are as follows:-

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Manufacture of electronic and telecommunication products, parts and services	14,042	154,793	-	-
Sale of financial assets at fair value through profit or loss	149,650	135,814	-	-
Property development revenue	18,379	69,095	-	-
Sale of goods and services	11,130	18,158	-	-
Sale of properties	1,650	-	-	-
Interest income	10,078	16,142	-	-
Car rental	9,836	9,313		
Brokerage commissions	9,370	6,849	-	-
Rental income from letting out of properties	3,505	2,549	-	-
Dividend income	177	2,309	4,622	-
Management, advisory and consultancy fees income	4,509	4,715	266	438
Others	3,535	6,356	-	-
	235,861	426,093	4,888	438

36. COST OF SALES

Included in cost of sales are amongst other items the followings:-

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Amortisation of development expenditure	25	44	-	-
Amortisation of prepaid land lease payments	4	42	-	-
Allowance for obsolete inventories	594	270	-	-
Depreciation of property, plant and equipment	5,659	16,749	-	-
Hire of equipment	12	551	-	-
Property, plant and equipment written off	10	-	-	-
Rental of motor vehicles	21	6	-	-
Rental of premises	150	94	-	-
Writeback of allowance for inventories loss	-	(7)	-	-
Writeback of impairment of inventories	-	(35)	-	-
Writeback of allowance for obsolete inventories	(153)	-	-	-

37. OTHER INCOME

Included in other income are amongst other items the followings:-

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Accretion of discounts on held to maturity investments	385	721	-	-
Allowance for doubtful debts no longer required	155	362	-	192
Debts waived by a subsidiary company	-	-	-	5,042
Fair value gain on derivatives	4,995	-	-	-
Fair value gain on investment properties	11,192	7,465	-	-
Gain on disposal of property, plant and equipment	804	923	-	-
Gain on disposal of investment properties	-	11	-	-
Gain on disposal of available for sale investment	106	-	-	-
Gain on redemption of held to maturity investments	732	-	-	-
Gain on exchange differences				
- realised	12,160	647	-	-
- unrealised	17,139	1,473	14,806	807
Gross dividends from financial assets at fair value through profit or loss				
- quoted in Malaysia	1,072	1,828	-	-
- quoted outside Malaysia	896	231	-	-
Gross dividends from available for sale investments quoted in Malaysia	547	-	-	-

37. **OTHER INCOME (CONT'D)**

Included in other income are amongst other items the followings (cont'd):-

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Interest income from :				
- fixed deposits	7,088	4,513	1,100	764
- associate company	457	-	-	-
- subsidiary companies	-	-	2,747	2,843
- loans and receivables	(563)	1,656	-	-
- financial assets at fair value through profit or loss	-	576		
- held to maturity investments	3,382	4,312	-	-
- others	283	107	-	-
Transfer from available for sale investments reserve	323	-	-	-
Writeback of impairment of available for sale investments	-	3,000	-	-
Writeback of impairment of financial assets at fair value through profit or loss	20,126	17,186	-	-
Writeback of impairment of held to maturity investments	-	142	-	-

38. **ADMINISTRATION EXPENSES**

Included in administration expenses are amongst other items the followings:-

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Auditors' remuneration:-				
SJ Grant Thornton				
Statutory audit fees				
- current financial year	155	168	25	21
- underprovision in prior financial years	2	7	-	1
Special audits				
- current financial year	1	20	-	20
Other external auditors				
Statutory audit fees				
- current financial year	63	57	-	-
- underprovision in prior financial years	2	1	-	-
Bad debts written off	-	258	-	258
Depreciation of property, plant and equipment	219	806	111	130
Lease rental payable to a subsidiary company	-	-	34	34
Loss on disposal of property, plant and equipment	-	10	-	-
Property, plant and equipment written off	6	1	6	-
Rental of premises	807	791	300	300

39. OTHER OPERATING EXPENSES

Included in other operating expenses are amongst other items the followings:-

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Impairment of financial assets at fair value through profit or loss	-	26	-	-
Impairment of available for sale investments	-	5,767	-	-
Impairment of held to maturity investments	167	-	-	-
Allowance for doubtful debts	3,536	474	-	-
Amortisation of intangible assets	1,646	1,636	-	-
Amortisation of available for sale investment	-	21	-	-
Amortisation of premium on held to maturity investments	40	44	-	-
Amortisation of prepaid land lease payments	17	70	-	-
Amount due from a subsidiary company written off	-	-	-	12
Auditors' remuneration:-				
Other external auditors				
Statutory audit fees				
- current financial year	82	57	-	-
Available for sale investment written off	-	70	-	-
Bad debts written off	-	969	-	-
Depreciation of property, plant and equipment	1,429	1,285	-	-
Direct operating expenses arising from investment properties :				
- rental generating properties	592	930	-	-
- non-rental generating properties	73	18	-	-
Goodwill written off	284	184	-	-
Hire of equipment	419	344	-	-
Impairment loss on investment in a subsidiary company	-	-	-	8,400
Inventories written off	1	8	-	-
Intangible asset written off	-	11	-	-
Loss on exchange differences				
- realised	807	3,864	-	-
- unrealised	7,122	9,341	-	-
Loss on disposal of an associate company	73	-	-	-
Loss on disposal of property, plant and equipment	-	17	-	-
Property, plant and equipment written off	70	40	-	-
Rental of motor vehicle	5	55	-	-
Rental of premises	134	32	-	-

40. **FINANCE COSTS**

Finance costs comprise of the following expenses:-

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Interest expenses				
- subsidiary companies	-	-	-	77
- interest on term loans and bankers' acceptance facilities	3,429	3,370	-	-
- bank overdraft	186	90	-	-
- revolving credit facilities	104	181	-	92
- minority shareholders' advances	-	100	-	-
- dividends payable to RCPS holder	-	400	-	-
- hire purchase payables	916	781	-	-
	4,635	4,922	-	169

41. **EXCEPTIONAL ITEMS**

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Gain on capital repayment by an associate company	-	13,049	-	13,049
Gain on disposal of subsidiary companies	2,209	-	-	-
Gain on deemed disposal of subsidiary companies	288	-	-	-
	2,497	13,049	-	13,049

42. **TAXATION**

	Group		Company	
		(Restated)		
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Income tax :				
Provision for current financial year				
- Malaysia income tax	1,534	2,390	660	-
- Overseas income tax	154	178	-	-
Under/(Over)provision in previous financial years	12	117	3	(113)
Deferred tax :				
Transfer (from)/to deferred taxation (Note17)	1,329	(2,499)	-	104
Under/(Over)provision in previous financial year (Note 17)	262	(55)	-	-
	3,291	131	663	(9)

42. TAXATION (CONT'D)

The Malaysian Budget 2008 introduced a single tier income tax system with effect from year of assessment 2008. Companies without Section 108 tax credit will automatically move to the new single tier dividend system on 1 January 2008 whilst companies with such credit are given an irrevocable option to elect for a switch to the new system during the transitional period of six years. All the companies will be in the new system on 1 January 2014.

Under the new system, tax on profits of companies is a final tax and dividend distributed will be exempted from tax in the hands of shareholders.

The Company has available Section 108 tax credit and has not opt to switch over to the single tier system. The Company may use the available Section 108 tax credit for purpose of dividend distribution during the transitional period of six years.

The reconciliation of income tax expenses on profit before taxation with the applicable statutory income tax rate is as follows:-

	Group		Company	
		(Restated)		
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	104,028	61,024	16,133	10,027
Income tax at the Malaysian statutory tax rate of 25% (2010:25%)	26,007	15,256	4,033	2,507
Tax effect in respect of :				
Double deduction of expenses	-	(30)	-	-
Non-allowable expenses	2,539	7,301	638	2,322
Income not subject to tax	(23,609)	(18,841)	(4,001)	(4,725)
Effect of different tax rates in other countries	(698)	267	-	-
Overseas tax paid on dividend income	154	178	-	-
Tax savings from utilisation of capital allowances	(113)	(291)	-	-
Tax savings from utilisation of tax losses	(2,818)	(3,856)	-	-
Deferred taxation not recognised in the financial statements	1,555	85	(10)	-
Tax expenses for current financial year	3,017	69	660	104
Under/(Over)provision for taxation in preceding financial years	12	117	3	(113)
Under/(Over)provision for deferred taxation in preceding financial years	262	(55)	-	-
Tax expense for the financial year	3,291	131	663	(9)
Unutilised tax losses carried forward subject to agreement of the tax authorities	104,012	111,293	-	-
Unabsorbed capital allowances carried forward subject to agreement of the tax authorities	9,168	8,079	-	-

43. EARNINGS PER SHARE

Basic earnings per share

Earnings per share for the financial year has been calculated based on the Group's profit for the financial year attributable to the owners of the Parent of RM101,406,000 (2010 : RM53,312,000) divided by the weighted average number of ordinary shares in issue during the financial year of 685,895,000 ordinary shares (2010 : 675,437,000 ordinary shares), after taking into consideration the movement of shares bought back by the Company.

Diluted earnings per share

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.

44. DIRECTORS' REMUNERATION

The aggregate remuneration paid and payable to the Directors of the Company for the financial year, categorised into the appropriate components are as follows:

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Executive Directors:-				
Salaries and other emoluments	2,647	2,820	350	360
Defined contribution plan	107	116	81	48
Fees	-	-	-	-
Benefits-in-kind	35	35	35	35
	2,789	2,971	466	443
Non-Executive Directors:-				
Salaries and other emoluments	480	791	-	36
Defined contribution plan	71	59	-	4
Fees				
- current financial year	44	65	44	65
- overprovision in previous years	(62)	-	(62)	-
Benefits-in-kind	29	36	29	14
	562	951	11	119
	3,351	3,922	477	562

45. **STAFF COSTS**

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Salaries, wages and allowances	18,010	45,641	2,629	1,980
Social security cost	122	342	17	16
Defined contribution plan	1,716	3,259	342	288
Other staff related expenses	73	401	-	-
	19,921	49,643	2,988	2,284

Included in staff cost of the Group and of the Company are executive and non-executive directors' remuneration amounting to RM3,287,000 (2010 :RM3,851,000) and RM413,000 (2010 : RM513,000) respectively as disclosed in Note 44 to the financial statements.

46. **DIVIDENDS**

	Group and Company	
	2011 RM'000	2010 RM'000
Distribution of 26,558,148 treasury shares as share dividends by way of one treasury share for every twenty five ordinary shares held in the Company	-	11,905

47. **INFORMATION ON THE ACQUISITION OF SUBSIDIARY COMPANIES DURING THE FINANCIAL YEAR AND SUMMARY EFFECT OF ACQUISITION OF SUBSIDIARY COMPANIES**

(a) Details of the subsidiary companies acquired by the Group during the financial year were as follows:-

(i) On 26 January 2011, Insas Technology Berhad, a wholly-owned subsidiary company, had subscribed for 637,500 new ordinary shares of RM1 each, representing 51% equity interest in the enlarged share capital in J&C Pacific Sdn Bhd ("J&C") for a cash consideration of RM1,912,500. J&C was incorporated on 14 April 1997 as a private limited company under the Companies Act, 1965. The principal activity of J&C is provision of total communication services, solutions and products.

(ii) On 15 April 2011, Insas Pacific Rent-A-Car Sdn Bhd, an indirect wholly-owned subsidiary company, had entered into a Share Sale Agreement with the existing shareholders of Roset Limousines Services Pte Ltd ("Roset"), for the proposed acquisition of an additional 15,303 ordinary shares, representing 10% of the ordinary share capital in Roset for a cash consideration of S$15,303. Upon the completion of the acquisition, Roset becomes a 51% owned subsidiary company of the Group.

Roset is a private limited company incorporated in Singapore on 1 June 2004. The principal activities of Roset is the provision of premium limousines services.

47. **INFORMATION ON THE ACQUISITION OF SUBSIDIARY COMPANIES DURING THE FINANCIAL YEAR AND SUMMARY EFFECT OF ACQUISITION OF SUBSIDIARY COMPANIES (CONT'D)**

(a) Details of the subsidiary companies acquired by the Group during the financial year were as follows:- (cont'd)

(iii) On 22 October 2010, the Company acquired an additional 25% equity interest in Noble Builders Sdn Bhd ("Noble Builders") from the non-controlling interests for a cash consideration of RM1. As a result of this acquisition, Noble Builders became a wholly-owned subsidiary of the Company. There was no financial impact arising from the acquisition of the additional 25% equity interest in Noble Builders as the Group has fully accounted for its share of post acquisition losses in Noble Builders prior to the acquisition.

(b) The effect of the acquisition of J&C and Roset on the financial results of the Group during the financial year were as follows:-

	Group 2011 RM'000
Revenue	2,242
Cost of sales	(1,246)
Gross profit	996
Other income	103
Administration expenses	(736)
Other operating expenses	(514)
Finance costs	(28)
Loss before taxation	(179)
Taxation	(53)
Loss after taxation	(232)
Attributable to :	
Owners of the Parent	(119)
Non-controlling interest	(113)

If the acquisition had taken place at the beginning of the financial year, the Group's profit, net of tax and non-controlling interests, would have been RM101,503,000 and the Group's revenue would have been RM242,132,000.

47. **INFORMATION ON THE ACQUISITION OF SUBSIDIARY COMPANIES DURING THE FINANCIAL YEAR AND SUMMARY EFFECT OF ACQUISITION OF SUBSIDIARY COMPANIES (CONT'D)**

(c) The fair value of assets acquired and liabilities assumed from the acquisition of J&C and Roset are as follows:-

	Group 2011 RM'000
Net assets acquired:-	
Property, plant and equipment	5,495
Deferred tax assets	113
Inventories	10
Trade receivables	1,665
Other receivables, deposits and prepayments	296
Tax recoverable	138
Deposits with licensed banks	813
Cash and bank balances	2,935
Trade payables	(929)
Other payables and accruals	(1,438)
Hire purchase payables	(3,160)
Deferred tax liabilities	(162)
Non-controlling interests	(2,830)
Goodwill	284
	3,230
Less : Cost of investment in Roset accounted using the equity method of accounting	(1,015)
Share of post acquisition profit less losses of Roset	(266)
Purchase consideration	1,949
Less : Cash and cash equivalents acquired	(3,748)
Cash inflow on acquisition	(1,799)

48. INFORMATION ON THE DISPOSAL OF SUBSIDIARY COMPANIES DURING THE FINANCIAL YEAR AND SUMMARY EFFECT OF DISPOSAL OF SUBSIDIARY COMPANIES

(a) Details of the subsidiary companies disposed by the Group during the financial year were as follows:-

On 3 May 2011, the Company announced that ITB had signed a Share Sale Agreement with Mint Wireless Limited ("Mint") on 30 April 2011 for the proposed sale and purchase of 637,500 ordinary shares of RM1 each representing 51% of equity interest in J&C for a total sale consideration of RM4 million or A$1,311,475 to be satisfied by Mint via the issuance of 43,715,833 new ordinary shares representing 19.29% equity interest in Mint at the issue price of A$0.3 per ordinary share. On 17 June 2011, the Company announced that ITB had completed its disposal of the above transactions and accordingly, J&C ceased to be an indirect 51% owned subsidiary company of the Group.

(b) The details of net assets disposed and cash flow as at the date of disposal of J&C during the financial year were as follows:-

	Group 2011 RM'000
Property, plant and equipment	804
Inventories	901
Trade receivables	1,195
Other receivables, deposits and prepayments	817
Tax recoverable	163
Deposits with licensed bank	821
Cash and bank balances	139
Trade payables	(603)
Other payables and accruals	(725)
Non-controlling interests	(1,721)
Group's share of net assets disposed	1,791
Gain on disposal of subsidiary companies	2,209
Disposal proceeds	4,000
Less : Disposal in form of ordinary shares swap	(4,000)
Less : Cash and cash equivalents disposed	(960)
Net cash outflow on disposal of equity interest in subsidiary companies	(960)

49. **INFORMATION ON THE DEEMED DISPOSAL OF SUBSIDIARY COMPANIES DURING THE FINANCIAL YEAR AND SUMMARY EFFECT OF DEEMED DISPOSAL OF SUBSIDIARY COMPANIES**

The details of net assets disposed and cash flow as at the date of disposal of Inari Technology Sdn Bhd ("Inari Tech") and Simfoni Bistari Sdn Bhd ("Simfoni") were as follows:-

	Group 2011 RM'000
Property, plant and equipment	28,544
Prepaid land lease payments	4,760
Deferred tax assets	1,158
Inventories	13,961
Trade receivables	20,694
Other receivables, deposits and prepayments	850
Deposits placed with licensed banks	550
Cash and bank balances	8,491
Trade payables	(9,727)
Other payables and accruals	(20,298)
Hire purchase payables	(1,067)
Amount due to a related company	(10,669)
Tax payables	(502)
Loans and borrowings	(7,168)
Deferred tax liabilities	(443)
Redeemable convertible preference shares	(4,611)
Non-controlling interests	(12,044)
Group's share of net assets disposed	12,479
Add / (Less):	
Share of post acquisition profits less losses of Inari Tech	(1,536)
	10,943
Gain on deemed disposal of subsidiary companies	288
Disposal proceeds	11,231
Less : Exchange for ordinary shares in Inari Berhad	(12,701)
Less : Cash and cash equivalents disposed	(9,041)
Net cash outflow on deemed disposal of equity interest in subsidiary companies	(10,511)

Details on the disposal of Inari Tech and Simfoni are disclosed in Note 58 (a), (b) and (c) to the financial statements.

50. CONTINGENT LIABILITIES

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Unsecured :-				
Guarantees to secure banking and credit facilities granted to subsidiary companies	-	-	46,357	42,993
Invoices under dispute	178	178	-	-
	178	178	46,357	42,993

The corporate guarantees do not have a determinable effect on the terms of the credit facilities due to the banks and financial institutions requiring parent company guarantee as a pre-condition for approving the credit facilities granted to the subsidiary companies. The actual terms of the credit facilities are likely to be the best indicator of "at market" terms and hence the fair value of the credit facilities are equal to the credit facilities amount received by the subsidiary companies. As such, there is no value on the corporate guarantee to be recognised in the financial statements.

51. CAPITAL COMMITMENTS

	Group	
	2011	2010
	RM'000	RM'000
Authorised and contracted for		
- Acquisition of investment properties	2,940	1,050
- Acquisition of property, plant and equipment	-	5,247
- Acquisition of derivative financial instruments	73,295	-
- Acquisition of investments in quoted and unquoted shares and securities	5,000	19,229
	81,235	25,526

52. OPERATING LEASE COMMITMENTS

(a) Operating lease commitments - as lessee

The Group has entered into commercial lease on certain office equipments. These leases have an average tenure of between 1 and 2 years with renewal option.

Future minimum rentals payable under non-cancellable operating leases at the reporting date are as follows:

	Group	
	2011	2010
	RM'000	RM'000
Not later than 1 year	162	312
Later than 1 year but not later than 5 years	6	173
	168	485

52. OPERATING LEASE COMMITMENTS

(b) Operating lease commitments - as lessor

The Group has entered into commercial and residential property leases on its investment properties. These non-cancellable leases have remaining lease terms of between 1 and 2 years. All leases include a clause to enable upward revision of the rental charge upon renewal of the lease based on prevailing market rates.

Future minimum rentals receivable under non-cancellable operating leases at the reporting date are as follows:

	Group	
	2011 RM'000	2010 RM'000
Not later than 1 year	644	1,206
Later than 1 year but not later than 5 years	174	368
	818	1,574

(c) Finance lease commitment

The future minimum lease payments under finance leases are disclosed in Note 32 to the financial statements.

53. **SEGMENTAL INFORMATION**

(a) Operating Segments

2011	Financial services and credit & leasing RM'000	Property investment and development RM'000	Investment holding and trading RM'000	Retail trading and car rental RM'000	Information technology related services RM'000	Eliminations RM'000	**Group** RM'000
Revenue							
External revenue	23,535	19,682	157,558	11,859	23,227	-	235,861
Inter-segment revenue	1,224	3,877	5,496	444	899	(11,940)	-
Total segment revenue	24,759	23,559	163,054	12,303	24,126	(11,940)	235,861
Results							
Interest income	1,060	708	11,990	-	773	(3,884)	10,647
Finance costs	(4,067)	(7,427)	(1,843)	(1,133)	(220)	10,055	(4,635)
Depreciation and amortisation	(2,326)	(301)	(315)	(4,688)	(1,409)	-	(9,039)
Share of profits less losses of associate companies	-	-	2,783	2,469	5,670	-	10,922
Share of profits less losses of jointly controlled entities	-	16,660	-	-	-	-	16,660
Taxation	(136)	(1,742)	(1,220)	(53)	(140)	-	(3,291)
Other non-cash expenses (i)	(2,680)	-	(5,801)	(391)	(3,798)	-	(12,670)
Segment profit	3,123	15,856	61,065	3,407	17,286	-	100,737
Assets							
Investments in associate companies	-	-	5,097	14,707	21,924	-	41,728
Investments in jointly controlled entities	-	40,498	-	-	-	-	40,498
Additions to non-current assets (ii)	3,152	5	13,921	4,356	16,060	-	37,494
Segment assets	488,468	108,838	531,747	50,550	70,330	-	1,249,933
Liabilities							
Segment liabilities	182,610	11,345	92,697	18,043	3,815	-	308,510

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53. **SEGMENTAL INFORMATION (CONT'D)**

(a) Operating Segments (cont'd)

2010	Financial services and credit & leasing RM'000	Property investment and development RM'000	Investment holding and trading RM'000	Retail trading and car rental RM'000	Information technology related services RM'000	Eliminations RM'000	**Group** RM'000
Revenue							
External revenue	24,070	73,021	147,032	10,771	171,199	-	426,093
Inter-segment revenue	8,154	4,971	4,124	537	9,991	(27,777)	-
Total segment revenue	32,224	77,992	151,156	11,308	181,190	(27,777)	426,093
Results							
Interest income	3,770	352	10,906	-	182	(4,046)	11,164
Finance costs	(3,317)	(3,502)	(2,129)	(989)	(1,246)	6,261	(4,922)
Depreciation and amortisation	(2,072)	(292)	(308)	(4,392)	(13,633)	-	(20,697)
Share of profits less losses of associate companies	-	-	692	(427)	-	-	265
Share of losses of jointly controlled entities	-	(480)	-	-	-	-	(480)
Taxation	1,743	(835)	(356)	-	(683)	-	(131)
Other non-cash expenses (i)	(1,827)	-	(12,857)	(361)	(6,265)	-	(21,310)
Segment profit	13,978	1,395	31,849	456	13,215	-	60,893
Assets							
Investments in associate companies	-	393	4,265	12,426	-	-	17,084
Investments in jointly controlled entities	-	24,122	-	-	-	-	24,122
Additions to non-current assets (ii)	1,072	29,032	31,687	7,575	6,655	-	76,021
Segment assets	462,422	159,900	533,720	45,654	113,378	-	1,315,074
Liabilities							
Segment liabilities	186,608	13,802	194,352	14,948	49,899	-	459,609

53. **SEGMENTAL INFORMATION (CONT'D)**

(a) Operating Segments (cont'd)

Segment revenue, expenses and results include transfers between segments. The prices charged on inter segment transactions are on negotiated basis. These transactions are eliminated on consolidation.

The Group is organised into five main operating segments. The main operating segments of the Group and their respective business activities are :-

Operating segment	**Business activities**
Financial services and credit & leasing	Stock broking and dealing in securities, provision of corporate finance and advisory services, credit and leasing and granting of loans and other related financing activities, provision of share registration services, management services and nominee agents.
Property investment and development	Property development, property holding and investments and project and property management.
Investment holding and trading	Investment holding and trading of quoted securities and other related financial instruments.
Retail trading and car rental	Cars and limousines for hire/rental, wine merchant, retail and trading of high fashion wear, leather goods and other lifestyle-related products and operating food and beverages outlets.
Information technology related services	Produce wireless microwave telecommunication products, wireless broadcast card and electronic manufacturing services, design, manufacturing, distribution and sales of smartcards, semi-conductor products and equipment, manufacture and distribution of computer peripherals, design and development of software and web applications and provision of communication and networking services, provision of sales and services for mobile wireless and fixed line broadband solutions and devices and related peripherals, sale of data and multimedia products and services, provision of secure payment gateway services for e-commerce community, computer hardware dealers and maintenance, sale of multimedia and electronic products and IT consultancy services.

53. **SEGMENTAL INFORMATION (CONT'D)**

(a) Operating Segments (cont'd)

(i) Other material non-cash expenses consist of the following items :-

	2011 RM'000	2010 RM'000
Impairment of available for sale investments	-	5,767
Impairment of financial assets at fair value through profit or loss	-	26
Impairment of held to maturity investments	167	-
Available for sale investment written off	-	70
Allowance for doubtful debts	3,536	474
Allowance for obsolete inventories	594	270
Bad debts written off	-	1,227
Goodwill written off	284	184
Intangible assets written off	-	11
Inventories written off	1	8
Loss on disposal of property, plant and equipment	-	27
Loss on disposal of an associate company	73	-
Property, plant and equipment written off	86	41
Realised loss on exchange difference	807	3,864
Unrealised loss on exchange difference	7,122	9,341
	12,670	21,310

(ii) Additions to non-current assets consist of :-

	2011 RM'000	2010 RM'000
Property, plant and equipment	9,252	15,799
Investment properties	-	17,110
Available for sale investments	-	14,173
Held to maturity investments	13,508	-
Intangible assets	13	22
Associate companies	14,721	-
Jointly controlled entities	-	28,917
	37,494	76,021

53. **SEGMENTAL INFORMATION (CONT'D)**

(b) Geographical Information

Revenue and non-current assets information based on the geographical location of the customers and assets respectively are as follows:

	Revenue RM'000	Non-current assets RM'000
2011		
Malaysia	93,233	260,025
Overseas*	142,628	112,063
	235,861	372,088
2010		
Malaysia	270,406	204,020
Overseas*	155,687	148,852
	426,093	352,872

* Overseas countries comprised predominantly of Singapore, Hong Kong and the British Virgin Islands.

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position :-

	2011 RM'000	2010 RM'000
Property, plant and equipment	39,551	62,460
Prepaid land lease payments	-	4,781
Investment properties	102,745	90,751
Land held for development	37,576	37,576
Available for sale investments	50,419	43,194
Held to maturity investments	41,585	53,260
Associate companies	41,728	17,084
Jointly controlled entities	40,498	24,122
Intangible assets	17,986	19,644
	372,088	352,872

(c) Information about major customer

The Group does not have any revenue from a single external customer which represents 10% or more of the Group's revenue.

54. RELATED PARTY DISCLOSURES

(a) Outstanding balances arising from related party transactions

The outstanding balances arising from related party transactions as at the reporting date were disclosed in Note 12(b) and 13 (b) to the financial statements.

(b) The Group has the following transactions with the following related parties at negotiated terms agreed between the parties during the financial year:-

	Group	
	2011	2010
	RM'000	RM'000
Design and printing costs paid to Catalyst Creatives, a firm related to a Director of the Company	149	145
Fees charged by/(charged to) Syarikat Agensi Pekerjaan ER Services Sdn Bhd, a company related to certain Directors of the Company:-		
- recruitment and human resources administration services fees	27	36
- secretarial fees	-	(1)
- rental of office premises	(15)	(14)
Purchases from/(Sales to) Vanskee Enterprise (S) Pte Ltd, a company related to certain directors and a minority shareholder of a subsidiary company:-		
- purchase of raw material	7	55
- sale of goods and services	(56)	(34)
Purchases of raw material from Vanskee Enterprise Co. Ltd., a company related to certain directors and a minority shareholder of a subsidiary company	13	238
Sale of goods and services to Ceedtec Sdn Bhd, a company related to a director and a minority shareholder of an associate company (2010 : a subsidiary company)	(240)	(16)
Refurbishment and maintenance works provided to companies related to directors of the Company and a subsidiary company		
- Immobillaire Holdings Sdn Bhd	41	29
- Baktihan Sdn Bhd	97	26
- Metro Sierra Sdn Bhd	111	13
- Titan Express Sdn Bhd	1	10
- Accrocrest Development Sdn Bhd	19	154
Interest expense paid and payable to minority shareholders of an associate company (2010 : a subsidiary company)		
- Ho Phon Guan	-	31
- Macronion Sdn Bhd	-	69
Sale of manufactured products and electronic manufacturing services to Avago Technologies Limited, a company related to a shareholder of an associate company (2010 : a subsidiary company)	158,109	154,623

54. **RELATED PARTY DISCLOSURES (CONT'D)**

(c) The Company has the following transactions with the following related parties during the financial year:-

	Company	
	2011	2010
	RM'000	RM'000
Management fees charged to subsidiary companies*	266	438
Debts waived by a subsidiary company, True Blue Sdn Bhd	-	5,042
Dividends received from subsidiary companies :		
- Insas Technology Berhad	1,450	-
- M&A Securities Sdn Bhd	3,172	-
Interest expenses paid and payable to a subsidiary company, M & A Securities Sdn Bhd	-	77
Secretarial and retainer fees paid and payable to a subsidiary company, Megapolitan Management Services Sdn Bhd	61	64
Lease rental paid and payable to a subsidiary company, Insas Pacific Rent-A-Car Sdn Bhd	34	34
Interest charged to subsidiary companies*	2,747	2,843

*The transactions are disclosed in aggregate as it is immaterial to disclose individually.

(d) Remuneration of Key Management Personnel

The remuneration of directors and other members of key management during the financial year were as follows:-

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Salaries, allowances and bonus	4,675	5,424	350	360
Defined contribution plan	332	331	81	48
Fees	-	140	-	-
Social security cost	5	2	-	-
Benefits-in-kind	61	78	35	35
	5,073	5,975	466	443

Included in the total compensation of key management personnel were:-

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Executive Directors' remuneration (Note 44)	2,789	2,971	466	443

Other members of key management personnel comprise persons other than the Executive Directors of the Group and of the Company, having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

55. LIST OF SUBSIDIARY COMPANIES

Name of companies	% Effective equity interest 2011	2010	Principal activities	Country of incorporation
Cellar-One Sdn Bhd	100	100	Wine merchant	Malaysia
Cellar-1 (S) Pte Ltd *	100	100	General trading including trading of alcoholic and non-alcoholic beverages	Singapore
Contibina Sdn Bhd	-	60	Company had been wound up during the financial year	Malaysia
Dellmax Worldwide Sdn Bhd	58.5	58.5	Investment holding	Malaysia
Delta Crest Sdn Bhd*	100	100	Property investment	Malaysia
Desa Juara Sdn Bhd	100	100	Property development	Malaysia
Filmont Development Sdn Bhd	100	100	Investment holding, property development and project management	Malaysia
Gryphon Asset Management Sdn Bhd	66	66	Fund management and investment holding	Malaysia
Hastanas Development Sdn Bhd	72	72	Property development	Malaysia
Insas Construction Sdn Bhd	100	100	Construction, landscaping, renovation and other related works	Malaysia
Insas Corporate Services Sdn Bhd	100	100	Provision of management services and investment holding	Malaysia
Insas Credit & Leasing Sdn Bhd	100	100	Credit, leasing and other related financing activities	Malaysia
Insas Mobile Sdn Bhd	100	100	Dormant	Malaysia
Insas Plaza Sdn Bhd	100	100	Investment holding, investment trading, property investment and trading, project and property management and commission agent	Malaysia
Insas Project Management Sdn Bhd	100	100	Property and project management and consultants	Malaysia

55. LIST OF SUBSIDIARY COMPANIES (CONT'D)

Name of companies	% Effective equity interest 2011	2010	Principal activities	Country of incorporation
Insas Properties Sdn Bhd	90	90	Investment holding and property investment	Malaysia
Insas Property Management Sdn Bhd	90	90	Property and project management	Malaysia
Insas Technology Berhad	100	100	Investment holding and provision of information technology consultancy services, provision of management services and trading of electronic and telecommunications related products	Malaysia
Insas Technology Pte Ltd *	100	100	Investment holding	Singapore
Insas Pacific Rent-A-Car Sdn Bhd	100	100	Car rental services	Malaysia
Jia Sdn Bhd	100	100	Restaurant operator (temporary ceased operations)	Malaysia
Langdale E3 Pte Ltd *	100	100	Provide telecommunication services, electronic components sourcing and sale and distribution of mobile wireless and fixed line broadband solutions, devices and related peripherals	Singapore
Langdale Systems Sdn Bhd	100	100	Computer trading and software consultation	Malaysia
Lifestyle-One Sdn Bhd	100	100	Investment holding	Malaysia
M & A Futures Sdn Bhd	100	100	Futures broking	Malaysia
M & A Financial Services Inc.	100	100	Investment holding and provision of credit and related financing activities	British Virgin Islands
M & A Nominee (Asing) Sdn Bhd *	100	100	Nominee agent and registration services	Malaysia
M & A Nominee (Tempatan) Sdn Bhd *	100	100	Nominee agent and registration services	Malaysia

55. LIST OF SUBSIDIARY COMPANIES (CONT'D)

Name of companies	% Effective equity interest 2011	2010	Principal activities	Country of incorporation
M & A Research Sdn Bhd	100	100	Management and investment research services	Malaysia
M & A Securities Sdn Bhd *	100	100	Stock broking and dealing in securities and provision of corporate finance and advisory services	Malaysia
M & A Securities (HK) Limited *	93	93	Stockbroking (temporary ceased operations)	Hong Kong
Magxo Sdn Bhd	100	100	Mobile virtual network operations	Malaysia
Megapolitan Nominees (Tempatan) Sdn Bhd	100	100	Nominee agent and registration services	Malaysia
Megapolitan Management Services Sdn Bhd	100	100	Provision of corporate secretarial, share registration and management services	Malaysia
Media Lang Limited*	100	100	Sale of multimedia and electronic products	Hong Kong
Montania Development Sdn Bhd	100	100	Property investment	Malaysia
Micromodule Pte Ltd *	52.4	52.4	Design, manufacture, distribute, sales, maintenance and other supporting activities related to manufacture of equipment, sub assemblies, semi and finished products for all types of semiconductor products and equipment	Singapore
Montego Assets Limited	100	100	Investment holding and trading	British Virgin Islands
Montego (S) Pte Ltd*	100	100	Investment holding, investment trading and investment and rental of properties	Singapore
Noble Builders Sdn Bhd	100	75	Property investment and theme restaurant (inactive)	Malaysia
Pan Asian Assets Inc.	100	100	Investment trading	British Virgin Islands
Parkfair Development Sdn Bhd	63	63	Investment holding	Malaysia

55. LIST OF SUBSIDIARY COMPANIES (CONT'D)

Name of companies	% Effective equity interest 2011	2010	Principal activities	Country of incorporation
Premium-One Sdn Bhd	100	100	Restaurant operator (ceased operations)	Malaysia
Premium Realty Sdn Bhd	100	100	Investment holding and property investment	Malaysia
Premium Yield Sdn Bhd	72	72	Investment holding	Malaysia
Roset Limousines Services Pte Ltd*	51	41	Provision of premium limousines services	Singapore
Segar Raya Development Sdn Bhd	60.3	60.3	Real property and housing developer	Malaysia
Southgroup Investments Limited *	100	100	Investment holding	Hong Kong
Teraju Usaha Sdn Bhd	100	100	Provision of consultancy and advisory services and commission agent	Malaysia
Topacres Sdn Bhd	100	100	Investment holding	Malaysia
True Blue Sdn Bhd	100	100	Investment holding	Malaysia
Valencia Homes Sdn Bhd	90	90	Property development	Malaysia
Vigcashlimited LLC	100	100	Provision of secure payment gateway services for e-commerce communities (inactive)	Mongolia
VigSys Sdn Bhd	100	100	Manufacture and distribution of mobile wireless and fixed line broadband solutions, devices and related peripherals	Malaysia
VigTech Labs Sdn Bhd	100	100	Design and development of software and web applications and provision of communication and networking services	Malaysia

55. LIST OF SUBSIDIARY COMPANIES (CONT'D)

Name of companies	% Effective equity interest 2011	2010	Principal activities	Country of incorporation
Xotapoint Sdn Bhd	100	100	Provision of voice call services (temporary ceased business), provision of sales and services for mobile wireless and fixed line broadband solutions and devices and related peripherals, data and multimedia products and services and provision of smartcard software and system integration	Malaysia
Xota Communications Sdn Bhd	100	100	Provision of voice call services and trading in all related products (temporary ceased business) and the provision of information technology consultancy services	Malaysia

* Companies not audited by SJ Grant Thornton.

56. LIST OF ASSOCIATE COMPANIES

Name of companies	% Effective equity interest 2011	2010	Principal activities	Country of incorporation
Brickfields Properties Pty Ltd*	25	25	Property development (ceased operations)	Australia
Centreplus Sdn Bhd	35	35	Improving and leasing of landed property	Malaysia
Cool Inspirations Sdn Bhd	43.4	-	Investment holding and property investment	Malaysia
Diffusion Fashions Sdn Bhd	43.4	43.4	Retailer of high fashion products	Malaysia
Dome Cafe Sdn Bhd	43.4	43.4	Restaurant operator	Malaysia
Gleneagles Medical Centre (Kuala Lumpur) Sdn Bhd *	20	20	Development and investment in medical centers	Malaysia
Good-Life Foods Sdn Bhd	-	22.1	Restaurant operator	Malaysia
Island Cafe Sdn Bhd	36	36	Restaurant operator	Malaysia
Lifestyle Foods Sdn Bhd	43.4	37.7	Food and beverage restaurant	Malaysia

56. **LIST OF ASSOCIATE COMPANIES (CONT'D)**

Name of companies	% Effective equity interest 2011	2010	Principal activities	Country of incorporation
Melium Holdings Sdn Bhd	43.4	43.4	Investment holding	Malaysia
Melium Sdn Bhd	43.4	43.4	Retailer of high fashion products	Malaysia
Melium Aseana Sdn Bhd	43.4	43.4	Retailer of Asian made products	Malaysia
Ermenegildo Zegna Malaysia Sdn Bhd*	21.2	21.2	Retailer of high fashion products	Malaysia
Fancy Connections Sdn Bhd	30.3	30.3	Dormant	Malaysia
Inari Berhad	44.1	-	Investment holding	Malaysia
Inari Technology Sdn Bhd	44.1	51	Produce wireless microwave telecommunication products, wireless broadcast card and to provide electronic manufacturing services	Malaysia
Sengenics Sdn Bhd*	20	-	Provide microarray products and associated services for cutting-edge genetic-based research and clinical disgnostics	Malaysia
Simfoni Bistari Sdn Bhd	44.1	100	Investment holding, property investment and letting out of properties	Malaysia
Winfields Development Sdn Bhd	40	40	Investment holding and rental of properties	Malaysia
Winfields Development Pte Ltd*	40	40	Investment holding and trading and rental of properties	Singapore

* Companies not audited by SJ Grant Thornton.

57. LIST OF JOINTLY CONTROLLED ENTITIES

Name of entities	% Effective equity interest 2011	2010	Principal activities	Country of incorporation
Chantrey House LLP*	50	50	Investment holding	United Kingdom
Eccleston Belgravia LLP*	49.8	49.8	Improving and leasing of landed property	United Kingdom

* Entities not audited by SJ Grant Thornton.

58. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 5 August 2010, Insas Technology Berhad ("ITB"), a wholly-owned subsidiary company's diluted its equity interest in Inari Technology Sdn Bhd ("Inari Tech") from 51% to 42.43% following the conversion of 1,515,000 Redeemable Convertible Preference Shares ("RCPS") held by the RCPS holders in Inari Tech into 1,515,000 ordinary shares in Inari Tech.

The conversion of the RCPS was made in accordance with the terms and conditions contained in the subscription agreements entered into between Inari Tech and its shareholders and the RCPS holders.

(b) On 20 September 2010, ITB and the other shareholders of Inari Tech had entered into a Sale and Purchase Agreement with Inari Berhad ("Inari") for the disposal of their combined 100% equity interest in Inari Tech to Inari for a total consideration of RM24,160,860, which were satisfied in full by the allotment of 241,608,600 ordinary shares of RM0.10 each in Inari in proportion of their respective shareholdings in Inari Tech. Arising thereof, Inari Tech become a wholly owned subsidiary company of Inari, and Inari become a 42.43% associate company of the Group.

Inari was incorporated in Malaysia on 5 May 2010 as a public limited company under the Companies Act, 1965. The principal activity of Inari is investment holding.

(c) On 21 September 2010, ITB entered into a Sale and Purchase Agreement to dispose its 100% equity interest in Simfoni Bistari Sdn Bhd ("Simfoni") to Inari for a total cash consideration of RM1,000,000. In addition, Inari undertakes to repay the amount owing by Simfoni to ITB of RM10,000,000 by way of issuance of 7,000,000 new ordinary share in Inari to ITB at an issue price of RM0.35 per Inari share and the balance owing of RM7,550,000 is to be repayable over a period of 12 months subject to interest payment of 8% per annum until the date of full repayment.

Simfoni was incorporated in Malaysia on 18 February 2003 as a private limited company under Companies Act, 1965. The principal activities of Simfoni are investment holding, property investment and letting out of properties.

Upon the completion of transactions (a), (b) and (c) above, ITB holds 44.05% equity interest in Inari, Inari Tech and Simfoni. The purpose of the transactions stated in (a), (b) and (c) were to streamline the corporate structure of Inari to facilitate Inari to undertake an initial public offering ("IPO") and listing and quotation of its shares on the ACE Market of Bursa Malaysia Securities Berhad.

58. **SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)**

(c) cont'd

On 24 February 2011, the Board of Directors of the Company announced that Bursa Malaysia Securities Berhad had vide its letter dated 23 February 2011 approved Inari's application for admission to the Official List on the ACE Market.

Inari was listed on the ACE Market on 19 July 2011.

(d) On 22 October 2010, the Company increased its equity interest in Noble Builders Sdn Bhd ("Noble Builders") from 75% to 100% via the acquisition of 250,000 ordinary shares of RM1.00 each in Noble Builders from the non-controlling interests for a consideration of RM1.00. Noble Builders was incorporated in Malaysia on 11 May 1993 and its principal activities were in property investment and food and beverages business. Noble Builders is now a dormant company.

(e) On 21 December 2010, the Company announced that Contibina Sdn Bhd ("Contibina"), a 60% indirect subsidiary company, had on 17 December 2010 commenced Members' Voluntary Winding–up pursuant to Section 254 (1)(b) of the Companies Act 1965. Contibina was incorporated on 19 August 1994 with an issued and paid up share capital of RM200,000 comprising 200,000 ordinary shares of RM1.00 each.

The winding-up of Contibina was initiated as it has ceased business operations in year 1997. Contibina had since remained dormant and has no intention to carry on business activities in the future.

On 10 June 2011, a Return by Liquidator relating to Final Meeting was lodged with the Companies Commission of Malaysia and the Official Receiver. Pursuant to Section 272(5) of the Companies Act, 1965, Contibina will be dissolved on the expiration of three (3) months after the lodgment date.

(f) On 26 January 2011, the Company announced that ITB had subscribed for 637,500 new ordinary shares of RM1.00 ("the subscription") representing 51% equity interest in J&C Pacific Sdn Bhd ("J&C") for a total subscription price of RM1,912,500.

With the subscription, J&C becomes a 51% indirect subsidiary company of the Company. J&C was incorporated on 14 April 1997 as a private limited company under the Companies Act 1965. The authorised and paid up share capital of J&C is RM500,000 comprising 500,000 ordinary shares of RM1.00 each. The principal activity of J&C is provision of total communication services, solutions and products.

(g) On 2 March 2011, the Company announced that ITB had subscribed for 20,000 ordinary shares of RM1.00 each representing 20% equity interest in Sengenics Sdn Bhd ("Sengenics") for a total subscription price of RM20,000 and 2,000,000 redeemable convertible preference shares of RM0.01 each for a total subscription price of RM2,000,000. Sengenics became a 20% associate company of the Group.

Sengenics is a private limited company incorporated in Malaysia with its principal activities are to provide microarray products and associated services for cutting-edge genetic-based research and clinical disgnostics. Sengenics has been awarded BioNexus Status by the Malaysian Biotechnology Corporation Sdn Bhd on 16 November 2010 to conduct commercialisation of cytogenetic and molecular diagnostic products and services and to undertake related research and development activities.

58. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(h) On 15 April 2011, the Company announced that Insas Pacific Rent-A-Car Sdn Bhd ("IPRAC"), an indirect wholly-owned subsidiary company, had entered into a Share Sale Agreement ("the Agreement") with the other two shareholders of Roset Limousines Services Pte Ltd ("Roset") for the proposed acquisition by IPRAC of 15,303 ordinary shares representing an additional 10% of the share capital in Roset for a cash consideration of S$15,303.

Upon the completion of the proposed acquisition, Roset will become a 51% owned subsidiary company of the Group. The acquisition was completed during the financial year.

(i) On 3 May 2011, the Company announced that ITB had signed a Share Sale Agreement with Mint Wireless Limited ("Mint") on 30 April 2011 for the proposed sale and purchase of 637,500 ordinary shares of RM1 each representing 51% of equity interest in J&C for a total sale consideration of RM4 million or A$1,311,475 to be satisfied by Mint via the issuance of 43,715,833 new ordinary shares representing 19.29% equity interest in Mint at the issue price of A$0.3 per ordinary share.

On 17 June 2011, the Company further announced that ITB had completed its disposal of the above transactions and accordingly, J&C ceased to be an indirect 51% owned subsidiary company of the Group.

Mint is a technology based company listed on the Australian Securities Exchange and its core businesses are the development of innovative payment solutions and consumer technology products and services.

59. SIGNIFICANT EVENT SUBSEQUENT TO REPORTING DATE

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.

60. FINANCIAL INSTRUMENTS

(a) Financial risk management and policies

The Group and the Company are exposed to financial risks arising from the use of financial instruments. The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and of the Company's business whilst managing its interest rate, credit, foreign currency exchange, liquidity and market risks. The Group and the Company operate within guidelines approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows:-

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group and the Company are not significantly exposed to interest rate risk except for the floating rate borrowings and deposits placed with licensed banks and financial institutions. The Group's held to maturity investments and hire purchase payables are mainly fixed rate securities and are not exposed to interest rate risk.

The interest rate profiles of the Group's and the Company's financial assets and financial liabilities that are exposed to interest rate risk are set out as follows :-

2011	Floating rates instruments RM'000	Fixed rates instruments RM'000	Total RM'000	Effective interest rate during the financial year % per annum
Group				
Financial assets				
Held to maturity investments	-	55,294	55,294	3.41% - 13.0%
Deposits placed with licensed banks and financial institutions	442,304	-	442,304	0.001% - 5.00%
Financial liabilities				
Loans and borrowings	51,459	-	51,459	0.07% - 9.10%
Hire purchase payables	-	15,233	15,233	3.0% - 6.27%
Company				
Financial assets				
Amount due from subsidiary companies	-	259,389	259,389	1.80% - 2.75%

60. **FINANCIAL INSTRUMENTS (CONT'D)**

(a) Financial risk management and policies (cont'd)

(i) Interest rate risk (cont'd)

The Group's exposure to interest rate risk for a 1% increase/(decrease) in interest rate on the financial assets and liabilities with floating interest rates at the reporting date would result in a corresponding effect to the profit for the financial year as follows:-

	Profit for the financial year RM'000
Group	
2011	
Variable rates	
- increase by 1%	3,908
- decrease by 1%	(3,908)

The assumed movement in interest rate of 1% for the interest rate sensitivity analysis is based on the prudent estimate of the current market environment.

(ii) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group and the Company do not have significant concentration of credit risk with any single counterparty.

The Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of trade and other receivables and amount due from subsidiary companies and related companies in the statements of financial position.

The credit risk for cash and cash equivalents are considered negligible since the counterparties are reputable banks with high credit rating.

Trade and other receivables

The Group's normal trade credit terms to trade receivables ranges from 30 to 90 days (2010 : 30 to 90 days) except for a subsidiary company whose credit terms is 3 market days according to the Bursa Malaysia Fixed Delivery and Settlement System Trading Rules. The Group's normal credit term in relation to rental receivables is 7 days (2010: 7 days). Other credit terms are assessed and approved on a case-by-case basis. As at the reporting date, the management is of the opinion that all necessary impairment that is required has been provided for and the trade receivables that have not been impaired are creditworthy debtors whereby impairment is not needed.

Other receivables are neither past due nor impaired as these balances are deemed recoverable.

60. **FINANCIAL INSTRUMENTS (CONT'D)**

(a) Financial risk management and policies (cont'd)

(ii) Credit risk (cont'd)

Intercompany advances

The Company provides advances to its subsidiary companies and controls the credit risk via monitoring procedures.

As at the reporting date, there was no indication of default on payment for advances granted to the subsidiary companies and adequate impairment has been accounted for those impaired balances due from the subsidiary companies.

Investments and other financial assets

The Group and the Company hold securities and deposits placed with sound credit rating counterparties and financial institutions.

As at the reporting date, there was no indication that any investments and deposits are not recoverable.

Financial guarantees

The maximum exposure to credit risk is disclosed in Note 50 to the financial statements.

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiary companies and monitored the results of repayments by subsidiary companies closely. As at the reporting date, there was no indication that any subsidiary company will be default on payment.

(iii) Foreign currency exchange risk

Foreign currency exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group and the Company are exposed to foreign currency risk on their sales, purchases, investments and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are principally Hong Kong Dollar, Australian Dollar, Singapore Dollar, US Dollar, Sterling Pound and Euro Dollar.

The Group is also exposed to currency translation risk arising from its net assets of the respective foreign subsidiary companies.

60. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial risk management and policies (cont'd)

(iii) Foreign currency exchange risk (cont'd)

The net unhedged financial assets and liabilities of companies within the Group and the Company that are not denominated in their respective functional currencies are as follows:-

2011	US Dollar RM'000	Singapore Dollar RM'000	Euro Dollar RM'000	Sterling Pound RM'000	Australian Dollar RM'000	Hong Kong Dollar RM'000	Other currencies RM'000	Total RM'000
Group								
Held to maturity investments	37,881	5,483	2,220	-	8,707	-	-	54,291
Trade receivables	372	834	1,261	450	7	-	-	2,924
Other receivables, deposits and prepayments	491	506	229	14	474	31	-	1,745
Financial assets at fair value through profit or loss	18,238	5,875	-	-	14,153	13,930	4,439	56,635
Deposits with licensed banks and financial institutions	1,840	11,654	8,660	41,790	47,978	4,183	604	116,709
Cash and cash equivalents	(17,548)	15,154	7,278	86	39,454	840	450	45,714
Loans and borrowings	(36,136)	(6,061)	(4,378)	-	(1,520)	-	(695)	(48,790)
Derivative financial liabilities	(4,168)	(1,312)	-	(23)	-	(2,520)	-	(8,023)
Trade payables	(169)	(298)	(622)	-	-	-	-	(1,089)
Other payables and accruals	(189)	(1,892)	(127)	(7)	-	(24)	-	(2,239)
Net financial assets	612	29,943	14,521	42,310	109,253	16,440	4,798	217,877
Company								
Cash and bank balances	-	-	-	-	11	-	-	11
Amount due from subsidiary companies	3,887	30,208	10,581	28,984	61,792	9,804	11,419	156,675
Amount due to subsidiary companies	-	-	-	-	-	(41,300)	-	(41,300)
Net financial assets/(liabilities)	3,887	30,208	10,581	28,984	61,803	(31,496)	11,419	115,386

60. **FINANCIAL INSTRUMENTS (CONT'D)**

(a) Financial risk management and policies (cont'd)

(iii) Foreign currency exchange risk (cont'd)

A 5% strengthening of RM against the following major foreign currencies at the reporting date would increase/(decrease) the Group's and the Company's profit for the financial year and equity by the amounts shown below with all other variable held constant :-

2011	Group's profit for the financial year RM'000	Company's profit for the financial year RM'000
USD/RM		
- strengthened 5%	31	194
SGD/RM		
- strengthened 5%	1,497	1,510
Euro/RM		
- strengthened 5%	726	529
GBP/RM		
- strengthened 5%	2,116	1,449
AUD/RM		
- strengthened 5%	5,463	3,090
HKD/RM		
- strengthened 5%	822	(1,575)

The assumed movement in foreign currency exchange rate of 5% for the foreign currency exchange rate sensitivity analysis is based on the prudent estimate of the current market environment.

(iv) Liquidity risks

Liquidity risk is the risk that the Group and the Company are unable to meet its financial obligations when they fall due due to shortage of funds. The Group's and the Company's liquidity risk exposure mainly arise from various payables, derivative liabilities, loans and borrowings and amounts due to subsidiary and related companies.

The Group and the Company monitor and maintain sufficient level of cash and cash equivalent to ensure adequate financing of the Group's operations. The Group also ensures the availability of funding through adequate amount of committed credit facilities.

The normal trade credit terms granted to the Group ranges from 30 to 90 days (2010 : 30 to 90 days) except for a subsidiary company whose credit terms is 3 market days according to the Bursa Malaysia Fixed Delivery and Settlement System Trading Rules.

60. **FINANCIAL INSTRUMENTS (CONT'D)**

(a) Financial risk management and policies (cont'd)

(iv) Liquidity risks (cont'd)

The table below summarised the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted repayment obligations :-

2011	Less than 1 year RM'000	1 to 5 years RM'000	After 5 years RM'000	Total RM'000
Group				
Financial liabilities				
Derivative financial liabilities	8,023	-	-	8,023
Trade and other payables	225,050	-	-	225,050
Loans and borrowings	51,459	-	-	51,459
Hire purchase payables	6,472	10,504	15	16,991
Company				
Financial liabilities				
Amount due to subsidiary companies	48,922	-	-	48,922
Other payables	2,318	-	-	2,318

(v) Market risk

Market risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market price of quoted securities held as available for sale investments and financial assets/liabilities at fair value through profit or loss.

	Group 2011 RM'000
Available for sale investments	
- quoted securities in Malaysia	47,219
- quoted securities outside Malaysia	-
	47,219
Financial assets at fair value through profit or loss	
- quoted securities in Malaysia	41,744
- quoted securities outside Malaysia	56,635
	98,379
Derivative financial liabilities	8,023

60. **FINANCIAL INSTRUMENTS (CONT'D)**

(a) Financial risk management and policies (cont'd)

(v) Market risk (cont'd)

If prices of quoted securities change by 5% with other variables held constant, the effects of the change on profit for the financial year and equity will be as below :-

	Profit for the financial year RM'000	Equity for the financial year RM'000
Group		
2011		
Available for sale investments		
- increase by 5%	-	2,361
- decrease by 5%	-	(2,361)
Financial instruments at fair value through profit or loss		
- increase by 5%	4,518	-
- decrease by 5%	(4,518)	-

The assumed movement in market price of quoted securities of 5% for the market price sensitivity analysis is based on the prudent estimate of the current market environment.

(b) Fair values of financial instruments

Fair value is the amount at which the financial instruments could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced and liquidation sale.

Financial assets and liabilities of the Group that are not carried at fair value or whose carrying amounts are not approximation of fair value at the reporting date are as follows:

		Group	
2011	Note	Carrying amount RM'000	Fair value RM'000
Financial assets			
Available for sale investments			
- Unquoted investments in Malaysia	10	1,575	*
- Other investments	10	1,625	*
Held to maturity investments	11	55,294	*

* Fair value information has not been disclosed and is carried at cost because fair value cannot be measured reliably.

Other than the above, the remaining financial instruments in the statement of financial position are carried at fair value or if not carried at fair value, their carrying amounts are reasonable approximation of fair value due to their relatively short term nature and the insignificant impact of discounting.

60. **FINANCIAL INSTRUMENTS (CONT'D)**

(b) Fair values of financial instruments (cont'd)

The following methods and assumptions summarised are used to determined the fair values of each class of financial instruments :-

(i) Quoted securities

The fair value of quoted securities is determined by reference to their published market closing price or the quoted closing bid price at the reporting date.

(ii) Unquoted securities/investments and unquoted corporate bonds

Unquoted securities/investments are valued by taking into the future performance, risk profiles and economic assumption such as the geographical jurisdictions of the investee operates.

Unquoted corporate bonds are valued by using discounted future cash flow method based on various assumptions, including current and expected future credit losses, market interest rates and inflation level.

(iii) Financial assets and liabilities with short term maturity

The carrying amounts of these financial assets and liabilities at the reporting date are reasonable approximation of fair values due to their short term nature and therefore have insignificant impact on discounting.

(iv) Other fixed interest rates financial assets and liabilities

The fair value of these financial assets and liabilities are estimated by discounted future cash flow at market incremental lending rate for similar borrowing arrangements at the reporting date.

(v) Financial guarantees

Fair value is determined based on probability weighted discounted cash flow method. The probability was estimated by taking into account the likelihood of the guaranteed party default in payment within the guaranteed period together with its estimated loss exposure.

(vi) Derivatives

The fair values of outstanding derivative transactions is obtained from major financial institutions.

61. CAPITAL MANAGEMENT

The primary objective of capital management is to ensure that an entity maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group and the Company manage its capital structure to safeguard its ability to continue as a going concern in order to maintain investor, creditors and market confidence and to sustain future business development. The Group's and the Company's overall strategy remains unchanged from the previous financial year. There were no externally imposed capital requirements that the Group and the Company need to be in compliance with for the financial year ended 30 June 2011 and 2010, except for the stockbroking subsidiary company which is supervised by the Securities Commission and Bursa Malaysia Securities Berhad and is required to maintain a number of minimum capital adequacy requirements, which the stockbroking subsidiary company has complied with.

The Group and the Company monitor capital using a gearing ratio, which is derived by dividing the amount of borrowings over equity. The Group's and the Company's policy is to keep the gearing ratio within manageable ratio.

The Group's and the Company's gearing ratio for the financial year ended 30 June 2011 and 2010 are summarised as below :-

	Group		**Company**	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Total interest bearing borrowings	66,692	212,854	-	-
Total equity attributable to owners of the Parent	933,639	835,916	769,144	755,598
Gearing ratio	0.07	0.25	n/a	n/a

62. **COMPARATIVE FIGURES**

The following comparative figures have been restated to conform with current financial year's presentation as follows:-

Income statements	As previously reported RM'000	As restated RM'000
Group		
Revenue	423,287	426,093
Other income	40,342	46,844
Administrative expenses	(24,699)	(21,907)
Other operating expenses	(35,476)	(48,097)
Exceptional items	5,337	13,049
Share of profits less losses of associate companies	(76)	265
Taxation	551	(131)
Profit attributable to owner of the Parent	46,462	53,312
Company		
Administrative expenses	(12,939)	(4,527)
Other operating expenses	-	(8,412)

63. **CHANGE IN ACCOUNTING POLICY AND PRIOR YEAR ADJUSTMENT**

During the financial year, the Group changed its accounting policy for investment properties to be stated at fair value. Gain and losses arising from changes in fair values of investment properties are included in the income statements in the financial year in which they arise. In accordance to FRS 108: Accounting Policies, Changes in Accounting Estimates and Errors, this change in accounting policy have been applied retrospectively and the opening balances in the statements of financial position as at 1 July 2009 and 1 July 2010 have been restated as below:-

Group

Statements of financial position	Balance as at 30.6.2009 As previously reported RM'000	Effects of changes in accounting policy RM'000	Balance as at 1.7.2009 As restated RM'000
Non-current assets			
Investment properties	51,495	26,026	77,521
Associate companies	15,140	1,690	16,830
Equity			
Retained earnings	13,436	22,326	35,762
Non-current liabilities			
Deferred tax liabilities	976	5,390	6,366

63. CHANGE IN ACCOUNTING POLICY AND PRIOR YEAR ADJUSTMENT (CONT'D)

Group

Statements of financial position	Balance as at 30.6.2010 As previously reported RM'000	Effects of changes in accounting policy RM'000	Balance as at 1.7.2010 As restated RM'000
Non-current assets			
Investment properties	58,092	32,659	90,751
Associate companies	15,064	2,020	17,084
Current assets			
Non-current assets classified as held for sale	8,166	427	8,593
Equity			
Reserves	56,613	(142)	56,471
Retained earnings	59,898	29,176	89,074
Non-current liabilities			
Deferred tax liabilities	814	6,072	6,886

INSAS BERHAD
(Incorporated in Malaysia)

SUPPLEMENTARY INFORMATION - 30 JUNE 2011

REALISED AND UNREALISED PROFITS AND LOSSES

On 25 March 2010 and 20 December 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued directives to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profit or accumulated losses as at the end of the reporting period, into realised or unrealised profits or losses.

The breakdown of the Group's and the Company's retained earnings into realised and unrealised profits as at 30 June 2011 are analysed as follows :-

	Group As at 30.6.2011 RM'000	Company As at 30.6.2011 RM'000
Total retained profits of the Company and its subsidiary companies		
- Realised	34,901	11,506
- Unrealised	60,980	14,702
	95,881	26,208
Total share of retained profits from associate companies		
- Realised	16,558	-
- Unrealised	2,698	-
	19,256	-
Total share of retained profits from jointly controlled entities		
- Realised	267	-
- Unrealised	15,913	-
	16,180	-
Add : Consolidated adjustments	44,824	-
Total retained profits as per consolidated statement of financial positions	176,141	26,208

The determination of realised and unrealised profits is complied based on Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.