

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

27 November 2014

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

**UNAUDITED FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014.**

**CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		FY 2015 Current financial quarter ended 30-Sep-14 RM'000	FY 2014 Preceding year corresponding financial quarter ended 30-Sep-13 RM'000	FY 2015 Financial period ended 30-Sep-14 RM'000	FY 2014 Preceding financial period ended 30-Sep-13 RM'000
Revenue		71,115	72,494	71,115	72,494
Cost of sales	1	(42,691)	(51,864)	(42,691)	(51,864)
Administrative expenses	2	(8,156)	(4,115)	(8,156)	(4,116)
Other operating expenses	3	(41,207)	(13,905)	(41,207)	(13,905)
Other income	4	44,660	49,148	44,660	49,148
Finance costs		(2,915)	(1,954)	(2,915)	(1,954)
Exceptional item	5	(1,501)	-	(1,501)	-
Share of profits less losses of associate companies		5,933	11,744	5,933	11,744
<b>Profit before taxation</b>		<b>25,238</b>	<b>61,547</b>	<b>25,238</b>	<b>61,547</b>
Taxation		(1,534)	(1,872)	(1,534)	(1,872)
<b>Profit for the quarter/period</b>		<b>23,704</b>	<b>59,675</b>	<b>23,704</b>	<b>59,675</b>
Profit/(Loss) attributable to:- Owners of the Company		23,739	59,400	23,739	59,400
Non-controlling interests		(35)	275	(35)	275
		<b>23,704</b>	<b>59,675</b>	<b>23,704</b>	<b>59,675</b>
<b>Earnings per share (in sen)</b>					
- Basic		3.57	8.87	3.57	8.87
- Diluted		n/a	n/a	n/a	n/a
		Financial quarter ended 30-Sep-14 RM'000	Financial quarter ended 30-Sep-13 RM'000	Financial period ended 30-Sep-14 RM'000	Financial period ended 30-Sep-13 RM'000
<b>Note 1</b>					
Included in Cost of sales is the following item:-					
Depreciation		(2,860)	(2,070)	(2,860)	(2,070)
<b>Note 2</b>					
Included in Administrative expenses is the following item:-					
Depreciation		(84)	(34)	(84)	(34)
<b>Note 3</b>					
Included in Other operating expenses are the following items:-					
Allowance for doubtful debts		(266)	(42)	(266)	(42)
Depreciation		(585)	(434)	(585)	(434)
Fair value loss on financial derivatives		(8,704)	-	(8,704)	-
Impairment of financial assets at fair value through profit or loss		(6,953)	-	(6,953)	-
Loss on disposal of quoted securities		-	(15)	-	(15)
Loss on exchange differences		-	-	-	-
- realised		(3,320)	-	(3,320)	-
- unrealised		(13,350)	-	(13,350)	-
Property, plant and equipment written off		(91)	(37)	(91)	(37)
<b>Note 4</b>					
Included in Other income are the following items:-					
Allowance for doubtful debts no longer required		-	393	-	393
Fair value gain on financial derivatives		-	8,644	-	8,644
Gain on disposal of property, plant and equipment		199	362	199	362
Gain on disposal of quoted securities		24,708	9,594	24,708	9,594
Interest income		2,239	1,299	2,239	1,299
Gain on exchange differences		-	-	-	-
- realised		-	793	-	793
- unrealised		-	7,030	-	7,030
Writeback of impairment of financial assets at fair value through profit or loss		-	15,686	-	15,686
<b>Note 5</b>					
Exceptional item represents:-					
Loss on dilution of equity interests in associate companies		(1,501)	-	(1,501)	-

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UNAUDITED FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		FY 2015 Current financial quarter ended 30-Sep-14 RM'000	FY 2014 Preceding year corresponding financial quarter ended 30-Sep-13 RM'000	FY 2015 Financial period ended 30-Sep-14 RM'000	FY 2014 Preceding financial period ended 30-Sep-13 RM'000
Profit for the quarter/period		23,704	59,675	23,704	59,675
<u>Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent year:-</u>					
Realised fair value gain transferred to income statements upon disposal of available for sale investments, net of tax	1	(25,464)	(7,100)	(25,464)	(7,100)
Unrealised gain on fair value changes on available for sale investments, net of tax		4,192	8,492	4,192	8,492
Share of other comprehensive loss of investments accounted for using equity method, net of tax		(756)	(51)	(756)	(51)
Foreign currency translation, net of tax		929	307	929	307
Total other comprehensive (loss)/income for the quarter/period, net of tax		<u>(21,099)</u>	<u>1,648</u>	<u>(21,099)</u>	<u>1,648</u>
Total comprehensive income for the quarter/period, net of tax		<u>2,605</u>	<u>61,323</u>	<u>2,605</u>	<u>61,323</u>
Attributable to:-					
Owners of the Company		2,639	61,004	2,639	61,004
Non-controlling interests		(34)	319	(34)	319
		<u>2,605</u>	<u>61,323</u>	<u>2,605</u>	<u>61,323</u>

**Note 1**

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

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

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**UNAUDITED FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014.**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014.**

	Attributable to Owners of the Company										Non-controlling interests RM'000	Total equity RM'000
	Non-Distributable						Distributable					
	Share capital RM'000	Share premium RM'000	Available for sale investments fair value reserve RM'000	Reserve fund RM'000	Other reserves RM'000	Exchange translation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000			
<b>Period ended 30 September 2014</b>												
As at 1 July 2014	693,334	47,751	52,820	-	3,394	5,335	(13,522)	406,569	1,185,681	7,137	1,202,818	
<b>Transaction with owners:-</b>												
Acquisition of equity interests in a subsidiary company	-	-	-	-	-	-	-	-	-	1,997	1,997	
<b>Total transaction with owners</b>	-	-	-	-	-	-	-	-	-	1,997	1,997	
<b>Comprehensive Income/(loss) for the financial period</b>												
Profit for the financial period	-	-	-	-	-	-	-	23,739	23,739	(35)	23,704	
Realised fair value gain transferred to income statements upon disposal of available for sale investments, net of tax	-	-	(25,464)	-	-	-	-	-	(25,464)	-	(25,464)	
Unrealised gain on fair value changes on available for sale investments, net of tax	-	-	4,192	-	-	-	-	-	4,192	-	4,192	
Share of other comprehensive (loss)/income of investments accounted for using equity method, net of tax	-	-	-	-	(832)	76	-	-	(756)	-	(756)	
Foreign currency translation, net of tax	-	-	-	-	-	928	-	-	928	1	929	
<b>Total comprehensive income/(loss) for the period</b>	-	-	(21,272)	-	(832)	1,004	-	23,739	2,639	(34)	2,605	
<b>Balance at 30 September 2014</b>	<b>693,334</b>	<b>47,751</b>	<b>31,548</b>	<b>-</b>	<b>2,562</b>	<b>6,339</b>	<b>(13,522)</b>	<b>430,308</b>	<b>1,199,320</b>	<b>9,100</b>	<b>1,207,420</b>	
<b>Period ended 30 September 2013</b>												
As at 1 July 2013	693,334	47,751	39,052	1,200	1,829	4,907	(10,146)	252,365	1,030,292	2,922	1,033,214	
<b>Transaction with owners:-</b>												
Repurchase of shares	-	-	-	-	-	-	(322)	-	(322)	-	(322)	
<b>Total transaction with owners</b>	-	-	-	-	-	-	(322)	-	(322)	-	(322)	
<b>Comprehensive Income/(loss) for the financial period</b>												
Profit for the financial period	-	-	-	-	-	-	-	59,400	59,400	275	59,675	
Realised fair value gain transferred to income statements upon disposal of available for sale investments, net of tax	-	-	(7,100)	-	-	-	-	-	(7,100)	-	(7,100)	
Unrealised gain on fair value changes on available for sale investments, net of tax	-	-	8,492	-	-	-	-	-	8,492	-	8,492	
Share of other comprehensive loss of investments accounted for using equity method, net of tax	-	-	-	-	(51)	-	-	-	(51)	-	(51)	
Foreign currency translation, net of tax	-	-	-	-	-	263	-	-	263	44	307	
<b>Total comprehensive income/(loss) for the period</b>	-	-	1,392	-	(51)	263	-	59,400	61,004	319	61,323	
<b>Balance at 30 September 2013</b>	<b>693,334</b>	<b>47,751</b>	<b>40,444</b>	<b>1,200</b>	<b>1,778</b>	<b>5,170</b>	<b>(10,468)</b>	<b>311,765</b>	<b>1,090,974</b>	<b>3,241</b>	<b>1,094,215</b>	

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

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**UNAUDITED FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014.**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<b>As at 30/9/2014 RM'000</b>	<b>(Audited) As at preceding financial year ended 30/06/2014 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	86,825	79,824
Investment properties	164,512	159,716
Available for sale investments	83,673	106,241
Held to maturity investments	52,050	29,990
Associate companies	151,315	141,731
Intangible assets	26,055	26,051
Deferred tax assets	1,779	1,733
<b>Total non-current assets</b>	<b>566,209</b>	<b>545,286</b>
<b>Current assets</b>		
Property development costs	9,567	9,567
Inventories	13,236	13,609
Trade receivables	332,295	341,068
Amount due from associate companies	19,510	19,145
Other receivables, deposits and prepayments	33,916	21,276
Tax recoverable	1,903	1,929
Held to maturity investments	6,144	6,175
Financial assets at fair value through profit or loss	290,696	288,174
Deposits with licensed banks and financial institutions	325,734	319,585
Cash and bank balances	59,638	41,238
<b>Total current assets</b>	<b>1,092,639</b>	<b>1,061,766</b>
<b>TOTAL ASSETS</b>	<b>1,658,848</b>	<b>1,607,052</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	693,334	693,334
Treasury shares	(13,522)	(13,522)
Reserves	88,200	109,300
Retained earnings	430,308	406,569
	1,198,320	1,195,681
Non-controlling interests	9,100	7,137
<b>TOTAL EQUITY</b>	<b>1,207,420</b>	<b>1,202,818</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loans and borrowings	14,780	16,278
Hire purchase payables	29,713	26,854
Deferred tax liabilities	3,801	3,801
<b>Total non-current liabilities</b>	<b>48,294</b>	<b>46,933</b>
<b>Current liabilities</b>		
Derivative financial liabilities	12,589	3,873
Trade payables	64,594	69,618
Other payables and accruals	59,734	54,923
Loans and borrowings	265,869	228,875
Tax payable	348	12
<b>Total current liabilities</b>	<b>403,134</b>	<b>357,301</b>
<b>TOTAL LIABILITIES</b>	<b>451,428</b>	<b>404,234</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,658,848</b>	<b>1,607,052</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>1.80</b>	<b>1.80</b>

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

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

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**UNAUDITED FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014.**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014.**

	Current financial period ended 30/09/2014 RM'000	Preceding financial period ended 30/9/2013 RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation	25,238	61,547
Adjustments for:-		
Non-cash items	(6,960)	(43,850)
Finance costs	2,915	1,954
Interest income	(2,239)	(1,299)
Operating profit before working capital changes	18,954	18,352
Changes in working capital:-		
Net changes in current assets	2,194	(102,064)
Net changes in current liabilities	(657)	83,982
<b>Cash generated from operations</b>	20,491	270
Finance costs	(2,915)	(1,954)
Interest income	2,239	1,299
Tax paid	(957)	(726)
<b>Net cash generated from/(used in) operating activities</b>	18,858	(1,111)
<b>Cash flows from investing activities</b>		
Acquisition of additional equity interest in an associated company	(9,144)	(7,333)
Purchase of property, plant and equipment	(4,600)	(487)
Purchase of held to maturity investments	(25,268)	(13,196)
Purchase of investment properties	(4,796)	(142)
Proceeds from disposal of property, plant and equipment	401	522
Proceeds from redemption and disposal of held to maturity investments	3,219	2,459
Proceeds from redemption and disposal of available for sale investments	25,912	585
Dividend received	3,793	3,914
Net cash outflow on acquisition of equity interest in a subsidiary company	(2,932)	-
<b>Net cash used in investing activities</b>	(13,415)	(13,678)
<b>Cash flows from financing activities</b>		
(Increase)/decrease in fixed deposits pledged	(11,520)	12,090
Increase in cash and bank balances pledged	(3,421)	(1,195)
Net cash used in share buyback	-	(322)
Drawdown of loans and borrowings	73,239	99,789
Repayment of loans and borrowings	(36,543)	(89,781)
Repayment of hire purchase payables	(2,947)	(1,726)
<b>Net cash generated from financing activities</b>	18,808	18,855
<b>Net increase in cash and cash equivalents</b>	24,251	4,066
<b>Cash and cash equivalents at beginning of the financial period</b>	111,007	204,286
<b>Exchange differences</b>	(204)	567
<b>Cash and cash equivalents at end of the financial period</b>	135,054	208,919
<b>Cash and cash equivalents comprise of:-</b>		
Bank overdrafts	(45,813)	(14,951)
Cash and bank balances	51,677	30,772
Deposits with licensed banks and financial institutions	129,190	193,098
	135,054	208,919

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

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**UNAUDITED FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014.**

**NOTES TO THE UNAUDITED FINANCIAL REPORT.**

**A1. Basis of Preparation**

This set of financial report is unaudited and has been prepared in compliance with the reporting requirements outlined in the Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad.

This report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2014. The explanatory notes attached to this financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2014.

**A2. Changes in Accounting Policies**

The accounting policies and methods of computation and presentation adopted by the Group in this quarterly report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2014 except for the adoption of the following Amendments to MFRSs and IC Interpretation issued by the MASB that became effective and relevant to the Group for the financial year beginning 1 July 2014:-

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

## A2. Changes in Accounting Policies (Cont'd)

Cont'd

Amendments to MFRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136	Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 138	Intangible Assets (Annual Improvements to MFRSs 2010-2012 Cycle)
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting
Amendments to MFRS 140	Investment Property (Annual Improvements to MFRSs 2011-2013 Cycle)
IC Interpretation 21	Levies

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

## A3. Declaration of Audit Qualification

There was no qualified report issued by the auditors in the audited financial statements of the Group for the financial year ended 30 June 2014.

## A4. Seasonality and Cyclicity of Interim Operations

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

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

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

### Recognised in the Income Statements

	Individual	Quarter	Cumulative	Quarter
	Quarter ended	Quarter ended	Period ended	Period ended
	30-September-2014	30-September-2013	30-September-2014	30-September-2013
	RM'000	RM'000	RM'000	RM'000
Allowance for doubtful debts no longer required	-	393	-	393
Allowance for doubtful debts	(266)	(42)	(266)	(42)
Fair value (loss)/gain on financial derivatives	(8,704)	8,644	(8,704)	8,644
(Impairment)/Writeback of impairment of financial assets at fair value through profit or loss	(6,953)	15,686	(6,953)	15,686
Gain on disposal of quoted securities	24,708	9,594	24,708	9,594
Loss on dilution of equity interests in associate companies	(1,501)	-	(1,501)	-

## A6. Material changes in Estimates

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

## A7. Debts and Equity Securities

The shareholders of the Company, by an ordinary resolution passed in the Annual General Meeting of the Company held on 19 December 2013, approved the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

The Company did not repurchase any of its shares from the open market during the 3 months period ended 30 September 2014. Of the total 693,333,633 issued and fully paid up ordinary shares, 29,127,291 shares are being held as treasury shares by the Company as at 30 September 2014.

Other than the above, there were no issuance and repayment of equity and debts securities, share cancellations and resale of treasury shares for the financial period ended 30 September 2014.

## A8. Dividends paid

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

## A9. Segment Information

The segment analysis for the Group's results for the financial period ended 30 September 2014 is as follows:-

	Financial services and credit & leasing	Property investment and development	Investment holding and trading	Retail trading and car rental	IT-related manufacturing, trading and services	Elimination	Consolidated total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>							
External revenue	15,714	1,462	46,017	7,052	870	-	71,115
Inter-segment revenue	861	155	965	70	2,739	(4,790)	-
Total segment revenue	16,575	1,617	46,982	7,122	3,609	(4,790)	71,115
<b>Results</b>							
Segment profit/(loss) from Operations	9,438	1,141	(12,475)	738	23,476	(836)	21,482
Interest income	323	61	3,745	2	500	(2,393)	2,239
Finance costs	(2,567)	(189)	(2,644)	(563)	(181)	3,229	(2,915)
Exceptional item	-	-	-	-	(1,501)	-	(1,501)
Share of profits less losses of associate companies	-	(612)	(3,307)	245	9,607	-	5,933
Profit/(loss) before taxation	7,194	401	(14,680)	422	31,901	-	25,238
Taxation	(1,140)	(24)	(407)	37	-	-	(1,534)
Profit/(loss) for the financial period	6,054	377	(15,087)	459	31,901	-	23,704
<b>Attributable to:-</b>							
Owners of the Company							23,739
Non-controlling interests							(35)



## A9. Segment Information (Cont'd)

The segment analysis for the Group's results for the financial period ended 30 September 2013 was as follows:-

	Financial services and credit & leasing	Property investment and development	Investment holding and trading	Retail trading and car rental	IT-related manufacturing, trading and services	Eliminations	Consolidated total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>							
External revenue	14,008	2,683	50,121	5,217	465	-	72,494
Inter-segment revenue	888	109	1,120	27	1,539	(3,683)	-
Total segment revenue	14,896	2,792	51,241	5,244	2,004	(3,683)	72,494
<b>Results</b>							
Segment profit from operations	10,141	278	33,982	946	5,969	(858)	50,458
Interest income	137	80	2,876	-	114	(1,908)	1,299
Finance costs	(2,878)	(200)	(1,151)	(353)	(138)	2,766	(1,954)
Share of profits less losses of associate companies	-	(266)	3,607	801	7,602	-	11,744
Profit/(loss) before taxation	7,400	(108)	39,314	1,394	13,547	-	61,547
Taxation	(1,363)	(81)	(207)	(221)	-	-	(1,872)
Profit/(loss) for the financial period	6,037	(189)	39,107	1,173	13,547	-	59,675
<b>Attributable to:-</b>							
Owners of the Company							59,400
Non-controlling interests							275

## A10. Valuation of Property, Plant and Equipment

The valuation of land and building held under property, plant and equipment has been brought forward without amendment from the annual financial statements of the Group for the financial year ended 30 June 2014.

## A11. Changes in the composition of the Group

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

- (i) On 1 July 2014, Topacres Sdn. Bhd., a wholly-owned subsidiary company, had subscribed for 300,000 new ordinary shares of RM1.00 each at an issue price of RM1.00 each and 2,700,000 redeemable preference shares ("RPS") of RM0.01 each at an issue price of RM1.00 per RPS representing 60% of the enlarged share capital of Special Windfall Sdn. Bhd. ("SWSB") for a total subscription price of RM3.0 million. SWSB is a private limited company incorporated in Malaysia on 16 July 2012 and its principal activity is housing development. SWSB had on 26 February 2014 entered into a conditional Share Sale Agreement to acquire 100% equity interest in Tahap Wawasan Sdn. Bhd. ("TWSB") for a cash consideration of RM9.52 million and assumption of liabilities amounting to RM3.98 million, and TWSB in turn owns a 10.2 acres of freehold land in Bandar Nilai Utama, Negeri Sembilan. The proposed acquisition of TWSB was aborted by mutual agreement on 2 October 2014, as disclosed under Material Subsequent Events.
- (ii) On 19 September 2014, the Company had incorporated a wholly-owned subsidiary company in Singapore known as Insas (S) Pte. Ltd. ("ISPL"). The issued and paid-up share capital of ISPL is S\$10,000 comprising 10,000 ordinary shares. The principal activity of ISPL is investment holding.

## A12. Material Subsequent Events

There were no material events subsequent to 30 September 2014 to the date of this Report that have not been reflected in the financial statements for the current financial period other than as disclosed below:-

On 2 October 2014, SWSB had entered into a Deed of Termination to rescind and terminate the Share Sale Agreement and Repayment Agreement dated 26 February 2014 to acquire 100% equity interest of TWSB, and the deposit and sums paid by SWSB pursuant to the Share Sale Agreement and the Repayment Agreement have been fully refunded to SWSB as at the date of this Report.

## A13. Contingent Assets or Liabilities

As at the date of this Report, the Company has issued guarantees amounting to RM113,153,000 to financial institutions in respect of banking and credit facilities granted to its subsidiary and associate companies. There is no contingent asset as at the date of this Report.

## A14. Commitments

Contractual commitments not provided for in the financial statements as at 30 September 2014 are as follows:-

	RM'000
To acquire property, plant and equipment	4,489
To acquire investment properties	<u>19,558</u>

## A15. Related Party Transactions

Related party transactions had been entered into in the ordinary course of business that had been undertaken at arm's length basis on normal commercial terms.

## ADDITIONAL INFORMATION REQUIRED BY PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

### B1. Review of Performance

#### Current financial quarter/period to-date against preceding year's corresponding financial quarter/period to-date

The Group reported revenue of RM71.1 million and a pre-tax profit of RM25.2 million for the first quarter of financial year 2015 as compared to revenue of RM72.5 million and a pre-tax profit of RM61.5 million reported in the preceding year's corresponding quarter.

The lower pre-tax profit reported in the first quarter of financial year 2015 as compared to the preceding year's corresponding quarter are mainly due to the following:-

#### Financial services and credit & leasing division/property investment and development division

There are no significant variances in the revenue and pre-tax profit reported in the current financial quarter ended 30 September 2014 as compared to the preceding year's corresponding quarter.

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

### **Current financial quarter/period to-date against preceding year's corresponding financial quarter/period to-date (cont'd)**

#### Investment holding and trading division

The investment unit reported lower revenue for the current financial quarter as compared to the preceding year's corresponding quarter primarily due to lower trading activities in the current financial quarter. The investment unit reported pre-tax loss of -RM14.7 million for the current financial quarter (Q1/2014: pre-tax profit of RM39.3 million) primarily due to impairment loss on financial assets at fair value through profit or loss of -RM9.8 million (Q1/2014: writeback of impairment of RM13.3 million) and fair value loss on financial derivatives of -RM8.7 million (Q1/2014: fair value gain of RM8.6 million).

#### Retail trading and car rental division

The car rental units reported lower pre-tax profit in the current financial quarter as compared to the preceding year's corresponding quarter primarily due to lower gain on disposal of vehicles and higher operating expenses reported in the current financial quarter.

The Group's associate company, Melium Holdings Sdn. Bhd. ("Melium Holdings") reported lower profit in the current financial quarter due to higher operating cost incurred for new outlets in the current financial quarter. The Group's equity accounting for Melium Holdings' after-tax profit was RM0.2 million for the current financial quarter (Q1/2014: RM0.8 million).

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

The IT unit reported higher pre-tax profit in the current financial quarter ended 30 September 2014 as compared to the preceding year's corresponding quarter mainly due to higher gain from sale of quoted securities.

The IT unit's associate companies, Inari Amertron Berhad Group ("Inari Amertron") reported higher profit in the current financial quarter due to higher trading volumes from its existing business units arising from high demand for smartphones and mobile devices. The IT unit's equity accounting for Inari Amertron's after-tax profit for the current financial quarter was RM10.2 million (Q1/2014: RM7.1 million).

#### Group's summary

The Group reported lower pre-tax profit of RM25.2 million in the current financial quarter ended 30 September 2014 as compared to pre-tax profit of RM61.5 million in the preceding year's corresponding quarter primarily due to pre-tax loss reported by the investment unit.

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

The Group reported revenue of RM71.1 million and a pre-tax profit of RM25.2 million in the current financial quarter as compared to revenue of RM57.4 million and a pre-tax profit of RM34.8 million in the immediate preceding quarter.

The lower pre-tax results in the current financial quarter is derived at after taking into account fair value loss on derivatives of -RM8.7 million (immediate preceding quarter: fair value gain of RM2.9 million) and impairment loss on financial assets at fair value through profit or loss of -RM7.0 million (immediate preceding quarter: writeback of impairment of RM8.8 million).

### B3. Prospects for the financial year ending 30 June 2015

#### Financial services and investment trading division

The Board is of the view that the stock broking and money lending units will continue to experience growth and provide consistent earnings to the Group. The Group will remain cautious in evaluating new investments under its investment unit.

#### Property investment and development division

The Group will continue to explore opportunities in new property investment and development ventures that are feasible.

#### Retail trading and car rental division

The Group is working on expanding its car rental businesses and barring any unforeseen circumstances, the Board views the unit will provide increased revenue and profit contribution to the Group in the current financial year.

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

The Board expects the IT unit to perform satisfactorily in the current financial year as contribution from Inari Amertron to the Group is expected to remain positive on the back of continuing profitable performance from Inari Amertron from its business in the EMS industry that continue to be in high growth.

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

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

### B5. Taxation

The taxation charge for the current financial quarter and financial period ended 30 September 2014 is as follows:-

	Individual Quarter ended 30-September-2014 RM'000	Quarter Quarter ended 30-September-2013 RM'000	Cumulative Period ended 30-September-2014 RM'000	Quarter Period ended 30-September-2013 RM'000
<b><u>Income tax:-</u></b>				
Provision for the financial quarter/period	1,581	1,872	1,581	1,872
Overprovision in previous financial quarter/period	(1)	-	(1)	-
<b><u>Deferred tax:-</u></b>				
Transfer to deferred taxation	(46)	-	(46)	-
	<u>1,534</u>	<u>1,872</u>	<u>1,534</u>	<u>1,872</u>

## B5. Taxation (Cont'd)

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

	Individual Quarter ended 30-September-2014 RM'000	Quarter Quarter ended 30-September-2013 RM'000	Cumulative Period ended 30-September-2014 RM'000	Quarter Period ended 30-September-2013 RM'000
Profit before taxation	25,238	61,547	25,238	61,547
Income tax at Malaysian statutory tax rate	6,310	15,387	6,310	15,387
<u>Tax effect in respect of:-</u>				
Non-allowable expenses	5,991	1,044	5,991	1,044
Income not subject to tax	(10,645)	(13,982)	(10,645)	(13,982)
Effect of different tax rates in other countries	(95)	(340)	(95)	(340)
Overseas tax paid on dividend income	261	137	261	137
Effect of changes in tax rates	2	-	2	-
Utilisation of previously unrecognised deferred tax assets	(524)	(428)	(524)	(428)
Deferred tax not recognised in the financial statements	235	54	235	54
Tax expenses for the financial quarter/period	1,535	1,872	1,535	1,872
Overprovision for taxation in previous financial quarter/period	(1)	-	(1)	-
	1,534	1,872	1,534	1,872

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

There is no corporate proposal that has been announced but has not been completed as at the date of this Report, other than as disclosed below:-

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

The Proposed Rights Issue with Warrants has been approved by the shareholders at an extraordinary general meeting held on 3 November 2014. The Proposed Rights Issue with Warrants is pending implementation.

**B7. Group Borrowings and Debts Securities as at 30 September 2014**

	Foreign Currency ('000)	RM'000
<b>Short term secured borrowings</b>		
- in US dollars	45,077	147,653
- in Australian dollars	(12,445)	(35,513)
- in Euro dollars	926	3,848
- in Hong Kong dollars	75,818	31,987
- in Singapore dollars	18,326	47,113
- in Ringgit Malaysia		70,781
		<u>265,869</u>
<b>Long term secured borrowings</b>		
- in US dollars	2,020	6,617
- in Singapore dollars	765	1,967
- in Ringgit Malaysia		6,196
		<u>14,780</u>
		<u>280,649</u>

**B8. Material Litigation**

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

**B9. Dividend**

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

The entitlement and payment date of the dividend will be confirmed and announced at a later date.

**B10. Earnings per share****(a) Basic earnings per share**

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

	Individual	Quarter	Cumulative	Quarter
	Quarter ended 30-Sept-2014	Quarter ended 30-Sept-2013	Period ended 30-Sept-2014	Period ended 30-Sept-2013
Net profit attributable to owners of the Company for the financial quarter and financial period (RM'000)	23,739	59,400	23,739	59,400
Weighted average number of ordinary shares in issue, after accounting for the effect of shares bought back ('000)	665,649	669,677	665,649	669,677
Basic earnings per share (Sen)	3.57	8.87	3.57	8.87

**B10. Earnings per share (Cont'd)**

## (b) Diluted earnings per share

The diluted earnings per share is not computed as there were no dilutive potential equity instruments in issue that gave diluted effect to the earnings per share.

**B11. Disclosure on Realised and Unrealised Profits and Losses**

The Group's retained earnings as at 30 September 2014 and 30 September 2013 are analysed as follows:-

	<u>As at 30.09.2014</u> RM'000	<u>As at 30.09.2013</u> RM'000
<u>Total retained earnings of the Company and its subsidiary companies</u>		
- Realised	266,828	152,073
- Unrealised	72,004	85,118
	<u>338,832</u>	<u>237,191</u>
<u>Total share of retained earnings from associate companies</u>		
- Realised	75,953	50,581
- Unrealised	657	1,599
	<u>76,610</u>	<u>52,180</u>
Add: Consolidated adjustments	<u>14,866</u>	<u>22,394</u>
Total Group retained earnings as per consolidated financial statements	<u>430,308</u>	<u>311,765</u>