

**General Announcement**  
Reference No **II-110415-3DF19**

Company Name : **INSAS BERHAD**  
Stock Name : **INSAS**  
Date Announced : **15/04/2011**

Type : **Announcement**  
Subject : **TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS)  
NON RELATED PARTY TRANSACTIONS**

Description : **PROPOSED ACQUISITION OF AN ADDITIONAL 10% EQUITY  
INTEREST IN ROSET LIMOUSINES SERVICES PTE LTD**

Announcement Details/Table Section :

## 1. INTRODUCTION

The Board of Directors of Insas Berhad (“**Insas**” or “**the Company**”) is pleased to announce that Insas Pacific Rent-A-Car Sdn Bhd (“**PRAC**”), an indirect wholly-owned subsidiary of the Company, had on 15 April 2011 entered into a Share Sale Agreement (“**the Agreement**”) with Wong Yew Kiang (“**WYK**”) and A.B. Melwani Pte Ltd (“**ABM**”), the existing shareholders of Roset Limousines Services Pte Ltd (“**Roset**”), for the proposed acquisition by PRAC of an additional 15,303 ordinary shares (“**Sale Shares**”) representing 10% of the share capital in Roset for a cash consideration of S \$15,303.00 from WYK (“**Proposed Acquisition**”).

Upon completion of the Proposed Acquisition, Roset will become a 51% owned subsidiary company of Insas.

## 2. INFORMATION ON ROSET, WYK AND ABM

Roset is a private limited company incorporated in Singapore on 1 June 2004. The present issued and fully paid up share capital of Roset is S\$625,000 comprising 153,070 ordinary shares. The principal activities of Roset are the provision of premium limousines services to a wide range of customers including foreign embassies, hotels, multinational corporations and the Singapore government authorities.

WYK is the founder and Managing Director of Roset and currently holds 75,000 shares, representing 49% of the issued and paid-up share capital of Roset prior to the Proposed Acquisition by PRAC.

ABM is a shareholder of Roset and currently holds 15,307 shares, representing 10% of the issued and paid-up share capital of Roset.

## 3. SALIENT TERMS OF THE AGREEMENT

- 3.1 In consideration of WYK agreeing to sell the Sale Shares to PRAC subject to the terms and conditions stated in the Agreement, PRAC hereby agrees to provide and /or procure a loan to Roset of up to S\$1 million upon such terms and subject to such conditions to be mutually agreed among the Shareholders.

- 3.2 Pursuant to the Agreement, PRAC agrees to grant to WYK an option to buy back the Sale Shares from PRAC at any time within a period of seven (7) years from the Completion Date at a price equivalent to the Purchase Price plus holding cost calculated at 6% per annum from the Completion Date to the date of the buy back and subject to all loans, advances and whatsoever financial assistance (including any corporate guarantee) granted by PRAC, its holding company and/or any of its related company are fully repaid by Roset.
- 3.3 PRAC, WYK and ABM expressly waive any pre-emption right they may have in the Memorandum and/or Articles of Association of Roset or otherwise arising from the Proposed Acquisition.

#### **4. BASIS OF ARRIVING AT THE PURCHASE PRICE**

The acquisition price of S\$15,303.00 for the 15,303 ordinary shares representing 10% of the issued and paid-up share capital of Roset was arrived at on a willing buyer willing seller basis. The audited net asset of Roset as at 30 June 2010 is S \$743,246 or approximately S\$4.85 per share.

#### **5. RATIONALE**

The Proposed Acquisition will provide PRAC with better control over the business direction and operations of Roset which will complement PRAC's current business activities and providing synergy for PRAC and Roset to expand its business in the region.

#### **6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION**

The Proposed Acquisition is not expected to have any material impact on the earnings and net tangible assets of Insas for the financial year ending 30 June 2011.

The Proposed Acquisition will not have any effect on the gearing, share capital and substantial shareholders' of Insas.

#### **7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST**

None of the directors and/or major shareholders of Insas have any interest, direct or indirect, in the Proposed Acquisition.

#### **8. APPROVAL REQUIRED**

The Proposed Acquisition is not subject to the approval of shareholders of Insas and any other government authorities. The highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 0.19%

#### **9. STATEMENT BY DIRECTORS**

The Board of Directors of Insas, having considered all aspects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is fair and reasonable and in the best interest of Insas.