annual report 2010

laporan tahunan

INSAS BERHAD
(Company No. 4081-M)

contents

BOARD OF DIRECTORS

YAM Tengku Puteri Seri Kemala Pahang Tengku Hajjah Aishah bte Sultan Haji Ahmad Shah DK(II), SIMP
Chairperson;
Independent Non-Executive Director

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

Dr Tan Seng Chuan
Executive Director

Dato' Wong Gian Kui
Non-Executive Director

Soon Li Yen
Non-Executive Director

Oh Seong Lye
Independent Non-Executive Director

COMPANY SECRETARIES

Chow Yuet Kuen
Yau Jye Yee

REGISTERED OFFICE

No. 45-5, The Boulevard
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 03-2284 8311
Fax : 03-2282 4688

PRINCIPAL PLACE OF BUSINESS

Suite 23.02, Level 23
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 03-2282 9311
Fax : 03-2284 8500

PRINCIPAL AUDITOR

SJ Grant Thornton (AF 0737)
(Member of Grant Thornton International)
Chartered Accountants
Level 11, Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

AUDIT COMMITTEE

YAM Tengku Puteri Seri Kemala Pahang Tengku Hajjah Aishah bte Sultan Haji Ahmad Shah DK(II), SIMP
Chairperson;
Independent Non-Executive Director

Soon Li Yen
Non-Executive Director

Oh Seong Lye
Independent Non-Executive Director

PRINCIPAL BANKERS

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

SOLICITORS

Cheang & Ariff
Raslan Loong
Shearn Delamore & Co
Tan Pheck San & Co

SHARE REGISTRARS

Megapolitan Management Services Sdn Bhd
No. 45-5, The Boulevard
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 03-2284 8311
Fax : 03-2282 4688

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad, Main Market

SECTOR

Finance

STOCK CODE

3379

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

Aged 53, is a Malaysian citizen and an Independent Non-Executive Director. She was appointed as the Chairperson of Insas on 12 November 1986. She has a Diploma in Business Administration from Dorset Institute, United Kingdom and has been a Director of TAS Industries Sdn Bhd since 15 August 1990. TAS Industries Sdn Bhd is an investment holding and property development company in Kuala Lumpur. She has no family relationship with any Director/major shareholder of Insas and has no conflict of interest with Insas. She has not been convicted for any offences within the past 10 years.

DATO' THONG KOK KHEE

Aged 56, is a Malaysian citizen and the Executive Deputy Chairman cum Chief Executive Officer. He was reappointed to the Board of Insas on 28 February 2007 and subsequently appointed as the Chief Executive Officer of Insas on 30 January 2009. Dato' Thong was an Executive Director and Chief Executive Officer of Insas from 10 March 1993 until 29 November 2004. A graduate from the London School of Economics, Dato' Thong had worked in the financial services industry since 1979. He was an Executive Director of Standard Chartered Merchant Bank Asia in Singapore and Head of its corporate finance division. He is a substantial shareholder of Insas. He has no conflict of interest with Insas and has not been convicted for any offences within the past 10 years.

DATO' WONG GIAN KUI

Aged 51, is a Malaysian citizen and a Non-Executive Director. He was appointed to the Board of Insas on 11 September 1992. He was later appointed as Managing Director on 30 November 2000 and subsequently became the Chief Executive Officer/Group Managing Director on 29 November 2004. He was redesignated from Chief Executive Officer/Group Managing Director to Non-Independent & Non-Executive Director of Insas on 30 January 2009. He is an accountant by profession and has been a member of the Malaysian Institute of Accountants since 1988 and of the Malaysian Institute of Certified Public Accountants since 1985. Prior to joining Insas, Dato' Wong worked for Harun, Oh & Wong, a member of Horwath International firm of public accountants in Malaysia from 1981 to 1990 and Stoy Hayward London, Chartered Accountants from 1990-1991. He has no family relationship with any Director/major shareholder of Insas and has no conflict of interest with Insas. He has not been convicted for any offences within the past 10 years.

DR TAN SENG CHUAN

Aged 55, is a Malaysian citizen and an Executive Director. Dr Tan was appointed to the Board of Insas on 18 March 1997. He graduated with First Class Honours in Mechanical Engineering from Imperial College, England in 1978. Dr Tan obtained his Masters and Ph.D in Engineering Science in 1981 and 1983 respectively from Harvard University, USA. Dr Tan has very wide experience in the information technology (IT) industry. He has worked on leading edge software and hardware product development with many companies in the global IT industry. He has no family relationship with any Director/major shareholder of Insas and has no conflict of interest with Insas. He has not been convicted for any offences within the past 10 years.

MR OH SEONG LYE

Aged 62, is a Malaysian citizen and an Independent Non-Executive Director. He was appointed to the Board of Insas on 18 March 2009. Mr Oh is a London-trained Chartered Accountant. He is a Fellow of the Institute of Chartered Accountants in England and Wales, a member of the Malaysian of Institute Accountants and a member of the Institute of Certified Public Accountants of Singapore. He holds a Master of Business Administration degree from United Business Institutes, a Brussels-based business school. After a year of post-qualifying experience in London, he worked for a "big-four" accounting firm and a foreign bank in Kuala Lumpur before starting his accounting practice in 1978 and has been in public practice ever since. He was the executive chairman and international liaison partner when his firm was a member of Horwath International until 1992. His firm was the external auditors and tax agents for two major banks, several other financial institutions and insurance companies and other substantial private enterprises. He had also personally undertaken large receivership and liquidation assignments, and conducted, together with foreign partners, market and financial feasibility studies for several organizations involved in the hospitality business and tourism industry. He was previously a director of two Bursa Malaysia Public Listed Companies and was also the founder/promoter and first Honorary Secretary of a national manufacturing association and a past Hononary Secretary-General of a national tourism-related association. He has no family relationship with any Director/major shareholder of Insas and has no conflict of interest with Insas. He has not been convicted for any offences within the past 10 years.

MS SOON LI YEN

Aged 42, is a Malaysian citizen and a Non-Independent and Non-Executive Director. She was appointed to the Board of Insas on 06 March 2009. She is an accountant by profession and prior to joining Insas in August 1995, she worked for Coopers & Lybrand as Audit Senior from 1991 to 1995. Ms Soon graduated from the Royal Melbourne Institute of Technology with a Bachelor of Business in Accounting in 1991. She is a member of Malaysian Institute of Accountants and Certified Public Accountants of Australia and has extensive experience in auditing, accounting, financial planning and financial related work. She has no family relationship with any Director/major shareholder of Insas and has no conflict of interest with Insas. She has not been convicted for any offences within the past 10 years.

Chief Executive Officer's Statement

For financial year ended 30 June 2010, the Group achieved profits of RM54 million compared to RM57 million for the previous year.

The business environment was volatile last year, dominated by China and other international events. The financial year began quite favorably in July last year as financial markets appeared to be recovering well from the financial crash of October 2008 when Lehman Brothers (a major Wall Street firm) collapsed. However, at the end of November 2009, Dubai World defaulted on its loans to a consortium of international banks. In December, the Greek Sovereign debt crisis became contagion and triggered a crisis of confidence in the stability of the European Union, and caused the Euro to drop sharply by about 21% in 5 months. This affected global investors' confidence badly, and financial and stock markets declined. Despite the recent recovery in stock markets, the United States government just announced another round of "quantitative easing" to prevent a double dip recession.

In terms of operations, our investment management, project finance and IT divisions were the main earners, contributing profits of RM24 million, RM16 million and RM14 million respectively. Our stock broking division's performance was satisfactory in light of low trading volumes on Bursa. We are trying to increase our presence and market share by opening branches in other states as a long term strategy. However, I am pleased to report that our corporate finance division was profitable in its first year of operations as it managed to secure several advisory mandates for capital raising and initial public offerings.

Our high fashion retail business under Melium has rebounded quite strongly and we expect next year's performance to return to almost pre-crisis level. With the recent announcement of abolition of taxes on luxury goods, Malaysia will become as competitive as Singapore and Hong Kong for luxury goods. The government has also allocated increased budget to the Ministry of Tourism in a serious effort to increase the number of visitors to Malaysia. We expect all these positive factors to be favourable for our business.

Last year, we reported that we made a sizeable investment in London in Chantrey House, a residential cum commercial property in the Belgravia area, a prime property location in central London. In conjunction with our UK partner, we took an equal interest in the investment amounting to 22.5 million British Pounds. Since we purchased that property, central London property prices have recovered strongly. Current prices for apartments in comparable locations are transacting at between 1,200 to 1,400 Pounds per square feet compared to our purchase price of 670 Pounds per square feet. We intend to hold on to this investment as we believe property prices should continue to rise in view of the low interest rate environment.

We ended the financial year with a strong and liquid balance sheet. We are continuing to look for new investments that can provide the Group with sustainable earnings in the future.

Chantrey House, London

Corporate Social Responsibility

Conservation priorities remain an integral part of the Group's operating policy regardless of the economic environment. To support this objective, the Group adopts environmentally friendly practices such as recycle and reuse, promote the use of electronic mail to reduce the use of paper and conserve energy at workplace. The Group is also focused on reaching out to the community. On this score, the Group's operating subsidiary companies provided monetary contributions and supported welfare and accommodation facilities to various charitable and religious bodies in the country.

Appreciation

On behalf of the Board of Directors, I wish to thank the management and staff for their loyalty, dedication, support and commitment in carrying out their duties over the past year.

I would also like to record my deepest appreciation to our business associates and shareholders, customers, bankers and the regulatory authorities for their continued support and cooperation extended to the Group.

Lastly, to my fellow Board members, I wish to extend my gratitude and appreciation for their confidence, loyalty, patience and invaluable counsel to the Group.

Ampang Putra Condominium

Dato' Thong Kok Khee

Executive Deputy Chairman/Chief Executive Officer

1. INTRODUCTION

Corporate governance set out the framework and process which corporations, through their Board of Directors and senior management, regulate their businesses activities. These principles aim to balance sound business operations with compliance to relevant laws, guidelines and regulations.

The Board of Directors ("the Board") of Insas Berhad is fully committed to maintaining the highest standards of corporate governance throughout the Group. To this end, the Board has adopted a set of Corporate Governance guidelines to govern its conduct within the spirit of the Malaysian Code of Corporate Governance ("the Code") and the Bursa Malaysia Securities Berhad's Listing Requirements. The Board believes that high standards of corporate governance is the key to building an organisation of high integrity and corporate accountability with the ultimate objective of enhancing long-term shareholders value and returns to its stakeholders.

The Board is pleased to set out below the manner in which it has applied the principles of corporate governance and the extent of compliance with the best practices set out in the Code throughout the financial year and where there are deviations, the alternative measures undertaken pursuant to the Bursa Malaysia Securities Berhad's Listing Requirements.

2. BOARD OF DIRECTORS

a) Principal Responsibilities

The Board has overall stewardship responsibility for supervising the Group's affairs within a framework of acceptable risks and in compliance with the relevant laws, guidelines and regulations. The Board concentrates principally on financial performance, critical and material business issues and specific areas such as management of risks, the Group's system of internal controls, succession planning for senior management and investors and shareholders communication policies. The Board is also accountable for the corporate governance, setting strategic direction of the Group and overseeing the investments and businesses of the Group.

b) Composition

The establishment of an active, dynamic and independent Board is paramount in improving corporate governance practices. The current Board composition provides an effective combination of industry and professional experience, skills and expertise for the direction of the existing businesses and new corporate ventures undertaken by the Group. The Board is made up of an appropriate balance of Executives and Non-Executive Directors with diverse experience required for the effective stewardship of the Group and independence in decision making at Board level.

The Board comprises six members, namely the Chief Executive Officer (cum Executive Deputy Chairman), an Executive Director, two Non-Executive Directors and two Independent Non-Executive Directors including the Chairperson. The current Board composition complies with the Bursa Malaysia Securities Berhad's Listing Requirements which requires a minimum of two directors or one third of the Board to be independent members. A brief profile of each of the directors is presented on page 4 of the Annual Report.

The Chief Executive Officer is responsible to the Board for the management and performance of the Group's businesses within the framework of the Group's policies, reserved powers and routine reporting requirements.

There is a clear division of responsibilities on the differing roles of the Chairperson and the Executive Directors to ensure a balance of authority and power. The Chairperson heads the Board and is responsible for ensuring the Board meets regularly and ensure its effectiveness and standards of conduct. She has authority over the general agenda for each Board meeting to ensure that all Directors are provided with relevant information on a timely basis. The general agenda may include minutes of prior meetings of the Board, review of the Group's period financial reports, proposal papers from the management, matters requiring the Board's deliberation and approval and other reports. The Executive Directors take on primary responsibility for managing the Group's businesses and resources. They have overall responsibility for the operational activities of the Group and implementation of the Board's strategies, policies and decisions.

The Board recognises the importance and contribution of its Independent Non-Executive Directors. The Independent Non-Executive Directors provide independent assessment and judgment on corporate proposals undertaken by the Group. They fulfill a pivotal role in bringing corporate accountability and independent, unbiased judgment and advice to bear on the Board's deliberation and decision-making. The role of Independent Non-Executive Directors is particularly important in ensuring that the strategies proposed by the Executive Directors and management team are discussed and examined fully and to take into account long-term interest of all parties affected by the Group's business activities. The Independent Non-Executive Directors are independent of the management and the major shareholders.

c) Board Meetings

The Board has five scheduled meetings annually, with additional meetings held as and when urgent issues and important matters arise that are required to be taken between the scheduled meetings. There were six Board meetings held during the financial year ended 30 June 2010. All the Board meetings were held at The Boardroom at Suite 23.02, Level 23, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

The date and time of the Board meetings were as follows :-

Date of Meetings	Time
27 August 2009	12.00 noon
19 October 2009	12.00 noon
26 November 2009	12.00 noon
17 December 2009	3.00 pm
24 February 2010	12.00 noon
20 May 2010	12.00 noon

2. BOARD OF DIRECTORS (CONT'D)

c) Board Meetings (cont'd)

Details of attendance of the Directors at the Board meetings are as follows :-

Directors	Attendance and number of meetings during the financial year
YAM Tengku Puteri Seri Kemala Pahang Tengku Aishah bte Sultan Haji Ahmad Shah, DK(II), SIMP	2/6*
Dato' Thong Kok Khee	6/6
Dato' Wong Gian Kui	6/6
Dr Tan Seng Chuan	6/6
Oh Seong Lye	6/6
Soon Li Yen	6/6

Note : * YAM Tengku Puteri Seri Kemala Pahang Tengku Hajjah Aishah bte Sultan Haji Ahmad Shah, DK(II), SIMP was absent from these meetings as she was on long term medical leave.

d) Supply of Information

The Board has full and timely access to information concerning the Group. An agenda and board reports containing information relevant to the business for consideration at the meeting are circulated prior to the Board meetings to enable the Directors to obtain information and explanation to enable them to discharge their duties and responsibilities competently and in a well-informed manner. Senior management and key operation managers are informed of the guidelines on the preparation of board papers, in particular on its contents and format, to ensure a systematic and comprehensive presentation of information at all times. The board papers and reports provide updates of periodical information on the Group's financial performance, operational matters and corporate developments.

Board proceedings, deliberations and conclusions of the Board at every Board meeting are duly recorded in the Board minutes and all minutes are signed by the Chairperson of the meeting in compliance with Section 156 of the Companies Act, 1965. All Directors have the right and duty to make further enquiries whenever they consider it necessary.

The Board has access to the advice and services of the Company Secretary and senior management employees of the Group who are responsible to the Board for ensuring that all Board procedures are followed and that applicable laws and regulations are complied with. The Board may also obtain independent professional advice at the Company's expense in furtherance of their duties.

The Board is also regularly updated and advised by the Company Secretary of any corporate announcement released to Bursa Malaysia Securities Berhad, impending restriction in dealing with the securities of the Company prior to the announcement of financial results and corporate proposals and new regulations, guidelines or directives issued by the Bursa Malaysia Securities Berhad, the Securities Commission and other relevant regulatory authorities.

e) Appointment and Re-election

There is no Nomination Committee in the Group but the Board has the service of the Company Secretary to ensure that the appointments of new directors to the Board are properly made with an established and transparent procedure and in compliance with the rules of the relevant authorities. Any appointment of additional director is made as and when it is deemed necessary by the existing Board with due consideration given to the mix and range of expertise and experience required for an effective Board.

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board are subject to re-election by the shareholders at the following Annual General Meeting after their appointment. The Articles also provide that the Directors are subject to re-election by rotation at least once in every three years. Reappointments are not automatic and the Directors who retire are to submit themselves for re-election by shareholders at the Company's Annual General Meeting.

Details of directors seeking re-election at the forthcoming annual general meeting are disclosed in the Statement Accompanying Notice of the Annual General Meeting.

f) Training and Continuing Board Development

All the Directors have attended and completed the Mandatory Accreditation Programme (MAP) in compliance with the Bursa Malaysia Securities Berhad's Listing Requirements.

The Directors did not attend any external training programmes during the financial year arising from the Directors' inability to attend the desired or selected training programmes due to their work commitments. However, the Directors are mindful that they shall keep abreast with current developments as well as new and revised statutory and regulatory requirements in order for them to discharge their duties effectively. The Directors are committed to constantly keep themselves updated on both local and international affairs, and to changes in regulations affecting the Group through advisories from regulatory bodies, the Company Secretary and management and through their own research and resources.

g) Remuneration

The remuneration of the Directors of the Company are linked to performance, service seniority, experience and scope of responsibilities and industry market rate so as to ensure that the Group attracts, motivates and retains Directors with the necessary skills and experience needed to run the Group effectively.

In line with this, remuneration for the Executive Directors is aligned to individual and corporate performance. For Non-Executive Directors, the level of remuneration would commensurate with the level of experience and responsibility undertaken by them.

The remuneration of Executive Directors comprises salaries and allowances and other customary benefits made available by the Group. The remuneration of Non-Executive Directors comprises fees, salaries, allowances and other customary benefits. The aggregate annual Director fees for the Non-Executive Directors as recommended by the Board are to be approved by shareholders at the Annual General Meeting.

2. BOARD OF DIRECTORS (CONT'D)

g) Remuneration (cont'd)

The details of the remuneration of Directors of the Company for the financial year categorised into appropriate components are as follows :

	Fees RM	Salaries & other emoluments RM	Benefits in kind RM	Total RM
Executive Directors	-	3,745,319*	57,900*	3,803,219
Non-Executive Directors	64,500	40,320	13,700	118,520

* This includes the aggregate remuneration of two Non-Executive Directors of the Company who are Executive Directors of certain subsidiary companies.

The remuneration of the Directors are further analysed by applicable bands of RM50,000 which comply with the disclosure requirements under the Bursa Malaysia Securities Berhad's Listing Requirements. The Board is of the view that the transparency and accountability aspect of corporate governance which is applicable to Directors' Remuneration are appropriately served by the band disclosure.

The aggregate remuneration of Directors analysed into the appropriate bands are as follows :

Range of remuneration	Executive	Non-Executive
Below RM50,000		1
RM50,001 to RM100,000		1
RM200,001 to RM250,000		1
RM600,000 to RM650,000		1
RM1,150,001 to RM1,200,000	1	
RM1,800,001 to RM1,850,000	1	

3. INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Board recognises the importance of maintaining effective communication with shareholders, stakeholders and the public on all material business matters affecting the Company and the Group. In addition to the announcements on the quarterly results and other corporate news, press releases and announcements for public dissemination are made periodically to capture any significant corporate event or product launch that would be of interest to investors and members of the public. The Board places emphasis on timely and equitable dissemination of information to shareholders and investors to keep them informed of the Group's performance, corporate strategy and major developments.

Announcements to the Bursa Malaysia Securities Berhad on corporate proposals, quarterly results and annual report and other public announcements, are accessible to shareholders through Bursa Malaysia's website at http://www.bursamalaysia.com.

Shareholders are presented a review of financial performance for the financial year at each Annual General Meeting. The Company's Annual General Meeting has always been well attended and is the principal forum for

3. INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS (CONT'D)

dialogue and interaction with the shareholders. It has always been the practice for the Chairperson to invite the shareholders to raise any questions that they may have in relation to the Group's activities, financial performance and prospects and the shareholders' comments and suggestions noted by the Board for consideration.

Key investor relation activities such as dialogues with financial and research analysts and investors are held to provide constructive communications on matters concerning the Group.

The Company's website at http://www.insas.net provides an easy and convenient avenue for shareholders and investors to gain access to the Group's corporate information and news and events.

4. BOARD COMMITTEE

To ensure the effective discharge of its fiduciary duties, the Board has delegated specific responsibilities to the Audit Committee, which operates within clearly defined terms of reference. The Audit Committee members are thus able to deliberate in greater detail and examine the issues within their terms of reference in compliance with the Code.

The Audit Committee has been established to assist the Board in execution of its responsibilities. The Audit Committee meets periodically to carry out its functions and duties pursuant to its terms of reference. Other Board members are also invited to attend the meetings when the needs arise. The Audit Committee meets with the external auditors at least once a year.

The details of the composition, terms of reference and the activities of the Audit Committee are set out in the Audit Committee Report.

5. ACCOUNTABILITY AND AUDIT

a) Statement of Board of Directors' Responsibility for Preparing the Financial Statements

The Board is collectively responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Group and Company as at 30 June 2010 and of the results and cash flows of the Group and Company for the financial year ended on that date.

The Director are pleased to announce that in preparing the financial statements for the financial year ended 30 June 2010, the Group and the Company have:

a) ensured compliance with the requirements of applicable Financial Reporting Standards issued by the Malaysian Accounting Standards Board and the provisions of the Companies Act, 1965 in Malaysia;
b) adopted and consistently applied the appropriate and relevant accounting policies; and
c) exercised judgments and estimates that are prudent and reasonable.

The Directors are also responsible for ensuring that the Group and Company keep proper accounting records. In addition, the Directors have overall responsibilities for proper safeguarding of the assets of the Group and Company and taking such reasonable steps for the prevention and detection of fraud and other irregularities.

5. **ACCOUNTABILITY AND AUDIT (CONT'D)**

b) **Financial Reporting**

The Board has taken reasonable steps to provide a balanced and understandable assessment of the Group's financial performance and prospects, primarily through the annual report and quarterly financial statements.

The Board has also empowered the Audit Committee to review the Group's financial reports to ensure conformity with applicable Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia before the financial statements are recommended to the Board for consideration and approval for release to the public.

c) **Internal Control**

The Board recognises the importance of maintaining a sound system of internal controls to safeguard the shareholders' investment and the Group's assets.

The information on the Group's internal control is set out in the Statement on Internal Control on Page 14 of the Annual Report.

d) **Relationship with External Auditors**

Through the Audit Committee, the Group has established a transparent and formal relationship with the Company's external auditors in seeking professional advice and ensuring compliance with applicable financial reporting standards and statutory requirements.

The Group's external auditors report to the Audit Committee on any weaknesses in the Group's internal control system, any non-compliance of financial reporting standards and communication of fraud that have come to their attention in the course of their audit.

The Group's external auditors also fulfill an essential role to the shareholders of the Company and other users of the financial statements by enhancing the reliability of the financial statements.

e) **Audit Fees**

The total of the statutory and non-statutory audit fees (excluding expenses and service taxes) charged by the external auditors for the financial year ended 30 June 2010 amounted to RM308,650 (2009 : RM330,320).

f) **Non Audit Fees**

The total of the non-audit fees (excluding expenses and service taxes) charged for the financial year ended 30 June 2010 by the external auditors for services performed for the Group amounted to RM147,400 (2009 : RM141,400).

6. OTHER INFORMATION

a) **Share buybacks**

During the financial year, the Company bought back a total of 6,299,400 of its issued shares from the open market. The details of the cumulative shares bought back are set out in Note 28 of the audited financial statements on Page 64 of the Annual Report.

6. **OTHER INFORMATION (CONT'D)**

b) **Share and Share Options**

There were no shares issued during the financial year. There were no share options exercised into ordinary shares during the financial year.

c) **Depository Receipt Programme**

The Company did not sponsor any depository receipt programme during the financial year.

d) **Sanctions and/or penalties**

There were no sanctions and/or penalties imposed on the Group, its directors or management by the relevant regulatory bodies.

e) **Variation in results**

There is no material deviation between the profit after taxation and minority interest in the announced unaudited consolidated income statement and the audited consolidated income statement for the financial year ended 30 June 2010.

There was no profit estimate, forecast or projection issued by the Group and the Company during the financial year.

f) **Profit Guarantee**

There was no profit guarantee given by the Group and the Company during the financial year under review.

g) **Material Contracts**

There were no material contracts involving directors and substantial shareholders for the financial year.

h) **Revaluation policy**

There was no revaluation conducted on the Group's landed properties during the financial year.

i) **Corporate Social Responsibility**

The Group continues to place emphasis on the need to conserve resources and care for the environment. To support this objective, the Group adopts environmentally friendly practices such as recycle and reuse, promote the use of electronic mail to reduce the use of paper and conserve energy at workplace. The Group is also focused on reaching out to the community. On this score, the Group's operating subsidiary companies provided monetary contributions and supported welfare and accommodation facilities to various religious bodies in the country.

COMMITMENT

The Board will continuously review its principles and practices in corporate governance in its efforts to achieve the highest standards of corporate governance throughout the Group.

This Statement is made in accordance with the resolution of the Board of Directors dated 14 October 2010.

INTRODUCTION

This Statement is made pursuant to the Bursa Malaysia Securities Berhad's Listing Requirements Paragraph 15.26(b) which requires the Board of Directors of public listed companies to make a statement about the state of internal control of the listed entity as a Group in the Annual Report.

The Board of Directors of Insas Berhad ("the Board") is committed to maintain a sound system of internal controls and risk management practices to safeguard shareholders' investment and the Group's assets. The Board is pleased to provide the Statement on Internal Control which outlines the key elements of the internal control system within the Group during the financial year.

ACKNOWLEDGEMENT OF RESPONSIBILITY FOR RISK AND INTERNAL CONTROLS

The Board affirms its overall responsibility for the Group's system of internal controls which includes the establishment of appropriate control environment as well as review the adequacy and integrity of the Group's internal controls, risk management practices and management information systems. In view of the inherent limitations in any system of internal controls, the system is designed to manage rather than eliminate the risk of failure to achieve its corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance against material errors, misstatement, financial losses or fraud. The system of internal controls includes inter alia, financial, operational, information technology, organisation, compliance and risk management controls.

Also, the Group's system of internal controls involves all management and employees of the Group from each business unit. The Board is responsible for determining key strategies and policies for significant risks and controls issues, whilst the management team and functional key employees of the Group's operating units are responsible to implement the Board's policies effectively by designing, executing, monitoring and managing the internal control processes.

The Board confirms that there is an ongoing process, for identifying, evaluating and managing the significant risks faced by the Group throughout the financial year, which is regularly reviewed by the Board through its Audit Committee, which dedicates separate time for discussion of this matter.

RISK MANAGEMENT

The Group has an ongoing risk management process for identifying, evaluating, managing and reviewing significant risks faced by the businesses in the Group. The risk management process involves all business and functional units of the Group in identifying the significant risks affecting the achievement of business objectives and the effectiveness of controls in place to manage them.

The Board recognises that risk management is an integral part of the system of internal control and good management practice that is critical to the Group's continued profitability and for enhancement of shareholders' value.

The significant business risks faced by the respective business units and key issues pertaining to operational and external environment are reviewed by the management team of each business unit. The responsibility of managing these risks lies with the respective head of units. Key risks relating to the business units' operations are addressed at periodic management meetings.

The Board undertakes ongoing reviews of key commercial and financial risks facing the Group's main businesses together with more general risks such as those relating to compliance with law and regulations.

The Group has an on-going credit risk management process undertaken by the respective units' management team to identify, assess and evaluate principal credit risks and to ensure that appropriate risk treatments are in place to mitigate these risks affecting the achievement of the Group's objectives.

Management reports the monitoring of the risks to the Executive Deputy Chairman/Chief Executive Officer, whose main roles is to assess, on behalf of the Board of Directors, the key risk inherent in the business and the system of controls that are in place to manage these risks. Changes in the business, operations and the external environment that result in significant risks will be reported to the Audit Committee and the Board accordingly.

KEY ELEMENTS OF THE GROUP'S SYSTEM OF INTERNAL CONTROLS

The framework of the Group's internal control systems and the key procedures include:-

1. **Management and direction of the Group's businesses**
   The Chief Executive Officer ("CEO") is empowered to manage the businesses of the Group and is accountable for the conduct and performance of the Group's businesses within agreed business strategies. The CEO implements the Board's expectations of the system of internal controls.

2. **Investment and capex appraisals**
   The CEO and the key management team review material investments and the performance of significant projects undertaken by the Group and make appropriate recommendations and evaluations to be brought to the Board's attention.

   Proposals for substantial and major capital expenditure of the Group are reviewed and approved by the Board.

3. **Financial and operational review and reporting**
   The key management team reviews and reports on significant operational, financial, risk management and legal issues of key operating subsidiaries and ensure that remedial actions are taken by the management of the subsidiaries concerned to address deficiencies that arise.

   The CEO and the key management team attend management and operational meetings to review financial and operations reports and to monitor the performance and profitability of the Group's businesses. Any deviation in corporate strategy and business objectives are deliberated and necessary action will be instituted. The CEO practices an 'open door' policy whereby matters arising are promptly highlighted and immediately dealt with.

4. **Scheduled Board meetings**
   The Board meets at least quarterly and at other scheduled intervals when necessary to maintain full and effective supervision of the Group's activities and operations. The General Manager – Finance will lead the presentation of board papers and provide comprehensive explanations of pertinent issues and the Board will go through thorough deliberation and discussion before arriving at any decision which has a bearing on the Group.

   The Board reviews the financial and operating information and key performance indicators of strategic business units and legal and regulatory matters on a quarterly basis.

5. **Audit Committee**
   The Board has the assistance of the Audit Committee whose principal duty is to review and monitor the effectiveness of the Group's system of internal control. The Audit Committee meets with the Group's principal external auditors to review the audit findings arising from the statutory audit of the financial statements and their tests on the system of internal control.

6. **Organisational Structure**
   The Group has an organisational structure which defines the responsibilities and appropriate level of empowerment at various authorisation levels. This is to facilitate quality and timely decision-making process at the appropriate level in the organisation hierarchy.

7. **Centralised support functions**
   The Group also has in place key support functions, which are managed centrally at its Corporate Office. These comprise Group Secretarial and Share Registration, Legal, Human Resource, IT, Finance, Treasury and Tax compliance functions. These support functions ensure consistency and compliance in the setting and application of policies and procedures relating to these functions thus reducing duplication of efforts and thereby providing synergy to the Group.

8. **Defined accountability and authorisation levels**
   The senior employees and management team of key subsidiary

8. **Defined accountability and authorisation levels (cont'd)**
companies are responsible for:-
- the conduct and performance of their respective business units;
- identification and evaluation of significant risks applicable to their respective businesses together with the design and institution of suitable internal controls; and
- meeting defined reporting deadlines and ensuring compliance with policies, procedure and regulatory requirements;

9. **Budgeting Process**
Detailed budgeting process whereby key operating subsidiaries prepare budgets for the coming year, which are approved at the operating level. Key performance indicators are set for each of these operating subsidiaries and the performance are monitored via reporting system which highlights significant variances against budgets for investigation and follow-up by the management of the respective operating subsidiaries.

10. **Specific credit risk management**
The Board, through the relevant management team, adopted a prudent approach with regard to the management of credit risks. Procedures on credit application, review and approval of high value loans by the subsidiary company in the money lending business are undertaken by designated senior management to ensure credit risk is contained and the loans are properly and adequately securitised. Procedures for recovery for loans exceeding their credit limit are also in place.

11. **Human resource management**
The Board considers the integrity of employees at all levels to be of utmost importance, and this is pursued through its comprehensive and structured recruitment, appraisal and reward program. The Group also has ongoing training and development programs to ensure the Group attracts, motivates and retains competent and skilled employees.

Corporate values and code of conduct, which emphasise on the importance of key values such as loyalty, integrity, professionalism and cohesiveness are communicated to all employees and are set out in the Group's Employee Handbook.

12. **Annual statutory audit**
The external auditors provide assurance in the form of their annual statutory audit of the financial statements of the Group. Areas for improvement identified during the course of the statutory audit by the external auditors are brought to the attention of the Audit Committee through management letters or are deliberated at the Audit Committee meetings.

13. **Internal audit**
The Board has the support of an internal audit function, which was established in the preceding financial year. The internal audit function provides assurance on the effectiveness of the system of internal controls within the Group. The works of the internal audit function are focused towards areas of priority identified in accordance with the annual audit plan approved by the Audit Committee.

The internal audit function independently reviews the control processes implemented by the management. At least once every quarter, they will report to the Audit Committee their findings and highlight significant issues, if any and exceptions identified during the course of their review on processes and controls compliance and their recommendations to the Audit Committee.

The Board does not regularly review the system of internal control of its associate companies as the Board does not have any direct control over their operations. Notwithstanding this, the Group's interest is served through representation on the boards of the respective associate companies and receipt and review of monthly management accounts and inquiry thereon. Where practical, the Group would request for functional, operating and other financial information prepared in accordance with reporting standards that are acceptable to the Group in assessing the performance of these entities with the objective of safeguarding the investment of the Group.

The Group's interest in its foreign jointly controlled entities is served through the representation on the board of the jointly controlled entities wherein there is contractually agreed sharing of control between each venturer. The Group obtains and reviews the management financial statements of the jointly controlled entities on a regular basis with enquiries duly responded and detailed management information furnished by their management. The financial statements of the foreign jointly controlled entities are also subjected to independent annual statutory audits.

Internal Audit Function
The Board recognised that an internal audit function is necessary to provide independent assessment on the Group's system of internal controls and in the assessment of potential risks exposures in key business processes and in controlling the proper conduct of businesses within the Group.

During the preceding financial year, the Board established an internal audit function as an independent appraisal function following the formal adoption of the Internal Audit Charter by the Audit Committee. The internal audit function reports to the Audit Committee, whose authority is sufficient to ensure a broad range of audit coverage and adequate consideration of effective action on internal audit findings and recommendations. The internal audit function aims to provide the Audit Committee with independent and objective advices on the effectiveness of the internal controls within the Group's businesses and operations.

The scope of the internal audit function encompass examining and evaluating the adequacy and effectiveness of the Group's system of internal controls and the quality of operating performance against established standards in carrying out assigned responsibilities. The scope of the examination and the evaluation performed includes the review of:

a) the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report information;
b) the systems established to ensure compliance with policies, operating procedures, relevant laws, guidelines and regulations that could have a significant impact on Group's operations;
c) the means of safeguarding the Group's assets and verifying their existence; and
d) the efficiency which resources are utilised and employed.

The activities of the internal audit function during the financial year were as follows:

a) reviewed the system of internal controls and conducted risk assessment on selected operating units of the Group as part of the Group's continuous risk management initiative; and
b) reviewed and assessed the adequacy and effectiveness of the system of internal controls with regards to the operation, financial and compliance requirements of the Group's stock broking unit. The internal audit function reviewed the internal controls on the key activities of the stock broking unit.

The cost incurred by the internal audit function in respect of the financial year ended 30 June 2010 are as follows :

	RM
Staff cost	116,155
Reimbursements on travelling, medical and out of pocket expenses	1,435
Total	117,590

Effectiveness of Internal Control
The Board reviews the effectiveness of the system of internal control of the Group at periodic Board meetings and the effectiveness of the Group's system of internal controls will continue to be reviewed, enhanced and updated in line with the changes in the operating environment.

The Board is of the view that the current system of internal controls that have been put in place throughout the Group is sufficient to safeguard the Group's assets and prevent any material loss to the Group. The Board is pleased to report that there were no significant internal control deficiencies or weaknesses that resulted in material losses or contingencies to the Group during the financial year that would require disclosure in the Annual Report.

This Statement is made in accordance with a resolution of the Board of Directors dated 14 October 2010 and has been reviewed by the external auditors as required under the Bursa Malaysia Securities Berhad's Listing Requirements Paragraph 15.23.

THE AUDIT CONNMITTEE

The Audit Committee comprises three members of whom two are Independent Non-Executive Directors.

The members of the Audit Committee during the financial year ended 30 June 2010 are as follows:

- YAM Tengku Puteri Seri Kemala Pahang Tengku Hajjah Aishah bte Sultan Haji Ahmad Shah, DK(II), SIMP
  Chairperson / Independent Non-Executive Director
- Mr. Oh Seong Lye
  Independent Non-Executive Director
- Ms. Soon Li Yen
  Non-Independent Non-Executive Director

Terms of Reference of the Audit Committee

I. Objective

The principal objective of the Audit Committee is to assist the Board of Directors in fulfilling its fiduciary duties and responsibilities by reviewing the financial reporting process, the system of internal control, the audit process and the Group's process for monitoring compliance with laws and regulations, in particular to :-

a) ensure transparency, integrity and accountability of the Group's activities so as to safeguard the rights and interests of the shareholders;
b) assist the Board in discharging its fiduciary duties and responsibilities in relation to management of principal risks and compliance with statutory, legal and regulatory requirements;
c) evaluates and monitors the financial reporting process, and provide assurance that the financial information provided by management is relevant, reliable and timely;
d) ensure the adequacy and integrity of the Group's system of internal controls in carrying out the Group's operations;
e) ensure regular scheduled meetings are held between the Board, the senior management and the internal and external auditors as a forum for communication between these parties;
f) ensure the independence of the Company's external auditors and its ability to conduct its audit without any restriction;
g) review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work; and
h) undertake any other duties as may be appropriate and necessary to assist the Board.

2. Composition

The Audit Committee shall be appointed by the Board from amongst their number and shall consist of no fewer than three (3) members. The members of the Audit Committee shall elect a Chairman from among their number, who shall be an Independent Non-Executive Director. An alternate director cannot be appointed as a member of the Audit Committee. In the event of a vacancy in the Audit Committee, the Board shall appoint a new member within three (3) months to fill up the vacancy.

At least one member of the Audit Committee must be:-

a) a member of the Malaysian Institute of Accountants; or
b) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and –
   (i) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
   (ii) he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967.

The Company will ensure the composition of the Audit Committee shall comply with other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad from time to time.

3. Authority

The Audit Committee is empowered by the Board of Directors to :

a) investigate any matters within its terms of reference;
b) have full and unrestricted access to all information and documents in relation to the Group;
c) have direct communication channels with the external auditors, the internal auditors and to all employees of the Group;
d) have the resources which are required to perform its duties;
e) obtain or secure external, legal or other independent professional advice and the attendance of external parties with relevant experience and expertise, at the Group's expenses if it considers necessary; and
f) have the right to convene meetings with the external auditors, the internal auditors or both excluding the attendance of other directors and employees of the Group and may extend invitation to other non-member directors and employees of the Group to attend to a specific meeting, whenever it considers necessary.

4. Meetings and Attendance

The Audit Committee shall meet at least 5 times a year or at a frequency to be decided by the Audit Committee. It shall convene meetings with external auditors, internal auditors or both, excluding the attendance of other directors and employees of the Group, whenever deemed necessary. The Audit Committee may invite other Directors and employees to be present to assist in resolving and clarifying matters raised. The General Manager – Finance and other senior management employee shall normally attend the meetings. At least once a year the Audit Committee shall meet with the external auditors.

The Chairman may also convene a meeting of the Audit Committee if requested to do so by any member, the management or the external auditors to consider any matters within the scope of its duties and responsibilities.

The quorum for each meeting shall be at least 2 members.

To ensure critical issues are highlighted to all the Board members in a timely manner, where possible, the Audit Committee meetings are convened prior to the Board meetings. The issues raised at the Audit Committee meetings will be further deliberated at Board level if necessary. Minutes of the Audit Committee will be circulated to the Board at the next scheduled meeting.

Five (5) Audit Committee Meetings were held during the financial year ended 30 June 2010 as follows:-

Date of Meetings	Time
27 August 2009	10.30 a.m.
19 October 2009	11.00 a.m.
26 November 2009	11.00 a.m.
24 February 2010	11.00 a.m.
20 May 2010	11.00 a.m.

Attendance at the Audit Committee Meetings held during the financial year ended 30 June 2010 were as follows:-

Name of Members	Attendance and number of meetings
YAM Tengku Puteri Seri Kemala Pahang Tengku Hajjah Aishah bte Sultan Haji Ahmad Shah, DK(II), SIMP	2/5
Mr Oh Seong Lye	5/5
Ms Soon Li Yen	5/5

5. **Votings and proceeding at meetings**

   The decision of the Audit Committee shall be by a majority of votes and the determination by a majority of members shall for purposes be deemed a determination of the Audit Committee. In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.

6. **Secretary, keeping of minutes and custody, production and inspection of minutes**

   The Company Secretary shall be the secretary to the Audit Committee and shall be responsible in drawing up the agenda and circulating it to the members of the Audit Committee prior to each meeting. The Company Secretary shall also be responsible for keeping minutes of the meetings and circulate them to the members of the Audit Committee and to the other members of the Board where issues can be further deliberated where necessary.

   The minutes of the meetings shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

   The minutes of proceedings of the Audit Committee shall be kept by the Secretary at the registered office of the Company, and shall be open to the inspection of any member of the Audit Committee or any member of the Board.

7. **Duties and Responsibilities**

   In fulfilling its purpose, the Audit Committee undertakes the following duties and responsibilities:-

   a) To oversee matters relating to external audit including the review of the audit plan in particular the adequacy of existing external audit arrangements with emphasis on the scope, quality and findings of the audit, the auditors' management letters and the management's response thereto and the Auditors' Report;

   b) To evaluate the standards of the system of internal control and financial reporting including review with the Group's external and internal auditors, their evaluation of the system of internal controls and ensure the Group's external and internal auditors' recommendations regarding major management and internal control weaknesses are implemented;

   c) To review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;

   d) To review and consider the scope and results of the internal audit programs and its procedures;

   e) To consider any significant audit findings reported by the internal audit function and management's responses thereto and review whether appropriate actions are taken by Management on the internal audit recommendations;

   f) To review the quarterly and annual financial statements before submission to the Board, with special focus on any changes in or implementation of major accounting policies and practices, significant adjustments resulting from the audit, significant and unusual events and compliance with all relevant accounting standards and statutory and regulatory disclosure requirements;

   g) To review the assistance and cooperation given by the officers and employees to the external and internal auditors;

   h) To review any related party transaction and conflict of interest that may arise within the Company or the Group including any transaction, procedure or course of conduct that raise question on management integrity;

   i) To consider the appointment of the external auditors, the auditors' remuneration and any matters pertaining to resignation or dismissal of the external auditors;

   j) To promptly report to the Bursa Malaysia Securities Berhad any matters reported by the Audit Committee to the Board which have not been satisfactorily resolved resulting in a breach of the Listing Requirements;

   k) To consider other function or duty as authorised by the Board.

Summary of Activities of the Audit Committee during the financial year

The activities of the Audit Committee in the discharge of its duties during the financial year were as follows:-

a) Reviewed the Group's quarterly financial results and made suitable recommendations thereon to the Board for adoption prior to their release to the Bursa Malaysia Securities Berhad;

b) Reviewed the Group's year-end audited financial statements before recommending them for consideration and approval by the Board;

c) Discussed and reviewed the Group's compliance, in particular the quarterly and annual audited financial statements with the Listing Requirements of Bursa Malaysia Securities Berhad, the provisions of the Companies Act, 1965 and applicable approved Financial Reporting Standards in Malaysia and the changes in existing or implementation of new accounting standards on the Group's financial statements;

d) Reviewed the external auditors' scope of work and audit plan for the Group;

e) Reviewed with the external auditors the results of their audit, the Auditors' Report and internal control recommendations in respect of control weaknesses noted in the course of their audit;

f) Reviewed and monitored the credit risk and allowance for doubtful debts is adequate with regards to the Group's receivables in particular from its money lending business on a quarterly basis;

g) Approved the annual internal audit plan covering the operations and activities of the Group;

h) Reviewed and discussed the internal audit reports presented by the Head of Internal Audit during the audit committee meetings;

i) Ensured other principal risks of the Group are identified and assessed on a periodic basis;

j) Recommend improvements to the operations and the processes within the Group;

k) Ensured that an effective system of internal controls is in place to provide reasonable assurance to minimise the occurrence of fraud and material misstatement or error;

l) Reviewed the related party transactions of the Group during the financial year and its disclosure in the Group's financial statements and ensured that the transactions were undertaken on the Group's normal commercial terms and that the internal control procedures with regards to the transactions were adequate, and if any conflict of interest situation could have arise that raises questions of management integrity.

Internal Audit Function

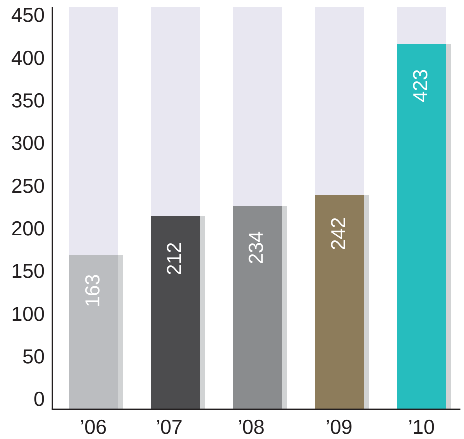
The Audit Committee obtains reasonable assurance on the effectiveness of the system of internal controls via the internal audit function, which shall be responsible for the regular review and appraisal of the effectiveness of the risk management, system of internal controls and governance processes within the Group.

The internal audit function was performed by the in-house internal audit department set up in the preceding financial year.

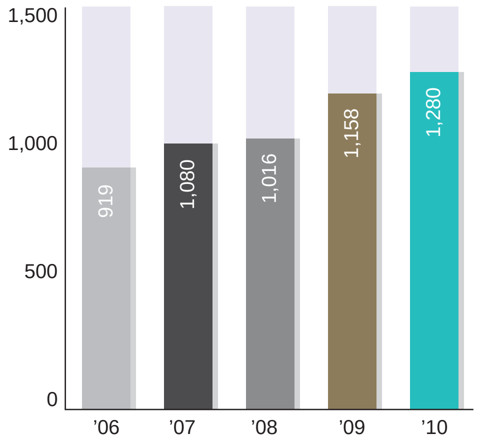
The activities of the internal audit function during the financial year are included under the Statement of Internal Control.

	2010 RM'000	2009 RM'000	2008 RM'000	2007 RM'000	2006 RM'000
Turnover	**423,287**	241,865	233,500	212,185	163,387
Profit Before Taxation	**53,492**	61,133	23,144	77,350	24,499
Profit After Taxation and Minority Interests	**46,462**	51,905	16,566	74,377	21,134
Total Assets	**1,279,968**	1,157,782	1,016,033	1,080,067	918,683
Shareholders' Funds	**806,882**	774,739	727,735	743,619	680,747
Number of Shares In Issue, net of treasury shares (in Thousand)	**687,329**	667,070	596,572	598,513	604,915
Net Earnings Per Share (in Sen)	**6.88**	8.47	2.77	12.37	3.49
Net Assets Per Share (in Sen)	**117.7**	116.1	108.7	106.9	95.4

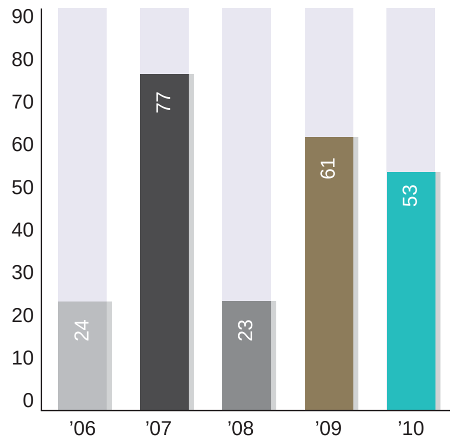
TURNOVER (RM'mil)



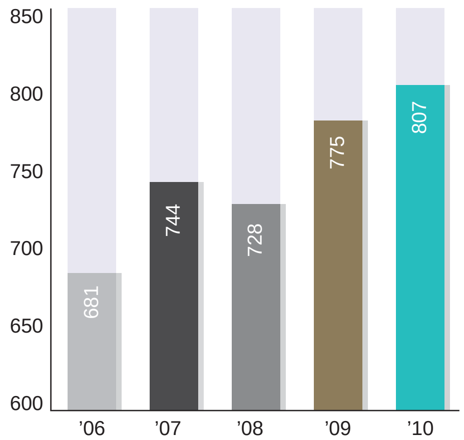
TOTAL ASSETS (RM'mil)



PROFIT BEFORE TAXATION (RM'mil)



SHAREHOLDERS' FUNDS (RM'mil)



directors' report and financial statements

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 2010.

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 53 to 55 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	54,043	10,036
Attributable to :		
Equity holders of the Company	46,462	10,036
Minority interests	7,581	-
	54,043	10,036

DIVIDENDS
On 3 February 2010, the Company distributed share dividend by way of one treasury share for every twenty five existing ordinary shares of RM1.00 each held in the Company wherein a total of 26,558,148 treasury shares were distributed to the shareholders.

Other than the above, 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 as 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 financial statements 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 realise 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 as 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.

INFORMATION ON THE FINANCIAL STATEMENTS (CONT'D)
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 56 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO BALANCE SHEET DATE
Significant events subsequent to the balance sheet date are disclosed in Note 57 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 except as 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, Y.A.M. Tengku Puteri Seri Kemala Pahang Tengku Hajjah Aishah bte Sultan Haji Ahmad Shah, DK(II), SIMP and Dato' Thong Kok Khee 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 1.7.2009**	**Bought**	**Allotted#**	**Sold**	**At 30.6.2010**
Direct interest					
Y.A.M. Tengku Puteri Seri Kemala Pahang Tengku Hajjah Aishah bte Sultan Haji Ahmad Shah, DK(II), SIMP	115,000	-	4,600	-	119,600
Dato' Thong Kok Khee	1,625,000	623,000	89,920	-	2,337,920
Dato' Wong Gian Kui	373,000	-	14,920	-	387,920
Deemed interest					
Y.A.M. Tengku Puteri Seri Kemala Pahang Tengku Hajjah Aishah bte Sultan Haji Ahmad Shah, DK(II), SIMP	2,441,856	-	-	2,441,856	-
Dato' Thong Kok Khee	166,180,625	-	5,923,264	18,099,000	154,004,889
Dato' Wong Gian Kui	980,000	-	51,680	-	1,031,680

DIRECTORS (CONT'D)

Interest in subsidiary companies	Number of ordinary shares of RM1 each At 1.7.2009	Bought	Sold	At 30.6.2010
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	8,000	-	-	8,000
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				
Direct interest		**Number of ordinary shares**		
Dr Tan Seng Chuan	315,161	-	-	315,161

On 3 February 2010, the Company distributed share dividend by way of 1 treasury share for every 25 existing ordinary shares of RM1.00 each held in the Company.

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

Messrs SJ Grant Thornton has expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with the resolution of the Board of Directors dated 14 October 2010.

DATO' THONG KOK KHEE
Director

DATO' WONG GIAN KUI
Director

Kuala Lumpur
14 October 2010

Statement by Directors

We, Dato' Thong Kok Khee and Dato' Wong Gian Kui, 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 provision 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 2010, results of the operations and the cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Board of Directors dated 14 October 2010

DATO' THONG KOK KHEE

DATO' WONG GIAN KUI

Kuala Lumpur
14 October 2010

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 Kuala Lumpur in	)	
the Federal Territory this day of	)	
14 October 2010	)	**DATO' THONG KOK KHEE**

Before me:

S. ARULSAMY
(W490)
Commissioner for Oaths
Kuala Lumpur

Report on the Financial Statements

We have audited the financial statements of Insas Berhad, which comprise the balance sheets of the Group and of the Company as at 30 June 2010, the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 26 to 87.

Directors' Responsibilities for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibilities

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 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 Company's preparation and fair presentation of the financial statements 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 Company'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 2010 and of their financial performance and cash flows for the financial year then ended.

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 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 53 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 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

DATO' N. K. JASANI
CHARTERED ACCOUNTANT
(NO: 708/03/12(J/PH))

Kuala Lumpur
14 October 2010

Balance Sheets

AS AT 30 JUNE 2010

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
ASSETS					
Non-current Assets					
Property, plant and equipment	6	**62,460**	66,527	**581**	258
Prepaid land lease payments	7	**4,781**	4,893	**-**	-
Investment properties	8	**58,092**	51,495	**-**	-
Land held for development	9	**37,576**	37,576	**-**	-
Long term investments	10	**96,454**	97,705	**345**	345
Subsidiary companies	11(a)	**-**	-	**162,689**	141,089
Associate companies	12(a)	**15,064**	15,140	**1,184**	1,184
Jointly controlled entities	13	**24,122**	-	**-**	-
Intangible assets	14	**19,644**	21,313	**-**	-
Goodwill	15	**-**	184	**-**	-
Deferred tax assets	16	**4,644**	1,570	**-**	-
Total non-current assets		**322,837**	296,403	**164,799**	142,876
Current Assets					
Property development costs	17	**6,955**	42,298	**-**	-
Inventories	18	**33,584**	20,245	**-**	-
Trade receivables	19	**171,960**	169,288	**-**	-
Accrued billings	20	**5,918**	9,602	**-**	-
Amount due from subsidiary companies	11(b)	**-**	-	**632,924**	648,854
Amount due from associate companies	12(b)	**21,497**	4,761	**114**	109
Other receivables, deposits and prepayments	21	**29,469**	36,646	**9,909**	10,061
Tax recoverable		**2,293**	4,366	**550**	802
Short term investments	22	**5,943**	59,204	**-**	-
Marketable securities	23	**71,643**	53,641	**-**	-
Deposits with licensed banks and financial institutions	24	**525,999**	430,611	**-**	24,004
Cash and bank balances	25	**73,704**	30,717	**507**	1,587
		948,965	861,379	**644,004**	685,417
Non-current assets classified as held for sale	26	**8,166**	-	**-**	-
Total current assets		**957,131**	861,379	**644,004**	685,417
TOTAL ASSETS		**1,279,968**	1,157,782	**808,803**	828,293
EQUITY AND LIABILITIES					
Equity Attributable to Equity Holders of the Company					
Share capital	27	**693,334**	693,334	**693,334**	693,334
Treasury shares	28	**(2,963)**	(11,312)	**(2,963)**	(11,312)
Reserves	29	**56,613**	79,281	**54,489**	66,394
Retained profit		**59,898**	13,436	**10,738**	702
		806,882	774,739	**755,598**	749,118
Minority interests		**19,549**	20,328	**-**	-
TOTAL EQUITY		**826,431**	795,067	**755,598**	749,118
Non-current Liabilities					
Redeemable convertible preference shares	30	**4,611**	-	**-**	-
Loans and borrowings	31	**6,260**	3,314	**-**	-
Hire purchase payables	32	**9,418**	8,232	**-**	-
Deferred tax liabilities	16	**814**	976	**104**	-
Total non-current liabilities		**21,103**	12,522	**104**	-

BALANCE SHEETS (CONT'D)

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Current Liabilities					
Trade payables		**198,495**	210,746	**-**	-
Progress billings	33	**-**	63	**-**	-
Amount due to subsidiary companies	11(b)	**-**	-	**52,707**	63,918
Amount due to an associate company	12(c)	**-**	10,304	**-**	10,304
Other payables and accruals	34	**40,589**	48,596	**394**	953
Loans and borrowings	31	**192,544**	80,259	**-**	4,000
Tax payable		**806**	225	**-**	-
Total current liabilities		**432,434**	350,193	**53,101**	79,175
TOTAL LIABILITIES		**453,537**	362,715	**53,205**	79,175
TOTAL EQUITY AND LIABILITIES		**1,279,968**	1,157,782	**808,803**	828,293

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

Income Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

		Group		Company	
	Note	**2010**	2009	**2010**	2009
		RM'000	RM'000	**RM'000**	RM'000
Revenue	35	**423,287**	241,865	**438**	2,396
Cost of sales	36	**(349,821)**	(186,781)	**-**	-
Gross profit		**73,466**	55,084	**438**	2,396
Other income	37	**40,342**	28,107	**9,648**	7,849
Administration expenses	38	**(24,699)**	(20,426)	**(12,939)**	(5,166)
Other operating expenses	39	**(35,476)**	(54,158)	**-**	-
Finance costs	40	**(4,922)**	(3,492)	**(169)**	(952)
Exceptional items	41	**5,337**	56,302	**13,049**	62,346
Share of losses of associate companies		**(76)**	(284)	**-**	-
Share of losses of jointly controlled entities		**(480)**	-	**-**	-
Profit before taxation		**53,492**	61,133	**10,027**	66,473
Taxation	42	**551**	(4,036)	**9**	446
Profit for the financial year		**54,043**	57,097	**10,036**	66,919
Attributable to :					
Equity holders of the Company		**46,462**	51,905	**10,036**	66,919
Minority interests		**7,581**	5,192	**-**	-
Net profit for the financial year		**54,043**	57,097	**10,036**	66,919
Earnings per share (sen)					
- Basic	43	**6.88**	8.47		
- Diluted	43	**-**	-		

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

Group	Share capital RM'000	Share premium RM'000	ICULS - equity componet RM'000	Reserve fund RM'000	Exchange translation reserve RM'000	Treasury shares RM'000	(Accumulated losses) /Retained profit RM'000	Total RM'000	Minority interests RM'000	Total Equity RM'000
	← Attributable to Equity Holders of the Company →									
		← Non-Distributable →				← Distributable →				
Balance at 1 July 2008	618,966	66,394	79,043	1,200	10,641	(10,132)	(38,377)	727,735	18,752	746,487
Conversion of ICULS to ordinary shares	74,368	-	(74,368)	-	-	-	-	-	-	-
Repurchase of shares	-	-	-	-	-	(1,180)	-	(1,180)	-	(1,180)
Net gains/(losses) not recognised in the income statement										
- Currency translation differences	-	-	-	-	1,046	-	-	1,046	53	1,099
- Distribution to holders of ICULS (Note 40)	-	-	-	-	-	-	(4,767)	(4,767)	-	(4,767)
- Gain arising from cancellation of ICULS	-	-	(4,675)	-	-	-	4,675	-	-	-
Repayment of advances to minority shareholders	-	-	-	-	-	-	-	-	(1,470)	(1,470)
Subscription of redeemable convertible preference shares in a subsidiary company by a minority shareholder	-	-	-	-	-	-	-	-	300	300
Dividends paid to minority shareholders	-	-	-	-	-	-	-	-	(2,499)	(2,499)
Net profit for the financial year	-	-	-	-	-	-	51,905	51,905	5,192	57,097
Balance at 30 June 2009	**693,334**	**66,394**	**-**	**1,200**	**11,687**	**(11,312)**	**13,436**	**774,739**	**20,328**	**795,067**
Repurchase of shares	-	-	-	-	-	(3,556)	-	(3,556)	-	(3,556)
Acquisition of equity interest in a subsidiary company from a minority shareholder	-	-	-	-	-	-	-	-	(75)	(75)
Net losses not recognised in the income statement										
- Currency translation differences	-	-	-	-	(10,763)	-	-	(10,763)	(576)	(11,339)
Repayment of advances to minority shareholders	-	-	-	-	-	-	-	-	(1,907)	(1,907)

	Share capital RM'000	Share premium RM'000	ICULS - equity componet RM'000	Reserve fund RM'000	Exchange translation reserve RM'000	Treasury shares RM'000	(Accumulated losses) /Retained profit RM'000	Total RM'000	Minority interests RM'000	Total Equity RM'000
	← Attributable to Equity Holders of the Company →									
		← Non-Distributable →				← Distributable →				
Group										
Share dividends paid to shareholders of the Company (Note 47)	-	(11,905)	-	-	-	11,905	-	-	-	-
Dividends paid to minority shareholders	-	-	-	-	-	-	-	-	(5,802)	(5,802)
Net profit for the financial year	-	-	-	-	-	-	46,462	46,462	7,581	54,043
Balance at 30 June 2010	**693,334**	**54,489**	**-**	**1,200**	**924**	**(2,963)**	**59,898**	**806,882**	**19,549**	**826,431**
Company										
Balance at 1 July 2008	618,966	66,394	90,538	-	-	(10,132)	(77,620)	688,146		
Conversion of ICULS to ordinary shares	74,368	-	(74,368)	-	-	-	-	-		
Repurchase of shares	-	-	-	-	-	(1,180)	-	(1,180)		
Net gains/(losses) not recognised in the income statement										
- Distribution to holders of ICULS (Note 40)	-	-	-	-	-	-	(4,767)	(4,767)		
- Gain arising from cancellation of ICULS	-	-	(16,170)	-	-	-	16,170	-		
Net profit for the financial year	-	-	-	-	-	-	66,919	66,919		
Balance at 30 June 2009	**693,334**	**66,394**	**-**	**-**	**-**	**(11,312)**	**702**	**749,118**		
Repurchase of shares	-	-	-	-	-	(3,556)	-	(3,556)		
Share dividends paid to shareholders of the Company (Note 47)	-	(11,905)	-	-	-	11,905	-	-		
Net profit for the financial year	-	-	-	-	-	-	10,036	10,036		
Balance at 30 June 2010	**693,334**	**54,489**	**-**	**-**	**-**	**(2,963)**	**10,738**	**755,598**		

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

	Group		Company	
	2010	2009	**2010**	2009
CASH FLOWS FROM OPERATING ACTIVITIES	**RM'000**	RM'000	**RM'000**	RM'000
Profit before taxation	**53,492**	61,133	**10,027**	66,473
Adjustments for:				
Accretion of discount on investments	**(721)**	(218)	**-**	-
Allowance for diminution in value of long term quoted investments	**5,767**	844	**-**	-
Allowance for diminution in value of marketable securities	**26**	1,990	**-**	-
Allowance for diminution in value of short term investments	**-**	90	**-**	-
Allowance for diminution in value of inventories	**-**	41	**-**	-
Allowance for doubtful debts	**474**	12,843	**-**	-
Allowance for doubtful debts no longer required	**(362)**	(190)	**(192)**	-
Allowance for obsolete inventories	**270**	386	**-**	-
Amortisation of development expenditure	**44**	43	**-**	-
Amortisation of long term investment	**21**	22	**-**	-
Amortisation of prepaid land lease payments	**112**	68	**-**	-
Amortisation of intangible assets	**1,636**	1,640	**-**	-
Amortisation of premium on investments	**44**	21	**-**	-
Amount due from a subsidiary company written off	**-**	-	**12**	-
Bad debts written off	**1,227**	1	**258**	-
Debts waived by a subsidiary company	**-**	-	**(5,042)**	-
Depreciation of investment properties	**706**	477	**-**	-
Depreciation of property, plant and equipment	**18,840**	13,931	**130**	100
Gain on disposal of associated companies	**-**	(56,782)	**-**	(62,346)
Gain on disposal of investment properties	**(15)**	(2,539)	**-**	-
Gain on capital repayment by an associate company	**(13,049)**	-	**(13,049)**	-
Goodwill written off	**184**	-	**-**	-
Impairment loss on goodwill	**-**	1,449	**-**	-
Impairment loss on investment in a subsidiary company	**-**	-	**8,400**	-
Intangible asset written off	**11**	-	**-**	-
Inventories written off	**8**	4	**-**	-
Impairment loss on investment properties	**-**	984	**-**	-
Long term investment written off	**70**	1,956	**-**	-
Net gain on disposal of property, plant and equipment	**(896)**	(512)	**-**	-
Property, plant and equipment written off	**41**	97	**-**	-
Reversal of impairment loss on investment properties	**(974)**	-	**-**	-
Share of losses of associate companies	**76**	284	**-**	-
Share of losses of jointly controlled entities	**480**	-	**-**	-
Unrealised foreign exchange loss/(gain)	**7,868**	(4,778)	**(807)**	(18)
Writeback of allowance for diminution in value of marketable securities	**(17,186)**	-	**-**	-
Writeback of allowance for diminution in value of short term investments	**(142)**	-	**-**	-
Writeback of allowance for diminution in value of long term investments	**(3,000)**	-	**-**	-
Writeback of allowance for diminution in value of inventories	**(35)**	-	**-**	-
Writeback of allowance for inventories loss	**(7)**	(9)	**-**	-
Dividend income	**(4,368)**	(2,084)	**-**	(1,700)
Interest expenses	**4,922**	3,492	**169**	952
Interest income	**(11,164)**	(6,723)	**(3,607)**	(7,831)
Operating profit/(loss) before working capital changes	**44,400**	27,961	**(3,701)**	(4,370)
Changes in working capital:-				
Property development costs	**35,343**	(11,756)	**-**	-
Inventories	**(13,709)**	1,381	**-**	-
Marketable securities	**(2,588)**	(2,633)	**-**	-
Receivables	**(21,922)**	25,374	**85**	(832)
Accrued billings	**3,684**	(3,672)	**-**	-
Payables	**(12,804)**	15,157	**(527)**	638

CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D)	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Progress billings	**(63)**	(5,559)	**-**	-
Amount due from/to associate companies	**(27,040)**	8,963	**(10,309)**	10,305
Amount due from/to subsidiary companies	**-**	-	**13,322**	(138,763)
Net cash generated from/(used in) operations	**5,301**	55,216	**(1,130)**	(133,022)
Interest received	**11,164**	6,723	**764**	4,245
Interest paid	**(4,922)**	(8,259)	**(115)**	(9,076)
Tax refund	**1,959**	6,082	**365**	5,987
Tax paid	**(1,939)**	(2,262)	**-**	-
Net cash generated from/(used in) operating activities	**11,563**	57,500	**(116)**	(131,866)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment (Note A)	**(9,328)**	(32,178)	**(453)**	(73)
Proceeds from disposal of property, plant and equipment	**1,871**	752	**-**	-
Subscription of shares in associate companies	**-**	(400)	**-**	-
Capital repayment by an associate company	**13,049**	-	**13,049**	-
Proceeds from divestment of interest in an associate company	**-**	62	-	62
Subscription of shares in a subsidiary company (Note 11)	**-**	-	**(30,000)**	-
Cash received from capital reduction by a subsidiary company (Note 11)	**-**	-	**-**	80,000
Acquisition of equity interest in a subsidiary company from a minority shareholder	**(75)**	-	**-**	-
Purchase of investment properties	**(17,112)**	(6,550)	**-**	-
Proceeds from disposal of investment properties	**2,217**	7,351	**-**	-
Purchase of long term investments	**(14,173)**	(44,909)	**-**	-
Proceeds from disposal of long term investments	**5,894**	-	**-**	-
Purchase of short term investments	**-**	(59,353)	**-**	-
Proceeds from disposal of short term investments	**59,773**	-	**-**	-
Payment for development expenditure	**-**	(21)	**-**	-
Payment for intangible asset	**(22)**	(22)	**-**	-
Prepaid land lease payment	**-**	(4,378)	**-**	-
Dividends received	**4,067**	2,797	**-**	1,000
Proceeds from disposal of non-current assets classified as held for sale	**-**	73,323	**-**	71,777
Investment in jointly controlled entities	**(22,903)**	-	**-**	-
Net cash generated from/(used in) investing activities	**23,258**	(63,526)	**(17,404)**	152,766
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid to minority shareholders of subsidiary companies	**(5,802)**	(2,499)	**-**	-
Increase in fixed deposits pledged	**(190,716)**	(34,727)	**-**	-
Increase in cash and bank balances pledged	**(17,258)**	-	**-**	-
Net cash used in share buyback	**(3,556)**	(1,180)	**(3,556)**	(1,180)
Drawdown of loans and borrowings	**354,233**	106,772	**-**	4,000
Repayment of loans and borrowings	**(230,214)**	(38,447)	**(4,000)**	-
Repayment of advances to minority shareholders	**(1,907)**	(1,470)	**-**	-
Subscription of redeemable convertible preference shares in a subsidiary company by minority shareholders	**4,611**	300	**-**	-
Repayment of hire purchase payables	**(4,367)**	(3,827)	**(8)**	(31)
Net cash (used in)/generated from financing activities	**(94,976)**	24,922	**(7,564)**	2,789

CASH AND CASH EQUIVALENTS	Group 2010 RM'000	2009 RM'000	Company 2010 RM'000	2009 RM'000
Net changes	**(60,155)**	18,896	**(25,084)**	23,689
Brought forward	**229,495**	209,747	**25,591**	1,877
Exchange differences	**(1,003)**	852	**-**	25
Carried forward (Note B)	**168,337**	229,495	**507**	25,591

NOTES TO CASH FLOW STATEMENTS

A. PROPERTY, PLANT AND EQUIPMENT

Group

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM15,799,000 (2009:RM35,639,000) of which RM6,471,000 (2009:RM3,461,000) was acquired by means of hire purchase arrangements. Cash payments for the acquisition of property, plant and equipment amounted to RM9,328,000 (2009:RM32,178,000).

Company

During the financial year, the Company acquired property, plant and equipment with an aggregate cost of RM453,000 (2009:RM73,000) via cash.

B. CASH AND CASH EQUIVALENTS COMPRISE OF :

	Group 2010 RM'000	2009 RM'000	Company 2010 RM'000	2009 RM'000
Bank overdrafts	**(694)**	(1,180)	**-**	-
Cash and bank balances	**73,704**	30,717	**507**	1,587
Deposits with licensed banks and financial institutions	**525,999**	430,611	**-**	24,004
	599,009	460,148	**507**	25,591
Less:				
Cash and bank balances pledged	**(17,328)**	(70)	**-**	-
Remisiers' deposits and clients' trust monies	**(177,504)**	(185,459)	**-**	-
Fixed deposits pledged	**(235,840)**	(45,124)	**-**	-
	168,337	229,495	**507**	25,591

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

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").

(b) Basis of measurement

The financial statements of the Group and of the Company are 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 FRS requires 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 judgment in the process of applying the Company's accounting policies. Although these estimates and judgments are based on the management 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 :-

(i) Depreciation of property, plant and equipment and investment properties

Property, plant and equipment and investment properties are depreciated on a straight-line basis over their useful lives. The Group estimates the useful lives of property, plant and equipment and investment properties based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment and investment properties 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.

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

The Group has developed certain criteria based on FRS 140 Investment Property in making judgment 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 statement 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 judgment 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 project development costs. In making the judgment, the Group evaluates based on past experience and by relying on the work of the related project architects and surveyors.

(iv) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet 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.

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

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

(iv) **Impairment of assets (cont'd)**
For the purpose of impairment testing of 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.

An 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.

(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 subsidiary company provides warranty for manufacturing defects of its products sold. The warranty is for a period of 1 year from the date the products are sold. The product warranty will be in effect based on the subsidiary company's normal warranty period or 1 year from the date the products are sold and shipped by its customers, whichever is longer. Based on the proposed insurance premium charged by insurance company, the subsidiary company provides for product liability claim calculated at 1.10% (2009 : 1.10%) on its annual revenue from the sale of its products.

As the products manufactured by the subsidiary company are 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 amounts for product liability claim may need to be revised when it is appropriate.

2. **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group's activities expose it to various financial risks such as foreign currency exchange risk, interest rate risk, market risk, credit risk and liquidity and cash flow 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) **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.

(b) **Interest rate risk**
The Group finances its operations through a mixture of shareholders' funds 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

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):-

(b) Interest rate risk (cont'd)

funds of the Group are placed with licensed banks and financial institutions on short term deposits to generate interest income.

(c) 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 marketable securities and other long term quoted investments. The risk of loss in value of the Group's quoted securities and investments are minimized through thorough analysis before making investments and continuous monitoring of the performance of the investments.

(d) Credit risk

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.

(e) Liquidity and cash flow 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.

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 53 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 statement.

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)

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 shareholders' interest in the consolidated financial statements.

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 balance sheet and the interest of minority shareholders in the net assets is stated separately.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Property, plant and equipment

(i) Recognition and measurement

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(bb) 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 statement. For disposal of revalued assets, amounts in the revaluation reserve relating to those assets are taken directly to retained earnings.

(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 – 5%
Plant, machinery, motor vehicles and renovation	10 – 33%
Office furniture, fittings and equipment	10 – 50%
Long term leasehold building	Over the unexpired period of the lease

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.

(iii) Changes in estimates

The revised FRS 116: Property, Plant and Equipment requires the review of the residual value and remaining useful lives of an item of property, plant and equipment at least at each financial year end.

In the previous financial year, a subsidiary company had reviewed the useful lives of the property, plant and equipment and had revised the depreciation rates of the following items so as to reflect the future economic benefits to be derived by the subsidiary company from their use:-

	New rate	Old rate
Plant, machinery and renovation	33%	10 – 20%
Office furniture, fittings and equipment	20 – 33%	10 – 20%

The revision was accounted for prospectively as a change in accounting estimates and as a result, the depreciation charge for the Group increased by RM4.13 million for the previous financial year.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(i) Measurement basis

Investment properties are stated at cost less depreciation and impairment losses. The cost of investment properties includes expenditure that is directly attributable to the acquisition of the asset.

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

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 statement in the financial year in which they arise.

(ii) Depreciation

Freehold land is not depreciated.

Depreciation is calculated to write off the depreciable amount of other investment properties on a straight-line basis over their estimated useful lives. Depreciable amount is determined after deducting the residual value from the cost of the investment property.

The principal annual depreciation rates used are as follows:

Freehold buildings	2 %
Long term leasehold buildings	Over the unexpired period of the lease

The residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, at each balance sheet date.

(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(bb) 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) Investments

(i) Government guarantee bonds and unquoted corporate bonds

Government guarantee bonds and unquoted corporate bonds are stated at cost adjusted for amortisation of premiums or accretion of discounts calculated on an effective yield basis from the date of purchase to their maturity dates. The amortisation of premiums and accretion of discounts are charged or credited to income statement.

On the maturity or disposal of investment in bonds, the difference between the redemption amount or net disposal proceeds and its carrying amount is recognised in the income statement.

Investments in bonds with maturity dates greater than 12 months from the balance sheet date are classified as long term investments whereas those with maturity dates below 12 months from the balance sheet date are classified as short term investments under current assets in the balance sheet. Allowance for diminution in value will be made if, in the opinion of the Directors, such diminution is of a permanent nature. The diminution is charged to the income statement.

(ii) Dual currency investments

Dual currency investments are yield enhancing investments that provide higher guaranteed return than regular foreign currency deposits. In exchange for higher guaranteed returns, on maturity date, the financial institution has the right to return the investment amount in the original currency or the alternate currency based on pre-agreed foreign exchange rates which are determined on the investment start date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Investments (cont'd)

(ii) **Dual currency investments (cont'd)**
Dual currency investments are classified as short term investments in the balance sheet and are stated at cost.

(iii) **Other long term investments**
Other investments which are held for long term are stated at cost less accumulated amortisation and allowance for diminution in value. Allowance for diminution in value of long-term investment will be made if, in the opinion of the Directors, such diminution is of a permanent nature. The diminution is charged to the income statement.

On the disposal of an investment, the difference between the net disposal proceeds and its carrying amount is recognised in the income statement.

(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.

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(bb) to the financial statement.

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 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 balance sheet 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.

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(bb) to the financial statement.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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 less 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 consolidate balance sheet 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 statement.

(j) Intangible asset

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 balance sheet 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.

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

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

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(bb) to the financial statements.

(ii) Intangible asset - 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 statement 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(bb).

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Intangible asset (cont'd)

(iii) Intangible asset - Trademarks

The initial cost incurred on the search, application for registration and certification for the rights to use a trademark 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 is to be granted.

The policy for measurement and recognition of impairment losses is in accordance with Note 3(bb).

(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, associate company and jointly controlled entities at the date of acquisition.

Goodwill arising on the acquisition of subsidiary companies is presented separately in the consolidated balance sheet 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 statement.

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

(l) 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 statement.

(m) 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.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenditure are recognised in the income statement 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 expenses 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 the income statement over billings to purchasers is classified as accrued billings and the excess of billings to purchasers over revenue recognised in the income statement is classified as progress billings within the consolidated balance sheet.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) 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 the first in first out method, the 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.

(o) Receivables

Trade and other receivables are carried at anticipated realisable value. Bad debts are written off when they are identified. Specific allowance is made for debts that are considered doubtful of collection based on a review of all outstanding amounts as at the balance sheet date.

(p) Marketable securities

Marketable securities are stated at the lower of cost and market value on an aggregate portfolio basis. Cost is determined on the weighted average basis while market value is determined based on reference to quoted selling prices at the close of business on the balance sheet date. Increases or decreases in the carrying value are credited or charged to the income statement.

On the disposal of marketable securities, the net disposal proceeds and the carrying amount is recognised in the income statement.

(q) Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, bank balances 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.

(r) Share capital

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 share 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 classify as treasury shares and presented as a deduction from equity. No gain or loss is recognised in the income statement 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.

(s) Minority interests

Minority interests in the consolidated balance sheet consist of the minorities' share of the fair values of identifiable assets and liabilities of the acquiree and advances received from the minority shareholders.

Minority interests are presented in the consolidated balance sheets and statements of changes in equity within equity, separately from equity attributable to the equity shareholders of the Company. Minority interests in the results of the Group is presented on the face of the consolidated income statements as an allocation of the total profit or loss for the period between the minority interests and the equity shareholders of the Company.

Where losses applicable to the minority interests exceed the minority's interest in the equity of a subsidiary company, the excess and any further losses applicable to the minority are charged against the Group's interest except to the extent that the minority 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 minority's share of losses previously absorbed by the Group has been recovered.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) 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 statement over the period of the respective agreements.

(u) Payables

Trade and other payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services rendered. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to other entity.

(v) 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 balance sheet 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.

(w) 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.

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.

(x) Interest-bearing borrowings

Interest-bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs incurred and repayments.

(y) Financial instruments

Financial instruments are recognised in the balance sheets when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(z) Income tax

Income tax on the profit or loss 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 balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet 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 balance sheet date. Deferred tax is recognised in the income statement, 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.

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 marketable securities**
Revenue from sale of marketable securities are recognised based on the contracted value net of brokerages expenses and stamp duties.

(iv) **Revenue from broking activities**
Revenue from broking activities are recognised upon execution of contracts. Brokerage income is accounted for net of remisiers' commission and dealers' incentives.

(v) **Rental income**
Rental income from investment property is recognised in the income statement 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.

(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.

Revenue on fee income from sale of customised goods and services and contract maintenance are recognised on completion of each stage of assignments.

(viv) **All other revenues are recognised when the right to receive payment is established.**

(bb) Impairment of assets

(i) **Impairment of goodwill**
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 statement 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)

(bb) Impairment of assets (cont'd)

(ii) Impairment of non financial assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment.

If such indication exists, or when annual impairment testing for an asset is required, the recoverable amount is estimated and an impairment loss is recognised whenever the recoverable amount of the asset is less than its carrying amount. Recoverable amount of an asset 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 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.

An impairment loss is recognised as an expense in the income statement immediately, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any unutilised previously recognised revaluation surplus for the same asset.

An assessment is made at each balance sheet date as to whether there is any indication that previously recognised impairment losses for an 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 asset recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss be recognised for the asset in prior financial years.

All reversals of impairment losses are recognised as income immediately in the income statement unless the asset is carried at revalued amount, in which case the reversal in excess of impairment loss previously recognised through the income statement is treated as revaluation increase. 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.

(cc) 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 Company's functional currency.

(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 balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet 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 that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of transaction.

Exchange differences arising on the settlement of monetary items and on the translation of monetary items are included in the income statement for the period. Exchange differences arising on the translation of non-monetary items carried at fair value are included in the income statement 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.

(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 balance sheet 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 transferred directly to exchange translation reserve.

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 balance sheet 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(cc) Foreign currencies (cont'd)

(iii) Foreign operations (cont'd)

The principal exchange rates ruling at balance sheet date for each respective unit of foreign currency used are as follows :-

	2010 RM	2009 RM
1 Australian Dollar	**2.78**	2.86
1 US Dollar	**3.27**	3.53
1 Sterling Pound	**4.92**	5.86
1 Hong Kong Dollar	**0.42**	0.46
1 Singapore Dollar	**2.33**	2.43
1 Euro	**3.98**	4.98
1 Taiwanese Dollar	**n/a**	0.11
1 Japanese Yen	**0.04**	0.04
1 Mongolia Tugrik	**n/a**	0.002466
1 Swiss Franc	**3.02**	3.27
1 Canadian Dollar	**3.10**	n/a

(dd) 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 statement 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 statement immediately.

(ee) Borrowing costs

All borrowing costs are recognised in the income statement using the effective interest method, in the period in which they are incurred except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

(ff) 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 recognized 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 statement as incurred. As required by law, companies in Malaysia make contributions to the Employees Provident Fund. Some of the Group's foreign subsidiaries make contributions to their respective countries statutory pension schemes.

(gg) Segmental reporting

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

In identifying the business segments, management generally follows the Group's classification of operating segments, which represent the main goods 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 arm's length prices.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(gg) Segmental reporting (cont'd)

There have been no changes from prior periods on the measurement methods used to determine the reported segment results, assets and liabilities.

4. ADOPTION OF FINANCIAL REPORTING STANDARDS ("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.

(a) Adoption of new FRS by the Group and the Company

On 1 July 2009, the Group and the Company adopted FRS 8 Operating Segments which was mandatory for financial period beginning on or after 1 July 2009.

FRS 8, which replaces FRS 114_{2004} Segment Reporting, requires the identification of operating segments based on internal reports that are regularly reviewed by the Group's and the Company's chief operating decision maker in order to allocate resources to the segments and to assess their performance.

The adoption of FRS 8 did not have any impact on the presentation and disclosure in the financial statements of the Group and of the Company.

(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 Interpretations ("IC Int") which are applicable to the Group and the Company that have been issued by the MASB but are not yet effective :-

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
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
Amendments to FRS 139	:	Financial Instruments : Recognition and Measurements. Amendments relating to eligible hedged items, reclassification of financial assets and embedded derivatives
Amendment to FRS 140	:	Investment Property. Amendment relating to inability to determine fair value reliably
IC Interpretation 9	:	Reassessment of Embedded Derivatives

4. ADOPTION OF FINANCIAL REPORTING STANDARDS ("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 Interpretations ("IC Int") which are applicable to the Group and the Company that have been issued by the MASB but are not yet effective (cont'd) :-

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

Amendment 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

Effective for financial period 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
FRS127	:	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 Int and revision to FRS 3
IC Interpretation 17	:	Distributions of Non-cash Assets to Owners

Effective for financial period beginning on or after 1 January 2011

Amendments to FRS 7	:	Improving Disclosures about Financial Instruments
IC Interpretation 4	:	Determining Whether an Arrangement contains a Lease

Effective for financial period beginning on or after 1 January 2012

IC Interpretation 15	:	Agreements for the Construction of Real Estate

The FRSs, amendments to FRSs and IC Interpretations that are effective for financial periods beginning on or before 1 July 2010 will be adopted in the annual financial statements of the Group and of the Company for the financial year commencing 1 July 2010 and the adoption of these new/revised FRSs, amendments to FRSs and IC Interpretations will not have any material financial impact on the financial statements of the Group and of the Company in the period of initial application except for the following : -

FRS 139 Financial Instruments : Recognition and Measurement

FRS 139 establishes the principles for recognition, derecognition and measurement of financial assets, financial liabilities and certain contracts to buy and sell non-financial items. The impact on the financial statements upon first adoption of this standard, as required to be disclosed by FRS 108.30(b) Accounting Policies, Changes in Accounting Estimates and Errors, is not disclosed by virtue of the exemption provided under paragraph 103AB of FRS 139.

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 53 to 55 to the financial statements. There were no significant changes in the Group's activities during the financial year other than the Group's subscription of interest in an associate company and jointly controlled entities 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 14 October 2010.

6. PROPERTY, PLANT AND EQUIPMENT

Group

2010 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	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 Cost	Freehold land RM'000	Freehold building RM'000	Short term leasehold buildings RM'000	Total 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)

Group (cont'd)

2009 **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**	**Capital work in progress RM'000**	**Total RM'000**
At beginning of financial year	15,814	20,837	30,454	3,663	12,754	1,372	84,894
Additions	5,974	19,984	4,301	2,186	3,194	-	35,639
Disposals	-	-	(2,519)	-	(30)	-	(2,549)
Exchange differences	-	142	1	6	30	-	179
Reclassification from other receivable	-	-	-	-	-	588	588
Reclassification to investment properties	-	-	-	-	-	(1,960)	(1,960)
Transfer	-	(38)	-	-	38	-	-
Written off	-	-	(133)	-	(420)	-	(553)
At end of financial year	21,788	40,925	32,104	5,855	15,566	-	116,238
Accumulated depreciation							
At beginning of financial year	2,288	11,207	13,398	1,624	9,854	-	38,371
Charge for the financial year	357	7,112	4,268	912	1,282	-	13,931
Disposals	-	-	(2,292)	-	(17)	-	(2,309)
Exchange differences	-	140	1	5	28	-	174
Written off	-	-	(38)	-	(418)	-	(456)
At end of financial year	2,645	18,459	15,337	2,541	10,729	-	49,711
Net carrying amount as at 30 June 2009	19,143	22,466	16,767	3,314	4,837	-	66,527

Analysis of land and buildings:-

2009 **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	1,994	15,814
Addition	-	-	5,974	5,974
At end of financial year	1,530	12,290	7,968	21,788
Accumulated depreciation				
At beginning of financial year	-	2,208	80	2,288
Charge for the financial year	-	246	111	357
At end of financial year	-	2,454	191	2,645
Net carrying amount as at 30 June 2009	1,530	9,836	7,777	19,143

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

Company

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**
2009 **Cost**						
At beginning of financial year	185	7	577	153	246	1,168
Additions	-	-	26	40	7	73
At end of financial year	185	7	603	193	253	1,241
Accumulated depreciation						
At beginning of financial year	139	4	473	104	163	883
Charge for the financial year	37	2	22	20	19	100
At end of financial year	176	6	495	124	182	983
Net carrying amount as at 30 June 2009	9	1	108	69	71	258

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

	Group		**Company**	
	2010 **RM'000**	2009 RM'000	**2010** **RM'000**	2009 RM'000
Plant and machinery	**3,912**	-	**-**	-
Freehold land and buildings	**11,120**	11,366	**-**	-
Short term leasehold buildings	**1,824**	1,869	**-**	-
	16,856	13,235	**-**	-

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

Company (cont'd)

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

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Motor vehicles	**17,238**	13,963	**-**	9
Plant and machinery	**1,267**	1,991	**-**	-
	18,505	15,954	**-**	9

7. PREPAID LAND LEASE PAYMENTS

	Group	
	2010	2009
	RM'000	RM'000
Cost		
At beginning of financial year	**4,985**	607
Additions	**-**	4,378
At end of financial year	**4,985**	4,985
Accumulated amortisation		
At beginning of financial year	**92**	24
Amortised during the financial year	**112**	68
At end of financial year	**204**	92
Net carrying amount	**4,781**	4,893
Analysed as:-		
Short term leasehold land	**4,781**	4,893

Included in prepaid land lease payments is net carrying amount of RM1,736,000 (2009: RM569,000) pledged to a licensed bank for banking facilities granted to a subsidiary company.

8. INVESTMENT PROPERTIES

Group

2010 **Cost**	**Freehold land RM'000**	**Freehold land and buildings RM'000**	**Long term leasehold land and buildings RM'000**	**Leasehold land and buildings under construction RM'000**	**Total RM'000**
At beginning of financial year	**5,277**	**20,860**	**18,514**	**10,693**	**55,344**
Additions	**-**	**11,511**	**5,601**	**-**	**17,112**
Disposals	**-**	**(224)**	**(2,031)**	**-**	**(2,255)**
Transfer to non-current assets classified as held for sale	**-**	**(1,271)**	**-**	**(6,750)**	**(8,021)**
Exchange differences	**-**	**(685)**	**-**	**-**	**(685)**
At end of financial year	**5,277**	**30,191**	**22,084**	**3,943**	**61,495**

8. INVESTMENT PROPERTIES (CONT'D)

Group (cont'd)

2010	**Freehold land RM'000**	**Freehold land and buildings RM'000**	**Long term leasehold land and buildings RM'000**	**Leasehold land and buildings under construction RM'000**	**Total RM'000**
Accumulated depreciation					
At beginning of financial year	**-**	**1,723**	**1,142**	**-**	**2,865**
Charge for the financial year	**-**	**426**	**280**	**-**	**706**
Disposals	**-**	**(53)**	**-**	**-**	**(53)**
Transfer to non-current assets classified as held for sale	**-**	**(48)**	**-**	**-**	**(48)**
Exchange differences	**-**	**(63)**	**(4)**	**-**	**(67)**
At end of financial year	**-**	**1,985**	**1,418**	**-**	**3,403**
Accumulated impairment losses					
At beginning of financial year	**-**	**984**	**-**	**-**	**984**
Writeback for the financial year	**-**	**(974)**	**-**	**-**	**(974)**
Exchange differences	**-**	**(10)**	**-**	**-**	**(10)**
At end of financial year	**-**	**-**	**-**	**-**	**-**
Net carrying amount as at 30 June 2010	**5,277**	**28,206**	**20,666**	**3,943**	**58,092**
2009					
Cost					
At beginning of financial year	5,277	18,717	16,554	10,693	51,241
Additions	-	7,281	-	-	7,281
Disposals	-	(5,270)	-	-	(5,270)
Reclassification from property, plant and equipment	-	-	1,960	-	1,960
Exchange differences	-	132	-	-	132
At end of financial year	5,277	20,860	18,514	10,693	55,344
Accumulated depreciation					
At beginning of financial year	-	1,497	975	-	2,472
Charge for the financial year	-	310	167	-	477
Disposals	-	(94)	-	-	(94)
Transfer to non-current assets classified as held for sale	-	(5)	-	-	(5)
Exchange differences	-	15	-	-	15
At end of financial year	-	1,723	1,142	-	2,865
Accumulated impairment losses					
Allowance for the financial year/ At end of financial year	-	984	-	-	984
Net carrying amount as at 30 June 2009	5,277	18,153	17,372	10,693	51,495

8. INVESTMENT PROPERTIES (CONT'D)

(a) Included in the cost of investment properties is interest expenses capitalised of Nil (2009:RM 45,000).

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

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Freehold land and buildings	**27,854**	17,618	**-**	-
Long term leasehold land and buildings	**20,666**	15,412	**-**	-
	48,520	33,030	**-**	-

(c) The fair value of investment properties (excluding those held under leasehold land and buildings under construction) based on recorded transaction values and current prices in the active market for similar properties are as follows:-

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Freehold land	**9,752**	8,533	**-**	-
Freehold land and buildings	**35,649**	22,008	**-**	-
Long term leasehold land and buildings	**42,371**	37,240	**-**	-
	87,772	67,781	**-**	-

9. LAND HELD FOR DEVELOPMENT

	Group	
	2010	2009
	RM'000	RM'000
At beginning and at 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 (2009 : RM11,989,000).

10. LONG TERM INVESTMENTS

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Unquoted corporate bonds, at cost				
- in Malaysia	**1,000**	1,000	**-**	-
- outside Malaysia	**54,026**	46,327	**-**	-
Unquoted investment in Malaysia, at cost	**1,575**	1,585	**-**	-
Quoted securities, at cost				
- in Malaysia	**33,296**	37,895	**-**	-
- outside Malaysia	**21,746**	22,725	**-**	-
Other investments, at cost	**1,825**	2,104	**345**	345
	113,468	111,636	**345**	345

10. LONG TERM INVESTMENTS (CONT'D)

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Add/(Less):				
Accretion of discounts	**(1,823)**	(2,473)	**-**	-
Amortisation of premiums	**57**	104	**-**	-
Allowance for diminution in value	**(14,558)**	(12,380)	**-**	-
Exchange differences	**(490)**	1,013	**-**	-
Accumulated amortisation	**(200)**	(195)	**-**	-
	96,454	97,705	**345**	345
Market value of quoted securities				
- in Malaysia	**40,057**	37,895	**-**	-
- outside Malaysia	**6,699**	14,627	**-**	-
	46,756	52,522	**-**	-

The investments in unquoted bonds outside Malaysia have been charged to a licensed financial institution for credit facilities granted to a subsidiary company.

11. SUBSIDIARY COMPANIES

	Company	
	2010	2009
	RM'000	RM'000
(a) Unquoted shares, at cost		
At beginning of financial year	**182,469**	262,469
Add/(Less):		
Subscription of shares in a subsidiary company	**30,000**	-
Capital reduction in a subsidiary company	**-**	(80,000)
Accumulated impairment losses	**(49,780)**	(41,380)
	162,689	141,089

The Company's equity interest in subsidiary companies, their respective principal activities and countries of incorporation are shown in Note 53 to the financial statements.

	Company	
	2010	2009
	RM'000	RM'000
(b) Amount due from subsidiary companies	**637,543**	653,665
Less: Allowance for doubtful debts	**(4,619)**	(4,811)
	632,924	648,854

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

12. ASSOCIATE COMPANIES

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
(a) Unquoted shares, at cost	**8,737**	8,737	**1,184**	1,184
Add:				
Group's share of post acquisition profits less losses and reserves	**6,327**	6,403	-	-
	15,064	15,140	**1,184**	1,184

12. ASSOCIATE COMPANIES (CONT'D)

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Represented by :-				
Share of net assets	**13,697**	13,773	**-**	-
Goodwill on acquisition	**1,367**	1,367	**-**	-
	15,064	15,140	**-**	-

The Group and the Company's equity interest in the associate companies, their respective principal activities and countries of incorporation are shown in Note 54 to the financial statements.

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

(c) The amount due to an associate company in the previous year is interest bearing. The amount was repaid during the financial year.

(d) The summarised financial information of the associated companies are as follows:-

	Group	
	2010	2009
	RM'000	RM'000
Assets and liabilities		
Non-current assets	**51,500**	35,254
Current assets	**66,802**	35,732
Non-current liabilities	**(4,199)**	(4,162)
Current liabilities	**(79,441)**	(32,468)
Net assets	**34,662**	34,356
Results		
Revenue	**119,201**	106,342
Profit/(loss) for the financial year	**310**	(2,358)

13. JOINTLY CONTROLLED ENTITIES

	Group	
	2010	2009
	RM'000	RM'000
(a) Cost of investment	**28,917**	-
Group's share of post acquisition losses	**(480)**	-
Group's share of exchange translation reserve	**(4,315)**	-
	24,122	-

The Group's equity interest in the jointly controlled entities, their respective principal activities and countries of incorporation are shown in Note 55 to the financial statements.

(b) The summarised financial information of the jointly controlled entities are as follows:-

	Group	
	2010	2009
	RM'000	RM'000
Assets and liabilities		
Non-current assets	**104,103**	-
Current assets	**8,912**	-
Non-current liabilities	**(61,260)**	-
Current liabilities	**(3,511)**	-
Net assets	**48,244**	-
Results		
Revenue	**5,671**	-
Loss for the financial year	**(961)**	-

14. INTANGIBLE ASSETS

Group 2010	Stock broking dealer's license RM'000	Development expenditure capitalised RM'000	Trademarks 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**
2009				
Cost				
At beginning of financial year	45,500	144	71	45,715
Additions	-	21	22	43
At end of financial year	45,500	165	93	45,758
Accumulated amortisation				
At beginning of financial year	10,309	53	-	10,362
Charge for the financial year	1,628	43	12	1,683
At end of financial year	11,937	96	12	12,045
Accumulated impairment losses				
At beginning and end of financial year	12,400	-	-	12,400
Net carrying amount as at 30 June 2009	21,163	69	81	21,313

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 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. 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 has based its cash flow projections to undertake impairment testing of the stock broking dealer's license are:

14. INTANGIBLE ASSETS (CONT'D)

Key assumptions used in value in use calculation of Kuala Lumpur Branch CGU (cont'd)

(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.

15. GOODWILL

	Group	
	2010	2009
	RM'000	RM'000
At beginning of financial year	**184**	1,633
Less:		
Written off during the financial year	**(184)**	-
Impairment loss in the preceding financial year	**-**	(1,449)
At end of financial year	**-**	184

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. For purposes of impairment testing, the carrying amount of goodwill was allocated to the Group's respective cash generating units which represents the lowest level within the Group at which the goodwill was monitored for internal management purposes.

The recoverable amount of the goodwill was based on value-in-use calculations, using pre-tax cash flow projections based on financial budgets covering a period of 5 years.

The key assumptions used in the value in use calculations were :

Revenue annual growth rate	10% to 20%
Expenses annual increment rate	5% to 10%
Pre-tax discount rate	9%

The above key assumptions were based on past performance and management's expectations of future trends in the industry and expected market developments. The discount rate used was pre-tax and reflect the risks relating to the cash generating units and was estimated based on the current market assessment of time-value of money. The key assumptions were sensitive to the changes in percentage point in the discount rate used and future planned revenue not materialising.

During the financial year, the carrying amount of the goodwill was written down to nil.

16. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
At beginning of financial year	**594**	3,218	**-**	-
Recognised in the income statement (Note 42)	**3,236**	(2,624)	**(104)**	-
At end of financial year	**3,830**	594	**(104)**	-

Presented after appropriate offsetting as follows:-

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Deferred tax assets	**4,644**	1,570	**-**	-
Deferred tax liabilities	**(814)**	(976)	**(104)**	-
	3,830	594	**(104)**	-

16. 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 2010	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	**1,398**	**156**	**16**	**1,570**
Recognised in the income statement	**1,876**	**408**	**790**	**3,074**
At end of financial year	**3,274**	**564**	**806**	**4,644**
Group 2009				
At beginning of financial year	3,882	97	13	3,992
Recognised in the income statement	(2,484)	59	3	(2,422)
At end of financial year	1,398	156	16	1,570

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

	Temporary differences between depreciation and capital allowances RM'000	Total RM'000
Group		
2010		
At beginning of financial year	**976**	**976**
Recognised in the income statement	**(162)**	**(162)**
At end of financial year	**814**	**814**
2009		
At beginning of financial year	774	774
Recognised in the income statement	202	202
At end of financial year	976	976
Company		
2010		
At beginning of financial year	**-**	**-**
Recognised in the income statement	**104**	**104**
At end of financial year	**104**	**104**

16. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Deferred tax liabilities (cont'd)

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

	Group	
	2010	2009
	RM'000	RM'000
Temporary differences between depreciation and capital allowances	**133**	135
Unutilised tax losses	**(24,109)**	(27,493)
Unabsorbed capital allowances	**(1,616)**	(2,750)
	(25,592)	(30,108)

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.

17. PROPERTY DEVELOPMENT COSTS

Group	Freehold land	Leasehold land	Development cost	Total
2010	**RM'000**	**RM'000**	**RM'000**	**RM'000**
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 statement	**(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**
2009				
Accumulated cost at beginning of financial year	8,600	10,409	46,036	65,045
Costs incurred during the financial year	317	1,697	51,965	53,979
Accumulated costs recognised as expense in income statement	(7,596)	(3,322)	(65,808)	(76,726)
At end of financial year	1,321	8,784	32,193	42,298

Included in property development costs is interest expense of RM16,937,000 (2009: RM10,475,000).

18. INVENTORIES

	Group	
	2010	2009
	RM'000	RM'000
At cost,		
Unsold units of apartments and houses	**11,565**	-
Consumables	**23**	23
Electronic, multimedia and computer devices, components and peripherals	**16,645**	14,014
Wines	**4,826**	5,523
	33,059	19,560

18. INVENTORIES (CONT'D)

	Group 2010 RM'000	Group 2009 RM'000
At net realisable value,		
Electronic, multimedia and computer devices, components and peripherals	**391**	538
Wines	**134**	147
	525	685
	33,584	20,245

19. TRADE RECEIVABLES

	Group 2010 RM'000	Group 2009 RM'000
Trade receivables	**246,069**	244,089
Less: Allowance for doubtful debts	**(74,109)**	(74,801)
	171,960	169,288

20. ACCRUED BILLINGS

	Group 2010 RM'000	Group 2009 RM'000
Revenue recognised as income to-date	**151,362**	49,613
Less: Progress billings to-date	**(145,444)**	(40,011)
	5,918	9,602

21. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2010 RM'000	2009 RM'000	**2010 RM'000**	2009 RM'000
Sundry receivables	**15,011**	15,712	**183**	182
Deposits paid	**13,098**	19,491	**9,698**	9,853
Prepayments	**1,360**	1,443	**28**	26
	29,469	36,646	**9,909**	10,061

22. SHORT TERM INVESTMENTS

	Group 2010 RM'000	Group 2009 RM'000
Dual currency investments, at cost	**-**	39,435
Unquoted corporate bonds outside Malaysia, at cost	**5,947**	19,203
	5,947	58,638
Add/(Less):		
Accretion of discounts	**(1)**	(87)
Amortisation of premiums	**1**	-
Exchange difference	**(4)**	743
Allowance for diminution in value	**-**	(90)
	5,943	59,204

The investments in unquoted bonds outside Malaysia have been charged to licensed financial institutions for credit facilities granted to the Group.

23. MARKETABLE SECURITIES

	Group	
	2010	2009
	RM'000	RM'000
Quoted securities, at cost		
- in Malaysia	**65,498**	60,412
- outside Malaysia	**23,801**	28,530
	89,299	88,942
Add/(Less):		
Allowance for diminution in value	**(17,072)**	(35,500)
Exchange differences	**(584)**	199
	71,643	53,641
Market value of quoted shares		
- in Malaysia	**50,697**	35,694
- outside Malaysia	**20,946**	17,998
	71,643	53,692

24. DEPOSITS WITH LICENSED BANKS AND FINANCIAL INSTITUTIONS

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Deposits placed with :-				
- licensed banks	**225,080**	288,356	**-**	-
- other licensed financial institutions	**300,919**	142,255	**-**	24,004
	525,999	430,611	**-**	24,004

Included under deposits with licensed banks and financial institutions are :

(a) fixed deposits of RM235,840,000 (2009: RM45,124,000) 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 RM173,824,000 (2009: RM182,529,000).

25. CASH AND BANK BALANCES

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

(a) an amount of RM3,680,000 (2009: RM2,930,000) which represents remisiers' and dealers' deposits and clients' trust monies received.

(b) an amount of RM7,519,000 (2009: RM3,150,000) 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.

(c) an amount of RM17,328,000 (2009: RM70,000) pledged to certain licensed bank and financial institution 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	
	2010	2009
	RM'000	RM'000
Investment properties		
Freehold land and buildings, at cost	**1,271**	-
Less : Accumulated depreciation	**(48)**	-
	1,223	-
Leasehold land and buildings under construction	**6,750**	-
	7,973	-
Long term investments		
Club memberships, at cost	**193**	-
	8,166	-

Certain investment properties and long term investment of the Group were reclassified to non-current assets classified as held for sale during the financial year due to :-

(a) During the financial year, 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) During the financial year, 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. The directors of the wholly-owned subsidiary company anticipate the club memberships will be disposed in the next financial year.

27. SHARE CAPITAL

	Group and Company			
	Number of shares (in '000)		Amount	
	2010	2009	**2010**	2009
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 of financial year	**693,334**	618,966	**693,334**	618,966
Shares issued pursuant to conversion of ICULS (Note 46)	**-**	74,368	**-**	74,368
At end of financial year	**693,334**	693,334	**693,334**	693,334

28. TREASURY SHARES

	Group and Company			
	Number of shares (in '000)		Amount	
	2010	2009	**2010**	2009
At beginning of financial year	**26,264**	22,394	**11,312**	10,132
Shares repurchased classified as treasury shares	**6,299**	3,870	**3,556**	1,180
Distribution of treasury shares	**(26,558)**	-	**(11,905)**	-
At end of financial year	**6,005**	26,264	**2,963**	11,312

The shareholders of the Company had by an ordinary resolution passed at the Annual General Meeting held on 24 December 2009, 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.

28. TREASURY SHARES (CONT'D)

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:-

2010	No. of Shares	Total Cost RM	Purchase price per share Highest RM	Lowest RM	Average RM
At beginning of financial year	26,263,900	11,312,201	0.86	0.24	0.43
Purchases/(distribution) during the financial year					
- November 2009	200,000	109,712	0.55	0.55	0.55
- December 2009	2,584,100	1,489,334	0.60	0.55	0.58
- January 2010	720,000	432,733	0.65	0.57	0.60
- February 2010	200,000	110,804	0.57	0.54	0.55
- February 2010	(26,558,148)	(11,905,113)	n/a	n/a	n/a
- March 2010	843,000	467,528	0.58	0.54	0.55
- April 2010	723,300	425,230	0.60	0.57	0.59
- May 2010	810,600	411,402	0.57	0.48	0.51
- June 2010	218,400	108,898	0.50	0.49	0.50
At end of financial year	**6,005,152**	**2,962,729**	**0.86**	**0.24**	**0.49**

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.

On 3 February 2010, the Company distributed share dividend by way of one treasury share for every twenty five existing ordinary shares of RM1.00 each held in the Company wherein a total of 26,558,148 treasury shares were distributed to the shareholders.

29. RESERVES

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Non-distributable:				
Reserve fund	**1,200**	1,200	**-**	-
Share premium	**54,489**	66,394	**54,489**	66,394
Exchange translation reserve	**924**	11,687	**-**	-
	56,613	79,281	**54,489**	66,394

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.

30. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS")

	Group: Number of shares (in '000) 2010	Number of shares (in '000) 2009	Amount 2010	Amount 2009
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**	-

During the 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.

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

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

The salient terms of the RCPS are 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 the income statement.

The RCPS was converted into ordinary shares in Inari Tech subsequent to financial year end (Note 57).

31. LOANS AND BORROWINGS

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Current – secured				
Bankers' acceptances	**-**	425	**-**	-
Bank overdraft	**694**	1,180	**-**	-
Term loans	**189,850**	72,654	-	-
Revolving credit facilities	**2,000**	6,000	**-**	4,000
	192,544	80,259	**-**	4,000
Non-current – secured				
Term loans	**6,260**	3,314	**-**	-
	198,804	83,573	**-**	4,000

The revolving credit facility of the Company in the previous financial year was secured against the following :
(i) fixed charge over certain landed properties of the Group;
(ii) a deed of assignment over certain landed properties of a subsidiary company; and
(iii) assignment of rental proceeds from certain landed properties of the Group.

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) debenture over a subsidiary company's plant and machinery;
(v) a deed of assignment over certain landed properties of the Group; and
(vi) assignment of rental proceeds from certain landed properties of the Group.

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

	Group		Company	
	2010	2009	**2010**	2009
Bankers' acceptances	**-**	3.60% - 3.62%	**-**	-
Bank overdraft	**7.55% - 8.55%**	7.30% - 10.46%	**-**	-
Term loans	**0.07% - 8.25%**	0.82% - 8.25%	**-**	-
Revolving credit facilities	**4.35% - 4.80%**	4.35% - 5.84%	**-**	4.58% - 5.84%

32. HIRE PURCHASE PAYABLES

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Payable within 1 financial year	**5,514**	4,297	**-**	8
Payable after 1 financial year but not later than 5 financial years	**10,569**	9,402	**-**	-
	16,083	13,699	**-**	8
Less: Interest in suspense	**(2,033)**	(1,756)	**-**	-
Present value of hire purchase payables	**14,050**	11,943	**-**	8
Present value of hire purchase payables				
- within 1 financial year (Note 34)	**4,632**	3,711	**-**	8
- after 1 financial year but not later than 5 financial years	**9,418**	8,232	**-**	-
	14,050	11,943	**-**	8

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

33. PROGRESS BILLINGS

	Group	
	2010	2009
	RM'000	RM'000
Progress billings to-date	**-**	32,717
Less: Revenue recognised as income to-date	**-**	(32,654)
	-	63

The progress billings to-date and revenue recognised as income to-date in the preceding financial year have been classified under accrued billings (Note 20) in the current financial year.

34. OTHER PAYABLES AND ACCRUALS

The other payables and accruals consist of the followings:-

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Hire purchase payables (Note 32)	**4,632**	3,711	**-**	8
Accrued expenses	**14,961**	12,867	**337**	676
Deposits received	**5,393**	4,301	**-**	-
Accrued interest	**491**	362	**5**	29
Other payables	**15,112**	27,355	**52**	240
	40,589	48,596	**394**	953

35. REVENUE

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

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Manufacture of electronic and telecommunication products, parts and services	**154,793**	123,337	**-**	-
Sale of marketable securities	**135,814**	12,906	**-**	-
Property development revenue	**69,095**	43,023	**-**	-
Sale of goods and services	**18,158**	29,797	**-**	-
Interest income	**16,142**	15,542	**-**	-
Car rental	**9,313**	8,949	**-**	-
Brokerage commissions	**4,043**	3,368	**-**	-
Rental income from letting out of properties	**2,549**	2,204	**-**	-
Dividend income	**2,309**	241	**-**	1,700
Management, advisory and consultancy fees income	**4,715**	-	**438**	696
Others	**6,356**	2,498	**-**	-
	423,287	241,865	**438**	2,396

36. COST OF SALES

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

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Allowance for diminution in value of inventories	**-**	41	**-**	-
Amortisation of development expenditure	**44**	43	**-**	-
Amortisation of prepaid land lease payments	**42**	33	**-**	-
Allowance for obsolete inventories	**270**	386	**-**	-
Depreciation of property, plant and equipment	**16,749**	12,235	**-**	-
Hire of equipment	**551**	338	**-**	-
Property, plant and equipment written off	**-**	95	**-**	-
Rental of motor vehicles	**6**	10	**-**	-
Rental of premises	**94**	243	**-**	-
Writeback of allowance for inventories loss	**(7)**	(9)	**-**	-
Writeback of allowance for diminution in value of inventories	**(35)**	-	**-**	-

37. OTHER INCOME

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

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Accretion of discounts on investments	**721**	218	**-**	-
Allowance for doubtful debts no longer required	**362**	190	**192**	-
Debts waived by a subsidiary company	**-**	-	**5,042**	-
Gain on disposal of property, plant and equipment	**923**	515	**-**	-
Gain on disposal of investment properties	**4**	2,175	**-**	-
Gain on exchange differences				
- realised	**647**	2,109	**-**	-
- unrealised	**1,473**	8,054	**807**	18
Gross dividends from investments				
- quoted in Malaysia	**1,828**	1,748	**-**	-
- quoted outside Malaysia	**231**	95	**-**	-

37. OTHER INCOME (CONT'D)

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

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Interest received and receivable from				
- subsidiary companies	**-**	-	**2,843**	3,586
- others	**11,164**	6,723	**764**	4,245
Reversal of impairment loss on investment properties	**974**	-	**-**	-
Writeback of allowance for diminution in value of long term investments	**3,000**	-	**-**	-
Writeback of allowance for diminution in value of marketable securities	**17,186**	6,049	**-**	-
Writeback of allowance for diminution in value of short term investments	**142**	-	**-**	-

38. ADMINISTRATION EXPENSES

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

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Auditors' remuneration:-				
SJ Grant Thornton				
Statutory audit fees				
- current financial year	**168**	166	**21**	20
- underprovision in prior financial years	**7**	27	**1**	-
Special audits				
- current financial year	**20**	21	**20**	20
Other external auditors				
Statutory audit fees				
- current financial year	**57**	63	**-**	-
- underprovision in prior financial years	**1**	3	**-**	-
Amount due from a subsidiary company written off	**-**	-	**12**	-
Bad debts written off	**258**	-	**258**	-
Depreciation of property, plant and equipment	**806**	540	**130**	100
Impairment loss on investment in a subsidiary company	**-**	-	**8,400**	-
Lease rental payable to a subsidiary company	**-**	-	**34**	107
Loss on exchange differences				
- realised	**-**	132	**-**	132
- unrealised	**2,792**	303	**-**	-
Loss on disposal of property, plant and equipment	**10**	3	**-**	-
Property, plant and equipment written off	**1**	-	**-**	-
Rental of premises	**791**	540	**300**	50

39. OTHER OPERATING EXPENSES

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

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Allowance for diminution in value of marketable securities	**26**	8,039	**-**	-
Allowance for diminution in value of short term investments	**-**	90	**-**	-
Allowance for doubtful debts	**474**	12,843	**-**	-
Amortisation of intangible assets	**1,636**	1,640	**-**	-
Amortisation of long term investment	**21**	22	**-**	-
Amortisation of premium on investments	**44**	21	**-**	-
Amortisation of prepaid land lease payments	**70**	35	**-**	-

39. OTHER OPERATING EXPENSES (CONT'D)

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

	Group		Company	
	2010 RM'000	2009 RM'000	**2010 RM'000**	2009 RM'000
Auditors' remuneration:-				
Other external auditors				
Statutory audit fees				
- current financial year	**57**	50	**-**	-
Bad debts written off	**969**	1	**-**	-
Depreciation				
- property, plant and equipment	**1,285**	1,156	**-**	-
- investment properties	**706**	477	**-**	-
Hire of equipment	**344**	447	**-**	-
Impairment loss on goodwill	**-**	1,449	**-**	-
Impairment loss on investment properties	**-**	984	**-**	-
Inventories written off	**8**	4	**-**	-
Intangible asset written off	**11**	-	**-**	-
Long term investment written off	**70**	1,956	**-**	-
Loss on exchange differences				
- realised	**3,864**	616	**-**	-
- unrealised	**4,777**	2,973	**-**	-
Loss on disposal of property, plant and equipment	**17**	-	**-**	-
Property, plant and equipment written off	**40**	2	**-**	-
Rental of motor vehicle	**55**	76	**-**	-
Rental of premises	**32**	50	**-**	-

40. FINANCE COSTS

Finance costs comprise of the following expenses:-

	Group		Company	
	2010 RM'000	2009 RM'000	**2010 RM'000**	2009 RM'000
Interest expenses				
- subsidiary companies	**-**	-	**77**	759
- an associate company	**-**	83	**-**	83
- interest on term loans and bankers' acceptance facilities	**3,370**	2,258	**-**	-
- bank overdraft interest	**90**	185	**-**	-
- revolving credit facilities	**181**	380	**92**	109
- minority shareholders' advances	**100**	44	**-**	-
- dividends payable to RCPS holder	**400**	-	**-**	-
- hire purchase interest	**781**	542	**-**	1
	4,922	3,492	**169**	952

In the preceding financial year, the Irredeemable Convertible Unsecured Loan Stocks ("ICULS") were classified as part of equity in accordance with the provisions of FRS 132 Financial Instruments: Disclosure and Presentation. The payment of ICULS interest of RM4,767,000 in the previous financial year at the Company and Group level were disclosed as a distribution of equity as set out in the Statements of Changes in Equity.

41. EXCEPTIONAL ITEMS

	Group		Company	
	2010 RM'000	2009 RM'000	**2010 RM'000**	2009 RM'000
Gain on capital repayment by an associate company	**13,049**	-	**13,049**	-
Gain on disposal of associate companies	**-**	56,782	**-**	62,346
Gain on disposal of investment properties	**11**	364	**-**	-
Goodwill written off	**(184)**	-	**-**	-
Allowance for diminution in value of long term quoted investments	**(5,767)**	(844)	**-**	-
Unrealised foreign exchange loss	**(1,772)**	-	**-**	-
	5,337	56,302	**13,049**	62,346

42. TAXATION

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Income tax :				
Provision for current financial year				
- Malaysia income tax	**2,390**	1,070	**-**	113
- Overseas income tax	**178**	230	**-**	-
Under/(over)provision in preceding financial years	**117**	112	**(113)**	(559)
Deferred tax :				
Transfer (from)/to deferred taxation (Note 16)	**(3,236)**	2,624	**104**	-
	(551)	4,036	**(9)**	(446)

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 follow:-

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Profit before taxation	**53,492**	61,133	**10,027**	66,473
Income tax at the Malaysian statutory tax rate of 25% (2009:25%)	**13,373**	15,283	**2,507**	16,618
Tax effect in respect of :				
Allowable expenses - ICULS interest paid taken direct to reserve	**-**	(1,192)	**-**	(1,192)
Double deduction of expenses	**(19)**	(1)	**-**	-
Non-allowable expenses	**5,134**	2,772	**2,322**	50
Income not subject to tax	**(15,639)**	(14,806)	**(4,725)**	(15,837)
Effect of different tax rates in other countries	**267**	526	**-**	-
Overseas tax paid on dividend income	**178**	169	**-**	-
Tax savings from utilisation of capital allowances	**(307)**	(537)	**-**	-
Tax savings from utilisation of tax losses	**(3,820)**	(4,103)	**-**	-
Deferred taxation not recognised in the financial statements	**165**	5,813	**-**	474
Tax expenses for current financial year	**(668)**	3,924	**104**	113
Under/(over)provision for taxation in preceding financial years	**117**	112	**(113)**	(559)
Tax expense for the financial year	**(551)**	4,036	**(9)**	(446)
Unutilised tax losses carried forward subject to agreement of the tax authorities	**110,696**	115,563	**-**	-
Unabsorbed capital allowances carried forward subject to agreement of the tax authorities	**7,555**	11,623	**-**	-

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 equity holders of the Company of RM46,462,000 (2009 : RM51,905,000) divided by the weighted average number of ordinary shares in issue during the financial year of 675,437,000 ordinary shares (2009 : 612,897,000 ordinary shares), after taking into consideration the movement of shares bought back by the Company.

Diluted earnings per share

During and at the end of the financial year, the Company does not have any financial instruments in issue that may entitle its holder to ordinary shares in the Company and therefore dilute its earnings per share.

No diluted earnings per share is calculated for the preceding financial year as there was no dilutive potential on the ordinary shares of the Company as at end of the preceding financial year pursuant to the completion of conversion of the ICULS into ordinary shares upon the ICULS's expiry on 19 April 2009.

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**	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Executive Directors:-				
Salaries and other emoluments	**2,820**	2,172	**360**	570
Defined contribution plan	**116**	123	**48**	68
Fees	**-**	177	**-**	-
Benefits-in-kind	**35**	70	**35**	70
	2,971	2,542	**443**	708
Non-Executive Directors:-				
Salaries and other emoluments	**791**	82	**36**	36
Defined contribution plan	**59**	10	**4**	4
Fees	**65**	72	**65**	72
Benefits-in-kind	**36**	20	**14**	20
	951	184	**119**	132
	3,922	2,726	**562**	840

45. STAFF COSTS

	Group		**Company**	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Salaries, wages and allowances	**45,641**	36,801	**1,980**	3,326
Social security cost	**342**	259	**16**	19
Defined contribution plan	**3,259**	2,413	**288**	308
Other staff related expenses	**401**	98	**-**	-
	49,643	39,571	**2,284**	3,653

Included in staff cost of the Group and the Company are executive and non-executive directors' remuneration amounting to RM3,851,000 (2009 : RM2,636,000) and RM513,000 (2009 : RM750,000) respectively as disclosed in Note 44 to the financial statements.

46. 8% IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS 1999/2009

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
ICULS 1999/2009 at nominal value of RM1.00 each	**-**	103,768	**-**	103,768
Less : ICULS purchased by the Group/Company	**-**	(24,725)	**-**	(13,230)
Gain arising from cancellation of ICULS	**-**	(4,675)	**-**	(16,170)
Converted into ordinary shares in the Company	**-**	(74,368)	**-**	(74,368)
At end of financial year	**-**	-	**-**	-

During the preceding financial year :-

(i) The total ICULS that remain in issue at the beginning of the preceding financial year was RM103,767,866 nominal amount of ICULS;

(ii) The Board of Directors of the Company has approved the cancellation of a total of RM29,400,700 nominal amount of ICULS held by the Group; and

(iii) The remaining RM74,367,166 nominal amount of ICULS were converted to new ordinary shares of RM1 each in the Company.

47. DIVIDENDS

	Group and Company	
	2010	2009
	RM'000	RM'000
In respect of financial year ended 30 June 2010 (2009 : Nil)		
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**	-

48. INFORMATION ON THE ACQUISITION OF SUBSIDIARY COMPANIES IN THE PRECEDING FINANCIAL YEAR AND SUMMARY EFFECT OF ACQUISITION OF SUBSIDIARY COMPANIES

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

(i) Insas Technology Berhad, a wholly-owned subsidiary company, had on 21 July 2008 acquired two (2) ordinary shares of RM1 each, representing 100% equity interest in Simfoni Bistari Sdn Bhd ("Simfoni") for a cash consideration of RM2. Simfoni was incorporated on 18 February 2003 as a private limited company under the Companies Act, 1965. Simfoni was a dormant company when acquired. Subsequent to the acquisition, Simfoni commenced operations and its principal activities are in the investment holding and letting out of properties.

(ii) On 13 March 2009, the Company acquired two (2) ordinary shares of RM1 each, representing 100% equity interest in Insas Mobile Sdn Bhd ("Insas Mobile") for a cash consideration of RM2. Insas Mobile was incorporated on 7 June 2005 as a private limited company under the Companies Act, 1965. Insas Mobile is a dormant company and has not commenced operations since its incorporation.

(b) There was no acquisition of subsidiary companies during the financial year except for the subscription of additional shares in M&A Securities Sdn Bhd as disclosed in Note 56 to the financial statements.

(c) The effect of the acquisition of Simfoni and Insas Mobile on the financial results of the Group during the preceding financial year were as follows:-

	Group
	2009
	RM'000
Revenue	-
Cost of sales	(92)
Gross loss	(92)
Other income	2
Administration expenses	(14)
Other operating expenses	(181)
Loss before taxation	(285)

48. INFORMATION ON THE ACQUISITION OF SUBSIDIARY COMPANIES IN THE PRECEDING FINANCIAL YEAR AND SUMMARY EFFECT OF ACQUISITION OF SUBSIDIARY COMPANIES (CONT'D)

(d) The effect of the acquisition of Simfoni and Insas Mobile on the financial position of the Group as at the end of the preceding financial year were as follows:-

	Group 2009 RM'000
Property, plant and equipment	7,681
Prepaid land lease payments	3,115
Other receivables, deposits and prepayments	5
Cash and bank balances	2
Trade payables	(26)
Other payables and accruals	(222)
Group's share of net assets	10,555

(e) The details of net assets acquired, goodwill and cash flow as at the date of acquisition arising from the acquisition of Simfoni and Insas Mobile were as follows:-

	Group 2009 RM'000
Purchase consideration	*
Less : Cash and bank balances acquired	#
Net cash acquired on acquisition of equity interest in subsidiary companies	-

* represents RM4

represents RM(4)

49. CONTINGENT LIABILITIES

	Group		**Company**	
	2010 RM'000	2009 RM'000	**2010 RM'000**	2009 RM'000
Unsecured :-				
Guarantees to secure banking and credit facilities of subsidiary companies	**-**	-	**42,993**	49,900
Invoices under dispute	**178**	178	**-**	-
	178	178	**42,993**	49,900

The Directors are of the opinion that the above contingent liabilities of the Group and of the Company will not crystallise.

50. COMMITMENTS

	Group	
	2010 RM'000	2009 RM'000
Authorised and contracted for		
- Acquisition of investment properties	**1,050**	1,050
- Acquisition of property, plant and equipment	**5,247**	875
- Acquisition of investments in quoted and unquoted shares and securities	**19,229**	28,384
	25,526	30,309

51. SEGMENTAL INFORMATION

(a) Segmental Reporting By Business Segments

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	21,264	73,021	147,032	10,771	171,199	-	423,287
Inter-segment revenue	8,154	4,971	4,124	537	9,991	(27,777)	-
Total segment revenue	29,418	77,992	151,156	11,308	181,190	(27,777)	423,287
Results							
Segment profit from operations	11,784	4,617	10,538	1,872	15,873	(2,215)	42,469
Interest income							11,164
Finance costs							(4,922)
Share of profits less losses of associate companies	-	-	351	(427)	-	-	(76)
Share of losses of jointly controlled entities	-	(480)	-	-	-	-	(480)
Exceptional items	-	11	6,237	-	(911)	-	5,337
Profit before taxation							53,492
Taxation							551
Profit after taxation							54,043
Minority interests							(7,581)
Net profit attributable to equity holders of the Company							46,462
Other information							
Segment assets		457,796	127,062	486,631	28,724	112,135	1,212,348
Share of net assets of associate companies		-	-	19,661	16,900	-	36,561
Share of net assets of jointly controlled entities		-	24,122	-	-	-	24,122
Tax assets		4,586	84	994	30	1,243	6,937
Total assets							1,279,968
Segment liabilities		186,187	12,394	189,578	14,948	48,810	451,917
Tax liabilities		421	6	104	-	1,089	1,620
Total liabilities							453,537
Capital expenditure on property, plant and equipment		1,072	45	475	7,575	6,632	15,799
Depreciation		450	343	891	4,392	13,470	19,546
Amortisation		1,649	-	44	-	164	1,857
Non cash expenses other than depreciation and amortisation		1,827	-	6,044	361	5,083	13,315

51. SEGMENTAL INFORMATION (CONT'D)

(a) Segmental Reporting By Business Segments (cont'd)

2009	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	17,862	44,758	25,982	9,336	143,927	-	241,865
Inter-segment revenue	5,888	4,222	2,913	538	12,239	(25,800)	-
Total segment revenue	23,750	48,980	28,895	9,874	156,166	(25,800)	241,865
Results							
Segment (loss)/profit from operations	(9,555)	2,316	(2,873)	844	13,111	(1,959)	1,884
Interest income							6,723
Finance costs							(3,492)
Share of profits less losses of associate companies	-	-	938	(1,222)	-	-	(284)
Exceptional items	-	364	55,938	-	-	-	56,302
Profit before taxation							61,133
Taxation							(4,036)
Profit after taxation							57,097
Minority interests							(5,192)
Net profit attributable to equity holders of the Company							51,905
Other information							
Segment assets		522,492	139,513	336,435	25,393	107,928	1,131,761
Share of net assets of associate companies		-	-	2,677	17,224	-	19,901
Tax assets		4,214	407	1,187	30	98	5,936
Unallocated corporate assets							184
Total assets							1,157,782
Segment liabilities		197,480	25,191	80,847	12,767	45,229	361,514
Tax liabilities		412	-	-	-	789	1,201
Total liabilities							362,715
Capital expenditure on property, plant and equipment		141	-	206	4,174	31,118	35,639
Depreciation		486	347	689	4,066	8,820	14,408
Amortisation		1,650	-	21	-	123	1,794
Non cash expenses other than depreciation and amortisation		14,649	-	11,947	403	1,677	28,676

Segmental information is presented in respect of the Group's business segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

51. SEGMENTAL INFORMATION (CONT'D)

(a) Segmental Reporting By Business Segments (cont'd)

Segment assets consist primarily of property, plant and equipment, prepaid land lease payments, investment properties, land held for development, long term investments, associate companies, jointly controlled entities, intangible asset, marketable securities, property development costs, inventories, receivables and operating cash and deposits at bank but exclude tax assets, which is disclosed separately. Unallocated corporate asset consists of goodwill on consolidation. Segment liabilities comprise operating liabilities but exclude tax liabilities, which is disclosed separately.

Capital expenditure comprises additions to property, plant and equipment during the financial year.

Segment revenue, expenses and results include transfers between segments. The prices charged on inter segment transactions are on arms length basis under terms and conditions not materially different from transactions with unrelated parties. These transactions are eliminated on consolidation.

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

Business 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 development and investments	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.

(b) Segmental Reporting By Geographical Segment

	Revenue RM'000	Carrying Amount of Segment Assets RM'000	Additions to Property, Plant and Equipment RM'000
2010			
Malaysia	**268,153**	**765,201**	**15,724**
Overseas	**155,134**	**514,767**	**75**
	423,287	**1,279,968**	**15,799**
2009			
Malaysia	212,463	873,162	35,475
Overseas	29,402	284,620	164
	241,865	1,157,782	35,639

52. RELATED PARTY DISCLOSURES

(a) The Group has the following transactions with the following related parties during the financial year:-

	Group	
	2010 RM'000	2009 RM'000
Design and printing costs paid to Catalyst Creatives, a firm related to a Director of the Company	**145**	136
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	**36**	124
- secretarial fees	**(1)**	(1)
- rental of office premises	**(14)**	(9)
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	**55**	22
- sale of goods and services	**(34)**	(37)
Purchases of raw material from Vanskee Enterprise Co. Ltd., a company related to certain directors and a minority shareholder of a subsidiary company	**238**	461
(Services provided to)/Cost payable to Ceedtec Sdn Bhd, a company related to a director and a minority shareholder of a subsidiary company		
- Sale of goods and services	**(16)**	(301)
- Royalty expense paid/payable	**-**	44
Refurbishment and maintenance works provided to companies related to directors of the Company and a subsidiary company		
- Immobillaire Holdings Sdn Bhd	**29**	28
- Baktihan Sdn Bhd	**26**	15
- Metro Sierra Sdn Bhd	**13**	108
- Titan Express Sdn Bhd	**10**	5
- Accrocrest Development Sdn Bhd	**154**	-
Sale of wine by a subsidiary company to Dato' Thong Kok Yoon, a director of the subsidiary company	**-**	32
Interest expense paid and payable to minority shareholders of a subsidiary company		
- Ho Phon Guan	**31**	14
- Macronion Sdn Bhd	**69**	30
Sale of manufactured products and electronic manufacturing services to Avago Technologies Limited, a company related to a shareholder of a subsidiary company	**154,623**	-

52. RELATED PARTY DISCLOSURES (CONT'D)

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

	Company	
	2010	2009
	RM'000	RM'000
Management fees charged to subsidiary companies*	**438**	696
Debts waived by a subsidiary company, True Blue Sdn Bhd	**5,042**	-
Dividends received from Insas Technology Berhad, a subsidiary company	**-**	700
Dividend received from Gleneagles Hospital (Kuala Lumpur) Sdn Bhd, an associate company	**-**	1,000
Interest expenses paid and payable to M & A Securities Sdn Bhd, a subsidiary company	**77**	759
Interest expenses paid and payable to Brickfields Properties Pty Ltd, an associate company	**-**	83
Lease rental paid and payable to Insas Pacific Rent-A-Car Sdn Bhd, a subsidiary company	**34**	107
Interest charged to subsidiary companies*	**2,843**	3,585

The Directors are of the opinion that the above transactions were entered into in the normal course of business and have been established on a negotiated basis under terms and conditions that are not materially different from that obtained in transactions with third parties.

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

(c) Remuneration of Key Management Personnel

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

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Salaries, allowances and bonus	**5,424**	5,206	**360**	570
Defined contribution plan	**331**	393	**48**	68
Fees	**140**	213	**-**	-
Social security cost	**2**	10	**-**	-
Benefits-in-kind	**78**	70	**35**	70
	5,975	5,892	**443**	708

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

	Group		Company	
	2010	2009	**2010**	2009
	RM'000	RM'000	**RM'000**	RM'000
Directors' remuneration (Note 44)	**2,971**	2,542	**443**	708

Other members of key management personnel comprise persons other than the 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.

53. LIST OF SUBSIDIARY COMPANIES

Name of company	% Effective equity interest 2010	2009	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**	60	Investment holding	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	**72.0**	65.3	Property development	Malaysia
Inari Technology Sdn Bhd	**51**	51	Produce wireless microwave telecommunication products, wireless broadcast card and to provide electronic manufacturing services	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
Insas Properties Sdn Bhd	**90**	90	Investment holding and property investment	Malaysia
Insas Property Management Sdn Bhd	**90**	90	Property and project management	Malaysia

53. LIST OF SUBSIDIARY COMPANIES (CONT'D)

Name of company	% Effective equity interest 2010	2009	Principal activities	Country of incorporation
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
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

53. LIST OF SUBSIDIARY COMPANIES (CONT'D)

Name of company	% Effective equity interest 2010	2009	Principal activities	Country of incorporation
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 (formerly known as Dawnfield Pte Ltd)*	**100**	100	Investment holding, investment trading and investment and rental of properties	Singapore
Noble Builders Sdn Bhd	**75**	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
Premium-One Sdn Bhd	**100**	100	Restaurant operator (ceased operations)	Malaysia
Premium Realty Sdn Bhd (formerly known as Premium Parking Sdn Bhd)	**100**	100	Car park management (temporary ceased operations)	Malaysia
Premium Yield Sdn Bhd	**72.0**	65.3	Investment holding	Malaysia
Segar Raya Development Sdn Bhd	**60.3**	60.3	Real property and housing developer	Malaysia
Simfoni Bistari Sdn Bhd	**100**	100	Investment holding, property investment and letting out of properties	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

53. LIST OF SUBSIDIARY COMPANIES (CONT'D)

Name of company	% Effective equity interest 2010	2009	Principal activities	Country of incorporation
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	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
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

54. LIST OF ASSOCIATE COMPANIES

Name of company	% Effective equity interest 2010	2009	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
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

54. LIST OF ASSOCIATE COMPANIES (CONT'D)

Name of company	% Effective equity interest 2010	2009	Principal activities	Country of incorporation
Good-Life Foods Sdn Bhd	**22.1**	22.1	Restaurant operator	Malaysia
Island Cafe Sdn Bhd	**36**	36	Restaurant operator	Malaysia
Lifestyle Foods Sdn Bhd	**37.7**	37.7	Food and beverage restaurant	Malaysia
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	**22.1**	22.1	Retailer of Asian made products	Malaysia
Ermenegildo Zegna Sdn Bhd*	**21.2**	21.2	Retailer of high fashion products	Malaysia
Fancy Connections Sdn Bhd*	**30.3**	-	Dormant	Malaysia
Roset Limousines Services Pte Ltd*	**41**	41	Provision of premium limousines services	Singapore
Winfields Development Sdn Bhd	**40**	40	Investment holding and rental of properties	Malaysia
Winfields Development Pte Ltd*	**40**	-	Investment holding and trading and rental of properties	Singapore

* Companies not audited by SJ Grant Thornton.

55. LIST OF JOINTLY CONTROLLED ENTITIES

Name of entities	% Effective equity interest 2010	2009	Principal activities	Country of incorporation
Chantrey House LLP*	**50**	-	Investment holding	United Kingdom
Eccleston Belgravia LLP*	**49.8**	-	Improving and leasing of landed property	United Kingdom

* Entities not audited by SJ Grant Thornton.

56. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 23 June 2009, Montego Assets Limited, a wholly-owned indirect subsidiary company, entered into a Members' Agreement made between Clan (CH) LLP, Native Land Limited, Montego Assets Limited and Chantrey House LLP to invest in 99.5% of the equity funding requirements in Eccleston Belgravia LLP, a limited liability partnership registered in England and Wales.

On the same date, Montego Assets Limited entered into a Members' Agreement made between Clan (CH) LLP, Native Land Limited, Montego Assets Limited, Chantrey House LLP and Eccleston Belgravia LLP for Eccleston Belgravia LLP to acquire and own a property known as Chantrey House situated at Eccleston Street, London SW1 for a cash consideration of GBP 20,750,000.

The transaction has been completed on 6 July 2009.

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

(b) On 7 August 2009, M & A Securities Sdn Bhd ("M & A Securities"), a wholly-owned subsidiary company, increased its issued and fully paid-up share capital from RM60 million to RM90 million by way of the issuance of 30 million ordinary shares of RM 1 each at an issue price of RM1 per share which was subscribed in full by the Company.

(c) On 23 September 2009, the Company announced that the Securities Commission has on 18 September 2009, approved the admission of M&A Securities to the Approved List of Principal Advisers Submitting Specific Corporate Proposals pursuant to Chapter 3 of the Securities Commission's Principal Adviser Guidelines. With the admission to the Approved List, M&A Securities may act as a principal adviser for initial public offerings, reverse take-overs, restructurings and all type of other corporate proposals except for those involving private debt securities, Islamic securities and structured products.

57. SIGNIFICANT EVENTS SUBSEQUENT TO BALANCE SHEET DATE

(a) On 5 August 2010, Insas Technology Berhad ("ITB"), a wholly-owned subsidiary company's equity interest in Inari Technology Sdn Bhd ("Inari Tech") was diluted 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.

Of the 1,515,000 RCPS held by the RCPS holders, 1,215,000 RCPS is classified as a liability component under non-current liabilities and the remaining 300,000 RCPS is recognised as part of minority interest in the balance sheet as at 30 June 2010 in accordance to the terms of the subscription agreements.

(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 to be repayable over a period of 12 months subject to interest payment of 8% per annum on the outstanding amount owing until the date of full repayment.

Simfoni was a wholly-owned subsidiary company of ITB and the principal activities of Simfoni are investment holding, property investment and letting out of properties.

Subsequent to the Sale and Purchase Agreement, Simfoni became an indirect 42.43% associate company of the Group.

58. FINANCIAL INSTRUMENTS

(a) Interest rate risk

The interest rate risk that financial instruments' values will fluctuate as a result of changes in market interest rates, and the effective interest rates on classes of financial assets and financial liabilities are as follows :-

	Less than 1 financial year RM'000	1 to 5 financial years RM'000	Total RM'000	Effective interest rate during the financial year % per annum
2010				
Group				
Financial assets				
Deposits with licensed banks and financial institutions	**525,999**	**-**	**525,999**	**0.001% - 5.00%**
Financial liabilities				
Loans and borrowings	**192,544**	**6,260**	**198,804**	**0.07% - 8.55%**
Hire purchase payables	**4,632**	**9,418**	**14,050**	**2.16% - 4.75%**

58. FINANCIAL INSTRUMENTS (CONT'D)

(a) Interest rate risk (cont'd)

The interest rate risk that financial instruments' values will fluctuate as a result of changes in market interest rates, and the effective interest rates on classes of financial assets and financial liabilities are as follows :-

	Less than 1 financial year RM'000	1 to 5 financial years RM'000	Total RM'000	Effective interest rate during the financial year % per annum
2010				
Company				
Financial assets				
Amount due from subsidiary companies	**632,924**	**-**	**632,924**	**2.50% - 3.0%**
Financial liabilities				
Amount due to subsidiary companies	**52,707**	**-**	**52,707**	**5.0%**
2009				
Group				
Financial assets				
Deposits with licensed banks and financial institutions	430,611	-	430,611	0.10% - 7.33%
Financial liabilities				
Loans and borrowings	80,259	3,314	83,573	0.82% - 10.46%
Amount due to an associate company	10,304	-	10,304	4.20%
Hire purchase payables	3,711	8,232	11,943	2.16% - 4.75%
Company				
Financial assets				
Deposits with licensed banks and financial institutions	24,004	-	24,004	1.85% - 3.54%
Amount due from subsidiary companies	648,854	-	648,854	2.50% - 3.0%
Financial liabilities				
Loans and borrowings	4,000	-	4,000	4.58% - 5.84%
Amount due to subsidiary companies	63,918	-	63,918	5.0%
Amount due to an associate company	10,304	-	10,304	4.20%
Hire purchase payables	8	-	8	3.0%

There is no significant exposure to interest rate risk as the Group and the Company have no substantial long term interest bearing assets/liabilities as at 30 June 2010 and 2009. The investments in financial assets are mainly short term in nature and have been mostly placed in fixed deposits and short term commercial papers which yield better returns than cash at bank.

(b) Credit risk

The Group does not have significant concentration of credit risk with any single counterparty. The maximum exposure to credit risk for the Group is the carrying amount of each financial asset.

Trade receivables

The Group's normal trade credit terms ranges from 30 to 90 days (2009 : 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 (2009: 7 days). Other credit terms are assessed and approved on a case-by-case basis.

Trade payables

The normal trade credit terms granted to the Group ranges from 30 to 90 days (2009 : 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.

58. FINANCIAL INSTRUMENTS (CONT'D)

(c) Foreign currency exchange risk

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

	US Dollar RM'000	Singapore Dollar RM'000	Euro RM'000	Sterling Pound RM'000	Australian Dollar RM'000	Hong Kong Dollar RM'000	Other currencies RM'000	Total RM'000
Group 2010								
Trade receivables	**21,678**	**151**	**1,019**	**3,414**	**7**	**-**	**-**	**26,269**
Other receivables, deposits and prepayments	**1,057**	**348**	**847**	**24**	**312**	**30**	**60**	**2,678**
Deposits with licensed banks and financial institutions	**14,117**	**8,014**	**119,665**	**33,200**	**45,526**	**2,887**	**-**	**223,409**
Cash and bank balances	**2,750**	**16,694**	**6,990**	**102**	**19,982**	**4,873**	**372**	**51,763**
Loans and borrowings	**(162,432)**	**(10,237)**	**(12,349)**	**-**	**(1,600)**	**-**	**(617)**	**(187,235)**
Trade payables	**(9,268)**	**(160)**	**(1,056)**	**-**	**-**	**-**	**286**	**(10,198)**
Other payables and accruals	**(1,359)**	**(426)**	**(55)**	**(44)**	**-**	**(25)**	**(1,466)**	**(3,375)**
Net financial assets/ (liabilities)	**(133,457)**	**14,384**	**115,061**	**36,696**	**64,227**	**7,765**	**(1,365)**	**103,311**
Group 2009								
Trade receivables	24,489	30	1,815	16	19	-	-	26,369
Other receivables, deposits and prepayments	603	858	1,106	22	319	33	-	2,941
Deposits with licensed banks and financial institutions	724	1,364	3,802	11,427	32,374	-	-	49,691
Cash and bank balances	3,308	6,517	6,296	320	22	228	-	16,691
Loans and borrowings	(35,110)	(9,484)	-	-	(18,315)	-	-	(62,909)
Trade payables	(12,140)	(100)	(481)	(26)	-	-	228	(12,519)
Other payables and accruals	(2,285)	(445)	(31)	(34)	(63)	(27)	(219)	(3,104)
Net financial assets/ (liabilities)	(20,411)	(1,260)	12,507	11,725	14,356	234	9	17,160

58. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair values estimation for disclosure purposes

The carrying amounts of financial assets and liabilities of the Group at the balance sheet date approximated their fair values except those as set out below:-

		Group	
	Note	Carrying Amount RM'000	Fair Value RM'000
2010			
Financial asset			
Long term investments			
- Unquoted investments in Malaysia	**10**	**1,575**	*****
- Quoted investments in Malaysia	**10**	**33,296**	**44,785****
2009			
Financial asset			
Long term investments			
- Unquoted investments in Malaysia	10	1,585	*
- Quoted investments in Malaysia	10	34,895	47,706**

* It is not practicable within the constraints of timeliness and cost to estimate these fair values reliably.

** The fair value of these investments are based on the latest audited net tangible assets per share.

59. COMPARATIVE FIGURES

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

Group	As previously reported RM'000	As restated RM'000
Income Statement		
Administrative expenses	20,470	20,426
Other operating expenses	54,114	54,158
Balance Sheet		
Trade receivables	169,118	169,288
Other receivables, deposits and prepayments	36,581	36,646
Other payables and accruals	48,361	48,596

Location	Description / Existing use	Area	Tenure	Approximate age of buildings (years)	Date of acquisition	Net book value RM'000
M & A Building 52A, Jalan Sultan Idris Shah, 30000 Ipoh, Perak	10 storey commercial building leased out and for use as office premise	10,484 sq feet (Land area)	Freehold	12	18-Jan-1995	11,120
6, Jalan 31/70A, Desa Sri Hartamas, 50480 Kuala Lumpur	4 storey shophouse leased out	1,760 sq feet (Land area)	Freehold	13	31-Oct-2001	1,518
Block 45 & 47, The Boulevard Offices, Mid Valley City, Lingkaran Syed Putra 59200 Kuala Lumpur	2 blocks of 11 storey shop offices leased out and for use as office premise	54,277 sq feet	Leasehold (unexpired lease period of 92 years)	8	17-Jun-2002	15,245
21, Plaza Crystalville 1, Jalan 23/70A, Desa Sri Hartamas, 50480 Kuala Lumpur	3 storey shop office leased out	4,497 sq feet	Freehold	9	3-Jan-2000	1,112
Lot No. A02-A07, B09-B15 & D33-D36 H S (D) 122463-122465, 122467-122469 & 122471-122480 No. PT 10987-10989, 10991-10993 & 10995-11004 Mukim Ampang, Daerah Ulu Langat, Selangor	17 units of 4 storey shop offices under construction	23,800 sq feet (Land area)	Leasehold (unexpired lease period of 93 years)	Not applicable	11-Mar-2005 30-Jun-2005 & 31-Oct-2005	10,693
R-3A-1, D'Aman Ria Apartment, Jalan PJU 1A/41, 47301 Petaling Jaya, Selangor	1 unit apartment for lease	1,133 sq feet	Freehold	7	22-Jun-2007	202
Parcel No. STA 09, No. 2, Jalan PJU 1A/41B, Pusat Dagangan NZX, 47301 Petaling Jaya, Selangor	3 storey shop office for lease and/or for sale	5,532 sq feet	Freehold	3	31-Jan-2005	1,223
8A, Orange Grove Road, #11-03 D'Grove Villa, Singapore	Apartment for lease	2,701 sq feet	Freehold	17	14-Feb-1996	7,788
5, Draycott Drive, The ARC at Draycott, #15-02 Singapore	Apartment for lease	1,270 sq feet	Freehold	2	27-Nov-2008	6,097
21 Claymore Road, The Tate Residences, #07-02 Singapore	Apartment for lease	1,894 sq feet	Freehold	Not applicable	24-Feb-2010	11,340
Flat A 23rd Floor, York Place, 22 Johnston Road, Hong Kong	Apartment for lease	670 sq feet	Leasehold (unexpired lease period of 62 years)	Not applicable	31-Jul-2009	5,420
H S (D) 11371, No. P T 14461, Bukit Tinggi Resort, Mukim and District of Bentung, Pahang	Vacant land for development	130 acres	Freehold	Not applicable	24-Oct-1995	37,576
Lot No. 51979, Geran No. 43962, Mukim & District of Kuala Lumpur	Vacant land for development	24,380 sq feet	Freehold	Not applicable	18-May-2004	5,277
Mukim of Ampang, District of Hulu Langat, Selangor	Vacant land for development	22.35 acres	Not applicable	Not applicable	15-Sep-2004	6,804
Lot No. 43927, PN 40549, Mukim Ampang, Daerah Ulu Langat Selangor	54 units apartments helds for sale	2.94 acres	Leasehold (unexpired lease period of 95 years)	Not applicable	9-Mar-2006	22,172
No. 7 & 8, Jalan BRP 5/4A, No. 1, Jalan BRP 5/2, No. 124, Jalan BRP 5/3, Bukit Rahman Putra,Seksyen U20, 40160 Shah Alam, Selangor	4 residential units helds for sale	25,572 sq feet	Freehold	Not applicable	20-Jul-2005	5,144
H.S.(D) 11698, PT No. 1709 Mukim 12, South West District, Penang	Factory land with double storey detached factory building	22,500 sq feet	Leasehold (unexpired lease period of 42 years)	Not applicable	31-Aug-2006	2,380
Lot No. 12360, PN 5874, Mukim 12, South West District, Penang	Factory land	89,825 sq feet	Leasehold (unexpired lease period of 41 years)	Not applicable	17-Apr-2008	1,180
No. 51, Hilir Sungai Keluang 4, Bayan Lepas Free Industrial Zone Phase IV 11900 Bayan Lepas, Penang	Industrial land with factory building	90,002 sq feet	Leasehold (unexpired lease period of 44 years)	13 years	21-Jul-2008	8,820
No. G-F & Block Emerald, Kondominium Mahkotawira Jalan Dato Khong Kam Tak, Ipoh, Perak	1 unit apartment	1,331 sq feet	Freehold	13 years	26-Mar-1997	150

Authorised Capital	:	RM1,500,000,000
Issued and fully paid-up Capital	:	RM686,911,581 (excluding 6,422,052 Treasury shares)
Class of Shares	:	Ordinary shares of RM1.00 each fully paid
Voting Rights	:	One vote per RM1.00 share

ANALYSIS BY SIZE OF HOLDINGS

Size of Holdings	No. of Shareholders	%	No. of shares of RM1.00 each	%
Less than 100	588	1.63	26,716	0.00
100 - 1,000	1,602	4.45	595,386	0.09
1,001 - 10,000	26,667	74.04	86,552,033	12.60
10,001 - 100,000	6,699	18.60	152,293,408	22.17
100,001 - 34,345,579	457	1.27	358,135,397	52.14
34,345,580 and above	2	0.01	89,308,641	13.00
	36,015	100.00	686,911,581	100.00

THIRTY LARGEST SHAREHOLDERS

	Name	No. of Shares of RM1.00 each	%
1.	M & A Nominee (Asing) Sdn Bhd - Anglo Asia Investments Limited for M&A Investments International Limited	46,800,000	6.81
2.	Dato' Thong Kok Yoon	42,508,641	6.19
3.	M & A Nominee (Asing) Sdn Bhd - Anglo Asia Investments Limited	33,701,162	4.91
4.	M & A Nominee (Asing) Sdn Bhd - M&A Investments Pte Ltd	27,128,192	3.95
5.	M&A Investments International Limited	21,655,920	3.15
6.	M & A Nominee (Tempatan) Sdn Bhd - Baktihan Sdn Bhd	21,320,000	3.10
7.	M & A Nominee (Asing) Sdn Bhd - M&A Investments International Limited	19,000,134	2.77
8.	Accroway Sdn Bhd	16,742,960	2.44
9.	M & A Nominee (Asing) Sdn Bhd - Armadale Holdings Limited	16,276,000	2.37
10.	HSBC Nominees (Asing) Sdn Bhd - Exempt An for The Bank of New York Mellon (Mellon Acct)	15,680,000	2.28
11.	M & A Nominee (Asing) Sdn Bhd - Clearwind Holdings Limited	11,451,408	1.67
12.	Immobillaire Holdings Sdn Bhd	10,059,643	1.46
13.	HSBC Nominees (Asing) Sdn Bhd - Exempt An for Credit Suisse (SG BR-TST-Asing)	7,977,180	1.16
14.	Lee Kim Poh	6,240,000	0.91
15.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Loh Kuan Fong (100339)	4,715,920	0.69

THIRTY LARGEST SHAREHOLDERS

	Name	No. of Shares of RM1.00 each	%
16.	M & A Nominee (Tempatan) Sdn Bhd - Titan Express Sdn Bhd	4,646,611	0.68
17.	Citigroup Nominees (Asing) Sdn Bhd - CBNY for Dimensional Emerging Markets Value Fund	4,347,408	0.63
18.	Citigroup Nominees (Asing) Sdn Bhd - Exempt An for OCBC Securities Private Limited (Client A/C-NR)	3,780,160	0.55
19.	Cimsec Nominees (Asing) Sdn Bhd - Exempt An for CIMB Securities (Singapore) Pte Ltd (Retail Clients)	3,459,144	0.50
20.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Geok Lian (KLC/JFA)	2,449,032	0.36
21.	MKW Jaya Sdn Bhd	2,338,960	0.34
22.	Dato' Thong Kok Khee	2,337,920	0.34
23.	Datin Tan Few Teng	2,146,416	0.31
24.	Perak Traders Holdings Sdn Bhd	2,127,008	0.31
25.	Cimsec Nominees (Asing) Sdn Bhd - CIMB for Loh Kim Kah (PB)	1,872,000	0.27
26.	Citigroup Nominees (Asing) Sdn Bhd - CBNY for DFA Emerging Markets Small Cap Series	1,707,888	0.25
27.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lee Hock Leong (E-PDG/SAN)	1,403,800	0.20
28.	HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Loh Kuan Fong	1,368,296	0.20
29.	HLG Nominee (Asing) Sdn Bhd - Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)	1,299,906	0.19
30.	Mayban Nominees (Asing) Sdn Bhd - Pledged Securities Account for San Tuan Sam	1,230,552	0.18
		337,772,261	49.17

SUBSTANTIAL SHAREHOLDERS

	Name	No. of Shares of RM1.00 each	%
1.	Dato' Thong Kok Khee *	156,342,809	22.76
2.	M&A Investments International Limited	122,128,606	17.78
3.	Dato' Thong Kok Yoon **	72,748,676	10.59

* Direct and deemed interest by virtue of his spouse's interest and substantial interest in M&A Investments International Limited, Immobillaire Holdings Sdn Bhd and Baktihan Sdn Bhd.

** Direct and deemed interest by virtue of spouse's interest in the Company, Titan Express Sdn Bhd, Perak Traders Holdings Sdn Bhd and Baktihan Sdn Bhd

Statement of Directors' Interest In The Company And Its Related Corporations AS AT 25 OCTOBER 2010

		No. of Shares			
The Company – Insas Berhad		**Direct Interest**		**Deemed Interest**	
		Number	**%**	**Number**	**%**
1.	Y.A.M. Tengku Puteri Seri Kemala Pahang Tengku Hajjah Aishah bte Sultan Haji Ahmad Shah, DK(II), SIMP	119,600	0.02	-	-
2.	Dato' Thong Kok Khee	2,337,920	0.34	154,004,889(1)	22.21
3.	Dato' Wong Gian Kui	387,920	0.06	1,031,680(2)	0.15
4.	Dr. Tan Seng Chuan	-	-	-	-
5.	Ms. Soon Li Yen	-	-	-	-
6.	Mr. Oh Seong Lye	-	-	-	-
	Subsidiary Company – Insas Properties Sdn Bhd	**No. of Shares**			
1.	Dato' Wong Gian Kui	80,000	10.00	-	-
	Subsidiary Company – Segar Raya Development Sdn Bhd	**No. of Shares**			
1.	Dato' Wong Gian Kui	129,999	13.00	80,000(2)	8.00
	Subsidiary Company – Contibina Sdn Bhd	**No. of Shares**			
1.	Dato' Thong Kok Khee	-	-	80,000(3)	40.00
	Subsidiary Company – Premium Yield Sdn Bhd	**No. of Shares**			
1.	Dato' Wong Gian Kui	-	-	49,999(2)	5.00
	Subsidiary Company – Dellmax Worldwide Sdn Bhd	**No. of Shares**			
1.	Dato' Wong Gian Kui	-	-	8,000(2)	8.00
	Subsidiary Company – Gryphon Asset Management Sdn Bhd	**No. of Shares**			
1.	Dato' Thong Kok Khee	-	-	500,000(4)	25.00
	Subsidiary Company – Micromodule Pte Ltd	**No. of Shares**			
1.	Dr. Tan Seng Chuan	315,161	1.71	-	-

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 stated above, none of the other Directors of the Company had any direct and deemed interest in the Company or its related corporations.

Notes :
(1) Deemed interested by virtue of his spouse's interest and substantial interest in M & A Investments International Ltd, Immobillaire Holdings Sdn Bhd and Baktihan Sdn Bhd.
(2) Deemed interested by virtue of his spouse's interest in the Company.
(3) Deemed interested by virtue of his interest in Taren Capital Corporation Sdn Bhd (In Members' Voluntary Liquidation).
(4) Deemed interested by virtue of his indirect interest in Maxcourt Enterprise Sdn Bhd.

NOTICE IS HEREBY GIVEN that the Forty-Eighth Annual General Meeting of the Company shall be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Tuesday, 21st December 2010 at 12.00 noon for the following purposes: -

AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30 June 2010 and the Reports of the Directors and Auditors thereon. **Resolution 1**

2. To approve the payment of Directors' fees of RM64,500-00 for the year ended 30 June 2010. **Resolution 2**

3. To re-elect the following Directors retiring pursuant to Article 96 of the Company's Articles of Association: -

   3.1 Y.A.M. Tengku Puteri Seri Kemala Pahang Tengku Hajjah Aishah bte Sultan Haji Ahmad Shah, DK(II), SIMP **Resolution 3**

   3.2 Dato' Thong Kok Khee **Resolution 4**

4. To re-appoint Messrs. SJ Grant Thornton as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**

SPECIAL BUSINESS

5. To consider and if thought fit, pass with or without modifications the following Resolution:

   As Ordinary Resolution **Resolution 6**

   AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

   "THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10 percent of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company and that the Directors be and are also empowered to obtain the approval from the Bursa Malaysia Securities Berhad for the listing and quotation for the additional shares so issued."

6. To consider and if thought fit, pass with or without modifications the following Resolution:

   As Ordinary Resolution **Resolution 7**

   PROPOSED RENEWAL OF AUTHORITY TO PURCHASE ITS OWN SHARES BY THE COMPANY

   "THAT, subject always to the Companies Act, 1965 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association and the requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authority, the Directors of the Company be and are hereby authorised to make purchases of ordinary shares of RM1.00 each in the Company's issued and paid-up ordinary share capital through the Bursa Securities and to take all such steps as are necessary (including the opening and maintaining of a depository account under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time and to do all such acts and things as the said Directors may deem fit and expedient in the best interests of the Company, subject further to the following:-

   (i) the maximum number of ordinary shares which may be purchased and held by the Company shall be equivalent to ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being;
   (ii) the maximum funds to be allocated by the Company for the purpose of purchasing the ordinary shares shall not exceed the total retained profits or share premium reserve of the Company or both;
   (iii) the approval conferred by this resolution will commence immediately upon the passing of this resolution and will expire at the conclusion of the next annual general meeting of the Company following the passing of this resolution (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting) but not so as to prejudice the completion of purchase by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act, the rules and regulations made pursuant thereto and the guidelines issued by the Bursa Securities and/or any other relevant authority; and

(iv) upon completion of the purchase(s) of the ordinary shares or any part thereof by the Company, the Directors of the Company be and are hereby authorised to cancel all the shares so purchased or retain all the shares as treasury shares for future re-sale or for distribution as dividend to the shareholders of the Company or retain part thereof as treasury shares and cancelling the balance, and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of the Bursa Securities and any other relevant authority for the time being in force."

7. To consider and if thought fit, pass with or without modifications the following Resolution:

As Special Resolution **Resolution 8**

PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

"THAT the Articles of Association of the Company be and is hereby amended by deleting the existing Article 136 in its entirety and substituting it with the following new Article 136: -

Existing Article 136 – Dividends payable by cheque

Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto, or, if several persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons or to such persons and such address as such persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder, joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque if purporting to be endorsed shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

New Article 136 – Dividends payable by cheque and/or other electronic means

Any dividend or other moneys payable in cash or in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the member or person entitled thereto, or, if several persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons or to such persons and such address as such persons may by writing direct or be paid via electronic transfer of remittance to the account provided by the holder who is named in the Record of Depositors. Every such cheque or warrant or electronic transfer of remittance shall be made payable to the order of the person to whom it is sent or remitted or to such person as the holder, joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of any such cheque or warrant or electronic transfer shall operate as a good discharge to the Company in respect of the dividend, interest, or other moneys payable in cash represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that endorsement thereon, or the instruction for the electronic transfer of remittance has been forged. Every such cheque or warrant or electronic transfer of remittance shall be sent or remitted at the risk of the person entitled to the money thereby represented.

8. To transact any other business of the Company of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

By Order Of The Board

Chow Yuet Kuen
Yau Jye Yee
Secretaries

Kuala Lumpur
29 November 2010

Explanatory Notes to Ordinary Resolution 6

The Company is actively looking into prospective areas to broaden its operating base and earning potential of the Company which may involve the issue of new shares. In order to avoid any delay and costs involved in convening a general meeting of the Company to approve such issue of shares, the proposed adoption of Ordinary Resolution 6 is to empower the Directors of the Company to issue shares up to an amount not exceeding in total 10% of the issued share capital of the Company for the time being for such purpose. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

Explanatory Notes to Ordinary Resolution 7

The proposed Ordinary Resolution 7 if passed will empower the Directors to purchase the Company's shares of up to 10% of the issued and paid-up capital of the Company by utilising the funds allocated out of the share premium account of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company. For further information on the Proposed Share Buy-Back, kindly refer to the Statement in Relation to the Proposed Renewal of Authority to Purchase its Own Shares by the Company on Page 96 to 98 of the Annual Report 2010.

Explanatory Notes to Special Resolution 8

The proposed Special Resolution 8 if passed will bring the Company's Articles of Association in line with the implementation of eDividend by Bursa Malaysia Securities Berhad whereby all listed issuers are required to provide eDividend to the shareholders effective 1 September 2010, with the objective to promote greater efficiency of the dividend payment system.

Notes:-

(i) A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote in his stead. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.
(ii) A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 may appoint at least one (1) proxy in respect of each securities account.
(iii) A proxy need not be a member of the Company.
(iv) In the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of a duly authorised officer or attorney.
(v) The instrument appointing a proxy must be deposited at the Company's Registered Office situated at No 45-5, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof.

Statement Accompanying Notice of the 48th Annual General Meeting

(PURSUANT TO PARA 8.27(2) OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD)

1. The Directors who are standing for re-election at the 48th Annual General Meeting of the Company pursuant to the Company's Articles of Association are: -

   Article 96

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

   (b) Dato' Thong Kok Khee

2. The profile of the Directors standing for re-election are set out in Page 4 of the Annual Report.

3. The securities holdings of the Directors standing for re-election are as follows: -

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

Ordinary shares	:	Direct – 119,600

   (b) Dato' Thong Kok Khee

Ordinary shares	:	Direct – 2,337,920 Deemed Interest – 154,004,889

4. Details of the Board Meetings held in the financial year ended 30 June 2010 :-

   A total of six (6) Board Meetings were held during the financial year ended 30 June 2010 at the Boardroom Suite 23.02, Level 23, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur. The date and time of the Board Meetings and details of attendance of the Directors are set out in the Statement of Corporate Governance appearing on page 10 of the Annual Report.

Statement in Relation to the Proposed Renewal of Authority to Purchase its Own Shares by the Company

The Bursa Malaysia Securities Berhad ("Bursa Securities") takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement.

1. INTRODUCTION

On 28 October 2010, the Company announced its intention to seek the approval from the shareholders for renewal of authority for the Company to purchase and/or hold its own ordinary shares of RM1.00 each ("**Shares**") up to a maximum of ten percent (10%) of the issued and fully paid-up share capital of the Company for the time being ("**Proposed Share Buy-Back**").

2. THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back is subject to compliance with Section 67A of the Companies Act, 1965 ("Act"), Listing Requirements of the Bursa Securities ("Listing Requirements") and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of purchase.

Based on the issued and paid-up share capital of the Company as at 25 October 2010 of 693,333,633 Shares, the number of shares that can be purchased by the Company is up to 69,333,363 Shares representing up to 10% of the issued and paid-up ordinary share capital of the Company inclusive of 6,422,052 Shares that have been purchased and retained as Treasury Shares. As such, the balance that can be purchased by the Company is 62,911,311 Shares.

Pursuant to Chapter 12 of the Listing Requirements, the Proposed Share Buy-Back must be made wholly out of retained profits and/or the share premium account of the listed company. Based on the latest annual audited accounts as at 30 June 2010, the share premium account and the retained profit of the Company were RM54,489,000 and RM10,738,000 respectively. The Board therefore proposes to allocate up to RM65,227,000 of the aggregate of the share premium account and retained profit for the Proposed Share Buy-Back, which shall be funded by internal generated funds of the Group and/or external borrowings. In the event that the Company intends to fund the Proposed Share Buy-Back via external borrowings, the Company would ensure there is sufficient funds to repay the external borrowings and that the repayment would have no material impact on the cash flow of the Group.

3. RATIONALE FOR, POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back will enable the Company to utilise its financial resources to purchase its own Shares from the market. The Company may, through this scheme, be able to reduce the liquidity of Shares in the market which generally will have a positive impact on the market price of Shares.

The Directors may at its discretion retain the purchased Shares as Treasury Shares, or for resale on the Bursa Securities with the intention of realizing a potential gain, or to distribute the Treasury Shares to the shareholders as dividends to serve as a reward to the shareholders. The Directors could also opt for the purchased Shares to be cancelled, or retain part thereof as Treasury Shares and cancelling the balance, and to treat the Shares in any manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act, the requirements of Bursa Securities and any other relevant authorities.

The Proposed Share Buy-Back will nevertheless reduce the financial resources of the Group and may result in the Group foregoing other investment opportunities that may emerge in the future.

The Board will be mindful of the interest of the Company and its shareholders in implementing the Proposed Share Buy-Back.

4. EFFECTS OF THE PROPOSED SHARE BUY-BACK

4.1 On Share Capital

There will be no effect on the issued and fully paid-up share capital of the Company if the purchased Shares are retained as Treasury Shares.

In the event that the 69,333,363 Shares representing approximately 10% of the issued and fully paid-up share capital of the Company are purchased and cancelled, the effect on the share capital of the Company are illustrated as follows:-

	No. of Shares
Issued and fully paid-up share capital as at 25 October 2010	693,333,633
Assumed the Shares purchased and cancelled	(69,333,363)*
Resultant issued and fully paid-up share capital	624,000,270

* Inclusive of the 6,422,052 Shares already purchased and retained as Treasury Shares as at 25 October 2010.

4. **EFFECTS OF THE PROPOSED SHARE BUY-BACK (CONT'D)**

4.2 On Earnings

The effect of the Proposed Share Buy-Back on earnings and earnings per share of the Group will depend on the quantum of Shares purchased, the purchase price and the effective funding cost thereon.

4.3 On Net Assets ("NA")

The effect of the Proposed Share Buy-Back on the NA per share of the Group will depend on the quantum of Shares purchased and the purchase price of the Shares at the time of buy back.

4.4 On Working Capital

The Proposed Share Buy-Back will reduce the working capital of the Company, the quantum of which will depend, amongst others, the quantum of Shares purchased and the purchase price of the Shares.

4.5 On Public Shareholding Spread

The public shareholding spread of the Company as at 25 October 2010 is approximately 68.88%. Assuming the Proposed Share Buy-Back is carried out in full and there is no change in shares held by Substantial Shareholders, Directors and persons connected to them, the proforma public shareholding spread of the Company would be reduced to approximately 59.81%.

4.6 On Shareholdings of Substantial Shareholders and Directors

The effect of the Proposed Share Buy-Back on the shareholding of the Substantial Shareholders and Directors of the Company based on the Register of Substantial Shareholders and Register of Directors' shareholding respectively as at 25 October 2010 are as follows:-

	No. of ordinary shares held							
	As at 25 October 2010(1)				After the Proposed Share Buy-Back(2)			
	Direct	**%**	**Indirect**	**%**	**Direct**	**%**	**Indirect**	**%**
Substantial Shareholders								
Dato' Thong Kok Khee	2,337,920	0.34	154,004,889(3)	22.42	2,337,920	0.37	154,004,889(3)	24.68
M&A Investments International Limited	122,128,606	17.78	-	-	122,128,606	19.57	-	-
Dato' Thong Kok Yoon	42,508,641	6.19	30,240,035(4)	4.40	42,508,641	6.81	30,240,035(4)	4.85
Directors								
Y.A.M. Tengku Puteri Seri Kemala Pahang Tengku Hajjah Aishah bte Sultan Haji Ahmad Shah, DK(II), SIMP	119,600	0.02	-	-	119,600	0.02	-	-
Dato' Thong Kok Khee	2,337,920	0.34	154,004,889(3)	22.42	2,337,920	0.37	154,004,889(3)	24.68
Dato' Wong Gian Kui	387,920	0.06	1,031,680(5)	0.15	387,920	0.06	1,031,680(5)	0.17
Dr. Tan Seng Chuan	-	-	-	-	-	-	-	-
Ms. Soon Li Yen	-	-	-	-	-	-	-	-
Mr. Oh Seong Lye	-	-	-	-	-	-	-	-

Notes:-

(1) Calculated based on 686,911,581 Shares, after adjusting for 6,422,052 Shares already purchased and retained as Treasury Shares as at 25 October 2010.
(2) Assuming the Proposed Share Buy-Back are undertaken in full and the maximum of 69,333,363 Shares so purchased representing a maximum of ten percent (10%) of the issued and fully paid-up share capital of the Company as at 25 October 2010 are retained as Treasury Shares and/or cancelled.
(3) Deemed interest by virtue of his spouse's interest and substantial interest in M&A Investments International Limited, Immobillaire Holdings Sdn Bhd and Baktihan Sdn Bhd.
(4) Deemed interest by virtue of his spouse's interest in the Company, Titan Express Sdn Bhd, Perak Traders Holdings Sdn Bhd and Baktihan Sdn Bhd.
(5) Deemed interest by virtue of his spouse's interest in the Company.

5. IMPLICATION RELATING TO THE MALAYSIAN CODE ON TAKE-OVERS AND MERGERS 1998 ("CODE")

The direct and indirect shareholdings of Substantial Shareholders, namely Dato' Thong Kok Khee and Dato' Thong Kok Yoon and persons connected to them namely Datin Yeoh Kwee See and Datin Tan Few Teng, being their respective spouses and M&A Investments International Limited, Immobillaire Holdings Sdn Bhd and Baktihan Sdn Bhd (collectively "Major Shareholders") as at 25 October 2010 are approximately 30.24% of the issued and fully paid-up share capital of the Company after adjusting for 6,422,052 Shares already purchased and retained as Treasury Shares. In the event that the Proposed Share Buy-Back of up to approximately ten percent (10%) is carried out in full, their collective shareholdings in the Company will be increased to approximately 33.28% of the issued and fully paid-up share capital of the Company if the number of ordinary shares held by them remain unchanged.

Pursuant to the Code, a person who holds more than thirty three percent (33%) of the voting shares of the Company shall undertake a mandatory general offer for the remaining ordinary shares of the Company not already owned by the said person. Accordingly, if the Proposed Share Buy-Back is implemented in full, the Major Shareholders would therefore trigger a mandatory general offer pursuant to the Code.

As at the date hereof, the Company has yet to decide on the percentage of its own Shares to be purchased under the Proposed Share Buy-Back. However, the Company will ensure the number of Shares to be purchased under the Proposed Share Buy-Back will not result in the Major Shareholders holding collectively more than 33% of the voting shares in the Company thereby triggering a mandatory general offer.

6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST

Save for the proportionate increase in the percentage shareholdings and/or voting rights of all the shareholders in the Company as a consequence of the Proposed Share Buy-Back, none of the Directors and Substantial Shareholders and persons connected to them have any interest, directly or indirectly, in the Proposed Share Buy-Back and, if any, the resale of the Treasury Shares.

7. DIRECTORS' RECOMMENDATION

Your Directors are of the opinion that the Proposed Share Buy-Back is in the best interest of the Company and accordingly recommend that you vote in favour of the ordinary resolution to be tabled at the forthcoming Forty-Eighth Annual General Meeting.

8. FURTHER INFORMATION

Shareholders are requested to refer to the Company's Statements of Changes in Equity for the financial year ended 30 June 2010 and the Note 28 to the financial statements for further information on the purchases made by the Company of its own Shares during the aforesaid financial year.

Date : 29 November 2010

To : All Valued Shareholders of Insas Berhad

Dear Shareholders,

Re : Notice in Relation to Implementation of Electronic Dividend Payment (“eDividend”)

We are pleased to inform that Bursa Malaysia Berhad (“Bursa Malaysia”), has initiated an eDividend service which allows the payments of cash dividends by a listed issuer directly into shareholders’ respective bank accounts opened and maintained with Malaysia-based banks / Financial Institution.

One of the main objectives of implementing eDividend is to promote greater efficiency of the payment system which is aligned to the national agenda of migrating to electronic payment.

Please be informed that all listed issuers who make announcement on or after 1 September 2010 for a books closing date for cash dividend entitlements are required to pay cash dividend via eDividend to shareholders who have provided their bank account information to Bursa Malaysia Depository Sdn Bhd (“Bursa Depository”).

1. Benefits of eDividend

eDividend extends to all companies listed on Bursa Malaysia Securities Berhad (“listed issuers”) and provides, amongst others, faster access to your cash dividends, eliminates the inconvenience of having to deposit the dividend cheques and problems such as misplaced, lost or expired cheques, unauthorised deposit of dividend cheques and option to consolidate dividends from all your Central Depository System (“CDS”) accounts into one bank account for better account management.

2. Registration for eDividend

Registration for eDividend had commenced on 19 April 2010 for a period of 1 year until 18 April 2011, at no cost to the shareholders. If you register after 18 April 2011, an administrative charge will be imposed by Bursa Depository. To register for eDividend, you are required to provide to Bursa Depository through your stock broker, your bank account number and other information by completing the prescribed form. This form can be obtained from your stock broker’s office where your CDS account is maintained, or downloaded from Bursa Malaysia’s website at http://www.bursamalaysia.com.

To register for eDividend, you need to submit to your stock broker, the duly completed prescribed form together with the following documents: -

(a) Individual Depositor : Copy of identification documents i.e. NRIC, Passport, Authority Card or other acceptable identification documents. Original documents must be produced for verification.
Corporate Depositor : Certified true copy of the Certificate of Incorporation/Certificate of Registration; and

(b) Copy of your bank statement/ bank savings book/ details of your bank account obtained from your bank’s website, which has been certified by your bank or copy of the letter from your bank confirming your bank account particulars. For individuals, original documents must be produced for your stock broker’s verification. For corporate entities, a certified true copy is to be submitted.

If the CDS account is held in the name of a nominee, the nominee will register for eDividend.

If you are not able to be present at your stock broker’s office to submit the prescribed form and supporting documents, please ensure that the signing of the prescribed form and the supporting documents have been witnessed by an acceptable witness specified by Bursa Depository. In this regard, an acceptable witness includes an Authorised Officer of your stock broker, a Dealer’s Representative, a notary public and an Authorised Officer of the Malaysian Embassy/ High Commission.

3. Notification of eDividend payment after registration

In the prescribed form, you are encouraged to provide to Bursa Depository both your mobile phone number and e-mail address, so that once the cash dividend has been paid out of its account, the Company can issue electronic notification to you either via e-mail or sms at the Company’s discretion. Please note that if you provide only your mobile phone number, you may only be notified of the cash dividend payment when you receive your dividend warrant or tax vouchers.

4. **Additional information for shareholders**

Your savings or current account must be an active bank account maintained with a local bank under your name or, in the case of a joint account, has your name as one of the account holders. It must also be a bank account maintained with a financial institution that offers Malaysia Electronic Payment System Inter-Bank GIRO ("IBG") service. For an up-to-date IBG listing, you are advised to visit the website at http://www.meps.com.my/faq/interbank_giro.asp?id=2#answer.

Your bank account particulars and other related information is protected under the Securities Industry (Central Depositories) Act 1991 which strictly prohibits the disclosure of such information to any person unless you expressly authorise the disclosure in writing. For eDividend purposes, you will be authorising disclosure of your bank account particulars and other related information to persons necessary to facilitate the eDividend such as the Company, the share registrar and the appointed paying banks.

Once you have registered for eDividend, any cash dividend entitlement of which the books closure date is announced by the Company on or after 1 September 2010, shall be paid to you via eDividend.

If you have any query relating to eDividend, please do not hesitate to contact our Share Registrar:

Megapolitan Management Services Sdn Bhd
No. 45-5, The Boulevard,
Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur.
Tel: (603) 2284 8311
Fax: (603) 2282 4688
Email: insassec@insas.net

Thank you.

Yours faithfully,
For and on behalf of the Board
INSAS BERHAD

Y.A.M. TENGKU PUTERI SERI KEMALA PAHANG
TENGKU HAJJAH AISHAH BTE SULTAN
HAJI AHMAD SHAH, DK(II), SIMP
Chairperson / Independent Non-Executive Director

INSAS BERHAD
(Company No. 4081-M)

PROXY FORM

FORTY-EIGHTH ANNUAL GENERAL MEETING

Number of shares held

I/We ____

of ____

being a member/members of INSAS BERHAD hereby appoint Mr./Ms. ______________________

of ____

or failing him/her, the Chairperson of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the Forty-Eighth Annual General Meeting of the Company to be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Tuesday, 21st December 2010 at 12.00 noon or at any adjournment thereof in the manner indicated below :-

NO.	RESOLUTIONS	FOR	AGAINST
1.	To adopt the Audited Financial Statements for the year ended 30 June 2010 and the Reports of the Directors and Auditors thereon.		
2.	To approve the payment of Directors' fees of RM64,500-00 for the year ended 30 June 2010. To re-elect the following Directors retiring pursuant to Article 96 of the Company's Articles of Association: -		
3	Y.A.M. Tengku Puteri Seri Kemala Pahang Tengku Hajjah Aishah bte Sultan Haji Ahmad Shah, DK(II), SIMP		
4.	Dato' Thong Kok Khee		
5.	To re-appoint Messrs. SJ Grant Thornton as Auditors of the Company and to authorise the Directors to fix their remuneration.		
6.	To approve authority to the Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.		
7.	To approve the Proposed Renewal of authority to purchase its own shares by the Company.		
8.	To approve the Proposed Amendment to the Articles of Association of the Company.		

(Please indicate with an "X" in the space provided whether you wish your vote to be cast for or against the Resolution. In the absence of specific directions, your Proxy will vote or abstain as he thinks fit.)

As witness my hand this day of 2010.

Signature / Common Seal of Shareholder(s)

NOTES:

A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote in his stead. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 may appoint at least one (1) proxy in respect of each securities account. A proxy need not be a member of the Company. In the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of a duly authorised officer or attorney.

The instrument appointing a proxy must be deposited at the Company's Registered Office situated at No 45-5, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof.

fold this flap for sealing

then fold here

Affix Stamp

The Registrar

INSAS BERHAD (4081-M)
No. 45-5, The Boulevard
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia

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Suite 23.02 Level 23
The Gardens South Tower, Mid Valley City
Lingkaran Syed Putra, 59200 Kuala Lumpur
tel 03 22829311 fax 03 22848500