

General AnnouncementReference No **II-100920-67200**

Company Name : **INSAS BERHAD**
 Stock Name : **INSAS**
 Date Announced : **21/09/2010**

Type : **Announcement**
 Subject : **INSAS BERHAD (“INSAS” OR “COMPANY”)
 PROPOSED DISPOSAL OF SIMFONI BISTARI SDN BHD**

Contents : **1. INTRODUCTION**

The Board of Directors of Insas (“Board”) is pleased to announce that Insas Technology Berhad (“ITB”), a wholly-owned subsidiary company of Insas, had on 21 September 2010 entered into a sale and purchase agreement with Inari Berhad (“Inari”), a 42.43% associate company of ITB, for the proposed disposal of 2 ordinary shares of RM1.00 each representing 100% equity interest in Simfoni Bistari Sdn Bhd (“Simfoni”) for a total cash consideration of RM1,000,000 (“Proposed Disposal”).

2. DETAILS OF THE PROPOSED DISPOSAL**2.1 Proposed Disposal of Simfoni**

Pursuant to the terms of the sale and purchase agreement, Inari shall acquire 2 ordinary shares of RM1 each representing 100% equity interest in Simfoni from ITB 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 (“Advance”) in the following manner:

- (i) RM2.45 million via the issue and allotment of 7,000,000 new ordinary shares of RM0.10 each in Inari (“Inari Shares”) at the issue price of RM0.35 per Inari Share; and
- (ii) RM7.55 million payable over a period of 12 months subject to interest payment at the rate of 8% per annum on any outstanding Advance until the date of full repayment.

2.2 Information on Simfoni

Simfoni was incorporated in Malaysia on 18 February 2003 as a private limited company under the Companies Act 1965. The authorised share capital of Simfoni is RM100,000 comprising 100,000 ordinary shares of RM1 each, of which 2 ordinary shares of RM1 each are issued and fully paid-up. Simfoni is presently a wholly-owned subsidiary company of ITB. The principal activity of Simfoni is property investment holding and letting out of property.

Simfoni is the registered owner of a leasehold land erected thereon with a 3-

storey detached factory-cum-office building located at No. 51, Hilir Sungai Keluang 4, Bayan Lepas Free Industrial Zone Phase 4, 11900 Bayan Lepas, Penang (“the Property”). The total build up area of the office and factory building is approximately 6,119 square meters.

The Property is currently leased by Simfoni to Inari Technology Sdn Bhd (“Inari Technology”), a wholly owned subsidiary company of Inari.

2.3 Information on Inari

Inari was incorporated in Malaysia on 5 May 2010 as a public limited company under the Companies Act, 1965. As at the date of this announcement, Inari has an authorised share capital of RM50,000,000 comprising 500,000,000 ordinary shares of RM0.10 each, of which 241,608,700 ordinary shares of RM0.10 each have been issued and fully paid-up. Inari is presently a 42.43% associate company of ITB. The principal activity of Inari is investment holding.

Inari has a wholly owned subsidiary, Inari Technology, which is principally involved in the production of wireless microwave telecommunication products, wireless broadcast cards and provision of electronic manufacturing services.

It is the intention of Inari to undertake an initial public offering (“IPO”), listing and quotation of its shares on the ACE Market of Bursa Malaysia Securities Berhad.

2.4 Basis of arriving at the disposal consideration

The disposal consideration of RM1,000,000 was arrived at on a willing-buyer willing-seller basis after taking into consideration, inter-alia, the audited net tangible assets of Simfoni of RM0.26 million as at 31 March 2010 and the market value of the Property of RM11.7 million based on independent valuation carried out by Messrs Henry Butcher, an independent registered valuer on 4 June 2010.

2.5 Basis of determining the issue price of Inari Share

The issue price of RM0.35 for the 7,000,000 new Inari Shares to be issued by Inari to ITB is based on the indicative price per Inari Share under the proposed IPO. The new Inari Shares to be issued pursuant to the Proposed Disposal shall, upon allotment and issue, rank pari passu in all respects with the existing Inari Shares.

3. RATIONALE FOR THE PROPOSED DISPOSAL

The Proposed Disposal is to streamline the corporate structure of Inari to facilitate the proposed IPO, listing and quotation of Inari Shares on the ACE Market of Bursa Securities.

4. EFFECTS OF THE PROPOSED DISPOSAL

4.1 Share capital and substantial shareholders

The Proposed Disposal will not have any effect on the issued and paid-up share capital and the shareholdings of the substantial shareholders of Insas.

4.2 Earnings, net assets and gearing

The Proposed Disposal is expected to result in a gain on disposal of RM0.74 million for Insas for the year ending 30 June 2011.

The Proposed Disposal is not expected to have any material effects on the future earnings, net assets and gearing position of Insas.

5. CONDITIONS OF THE PROPOSED DISPOSAL

The Proposed Disposal is not subject to the approval of the shareholders of Insas. The highest percentage ratio applicable to the Proposed Disposal pursuant to Paragraph 10.02(g) of the Main Market Lasting Requirements of Bursa Malaysia Securities Berhad is 1.42%.

6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

None of the Directors or major shareholders of Insas and any persons connected with them have any interest, direct or indirect in the Proposed Disposal.

7. DIRECTORS' STATEMENT

Having considered all aspects of the Proposed Disposal, the Directors of Insas are of the opinion that the Proposed Disposal are in the best interest of Insas.

8. OTHER MATTERS

Barring any unforeseen circumstances, the Proposed Disposal is expected to be completed during September 2010.

This announcement is dated 21 September 2010.

Announcement Details :