

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

26 November 2008

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

**UNAUDITED FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2008.**

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	FY 2009 Current financial quarter ended 30-Sep-08 RM'000	FY 2008 Preceding corresponding financial quarter ended 30-Sep-07 RM'000	FY 2009 Financial period ended 30-Sep-08 RM'000	FY 2008 Preceding financial period ended 30-Sep-07 RM'000
Revenue	59,659	58,188	59,659	58,188
Cost of sales	(44,025)	(37,321)	(44,025)	(37,321)
Administrative expenses	(1,772)	(3,609)	(1,772)	(3,609)
Other operating expenses	(19,693)	(12,919)	(19,693)	(12,919)
Other income	7,188	4,894	7,188	4,894
Finance costs (see Note 1)	(616)	(626)	(616)	(626)
Exceptional items (see Note 2)	213	(830)	213	(830)
Share of profit less losses of associate companies	659	1,691	659	1,691
Profit before taxation (see Note 3)	1,613	9,468	1,613	9,468
Taxation	(888)	(289)	(888)	(289)
Profit for the financial period	725	9,179	725	9,179
Attributable to :				
Equity holders of the Company	(825)	8,621	(825)	8,621
Minority interests	1,550	558	1,550	558
	725	9,179	725	9,179
Earnings/(loss) per share (in sen)				
- Basic	(0.14)	1.44	(0.14)	1.44
- Diluted	(0.12)	1.23	(0.12)	1.23

**Note 1**

The Finance costs exclude the 8% Irredeemable Convertible Unsecured Loan Stock ("ICULS") interest for the financial period ended 30 September 2008 of RM1,495,000 (2007 : RM2,092,000). In accordance with the provisions of FRS 132 : Financial Instruments : Disclosure and Presentation, the ICULS interest of RM1,495,000 is disclosed as a distribution of equity in the Statement of Changes in Equity.

**Note 2**

Exceptional items represent:-

	Quarter ended 30/9/2008 RM'000	Quarter ended 30/9/2007 RM'000	Period ended 30/9/2008 RM'000	Period ended 30/9/2007 RM'000
Gain on disposal of investment property	363	-	363	-
Allowance for diminution in value of quoted securities held for long term	(150)	(830)	(150)	(830)

**Note 3**

Included in Profit/(Loss) before taxation are the following items :-

	Quarter ended 30/9/2008 RM'000	Quarter ended 30/9/2007 RM'000	Period ended 30/9/2008 RM'000	Period ended 30/9/2007 RM'000
Allowance for diminution in value of quoted marketable securities	(7,976)	(753)	(7,976)	(753)
Gain on disposal of quoted securities	242	3,963	242	3,963
Unrealised exchange loss on translation of quoted securities held for long term	(836)	(356)	(836)	(356)

(The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2008 and the accompanying explanatory notes attached to the Interim Financial Statements)

**INSAS BERHAD**  
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**UNAUDITED FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2008.**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

	<b>As at 30/9/2008</b>	<b>As at preceding financial year ended 30/06/2008 (Audited)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	45,519	46,523
Investment properties	49,449	48,769
Prepaid land lease payments	579	583
Land held for development	37,576	37,576
Long term investments	57,823	58,703
Associate companies	19,146	19,254
Intangible assets	24,185	24,586
Deferred tax assets	3,992	3,992
	<u>238,269</u>	<u>239,986</u>
<b>Current Assets</b>		
Property development costs	35,156	30,543
Inventories	21,175	21,957
Trade receivables	190,963	204,549
Accrued billings	10,724	5,930
Other receivables, deposits and prepayments	35,665	34,803
Marketable securities	47,520	50,466
Tax recoverable	10,089	9,820
Deposits with licensed banks and financial institutions	387,093	376,775
Cash and bank balances	23,990	24,451
	<u>762,375</u>	<u>759,294</u>
Non-current assets classified as held for sale	15,008	16,753
	<u>777,383</u>	<u>776,047</u>
<b>TOTAL ASSETS</b>	<u>1,015,652</u>	<u>1,016,033</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Equity Holders of the Company</b>		
Share capital	618,966	618,966
Reserves	68,916	68,103
8% Irredeemable Convertible Unsecured Loan Stocks 1999/2009	74,367	79,043
Accumulated losses	(36,021)	(38,377)
	<u>726,228</u>	<u>727,735</u>
<b>Minority Interests</b>	<u>19,160</u>	<u>18,752</u>
<b>Total Equity</b>	<u>745,388</u>	<u>746,487</u>
<b>Non-current Liabilities</b>		
Hire purchase and finance lease payables	8,739	8,840
Long term loans and borrowings	2,304	4,930
Deferred tax liabilities	774	774
	<u>11,817</u>	<u>14,544</u>
<b>Current Liabilities</b>		
Trade payables	200,563	204,063
Progress billings	12,039	5,622
Other payables and accruals	32,240	32,895
Loans and borrowings	12,389	11,688
Tax payable	1,216	734
	<u>258,447</u>	<u>255,002</u>
<b>TOTAL LIABILITIES</b>	<u>270,264</u>	<u>269,546</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,015,652</u>	<u>1,016,033</u>
	(0)	
<b>Net assets per share (RM)*</b>	1.09	1.09

(The Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the financial year ended 30 June 2008 and the accompanying explanatory notes attached to the Interim Financial Statements)

\* Net assets per share attributable to equity holders of the Company is computed based on Total Shareholders' Funds (excluding ICULS and Minority Interests) divided by the total number of ordinary shares, net of shares bought back.

**INSAS BERHAD**  
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**UNAUDITED FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2008.**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2008.**

	< ----- Attributable to Equity Holders of the Company ----- >							Total	Minority interests	Total equity
	Share capital RM'000	Share premium RM'000	ICULS-equity component RM'000	Reserve fund RM'000	Exchange translation reserve RM'000	Treasury shares RM'000	Accumulated losses RM'000			
<b>Period ended 30 September 2008</b>										
As at 1 July 2008	618,966	66,394	79,043	1,200	10,641	(10,132)	(38,377)	727,735	18,752	746,487
Gain on cancellation of ICULS	-	-	(4,676)	-	-	-	4,676	-	-	-
Currency translation differences	-	-	-	-	813	-	-	813	28	841
Distribution to holders of ICULS	-	-	-	-	-	-	(1,495)	(1,495)	-	(1,495)
Repayment of advances received from minority shareholders	-	-	-	-	-	-	-	-	(1,470)	(1,470)
Subscription of preference shares in a subsidiary company by a minority shareholder	-	-	-	-	-	-	-	-	300	300
Net profit for the financial period	-	-	-	-	-	-	(825)	(825)	1,550	725
Balance as at 30 September 2008	<u>618,966</u>	<u>66,394</u>	<u>74,367</u>	<u>1,200</u>	<u>11,454</u>	<u>(10,132)</u>	<u>(36,021)</u>	<u>726,228</u>	<u>19,160</u>	<u>745,388</u> (0)
<b>Period ended 30 September 2007</b>										
As at 1 July 2007	618,966	66,394	103,768	1,200	8,860	(8,939)	(46,630)	743,619	12,107	755,726
Repurchase of shares	-	-	-	-	-	(150)	-	(150)	-	(150)
Currency translation differences	-	-	-	-	534	-	-	534	53	587
Distribution to holders of ICULS	-	-	-	-	-	-	(2,092)	(2,092)	-	(2,092)
Net profit for the financial period	-	-	-	-	-	-	8,621	8,621	558	9,179
Balance as at 30 September 2007	<u>618,966</u>	<u>66,394</u>	<u>103,768</u>	<u>1,200</u>	<u>9,394</u>	<u>(9,089)</u>	<u>(40,101)</u>	<u>750,532</u>	<u>12,718</u>	<u>763,250</u>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2008 and the accompanying explanatory notes attached to the Interim Financial Statements)

**INSAS BERHAD**  
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**UNAUDITED FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2008.**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2008.**

	Current financial period ended 30/9/2008	Preceding corresponding financial period ended 30/9/2007
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation	1,613	9,468
Adjustments for :		
Non-cash items	10,118	1,568
Finance costs	616	626
Interest income	(3,057)	(1,603)
Operating profit before working capital changes	9,290	10,059
Changes in working capital :-		
Net changes in current assets	(1,645)	168,551
Net changes in current liabilities	2,291	(74,695)
<b>Cash generated from operations</b>	9,936	103,915
Finance costs	(2,111)	(2,718)
Interest income	3,057	1,603
Tax (paid)/refunded	(545)	3,517
<b>Net cash generated from operating activities</b>	10,337	106,317
<b>Cash flows from investing activities</b>		
Subscription of shares in an associate company	-	(1,015)
Dividend received from associate companies	1,000	902
Purchase of property, plant and equipment	(644)	(864)
Payment on investment properties	-	(266)
Proceeds from disposal of property, plant and equipment	16	104
Proceeds from disposal of investment properties	1,716	5,300
Payment for intangible assets	(16)	-
Dividend received	925	554
<b>Net cash generated from investing activities</b>	2,997	4,715
<b>Cash flows from financing activities</b>		
Monies held in trust	(5,400)	6,948
Fixed deposits pledged	(100)	(62)
Net cash used in share buyback	-	(150)
Loan drawdown	4,155	-
Repayment of loans and borrowings	(5,855)	(3,436)
Repayment of hire purchase and finance lease payables	(927)	(305)
Repayment of advances received from minority shareholders	(1,470)	-
Subscription of redeemable convertible preference shares by minority shareholder in a subsidiary company	300	-
<b>Net cash (used in)/generated from financing activities</b>	(9,297)	2,995
<b>Net increase in cash and cash equivalents</b>	4,037	114,027
<b>Cash and cash equivalents at beginning of the period</b>	209,747	46,585
<b>Exchange differences</b>	546	224
<b>Cash and cash equivalents at end of the period</b>	214,330	160,836
<b>Cash and cash equivalents comprise of :-</b>		
Bank overdrafts	(2,519)	(2,105)
Cash and bank balances	20,971	14,795
Deposits with licensed banks and financial institutions	195,878	148,146
	214,330	160,836

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2008 and the accompanying explanatory notes attached to the Interim Financial Statements)

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**UNAUDITED FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2008.**

**NOTES TO THE UNAUDITED FINANCIAL REPORT.**

**A1. Basis of Preparation**

This set of financial report is unaudited and has been prepared in compliance with the reporting requirements outlined in the Financial Reporting Standard ("FRS") 134 : Interim Financial Reporting issued by the Malaysian Accounting Standards Board and Paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad. This report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2008.

The accounting policies and methods of computation and presentation adopted by the Group in this quarterly report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2008.

**A2. Declaration of Audit Qualification**

There was no qualified report issued by the auditors in the financial statements of the Group for the financial year ended 30 June 2008.

**A3. Seasonality and Cyclical of Interim Operations**

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

**A4. Exceptional / Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

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

**Recognised in the Income Statements**

	Individual Quarter ended	Quarter Quarter ended	Cumulative Period ended	Quarter Period ended
	30-September-2008	30-September-2007	30-September-2008	30-September-2007
	RM'000	RM'000	RM'000	RM'000
Gain on disposal of investment property	363	-	363	-
Gain on disposal of quoted securities	242	3,963	242	3,963
Allowance for diminution value of quoted securities	(8,126)	(1,583)	(8,126)	(1,583)
Unrealised exchange loss on translation of long term investment	(836)	(356)	(836)	(356)
Total	(8,357)	2,024	(8,357)	2,024

**Recognised directly in Equity**

	Individual Quarter ended	Quarter Quarter ended	Cumulative Period ended	Quarter Period ended
	30-September-2008	30-September-2007	30-September-2008	30-September-2007
	RM'000	RM'000	RM'000	RM'000
Gain on cancellation of ICULS	4,676	-	4,676	-
Total	4,676	-	4,676	-

**A5. Material changes in Estimates**

There is no material change in accounting estimates used in the preparation of the financial statements in the current financial quarter and current financial period as compared to the previous corresponding financial quarter and financial period.



#### **A9. Valuation of Property, Plant and Equipment**

The valuation of land and building held under property, plant and equipment has been brought forward without amendment from the annual financial statements of the Group for the financial year ended 30 June 2008.

#### **A10. Material Subsequent Events**

There were no material events subsequent to 30 September 2008 to the date of this report that have not been reflected in the financial statements for the current financial period.

#### **A11. Changes in the composition of the Group**

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

On 21 July 2008, the Company announced that Insas Technology Berhad, a wholly-owned subsidiary company, had on 21 July 2008 acquired two (2) ordinary shares representing 100% of the total issued and paid up share capital of Simfoni Bistari Sdn Bhd ("Simfoni"). Simfoni was incorporated on 18 February 2003 as a private limited company under the Companies Act, 1965. Simfoni is a dormant company and has not commenced operations since its incorporation.

#### **A12. Contingent Assets or Liabilities**

As at the date of this report, the Company has issued guarantees amounting to RM55,102,000 to financial institutions in respect of banking and credit facilities granted to its subsidiaries.

#### **A13. Commitments**

Contractual commitments not provided for in the financial statements as at 30 September 2008 are as follows :-

	<b>RM'000</b>
To acquire properties	2,109
To acquire property, plant and equipment	1,919
To acquire shares in a company	5,000
To acquire quoted shares to be held for trading	10,424
Committed land and development expenditure	300

#### **A14. Related Party Transactions**

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

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

#### **B1. Review of Performance**

##### **Current financial quarter against preceding year's corresponding financial quarter and financial period to date against preceding corresponding financial period**

The Group reported revenue of RM59.7 million and pre-tax profit of RM1.6 million in the current financial quarter ended 30 September 2008 as compared to revenue of RM58.2 million and pre-tax profit of RM9.5 million reported in the preceding year's corresponding financial quarter.

The lower pre-tax profit is primarily attributable to the prevailing poor market conditions wherein the Group has provided unrealised mark-to-market losses on quoted securities of RM8.1 million in the current financial quarter.

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

The Group reported revenue of RM59.7 million and pre-tax profit of RM1.6 million in the current financial quarter as compared with revenue of RM72.4 million and pre-tax profit of RM0.6 million in the immediate preceding financial quarter.

The lower revenue in the current financial quarter was mainly due to lower revenue registered by the investment trading division on the back of the weak market sentiment in the current financial quarter.

The higher pre-tax profit of RM1.6 million in the current financial quarter was mainly attributable to the higher contribution from the property development division and associate companies.

**B3. Prospects for the current financial year ending 30 June 2009**

The Board of Directors is of the view that the Group's revenue and operating performance for the current financial year will be dependant on the performance of the Bursa Malaysia and the global market conditions.

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

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

**B5. Taxation**

The taxation charge for the current financial quarter and for the financial period ended 30 September 2008 is as follows:-

	<b>Individual Quarter ended 30-September-2008 RM'000</b>	<b>Quarter Quarter ended 30-September-2007 RM'000</b>	<b>Cumulative Period ended 30-September-2008 RM'000</b>	<b>Quarter Period ended 30-September-2007 RM'000</b>
Taxation for the current financial quarter/period to date	888	526	888	526
Over provision in respect of prior financial quarter /period	-	(237)	-	(237)
	<hr/>	<hr/>	<hr/>	<hr/>
	888	289	888	289



## B5. Taxation (Con'd)

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

	Individual Quarter ended 30-September-2008 RM'000	Quarter Quarter ended 30-September-2007 RM'000	Cumulative Period ended 30-September-2008 RM'000	Quarter Period ended 30-September-2007 RM'000
Profit before taxation	1,613	9,468	1,613	9,468
Income tax at Malaysian statutory tax rate	403	2,462	403	2,462
<u>Tax effect in respect of :</u>				
Allowable expenses				
- ICULS interest paid taken direct to equity	(374)	(544)	(374)	(544)
Non-allowable expenses	1,491	402	1,491	402
Income not subject to tax	(333)	(1,680)	(333)	(1,680)
Effect of income subject to tax rate of 20% for small and medium size enterprises	24	(210)	24	(210)
Effect of different tax rates in other countries	220	(311)	220	(311)
Overseas tax paid for dividend income	98	11	98	11
Tax savings from utilisation of capital allowances	(11)	(50)	(11)	(50)
Tax savings from utilisation of tax losses	(960)	(498)	(960)	(498)
Deferred tax not recognised in the financial statements	330	944	330	944
Tax expenses for the financial quarter/period to date	888	526	888	526
Over provision in respect of prior financial quarter /period	-	(237)	-	(237)
	888	289	888	289

## B6. Profit/(Loss) on Sale of Unquoted Investments and Properties

The Group reported a gain of RM0.36 million (2007 : Nil) on the disposal of investment properties in the financial period ended 30 September 2008.

There were no disposal of unquoted investment for the current financial quarter and financial period ended 30 September 2008.

## B7. Quoted Securities

The particulars of purchases and disposals of quoted securities incurred by the Group excluding those of the stock broking subsidiaries for the financial period ended 30 September 2008 are as follows :-

(a) Total purchases and proceeds from disposals and gain/(loss) arising thereon for the financial period ended 30 September 2008:-

	RM'000
Total purchases	6,332
Total proceeds from disposal	1,570
Gain on disposal	242

**B7. Quoted Securities (Cont'd)**

(b) Investment in quoted securities as at 30 September 2008 are as follows :-

	<b>RM'000</b>
Total investments at cost	101,614
Total investments at carrying value/book value (after allowance for diminution in value)	75,565
Total investments at market value	76,517

**B8. Status of Corporate Proposal announced but not completed as at the date of this Report**

There is no corporate proposal that has been announced but not completed as at the date of this Report.

**B9. Group Borrowings and Debts Securities as at 30 September 2008.**

<b>Short Term Liabilities</b>	<b>In Foreign Currency '000</b>	<b>RM'000</b>
Secured Borrowings – in Ringgit		12,326
- in Singapore dollars	26	63
<b>Long Term Liabilities</b>		
Secured Borrowings – in Ringgit		2,304
		<hr/> 14,693 <hr/>

**B10. Off Balance Sheet Financial Instruments**

There were no financial instruments with off balance sheet risk at the date of this report.

**B11. Material Litigation**

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

**B12. Dividend**

The Directors do not recommend the payment of any dividend for the financial period ended 30 September 2008.

### B13. Earnings per share

#### (a) Basic earnings/(loss) per share

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

	<b>Individual</b>	<b>Quarter</b>	<b>Cumulative</b>	<b>Quarter</b>
	<b>Quarter ended</b>	<b>Quarter ended</b>	<b>Period ended</b>	<b>Period ended</b>
	<b>30-September-2008</b>	<b>30-September-2007</b>	<b>30-September-2008</b>	<b>30-September-2007</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Net profit/(loss) attributable to equity holders of the Company for the financial quarter and period to date (RM'000)	(825)	8,621	(825)	8,621
Weighted average number of ordinary shares in issue, after accounting for the effect of shares bought back during the financial period ('000)	596,572	598,313	596,572	598,313
Basic earnings/(loss) per share (Sen)	(0.14)	1.44	(0.14)	1.44

#### (b) Diluted earnings/(loss) per share

The diluted earnings/(loss) per ordinary share is calculated by dividing the net profit/(loss) attributable to equity holders of the Company for the financial quarter and period to date by the adjusted weighted average number of ordinary shares in issue during the financial quarter and period to date plus the weighted average number of ordinary shares which would be issued on the conversion of the 74,367,166 (30-September-2007 : 103,767,866) nominal amount of 8% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") into ordinary shares. The ICULS are deemed converted into ordinary shares at the beginning of the financial period.

	<b>Individual</b>	<b>Quarter</b>	<b>Cumulative</b>	<b>Quarter</b>
	<b>Quarter ended</b>	<b>Quarter ended</b>	<b>Period ended</b>	<b>Period ended</b>
	<b>30-September-2008</b>	<b>30-September-2007</b>	<b>30-September-2008</b>	<b>30-September-2007</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Net profit/(loss) attributable to equity holders of the Company for the financial quarter and period to date (RM'000)	(825)	8,621	(825)	8,621
Weighted average number of ordinary shares in issue, after accounting for the effect of shares bought back during the financial period ('000)	596,572	598,313	596,572	598,313
Adjusted for assumed conversion of ICULS ('000)	74,367	103,768	74,367	103,768
Adjusted number of ordinary shares in issue and issuable ('000)	670,939	702,081	670,939	702,081
Diluted earnings/(loss) per share (Sen)	(0.12)	1.23	(0.12)	1.23