

**INARI BERHAD**  
**(INCORPORATED IN MALAYSIA - COMPANY NO. 1000809-U)**  
**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 31 MARCH 2012**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/3/2012	QUARTER ENDED 31/3/2011	YEAR TO DATE 31/3/2012	YEAR TO DATE 31/3/2011
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	43,838	35,826	138,976	76,962
<b>Cost of sales</b>	<u>(34,564)</u>	<u>(28,175)</u>	<u>(109,985)</u>	<u>(59,834)</u>
<b>Gross Profit</b>	9,274	7,651	28,991	17,128
<b>Other operating income</b>	104	4	562	7,515
<b>Administrative expenses</b>	(4,797)	(4,335)	(12,759)	(8,828)
<b>Other operating and distribution expenses</b>	-	-	-	(25)
<b>Operating Profit</b>	<u>4,581</u>	<u>3,320</u>	<u>16,794</u>	<u>15,790</u>
<b>Finance costs</b>	<u>148</u>	<u>(275)</u>	<u>(335)</u>	<u>(566)</u>
<b>Profit before taxation</b>	4,729	3,045	16,459	15,224
<b>Taxation</b>	(720)	(411)	(2,304)	(574)
<b>Profit for the period, representing total comprehensive income for the period</b>	<u>4,009</u>	<u>2,634</u>	<u>14,155</u>	<u>14,650</u>
<b>Profit attributable to:</b>				
<b>Owners of the Parent</b>	4,259	2,634	14,405	14,650
<b>Non-controlling interest</b>	<u>(250)</u>	<u>-</u>	<u>(250)</u>	<u>-</u>
<b>Profit for the period</b>	<u>4,009</u>	<u>2,634</u>	<u>14,155</u>	<u>14,650</u>
<b>Earnings per share attributable to owners of the parent (sen) Basic / Diluted</b>	1.30	1.82	4.40	10.11

**Notes:**

- (1) The condensed consolidated statements of comprehensive income are prepared based on the consolidated results of Inari Berhad ("Inari") and its subsidiaries for the third quarter ended 31 March 2012.
- (2) Basic and diluted earnings per share for the quarter and cumulative financial period is calculated based on the profit for the period divided by the weighted average number of ordinary shares in issue for the quarter and financial period respectively.
- (3) The condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to the interim financial report and the annual report for the period ended 30 June 2011.

**INARI BERHAD**  
**(INCORPORATED IN MALAYSIA - COMPANY NO. 1000809-U)**  
**NOTES TO CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 31 MARCH 2012**

	Individual Quarter Ended		Cumulative Period Ended	
	<u>31/3/2012</u> RM'000	<u>31/3/2011</u> RM'000	<u>31/3/2012</u> RM'000	<u>31/3/2011</u> RM'000
The following items have been included in arriving at profit before tax: -				
Depreciation of plant and equipment	3,162	3,308	10,508	6,548
Provision for and write off inventories	(170)	44	56	(150)
Loss on disposal of properties, plant & equipment	38	-	38	-
Property, plant and equipment written off	-	1	-	1
<u>(Gain) / loss on foreign exchange translation</u>				
- Realised	879	503	(797)	1,350
- Unrealised	150	565	570	379
<u>Interest (income) / expenses</u>				
- Interest expenses	252	276	735	566
- Reversal of provision for dividend of RCPS A	(400)	-	(400)	-
- Interest income	(104)	(4)	(335)	(10)
	<u>3,806</u>	<u>4,692</u>	<u>10,374</u>	<u>8,683</u>

The is no income/expenses in relation to the below items: -

- Bad debts written off;
- Investment income;
- Impairment of assets;
- (Gain) / loss on derivatives;
- (Gain) / loss on disposal of quoted or unquoted investment;
- Provision for doubtful debts;
- Exceptional items (Otherwise disclosed).

**INARI BERHAD**  
**(INCORPORATED IN MALAYSIA - COMPANY NO. 1000809-U)**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2012**

	Unaudited As at 31 March 2012 RM'000	Audited As at 30 June 2011 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	41,979	44,972
Goodwill on combination	3,346	-
Deferred tax assets	954	954
	<u>46,279</u>	<u>45,926</u>
<b>Current assets</b>		
Inventories	24,397	18,078
Trade and other receivables	18,942	22,510
Tax recoverable	2	63
Cash and bank balances	44,059	15,395
	<u>87,400</u>	<u>56,046</u>
<b>TOTAL ASSETS</b>	<u>133,679</u>	<u>101,972</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	33,161	24,861
Share premium	24,078	1,750
Retained profits	25,206	18,759
<b>Equity attributable to owners of the Parent</b>	<u>82,445</u>	<u>45,370</u>
<b>Non-controlling interest</b>	(7)	-
<b>Total equity</b>	<u>82,438</u>	<u>45,370</u>
<b>Non-current liabilities</b>		
Borrowings	9,568	4,687
Other payables	1,981	-
Amount owing to director	278	-
Deferred tax liabilities	930	845
	<u>12,757</u>	<u>5,532</u>
<b>Current liabilities</b>		
Trade and others payables	33,640	49,171
Borrowings	4,426	1,899
Provision for taxation	418	-
	<u>38,484</u>	<u>51,070</u>
<b>Total liabilities</b>	<u>51,241</u>	<u>56,602</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>133,679</u>	<u>101,972</u>
<b>Net assets per share attributable to owners of the Parent (sen)</b>	24.86	18.25

**Notes:**

- (1) Based on the issued and paid-up share capital of 331,608,700 (248,608,700) ordinary shares of RM0.10 each for the financial period ended March 2012 (June 2011).
- (2) The condensed consolidated statements of financial position should be read in conjunction with the annual report for period ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial report.

**INARI BERHAD**  
**(INCORPORATED IN MALAYSIA - COMPANY NO. 1000809-U)**  
**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**AS AT 31 MARCH 2012**

	< ----- Attributable to Equity Holders of the Parent ----- >				Non- controlling interest (RM'000)	Total Equity (RM'000)
	Share Capital (RM'000)	Share Premium (RM'000)	Retained Profits (RM'000)	Total (RM'000)		
<b>At 1 July 2011</b>	24,861	1,750	18,759	45,370	-	45,370
Allotments	8,300	23,240	-	31,540	-	31,540
Listing expenses	-	(912)	-	(912)	-	(912)
Total comprehensive income for the period	-	-	14,406	14,406	(7)	14,399
Interim dividend – period ended 30 June 2011	-	-	(7,959)	(7,959)	-	(7,959)
<b>Balance at 31 March 2012</b>	<b>33,161</b>	<b>24,078</b>	<b>25,206</b>	<b>82,445</b>	<b>(7)</b>	<b>82,438</b>

	< ----- Attributable to Equity Holders of the Parent ----- >				Non- controlling interest (RM'000)	Total Equity (RM'000)
	Share Capital (RM'000)	Share Premium (RM'000)	Retained Profits (RM'000)	Total (RM'000)		
<b>At 4 May 2010</b>	*	-	-	-	-	-
Allotments	24,861	1,750	-	26,611	-	26,611
Total comprehensive income for the period	-	-	14,649	14,649	-	14,649
<b>Balance at 31 March 2011</b>	<b>24,861</b>	<b>1,750</b>	<b>14,649</b>	<b>41,260</b>	<b>-</b>	<b>41,260</b>

**Notes:**

The condensed consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial report and the annual report for the period ended 30 June 2011.

**INARI BERHAD**  
**(INCORPORATED IN MALAYSIA - COMPANY NO. 1000809-U)**  
**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 31 MARCH 2012**

	<b>Cumulative Quarter 9 Months Ended 31/3/2012 RM'000</b>	<b>Cumulative Quarter 9 Months Ended 31/3/2011 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	16,459	15,224
Adjustment for :		
Allowance for slow moving inventories	56	(44)
Depreciation	10,508	6,548
Property, plant and equipment written off	-	1
Loss on disposal of property, plant & equipment	38	-
Gain arising on a bargain purchase	-	(7,504)
Interest income	(335)	(10)
Interest expense	335	566
Unrealised gain in foreign exchange	570	379
Operating profit before working capital	27,631	15,160
(Increase)/Decrease in inventories	(5,847)	72
Decrease/(Increase) in receivables	4,457	(2,719)
Decrease in payables	(17,815)	(4,114)
Cash generated from operations	8,426	8,399
Income tax paid	(1,741)	(1,445)
Interest received	335	10
Interest paid	(335)	(566)
Net cash from operating activities	6,685	6,398
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net cash outflow/(inflow) on acquisition of a subsidiary/subsidiaries	(990)	15,570
Proceeds from issuance of shares	30,628	-
Proceeds from disposal of property, plant and equipment	26	-
Purchase of property, plant and equipment	(6,889)	(5,066)
Net cash from investing activities	22,775	10,504
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(7,959)	-
Net changes in long term borrowings	4,881	(958)
Net changes in short term borrowings	2,527	(218)
Net cash used in financing activities	(551)	(1,176)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		
	28,909	15,726
Effect of exchange rate	(245)	(410)
CASH AND CASH EQUIVALENTS AT BEGINNING	15,395	-
CASH AND CASH EQUIVALENTS AT END	44,059	15,316
Represented by:		
Cash and bank balances	44,059	15,316

The condensed consolidated statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial report and the annual report for the period ended 30 June 2011.

**INARI BERHAD**  
**(INCORPORATED IN MALAYSIA – COMPANY NO. 1000809-U)**

**NOTES TO THE REPORT**

**Part A – Explanatory Notes Pursuant to Financial Reporting Standards (“FRS”) 134, Interim Financial Reporting**

**1. Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with FRS 134: Interim Financial Reporting and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The interim report should also be read in conjunction with the Group’s audited financial statements for the period ended 30 June 2011.

The accounting policies and presentation adopted for the interim financial report are consistent with those adopted for the annual financial statements for the period ended 30 June 2011.

The accounting policies and presentation adopted for the interim financial report are consistent with those adopted for the annual financial statements for the year ended 30 June 2011, except for the adoption of the following:

<b>Amendments/Improvements to FRSs</b>		<b>Effective date</b>
FRS 1	- Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters	1 January 2011
FRS 2	- Group Cash-settled Share-based Payment Transactions	1 January 2011
FRS 3	- Business Combinations	1 January 2011
FRS 7	- Improving Disclosures about Financial Instruments	1 January 2011
FRS 101	- Presentation of Financial Statements	1 January 2011
FRS 121	- The Effects of Changes in Foreign Exchange Rates	1 January 2011
FRS 128	- Investment in Associates	1 January 2011
FRS 131	- Investment in Joint Ventures	1 January 2011
FRS 132	- Financial Instruments : Presentation	1 January 2011
FRS 134	- Interim Financial Reporting	1 January 2011
FRS 139	- Financial Instruments : Recognition and Measurement	1 January 2011
<b>IC Int</b>		
IC Int 4	- Determining Whether an Arrangement contains a Lease	1 January 2011
IC Int 18	- Transfers of Assets from Customers	1 January 2011
IC Int 19	- Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
<b>Amendments to IC Int</b>		
IC Int 13	- Customer Loyalty Programmes	1 January 2011
IC Int 14	- Prepayments of a Minimum Funding Requirement	1 July 2011

The adoption of these revised FRSs, amendments/improvements to FRS, IC Int and amendments to IC Int did not have any material impact on the current quarter financial statements.

## **2. Auditors' Report on Preceding Annual Financial Statements**

The preceding annual financial statements of the Group were not subject to any qualification.

## **3. Comments About Seasonal or Cyclical Factors**

The Group's present earnings base is not subject to any material seasonal or cyclical changes.

## **4. Unusual Items Due to their Nature, Size or Incidence**

There were no items of unusual nature, size, or incidence which affect assets, liabilities, equity, net income or cash flow which affect assets, liabilities, equity, net income or cash flows of the Group during the current quarter under review.

## **5. Changes in Estimates**

There were no changes in the estimates of amounts which give a material effect in the current quarter under review.

## **6. Debt and Equity Securities**

There were no issuance and repayment of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares during the quarter under review.

## **7. Dividend Paid**

In respect of the financial year ended 30 June 2012, the Company: -

- i. on 26 March 2012, declared the second single tier interim dividend of 0.6 sen per ordinary share of RM0.10 each amounting to RM2.0 million, and was paid on 30 April 2012;
- ii. on 24 November 2011, declared the first single tier interim dividend of 0.6 sen per ordinary share of RM0.10 each amounting to RM2.0 million, and was paid on 17 January 2012.

In respect of the financial year ended 30 June 2011, the Company: -

- i. on 14 July 2011, declared the first single tier interim dividend of 1.8 sen per ordinary share of RM0.10 each amounting to RM5.97 million, and was paid on 7 September 2011.

## 8. Segmental Information

### Business segments

The Group has only one reportable business segment that is its manufacturing of electronic products segment. As such, no operating segment information is prepared.

### Geographical information

Revenue information based on the geographical location of customers are as follows: -

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 31/3/2012 RM'000	Quarter Ended 31/3/2011 RM'000	Year to date 31/3/2012 RM'000	Year To date 31/3/2011 RM'000
Malaysia	1,421	478	4,149	1,108
Singapore	42,417	35,348	134,827	75,854
	<u>43,838</u>	<u>35,826</u>	<u>138,976</u>	<u>76,962</u>

The Group's non-current assets are maintained entirely in Malaysia.

### Information of major customers

The Group has a customer which is also a substantial shareholder of the Company that contributed approximately RM137.5 million or 98.9% to the Group's total revenue for the 31 March 2012 respectively.

## 9. Valuation of Property, Plant and Equipment

There were no revaluations of property, plant and equipment in the current quarter under review.



## **10. Subsequent Events**

There were no material subsequent events to be disclosed as at the date of this report other than below events: -

Inari Technology Sdn Bhd (“Inari Technology”), a wholly-owned subsidiary of the Company, has on 16 April 2012 received a letter from the Malaysian Industrial Development Authority (“MIDA”) dated 6 April 2012 stating that the Malaysian Government has approved Inari Technology’s application for Pioneer Status Incentive for High Technology Industry under the Promotion of Investment Act 1986 of which Inari Technology will be granted full tax exemption from its statutory income for a period of five (5) years in relation to the production of miniature integrated front end module for wireless millimeter-wave devices. The said Pioneer Status Incentive for High Technology Industry is expected to take effect from the first quarter of Inari’s Financial Year 2013 and is subject to a qualifying process.

Bursa Malaysia Securities Berhad (“Bursa Securities”) had, vide its letter dated 18 May 2012, approved the listing of and quotation of up to 5,000,000 new ordinary shares of RM0.10 each in Inari Berhad representing up to 1.5% of the existing issued and paid-up share capital of Inari Berhad to be issued pursuant to the proposed private placement of up to 5,000,000 new ordinary shares of RM0.10 each to independent third party investor(s) to be identified.

## **11. Changes in the Composition of the Group**

The Company had on 15 December 2011 entered into a subscription agreement and a shareholders’ agreement with Ceedtec Sdn Bhd (“Ceedtec”) for acquisition of 51% equity interest in Ceedtec, comprising 1,999,200 ordinary shares of RM1.00 each for a cash consideration of RM3,598,560 (equivalent to RM1.80 per share). The acquisition was deemed complete on 6 January 2012 upon allotment of new ordinary shares in Ceedtec to the Company. Ceedtec is now a wholly owned subsidiary of the Company.

Save as disclosed above, there were no changes in the composition of the Group during the current quarter under review.

## **12. Contingent Liabilities and Contingent Assets**

There are no contingent liabilities or contingent assets as at the date of this report.

### **13. Capital Commitments**

Contractual commitments not provided for in the financial statements as at 31 March 2012 are as follows: -

	<b>RM'000</b>
Property, plant and equipment	<u>23,785</u>

### **14. Significant Related Party Transactions**

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

## **Part B – Additional Information as Required By the ACE Market Listing Requirement of Bursa Securities**

### **1. Review of Performance and Variation of Results against Preceding Quarter**

#### *Comparison with the corresponding period in the previous year*

The Group recorded total revenue of RM43.8 million for the current quarter under review and which represents an increase of approximately 22.4% from total revenue for the corresponding quarter in the previous year of RM35.8 million. The higher revenue was mainly attributable to increased trading volume. Accordingly, the Group's profit before tax of RM4.7 million for the three months ended 31.3.2012 was higher by 55.4% as compared to the Group's profit before tax of RM3.0 million for three months ended 31.3.2011. The higher profit before tax for three months ended 31.3.2011 was mainly attributed to higher trading revenue, favorable foreign exchange rates and favorable gold prices for the three months ended 31.3.2011. As a result, the Group's profit after tax of RM4.0 million for the quarter under review was about 52.2% higher than the Group's profit after tax of RM2.6 million for the corresponding quarter of the preceding year.

#### *Comparison with the preceding quarter*

The Group's total revenue of RM43.8 million for the three months ended 31.3.2012 was 6.3% lower than the Group's total revenue of RM46.8 million for the preceding quarter due lower quarter-to-quarter trading volume. The Group's profit before tax decreased by 32.8% to RM4.7 million for the current quarter as compared to the Group's profit before tax of RM7.0 million for the preceding quarter largely as a result of the lower trading volume. Consequently, the Group recorded a lower profit after tax of RM4.0 million, a 35.2% decrease from the Group's profit after tax of RM6.2 million for the preceding quarter.

#### *Financial Period to Date*

The Group's financial performance for the nine months ended 31.3.2012 is not comparable to its performance for the corresponding period ended 31.3.2011 as Inari Berhad was incorporated on 5 May 2010 and commenced business on 20 September 2010.

## 2. Commentary on Prospects

The Board expects the Group to remain profitable for the coming quarter arising from sustained demand for smartphones and tablet computers globally. However, the implementation of economic austerity measures in a number of European nations, persistently high unemployment in key developed nations coupled with moderating economic growth in emerging economies such as China and India, continue to be notable risks factors hampering global economic growth. These risk factors also contribute to foreign exchange volatility which also impacts the Group's financial performance.

## 3. Profit Forecast and Profit Guarantee

The Group did not issue any profit forecast or profit guarantee previously in any public document.

## 4. Taxation

The taxation charges for the current financial quarter and the cumulative financial period ended 31 March 2012 are as follows: -

	<b>Individual Quarter ended</b>		<b>Cumulative Period ended</b>	
	<b>31/3/2012</b>	<b>31/3/2011</b>	<b>31/3/2012</b>	<b>31/3/2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
In respect of current period: -				
- Current tax	(673)	(419)	(2,241)	(1,197)
- Deferred tax	(69)	8	(85)	648
	<u>(742)</u>	<u>(411)</u>	<u>(2,326)</u>	<u>(549)</u>
(Under) / over provision in prior year: -				
- Current tax	22	0	22	0
- Deferred tax	0	0	0	(25)
	<u>(720)</u>	<u>(411)</u>	<u>(2,304)</u>	<u>(574)</u>

The effective tax rate of the Group for the current financial quarter and the cumulative financial period ended 31 March 2012 is lower than the Malaysian corporate statutory tax rate of 25% as one of the Group's subsidiaries has been granted pioneer status for certain products and accordingly statutory income derived from these pioneer products is exempted from income tax.

## 5. Sale of Unquoted Investments and Properties

There was no sale of unquoted investment and properties during the current financial quarter.

## 6. Purchase or Sale of Quoted Securities

There were no purchases or sales of quoted securities during the current financial quarter.

## 7. Status of Corporate Proposals as at 25 May 2012

The Company has received proceeds of RM31.54 million from the public issue of 83,000,000 shares at the issue price of RM0.38 per ordinary share, and the proceeds has been utilised in the following manner as at 25 May 2012: -

Purpose	Proposed Utilisation	Actual Utilisation
	RM'000	RM'000
Purchase of property, plant and equipment	17,500	196
Working Capital	*12,040	8,627
Payment of listing expenses	2,000	2,000
Total	<u>31,540</u>	<u>10,823</u>

Note:

\* Comprising the following: -

Purpose	Proposed Utilisation
	RM'000
Repayment of the remaining Debt Settlement	7,550
Working Capital	4,490
Total	<u>12,040</u>

On 15 March 2012, M&A Securities Sdn Bhd announced that the Company proposed to implement a private placement of up to 5,000,000 new ordinary shares of RM0.10 each in Inari ("Inari Shares") to independent third party investor(s) to be identified ("Proposed Private Placement").

The Proposed Private Placement will involve the issuance of up to 5,000,000 new Inari Shares ("Placement Shares") to independent third party investor(s) to be identified. The 5,000,000 Placement Shares represent 1.5% of the existing issued and paid-up share capital of the Company.

The issue price of the Placement Shares will be determined and fixed by the Board at a future date, after all relevant approvals have been obtained for the Proposed Private Placement. As such, the issue price of the Placement Shares has not yet been fixed.

## **7. Status of Corporate Proposals as at 25 May 2012 (Cont'd)**

The issue price shall not be at a discount of more than ten percent (10%) from the five (5) day weighted average market price of the Inari Shares immediately preceding the price-fixing date. In any case, the issue price of the Placement Shares will not be lower than the par value of the Inari Shares of RM0.10. The mechanism to determine the issue price of the Placement Shares is in accordance with market based principles.

On 14 May 2012, the Company submitted the additional listing application in relation to the Proposed Private Placement to Bursa Malaysia Securities Berhad ("Bursa Securities"). On 21 May 2012, the Company received the approval from Bursa Securities for the listing of and quotation for the Placement Shares on the ACE Market of Bursa Securities.

Barring any unforeseen circumstances, the Board expects the Proposed Private Placement to be completed by the second quarter of calendar year 2012.

On 9 January 2012, the Company entered into a Memorandum of Understanding ("MOU") with the existing shareholders of Amertron Inc (Global) Limited ("Amertron Global Shareholders"), represented by Richard Ta-Chung Wang ("Richard Wang") (Inari and Amertron Global Shareholders shall hereafter be collectively referred to as "Parties" and reference to "Party" shall mean Inari or Amertron Global Shareholders, as the case may be), to establish the intention of the Parties to enter into negotiations for the proposed acquisition of 100% equity interest in Amertron Inc (Global) Limited ("Amertron Global") by Inari upon the terms and conditions as stipulated in the MOU.

The key salient points of the MOU are as follows:

- a. Both Parties shall endeavor to negotiate in good faith the sale and purchase of 100% equity interest in Amertron Global which shall include its 100% owned subsidiaries, Amertron Incorporated and Amertron Technology (Kunshan) Co. Ltd.
- b. Inari shall commence due diligence audit including but not limited to legal, financial and business aspects of Amertron Global and its subsidiaries within seven (7) days after the signing of this MOU and shall endeavour to complete the due diligence review not later than sixty (60) days from the date of signing of the MOU
- c. Both parties shall do their utmost to execute definitive agreements within sixty days (60) days from the date of this MOU subject to such further extension as the Parties hereto may mutually agree in writing but limited to one extension and no more than an extension of 30 days.
- d. During the period from the date of the MOU until the execution of definitive agreements, or until the expiry of this MOU, the Amertron Global Shareholders agree not to enter into negotiations with any other party in relation to any proposed sale and purchase of Amertron Global.

## **7. Status of Corporate Proposals as at 25 May 2012 (Cont'd)**

- e. The Parties agree that the net purchase price for the 100% equity interest of Amertron Global, free from all liens, charges and encumbrances and inclusive of all interests, rights, benefits and entitlements attached thereto, shall be based on the audited net tangible asset ("NTA") value of Amertron Global Group ("Purchase Consideration") based on its latest audited financial statements. The indicative NTA value is US\$32.00 million based on the audited accounts of Amertron Global Group as at 30 June 2011. The final Purchase Consideration will be subject to verification and adjustments in the ensuing due diligence exercise and also subject to such adjustments arising from appreciation or impairment, as the case may be, of the Amertron Global Group's landed property assets.

On 9 March 2012, the Parties to the MOU mutually agreed to extend of the tenure of the MOU to 8 April 2012.

On 6 April 2012, the Parties to the MOU mutually agreed to further extend the tenure of the MOU to 1 July 2012 subject to the following salient points:

- (i) extension of time for Inari to complete any due diligence audit, including but not limited to legal, final and business aspect of Amertron Inc. (Global) Limited on or before 30 April 2012 or such extended date as the Parties may mutually decide; and
- (ii) based on the agreed terms and conditions of the Definitive Agreement to be agreed on or before 30 April 2012, the Parties shall sign the Definitive Agreement on or before 1 July 2012 or such extended date as the Parties may mutually decide, and failing which, the MOU shall be terminated accordingly.

All other terms of the MOU remain unchanged.

## **8. Group Borrowings and Debt Securities**

The Group's borrowings as at 31 March 2012 are disclosed as follows: -

	<b>RM'000</b>
<b>Short Term Borrowings</b>	
Secured Borrowings	4,426
<b>Long Term Borrowings</b>	
Secured Borrowings	9,568
	<hr/>
	13,994
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All borrowings are denominated in Ringgit Malaysia.

## 9. Disclosure pursuant to implementation of FRS 139: Recognition and Measurement

With the adoption of FRS 139 Financial Instruments: Recognition and Measurement, off balance sheet financial instruments are now recognised in the financial statements.

The Group does not have any contracts involving off balance sheet risk as at the end of the reporting period and the date of this Report.

## 10. Changes in Material Litigation

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

## 11. Dividend

- (a) On 29 May 2012, the Board declared a third single tier dividend of 0.8 sen per ordinary share of RM0.10 each in respect of the financial year ended 30 June 2012. The date of entitlement and payment date will be finalised and announced at a later date.

A second single tier interim dividend of 0.6 sen per ordinary share of RM0.10 each in respect of the financial year ended 30 June 2012 was paid on 30 April 2012.

An interim dividend of 0.6 sen per ordinary share of RM0.10 each in respect of the financial year ended 30 June 2012 was paid on 17 January 2012

A single tier interim dividend of 1.8 sen per ordinary share of RM 0.10 each in respect of the financial year ended 30 June 2011 was paid on 7 September 2011.

- (b) The total dividends paid in the financial year ended 30 June 2012 are: -

	<b>Net Per Share (sen)</b>
<u>First Interim Dividend</u>	
Single tier dividend	0.60
<u>Second Interim Dividend</u>	
Single tier dividend	0.60
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	<u><b>1.20</b></u>



## 12. Earnings Per Share

### (a) Basic earnings per share

The basic earnings per share for the current financial quarter and period to date have been calculated by dividing the net profit attributable to shareholders 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.

	Individual Quarter ended		Cumulative Period ended	
	31/3/2012 RM'000	31/3/2011 RM'000	31/3/2012 RM'000	31/3/2011 RM'000
Net profit attributable to shareholders of the Company for the financial quarter and period to date (RM'000)	4,259	2,634	14,405	14,650
Weighted average number of ordinary shares in issue ('000)	327,383	144,938	327,383	144,938
Basic earnings per share (sen)	1.30	1.82	4.40	10.11

### (b) Diluted earnings per share

Diluted earnings per share is not computed as there were no dilutive potential on the ordinary shares during the reporting periods.

## 13. Disclosures of realised and unrealised profit/losses

With the purpose of improving transparency, Bursa Malaysia Securities Berhad has on 25 March 2010, and subsequently on 20 December 2010, issued directives which require all listed corporations to disclose the breakdown of unappropriated profits or accumulated losses into realised and unrealised on group and company basis, as the case may be, in quarterly reports and annual audited financial statements.

The breakdown of unappropriated profits as at the reporting date has been prepared by the Directors in accordance with the directives from Bursa Malaysia Securities Berhad stated above and Guidance on Special Matter No. 1 – Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirement, as issued by the Malaysian Institute of Accountants.

### 13. Disclosures of realised and unrealised profit/losses (Con't)

The Group's retained profits as at 31 March 2012 is analysed as follow:-

	Cumulative Period ended	
	31/03/2012 RM'000	31/03/2011 RM'000
<u>Total retained profits of the Company and its subsidiaries</u>		
- Realised	40,310	5,314
- Unrealised	1,842	1,858
	<u>42,152</u>	<u>7,172</u>
Less: Consolidated adjustments	<u>(16,946)</u>	<u>7,476</u>
Total Group retained profits as per consolidated financial statements	<u>25,206</u>	<u>14,648</u>

Approved by:

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Dr. Tan Seng Chuan  
Managing Director