

INARI BERHAD
(INCORPORATED IN MALAYSIA - COMPANY NO. 1000809-U)
CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2012

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/9/2012	PRECEDING YEAR CORRESPONDING QUARTER 30/9/2011	CURRENT YEAR TO DATE 30/9/2012	PRECEDING YEAR CORRESPONDING PERIOD 30/9/2011
	RM'000	RM'000	RM'000	RM'000
Revenue	54,646	48,348	54,646	48,348
Cost of sales	<u>(38,837)</u>	<u>(38,633)</u>	<u>(38,837)</u>	<u>(38,633)</u>
Gross Profit	15,809	9,715	15,809	9,715
Other operating income	620	373	620	373
Administrative expenses	(6,059)	(5,135)	(6,059)	(5,135)
Operating Profit	<u>10,370</u>	<u>4,953</u>	<u>10,370</u>	<u>4,953</u>
Finance costs	<u>(212)</u>	<u>(254)</u>	<u>(212)</u>	<u>(254)</u>
Profit before taxation	10,158	4,699	10,158	4,699
Taxation	(2,773)	(740)	(2,773)	(740)
Profit for the period, representing total comprehensive income for the period	<u>7,385</u>	<u>3,959</u>	<u>7,385</u>	<u>3,959</u>
Profit for the period attributable to:				
Owners of the Parent	7,529	3,959	7,529	3,959
Non-controlling interests	<u>(144)</u>	<u>-</u>	<u>(144)</u>	<u>-</u>
	<u>7,385</u>	<u>3,959</u>	<u>7,385</u>	<u>3,959</u>
Earnings per share attributable to owners of the parent (sen)				
Basic	2.24	1.24	2.24	1.24
Diluted	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

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 first quarter ended 30 September 2012.
- (2) Basic 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 year respectively. There are no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the current quarter and financial period-to-date.
- (3) The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial report.

INARI BERHAD
(INCORPORATED IN MALAYSIA - COMPANY NO. 1000809-U)
NOTES TO CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2012

	Individual Quarter Ended		Cumulative Period Ended	
	<u>30/9/2012</u>	<u>30/9/2011</u>	<u>30/9/2012</u>	<u>30/9/2011</u>
	RM'000	RM'000	RM'000	RM'000
The following items have been included in arriving at profit before tax: -				
Allowance for slow moving inventories	1,511	158	1,511	158
Amortisation of development cost	16	-	16	-
Depreciation	3,361	3,644	3,361	3,644
Deferred income recognised	(360)	-	(360)	-
Loss on disposal of properties, plant & equipment	1	-	1	-
<u>(Gain) / loss on foreign exchange translation</u>				
- Realised	(129)	(10)	(129)	(10)
- Unrealised	871	(258)	871	(258)
<u>Interest (income) / expenses</u>				
- Interest expenses	212	254	212	254
- Interest income	(125)	(103)	(125)	(103)

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 30 SEPTEMBER 2012

	Unaudited As at 30 September 2012 RM'000	Audited As at 30 June 2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	59,770	54,814
Deferred tax assets	1,990	1,990
Development costs	1,647	1,098
Goodwill	3,338	3,338
	<u>66,745</u>	<u>61,240</u>
Current assets		
Inventories	24,012	22,175
Trade and other receivables	39,524	24,370
Tax recoverable	2	13
Short-term deposits with licensed banks	673	328
Cash and bank balances	33,371	40,462
	<u>97,582</u>	<u>87,348</u>
TOTAL ASSETS	<u>164,327</u>	<u>148,588</u>
EQUITY AND LIABILITIES		
Share capital	33,661	33,161
Share premium	25,278	24,078
Retained profits	33,574	26,045
Equity attributable to owners of the parent	<u>92,513</u>	<u>83,284</u>
Non-controlling interests	<u>1,812</u>	<u>(351)</u>
Total equity	<u>94,325</u>	<u>82,933</u>
Non-current liabilities		
Borrowings	7,242	8,414
Deferred tax liabilities	841	854
	<u>8,083</u>	<u>9,268</u>
Current liabilities		
Trade and others payables	52,913	48,337
Borrowings	4,578	4,501
Deferred income	2,218	896
Provision for taxation	2,210	-
Dividend Payable	-	2,653
	<u>61,919</u>	<u>56,387</u>
Total liabilities	<u>70,002</u>	<u>65,655</u>
TOTAL EQUITY AND LIABILITIES	<u>164,327</u>	<u>148,588</u>
Net assets per share attributable to owners of the Parent (sen)	28.02	25.01

Notes:

- (1) Based on the issued and paid-up share capital of 336,608,700 (331,608,700) ordinary shares of RM0.10 each for the financial period ended 30 September 2012 (June 2012).
- (2) The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for financial year ended 30 June 2012 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 30 SEPTEMBER 2012

	< ----- Attributable to Owners of the Parent ----- >					Total Equity (RM'000)
	Share Capital (RM'000)	Share Premium (RM'000)	Retained Profits (RM'000)	Total (RM'000)	Non- controlling interests (RM'000)	
At 1 July 2012	33,161	24,078	26,045	83,284	(351)	82,933
Allotments	500	1,200	-	1,700	-	1,700
RCPS issued by subsidiary not held by the parent	-	-	-	-	2,307	2,307
Total comprehensive income for the period	-	-	7,529	7,529	(144)	7,385
Interim dividend	-	-	-	-	-	-
At 30 September 2012	<u>33,661</u>	<u>25,278</u>	<u>33,574</u>	<u>92,513</u>	<u>1,812</u>	<u>94,325</u>

	< ----- Attributable to Owners of the Parent ----- >					Total Equity (RM'000)
	Share Capital (RM'000)	Share Premium (RM'000)	Retained Profits (RM'000)	Total (RM'000)	Non- controlling interests (RM'000)	
At 1 July 2011	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	-	-	3,959	3,959	-	3,959
Interim dividend – period ended 30 June 2011	-	-	(5,969)	(5,969)	-	(5,969)
At 30 September 2011	<u>33,161</u>	<u>24,078</u>	<u>16,749</u>	<u>73,988</u>	<u>-</u>	<u>73,988</u>

Notes:

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial report.

(INCORPORATED IN MALAYSIA - COMPANY NO. 1000809-U)
CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 SEPTEMBER 2012

	Cumulative Quarter 3 Months Ended 30/9/2012 RM'000	Cumulative Quarter 3 Months Ended 30/9/2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	10,158	4,699
Adjustment for :		
Allowance for slow moving inventories	1,511	158
Amortisation of development cost	16	-
Loss on disposal of property, plant & equipment	1	-
Deferred income recognized	(360)	-
Depreciation	3,361	3,644
Interest income	(125)	(103)
Interest expenses	212	254
Unrealised gain/(loss) on foreign exchange	871	(258)
Operating profit before working capital changes	<u>15,645</u>	<u>8,394</u>
Increase in inventories	(3,348)	(1,630)
Increase in receivables	(15,906)	(1,970)
Increase/(Decrease) in payables	<u>4,614</u>	<u>(4,264)</u>
Cash generated from operations	1,005	530
Income tax paid	(566)	(621)
Interest received	125	102
Interest paid	<u>(212)</u>	<u>(254)</u>
Net cash from/(used in) operating activities	352	(243)
CASH FLOW FROM INVESTING ACTIVITIES		
Development costs	(565)	-
Proceeds from RCPS issued by subsidiary	2,307	-
Proceeds from issuance of shares	1,700	30,628
Proceeds from disposal of property, plant and equipment	-	*
Purchase of property, plant and equipment	(8,317)	(3,923)
Net cash (used in)/from investing activities	(4,875)	26,705
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(2,653)	(5,969)
Proceeds from government grant	1,682	-
Repayment to shareholder	-	(7,550)
Net changes in long term borrowings	(1,172)	5,215
Net changes in short term borrowings	78	2,009
Net cash used in financing activities	<u>(2,065)</u>	<u>(6,295)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(6,588)	20,167
Effects of changes on foreign exchange rates	(158)	151
CASH AND CASH EQUIVALENTS AT BEGINNING	<u>40,790</u>	<u>15,395</u>
CASH AND CASH EQUIVALENTS AT END	<u><u>34,044</u></u>	<u><u>35,713</u></u>
Represented by:		
Short-term deposits with licensed banks	673	328
Cash and bank balances	<u>33,371</u>	<u>35,385</u>
	<u><u>34,044</u></u>	<u><u>35,713</u></u>

Notes:

* Less than RM1,000

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2012 and accompanying explanatory notes attached to the interim financial report.

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 statements of the Group are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30th June 2012.

The Group has adopted the MFRS framework issued by the MASB effective for annual periods commencing on or after 1 January 2012. This MFRS framework was introduced by the MASB in order to converge Malaysia's existing Financial Reporting Standards ("FRS") framework with the International Financial Reporting Standards ("IFRS") framework issued by the International Accounting Standards Board.

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 30th June 2012 except for the adoption of the new MFRS framework.

The Group has applied MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* in preparing the first MFRS framework interim financial report. In preparing this interim financial report, the Group's opening statement of financial position was prepared as at 1st July 2011 which is the Group's date of transition to MFRSs. The transition to the MFRS Framework did not have any material impact on the financial statements of the Group.

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 27 Aug 2012, declared the fourth single tier interim dividend of 0.8 sen per ordinary share of RM0.10 each amounting to RM2.69 million. On 9 October 2012, the Company further announced that the date of entitlement be fixed on 25 October 2012 and payment will be made on 22 November 2012.
- ii. on 16 June 2012, declared the third single tier interim dividend of 0.8 sen per ordinary share of RM0.10 each amounting to RM2.65 million, and was paid on 11 July 2012;
- iii. 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;
- iv. 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.

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 is as follows: -

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 30/9/2012	Quarter Ended 30/9/2011	Year to date 30/9/2012	Year To date 30/9/2011
	RM'000	RM'000	RM'000	RM'000
Malaysia	755	1,420	755	1,420
Singapore	53,891	46,928	53,891	46,928
	<u>54,646</u>	<u>48,348</u>	<u>54,646</u>	<u>48,348</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 RM53.9 million or 98.7% to the Group's total revenue for the 30 September 2012 respectively.

9. Valuation of Property, Plant and Equipment

No valuation exercise was carried out on the Group's property, plant and equipment in the current financial quarter.

10. Subsequent Events

There were no material events subsequent to the current financial period ended 30 September 2012 and up to the date of this report.

11. Changes in the Composition of the Group

- i. On 11 July 2012, the Company had acquired two (2) shares representing 100% of the total issued and paid-up share capital of Inari South Keytech Sdn Bhd (“ISK”) for a cash consideration of RM2.00 only. Subsequently, the Company had on 14 August 2012 subscribed for 249,998 new ordinary shares of RM1.00 each in ISK. As such, ISK has increased its paid up capital from RM2 to RM250,000.
- ii. On 13 July 2012, the Company issued 5,000,000 new ordinary shares of RM0.10 each to third party investors via a private placement exercise at an issue price of RM0.34 per share.
- iii. The Company had on 10 August 2012 subscribed for 2,410,500 redeemable convertible preference shares (“RCPS”) in its 51% subsidiary, Ceedtec Sdn Bhd, at RM1.00 each comprising a par value of RM0.01 and a share premium of RM0.99 for each RCPS for a cash consideration of RM2,410,500.

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 interim financial statements as at 30 September 2012 are as follows: -

	RM'000
Property, plant and equipment	<u>6,421</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 RM54.6 million for the current quarter under review and which represented an increase of approximately 13.0% from total revenue for the corresponding quarter in the previous year of RM48.3 million as a result of higher trading volumes from our customer. Arising from the higher revenue, the Group's gross profit accordingly increased by about 62.9% to RM15.8 million for the quarter ended 30 September 2012 as compared to a gross profit of RM9.7 million in the corresponding period in 2011. As the volume of goods produced increased, the Company enjoyed economies of scale that attributed to the increase in gross margin, included lower cost of materials purchased and higher US dollar exchange rate. Consequently, the Group's profit before tax increased by 117.0% at RM10.2 million for the period under review as compared to RM4.7 million for the corresponding quarter in 2011 due to improved product profit margins. Similarly, the Group's net profit after tax was 85.0% higher at RM7.4 million for the quarter ended 30 September 2012 as compared to a net profit after tax of RM4.0 million for the quarter ended 30 September 2011.

Comparison with the preceding quarter

The Group's total revenue of RM54.6 million for the quarter ended 30 September 2012 was higher than the preceding quarter's total revenue of RM41.8 million for the three months ended 30 June 2012 by approximately 30.6% higher due to the higher trading volume arising from the pick-up in demand from our customer. The higher trading volume provided the Group with economies of scale and higher US dollar exchange rate that improved the Group's gross margins. Consequently, the Group's profit before tax increased by 168.4% to RM10.2 million for the current quarter as compared to the Group's profit before tax of RM3.8 million for the preceding quarter. Accordingly, the Group recorded a higher profit after tax of RM7.4 million, which increased by 45.1% from the Group's profit after tax of RM5.1 million for the preceding quarter.

Financial Period to Date

The Group's financial performance for the three months ended 30 September 2012 is the same to its performance for the corresponding period ended 30 September 2011 as this is the first quarter under review for the financial year ending 30 June 2013.

2. Commentary on Prospects

The Board expects the Group to remain profitable for the current financial year 2013 arising from sustained demand for smartphones and tablet computers primarily due to price subsidization by carriers and increased familiarity with these consumer products.

However, anemic economic growth and fiscal weaknesses in Europe, persistently high unemployment in key developed nations coupled with moderating economic growth in emerging economies such as China and India and the escalation of armed rebellion and conflict in the middle eastern region continue to be key factors hampering overall global economic growth. These factors also contribute to foreign exchange volatility which also impacts the Group's financial performance.

The Group is also expecting positive contributions from its subsidiary involved in the production of test and measurement equipment in the financial year 2013 arising from the forecasted increase in trading volume by the said subsidiary.

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 30 September 2012 are as follows: -

	Individual Quarter ended		Cumulative Period ended	
	30/9/2012	30/9/2011	30/9/2012	30/9/2011
	RM'000	RM'000	RM'000	RM'000
In respect of current period: -				
- Current tax	(2,786)	(725)	(2,786)	(725)
- Deferred tax	13	(15)	13	(15)
	<u>(2,773)</u>	<u>(740)</u>	<u>(2,773)</u>	<u>(740)</u>
(Under) / over provision in prior year: -				
- Current tax	-	-	-	-
- Deferred tax	-	-	-	-
	<u>(2,773)</u>	<u>(740)</u>	<u>(2,773)</u>	<u>(740)</u>

The effective tax rate of the Group for the current financial quarter and the cumulative financial period ended 30 September 2012 is higher than the statutory tax rate of 25% mainly due to non-deductible expenses for tax purpose.

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 Utilization of Proceeds

On 13 July 2012, the Company received proceeds of RM1.7 million from the private placement of 5.0 million new ordinary shares of RM0.10 each at an issue price of RM0.34 per share. The proceeds has been utilized in the following manners as at 9 Nov 2012: -

Purpose	Proposed Utilisation	Actual Utilisation
	RM'000	RM'000
Working Capital	1,700	1,700

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 9 Nov 2012: -

Purpose	Proposed Utilisation	Actual Utilisation
	RM'000	RM'000
Purchase of property, plant and equipment	17,500	196
Working Capital	*12,040	12,040
Payment of listing expenses	2,000	2,000
Total	31,540	14,236

Note:

* Comprising the following: -

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

8. Status of Corporate Proposals

- a. On 6 July 2012, Simfoni Bistari Sdn Bhd, a wholly-owned subsidiary of Inari Berhad (“**Inari**” or “**the Company**”), had on the same date, entered into a sale and purchase agreement with Perpetual Link Sdn Bhd for the proposed acquisition of a leasehold industrial property held under Hakmilik Sementara No. H.S. (D) 335244 (formerly known as No. H.S. (D) 370491), No. PTD 86567, Mukim Senai (formerly known as Mukim Senai-Kulai), Daerah Kulaijaya (formerly known as Daerah Johor Bahru), Negeri Johor with a single storey detached factory erected thereon and bearing the postal address of PLO 163 Jalan Cyber Utama, Taman Perindustrian Senai III, 81400 Senai, Johor Darul Takzim (“**the Industrial Property**”) for a purchase price of RM5,430,000.

The proposed acquisition of the Industrial Property is expected to be completed in the second half of 2012.

- b. On 23 July 2012, the Company announced the following transaction and proposals:
- (i) Inari International Limited (“**Inari International**”), a wholly-owned subsidiary of the Company, had on 23 July 2012 entered into a conditional sale and purchase agreement with the vendors of Amertron Inc (Global) Limited (“**Amertron Global**”), namely Wang Stanley Ta-Chuang, Richard Ta-Chung Wang, John Montgomery Lynch and Soong, Wang Hsiao-Lee (collectively, the “**Vendors**”) for the proposed acquisition of 100% equity interest in Amertron Global, comprising 23,732,859 ordinary shares of USD1.00 each in Amertron Global for a total purchase consideration of USD32,000,000 (equivalent to RM101,760,000) subject to adjustment (“**Proposed Acquisition**”) to be satisfied by a combination of cash and shares in Inari;
 - (ii) Proposed rights issue of 84,152,175 new ordinary shares of RM0.10 each in Inari (“**Inari Shares**” or “**Shares**”) (“**Rights Shares**”) on the basis of one (1) Right Share for every four (4) Inari Shares held together with 168,304,350 free warrants (“**Warrants**”) on the basis of two (2) Warrants for every one (1) Rights Share subscribed to partly fund the cash portion of the Proposed Acquisition;
 - (iii) Proposed issuance of up to 24,819,512 new Inari Shares to the Vendors as part payment for the Proposed Acquisition (“**Proposed Issuance of New Shares**”);
 - (iv) Proposed issuance of 11,520,000 new redeemable preference shares of USD0.01 each in Inari International (“**RPS**”) at an indicative issue price of USD1.00 per RPS together with 34,560,000 free Warrants on the basis of three (3) free Warrants for every RPS subscribed by third party investors to be identified to partly fund the cash portion of the Proposed Acquisition;

8. Status of Corporate Proposals (Cont'd)

- (v) Proposed variation to the utilisation of listing proceeds from the Company's Initial Public Offering completed on 19 July 2011 to partly fund the cash portion of the Proposed Acquisition;
- (vi) Proposed increase in the authorised share capital of the Company from RM50,000,000 comprising 500,000,000 Inari Shares to RM100,000,000 comprising 1,000,000,000 Inari Shares ("**Proposed IASC**"); and
- (vii) Proposed amendments to the Articles of Association of the Company for the Proposed IASC.

The above proposals are subject to and conditional upon approvals from, amongst others, the following parties:

- (i) Bursa Malaysia Securities Berhad ("**Bursa Securities**"), for the listing of and quotation for the following on the ACE Market of Bursa Securities:
 - (a) the Rights Shares to be issued;
 - (b) the new Inari Shares to be issued pursuant to the Proposed Issuance of New Shares;
 - (c) the Warrants; and
 - (d) the new Shares to be issued pursuant to the exercise of the Warrants.
- (ii) The shareholders of Inari at an extraordinary general meeting to be convened;
- (iii) Bank Negara Malaysia for the issuance of Warrants to non-resident shareholders; and
- (iv) Other relevant parties/authorities, if required.

Barring any unforeseen circumstances, the Proposals are expected to be completed within nine (9) months from 23 July 2012.

There are no other corporate proposals announced but not completed as at the date of this announcement.

9. Group Borrowings and Debt Securities

The Group's borrowings as at 30 September 2012 were as follows: -

	Short Term RM'000	Long Term RM'000	Total RM'000
Term loans	4,197	6,983	11,180
Finance lease liabilities	381	259	640
Total Borrowings (secured)	4,578	7,242	11,820

All borrowings are denominated in Ringgit Malaysia.

10. 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.

11. 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.

12. Dividend

- (a) The directors had declared a first single tier dividend of 0.80 sen per ordinary share of RM0.10 each in respect of the financial year ended 30 June 2013. The dividend will be paid on 16 January 2013.
- (b) The total dividend for the financial year ended 30 June 2012: -

	Net Per Share (sen)
<u>First Interim Dividend</u>	
Single tier dividend	0.60
<u>Second Interim Dividend</u>	
Single tier dividend	0.60
<u>Third Interim Dividend</u>	
Single tier dividend	0.80
<u>Fourth Interim Dividend</u>	
Single tier dividend	0.80

	<u>2.80</u>

13. 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	
	30/9/2012 RM'000	30/9/2011 RM'000	30/9/2012 RM'000	30/9/2011 RM'000
Net profit attributable to shareholders of the Company for the financial quarter and period to date (RM'000)	7,529	3,959	7,529	3,959
Weighted average number of ordinary shares in issue ('000)	335,956	318,978	335,956	318,978
Basic earnings per share (sen)	2.24	1.24	2.24	1.24

(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 period.

14. 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.

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

The Group's retained profits as at 30 September 2012 is analysed as follow:-

	Cumulative Period ended	
	30/09/2012	30/09/2011
	RM'000	RM'000
<u>Total retained profits of the Company and its subsidiaries</u>		
- Realised	42,972	26,340
- Unrealised	(5,719)	1,465
	<hr/>	<hr/>
	37,253	27,805
Less: Consolidated adjustments	(3,679)	(11,056)
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Total Group retained profits as per consolidated financial statements	33,574	16,749