

**INARI BERHAD**  
**(INCORPORATED IN MALAYSIA - COMPANY NO. 1000809-U)**  
**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 31 MARCH 2013**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/3/2013 <u>RM'000</u>	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2012 <u>RM'000</u>	CURRENT YEAR TO DATE 31/3/2013 <u>RM'000</u>	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2012 <u>RM'000</u>
Revenue	56,776	43,838	173,479	138,976
Cost of sales	<u>(43,468)</u>	<u>(34,564)</u>	<u>(126,459)</u>	<u>(109,985)</u>
Gross Profit	13,308	9,274	47,020	28,991
Other operating income	232	104	1,060	562
Administrative expenses	(4,982)	(4,797)	(17,690)	(12,759)
Operating Profit	<u>8,558</u>	<u>4,581</u>	<u>30,390</u>	<u>16,794</u>
Finance costs	<u>(234)</u>	<u>148</u>	<u>(638)</u>	<u>(335)</u>
Profit before taxation	8,324	4,729	29,752	16,459
Taxation	4,113	(720)	(1,277)	(2,304)
Profit for the period, representing total comprehensive income for the period	<u>12,437</u>	<u>4,009</u>	<u>28,475</u>	<u>14,155</u>
Profit for the period attributable to:				
Owners of the Parent	12,388	4,259	28,898	14,405
Non-controlling interests	<u>49</u>	<u>(250)</u>	<u>(423)</u>	<u>(250)</u>
	<u>12,437</u>	<u>4,009</u>	<u>28,475</u>	<u>14,155</u>
Earnings per share attributable to owners of the parent (sen)				
Basic	3.68	1.30	8.59	4.40
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 current quarter ended 31 March 2013.
- (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 31 MARCH 2013**

	Individual Quarter Ended		Cumulative Period Ended	
	<u>31/3/2013</u>	<u>31/3/2012</u>	<u>31/3/2013</u>	<u>31/3/2012</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	5,364	(170)	5,016	56
Stock losses	2,120	-	2,120	-
Reversal of provision of inventory loss	(2,300)	-	-	-
Amortisation of development cost	16	-	49	-
Depreciation	3,890	3,162	10,662	10,508
Deferred income recognised	-	-	(519)	-
Property, plant and equipment written off	-	-	16	-
(Gain) / loss on disposal of property, plant & equipment	(4)	38	(4)	38
<u>(Gain) / loss on foreign exchange translation</u>				
- Realised	(200)	879	1,055	(797)
- Unrealised	(251)	150	(163)	570
<u>Interest (income) / expenses</u>				
- Interest expenses	234	252	638	735
- Reversal of provision for dividend of RCPS A	-	(400)	-	(400)
- Interest income	(117)	(104)	(364)	(335)

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 2013**

	Unaudited As at 31 March 2013 RM'000	Audited As at 30 June 2012 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	77,116	54,814
Deferred tax assets	1,990	1,990
Development costs	3,165	1,098
Goodwill	3,338	3,338
	<u>85,609</u>	<u>61,240</u>
<b>Current assets</b>		
Inventories	24,679	22,175
Trade and other receivables	38,561	24,370
Tax recoverable	1,494	13
Short-term deposits with licensed banks	22,483	328
Cash and bank balances	8,479	40,462
	<u>95,696</u>	<u>87,348</u>
<b>TOTAL ASSETS</b>	<u>181,305</u>	<u>148,588</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	33,661	33,161
Share premium	25,278	24,078
Retained profits	49,557	26,045
<b>Equity attributable to owners of the parent</b>	<u>108,496</u>	<u>83,284</u>
<b>Non-controlling interests</b>	<u>1,533</u>	<u>(351)</u>
<b>Total equity</b>	<u>110,029</u>	<u>82,933</u>
<b>Non-current liabilities</b>		
Borrowings	13,292	8,414
Deferred tax liabilities	841	854
	<u>14,133</u>	<u>9,268</u>
<b>Current liabilities</b>		
Trade and others payables	47,984	48,337
Borrowings	5,509	4,501
Deferred income	3,650	896
Dividend Payable	-	2,653
	<u>57,143</u>	<u>56,387</u>
<b>Total liabilities</b>	<u>71,276</u>	<u>65,655</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>181,305</u>	<u>148,588</u>
<b>Net assets per share attributable to owners of the Parent (sen)</b>	32.23	25.12

**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 31 March 2013 (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 31 MARCH 2013**

	< ----- 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)	
<b>At 1 July 2012</b>	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	-	-	28,898	28,898	(423)	28,475
Interim dividend	-	-	(5,386)	(5,386)	-	(5,386)
<b>At 31 March 2013</b>	<u>33,661</u>	<u>25,278</u>	<u>49,557</u>	<u>108,496</u>	<u>1,533</u>	<u>110,029</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)	
<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>At 31 March 2012</b>	<u>33,161</u>	<u>24,078</u>	<u>25,206</u>	<u>82,445</u>	<u>(7)</u>	<u>82,438</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.

**INARI BERHAD**  
**(INCORPORATED IN MALAYSIA - COMPANY NO. 1000809-U)**  
**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 31 MARCH 2013**

	<b>Cumulative Quarter 9 Months Ended 31/3/2013 RM'000</b>	<b>Cumulative Quarter 9 Months Ended 31/3/2012 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	29,752	16,459
Adjustment for: -		
Allowance for slow moving inventories	5,016	56
Amortisation of development cost	49	-
(Gain)/loss on disposal of property, plant & equipment	(4)	38
Gain arising on a bargain purchase	-	-
Property, plant and equipment written off	16	-
Deferred income recognized	(519)	-
Depreciation	10,662	10,508
Interest income	(364)	(335)
Interest expenses	638	335
Unrealised (gain)/loss on foreign exchange	(163)	570
Operating profit before working capital changes	45,083	27,631
Increase in inventories	(7,520)	(5,847)
(Increase)/Decrease in receivables	(13,969)	4,457
Decrease in payables	(403)	(17,815)
Cash generated from operations	23,191	8,426
Income tax paid	(2,771)	(1,741)
Interest received	364	335
Interest paid	(638)	(335)
Net cash from operating activities	20,146	11,175
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Development costs	(2,117)	-
Proceeds from RCPS issued by subsidiary	2,307	-
Proceeds from issuance of shares	1,700	30,628
Net cash outflow on acquisition of a subsidiary	-	(990)
Proceeds from disposal of property, plant and equipment	12	26
Purchase of property, plant and equipment	(32,987)	(6,889)
Net cash (used in)/from investing activities	(31,085)	22,775
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(8,039)	(7,959)
Proceeds from government loan	4,000	-
Proceeds from government grant	3,273	-
Net changes in long term borrowings	878	4,881
Net changes in short term borrowings	1,008	2,527
Net cash from/(used in) financing activities	1,120	(551)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(9,819)</b>	<b>28,909</b>
Effects of changes on foreign exchange rates	(9)	(245)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>	<b>40,790</b>	<b>15,395</b>
<b>CASH AND CASH EQUIVALENTS AT END</b>	<b>30,962</b>	<b>44,059</b>
Represented by:		
Short-term deposits with licensed banks	22,483	-
Cash and bank balances	8,479	44,059
	<b>30,962</b>	<b>44,059</b>

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 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 2013, the Company: -

- i. on 25 Feb 2013, declared the second single tier interim dividend of 0.90 sen per ordinary share of RM0.10 each, and was paid on 30 Apr 2013.
- ii. on 20 Nov 2012, declared the first interim single-tier dividend 0.8 sen per ordinary share of RM0.10 each, and was paid on 16 January 2013.

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 31/3/2013 <u>RM'000</u>	Quarter Ended 31/3/2012 <u>RM'000</u>	Year to date 31/3/2013 <u>RM'000</u>	Year To date 31/3/2012 <u>RM'000</u>
Malaysia	5,473	1,421	12,150	4,149
Singapore	<u>51,303</u>	<u>42,417</u>	<u>161,329</u>	<u>134,827</u>
	<u>56,776</u>	<u>43,838</u>	<u>173,479</u>	<u>138,976</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 RM164.5 million or 94.8% to the Group's total revenue for the nine months ended 31 March 2013.

## 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 31 March 2013 and up to the date of this report.



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

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 31 March 2013 are as follows: -

	<b>RM'000</b>
Property, plant and equipment	<u>6,396</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*

For the quarter under review ended 31 Mar 2013, the Group generated revenue of RM56.8 million, which represented an increase of approximately 29.5% as compared to the revenue for the corresponding quarter in the previous year of RM43.8 million as a result of higher trading volumes and orders from our customers. Accordingly, the Group's gross profit increased by about 43.5% to RM13.3 million for the quarter ended 31 March 2013 as compared to a gross profit of RM9.3 million in the corresponding quarter 2012. With higher revenue, the Group also enjoyed higher utilization of production capacities that resulted in the increase in gross margin. As a result, the Group reported a higher profit before tax that increased by 76.0% to RM8.3 million for the quarter under review as compared to RM4.7 million for the corresponding quarter ended 31 March 2012. Similarly, the Group's net profit after tax increased by 210.2% to RM12.4 million for the quarter under review as compared to RM4.0 million for the quarter ended 31 March 2012. In addition, one of the Group's subsidiaries has been granted pioneer status for certain products during the quarter resulting to a net reversal of provision for income tax of RM4.1million.

#### *Comparison with the preceding quarter*

The Group reported total revenue of RM56.8 million for the quarter ended 31 March 2013, approximately 8.5% lower than the preceding quarter's total revenue of RM62.0 million due to the decrease in trading volumes. Consequently, the Group's profit before tax decreased by 26.1% to RM8.3 million for the current quarter as compared to the Group's profit before tax of RM11.3 million for the preceding quarter. However, the Group recorded a higher profit after tax of RM12.4 million, an increase of 43.7% from the Group's profit after tax of RM8.6 million for the preceding quarter due to the net reversal of provision for income tax of RM4.1million.

#### *Financial Period to Date against preceding year corresponding financial period*

For the nine months ended 31 March 2013, the Group reported higher revenue of RM173.5 million and higher profit before tax of RM29.8 million as compared to revenue of RM139.0 million and a profit before tax of RM16.5 million in the corresponding financial period ended 31 March 2012.

The higher revenue reported in the current financial period was mainly attributed to higher trading volume and order from our customer.

## **1. Review of Performance and Variation of Results against Preceding Quarter (Cont'd)**

Net profit after tax increased by approximately 101.2% to RM28.5 million for the nine months ended 31 March 2013 as compared to RM14.2 million in the corresponding financial period ended 31 March 2012. The increase was mainly due to higher revenue coupled with the net reversal of provision for income tax of RM4.1 million.

## **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 as a result of increased adoption of such devices as indispensable appliances in both the consumer and business markets.

The global economy is largely expected to register mild growth in 2013 mainly due to improved outlook in the sovereign debt crisis amongst the Euro nations and economic recovery in the United States arising from central bank policy actions. However, persistently high unemployment in Europe and the United States continue to be a threat to sustained economic growth in the developed economies. In addition, armed conflict in the middle-east and the political instability of the newly established democracies in the region continue to be significant risk factors in the recovery of the global economy. Added to recent unilateral currency market intervention by central banks, these factors also contribute to foreign exchange volatility which impacts the Group's financial performance. The recent minimum wage policy and strength of the Malaysian Ringgit against the US Dollar are unfavorable to the Group's financial performance.

The Group is 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 31 March 2013 are as follows: -

	Individual Quarter ended		Cumulative Period ended	
	31/3/2013 RM'000	31/3/2012 RM'000	31/3/2013 RM'000	31/3/2012 RM'000
In respect of current period: -				
- Current tax	5,378	(673)	(25)	(2,241)
- Deferred tax	-	(69)	13	(85)
	<u>5,378</u>	<u>(742)</u>	<u>(12)</u>	<u>(2,326)</u>
(Under)/over provision in prior year: -				
- Current tax	(1,265)	22	(1,265)	22
	<u>4,113</u>	<u>(720)</u>	<u>(1,277)</u>	<u>(2,304)</u>

The effective tax rate of the Group for the current financial quarter and the cumulative financial period ended 31 March 2013 is lower than the statutory tax rate of 25% as one of the Group's subsidiaries has been granted pioneer status under the Promotion of Investment Act, 1986 for certain products. Accordingly, the subsidiary is granted 100% tax exemption from the statutory income derived from these pioneer products for a period of 5 years from 1 Apr 12 to 31 Mar 2017.

#### 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 have been utilized in the following manner as at 15 Feb 2013: -

Purpose	Proposed Utilisation	Actual Utilisation
	RM'000	RM'000
Working Capital	<u>1,700</u>	<u>1,700</u>

## 7. Status of Utilization of Proceeds (Cont'd)

The Company 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 have been utilised in the following manner as at 15 Feb 2013: -

Purpose	Proposed Utilisation	Actual Utilisation
	RM'000	RM'000
Purchase of property, plant and equipment	17,500	2,117
Working Capital	*12,040	12,040
Payment of listing expenses	2,000	2,000
<b>Total</b>	<b>31,540</b>	<b>16,157</b>

Note:

\* Comprising the following: -

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

## 8. Status of Corporate Proposals

a. 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;

## **8. Status of Corporate Proposals (Cont'd)**

- (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;
  - (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.
- b. The above proposals are subject to and conditional upon approvals from, amongst others, the following parties: -
- (i) Bursa Malaysia Securities Berhad (“Bursa Securities). The Proposals stated in 8a from (i) to (iv) were approved by Bursa Securities through its letter dated 28 February 2013;
  - (ii) The shareholders of Inari. The extraordinary general meeting was convened on 29 March 2013 and the above proposals stated in 8a were approved;
  - (iii) Bank Negara Malaysia (“BNM.”). The proposal to issue Warrants to non-resident shareholders was approved by BNM through its letter dated 11 September 2012; and
  - (iv) Other relevant parties/authorities, if required.

## 8. Status of Corporate Proposals (Cont'd)

On 9 April 2013, it was announced that the issue price for the Rights Shares has been fixed at RM0.36 per Rights Share, and the exercise price of the Warrants has been fixed at RM0.38 per Warrant.

On 23 April 2013, it was announced that all the conditions precedent set out in the SPA was met on 23 April 2013 and that our Company had fixed the issue price of the new Inari Shares to be issued under the Issuance of New Shares at RM0.4577 per share in accordance with the terms of the SPA and that the total number of new Inari Shares to be issued shall be 22,232,903 Inari Shares.

Barring any unforeseen circumstances, the Proposals are expected to be completed by 30 June 2013.

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

## 9. Group Borrowings and Debt Securities

The Group's borrowings as at 31 March 2013 are as follows: -

	<b>Short Term</b>	<b>Long Term</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Term loans	4,461	9,233	13,694
Trade Financing	655	-	655
Finance lease liabilities	393	59	452
Total Borrowings (secured)	5,509	9,292	14,801
Government loan	-	4,000	4,000
Total Borrowings	5,509	13,292	18,801

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 recognized 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 have declared a third interim single tier dividend of 0.90 sen per ordinary share of RM0.10 each and a special dividend of 0.90 sen per ordinary share of RM0.10 each in respect of the financial year ended 30 June 2013. Both dividends will be paid on 27 June 2013.

The total dividend for the financial year ended 30 June 2013: -

	<b>Net Per Share (sen)</b>
<u>First Interim Dividend</u>	
Single tier dividend	0.80
<u>Second Interim Dividend</u>	
Single tier dividend	0.90
<u>Third Interim Dividend</u>	
Single tier dividend	0.90
Special dividend	0.90
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	<b><u>3.50</u></b>

- (b) The total dividend for the financial year ended 30 June 2012: -

	<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
<u>Third Interim Dividend</u>	
Single tier dividend	0.80
<u>Fourth Interim Dividend</u>	
Single tier dividend	0.80
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	<b><u>2.80</u></b>



### 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	
	31/3/2013 RM'000	31/3/2012 RM'000	31/3/2013 RM'000	31/3/2012 RM'000
Net profit attributable to shareholders of the Company for the financial quarter and period to date (RM'000)	12,388	4,259	28,898	14,405
Weighted average number of ordinary shares in issue ('000)	336,609	327,383	336,609	327,383
Basic earnings per share (sen)	3.68	1.30	8.59	4.40

#### (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. Disclosure of realised and unrealised profit/loss

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 (Cont'd)

The Group's retained profits as at 31 March 2013 are analysed as follow:-

	<b>Cumulative Period ended</b>	
	<b>31/3/2013</b>	<b>31/3/2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Total retained profits of the Company and its subsidiaries</u>		
- Realised	<b>57,558</b>	40,310
- Unrealised	<b>(5,372)</b>	1,842
	<b>52,186</b>	42,152
Add: Consolidated adjustments	<b>(3,629)</b>	(16,946)
	<b>48,557</b>	25,206