

**INARI AMERTRON BERHAD**  
(INCORPORATED IN MALAYSIA - REGISTRATION NO. 201001016131 (1000809-U))  
**CONDENSED UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME** <sup>(1) & (2)</sup>  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Year	Preceding Year	%	Current Year	Preceding	%
	Quarter	Corresponding		(1)	Year	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019		
RM'000	RM'000	RM'000	RM'000			
Revenue	347,621	316,607	9.8%	347,621	316,607	9.8%
Cost of sales	(249,782)	(249,799)	0.0%	(249,782)	(249,799)	0.0%
Gross profit	97,839	66,808	46.4%	97,839	66,808	46.4%
Other income	3,041	5,770	-47.3%	3,041	5,770	-47.3%
Administrative expenses	(23,327)	(17,516)	33.2%	(23,327)	(17,516)	33.2%
Operating profit	77,553	55,062	40.8%	77,553	55,062	40.8%
Finance costs	(80)	(173)	-53.8%	(80)	(173)	-53.8%
Share of loss of equity-accounted associate	(59)	-	100.0%	(59)	-	100.0%
Profit before tax	77,414	54,889	41.0%	77,414	54,889	41.0%
Tax expense	(7,349)	(7,145)	2.9%	(7,349)	(7,145)	2.9%
Profit for the financial period	70,065	47,744	46.8%	70,065	47,744	46.8%
<b>Profit attributable to:</b>						
Owners of the Company	70,070	47,730	46.8%	70,070	47,730	46.8%
Non-controlling interests	(5)	14	>-100%	(5)	14	>-100%
	70,065	47,744	46.8%	70,065	47,744	46.8%
<b>Other comprehensive income, net of tax:</b>						
Foreign currency translation of foreign operations	(10,234)	3,579	>-100%	(10,234)	3,579	>-100%
Total comprehensive income	59,831	51,323	16.6%	59,831	51,323	16.6%
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	59,836	51,309	16.6%	59,836	51,309	16.6%
Non-controlling interests	(5)	14	>-100%	(5)	14	>-100%
	59,831	51,323	16.6%	59,831	51,323	16.6%

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**CONDENSED UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME<sup>(1) & (2)</sup>**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year	Preceding Year
	<u>30/09/2020</u> RM'000	<u>30/09/2019</u> RM'000	<u>30/09/2020</u> RM'000	<u>30/09/2019</u> RM'000
<b>Earnings per share attributable to owners of the Company (sen)<sup>(3)</sup></b>				
Basic	<u>2.15</u>	<u>1.50</u>	<u>2.15</u>	<u>1.50</u>
Diluted	<u>2.13</u>	<u>1.48</u>	<u>2.13</u>	<u>1.48</u>

- (1) The condensed unaudited consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.
- (2) The condensed unaudited consolidated statements of profit or loss and other comprehensive income are prepared based on the consolidated results of Inari Amertron Berhad and its subsidiaries for the current quarter/financial period ended 30 September 2020.
- (3) 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 period respectively. Diluted earnings per share for the current financial period is calculated by dividing the profit for the financial period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period adjusted for the effects of dilutive potential ordinary shares.

**INARI AMERTRON BERHAD**  
**(INCORPORATED IN MALAYSIA - REGISTRATION NO. 201001016131 (1000809-U))**

**NOTES TO CONDENSED UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current	Preceding Year	Current	Preceding
	Period Quarter	Corresponding	Period	Financial Year
	30/09/2020	Quarter	30/09/2020	30/09/2019
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
(Reversal)/Write down of inventories to net realisable value	(798)	795	(798)	795
Depreciation	25,411	25,209	25,411	25,209
Loss/(Gain) on disposal of property, plant & equipment	1	(26)	1	(26)
<u>(Gain)*/Loss** on foreign exchange translation</u>				
- Realised	6,449	(1,925)	6,449	(1,925)
- Unrealised	665	231	665	231
<i>* Included in "Other income"</i>				
<i>** Included in "Administrative expenses"</i>				
<u>Finance costs</u>				
- Interest expenses	80	173	80	173
- Interest income	(1,349)	(2,791)	(1,349)	(2,791)

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

- Provision of doubtful debt

**INARI AMERTRON BERHAD**  
**(INCORPORATED IN MALAYSIA - REGISTRATION NO. 201001016131 (1000809-U))**  
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION <sup>(6)</sup>**  
**AS AT 30 SEPTEMBER 2020**

	<b>Unaudited As at 30-Sep-20 RM'000</b>	<b>Audited As at 30-Jun-20 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	467,041	479,351
Intangible assets	2,209	2,274
Investment in an associate	5,629	5,688
Deferred tax assets	8,541	6,061
	<u>483,420</u>	<u>493,374</u>
<b>Current assets</b>		
Inventories	126,920	145,889
Trade and other receivables	226,589	214,901
Tax recoverable	8,573	15,393
Cash and cash equivalents	632,384	594,594
	<u>994,466</u>	<u>970,777</u>
<b>TOTAL ASSETS</b>	<u>1,477,886</u>	<u>1,464,151</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital <sup>(4)</sup>	735,130	704,840
Other reserves	35,885	47,522
Retained earnings	486,426	452,339
<b>Equity attributable to owners of the Company</b>	<u>1,257,441</u>	<u>1,204,701</u>
<b>Non-controlling interests</b>	<u>4,226</u>	<u>4,231</u>
<b>Total equity</b>	<u>1,261,667</u>	<u>1,208,932</u>
<b>Non-current liabilities</b>		
Borrowings	-	1,147
Lease liabilities	1,636	1,866
Retirement benefits obligations	1,070	891
Deferred tax liabilities	11,110	11,291
	<u>13,816</u>	<u>15,195</u>
<b>Current liabilities</b>		
Trade and other payables	159,539	199,154
Lease liabilities	1,581	1,706
Borrowings	4,561	5,006
Tax payable	739	1,664
Dividend payable	35,983	32,494
	<u>202,403</u>	<u>240,024</u>
<b>Total liabilities</b>	<u>216,219</u>	<u>255,219</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,477,886</u>	<u>1,464,151</u>
<b>Net assets per share attributable to owners of the Company <sup>(5)</sup> (RM)</b>	0.3844	0.3707

**Notes:**

(4) Based on 3,271,313,599 (as at 30 June 2020: 3,249,764,599) ordinary shares in issue as at 30 September 2020.

(5) Net assets per share attributable to owners of the Company is computed based on equity attributable to owners of the Company divided by the total number of ordinary shares in issue.

(6) The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

**INARI AMERTRON BERHAD**  
**(INCORPORATED IN MALAYSIA – REGISTRATION NO. 201001016131 (1000809-U))**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	-----Attributable to Owners of the Company----->							Distributable		
	-----Non-Distributable----->									
	Share capital RM'000	Warrants reserve RM'000	Discount on shares RM'000	Capital reserve RM'000	ESOS reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 July 2020	704,840	-	-	5,387	29,007	13,128	452,339	1,204,701	4,231	1,208,932
Total comprehensive income for the period	-	-	-	-	-	(10,234)	70,070	59,836	(5)	59,831
<i>Transactions with owners:</i>										
Issued pursuant to:										
-Exercise of ESOS	30,290	-	-	-	(3,460)	-	-	26,830	-	26,830
Pursuant to ESOS granted:										
Share-based compensation	-	-	-	-	2,057	-	-	2,057	-	2,057
Dividends	-	-	-	-	-	-	(35,983)	(35,983)	-	(35,983)
	30,290	-	-	-	(1,403)	-	(35,983)	(7,096)	-	(7,096)
<b>Balance at 30 September 2020</b>	<b>735,130</b>	<b>-</b>	<b>-</b>	<b>5,387</b>	<b>27,604</b>	<b>2,894</b>	<b>486,426</b>	<b>1,257,441</b>	<b>4,226</b>	<b>1,261,667</b>
At 1 July 2019	650,450	4,832	(4,832)	5,387	22,658	1,950	437,973	1,118,418	3,541	1,121,959
Total comprehensive income for the year	-	-	-	-	-	3,579	47,730	51,309	14	51,323
<i>Transactions with owners:</i>										
Issued pursuant to:										
-Exercise of warrants	908	(155)	155	-	-	-	-	908	-	908
-Exercise of ESOS	366	-	-	-	(61)	-	-	305	-	305
Pursuant to ESOS granted:										
Share-based compensation	-	-	-	-	2,195	-	-	2,195	-	2,195
Dividends	-	-	-	-	-	-	(34,970)	(34,970)	-	(34,970)
	1,274	(155)	155	-	2,134	-	(34,970)	(31,562)	-	(31,562)
<b>Balance at 30 September 2019</b>	<b>651,724</b>	<b>4,677</b>	<b>(4,677)</b>	<b>5,387</b>	<b>24,792</b>	<b>5,529</b>	<b>450,733</b>	<b>1,138,165</b>	<b>3,555</b>	<b>1,141,720</b>

**Notes:**

**(7) The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the Interim Financial Statements.**

**INARI AMERTRON BERHAD**  
**(INCORPORATED IN MALAYSIA - REGISTRATION NO. 201001016131 (1000809-U))**  
**CONDENSED UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	<b>Cumulative Quarter 3 Months Ended 30/09/2020 RM'000</b>	<b>Cumulative Quarter 3 Months Ended 30/09/2019 RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Profit before tax	77,414	54,889
Adjustments for:		
Depreciation	25,411	25,209
Equity-settled share based payment transactions	2,057	2,195
Loss/(Gain) on disposal of property, plant and equipment	1	(26)
Interest income	(1,349)	(2,791)
Interest expenses	80	173
(Reversal)/Write down of inventories to net realisable value	(798)	795
Share of loss of equity-accounted associate	59	-
Unrealised loss on foreign exchange	665	231
Operating profit before working capital changes	103,540	80,675
Changes in working capital:		
Inventories	18,025	37,604
Receivables	(14,177)	12,168
Payables	(38,187)	(35,362)
Cash generated from operations	69,201	95,085
Net income tax paid	(4,023)	(6,763)
Interest received	1,349	2,791
Interest paid	(80)	(173)
Net cash from operating activities	66,447	90,940
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	55	498
Acquisition of property, plant and equipment	(14,688)	(17,123)
Uplift/(Placement) of fixed deposits with licensed bank	1,605	(1,640)
Net cash used in investing activities	(13,028)	(18,265)
<b>FINANCING ACTIVITIES</b>		
Dividend paid	(32,494)	(31,769)
Net repayment of borrowings	(1,866)	(1,595)
Proceeds from issuance of shares	26,830	1,213
Net cash used in financing activities	(7,530)	(32,151)
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	45,889	40,524
Effect of changes in foreign exchange rates	(6,494)	1,863
<b>CASH AND CASH EQUIVALENT AT BEGINNING</b>	519,563	360,800
<b>CASH AND CASH EQUIVALENT AT END</b>	558,958	403,187
Represented by:		
Cash and cash equivalents	632,384	473,743
Less: Fixed deposits pledged to licensed banks	(37)	(307)
Less: Fixed deposits more than 3 months to maturity	(73,389)	(70,249)
	558,958	403,187

**INARI AMERTRON BERHAD**  
**(INCORPORATED IN MALAYSIA – REGISTRATION NO. 201001016131 (1000809-U))**  
**NOTES TO THE REPORT**

**Part A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standards (“MFRS”) 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 30 June 2020.

**2. Changes in Accounting Policies**

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 30 June 2020 except for the adoption of the following new MFRSs and amendments/improvements to MFRSs that are issued by the MASB that became effective and relevant to the Group for the financial year beginning 1 July 2020:

		<b><u>Effective for annual period beginning on or after</u></b>
<b><u>Amendments/Improvements to MFRSs</u></b>		
Amendments to MFRS 3	Business Combinations	1 January 2020
Amendments to MFRS 101	Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
Amendments to MFRS 9	Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement and MFRS 7 Financial Instruments: Disclosures: Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets: References to the Conceptual Framework in MFRS	1 January 2020
Amendments to MFRS 138	Intangible Assets: References to the Conceptual Framework in MFRS	1 January 2020
Amendments to MFRS 3	Business Combinations	1 January 2022
Amendment to MFRS 116	Property, Plant and Equipment	1 January 2022

## 2. Changes in Accounting Policies (continued)

**Effective for annual  
period beginning on  
or after**

### **Amendments/Improvements to MFRSs (continued)**

Amendments to MFRS 137	Provision, Contingent Liabilities and Contingent Assets	1 January 2022
Annual Improvements	MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 101	Presentation of Financial Statements	1 January 2023

The adoption of the above new MFRSs and amendments/improvements to MFRSs are not expected to have any material financial impact on the financial statements of the Group.

## 3. Auditors' Report on Preceding Annual Financial Statements

The preceding annual financial statements of the Group were reported without any audit qualification.

## 4. Comments About Seasonal or Cyclical Factors

There were no material seasonal or cyclical factors affecting the results of the quarter under review.

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

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size, or incidence during the quarter under review and financial period to date.

## 6. Changes in Estimates

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



## 7. Debt and Equity Securities

During the financial period, the issued and paid-up ordinary share capital was increased from RM704,839,607 to RM735,130,325 by way of issuance of 21,549,000 new ordinary shares pursuant to the following:

- i. 21,549,000 new ordinary shares arising from the exercise of options under the Employees' Share Options Scheme ("ESOS") at the following exercise prices:

### Exercise price and number of shares issuance

<i>Exercise price (RM)</i>	<i>0.357</i>	<i>0.797</i>	<i>1.000</i>	<i>0.977</i>	<i>0.863</i>
<i>No of shares issued</i>	<i>200</i>	<i>11,700</i>	<i>30,000</i>	<i>63,400</i>	<i>81,800</i>

<i>Exercise price (RM)</i>	<i>0.983</i>	<i>1.187</i>	<i>1.438</i>	<i>1.721</i>	<i>1.880</i>
<i>No of shares issued</i>	<i>45,300</i>	<i>278,500</i>	<i>1,377,300</i>	<i>3,106,900</i>	<i>2,679,000</i>

<i>Exercise price (RM)</i>	<i>1.890</i>	<i>0.980</i>
<i>No of shares issued</i>	<i>353,700</i>	<i>13,521,200</i>

The new ordinary shares issued rank pari passu with the existing ordinary shares of the Company.

Other than the above, 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 and financial period under review.

## 8. Dividends Paid

Dividends paid during the financial period end 30 September 2020 were as follows:

- i) Third interim single tier dividend of 1.00 sen per ordinary share each amounting to RM32.5 million for the financial year ended 30 June 2020 paid on 10 July 2020.

## 9. 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 reported.

### Geographical information

The Group's revenue disaggregated by primary geographical markets is as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 30/09/2020 RM'000	Quarter Ended 30/09/2019 RM'000	Period To date 30/09/2020 RM'000	Period To date 30/09/2019 RM'000
Malaysia	35,844	63,371	35,844	63,371
Singapore	302,027	244,623	302,027	244,623
Others	9,750	8,613	9,750	8,613
	<u>347,621</u>	<u>316,607</u>	<u>347,621</u>	<u>316,607</u>

## 10. Valuation of Property, Plant and Equipment

There were no changes to the valuation of property, plant and equipment since the previous audited financial statements.

## 11. Subsequent Events

There were no material events subsequent to the financial period ended 30 September 2020 and up to the date of this report, which affect substantially the results of the operation of the Group that have not been reflected in the financial statements for the current quarter and financial period under review.

## 12. Changes in the Composition of the Group

### Investment in a subsidiary

Inari Matrix Sdn. Bhd. ("IMSB"), a wholly-owned subsidiary of the Company had on 18 August 2020 entered into a Subscription and Shareholders' agreement ("SSA") with MIT Semiconductor Pte. Ltd. ("MSPL") to set up an entity ("Entity") in Malaysia to carry on the business of supplying customised semiconductor process tools, with proposed issued and paid up share capital of up to RM16.8 million representing 51:49 equity interest held respectively by IMSB and MSPL.

Pursuant to the SSA, the Entity had been incorporated on 24 September 2020, namely Inari MIT Sdn. Bhd. ("IMJV") with the initial subscription of 100 ordinary shares representing 51:49 equity interest held respectively by IMSB and MSPL.

### 13. Contingent Liabilities and Contingent Assets

	Period ended	
	30/09/2020	30/09/2019
	RM'000	RM'000
Corporate guarantee extended to licensed bank and financial institutions for credit facilities granted to subsidiaries:		
- Limit	28,368	35,850
- Amount utilised	4,561	13,275

There is no contingent assets as at the date of this report.

### 14. Capital Commitments

	Period ended	
	30/09/2020	30/09/2019
	RM'000	RM'000
Authorised and contracted for:		
- Construction of building	2,308	4,576
- Plant, machinery and equipment	14,201	25,339
	16,509	29,915

### 15. Significant Related Party Transactions

There is no significant transaction with related parties.

## 16. Financial Derivatives

The Group enters into forward exchange contracts to manage its exposure to sales and purchases transactions and local operating expenditure that are denominated in USD. There is no change to the type of derivative financial contract entered into, risk associated with the derivatives, cash requirements of the derivatives and the risk management objectives and policies for the derivative financial contracts since the previous financial year ended 30 June 2020.

The notional value of foreign currency forward contracts as at financial period under review is as follows:

	Period ended	
	30/09/2020	30/06/2020
	RM'000	RM'000
Foreign currency hedging contracts		
Notional value of contracts*	31,729	35,952

\* Equivalent to USD7,630,000 (30 June 2020: USD8,400,000)

## 17. Fair Value of Financial Liabilities

The carrying amounts of the financial liabilities as at the end of the reporting period approximate to their fair value due to their short term nature, or that they are floating rate instruments that are re-priced to market interest rate on or near the end of the reporting period. Hence, there is no fair value gain or loss on financial liabilities.

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

### **1. Review of Performance**

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

The Group posted a revenue of RM347.6 million for the current quarter, representing an increase of 9.8% compared to the corresponding quarter in the previous year of RM316.7 million. The higher revenue was primarily due to comparatively higher volume loading of products.

The Group recorded profit after tax of RM70.1 million for the current quarter, an increase of 46.8% from RM47.7 million recorded in the corresponding quarter ended 30 September 2019. The increase in profit after tax was mainly due to higher revenue and the reversal of deferred tax provision which helped offset against unfavorable movement in forex exchange.

#### *Comparison with the immediate preceding quarter*

The Group's revenue for the current quarter of RM347.6 million was 49.0% higher as compared to the revenue registered in the immediate preceding quarter of RM233.3 million, which was mainly due to higher volume loading quarter-on-quarter of our products. This is due in part to higher seasonal demand and continued recovery in demand in semiconductor devices despite the prevailing Covid-19 pandemic.

The Group's recorded profit after tax of RM70.1 million for the current quarter, an increase of 93.9% from RM36.1 million posted in the immediate preceding quarter. These were mainly due to higher revenue from the RF business which helped offset against unfavorable movement in forex exchange and higher tax provision.

#### *Financial year to date against preceding year corresponding financial period*

The financial performance review is included under the comparison with the corresponding period in the previous financial year.

## **2. Commentary on Prospects**

The International Monetary Fund (IMF) in its October 2020 World Economic Outlook (“WEO”) update reported that the global growth is projected at -4.4%, a less severe contraction than forecast in the June 2020 WEO. The revision reflects better-than-anticipated second quarter GDP outturns, where activity began to improve sooner than expected after lockdowns were scaled back in May and June. Global growth is projected at 5.2% in 2021, a little lower than in the June 2020 WEO update, reflecting the more moderate downturn projected for 2020 and consistent with expectations of persistent social distancing.

International Data Corporation (IDC) had in August 2020 reported a drop of 17% in smartphone shipment in the 2<sup>nd</sup> quarter of 2020, but is forecasted to decline 9.5% year-on-year in 2020, with 5G remaining a priority for all smartphone manufacturers despite challenges from the Covid-19 pandemic.

Whereas the rest of business units performed in-line with the WEO forecast, the Group saw good demand in our RF business during the current quarter. We expect a similar demand to continue for the next few quarters due to the launch of and growth in new 5G phones with 5G frequency bands requiring additional RF components over 4G ones.

Barring any sudden deterioration in the global economy, the Group is positive on the earnings for FY2021 due to the strong demand in our RF business. We will continue to improve production capacity to meet the continued growth in 5G mobile phones over the next few quarters; improve utilisation of existing capacity in opto-electronics and other business units, and invest in automation in areas of improvement to drive better margins and revenue. The downside on the prospects are a weakened USD and high gold prices.

## **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 2020 are as follows:

	<b>Individual Quarter ended</b>		<b>Cumulative Period ended</b>	
	<b>30/09/2020 RM'000</b>	<b>30/09/2019 RM'000</b>	<b>30/09/2020 RM'000</b>	<b>30/09/2019 RM'000</b>
In respect of current period:				
- Current tax	(9,911)	(6,645)	(9,911)	(6,645)
Deferred tax	2,580	(500)	2,580	(500)
	<u>(7,331)</u>	<u>(7,145)</u>	<u>(7,331)</u>	<u>(7,145)</u>
Over/(under) provision in prior year:				
- Current tax	(18)	-	(18)	-
- Deferred tax	-	-	-	-
	<u>(7,349)</u>	<u>(7,145)</u>	<u>(7,349)</u>	<u>(7,145)</u>

The effective tax rate of the Group for the current financial quarter and financial period ended 30 September 2020 is lower than the statutory tax rate of 24% as certain subsidiaries have been granted with tax incentives under the Promotion of Investment Act, 1986.

#### 5. Status of Corporate Proposals

There were no corporate proposals for the quarter under review.

#### 6. Status of Utilisation of Proceeds

There are no unutilised proceeds from any corporate proposal.

#### 7. Group Borrowings and Debt Securities

The Group's borrowings as at 30 September 2020 are as follows:

	<b>Current RM'000</b>	<b>Non-current RM'000</b>	<b>Total RM'000</b>
Term loans	<u>4,561</u>	<u>-</u>	<u>4,561</u>

#### 8. Material Litigation

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.

## 9. Dividend

The Directors propose the first single tier interim dividend of 2.00 sen per ordinary share in respect of the financial year ending 30 June 2021.

The entitlement date and payment date are on 16 December 2020 and 8 January 2021 respectively.

Total dividend for the financial year ending 30 June 2021 and financial year ended 30 June 2020 are summarised as follow:

	<b>Net Per Share FY2021 (sen)</b>	<b>Net Per Share FY2020 (sen)</b>
<u>First Interim Dividend</u>		
Single tier dividend	2.00	1.30
<u>Second Interim Dividend</u>		
Single tier dividend	*	1.00
<u>Third Interim Dividend</u>		
Single tier dividend	*	1.00
<u>Fourth Interim Dividend</u>		
Single tier dividend	*	1.10
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	<b>2.00</b>	<b>4.40</b>
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\*Not applicable for the current quarter under review.



## 10. Earnings Per Share

### (a) Basic earnings per share

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

	Individual Quarter ended		Cumulative Period ended	
	30/09/2020 RM'000	30/09/2019 RM'000	30/09/2020 RM'000	30/09/2019 RM'000
Net profit attributable to owners of the Company for the financial quarter and financial period to date (RM'000)	70,070	47,730	70,070	47,730
Weighted average number of ordinary shares in issue ('000)	3,262,621	3,178,530	3,262,621	3,178,530
Basic earnings per share (sen)	2.15	1.50	2.15	1.50

### (b) Diluted earnings per share

Diluted earnings per share for the current financial period is calculated by dividing the profit for the financial period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period adjusted for the effects of dilutive potential ordinary shares. The adjusted weighted average number of ordinary shares in issue and issuable has been arrived at based on the assumption that warrants are exercised at the beginning of the financial period and ESOS granted by the reporting date.

	Individual Quarter ended		Cumulative Period ended	
	30/09/2020 RM'000	30/09/2019 RM'000	30/09/2020 RM'000	30/09/2019 RM'000
Net profit attributable to owners of the Company for the financial quarter and financial period to date (RM'000)	70,070	47,730	70,070	47,730
Weighted average number of ordinary shares (basic) ('000)	3,262,621	3,178,530	3,262,621	3,178,530
Effect of dilution due to warrants ('000)	-	35,290	-	35,290
Effect of dilution due to ESOS ('000)	26,109	7,932	26,109	7,932
Weighted average number of ordinary shares (diluted) ('000)	3,288,730	3,221,752	3,288,730	3,221,752
Diluted earnings per share (sen)	2.13	1.48	2.13	1.48