

**INARIAMERTRON 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 JUNE 2021**

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Year	Preceding Year	%	Current Year <sup>(1)</sup>	Preceding Year	%
	Quarter	Corresponding			(Audited)	
	30/06/2021	Quarter (Restated)		30/06/2021	30/06/2020	
	RM'000	RM'000		RM'000	RM'000	
Revenue	361,320	233,341	54.8%	1,428,704	1,057,951	35.0%
Cost of sales	(249,600)	(185,600)	34.5%	(1,004,798)	(841,675)	19.4%
Gross profit	111,720	47,741	134.0%	423,906	216,276	96.0%
Other income	7,268	12,008	-39.5%	20,085	26,208	-23.4%
Administrative expenses	(25,381)	(24,918)	1.9%	(91,012)	(68,750)	32.4%
Operating profit	93,607	34,831	168.7%	352,979	173,734	103.2%
Finance costs	(317)	(341)	-7.0%	(523)	(803)	-34.9%
Share of gain/(loss) of equity-accounted associate	105	(424)	124.8%	(207)	(567)	-63.5%
Profit before tax	93,395	34,066	174.2%	352,249	172,364	104.4%
Tax expense	(4,722)	2,076	-327.5%	(21,534)	(15,924)	35.2%
Profit for the financial period	88,673	36,142	145.3%	330,715	156,440	111.4%
<b>Profit attributable to:</b>						
Owners of the Company	88,360	35,473	149.1%	330,473	155,750	112.2%
Non-controlling interests	313	669	-53.2%	242	690	-64.9%
	88,673	36,142	145.3%	330,715	156,440	111.4%
<b>Other comprehensive income, net of tax:</b>						
Remeasurement of retirement benefits	(146)	(9)	1522.2%	(1,602)	113	-1518.5%
Foreign currency translation of foreign operations	(341)	(1,918)	-82.2%	(10,162)	11,178	-190.9%
Total comprehensive income	88,186	34,215	157.7%	318,951	167,731	90.2%
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	87,873	33,546	161.9%	318,709	167,041	90.8%
Non-controlling interests	313	669	-53.2%	242	690	-64.9%
	88,186	34,215	157.7%	318,951	167,731	90.2%

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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 JUNE 2021**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year	Preceding Year (Audited)
	<u>30/06/2021</u> RM'000	<u>30/06/2020</u> RM'000	<u>30/06/2021</u> RM'000	<u>30/06/2020</u> RM'000
<b>Earnings per share attributable to owners of the Company (sen) <sup>(3)</sup></b>				
Basic	<u>2.64</u>	<u>1.09</u>	<u>10.01</u>	<u>4.85</u>
Diluted	<u>2.64</u>	<u>1.09</u>	<u>9.91</u>	<u>4.81</u>

**Notes:**

- (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 June 2021.
- (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.

**INARIAMERTRON 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 JUNE 2021**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding Quarter (Restated)	Quarter	(Audited)
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	RM'000	RM'000	RM'000	RM'000
Write down/(Reversal) of inventories to net realisable value	(459)	4,379	(2,737)	(2,466)
Depreciation	26,176	24,174	102,694	100,332
Loss/(Gain) on disposal of property, plant and equipment	1	(3,642)	(41)	(3,460)
Property, plant and equipment written off	(2)	5	5	5
<u>(Gain)*/Loss** on foreign exchange translation</u>				
- Realised	1,168	(4,239)	12,980	(8,363)
- Unrealised	(2,927)	6,908	(6,136)	(451)
 <u>Finance costs</u>				
- Interest expenses***	317	341	523	803
- Interest income	(2,205)	(3,080)	(7,108)	(10,464)

\* Included in "Other income"

\*\* Included in "Administrative expenses"

\*\*\* Included finance costs of lease liabilities and retirement benefits obligations

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 JUNE 2021**

	Unaudited As at 30-Jun-21 RM'000	Audited As at 30-Jun-20 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	472,196	479,351
Intangible assets	2,207	2,274
Investment in an associate	5,481	5,688
Deferred tax assets	15,387	6,061
	<u>495,271</u>	<u>493,374</u>
<b>Current assets</b>		
Inventories	157,527	145,889
Trade and other receivables	251,739	214,901
Tax recoverable	9,853	15,393
Cash and cash equivalents	904,886	594,594
	<u>1,324,005</u>	<u>970,777</u>
<b>TOTAL ASSETS</b>	<u>1,819,276</u>	<u>1,464,151</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital <sup>(4)</sup>	885,182	704,840
Other reserves	25,836	47,522
Retained earnings	461,946	452,339
<b>Equity attributable to owners of the Company</b>	<u>1,372,964</u>	<u>1,204,701</u>
<b>Non-controlling interests</b>	4,473	4,231
<b>Total equity</b>	<u>1,377,437</u>	<u>1,208,932</u>
<b>Non-current liabilities</b>		
Borrowings	-	1,147
Lease liabilities	938	1,866
Retirement benefits obligations	3,641	891
Deferred tax liabilities	11,640	11,291
	<u>16,219</u>	<u>15,195</u>
<b>Current liabilities</b>		
Trade and other payables	287,664	199,154
Lease liabilities	1,160	1,706
Borrowings	1,114	5,006
Tax payable	1,885	1,664
Dividend payable	133,797	32,494
	<u>425,620</u>	<u>240,024</u>
<b>Total liabilities</b>	<u>441,839</u>	<u>255,219</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,819,276</u>	<u>1,464,151</u>
<b>Net assets per share attributable to owners of the Company <sup>(5)</sup> (RM)</b>	0.4103	0.3707

**Notes:**

- (4) Based on 3,346,436,099 (as at 30 June 2020: 3,249,764,599) ordinary shares in issue as at 30 June 2021.
- (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 JUNE 2021**

<-----Attributable to Owners of the Company----->  
<-----Non-Distributable-----> 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	-	-	-	-	-	(10,162)	328,871	318,709	242	318,951
<i>Transactions with owners:</i>										
Issued pursuant to:										
- Exercise of ESOS	180,342	-	-	-	(29,464)	-	-	150,878	-	150,878
Pursuant to ESOS granted:										
Share-based compensation	-	-	-	-	17,940	-	-	17,940	-	17,940
Dividends	-	-	-	-	-	-	(319,264)	(319,264)	-	(319,264)
	180,342	-	-	-	(11,524)	-	(319,264)	(150,446)	-	(150,446)
<b>At 30 June 2021</b>	<b>885,182</b>	<b>-</b>	<b>-</b>	<b>5,387</b>	<b>17,483</b>	<b>2,966</b>	<b>461,946</b>	<b>1,372,964</b>	<b>4,473</b>	<b>1,377,437</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 period	-	-	-	-	-	11,178	155,863	167,041	690	167,731
<i>Transactions with owners:</i>										
Issued pursuant to:										
- Exercise of warrants	27,695	(4,722)	4,722	-	-	-	-	27,695	-	27,695
- Exercise of ESOS	26,695	-	-	-	(4,566)	-	-	22,129	-	22,129
Pursuant to ESOS granted:										
Share-based compensation	-	-	-	-	10,915	-	-	10,915	-	10,915
Expiry of Warrants B 2015/2020 (Note 8)	-	(110)	110	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	(141,497)	(141,497)	-	(141,497)
	54,390	(4,832)	4,832	-	6,349	-	(141,497)	(80,758)	-	(80,758)
<b>At 30 June 2020</b>	<b>704,840</b>	<b>-</b>	<b>-</b>	<b>5,387</b>	<b>29,007</b>	<b>13,128</b>	<b>452,339</b>	<b>1,204,701</b>	<b>4,231</b>	<b>1,208,932</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.

(8) Warrant B 2015/2020 expired on 17 February 2020.

**INARI AMERTRON BERHAD**  
**(INCORPORATED IN MALAYSIA - REGISTRATION NO. 201001016131 (1000809-U))**  
**CONDENSED UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

	<b>Cumulative Quarter 12 Months Ended 30/06/2021 RM'000</b>	<b>Cumulative Quarter 12 Months Ended 30/06/2020 RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Profit before tax	352,249	172,364
Adjustments for:		
Depreciation	102,694	100,332
Equity-settled share based payment transactions	17,940	10,915
Gain on disposal of property, plant and equipment	(41)	(3,460)
Interest income	(7,108)	(10,464)
Interest expenses	523	803
Reversal of inventories to net realisable value	(2,737)	(2,466)
Property, plant and equipment written off	5	5
Provision for retirement benefits obligations	1,175	533
Provision/(Reversal of provision) for warranty	4,129	(734)
Share of loss of equity-accounted associate	207	567
Unrealised gain on foreign exchange	(6,136)	(451)
Operating profit before working capital changes	462,900	267,944
Changes in working capital:		
Inventories	(10,893)	31,764
Receivables	(41,741)	21,357
Payables	94,192	38,010
Cash generated from operations	504,458	359,075
Income tax paid	(24,581)	(21,752)
Income tax refunded	7	26
Interest received	7,108	10,464
Interest paid	(523)	(803)
Net cash from operating activities	486,469	347,010
<b>INVESTING ACTIVITIES</b>		
Investment in an associate	-	(6,255)
Proceeds from disposal of property, plant and equipment	575	8,571
Uplift of fixed deposits pledged to licensed banks	157	150
Acquisition of property, plant and equipment	(97,711)	(89,368)
Uplift/(Placement) of fixed deposits with licensed bank	1,205	(6,265)
Net cash used in investing activities	(95,774)	(93,167)
<b>FINANCING ACTIVITIES</b>		
Dividend paid to owners of the Company	(217,961)	(140,772)
Net repayment of borrowings	(6,419)	(9,880)
Changes in amount due from an associate	459	(459)
Proceeds from issuance of shares	150,878	49,824
Net cash used in financing activities	(73,043)	(101,287)
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	317,652	152,556
Effect of changes in foreign exchange rates	(5,998)	6,207
<b>CASH AND CASH EQUIVALENT AT BEGINNING</b>	519,563	360,800
<b>CASH AND CASH EQUIVALENT AT END</b>	831,217	519,563
<b>Represented by:</b>		
Cash and bank balances	294,752	208,577
Deposits with licensed banks	610,134	386,017
	904,886	594,594
Less: Fixed deposits pledged to licensed banks	-	(157)
Less: Fixed deposits more than 3 months to maturity	(73,669)	(74,874)
	831,217	519,563

**INARI AMERTRON BERHAD**  
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**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 16	Leases – Covid 19 – Related Rent Concessions	1 June 2020

## 2. Changes in Accounting Policies (continued)

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

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

Amendments to MFRS 9, 139, 7, 4 & 16	Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendments to MFRS 3	Business Combinations – Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
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 – Classification of Liabilities as Current or Non - current	1 January 2023
Amendments to MFRS 101	Presentation of Financial Statements – Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Accounting policies, changes in Accounting Estimates and Errors	1 January 2023
Amendments to MFRS 112	Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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 RM885,181,962 by way of issuance of 96,671,500 new ordinary shares pursuant to the following:

- i. 96,671,500 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>400</i>	<i>67,400</i>	<i>256,000</i>	<i>169,600</i>	<i>169,300</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>2,825,400</i>	<i>5,168,200</i>	<i>6,624,900</i>	<i>12,906,200</i>	<i>23,668,500</i>

<i>Exercise price (RM)</i>	<i>1.890</i>	<i>0.980</i>	<i>2.460</i>
<i>No of shares issued</i>	<i>16,717,100</i>	<i>24,059,700</i>	<i>4,038,800</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 year ended 30 June 2021 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.
- ii) Fourth interim single tier dividend of 1.10 sen per ordinary share each amounting to RM36.0 million for the financial year ended 30 June 2020 paid on 9 October 2020.
- iii) First interim single tier dividend of 2.00 sen per ordinary share each amounting to RM66.0 million for the financial year ended 30 June 2021 paid on 8 January 2021.
- iv) Second Interim single tier dividend of 2.50 sen per ordinary share amounting to RM83.5 million for the financial year ended 30 June 2021 paid on 8 April 2021.

## 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 30/06/2021	Quarter Ended 30/06/2020	Period To date 30/06/2021	Period To date 30/06/2020
	RM'000	RM'000	RM'000	RM'000
Malaysia	23,001	54,650	103,547	226,660
Singapore	299,187	136,043	1,229,020	770,795
Others	39,132	42,648	96,137	60,496
	<u>361,320</u>	<u>233,341</u>	<u>1,428,704</u>	<u>1,057,951</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. Material Events Subsequent to the end of the Quarter

Save as disclosed in Note 5 in Part B of this report on the Status of Corporate Proposals, there were no other material events subsequent to the end of the financial period under review that have not been reflected in this interim financial report.

## 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 customized 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.

### Voluntary liquidation of dormant subsidiaries

Ceedtec Sdn Bhd (“CT”) is a 51% owned subsidiary of the Company while Ceedtec Technology Sdn Bhd (“CTT”) is a 100% owned subsidiary of CT. Both CT and CTT ceased operations and became dormant after the financial year ended 30 June 2018. Both CT and CTT have been placed under member’s voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act 2016.

The voluntary winding-up of CT and CTT will not have any material impact on the earnings and net assets of the Group for the financial year ended 30 June 2021.

## 13. Contingent Liabilities and Contingent Assets

	<b>Year ended</b>	
	<b>30/06/2021</b>	<b>36/06/2020</b>
	<b>RM’000</b>	<b>RM’000</b>
Corporate guarantee extended to licensed bank and financial institutions for credit facilities granted to subsidiaries:		
- Limit	32,274	34,197
- Amount utilized	1,114	6,153

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

#### 14. Capital Commitments

	Year ended	
	30/06/2021	30/06/2020
	RM'000	RM'000
Authorised and contracted for:		
- Construction of building	4,394	4,111
- Plant, machinery and equipment	24,738	5,849
	<u>29,132</u>	<u>9,960</u>

#### 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:

	30/06/2021	30/06/2020
	RM'000	RM'000
Foreign currency hedging contracts		
Notional value of contracts*	<u>35,104</u>	<u>35,952</u>

\* Equivalent to USD8,450,000 (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 quarter in the previous financial year*

The Group achieved revenue of RM361.3 million for the current quarter, representing an increase of 54.8% compared to the same quarter in the previous year of RM233.3 million. Growth was recorded in all business segments with the Radio frequency (RF) business segment continuing to be the key contributor to revenue growth.

The Group achieved profit after tax of RM88.7 million for the current quarter, an increase of 145.3% from RM36.1 million recorded in the corresponding quarter of the preceding year derived from higher revenue growth.

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

The Group's revenue for the current quarter of RM361.3 million was 5.4% higher as compared to the revenue registered in the immediate preceding quarter of RM342.9 million, which was mainly contributed by higher loading volume in both Optoelectronic business and Generic business segments.

The Group recorded profit after tax of RM88.7 million for the current quarter, an increase of 8.3% from RM81.9 million recorded in the immediate preceding quarter. The higher profit after tax was from the increase in revenue.

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

For the year ended 30 June 2021, the Group recorded revenue of RM1,428.7 million, representing a 35.0% increase from RM1,058.0 million in the preceding year.

The Group's profit after tax rose by 111.4% to RM330.7 million from RM156.4 million in the preceding year. The significant increase was contributed by higher revenue growth in the RF business segment as compared to previous year.

### **2. Commentary on Prospects**

The International Monetary Fund has in its July 2021 World Economic Outlook (WEO) reported that the global economy is projected to grow 6% in 2021 and 4.9% in 2022. The 2021 global forecast is unchanged from the April WEO while the 0.5 percentage-point upgrade for 2022 derives largely from the forecast upgrade for advanced economies, particularly the United States, reflecting the anticipated legislation of additional fiscal support in the second half of 2021 and improved health metrics more broadly across the group.

World Semiconductor Trade Statistics (WSTS) has in June 2021 released its latest semiconductor market forecast. WSTS expects the worldwide semiconductor market growth to rise from 6.8% in 2020 to outstanding 19.7% in the year 2021, which corresponds to a market size of USD 527 billion. The largest growth contributors are

## 2. Commentary on Prospects (continued)

Memory with 31.7%, followed by Sensors with 22.4% and Analog with 21.7%. All other major product categories are also expected to show double-digit growth-rates, with the exception of Optoelectronics with 9.8% and Processors with 8.1%. For 2022, the global semiconductor market growth is projected to further grow by 8.8% to USD 573 billion, mainly driven by a double-digit growth of the Memory category.

According to the International Data Corporation (IDC), shipments of smartphones are forecasted to reach 1.38 billion units in 2021, an increase of 7.7% over 2020. This trend is expected to continue into 2022 with year-over-year growth of 3.8% and shipments totaling 1.43 billion. Year 2021 represents the largest year-over-year growth that the market has witnessed since 2015, as the shift towards 5G across all price tiers continues to accelerate.

The Group continues to be optimistic on the prospects for FY2022 on the back of robust demand for our products from the continuing shift towards 5G, the digitalization of businesses and the global economic recovery catalyzed by increasing vaccination programs. The Group will remain focused on strategies to improve our production capacity and utilization to grow revenue consistent with or better than industry forecasts in FY2022. The downside risk is mainly the impact of the Covid-19 pandemic and the potential emergence of vaccine resistant variants.

## 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 year ended 30 June 2021 are as follows:

	<b>Individual Quarter ended</b>		<b>Cumulative year ended</b>	
	<b>30/06/2021</b>	<b>30/06/2020</b>	<b>30/06/2021</b>	<b>30/06/2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
In respect of current period:		<b>(Restated)</b>		
- Current tax	(4,712)	(683)	(30,233)	(17,190)
- Deferred tax	(1,936)	4,894	6,959	3,394
	(6,648)	4,211	(23,274)	(13,796)
Under provision in prior year:				
- Current tax	-	39	(130)	46
- Deferred tax	1,926	(2,174)	1,870	(2,174)
	(4,722)	2,076	(21,534)	(15,924)

The effective tax rate of the Group for the current financial quarter and financial period ended 30 June 2021 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

### Private Placement

On 6 May 2021, the Company announced a proposed private placement of up to 333,000,000 ordinary shares (“Placement Shares”), representing approximately 10% of the total number of issued shares to independent third party investors to be identified at a later date.

The Proposed Private Placement is undertaken in accordance with the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 obtained from the shareholders of the Company at its 10th Annual General Meeting (“AGM”) convened on 25 November 2020.

On 3 June 2021, the Company announced that Bursa Malaysia Securities Berhad (“Bursa Securities”) had vide its letter dated 3 June 2021, approved the listing and quotation of up to 333,000,000 Placement Shares to be issued pursuant to the Proposed Private Placement.

On 19 July 2021, the Company announced that the Board had fixed the issue price at RM3.10 per Placement Share. The issue price of RM3.10 per Placement Share represents a discount of approximately 2.72% to the 5-day volume weighted average price of Inari Shares up to and including 16 July 2021, being the market day immediately prior to the price-fixing date, of RM3.1868 per Inari Share.

On 30 July 2021, the Private Placement was completed with placement, listing and quotation of 333,000,000 Inari Shares on the Main Market of Bursa Securities and the gross proceeds raised from the Private Placement was RM1,032,300,000.00.

There is no other corporate proposal announced but not completed as at the date of this report.

## 6. Status of Utilization of Proceeds

The Company received proceeds from the abovementioned Private Placement of RM1,032,300,000.00 from the issuance of 333,000,000 Inari Shares at the issue price of RM3.10 per Placement Share. The proceeds have been utilized in the following manner as at 30 June 2021:

	<b>Proposed Utilization RM'000</b>	<b>Actual Utilization RM'000</b>	<b>Unutilized Proceeds RM'000</b>	<b>Intended timeframe of utilization from the listing date of the Placement Shares</b>
1 Capital expenditure, acquisitions and investments	1,015,500	-	1,015,500	Within 30 months
2 Estimated expenses in relation to the Proposed Private Placement	16,800	12,161	4,639	Within 6 months
	1,032,300	12,161	1,020,139	

Pending utilization, the funds will be placed in interest bearing fixed deposit accounts with licensed financial institutions or in money market instruments.

## 7. Group Borrowings and Debt Securities

The Group's borrowings as at 30 June 2021 are as follows:

	<b>Current RM'000</b>	<b>Non-current RM'000</b>	<b>Total RM'000</b>
Term loans	1,114	-	1,114

## 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 fourth single tier interim dividend of 2.50 sen per ordinary share in respect of the financial year ended 30 June 2021.

The entitlement date and payment date are on 9 September 2021 and 8 October 2021 respectively.

Total dividend for the financial year ended 30 June 2021 and financial year ended 30 June 2020 are summarized 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	2.50	1.00
<u>Third Interim Dividend</u>		
Single tier dividend	2.20	1.00
Special dividend	1.80	-
<u>Fourth Interim Dividend</u>		
Single tier dividend	2.50	1.10
	<u>11.00</u>	<u>4.40</u>



## 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	
	30/06/2021 RM'000	30/06/2020 RM'000	30/06/2021 RM'000	30/06/2020 RM'000
Net profit attributable to owners of the Company for the financial quarter and financial period to date (RM'000)	88,360	35,473	330,473	155,750
Weighted average number of ordinary shares in issue ('000)	3,343,521	3,243,425	3,302,291	3,209,583
Basic earnings per share (sen)	2.64	1.09	10.01	4.85

### (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	
	30/06/2021 RM'000	30/06/2020 RM'000	30/06/2021 RM'000	30/06/2020 RM'000
Net profit attributable to owners of the Company for the financial quarter and financial period to date (RM'000)	88,360	35,473	330,473	155,750
Weighted average number of ordinary shares (basic) ('000)	3,343,521	3,243,425	3,302,291	3,209,583
Effect of dilution due to warrants ('000)	-	-	-	17,985
Effect of dilution due to ESOS ('000)	1,252	2,354	33,197	7,720
Weighted average number of ordinary shares (diluted) ('000)	3,344,773	3,245,779	3,335,488	3,235,288
Diluted earnings per share (sen)	2.64	1.09	9.91	4.81