

**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 31 DECEMBER 2021**

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Year Quarter	Preceding Year Corresponding Quarter	%	Current Year <sup>(1)</sup>	Preceding Year (Audited)	%
	<u>31/12/2021</u> RM'000	<u>31/12/2020</u> RM'000		<u>31/12/2021</u> RM'000	<u>31/12/2020</u> RM'000	
<b>Revenue</b>	420,257	376,830	11.5%	851,380	724,451	17.5%
<b>Cost of sales</b>	<u>(287,669)</u>	<u>(256,109)</u>	12.3%	<u>(587,100)</u>	<u>(505,891)</u>	16.1%
<b>Gross profit</b>	132,588	120,721	9.8%	264,280	218,560	20.9%
<b>Other income</b>	1,939	708	173.9%	8,450	2,400	252.1%
<b>Finance income</b>	6,138	1,311	368.2%	10,570	2,660	297.4%
<b>Administrative expenses</b>	<u>(23,928)</u>	<u>(27,816)</u>	-14.0%	<u>(48,160)</u>	<u>(51,143)</u>	-5.8%
<b>Operating profit</b>	116,737	94,924	23.0%	235,140	172,477	36.3%
<b>Finance costs</b>	(25)	(61)	-59.0%	(52)	(141)	-63.1%
<b>Share of profit/(loss) of equity-accounted associate</b>	<u>12</u>	<u>(150)</u>	108.0%	<u>(42)</u>	<u>(209)</u>	-79.9%
<b>Profit before tax</b>	116,724	94,713	23.2%	235,046	172,127	36.6%
<b>Tax expense</b>	<u>(8,673)</u>	<u>(4,628)</u>	87.4%	<u>(20,102)</u>	<u>(11,977)</u>	67.8%
<b>Profit for the financial period</b>	<u>108,051</u>	<u>90,085</u>	19.9%	<u>214,944</u>	<u>160,150</u>	34.2%
<b>Profit/(Loss) attributable to:</b>						
Owners of the Company	107,299	90,097	19.1%	214,226	160,167	33.8%
Non-controlling interests	<u>752</u>	<u>(12)</u>	6366.7%	<u>718</u>	<u>(17)</u>	4323.5%
	<u>108,051</u>	<u>90,085</u>	19.9%	<u>214,944</u>	<u>160,150</u>	34.2%
<b>Other comprehensive income, net of tax:</b>						
Foreign currency translation of foreign operations	<u>(1,174)</u>	<u>(12,506)</u>	-90.6%	<u>1,930</u>	<u>(22,740)</u>	108.5%
<b>Total comprehensive income</b>	<u>106,877</u>	<u>77,579</u>	37.8%	<u>216,874</u>	<u>137,410</u>	57.8%
<b>Total comprehensive income/(expense) attributable to:</b>						
Owners of the Company	106,125	77,591	36.8%	216,156	137,427	57.3%
Non-controlling interests	<u>752</u>	<u>(12)</u>	6366.7%	<u>718</u>	<u>(17)</u>	4323.5%
	<u>106,877</u>	<u>77,579</u>	37.8%	<u>216,874</u>	<u>137,410</u>	57.8%

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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 31 DECEMBER 2021**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year	Preceding Year
	<u>31/12/2021</u> RM'000	<u>31/12/2020</u> RM'000	<u>31/12/2021</u> RM'000	<u>31/12/2020</u> RM'000
<b>Earnings per share attributable to owners of the Company <sup>(3)</sup></b>				
Basic	<u>2.91</u>	<u>2.74</u>	<u>5.89</u>	<u>4.89</u>
Diluted	<u>2.88</u>	<u>2.73</u>	<u>5.85</u>	<u>4.83</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 2021 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 31 December 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.

**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 31 DECEMBER 2021**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year	Preceding Year
	<u>31/12/2021</u> RM'000	<u>31/12/2020</u> RM'000	<u>31/12/2021</u> RM'000	<u>31/12/2020</u> RM'000
(Reversal)/Write down of inventories to net realisable value	(735)	(2,220)	335	(3,018)
Depreciation	27,591	25,371	54,019	50,782
(Gain)/Loss on disposal of property, plant and equipment	(73)	-	(59)	1
<u>Loss*/(Gain)** on foreign exchange translation</u>				
- Realised	236	7,674	(2,731)	14,123
- Unrealised	764	3,998	(613)	4,663
* <i>Included in "Administrative expenses"</i>				
** <i>Included in "Other income"</i>				
<u>Finance costs</u>				
- Interest expenses***	25	61	52	141
- Interest income	(6,138)	(1,311)	(10,570)	(2,660)

\*\*\* *Included finance cost and finance costs of lease liabilities*

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 31 DECEMBER 2021**

	<b>Unaudited</b> <b>As at</b> <b>31-Dec-21</b> <b>RM'000</b>	<b>Audited</b> <b>As at</b> <b>30-Jun-21</b> <b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	506,856	473,401
Intangible assets	2,218	2,207
Investment in an associate	5,439	5,481
Deferred tax assets	18,234	15,387
	<u>532,747</u>	<u>496,476</u>
<b>Current assets</b>		
Inventories	163,835	157,527
Trade and other receivables	204,230	251,466
Tax recoverable	236	9,853
Cash and cash equivalents	1,948,190	904,886
	<u>2,316,491</u>	<u>1,323,732</u>
<b>TOTAL ASSETS</b>	<u><u>2,849,238</u></u>	<u><u>1,820,208</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital <sup>(4)</sup>	1,964,628	885,182
Other reserves	33,286	25,836
Retained earnings	480,543	461,946
<b>Equity attributable to owners of the Company</b>	<u>2,478,457</u>	<u>1,372,964</u>
<b>Non-controlling interests</b>	<u>6,426</u>	<u>4,473</u>
<b>Total equity</b>	<u><u>2,484,883</u></u>	<u><u>1,377,437</u></u>
<b>Non-current liabilities</b>		
Lease liabilities	329	897
Retirement benefits obligations	3,861	3,641
Deferred tax liabilities	11,365	11,640
	<u>15,555</u>	<u>16,178</u>
<b>Current liabilities</b>		
Trade and other payables	237,940	288,597
Lease liabilities	2,374	1,201
Borrowings	-	1,114
Tax payable	4,940	1,885
Dividend payable	103,546	133,796
	<u>348,800</u>	<u>426,593</u>
<b>Total liabilities</b>	<u><u>364,355</u></u>	<u><u>442,771</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>2,849,238</u></u>	<u><u>1,820,208</u></u>
<b>Net assets per share attributable to owners of the Company <sup>(5)</sup> (RM)</b>	0.6694	0.4103

**Notes:**

- (4) Based on 3,702,338,999 (as at 30 June 2021: 3,346,436,099) ordinary shares in issue as at 31 December 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 2021 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 31 DECEMBER 2021**

	-----Attributable to Owners of the Company-----				Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Capital reserve RM'000	ESOS reserve RM'000	Foreign currency translation reserve RM'000				
At 1 July 2021	885,182	5,387	17,483	2,966	461,946	1,372,964	4,473	1,377,437
Total comprehensive income for the period	-	-	-	1,930	214,226	216,156	718	216,874
<i>Transactions with owners:</i>								
Issued pursuant to:								
- Exercise of ESOS	59,123	-	(6,407)	-	-	52,716	-	52,716
- Private placement	1,032,300	-	-	-	-	1,032,300	-	1,032,300
Share issuance expenses pursuant to:								
Private Placement	(11,977)	-	-	-	-	(11,977)	-	(11,977)
Pursuant to ESOS granted:								
Share-based compensation	-	-	11,927	-	-	11,927	-	11,927
Increase of share capital in a subsidiary	-	-	-	-	-	-	1,235	1,235
Dividends	-	-	-	-	(195,629)	(195,629)	-	(195,629)
	1,079,446	-	5,520	-	(195,629)	889,337	1,235	890,572
<b>At 31 December 2021</b>	<b>1,964,628</b>	<b>5,387</b>	<b>23,003</b>	<b>4,896</b>	<b>480,543</b>	<b>2,478,457</b>	<b>6,426</b>	<b>2,484,883</b>
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	-	-	-	(22,740)	160,167	137,427	(17)	137,410
<i>Transactions with owners:</i>								
Issued pursuant to:								
- Exercise of ESOS	85,014	-	(12,325)	-	-	72,689	-	72,689
Pursuant to ESOS granted:								
Share-based compensation	-	-	4,114	-	-	4,114	-	4,114
Dividends	-	-	-	-	(101,995)	(101,995)	-	(101,995)
	85,014	-	(8,211)	-	(101,995)	(25,192)	-	(25,192)
<b>At 31 December 2020</b>	<b>789,854</b>	<b>5,387</b>	<b>20,796</b>	<b>(9,612)</b>	<b>510,511</b>	<b>1,316,936</b>	<b>4,214</b>	<b>1,321,150</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 2021 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 31 DECEMBER 2021**

	<b>Cumulative Quarter 6 Months Ended 31/12/2021 RM'000</b>	<b>Cumulative Quarter 6 Months Ended 31/12/2020 RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Profit before tax	235,046	172,127
Adjustments for:		
Depreciation	54,019	50,782
Equity-settled share based payment transactions	11,927	4,114
(Gain)/Loss on disposal of property, plant and equipment	(59)	1
Interest income	(10,570)	(2,660)
Interest expenses	52	141
Write down/(Reversal) of inventories to net realisable value	335	(3,018)
Provision for retirement benefits obligations	201	-
Share of loss of equity-accounted associate	42	209
Unrealised (gain)/loss on foreign exchange	(613)	4,663
Operating profit before working capital changes	290,380	226,359
Changes in working capital:		
Inventories	(8,332)	9,981
Receivables	42,742	(6,824)
Payables	(46,756)	1,605
Cash generated from operations	278,034	231,121
Income tax paid	(11,160)	(5,282)
Income tax refunded	621	-
Interest received	10,570	2,660
Interest paid	(52)	(141)
Net cash from operating activities	278,013	228,358
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	232	182
Increase of share capital in a subsidiary, net of cash acquired	1,235	-
Acquisition of property, plant and equipment	(87,501)	(50,482)
Uplift of fixed deposits with licensed bank	20,303	4,168
Net cash used in investing activities	(65,731)	(46,132)
<b>FINANCING ACTIVITIES</b>		
Dividend paid to owners of the Company	(225,879)	(68,477)
Changes in amount due from an associate	789	-
Net repayment of lease liabilities	(793)	(748)
Net repayment of borrowings	(1,114)	(2,926)
Net proceeds from issuance of ESOS	52,716	72,689
Net proceeds from private placement	1,020,323	-
Net cash generated from financing activities	846,042	538
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	1,058,324	182,764
Effect of changes in foreign exchange rates	5,283	(14,647)
<b>CASH AND CASH EQUIVALENT AT BEGINNING</b>	831,217	519,563
<b>CASH AND CASH EQUIVALENT AT END</b>	1,894,824	687,680
<b>Represented by:</b>		
Cash and cash equivalents	1,948,190	758,543
Less: Fixed deposits pledged to licensed banks	-	(37)
Less: Fixed deposits more than 3 months to maturity	(53,366)	(70,826)
	1,894,824	687,680

**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 2021.

**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 2021 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 2021:

<b><u>Amendments/Improvements to MFRSs</u></b>		<b><u>Effective for annual period beginning on or after</u></b>
Amendments to MFRS 9, 139, 7, 4 & 16	Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendments to MFRS 16	Leases – Covid – 19 Related Rent Concessions beyond 30 June 2021	1 April 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: Onerous Contract: Cost of Fulfilling a Contract	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

## 2. Changes in Accounting Policies (continued)

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 2021 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 2021 (continued):

		<b><u>Effective for Annual period beginning on or after</u></b>
Amendments to MFRS 108	Accounting policies, changes in Accounting Estimates and Errors: Definition of Accounting Estimates	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 RM885,181,962 to RM1,964,627,573 by way of issuance of 355,902,900 new ordinary shares pursuant to the following:

- i. On 30 July 2021, the Private Placement undertaken by the Company 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.

The net proceeds derived from the Private Placement was RM1,020,138,638 after deducting total transactions costs of RM12,161,362 consist of issuance expenses of RM11,976,770 and Bursa listing fee of RM184,592.

- ii. 22,902,900 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>	0.357	0.533	0.797	1.000	0.977
<i>No of shares issued</i>	10,000	38,300	31,100	66,000	26,000

<i>Exercise price (RM)</i>	0.863	0.983	1.187	1.438	1.721
<i>No of shares issued</i>	25,000	21,900	261,300	440,000	1,155,600

<i>Exercise price (RM)</i>	1.880	1.890	0.980	2.460	3.030
<i>No of shares issued</i>	4,565,800	4,310,700	1,392,300	3,203,100	3,924,700

<i>Exercise price (RM)</i>	3.420
<i>No of shares issued</i>	3,431,100

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 ended 31 December 2021 were as follows:

- i. Third interim single tier dividend of 2.20 sen per ordinary share and a special dividend of 1.80 sen per ordinary share amounting to RM133.8 million for the financial year ended 30 June 2021 paid on 8 July 2021.
- ii. Fourth interim single tier dividend of 2.50 sen per ordinary share amounting to RM92.1 million for the financial year ended 30 June 2021 paid on 8 October 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 31/12/2021 RM'000	Quarter Ended 31/12/2020 RM'000	Period To date 31/12/2021 RM'000	Period To date 31/12/2020 RM'000
Malaysia	14,117	21,601	38,752	57,445
Singapore	366,412	335,813	735,545	637,840
China	33,879	-	67,603	-
Others	5,849	19,416	9,480	29,166
	<u>420,257</u>	<u>376,830</u>	<u>851,380</u>	<u>724,451</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 current quarter and financial period under review and up to the date of this report that have not been reflected in this interim financial report.

## 12. Changes in the Composition of the Group

### 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.

During the current quarter under review and up to the date of this report, the voluntary winding up is still in progress.

### Increase of share capital in a subsidiary

On 30 November 2021, Inari Matrix Sdn Bhd (“IMSB”), a wholly-owned subsidiary of the Company and MIT Semiconductor Pte. Ltd. (“MSPL”), had further increased its investment in Inari MIT Sdn Bhd (“IMJV”) by subscribing total 599,900 ordinary shares, representing 51:49 equity interest held respectively in IMJV. As at to-date, the total paid-up share capital is amounting to RM2,520,000 with 600,000 ordinary shares subscribed.

## 13. Contingent Liabilities and Contingent Assets

	<b>31/12/2021</b>	<b>31/12/2020</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	<u>13,000</u>	<u>21,516</u>
- Amount utilized	<u>4,236</u>	<u>3,227</u>

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

## 14. Capital Commitments

	<b>31/12/2021</b>	<b>31/12/2020</b>
	<b>RM’000</b>	<b>RM’000</b>
Authorised and contracted for:		
- Construction of building	2,740	1,638
- Plant, machinery and equipment	14,641	4,856
	<u>17,381</u>	<u>6,494</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 2021.

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

	<b>31/12/2021</b>	<b>31/12/2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Foreign currency hedging contracts		
Notional value of contracts*	<u>41,133</u>	<u>40,079</u>

\* Equivalent to USD 9,850,000 (31 December 2020: USD 9,987,000)

## 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 recorded revenue of RM420.3 million for the current quarter, representing an increase of 11.5% compared to the same quarter in the previous year of RM376.8 million. Growth in revenue was recorded in all business segments.

The Group achieved profit after tax of RM108.1 million for the current quarter, an increase of 19.9% from RM90.1 million recorded in the corresponding quarter of the preceding year was mainly derived from higher revenue growth.

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

The Group's revenue dropped 2.5% to RM420.3 million in the current quarter from RM431.1 million in the immediate preceding quarter. The slight decrease was mainly due to lower loading volume in Opto business segments.

The Group recorded profit after tax of RM108.1 million for the current quarter, a slight improvement over RM106.9 million recorded in the immediate preceding quarter.

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

For the six months period ended 31 December 2021, the Group recorded revenue of RM851.4 million, representing a 17.5% increase from RM724.5 million in the preceding year corresponding period.

The Group's profit after tax increased by 34.2% to RM214.9 million for the period ended 31 December 2021 from RM160.2 million in the preceding year corresponding period. The increase was mainly contributed by higher revenue, interest income from fund placement and favourable forex exchange rates.

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

The International Monetary Fund has in its January 2022 World Economic Outlook Update reported that the global economy enters 2022 in a weaker position than previously anticipated. The new Omicron COVID-19 variant spreads, led to countries have reimposed mobility restrictions, rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated. Global growth is expected to moderate from 5.9% in 2021 to 4.4% in 2022 – 0.5% lower for 2022 than in its October 2021 Update.

## 2. Commentary on Prospects (continued)

In World Semiconductor Trade Statistics (WSTS)'s November 2021 market forecasts, the worldwide semiconductor market is expected to increase 25.6% in 2021 and 8.8% in 2022, which corresponds to a market size of USD 601 billion for 2022. The growth is driven by a double digit growth of the Sensors and Logic products categories, and all other major product categories include Analog, Memory and Optoelectronics are also expected to show positive growth rates.

International Data Corporation (IDC) in December 2021 revised its forecast for shipment of smartphones to grow at a lower 3% in 2022 due to "continued component shortages and logistical challenges". The transition to 5G phones will continue in 2022 albeit at lower average selling prices.

Barring any dangerous resurgence of the covid-19 pandemic beyond Omicron, the Group remains positive on its near term prospects and believes the momentum for 2022 will continue to be resilient in line with industry forecasts from good demand for our products from the continuing global transition towards 5G, the digitalization of businesses and ongoing tight supply in the semiconductor market.

## 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 December 2021 are as follows:

	<b>Individual Quarter ended</b>		<b>Cumulative year ended</b>	
	<b>31/12/2021</b>	<b>31/12/2020</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
In respect of current period:				
- Current tax	(12,222)	(8,079)	(23,237)	(17,990)
- Deferred tax	3,208	3,451	3,208	6,031
	<u>(9,014)</u>	<u>(4,628)</u>	<u>(20,029)</u>	<u>(11,959)</u>
Over/Under provision in prior year:				
- Current tax	-	-	-	(18)
- Deferred tax	341	-	(73)	-
	<u>(8,673)</u>	<u>(4,628)</u>	<u>(20,102)</u>	<u>(11,977)</u>

The effective tax rate of the Group for the current financial quarter and financial period ended 31 December 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

### (i) 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.

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. The net proceeds derived from the Private Placement was RM1,020,138,638 after deducting total transactions costs of RM12,161,362 consist of issuance expenses of RM11,976,770 and Bursa listing fee of RM184,592.

### (ii) Memorandum of understanding (“MOU”)

On 18 October 2021, the Company announced that a non-binding MOU has been entered with China Fortune-Tech Capital Co., Ltd (“CFTC”) with the intention to set up a joint-venture company in China to carry out Outsourced Semiconductor Assembly and Test manufacturing and related businesses in China for the China market. The Company shall make the necessary announcement upon entering into Definitive Agreements.

Save as the above, there are no other corporate proposals 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 31 December 2021:

<b>Details</b>	<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 have been fully settled during the immediate preceding quarter and financial period under review.

## 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 second single tier interim dividend of 2.80 sen per ordinary share in respect of the financial year ending 30 June 2022.

The entitlement date and payment date are on 18 March 2022 and 8 April 2022 respectively.



## 9. Dividend (continued)

Total dividend for the financial year ending 30 June 2022 and financial year ended 30 June 2021 are summarized as follow:

	<b>Net Per Share FY2022 (sen)</b>	<b>Net Per Share FY2021 (sen)</b>
<u>First Interim Dividend</u>		
Single tier dividend	2.80	2.00
<u>Second Interim Dividend</u>		
Single tier dividend	2.80	2.50
<u>Third Interim Dividend</u>		
Single tier dividend	*	2.20
Special dividend		1.80
<u>Fourth Interim Dividend</u>		
Single tier dividend	*	2.50
	5.60	11.00

## 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.

	<b>Individual Quarter ended</b>		<b>Cumulative Period ended</b>	
	<b>31/12/2021 RM'000</b>	<b>31/12/2020 RM'000</b>	<b>31/12/2021 RM'000</b>	<b>31/12/2020 RM'000</b>
Net profit attributable to owners of the Company for the financial quarter and financial period to date (RM'000)	107,299	90,097	214,226	160,167
Weighted average number of ordinary shares in issue ('000)	3,692,464	3,292,863	3,638,041	3,274,649
Basic earnings per share (sen)	2.91	2.74	5.89	4.89

## 10. Earnings Per Share (continued)

### (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	
	31/12/2021 RM'000	31/12/2020 RM'000	31/12/2021 RM'000	31/12/2020 RM'000
Net profit attributable to owners of the Company for the financial quarter and financial period to date (RM'000)	107,299	90,097	214,226	160,167
Weighted average number of ordinary shares (basic) ('000)	3,692,464	3,292,863	3,638,041	3,274,649
Effect of dilution due to ESOS ('000)	27,253	12,790	26,250	41,103
Weighted average number of ordinary shares (diluted) ('000)	3,719,717	3,305,653	3,664,291	3,315,752
Diluted earnings per share (sen)	2.88	2.73	5.85	4.83