

INARI AMERTRON BERHAD
(INCORPORATED IN MALAYSIA - REGISTRATION NO. 201001016131 (1000809-U))
CONDENSED UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME^{(1) & (2)}
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Year Quarter	Preceding Year Corresponding Quarter	%	Current Year ⁽¹⁾	Preceding Year	%
	<u>31/03/2022</u> RM'000	<u>31/03/2021</u> RM'000		<u>31/03/2022</u> RM'000	<u>31/03/2021</u> RM'000	
Revenue	360,342	342,933	5.1%	1,211,722	1,067,384	13.5%
Cost of sales	<u>(250,253)</u>	<u>(249,307)</u>	0.4%	<u>(837,353)</u>	<u>(755,198)</u>	10.9%
Gross profit	110,089	93,626	17.6%	374,369	312,186	19.9%
Other income	6,560	12,488	-47.5%	15,010	7,914	89.7%
Finance income	5,353	2,243	138.7%	15,923	4,903	224.8%
Administrative expenses	<u>(18,772)</u>	<u>(21,462)</u>	-12.5%	<u>(66,932)</u>	<u>(65,631)</u>	2.0%
Operating profit	103,230	86,895	18.8%	338,370	259,372	30.5%
Finance costs	21	(65)	132.3%	(31)	(206)	-85.0%
Share of profit/(loss) of equity-accounted associate	<u>(173)</u>	<u>(103)</u>	68.0%	<u>(215)</u>	<u>(312)</u>	-31.1%
Profit before tax	103,078	86,727	18.9%	338,124	258,854	30.6%
Tax expense	<u>(12,794)</u>	<u>(4,835)</u>	164.6%	<u>(32,896)</u>	<u>(16,812)</u>	95.7%
Profit for the financial period	<u>90,284</u>	<u>81,892</u>	10.2%	<u>305,228</u>	<u>242,042</u>	26.1%
Profit/(Loss) attributable to:						
Owners of the Company	90,475	81,946	10.4%	304,701	242,113	25.9%
Non-controlling interests	<u>(191)</u>	<u>(54)</u>	253.7%	<u>527</u>	<u>(71)</u>	842.3%
	<u>90,284</u>	<u>81,892</u>	10.2%	<u>305,228</u>	<u>242,042</u>	26.1%
Other comprehensive income, net of tax:						
Remeasurement of retirement benefits	-	(1,456)	-100.0%	-	(1,456)	-100.0%
Foreign currency translation of foreign operations	<u>2,791</u>	<u>12,919</u>	-78.4%	<u>4,721</u>	<u>(9,821)</u>	148.1%
Total comprehensive income	<u>93,075</u>	<u>93,355</u>	-0.3%	<u>309,949</u>	<u>230,765</u>	34.3%
Total comprehensive income/(expense) attributable to:						
Owners of the Company	93,266	93,409	-0.2%	309,422	230,836	34.0%
Non-controlling interests	<u>(191)</u>	<u>(54)</u>	253.7%	<u>527</u>	<u>(71)</u>	842.3%
	<u>93,075</u>	<u>93,355</u>	-0.3%	<u>309,949</u>	<u>230,765</u>	34.3%

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FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year	Preceding Year
	<u>31/03/2022</u> RM'000	<u>31/03/2021</u> RM'000	<u>31/03/2022</u> RM'000	<u>31/03/2021</u> RM'000
Earnings per share attributable to owners of the Company (sen) ⁽³⁾				
Basic	<u>2.44</u>	<u>2.47</u>	<u>8.33</u>	<u>7.36</u>
Diluted	<u>2.44</u>	<u>2.46</u>	<u>8.28</u>	<u>7.28</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 March 2022.
- (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 MARCH 2022

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year	Preceding Year
	<u>31/03/2022</u> RM'000	<u>31/03/2021</u> RM'000	<u>31/03/2022</u> RM'000	<u>31/03/2021</u> RM'000
(Reversal)/Write down of inventories to net realisable value	(663)	740	(328)	(2,278)
Depreciation	28,802	25,736	82,821	76,518
Loss/(Gain) on disposal of property, plant and equipment	64	(43)	5	(42)
Property, plant and equipment written off	-	7	-	7
<u>(Gain)**/Loss* on foreign exchange translation</u>				
- Realised	(2,162)	(2,311)	(4,893)	11,812
- Unrealised	(1,478)	(7,872)	(2,091)	(3,209)
* Included in "Administrative expenses"				
** Included in "Other income"				
<u>Finance costs</u>				
- Interest expenses***	(21)	65	31	206
- Interest income	(5,353)	(2,243)	(15,923)	(4,903)

*** 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 ⁽⁶⁾
AS AT 31 MARCH 2022

	Unaudited As at 31-Mar-22 RM'000	Audited As at 30-Jun-21 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	504,640	473,401
Intangible assets	2,233	2,207
Investment in an associate	5,266	5,481
Deferred tax assets	15,072	15,387
	<u>527,211</u>	<u>496,476</u>
Current assets		
Inventories	157,483	157,527
Trade and other receivables	178,533	251,466
Tax recoverable	359	9,853
Cash and cash equivalents	1,958,506	904,886
	<u>2,294,881</u>	<u>1,323,732</u>
TOTAL ASSETS	<u>2,822,092</u>	<u>1,820,208</u>
EQUITY AND LIABILITIES		
Share capital ⁽⁴⁾	1,972,524	885,182
Other reserves	35,012	25,836
Retained earnings	467,270	461,946
Equity attributable to owners of the Company	<u>2,474,806</u>	<u>1,372,964</u>
Non-controlling interests	<u>6,235</u>	<u>4,473</u>
Total equity	<u>2,481,041</u>	<u>1,377,437</u>
Non-current liabilities		
Lease liabilities	-	897
Retirement benefits obligations	4,055	3,641
Deferred tax liabilities	12,305	11,640
	<u>16,360</u>	<u>16,178</u>
Current liabilities		
Trade and other payables	206,757	288,597
Lease liabilities	2,932	1,201
Borrowings	-	1,114
Tax payable	11,256	1,885
Dividend payable	103,746	133,796
	<u>324,691</u>	<u>426,593</u>
Total liabilities	<u>341,051</u>	<u>442,771</u>
TOTAL EQUITY AND LIABILITIES	<u>2,822,092</u>	<u>1,820,208</u>
Net assets per share attributable to owners of the Company ⁽⁵⁾ (RM)	0.6679	0.4103

Notes:

- (4) Based on 3,705,496,499 (as at 30 June 2021: 3,346,436,099) ordinary shares in issue as at 31 March 2022.
- (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 MARCH 2022

	-----Attributable to Owners of the Company-----							
	<-----Non-Distributable----->				Distributable			
	Share capital 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 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	-	-	-	4,721	304,701	309,422	527	309,949
<i>Transactions with owners:</i>								
Issued pursuant to:								
- Exercise of ESOS	67,019	-	(7,472)	-	-	59,547	-	59,547
- 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	-	-	-	-	(299,377)	(299,377)	-	(299,377)
	1,087,342	-	4,455	-	(299,377)	792,420	1,235	793,655
At 31 March 2022	1,972,524	5,387	21,938	7,687	467,270	2,474,806	6,235	2,481,041
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	-	-	-	(9,821)	240,657	230,836	(71)	230,765
<i>Transactions with owners:</i>								
Issued pursuant to:								
- Exercise of ESOS	164,718	-	(26,913)	-	-	137,805	-	137,805
Pursuant to ESOS granted:								
Share-based compensation	-	-	7,267	-	-	7,267	-	7,267
Dividends	-	-	-	-	(185,468)	(185,468)	-	(185,468)
	164,718	-	(19,646)	-	(185,468)	(40,396)	-	(40,396)
At 31 March 2021	869,558	5,387	9,361	3,307	507,528	1,395,141	4,160	1,399,301

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 MARCH 2022

	Cumulative Quarter 9 Months Ended 31/03/2022 RM'000	Cumulative Quarter 9 Months Ended 31/03/2021 RM'000
OPERATING ACTIVITIES		
Profit before tax	338,124	258,854
Adjustments for:		
Depreciation	82,821	76,518
Equity-settled share based payment transactions	11,927	7,267
Loss/(Gain) on disposal of property, plant and equipment	5	(42)
Interest income	(15,923)	(4,903)
Interest expenses	31	206
Reversal of inventories to net realisable value	(328)	(2,278)
Provision for retirement benefits obligations	369	-
Property, plant and equipment written off	-	7
Share of loss of equity-accounted associate	215	312
Unrealised gain on foreign exchange	(2,091)	(3,209)
Operating profit before working capital changes	<u>415,150</u>	<u>332,732</u>
Changes in working capital:		
Inventories	1,237	5,533
Receivables	74,739	14,955
Payables	(81,571)	798
Cash generated from operations	<u>409,555</u>	<u>354,018</u>
Income tax paid	(13,017)	(13,822)
Income tax refunded	90	2,211
Interest received	15,923	4,903
Interest paid	(31)	(206)
Net cash from operating activities	<u>412,520</u>	<u>347,104</u>
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	678	568
Uplift of fixed deposits pledged to licensed banks	-	150
Increase of share capital in a subsidiary, net of cash acquired	1,235	-
Acquisition of property, plant and equipment	(111,956)	(55,930)
Uplift of fixed deposits with licensed bank	19,941	1,293
Net cash used in investing activities	<u>(90,102)</u>	<u>(53,919)</u>
FINANCING ACTIVITIES		
Dividend paid to owners of the Company	(329,427)	(134,487)
Net repayment of lease liabilities	(1,390)	(1,060)
Net repayment of borrowings	(1,114)	(3,923)
Net proceeds from issuance of ESOS	59,547	137,805
Net proceeds from private placement	1,020,323	-
Net cash generated from/(used in) financing activities	<u>747,939</u>	<u>(1,665)</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	<u>1,070,357</u>	<u>291,520</u>
Effect of changes in foreign exchange rates	3,204	(5,731)
CASH AND CASH EQUIVALENT AT BEGINNING	<u>831,217</u>	<u>519,563</u>
CASH AND CASH EQUIVALENT AT END	<u>1,904,778</u>	<u>805,352</u>
Represented by:		
Cash and cash equivalents	1,958,506	878,940
Less: Fixed deposits pledged to licensed banks	-	(7)
Less: Fixed deposits more than 3 months to maturity	(53,728)	(73,581)
	<u>1,904,778</u>	<u>805,352</u>

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:

<u>Amendments/Improvements to MFRSs</u>		<u>Effective for annual period beginning on or after</u>
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):

		<u>Effective for Annual period beginning on or after</u>
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 RM1,972,523,985 by way of issuance of 359,060,400 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. 26,060,400 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	46,000

<i>Exercise price (RM)</i>	0.863	0.983	1.187	1.438	1.721
<i>No of shares issued</i>	106,000	46,400	292,800	653,400	1,580,200

<i>Exercise price (RM)</i>	1.880	1.890	0.980	2.460	3.030
<i>No of shares issued</i>	5,016,500	4,836,100	1,609,400	3,481,800	4,299,100

<i>Exercise price (RM)</i>	3.420	3.920
<i>No of shares issued</i>	3,939,800	7,500

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 March 2022 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.
- iii. First interim single tier dividend of 2.80 sen per ordinary share amounting to RM103.5 million for the financial year ending 30 June 2022 paid on 7 January 2022.

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 31/03/2022 RM'000	Quarter Ended 31/03/2021 RM'000	Period To date 31/03/2022 RM'000	Period To date 31/03/2021 RM'000
Malaysia	25,063	23,101	63,815	80,546
Singapore	302,179	291,993	1,037,724	929,833
China	30,391	-	97,994	-
Others	2,709	27,839	12,189	57,005
	<u>360,342</u>	<u>342,933</u>	<u>1,211,722</u>	<u>1,067,384</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 for a total of 599,900 ordinary shares, representing 51:49 equity interest held respectively in IMJV. As at to-date, the total issued and paid-up share capital amounts to RM2,520,000 with 600,000 ordinary shares subscribed.

13. Contingent Liabilities and Contingent Assets

	31/03/2022	31/03/2021
	RM’000	RM’000
Corporate guarantee extended to licensed bank and financial institutions for credit facilities granted to subsidiaries:		
- Limit	<u>13,000</u>	<u>22,299</u>
- Amount utilized	<u>4,236</u>	<u>2,230</u>

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

14. Capital Commitments

	31/03/2022	31/03/2021
	RM’000	RM’000
Authorised and contracted for:		
- Construction of building	2,825	8,714
- Plant, machinery and equipment	<u>26,722</u>	<u>37,993</u>
	<u>29,547</u>	<u>46,707</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:

	31/03/2022	31/03/2021
	RM'000	RM'000
Foreign currency hedging contracts		
Notional value of contracts*	<u>40,148</u>	<u>36,807</u>

* Equivalent to USD 9,550,000 (31 March 2021: USD 8,850,000)

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 RM360.3 million for the current quarter, representing an increase of 5.1% compared to the same quarter in the previous year of RM342.9 million. Growth in revenue was recorded in all business segments.

The Group achieved profit after tax of RM90.3 million for the current quarter, an increase of 10.2% from RM81.9 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 was lowered by 14.3% to RM360.3 million in the current quarter from RM420.3 million in the immediate preceding quarter. The decrease was mainly due to lower loading volume in RF business segments due to seasonal cycle and raw material supply constraints in other business segments.

The Group recorded profit after tax of RM90.3 million for the current quarter, a decrease of 16.4% from RM108.1 million recorded in the immediate preceding quarter. The lower profit after tax was consistent with decrease in revenue and deferred tax asset.

Financial year to date against preceding year corresponding financial period

For the nine months period ended 31 March 2022, the Group recorded revenue of RM1,211.7 million, representing a 13.5% increase from RM1,067.4 million in the preceding year corresponding period.

The Group's profit after tax increased by 26.1% to RM305.2 million for the period ended 31 March 2022 from RM242.0 million in the preceding year corresponding period. The increase was mainly contributed by higher revenue, additional interest income from fund placement and favourable forex exchange rates.

2. Commentary on Prospects

The International Monetary Fund (IMF) has in its April 2022 World Economic Outlook Update reported that the global economic prospects have worsened significantly since the last forecast in January 2022 when the global recovery was projected to strengthen from the second quarter of this year after a short-lived impact of the Omicron variant. Since then, the outlook has deteriorated, largely due to the war in Ukraine. The war in Ukraine will severely set back the global recovery, slowing growth and increasing inflation even further. Global growth is projected to decline from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023 – 0.8 and 0.2 percentage points lower than in the January 2022 forecast. The downgrade largely reflects the war's direct impact on Russia and Ukraine, and resulting global spillover.

2. Commentary on Prospects (continued)

Notwithstanding the foregoing, Gartner's published on 26 April 2022 global semiconductor revenue is projected to total USD 676 billion in 2022, an increase of 13.6% from 2021. Semiconductor revenue for smartphones is forecast to increase 15.2% in 2022, as 5G smartphone unit production is expected to grow by 45.3%. Aggressive migration from 4G to 5G from major smartphone chipset vendors has temporarily led to a shortage in 4G system-on-chip integrated baseband ICs which began in the second half of 2021.

In World Semiconductor Trade Statistics (WSTS)'s 18 March 2022 market forecasts, the worldwide semiconductor market is expected to increase 10.4% in 2022 which corresponds to sales of USD 613.5 billion. The growth is driven by forecasted double digit growth rate in Sensors, Logic and Analog products categories, and all other major product categories include Micro, Discrete Semiconductors and Optoelectronics are also expected to show positive growth rates.

The Group remains cautiously positive on its near-term prospects for the rest of 2022 along lines of IMF and industry forecasts. However, the outlook is heavily clouded by the Covid lockdown situation in China and the prospects of the conflict in Ukraine expanding beyond its borders affecting both demand and further disruption of supply chains.

3. Profit Forecast and Profit Guarantee

The Group did not issue any profit forecast or profit guarantee previously in any public document.

4. Taxation

The taxation charges for the current financial quarter and the cumulative financial period ended 31 March 2022 are as follows:

	Individual Quarter ended		Cumulative year ended	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	RM'000	RM'000	RM'000	RM'000
In respect of current period:				
- Current tax	(10,269)	(7,531)	(33,506)	(25,521)
- Deferred tax	(4,335)	2,864	(1,127)	8,895
	<u>(14,604)</u>	<u>(4,667)</u>	<u>(34,633)</u>	<u>(16,626)</u>
Over/(Under) provision in prior year:				
- Current tax	1,737	(112)	1,737	(130)
- Deferred tax	73	(56)	-	(56)
	<u>(12,794)</u>	<u>(4,835)</u>	<u>(32,896)</u>	<u>(16,812)</u>

The effective tax rate of the Group for the current financial quarter and financial period ended 31 March 2022 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. 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.

On 12 April 2022, the Company announced that the Company and CFTC have mutually agreed to extend the MOU which expired on 17 April 2022 for an additional period of 2 months or such other date to be agreed by both parties. All other terms contained in the MOU remain unchanged. The parties are currently seeking for the optimal joint venture configuration and final detailing has been delayed by the current lockdown in Shanghai, CFTC’s domicile, beginning in late March 2022. The Company will make the necessary announcement upon the parties 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 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 March 2022:

				Intended timeframe of utilization from the listing date of the Placement Shares	
	Details	Proposed Utilization RM'000	Actual Utilization RM'000	Unutilized Proceeds RM'000	
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 previous 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 third single tier interim dividend of 2.20 sen per ordinary share in respect of the financial year ending 30 June 2022.

The entitlement date and payment date are on 16 June 2022 and 8 July 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:

	Net Per Share FY2022 (sen)	Net Per Share FY2021 (sen)
<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	2.20
Special dividend		1.80
<u>Fourth Interim Dividend</u>		
Single tier dividend	*	2.50
	7.80	11.00

* 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	
	31/03/2022 RM'000	31/03/2021 RM'000	31/03/2022 RM'000	31/03/2021 RM'000
Net profit attributable to owners of the Company for the financial quarter and financial period to date (RM'000)	90,475	81,946	304,701	242,113
Weighted average number of ordinary shares in issue ('000)	3,704,393	3,317,115	3,659,837	3,288,598
Basic earnings per share (sen)	2.44	2.47	8.33	7.36

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	
	31/03/2022 RM'000	31/03/2021 RM'000	31/03/2022 RM'000	31/03/2021 RM'000
Net profit attributable to owners of the Company for the financial quarter and financial period to date (RM'000)	90,475	81,946	304,701	242,113
Weighted average number of ordinary shares (basic) ('000)	3,704,393	3,317,115	3,659,837	3,288,598
Effect of dilution due to ESOS ('000)	6,332	10,932	19,472	37,907
Weighted average number of ordinary shares (diluted) ('000)	3,710,725	3,328,047	3,679,309	3,326,505
Diluted earnings per share (sen)	2.44	2.46	8.28	7.28