

INARI AMERTRON BERHAD
(INCORPORATED IN MALAYSIA - REGISTRATION NO. 201001016131 (1000809-U))
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ⁽¹⁾
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Year Quarter	Preceding Year Corresponding Quarter	%	Current Year Quarter	Preceding Year Corresponding Quarter	%
	(Unaudited) 30/06/2022 RM'000	(Restated) 30/06/2021 RM'000		(Unaudited) 30/06/2022 RM'000	(Audited) 30/06/2021 RM'000	
Revenue	336,177	361,320	-7.0%	1,547,899	1,428,704	8.3%
Cost of sales	<u>(236,785)</u>	<u>(249,600)</u>	-5.1%	<u>(1,074,138)</u>	<u>(1,004,798)</u>	6.9%
Gross profit	99,392	111,720	-11.0%	473,761	423,906	11.8%
Other income	18,471	5,063	264.8%	33,481	12,977	158.0%
Finance income	7,990	2,205	262.4%	23,913	7,108	236.4%
Administrative expenses	<u>(17,009)</u>	<u>(25,381)</u>	-33.0%	<u>(83,941)</u>	<u>(91,012)</u>	-7.8%
Operating profit	108,844	93,607	16.3%	447,214	352,979	26.7%
Finance costs	(1,003)	(317)	216.4%	(1,034)	(523)	97.7%
Share of profit/(loss) of equity-accounted associate	<u>144</u>	<u>105</u>	37.1%	<u>(71)</u>	<u>(207)</u>	-65.7%
Profit before tax	107,985	93,395	15.6%	446,109	352,249	26.6%
Tax expense	<u>(22,020)</u>	<u>(4,722)</u>	366.3%	<u>(54,916)</u>	<u>(21,534)</u>	155.0%
Profit for the financial year	<u>85,965</u>	<u>88,673</u>	-3.1%	<u>391,193</u>	<u>330,715</u>	18.3%
Profit/(Loss) attributable to:						
Owners of the Company	86,216	88,360	-2.4%	390,917	330,473	18.3%
Non-controlling interests	<u>(251)</u>	<u>313</u>	-180.2%	<u>276</u>	<u>242</u>	14.0%
	<u>85,965</u>	<u>88,673</u>	-3.1%	<u>391,193</u>	<u>330,715</u>	18.3%
Other comprehensive income/(expense), net of tax:						
Remeasurement of retirement benefits	1,535	(146)	1151.4%	1,535	(1,602)	195.8%
Foreign currency translation of foreign operations	<u>20,296</u>	<u>(341)</u>	6051.9%	<u>25,017</u>	<u>(10,162)</u>	346.2%
Total comprehensive income	<u>107,796</u>	<u>88,186</u>	22.2%	<u>417,745</u>	<u>318,951</u>	31.0%
Total comprehensive income/(expense) attributable to:						
Owners of the Company	108,047	87,873	23.0%	417,469	318,709	31.0%
Non-controlling interests	<u>(251)</u>	<u>313</u>	-180.2%	<u>276</u>	<u>242</u>	14.0%
	<u>107,796</u>	<u>88,186</u>	22.2%	<u>417,745</u>	<u>318,951</u>	31.0%

INARI AMERTRON BERHAD
(INCORPORATED IN MALAYSIA - REGISTRATION NO. 201001016131 (1000809-U))
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME⁽¹⁾
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter (Unaudited) 30/06/2022 <u>RM'000</u>	Preceding Year Corresponding Quarter (Unaudited) 30/06/2021 <u>RM'000</u>	Current Year (Unaudited) 30/06/2022 <u>RM'000</u>	Preceding Year (Audited) 30/06/2021 <u>RM'000</u>
Earnings per share attributable to owners of the Company (sen)⁽²⁾				
Basic	<u>2.33</u>	<u>2.64</u>	<u>10.65</u>	<u>10.01</u>
Diluted	<u>2.32</u>	<u>2.64</u>	<u>10.59</u>	<u>9.91</u>

- Notes:**
- (1) The condensed 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) Basic earnings per share is calculated based on the profit for the financial period attributable to owners of the Company divided by the weighted average number of ordinary shares in issue. Diluted earnings per share is calculated by dividing the profit for the financial period attributable to owners of the Company to 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 CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding		
	(Unaudited)	(Restated)	(Unaudited)	(Audited)
30/06/2022	30/06/2021	30/06/2022	30/06/2021	
	RM'000	RM'000	RM'000	RM'000
(Reversal of allowance)/Allowance for slow moving inventories	3,557	2,612	3,229	334
Depreciation	18,126	26,176	100,947	102,694
Loss/(Gain) on disposal of property, plant and equipment	(91)	1	(86)	(41)
Property, plant and equipment written off	-	(2)	-	5
<u>(Gain)**/Loss* on foreign exchange translation</u>				
- Realised	(16,138)	1,168	(21,031)	12,980
- Unrealised	(317)	(2,927)	(2,408)	(6,136)
<u>Finance costs/(income)</u>				
- Interest expenses***	1,003	317	1,034	523
- Interest income	(7,990)	(2,205)	(23,913)	(7,108)

* Included in "Administrative expenses"

** Included in "Other income"

*** 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 ⁽⁶⁾
AS AT 30 JUNE 2022

	Unaudited As at 30/06/2022 RM'000	Audited As at 30/06/2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	499,524	473,401
Intangible assets	2,340	2,207
Investment in an associate	5,410	5,481
Deferred tax assets	1,704	15,387
	508,978	496,476
Current assets		
Inventories	147,037	157,527
Trade and other receivables	266,891	251,466
Tax recoverable	903	9,853
Cash and cash equivalents ⁽⁵⁾	1,971,021	904,886
	2,385,852	1,323,732
TOTAL ASSETS	2,894,830	1,820,208
EQUITY AND LIABILITIES		
Share capital ⁽³⁾	1,977,180	885,182
Other reserves	54,407	25,836
Retained earnings	473,464	461,946
Equity attributable to owners of the Company	2,505,051	1,372,964
Non-controlling interests	5,984	4,473
Total equity	2,511,035	1,377,437
Non-current liabilities		
Lease liabilities	14,700	897
Retirement benefits obligations	2,751	3,641
Deferred tax liabilities	11,529	11,640
	28,980	16,178
Current liabilities		
Trade and other payables	262,570	288,597
Lease liabilities	652	1,201
Borrowings	-	1,114
Tax payable	10,031	1,885
Dividend payable	81,562	133,796
	354,815	426,593
Total liabilities	383,795	442,771
TOTAL EQUITY AND LIABILITIES	2,894,830	1,820,208
Net assets per share attributable to owners of the Company ⁽⁴⁾ (RM)	0.6756	0.4103

Notes:

- (3) Based on 3,707,673,199 (as at 30 June 2021: 3,346,436,099) ordinary shares in issue as at 30 June 2022.
- (4) 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.
- (5) The cash and cash equivalent consist of RM1,548.2 million (as at 30 June 2021: RM556.5 million) is placed in Islamic deposit and current accounts and Islamic money market instruments with licensed financial institutions.
- (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⁽⁷⁾
FOR THE FINANCIAL YEAR ENDED 30 JUNE 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
Unaudited								
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 year	-	-	-	25,017	392,452	417,469	276	417,745
<i>Transactions with owners:</i>								
Ordinary share issued pursuant to:								
- Exercise of ESOS	71,675	-	(8,373)	-	-	63,302	-	63,302
- Private placement	1,032,300	-	-	-	-	1,032,300	-	1,032,300
Share issuance expenses pursuant to Private Placement	(11,977)	-	-	-	-	(11,977)	-	(11,977)
Share-based compensation pursuant to ESOS granted	-	-	11,927	-	-	11,927	-	11,927
Increase of share capital in a subsidiary	-	-	-	-	-	-	1,235	1,235
Dividends	-	-	-	-	(380,934)	(380,934)	-	(380,934)
	1,091,998	-	3,554	-	(380,934)	714,618	1,235	715,853
At 30 June 2022	1,977,180	5,387	21,037	27,983	473,464	2,505,051	5,984	2,511,035
Audited								
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 year	-	-	-	(10,162)	328,871	318,709	242	318,951
<i>Transactions with owners:</i>								
Ordinary share issued pursuant to exercise of ESOS	180,342	-	(29,464)	-	-	150,878	-	150,878
Share-based compensation pursuant to ESOS granted	-	-	17,940	-	-	17,940	-	17,940
Dividends	-	-	-	-	(319,264)	(319,264)	-	(319,264)
	180,342	-	(11,524)	-	(319,264)	(150,446)	-	(150,446)
At 30 June 2021	885,182	5,387	17,483	2,966	461,946	1,372,964	4,473	1,377,437

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 CONSOLIDATED STATEMENTS OF CASH FLOWS ⁽⁸⁾
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Unaudited Current Year 30/06/2022 RM'000	Audited Preceding Year 30/06/2021 RM'000
OPERATING ACTIVITIES		
Profit before tax	446,109	352,249
Adjustments for:		
Depreciation	100,947	102,694
Equity-settled share based payment transactions	11,927	17,940
Gain on disposal of property, plant and equipment	(86)	(41)
Interest income	(23,913)	(7,108)
Interest expenses	1,034	523
(Reversal of allowance)/Allowance for slow moving inventories	3,229	334
Provision for warranty	918	4,127
Provision for retirement benefits obligations	610	1,027
Property, plant and equipment written off	-	5
Share of loss of equity-accounted associate	71	207
Unrealised gain on foreign exchange	(2,408)	(6,136)
Operating profit before working capital changes	<u>538,438</u>	<u>465,821</u>
Changes in working capital:		
Inventories	11,481	(13,964)
Receivables	(5,890)	(35,933)
Payables	(37,767)	88,588
Cash generated from operations	<u>506,262</u>	<u>504,512</u>
Income tax paid	(25,148)	(24,582)
Income tax refunded	486	7
Interest received	23,913	7,108
Interest paid	(1,034)	(523)
Net cash from operating activities	<u>504,479</u>	<u>486,522</u>
INVESTING ACTIVITIES		
Changes in amount due from an associate	-	459
Proceeds from disposal of property, plant and equipment	1,828	756
Uplift of fixed deposits pledged to licensed banks	-	157
Increase of share capital in a subsidiary, net of cash acquired	1,235	-
Acquisition of property, plant and equipment	(111,479)	(99,149)
Uplift/(Placement) of fixed deposits with licensed banks	20,000	(986)
Net cash used in investing activities	<u>(88,416)</u>	<u>(98,763)</u>
FINANCING ACTIVITIES		
Dividend paid to owners of the Company	(433,168)	(217,962)
Net repayment of lease liabilities	(1,302)	(1,380)
Net repayment of borrowings	(1,087)	(4,755)
Net proceeds from issuance of ESOS	63,302	150,878
Net proceeds from private placement	1,020,323	-
Net cash generated from/(used in) financing activities	<u>648,068</u>	<u>(73,219)</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	<u>1,064,131</u>	<u>314,540</u>
Effects of changes in foreign exchange rates	22,004	(2,886)
CASH AND CASH EQUIVALENT AT BEGINNING	<u>831,217</u>	<u>519,563</u>
CASH AND CASH EQUIVALENT AT END	<u>1,917,352</u>	<u>831,217</u>
Represented by:		
Cash and cash equivalents	1,971,021	904,886
Less: Fixed deposits more than 3 months to maturity	(53,669)	(73,669)
	<u>1,917,352</u>	<u>831,217</u>

Notes:

(8) The condensed consolidated statements of cash flows 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
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NOTES TO THE REPORT

Part A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard (“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 Standard (“MFRS”) 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

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 2022:

<u>Amendments/Improvements to MFRSs</u>	<u>Effective for annual period beginning on or after</u>	
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 4	Insurance Contracts: Extension of the Temporary Exemption from Applying MFRS 9	1 January 2023
MFRS 17 and Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
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

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

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
Amendments to MFRS 10 and 128	Consolidated Financial Statements and Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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 period under review.

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

6. Changes in Estimates

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

7. Debt and Equity Securities

During the financial year, the issued and paid-up ordinary share capital was increased from RM885,181,963 to RM1,977,180,385 by way of issuance of 361,237,100 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. 28,237,100 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	136,000	107,000

<i>Exercise price (RM)</i>	0.863	0.983	1.187	1.438	1.721
<i>No of shares issued</i>	106,000	96,400	305,800	711,300	1,973,600

<i>Exercise price (RM)</i>	1.880	1.890	0.980	2.460	3.030
<i>No of shares issued</i>	5,940,200	5,130,600	1,788,200	3,613,200	4,302,100

<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 year under review.

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

8. Dividends Paid

Dividends paid during the financial year ended 30 June 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.
- iv. Second interim single tier dividend of 2.80 sen per ordinary share amounting to RM103.7 million for the financial year ending 30 June 2022 paid on 8 April 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 30/06/2022 RM'000	Quarter Ended 30/06/2021 RM'000	Year To date 30/06/2022 RM'000	Year To date 30/06/2021 RM'000
Malaysia	13,589	26,525	77,404	107,071
Singapore	293,339	295,663	1,331,063	1,225,496
China	26,464	36,978	124,458	89,049
Others	2,785	2,154	14,974	7,088
	<u>336,177</u>	<u>361,320</u>	<u>1,547,899</u>	<u>1,428,704</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.

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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 current financial year 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

During the financial year, the following changes in composition were effected: -

Voluntary winding-up 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 since 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, CTT had been dissolved while the voluntary winding-up of CT 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.

Incorporation of subsidiary

On 21 January 2022, Amertron Inc. (Global) Limited, a wholly-owned subsidiary of the Company, had incorporated a new wholly-owned subsidiary namely Amertron International Limited (“AIL”) with the subscription of 100,000 new ordinary shares at an issue price of HKD1.00 each, representing 100% equity interest in AIL.

13. Contingent Liabilities and Contingent Assets

	30/06/2022	30/06/2021
	RM’000	RM’000
Corporate guarantee extended to licensed banks and financial institutions for credit facilities granted to subsidiaries:		
- Limit	13,000	35,274
- Amount utilized	95	5,350

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

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(INCORPORATED IN MALAYSIA – REGISTRATION NO. 201001016131 (1000809-U))

14. Capital Commitments

	30/06/2022	30/06/2021
	RM'000	RM'000
- Construction of building	1,300	3,189
- Purchase of plant, machinery and equipment	14,759	18,192
	16,059	21,381

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 year under review is as follows:

	30/06/2022	30/06/2021
	RM'000	RM'000
Foreign currency hedging contracts		
Notional value of contracts*	58,096	35,104

* Equivalent to USD 13,187,000 (30 June 2021: USD 8,450,000)

17. Fair Value of Financial Liabilities

The carrying amounts of the financial liabilities as at the end of the reporting year 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 year. Hence, there is no fair value gain or loss on financial liabilities.

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(INCORPORATED IN MALAYSIA – REGISTRATION NO. 201001016131 (1000809-U))

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 RM336.2 million for the current quarter, representing a decrease of 7.0% compared to the same quarter in the previous year of RM361.3 million. The decrease was mainly due to lower loading volume in Optoelectronics and Generic business segments due to raw material supply constraints.

The Group achieved profit after tax of RM86.0 million for the current quarter, a decrease of 3.1% from RM88.7 million recorded in the corresponding quarter in the previous financial year was mainly due to lower revenue growth and higher provision of deferred taxation.

Comparison with the immediate preceding quarter

The Group's revenue was lowered by 6.7% to RM336.2 million in the current quarter from RM360.3 million in the immediate preceding quarter. The decrease was mainly due to lower loading volume in Optoelectronics and Generic business segments due to raw material supply constraints.

In tandem with this and higher provision of deferred taxation, the Group recorded profit after tax of RM86.0 million for the current quarter, a decrease of 4.8% from RM90.3 million recorded in the immediate preceding quarter.

Financial year to date against preceding financial year

For the financial year ended 30 June 2022, the Group recorded revenue of RM1,547.9 million, representing a 8.3% increase from RM1,428.7 million in the preceding financial year. Growth was recorded in all business segments with the Radio Frequency ("RF") business segment continuing to be the key contributor to the revenue growth.

The Group's profit after tax increased by 18.3% to RM391.2 million for the financial year ended 30 June 2022 from RM330.7 million in the preceding financial year. The increase was mainly contributed by higher revenue growth in the RF business segment as compared to the preceding financial year.

2. Commentary on Prospects

Gartner released its worldwide semiconductor latest forecast on 27 July 2022 reported that the global semiconductor revenue growth is projected to grow 7.4% in 2022 to USD639 billion, down from 2021 growth of 26.3%. This is down from the previous quarter's forecast of 13.6% growth in 2022. Although chip shortages are abating, the semiconductor revenue is projected to decline 2.5% to USD623 billion in 2023 seeing weakness in semiconductor end markets.

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

2. Commentary on Prospects (continued)

In the report, Gartner projected that semiconductor revenue from smartphones is on pace to slow to 3.1% growth in 2022, while semiconductor revenue from the data center market will remain resilient for longer at 22% growth in 2022 due to continued cloud infrastructure investment.

Given the mixed news for our product segments, the Group remains cautiously positive on the prospects for FY2023. The strong USD has been favorable to the Group in the current quarter and its strength is expected to remain for the first half of FY2023 on indications of rising interest rates in the USA.

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 quarter and financial year ended 30 June 2022 are as follows:

	Individual Quarter ended		Cumulative year ended	
	30/06/2022 RM'000	30/06/2021 RM'000	30/06/2022 RM'000	30/06/2021 RM'000
In respect of current period:				
- Current tax	(6,556)	(4,731)	(40,062)	(30,252)
- Deferred tax	(9,721)	31	(10,848)	8,926
	(16,277)	(4,700)	(50,910)	(21,326)
Over/(Under) provision in prior year:				
- Current tax	(3,239)	18	(1,502)	(112)
- Deferred tax	(2,504)	(40)	(2,504)	(96)
	(22,020)	(4,722)	(54,916)	(21,534)

The effective tax rate of the Group for the current quarter and financial year ended 30 June 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.

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

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 was 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”) and Joint Venture Contract

On 18 October 2021, the Company announced that a non-binding MOU had 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 (“OSAT”) manufacturing and related businesses in China for the China market.

On 12 April 2022, the Company announced that the Company and CFTC had 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.

On 28 June 2022, Amertron International Limited (“AIL”), an indirect wholly-owned subsidiary of the Company, had entered into a Joint Venture Contract with CFTC (Yiwu) Equity Investment Fund Partnership (Limited Partnership) and CFTC Equity Investment Management (Beijing) Co., Ltd to bring together the strengths and expertise of all parties in carrying out OSAT manufacturing and related businesses in China for the China market under a joint-venture company and the joint venture will enable Inari to expand and add onto Inari existing operations in the China market.

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

5. Status of Corporate Proposals (continued)

(ii) Memorandum of Understanding (“MOU”) and Joint Venture Contract (continued)

The JV Company will increase its registered capital from RMB770,001,000 to RMB1,691,001,000 and AIL will subscribe for such registered capital by utilizing the proceeds from the private placement that was completed on 30 July 2021 to become a majority shareholder representing 54.4648% of the enlarged capital in the JV Company.

The share subscription in the JV Company is expected to take place progressively starting in the 3rd quarter of 2022 and is expected to be completed in the 1st quarter of 2023.

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 30 June 2022:

Details	Proposed Utilization RM'000	Actual Utilization RM'000	Unutilized Proceeds RM'000	Intended timeframe of utilization from the listing date of the Placement Shares
1 Capital expenditure, acquisitions and investments	1,015,500	-	1,015,500	Within 30 months
2 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	

The balance of unutilized proceeds is currently placed in interest bearing fixed deposit accounts with licensed financial institutions or in money market instruments, pending its utilization within the intended timeframe.

7. Group Borrowings and Debt Securities

The Group’s borrowings have been fully settled during the financial year 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.

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

9. Dividend

The Directors propose the fourth 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 9 September 2022 and 6 October 2022 respectively.

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	2.20	2.50
	10.00	11.00

10. Earnings Per Share

(a) Basic earnings per share

The basic earnings per share is calculated by dividing the net profit attributable to owners of the Company to the weighted average number of ordinary shares in issue during the financial quarter and financial year.

	Individual Quarter ended		Cumulative Year ended	
	30/06/2022 RM'000	30/06/2021 RM'000	30/06/2022 RM'000	30/06/2021 RM'000
Net profit attributable to owners of the Company (RM'000)	86,216	88,360	390,917	330,473
Weighted average number of ordinary shares in issue ('000)	3,706,699	3,343,521	3,671,520	3,302,291
Basic earnings per share (sen)	2.33	2.64	10.65	10.01

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

10. Earnings Per Share (continued)

(b) Diluted earnings per share

Diluted earnings per share is calculated by dividing the profit attributable to owners of the Company to the weighted average number of ordinary shares outstanding during the financial year 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 ESOS granted by the reporting date.

	Individual Quarter ended		Cumulative Year ended	
	30/06/2022 RM'000	30/06/2021 RM'000	30/06/2022 RM'000	30/06/2021 RM'000
Net profit attributable to owners of the Company (RM'000)	86,216	88,360	390,917	330,473
Weighted average number of ordinary shares (basic) ('000)	3,706,699	3,343,521	3,671,520	3,302,291
Effect of dilution due to ESOS ('000)	9,117	1,252	18,252	33,134
Weighted average number of ordinary shares (diluted) ('000)	3,715,816	3,344,773	3,689,772	3,335,425
Diluted earnings per share (sen)	2.32	2.64	10.59	9.91