

INARI AMERTRON BERHAD
(INCORPORATED IN MALAYSIA - REGISTRATION NO. 201001016131 (1000809-U))
CONDENSED UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ⁽¹⁾
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Year	Preceding Year	%	Current Year	Preceding Year	%
	Quarter	Corresponding		Quarter	Quarter	
31/3/2024	31/3/2023	31/3/2024	31/3/2023	31/3/2024	31/3/2023	
	RM'000	RM'000		RM'000	RM'000	
Revenue	347,629	275,795	26.0%	1,145,637	1,055,251	8.6%
Cost of sales	(277,819)	(213,654)	30.0%	(885,578)	(753,784)	17.5%
Gross profit	69,810	62,141	12.3%	260,059	301,467	-13.7%
Other income	12,383	7,821	58.3%	10,620	7,741	37.2%
Finance income	16,567	14,563	13.8%	48,048	36,206	32.7%
Administrative expenses	(21,507)	(22,879)	-6.0%	(60,543)	(62,065)	-2.5%
Operating profit	77,253	61,646	25.3%	258,184	283,349	-8.9%
Finance costs	(470)	(298)	57.7%	(1,180)	(956)	23.4%
Share of profit/(loss) of equity-accounted associate	-	546	-100.0%	(174)	771	-122.6%
Profit before tax	76,783	61,894	24.1%	256,830	283,164	-9.3%
Tax expense	(2,908)	(4,634)	-37.2%	(11,026)	(26,376)	-58.2%
Profit for the financial period	73,875	57,260	29.0%	245,804	256,788	-4.3%
Profit attributable to:						
Owners of the Company	73,724	57,362	28.5%	245,511	257,223	-4.6%
Non-controlling interests	151	(102)	>200%	293	(435)	167.4%
	73,875	57,260	29.0%	245,804	256,788	-4.3%
Other comprehensive income, net of tax:						
Foreign currency translation of foreign operations	13,855	(1,464)	>200%	9,520	(300)	>200%
Total comprehensive income	87,730	55,796	57.2%	255,324	256,488	-0.5%
Total comprehensive income attributable to:						
Owners of the Company	87,579	55,898	56.7%	255,031	256,923	-0.7%
Non-controlling interests	151	(102)	>200%	293	(435)	-167.4%
	87,730	55,796	57.2%	255,324	256,488	-0.5%

INARI AMERTRON BERHAD
(INCORPORATED IN MALAYSIA - REGISTRATION NO. 201001016131 (1000809-U))
CONDENSED UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ⁽¹⁾
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding Quarter		
	<u>31/3/2024</u>	<u>31/3/2023</u>	<u>31/3/2024</u>	<u>31/3/2023</u>
Earnings per share attributable to owners of the Company (sen) ⁽²⁾				
Basic	<u>1.97</u>	<u>1.54</u>	<u>6.56</u>	<u>6.90</u>
Diluted	<u>1.96</u>	<u>1.54</u>	<u>6.54</u>	<u>6.90</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 2023 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.

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 2024

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	Current Year	Preceding Year
	31/3/2024	31/3/2023	31/3/2024	31/3/2023
	RM'000	RM'000	RM'000	RM'000
(Reversal)/Allowance for slow moving inventories	(53)	297	(3,497)	(780)
Depreciation	29,868	25,965	88,166	79,379
Gain on disposal of property, plant and equipment	(276)	(271)	(485)	(231)
Property, plant and equipment written off	-	7	1	8
<u>Loss*/(Gain)** on foreign exchange translation</u>				
- Realised	(8,088)	3,914	(4,489)	3,901
- Unrealised	(2,001)	(5,165)	2,063	(1,757)
<u>Finance costs/(income)</u>				
- Interest expenses [#]	470	298	1,180	956
- Interest income ^{##}	(16,567)	(14,563)	(48,048)	(36,206)

* Included in "Administrative expenses"

** Included in "Other income"

[#] Included finance costs of lease liabilities

^{##} Included profit received from Islamic deposit and current accounts and Islamic money market instruments with licensed financial institutions for the current quarter and financial period to date ended 31 March 2024 of RM12.2 million and RM35.9 million respectively.

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 2024

	Unaudited As at 31-Mar-24 RM'000	Audited As at 30-Jun-23 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	768,256	509,024
Intangible assets	10,968	2,486
Investment in an associate	-	6,675
Deferred tax assets	10,050	9,918
	<u>789,274</u>	<u>528,103</u>
Current assets		
Inventories	153,252	183,216
Trade and other receivables	217,576	411,037
Tax recoverable	43,652	13,402
Cash and cash equivalents ⁽⁵⁾	2,274,059	1,830,994
	<u>2,688,539</u>	<u>2,438,649</u>
TOTAL ASSETS	<u>3,477,813</u>	<u>2,966,752</u>
EQUITY AND LIABILITIES		
Share capital ⁽³⁾	2,100,328	2,033,398
Other reserves	73,923	72,678
Retained earnings	593,198	496,554
Equity attributable to owners of the Company	<u>2,767,449</u>	<u>2,602,630</u>
Non-controlling interests	<u>383,750</u>	<u>3,218</u>
Total equity	<u>3,151,199</u>	<u>2,605,848</u>
Non-current liabilities		
Lease liabilities	15,889	15,159
Retirement benefits obligations	3,434	2,787
Deferred tax liabilities	11,796	11,508
	<u>31,119</u>	<u>29,454</u>
Current liabilities		
Trade and other payables	208,471	276,119
Lease liabilities	895	345
Tax payable	3,534	2,725
Dividend payable	82,595	52,261
	<u>295,495</u>	<u>331,450</u>
Total liabilities	<u>326,614</u>	<u>360,904</u>
TOTAL EQUITY AND LIABILITIES	<u>3,477,813</u>	<u>2,966,752</u>
Net assets per share attributable to owners of the Company ⁽⁴⁾ (RM)	<u>0.7363</u>	<u>0.6972</u>

Notes:

- (3) Based on 3,758,342,699 (as at 30 June 2023: 3,732,934,799) ordinary shares in issue as at 31 March 2024.
- (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 equivalents consist of RM1,270.8 million (as at 30 June 2023: RM1,370.5 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 2023 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 CHANGES IN EQUITY ⁽⁷⁾
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

	<-----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 2023	2,033,398	5,387	11,683	55,608	496,554	2,602,630	3,218	2,605,848
Total comprehensive income for the period	-	-	-	9,520	245,511	255,031	293	255,324
<i>Transactions with owners:</i>								
Ordinary share issued pursuant to exercise of ESOS	66,930	-	(4,872)	-	-	62,058	-	62,058
Share-based compensation pursuant to ESOS granted	-	-	1,713	-	-	1,713	-	1,713
Partial disposal of an existing subsidiary	-	-	-	(5,116)	90,956	85,840	(114,474)	(28,634)
Acquisition of a subsidiary	-	-	-	-	-	-	494,713	494,713
Dividends	-	-	-	-	(239,823)	(239,823)	-	(239,823)
	66,930	-	(3,159)	(5,116)	(148,867)	(90,212)	380,239	290,027
At 31 March 2024	2,100,328	5,387	8,524	60,012	593,198	2,767,449	383,750	3,151,199
At 1 July 2022	1,977,180	5,387	21,037	27,983	473,464	2,505,051	5,984	2,511,035
Total comprehensive income/(expense) for the period	-	-	-	(300)	257,223	256,923	(435)	256,488
<i>Transactions with owners:</i>								
Ordinary share issued pursuant to exercise of ESOS	56,218	-	(9,210)	-	-	47,008	-	47,008
Share-based compensation pursuant to ESOS granted	-	-	3,831	-	-	3,831	-	3,831
Expiry of share option under ESOS	-	-	(11,842)	-	11,842	-	-	-
Dividends	-	-	-	-	(260,822)	(260,822)	-	(260,822)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(4,256)	(4,256)
	56,218	-	(17,221)	-	(248,980)	(209,983)	(4,256)	(214,239)
At 31 March 2023	2,033,398	5,387	3,816	27,683	481,707	2,551,991	1,293	2,553,284

Notes:

(7) The condensed unaudited consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 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 ⁽⁸⁾
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

	Cumulative Quarter 9 Months Ended 31/3/2024 RM'000	Cumulative Quarter 9 Months Ended 31/3/2023 RM'000
OPERATING ACTIVITIES		
Profit before tax	256,830	283,164
Adjustments for:		
Depreciation	88,166	79,379
Equity-settled share based payment transactions	1,713	3,831
Gain on disposal of associate company	(174)	-
Gain on disposal of property, plant and equipment	(485)	(231)
Interest income	(48,048)	(36,206)
Interest expenses	1,180	956
Reversal for slow moving inventories	(3,497)	(780)
Provision for retirement benefits obligations	601	578
Property, plant and equipment written off	1	8
Share of loss/(profit) of equity-accounted associate	174	(771)
Unrealised loss/(gain) on foreign exchange	2,063	(1,757)
Operating profit before working capital changes	298,524	328,171
Changes in working capital:		
Inventories	37,674	1,149
Receivables	205,952	84,861
Payables	(115,882)	(103,465)
Cash generated from operations	426,268	310,716
Income tax paid	(40,562)	(32,165)
Income tax refunded	276	-
Interest received	48,048	36,206
Interest paid	(622)	(956)
Net cash from operating activities	433,408	313,801
INVESTING ACTIVITIES		
Payment for proposed investment	-	(136,741)
Proceeds from disposal of associate company	6,675	-
Proceeds from disposal of property, plant and equipment	4,811	282
Acquisition of subsidiary, net of cash acquired	280,171	-
Acquisition of property, plant and equipment	(136,696)	(48,276)
(Placement) /Uplift of fixed deposits with licensed banks	(469)	27,732
Net cash generated from/(used in) investing activities	154,492	(157,003)
FINANCING ACTIVITIES		
Dividend paid to owners of the Company	(209,489)	(260,258)
Dividend paid to non-controlling interests	-	(4,256)
Net repayment of lease liabilities	(402)	(558)
Net proceeds from issuance of ESOS	62,058	47,008
Net cash used in financing activities	(147,833)	(218,064)
NET CHANGES IN CASH AND CASH EQUIVALENTS	440,067	(61,266)
Effects of changes in foreign exchange rates	2,231	4,505
CASH AND CASH EQUIVALENT AT BEGINNING	1,803,506	1,917,352
CASH AND CASH EQUIVALENT AT END	2,245,804	1,860,591
Represented by:		
Cash and cash equivalents	2,274,059	1,886,345
Less: Fixed deposits more than 3 months to maturity	(28,255)	(25,754)
	<u>2,245,804</u>	<u>1,860,591</u>

Notes:

(8) The condensed unaudited consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

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(INCORPORATED IN MALAYSIA – REGISTRATION NO. 201001016131 (1000809-U))
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 2023.

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 2023 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 2023:

<u>Amendments/Improvements to MFRSs</u>		<u>Effective for annual period beginning on or after</u>
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 – Disclosure of Accounting Policies	1 January 2023
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 112	Income Taxes – International Tax Reform – Pillar Two Model Rules	1 January 2023
Amendments to MFRS 16	Leases – Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current	1 January 2024

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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 2023 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 2023 (continued):

<u>Amendments/Improvements to MFRSs</u>	<u>Effective for annual period beginning on or after</u>
Amendments to MFRS 101	Presentation of Financial Statements – Non-current Liabilities with Covenants 1 January 2024
Amendments to MFRS 107 and MFRS 7	Statement of Cash Flows and Financial Instruments: Disclosures – Supplier Finance Arrangements 1 January 2024
Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability 1 January 2025
Amendments to MFRS 10 and MFRS 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.

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NOTES TO THE REPORT

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

For the nine months period ended 31 March 2024, the issued and paid-up ordinary share capital of the Company was increased from RM2,033,397,743 to RM2,100,328,045 by way of issuance of 25,407,900 new ordinary shares pursuant to the exercise of share options under the Employees' Share Option Scheme 2022 ("ESOS 2022") at the following exercise prices:

Exercise prices and number of shares issued

<i>Exercise price (RM)</i>	<i>2.560</i>	<i>2.340</i>	<i>3.070</i>
<i>No of shares issued</i>	<i>11,772,400</i>	<i>13,615,900</i>	<i>19,600</i>

The new ordinary shares issued pursuant to the exercise of ESOS 2022 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 2024 were as follows:

- i. Third interim single tier dividend of 1.40 sen per ordinary share amounting to RM52.3 million for the financial year ended 30 June 2023 paid on 7 July 2023.
- ii. Fourth interim single tier dividend of 2.00 sen per ordinary share amounting to RM74.8 million for the financial year ended 30 June 2023 paid on 6 October 2023.
- iii. First interim single tier dividend of 2.20 sen per ordinary share amounting to RM82.4 million for the financial year ending 30 June 2024 paid on 5 January 2024.

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.

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NOTES TO THE REPORT

9. Segmental Information (continued)

Geographical information

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 31/3/2024 RM’000	Quarter Ended 31/3/2023 RM’000	Period To date 31/3/2024 RM’000	Period To date 31/3/2023 RM’000
Malaysia	17,523	12,966	55,058	54,164
Singapore	305,474	244,460	1,014,269	928,517
China	21,589	16,799	65,590	68,925
Others	3,043	1,570	10,720	3,645
	<u>347,629</u>	<u>275,795</u>	<u>1,145,637</u>	<u>1,055,251</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 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 period, the following changes in composition were effected: -

Disposal of equity interest in associate company

On 18 December 2023, a wholly-owned subsidiary of the Company, Inari Matrix Sdn Bhd, entered into a Share Sale and Purchase Agreement to dispose of its entire 30% equity interest in PCL Inari Technologies Sdn Bhd (“PCLI”) to PCL Technologies Trading, Inc, a shareholder who owned 70% equity interest in PCLI for a cash consideration of RM6,675,670. The disposal consideration was agreed and derived based on the audited net assets of PCLI as at financial year ended 30 June 2023, a gain on disposal of RM174,401 was recognised in the preceding quarter. There are no material financial impact to the earnings per share, net asset per share and gearing of the Group for the financial year ending 30 June 2024.

The disposal of PCLI was completed on 29 December 2023 and PCLI has ceased to be an associate company of the Group.

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NOTES TO THE REPORT

12. Changes in the Composition of the Group (continued)

Investment in a subsidiary

Pursuant to the Joint Venture Contract (“JV Contract”) and Equity Subscription Agreement (“ESA”) disclosed in Note 5 in Part B of this report on the status of corporate proposal, as at 31 March 2024, an indirect wholly-owned subsidiary of the Company, Amertron International Limited had fully subscribed for the registered capital amounting to RMB430,000,000 by way of cash and RMB491,000,000 by transferring 100% of the equity interest in Amertron Technology (Kunshan) Co. Ltd. (“ATK”) to Yiwu Semiconductor International Corporation (“JV Company”).

With the completion of the cash and equity contribution, the terms and conditions as stipulated in the JV Contract and ESA had been fulfilled, the Group has obtained control and the JV Company become a 54.46% indirect owned subsidiary of the Company.

Fair value of identifiable asset and liabilities

	RM'000
Property, plant and equipment	213,367
Investment in ATK	318,058
Inventories	172
Other receivables	29,724
Cash and bank balances	560,423
Other payables	<u>(37,177)</u>
Total identifiable net assets	1,084,567
Less: Non-controlling interest	(494,713)
Goodwill	<u>8,456</u>
Total cost of investment	<u><u>598,310</u></u>

Fair value of consideration transferred

	RM'000
Cash consideration	280,252
Equity interest in ATK	<u>318,058</u>
Total cost of investment	<u><u>598,310</u></u>

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NOTES TO THE REPORT

13. Contingent Liabilities and Contingent Assets

	31/3/2024	31/3/2023
	RM'000	RM'000
Corporate guarantee extended to licensed banks and financial institutions for credit facilities granted to subsidiaries:		
- Limit	8,000	10,000
- Amount utilised	6,423	4,928

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

14. Capital Commitments

	31/3/2024	31/3/2023
	RM'000	RM'000
Authorised and contracted for:		
- Construction of building	4,188	1,176
- Purchase of plant, machinery and equipment	46,156	31,994
	50,344	33,170

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 2023.

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

	31/3/2024	31/3/2023
	RM'000	RM'000
Foreign currency hedging contracts		
Notional value of contracts*	29,317	43,649

* Equivalent to USD 6,200,000 (31 March 2023: USD 9,900,000)

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.

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NOTES TO THE REPORT

Part B - Additional Information as Required by the Main Market Listing Requirements of Bursa Securities

1. Review of Performance

Comparison with the corresponding quarter in the previous financial year

The Group recorded revenue of RM347.6 million for the current quarter, an increase of 26% compared to the same quarter in the previous year of RM275.8 million. The increase was mainly due to comparatively higher loading volume in RF and optoelectronics business segments in the current quarter.

The Group recorded profit after tax of RM73.9 million for the current quarter, an increase of 29% from RM57.3 million recorded in the corresponding quarter in the previous financial year was mainly due to higher revenue growth and more favourable movement in forex exchange rates in the current quarter.

Comparison with the immediate preceding quarter

The Group's revenue decreased by 16% to RM347.6 million in the current quarter from RM414.1 million in the immediate preceding quarter. The decrease was mainly due to comparatively lower loading volume in all business segments.

The Group recorded profit after tax of RM73.9 million for the current quarter, a decrease of 14.7% from RM86.6 million recorded in the immediate preceding quarter. The decrease was mainly due to lower revenue growth offset with more favourable movement in forex exchange rates in the current quarter.

Financial year to date against preceding financial year

For the nine months period ended 31 March 2024, the Group recorded revenue of RM1,145.6 million, representing an increase of 8.6% from RM1,055.3 million in the preceding year corresponding period.

However, the Group's profit after tax decreased by 4.3% to RM245.8 million for the period ended 31 March 2024 from RM256.8 million in the preceding year corresponding period. The decrease was mainly due to increase in electricity rates as well as losses in work-in-progress items arising from unstable glitches in electricity supply from the grid experienced earlier during the current financial year which has since been rectified. The Group is also currently experiencing short term lower gross margins for new products in our push for revenue growth for the future.

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2. Commentary on Prospects

International Data Corporation (IDC) in its publication on 15 April 2024 reported that global smartphone shipments increased 7.8% to 289.4 million units in the first quarter of 2024. The smartphone market is expected to continue to grow alongside growth in AI adoption as more AI-capable smartphone models are being rapidly introduced.

Gartner released its forecast on 2 May 2024 reported that the semiconductor industry is entering a revenue recovery phase. Worldwide semiconductor revenue is projected to grow 17.4% in 2024 and 13.7% in 2025 to cross the USD700 billion milestone. Memory will lead 2024 growth at 70.5% mainly due to AI demand, while nonmemory segments will grow at 6.2%.

In the current technology landscape dominated by the AI and trade-war tariff narratives, the semiconductor industry in Malaysia is reaping a promising trajectory over the next few years. The Group's current business is well positioned to benefit from the anticipated introduction of AI-capable smartphones and the growth of high bandwidth optoelectronic devices in networks and data centers serving the AI market. Concurrently, the Group is also evaluating opportunities for partnerships with semiconductor companies moving into Malaysia as a result of geopolitics and the US-China trade war.

The Group expects continued positive results for the FY2024 from continued improvements in our production capacity and utilisation, strength in our operational efficiencies, and strong USD in the near term. The Group is also currently investing a new technology development and facilities, setting up new product lines and short term lower gross margins for new products in our push, it is paving new revenue streams for business expansion.

3. Profit Forecast and Profit Guarantee

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

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4. Taxation

The taxation charges for the current quarter and financial period ended 31 March 2024 are as follows:

	Individual		Cumulative	
	Quarter ended		period ended	
	31/3/2024	31/3/2023	31/3/2024	31/3/2023
	RM'000	RM'000	RM'000	RM'000
In respect of current period:				
- Current tax	(1,860)	(5,112)	(10,696)	(27,360)
- Deferred tax	(958)	293	(240)	841
	(2,818)	(4,819)	(10,936)	(26,519)
(Under)/Over provision in prior year:				
- Current tax	(63)	216	(63)	174
- Deferred tax	(27)	(31)	(27)	(31)
	(2,908)	(4,634)	(11,026)	(26,376)

The effective tax rate of the Group for the current financial quarter and financial period ended 31 March 2024 is lower than the statutory tax rate of 24% as a subsidiary has been granted tax incentives under the Promotion of Investment Act, 1986.

5. Status of Corporate Proposal

Joint Venture Contract

Amertron International Limited (“AIL”), an indirect wholly-owned subsidiary of the Company, had on 28 June 2022 entered into a Joint Venture Contract (“JV Contract”) and an Equity Subscription Agreement (“ESA”) with CFTC (Yiwu) Equity Investment Fund Partnership (Limited Partnership) (“CFTC (Yiwu)”) and CFTC Equity Investment Management (Beijing) Co. Ltd (“CFTC Equity”) for the purpose of carrying out OSAT manufacturing and related businesses in China for the China market and to expand the existing operations of the Group in the China market under a joint-venture company, namely Yiwu Semiconductor International Corporation (“JV Company”).

Pursuant to the terms of the ESA, the registered capital of the JV Company has been increased from RMB770,001,000 to RMB1,691,001,000, for which the Group via AIL has become the majority shareholder holding 54.46% of the enlarged share capital of the JV Company.

As of 31 March 2024, AIL had fully subscribed for the registered capital amounting to RMB430,000,000 by way of cash and RMB491,000,000 by transferring 100% of the equity interest in Amertron Technology (Kunshan) Co. Ltd. to the JV Company. With the completion of the cash and equity contribution, and the terms and conditions as stipulated in the JV Contract and ESA had been fulfilled, the Group has obtained control and the JV Company become a 54.46% indirect owned subsidiary of the Company.

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6. Status of Utilisation of Proceeds

On 30 July 2021, the Company had completed a private placement with the listing of and quotation for 333,000,000 Inari Shares at the issue price of RM3.10 per placement share on the Main Market of Bursa Malaysia Securities Berhad with the gross proceeds of RM1,032.3 million.

On 22 November 2023, the Board resolved to extend the timeframe for the utilisation of the remaining unutilised proceeds earmarked for capital expenditure, acquisitions and investments for another 24 months from 30 January 2024 to 29 January 2026. As at 31 March 2024, the status of utilisation of proceeds raised is set out in the table below.

Details	Proposed Utilisation RM'000	Actual Utilisation RM'000	Reallocation RM'000	Unutilised Proceeds RM'000	Revised Intended Timeframe of Utilisation
1 Capital expenditure, acquisitions and investments	1,015,500	*(563,024)	4,639	457,115	29 January 2026
2 Expenses in relation to the private placement	16,800	(12,161)	^ (4,639)	-	-
	1,032,300	(575,185)	-	457,115	

Note:-

* Consist of:-

- i. Capital expenditure: RM344.1 million
- ii. Acquisitions and investments: RM218.9 million

^ The actual amount incurred for expenses in relation to the private placement was RM12.2 million with deviation of RM4.6 million being adjusted to the proceeds earmarked for capital expenditure, acquisitions and investments purposes.

The balance of unutilised proceeds amounting to RM457.1 million is placed in interest bearing deposit accounts with licensed financial institutions or money market instruments, pending its utilisation within the revised timeframe.

7. Group Borrowings and Debt Securities

There is no outstanding borrowings during the 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.

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9. Dividend

The Directors propose the third single tier interim dividend of 1.90 sen per ordinary share in respect of the financial year ending 30 June 2024.

The entitlement date and payment date are on 10 June 2024 and 5 July 2024 respectively.

Total dividend for the financial year ending 30 June 2024 and financial year ended 30 June 2023 are summarised as follow:

	Net Per Share FY2024 (sen)	Net Per Share FY2023 (sen)
<u>First Interim Dividend</u>		
Single tier dividend	2.20	2.60
<u>Second Interim Dividend</u>		
Single tier dividend	2.20	2.20
<u>Third Interim Dividend</u>		
Single tier dividend	1.90	1.40
<u>Fourth Interim Dividend</u>		
Single tier dividend	*	2.00
	6.30	8.20

* Not applicable for the current quarter under review.

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 period.

	Individual Quarter ended		Cumulative Period ended	
	31/3/2024 RM'000	31/3/2023 RM'000	31/3/2024 RM'000	31/3/2023 RM'000
Net profit attributable to owners of the Company (RM'000)	73,724	57,362	245,511	257,223
Weighted average number of ordinary shares in issue ('000)	3,750,988	3,732,892	3,744,225	3,725,231
Basic earnings per share (sen)	1.97	1.54	6.56	6.90

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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 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 ESOS granted by the reporting date.

	Individual Quarter ended		Cumulative Period ended	
	31/3/2024 RM'000	31/3/2023 RM'000	31/3/2024 RM'000	31/3/2023 RM'000
Net profit attributable to owners of the Company (RM'000)	73,724	57,362	245,511	257,223
Weighted average number of ordinary shares (basic) ('000)	3,750,988	3,732,892	3,744,225	3,725,231
Effect of dilution due to ESOS ('000)	11,896	13	10,652	2,986
Weighted average number of ordinary shares (diluted) ('000)	3,762,884	3,732,905	3,754,877	3,728,217
Diluted earnings per share (sen)	1.96	1.54	6.54	6.90

By Order of the Board,

Company Secretary
23 May 2024