

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 2024

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Year Quarter	Preceding Year Corresponding Quarter	%	Current Year Quarter	Preceding Year Corresponding Quarter	%
	(Unaudited)	(Restated)		(Unaudited)	(Audited)	
	30/6/2024	30/6/2023		30/6/2024	30/6/2023	
	RM'000	RM'000		RM'000	RM'000	
Revenue	333,112	298,752	11.5%	1,478,749	1,354,003	9.2%
Cost of sales	<u>(269,468)</u>	<u>(245,251)</u>	9.9%	<u>(1,155,046)</u>	<u>(999,035)</u>	15.6%
Gross profit	63,644	53,501	19.0%	323,703	354,968	-8.8%
Other income	4,733	20,368	-76.8%	14,722	24,208	-39.2%
Finance income	18,642	16,720	11.5%	66,690	52,926	26.0%
Administrative expenses	<u>(33,028)</u>	<u>(17,640)</u>	87.2%	<u>(92,940)</u>	<u>(75,804)</u>	22.6%
Operating profit	53,991	72,949	-26.0%	312,175	356,298	-12.4%
Finance costs	(764)	(831)	-8.1%	(1,944)	(1,787)	8.8%
Share of profit/(loss) of equity-accounted associate	<u>-</u>	<u>494</u>	-100.0%	<u>(174)</u>	<u>1,265</u>	-113.8%
Profit before tax	53,227	72,612	-26.7%	310,057	355,776	-12.9%
Tax income/(expense)	<u>1,031</u>	<u>(4,375)</u>	-123.6%	<u>(9,995)</u>	<u>(30,751)</u>	-67.5%
Profit for the financial year	<u>54,258</u>	<u>68,237</u>	-20.5%	<u>300,062</u>	<u>325,025</u>	-7.7%
Profit attributable to:						
Owners of the Company	54,682	66,312	-17.5%	300,193	323,535	-7.2%
Non-controlling interests	<u>(424)</u>	<u>1,925</u>	-122.0%	<u>(131)</u>	<u>1,490</u>	-108.8%
	<u>54,258</u>	<u>68,237</u>	-20.5%	<u>300,062</u>	<u>325,025</u>	-7.7%
Other comprehensive income, net of tax:						
Remeasurement of retirement benefits	851	796	6.9%	851	796	6.9%
Foreign currency translation of foreign operations	<u>(6,944)</u>	<u>27,925</u>	-124.9%	<u>2,576</u>	<u>27,625</u>	-90.7%
Total comprehensive income	<u>48,165</u>	<u>96,958</u>	-50.3%	<u>303,489</u>	<u>353,446</u>	-14.1%
Total comprehensive income attributable to:						
Owners of the Company	51,549	95,033	-45.8%	306,580	351,956	-12.9%
Non-controlling interests	<u>(3,384)</u>	<u>1,925</u>	>200%	<u>(3,091)</u>	<u>1,490</u>	>200%
	<u>48,165</u>	<u>96,958</u>	-50.3%	<u>303,489</u>	<u>353,446</u>	-14.1%

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter (Unaudited) <u>30/6/2024</u>	Preceding Year Corresponding Quarter (Restated) <u>30/6/2023</u>	Current Year (Unaudited) <u>30/6/2024</u>	Preceding Year (Audited) <u>30/6/2023</u>
Earnings per share attributable to owners of the Company (sen) ⁽²⁾				
Basic	<u>1.45</u>	<u>1.78</u>	<u>8.01</u>	<u>8.68</u>
Diluted	<u>1.45</u>	<u>1.78</u>	<u>7.98</u>	<u>8.68</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 CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding		
	(Unaudited)	Quarter	(Unaudited)	(Audited)
30/6/2024	(Restated)	30/6/2024	30/6/2023	
	RM'000	RM'000	RM'000	RM'000
Allowance for slow moving inventories	3,986	3,455	489	2,675
Depreciation	34,939	27,333	123,105	106,712
Loss/(Gain) on disposal of property, plant and equipment	269	(51)	(216)	(282)
Property, plant and equipment written off	4	12	5	20
<u>Loss*/(Gain)** on foreign exchange translation</u>				
- Realised	631	(16,235)	(3,858)	(12,334)
- Unrealised	3,955	(1,263)	6,018	(3,020)
<u>Finance costs/(income)</u>				
- Interest expenses [#]	764	831	1,944	1,787
- Interest income ^{##}	(18,642)	(16,720)	(66,690)	(52,926)

* 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 year ended 30 June 2024 of RM12.5 million and RM48.3 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 30 JUNE 2024

	Unaudited As at 30-Jun-24 RM'000	Audited As at 30-Jun-23 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	779,431	509,024
Intangible assets	10,948	2,486
Investment in an associate	-	6,675
Deferred tax assets	19,913	9,918
	<u>810,292</u>	<u>528,103</u>
Current assets		
Inventories	181,011	183,216
Trade and other receivables	253,558	411,037
Tax recoverable	48,534	13,402
Cash and cash equivalents ⁽⁵⁾	2,260,719	1,830,994
	<u>2,743,822</u>	<u>2,438,649</u>
TOTAL ASSETS	<u>3,554,114</u>	<u>2,966,752</u>
EQUITY AND LIABILITIES		
Share capital ⁽³⁾	2,144,293	2,033,398
Other reserves	72,360	72,678
Retained earnings	577,164	496,554
Equity attributable to owners of the Company	<u>2,793,817</u>	<u>2,602,630</u>
Non-controlling interests	<u>380,366</u>	<u>3,218</u>
Total equity	<u>3,174,183</u>	<u>2,605,848</u>
Non-current liabilities		
Lease liabilities	16,023	15,159
Retirement benefits obligations	2,469	2,787
Deferred tax liabilities	13,350	11,508
	<u>31,842</u>	<u>29,454</u>
Current liabilities		
Trade and other payables	274,653	276,119
Lease liabilities	676	345
Tax payable	1,193	2,725
Dividend payable	71,567	52,261
	<u>348,089</u>	<u>331,450</u>
Total liabilities	<u>379,931</u>	<u>360,904</u>
TOTAL EQUITY AND LIABILITIES	<u>3,554,114</u>	<u>2,966,752</u>
Net assets per share attributable to owners of the Company ⁽⁴⁾ (RM)	<u>0.7402</u>	<u>0.6972</u>

Notes:

- (3) Based on 3,774,300,399 (as at 30 June 2023: 3,732,934,799) ordinary shares in issue as at 30 June 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 RM1,252.7 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 unaudited 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 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY ⁽⁷⁾
FOR THE FINANCIAL YEAR ENDED 30 JUNE 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
Unaudited								
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/(loss) for the year	-	-	-	5,536	301,044	306,580	(3,091)	303,489
<i>Transactions with owners:</i>								
Ordinary share issued pursuant to exercise of ESOS	110,895	-	(7,590)	-	-	103,305	-	103,305
Share-based compensation pursuant to ESOS granted	-	-	6,852	-	-	6,852	-	6,852
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	-	-	-	-	(311,390)	(311,390)	-	(311,390)
	110,895	-	(738)	(5,116)	(220,434)	(115,393)	380,239	264,846
At 30 June 2024	2,144,293	5,387	10,945	56,028	577,164	2,793,817	380,366	3,174,183
Audited								
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 for the year	-	-	-	27,625	324,331	351,956	1,490	353,446
<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	-	-	11,698	-	-	11,698	-	11,698
Expiry of share option under ESOS	-	-	(11,842)	-	11,842	-	-	-
Dividends	-	-	-	-	(313,083)	(313,083)	-	(313,083)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(4,256)	(4,256)
	56,218	-	(9,354)	-	(301,241)	(254,377)	(4,256)	(258,633)
At 30 June 2023	2,033,398	5,387	11,683	55,608	496,554	2,602,630	3,218	2,605,848

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 CONSOLIDATED STATEMENTS OF CASH FLOWS ⁽⁸⁾
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Unaudited Current Year 30/6/2024 RM'000	Audited Preceding Year 30/6/2023 RM'000
OPERATING ACTIVITIES		
Profit before tax	310,057	355,776
Adjustments for:		
Depreciation	123,105	106,712
Equity-settled share-based payment transactions	6,852	11,698
Gain on disposal of an associate company	(174)	-
Gain on disposal of property, plant and equipment	(216)	(282)
Interest income	(66,690)	(52,926)
Interest expenses	1,944	1,787
Provision/(Reversal) for warranty	510	(6,889)
Provision for retirement benefits obligations	564	598
Property, plant and equipment written off	5	20
Allowance for slow moving inventories	489	2,675
Share of loss/(profit) of equity-accounted associate	174	(1,265)
Unrealised loss/(gain) on foreign exchange	6,018	(3,020)
Operating profit before working capital changes	382,638	414,884
Changes in working capital:		
Inventories	2,551	(33,920)
Receivables	160,621	36,146
Payables	(40,569)	8,767
Cash generated from operations	505,241	425,877
Income tax paid	(55,278)	(58,305)
Income tax refunded	276	-
Interest received	66,690	52,926
Interest paid	(1,183)	(1,518)
Net cash from operating activities	515,746	418,980
INVESTING ACTIVITIES		
Payment for proposed investment	-	(164,724)
Proceeds from disposal of an associate company	6,675	-
Proceeds from disposal of property, plant and equipment	641	329
Acquisition of subsidiary, net of cash acquired	280,171	-
Acquisition of property, plant and equipment	(180,701)	(113,016)
(Placement) /Withdrawal of fixed deposits with licensed banks	(299,040)	27,153
Net cash used in investing activities	(192,254)	(250,258)
FINANCING ACTIVITIES		
Dividend paid to owners of the Company	(292,084)	(342,383)
Dividend paid to non-controlling interests	-	(4,256)
Net repayment of lease liabilities	(655)	(769)
Net proceeds from issuance of ESOS	103,305	47,008
Net cash used in financing activities	(189,434)	(300,400)
NET CHANGES IN CASH AND CASH EQUIVALENTS	134,058	(131,678)
Effects of changes in foreign exchange rates	(3,621)	17,832
CASH AND CASH EQUIVALENT AT BEGINNING	1,803,506	1,917,352
CASH AND CASH EQUIVALENT AT END	1,933,943	1,803,506
Represented by:		
Cash and cash equivalents	2,260,719	1,830,994
Less: Fixed deposits more than 3 months to maturity	(326,776)	(27,488)
	1,933,943	1,803,506

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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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 mainly 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 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: 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 mainly 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 9 and MFRS 7	Financial Instruments and Financial Instruments: Disclosure – Classification and Measurement of Financial Instruments 1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements 1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures 1 January 2027
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.

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NOTES TO THE REPORT

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.

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 of the Company was increased from RM2,033,397,743 to RM2,144,293,107 by way of issuance of 41,365,600 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>22,567,500</i>	<i>16,681,800</i>	<i>2,116,300</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 year under review.

8. Dividends Paid

Dividends paid during the financial year ended 30 June 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.
- iv. Second interim single tier dividend of 2.20 sen per ordinary share amounting to RM82.6 million for the financial year ending 30 June 2024 paid on 5 April 2024.

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NOTES TO THE REPORT

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 30/6/2024 RM'000	Quarter Ended 30/6/2023 RM'000	Year To date 30/6/2024 RM'000	Year To date 30/6/2023 RM'000
Malaysia	19,313	16,556	74,371	70,720
Singapore	290,452	266,608	1,304,721	1,195,125
China	20,867	14,297	86,457	83,222
Others	2,480	1,291	13,200	4,936
	<u>333,112</u>	<u>298,752</u>	<u>1,478,749</u>	<u>1,354,003</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.

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NOTES TO THE REPORT

12. Changes in the Composition of the Group

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

(i) 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. There are no material financial impact to the earnings per share, net asset per share and gearing of the Group for the financial year ended 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.

(ii) 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, and the fulfillment of the terms and conditions in the JV Contract and ESA, the JV Company has 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	(37,177)
Total identifiable net assets	1,084,567
Less: Non-controlling interest	(494,713)
Goodwill	8,456
Total cost of investment	598,310

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NOTES TO THE REPORT

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

(ii) Investment in a subsidiary (continued)

Fair value of consideration transferred

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

13. Contingent Liabilities and Contingent Assets

	30/6/2024	30/6/2023
	RM'000	RM'000
Corporate guarantee extended to licensed banks and financial institutions for credit facilities granted to subsidiaries:		
- Limit	13,000	10,000
- Amount utilised	6,727	4,878

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

14. Capital Commitments

	30/6/2024	30/6/2023
	RM'000	RM'000
Authorised and contracted for:		
- Construction of building	9,118	7,051
- Purchase of plant, machinery and equipment	18,282	30,439
- Purchase of land	-	10,562
	27,400	48,052

15. Significant Related Party Transactions

There is no significant transaction with related parties.

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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 year under review is as follows:

	30/6/2024	30/6/2023
	RM'000	RM'000
Foreign currency hedging contracts		
Notional value of contracts*	<u>45,307</u>	<u>45,387</u>

* Equivalent to USD 9,600,000 (30 June 2023: USD 9,700,000)

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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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 RM333.1 million for the current quarter, an increase of 11.5% compared to the same quarter in the previous year of RM298.8 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 RM54.3 million for the current quarter, a decrease of 20.5% from RM68.2 million recorded in the corresponding quarter in the previous financial year was mainly due to unfavourable movement in foreign exchange rates, increased operating costs such as electricity, and early staging of new products.

Comparison with the immediate preceding quarter

The Group's revenue decreased by 4.2% to RM333.1 million in the current quarter from RM347.6 million in the immediate preceding quarter. The decrease was mainly due to comparatively lower loading volume in RF and optoelectronics business segments in the current quarter.

The Group recorded profit after tax of RM54.3 million for the current quarter, a decrease of 26.6% from RM73.9 million recorded in the immediate preceding quarter. The decrease was mainly due to lower revenue, unfavorable movement in foreign exchange rates and lower margin product mix in the current quarter.

Financial year to date against preceding financial year

For the financial year ended 30 June 2024, the Group recorded revenue of RM1,478.7 million, representing an increase of 9.2% from RM1,354.0 million in the preceding financial year.

However, the Group's profit after tax decreased by 7.7% to RM300.1 million for the financial year ended 30 June 2024 from RM325.0 million in the preceding financial year, mainly due to unfavourable movement in foreign exchange rates and increased operating costs. Additional factors caused the lower profit included the increased 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 due to staging of new products in our push for revenue growth for the future.

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2. Commentary on Prospects

World Semiconductor Trade Statistics (WSTS) released its latest semiconductor market forecast in June 2024, anticipating robust growth in 2024 and 2025. WSTS projecting the global semiconductor market growth to increase 16.0% in 2024 and further grow by 12.5% to USD 687 billion in the year 2025, although driven primarily by the Logic and Memory sectors for the AI market.

International Data Corporation (IDC) in its publication on 15 July 2024 reported that global smartphone shipments increased 6.5% to 285.4 million units in the second 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.

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, especially with the launch of the National Semiconductor Strategy (“NSS”) by the Malaysian government. 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.

Despite the rapid correction (fall) of the USD in recent weeks, the Group remains cautiously optimistic about FY2025. We also anticipate that advanced packaging, a key focus of the NSS, will become an enabler beyond FY2025 even as we continue to focus on its development, improve our production capacity and utilisation, strengthen our operational efficiencies to grow revenue consistent with or better than industry forecasts in FY2025.

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 2024 are as follows:

	Individual		Cumulative	
	Quarter ended		year ended	
	30/6/2024	30/6/2023	30/6/2024	30/6/2023
	RM’000	RM’000	RM’000	RM’000
In respect of current year:				
- Current tax	(7,568)	(11,978)	(18,264)	(39,338)
- Deferred tax	7,837	(8,179)	7,597	(7,338)
	269	(20,157)	(10,667)	(46,676)
(Under)/Over provision in prior year:				
- Current tax	1	-	(62)	174
- Deferred tax	761	15,782	734	15,751
	1,031	(4,375)	(9,995)	(30,751)

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4. Taxation (continued)

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

6. Status of Utilisation of Proceeds

On 30 July 2021, the Company 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.

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6. Status of Utilisation of Proceeds (continued)

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 30 June 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	*(606,104)	4,639	414,035	29 January 2026
2	Expenses in relation to the private placement	16,800	(12,161)	^ (4,639)	-	-
		1,032,300	(618,265)	-	414,035	

Note:-

* Consist of:-

- i. Capital expenditure: RM387.2 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 unutilised proceeds amounting to RM414.0 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 year under review.

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8. Material Litigation

The Group was not engaged in any litigation which is likely to give rise to proceedings which may materially and adversely affect the financial position or the business operations of the Group.

9. Dividend

The Directors propose the fourth single tier interim dividend of 1.40 sen per ordinary share in respect of the financial year ended 30 June 2024.

The entitlement date and payment date are on 12 September 2024 and 10 October 2024 respectively.

Total dividend for the financial year ended 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	1.40	2.00
	<hr/> 7.70 <hr/>	<hr/> 8.20 <hr/>

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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	
	30/6/2024 RM'000	30/6/2023 RM'000	30/6/2024 RM'000	30/6/2023 RM'000
Net profit attributable to owners of the Company (RM'000)	54,682	66,312	300,193	323,535
Weighted average number of ordinary shares in issue ('000)	3,762,792	3,732,807	3,748,841	3,727,151
Basic earnings per share (sen)	1.45	1.78	8.01	8.68

(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	
	30/6/2024 RM'000	30/6/2023 RM'000	30/6/2024 RM'000	30/6/2023 RM'000
Net profit attributable to owners of the Company (RM'000)	54,682	66,312	300,193	323,535
Weighted average number of ordinary shares (basic) ('000)	3,762,792	3,732,807	3,748,841	3,727,151
Effect of dilution due to ESOS ('000)	13,443	592	11,722	2,305
Weighted average number of ordinary shares (diluted) ('000)	3,776,235	3,733,399	3,760,563	3,729,456
Diluted earnings per share (sen)	1.45	1.78	7.98	8.68

By Order of the Board,

Company Secretary
27 August 2024