

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 2025

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Year	Preceding Year	%	Current Year	Preceding Year	%
	Quarter 31/3/2025 RM'000	Corresponding Quarter 31/3/2024 RM'000		Quarter 31/3/2025 RM'000	Quarter 31/3/2024 RM'000	
Revenue	308,250	347,629	-11.3%	1,045,225	1,145,637	-8.8%
Cost of sales	(245,597)	(277,819)	-11.6%	(817,118)	(885,578)	-7.7%
Gross profit	62,653	69,810	-10.3%	228,107	260,059	-12.3%
Other income	3,084	12,383	-75.1%	4,333	10,620	-59.2%
Administrative expenses	(23,369)	(21,507)	8.7%	(106,035)	(60,543)	75.1%
Operating profit	42,368	60,686	-30.2%	126,405	210,136	-39.8%
Finance income	15,378	16,567	-7.2%	49,623	48,048	3.3%
Finance costs	(501)	(470)	6.6%	(1,275)	(1,180)	8.1%
Share of loss of equity-accounted associate	-	-	0.0%	-	(174)	100.0%
Profit before tax	57,245	76,783	-25.4%	174,753	256,830	-32.0%
Tax expense	(3,705)	(2,908)	27.4%	(11,101)	(11,026)	0.7%
Profit for the financial period	53,540	73,875	-27.5%	163,652	245,804	-33.4%
Profit/(loss) attributable to:						
Owners of the Company	55,480	73,724	-24.7%	169,576	245,511	-30.9%
Non-controlling interests	(1,940)	151	>-200%	(5,924)	293	>-200%
	53,540	73,875	-27.5%	163,652	245,804	-33.4%
Other comprehensive income/(expense), net of tax:						
Remeasurement of retirement benefits	(870)	-	-100.0%	(870)	-	-100.0%
Foreign currency translation of foreign operations	(6,964)	13,855	>-200%	(77,469)	9,520	>-200%
Total comprehensive income	45,706	87,730	-47.9%	85,313	255,324	-66.6%
Total comprehensive income/(expense) attributable to:						
Owners of the Company	50,095	87,579	-42.8%	121,251	255,031	-52.5%
Non-controlling interests	(4,389)	151	>-200%	(35,938)	293	>-200%
	45,706	87,730	-47.9%	85,313	255,324	-66.6%

INARI AMERTRON BERHAD
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CONDENSED UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ⁽¹⁾
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter 31/3/2025	Corresponding Quarter 31/3/2024	31/3/2025	31/3/2024
Earnings per share attributable to owners of the Company (sen) ⁽²⁾				
Basic	<u>1.46</u>	<u>1.97</u>	<u>4.48</u>	<u>6.56</u>
Diluted	<u>1.46</u>	<u>1.96</u>	<u>4.48</u>	<u>6.54</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 2024 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 2025

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/3/2025 RM'000	Preceding Year Corresponding Quarter 31/3/2024 RM'000	Current Year 31/3/2025 RM'000	Preceding Year 31/3/2024 RM'000
Allowance/(Reversal) for slow moving inventories	910	(53)	6,630	(3,497)
Amortisation of intangible assets	[^]	-	1	-
Depreciation	34,564	29,868	104,820	88,166
Loss/(Gain) on disposal of property, plant and equipment	-	(276)	140	(485)
Property, plant and equipment written off	6	-	12	1
[^] Less than RM500				
<u>(Gain)**/Loss* on foreign exchange translation</u>				
- Realised	(1,851)	(8,088)	3,944	(4,489)
- Unrealised	4,295	(2,001)	23,358	2,063
* Included in "Administrative expenses"				
** Included in "Other income"				
<u>Finance costs/(income)</u>				
- Interest expenses [#]	501	470	1,275	1,180
- Interest income ^{##}	(15,378)	(16,567)	(49,623)	(48,048)

[#] 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 2025 of RM10.3 million and RM32.8 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 2025

	Unaudited As at 31-Mar-25 RM'000	Audited As at 30-Jun-24 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	740,395	779,431
Intangible assets	10,314	10,980
Deferred tax assets	19,681	19,913
	<u>770,390</u>	<u>810,324</u>
Current assets		
Inventories	175,451	181,011
Trade and other receivables	238,912	253,526
Tax recoverable	66,645	48,534
Cash and cash equivalents ⁽⁵⁾	2,137,663	2,260,719
	<u>2,618,671</u>	<u>2,743,790</u>
TOTAL ASSETS	<u>3,389,061</u>	<u>3,554,114</u>
EQUITY AND LIABILITIES		
Share capital ⁽³⁾	2,186,850	2,144,293
Other reserves	22,017	72,360
Retained earnings	579,171	577,164
Equity attributable to owners of the Company	<u>2,788,038</u>	<u>2,793,817</u>
Non-controlling interests	<u>344,428</u>	<u>380,366</u>
Total equity	<u>3,132,466</u>	<u>3,174,183</u>
Non-current liabilities		
Lease liabilities	14,817	16,023
Retirement benefits obligations	4,033	2,469
Deferred tax liabilities	11,709	13,350
	<u>30,559</u>	<u>31,842</u>
Current liabilities		
Trade and other payables	224,232	274,653
Lease liabilities	723	676
Tax payable	1,081	1,193
Dividend payable	-	71,567
	<u>226,036</u>	<u>348,089</u>
Total liabilities	<u>256,595</u>	<u>379,931</u>
TOTAL EQUITY AND LIABILITIES	<u>3,389,061</u>	<u>3,554,114</u>
Net assets per share attributable to owners of the Company ⁽⁴⁾ (RM)	<u>0.7358</u>	<u>0.7402</u>

Notes:

- (3) Based on 3,788,947,899 (as at 30 June 2024: 3,774,300,399) ordinary shares in issue as at 31 March 2025.
- (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 RM1,205.9 million (as at 30 June 2024: RM1,252.7 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 2024 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 2025

	<-----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 2024	2,144,293	5,387	10,945	56,028	577,164	2,793,817	380,366	3,174,183
Other comprehensive income/(expense) for the period:								
Profit/(loss) for the period	-	-	-	-	169,576	169,576	(5,924)	163,652
Remeasurement of retirement benefits	-	-	-	-	(870)	(870)	-	(870)
Foreign currency translation	-	-	-	(47,455)	-	(47,455)	(30,014)	(77,469)
Total comprehensive income/(expense) for the period	-	-	-	(47,455)	168,706	121,251	(35,938)	85,313
<i>Transactions with owners:</i>								
Ordinary share issued pursuant to exercise of ESOS	42,557	-	(2,888)	-	-	39,669	-	39,669
Dividends	-	-	-	-	(166,699)	(166,699)	-	(166,699)
	42,557	-	(2,888)	-	(166,699)	(127,030)	-	(127,030)
At 31 March 2025	2,186,850	5,387	8,057	8,573	579,171	2,788,038	344,428	3,132,466
At 1 July 2023	2,033,398	5,387	11,683	55,608	496,554	2,602,630	3,218	2,605,848
Other comprehensive income for the period:								
Profit for the period	-	-	-	-	245,511	245,511	293	245,804
Foreign currency translation	-	-	-	9,520	-	9,520	-	9,520
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

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 2024 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 2025

	Cumulative Quarter 9 Months Ended 31/3/2025 RM'000	Cumulative Quarter 9 Months Ended 31/3/2024 RM'000
OPERATING ACTIVITIES		
Profit before tax	174,753	256,830
Adjustments for:		
Allowance/(Reversal) for slow moving inventories	6,630	(3,497)
Amortisation of intangible assets	1	-
Depreciation	104,820	88,166
Equity-settled share-based payment transactions	-	1,713
Gain on disposal of associate company	-	(174)
Loss/(Gain) on disposal of property, plant and equipment	140	(485)
Interest income	(49,623)	(48,048)
Interest expenses	1,275	1,180
Provision for retirement benefits obligations	683	601
Property, plant and equipment written off	12	1
Share of loss of equity-accounted associate	-	174
Unrealised loss on foreign exchange	23,358	2,063
Operating profit before working capital changes	262,049	298,524
Changes in working capital:		
Inventories	(5,580)	37,674
Receivables	1,813	205,952
Payables	(37,818)	(115,882)
Cash generated from operations	220,464	426,268
Income tax paid	(31,052)	(40,562)
Income tax refunded	771	276
Interest received	49,623	48,048
Interest paid	(167)	(622)
Net cash from operating activities	239,639	433,408
INVESTING ACTIVITIES		
Proceeds from disposal of associate company	-	6,675
Proceeds from disposal of property, plant and equipment	82	4,811
Acquisition of subsidiary, net of cash acquired	-	280,171
Acquisition of property, plant and equipment	(83,036)	(136,696)
Placement of fixed deposits with licensed banks	(127,806)	(469)
Net cash (used in)/generated from investing activities	(210,760)	154,492
FINANCING ACTIVITIES		
Dividend paid to owners of the Company	(238,266)	(209,489)
Repayment of lease liabilities	(966)	(402)
Net proceeds from issuance of shares pursuant to ESOS	39,669	62,058
Net cash used in financing activities	(199,563)	(147,833)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(170,684)	440,067
Effects of changes in foreign exchange rates	(60,258)	2,231
CASH AND CASH EQUIVALENT AT BEGINNING	1,933,943	1,803,506
CASH AND CASH EQUIVALENT AT END	1,703,001	2,245,804
Represented by:		
Cash and cash equivalents	2,137,663	2,274,059
Less: Fixed deposits more than 3 months to maturity	(434,662)	(28,255)
	1,703,001	2,245,804

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 2024 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 2024.

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 2024. The Group has adopted the following MFRSs that became effective and relevant to the Group for the financial year beginning 1 July 2024:

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

The initial application of the above MFRSs did not have any significant impacts on the financial statements.

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NOTES TO THE REPORT

2. Changes in Accounting Policies (continued)

The Group has not applied the following MFRSs which have been issued as at the end of reporting period but are not yet effective:

<u>Amendments to MFRSs</u>		<u>Effective for annual period beginning on or after</u>
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
Amendments to MFRS 9 and MFRS 7	Financial Instruments and Financial Instruments: Disclosure – Contracts Referencing Nature – dependent Electricity	1 January 2026
Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107	Annual Improvements to MFRS Accounting Standards Volume – 11	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 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

For the nine month period ended 31 March 2025, the issued and paid-up ordinary share capital of the Company was increased from RM2,144,293,107 to RM2,186,850,263 by way of issuance of 14,647,500 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>7,183,300</i>	<i>2,239,900</i>	<i>5,224,300</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 period under review.

8. Dividend Paid

Dividend paid during the financial period ended 31 March 2025 was as follows:

- i. Third interim single tier dividend of 1.90 sen per ordinary share amounting to RM71.6 million for the financial year ended 30 June 2024 paid on 5 July 2024.
- ii. Fourth interim single tier dividend of 1.40 sen per ordinary share amounting to RM53.0 million for the financial year ended 30 June 2024 paid on 10 October 2024.
- iii. First interim single tier dividend of 1.00 sen per ordinary share amounting to RM37.9 million for the financial year ending 30 June 2025 paid on 26 December 2024.
- iv. Second interim single tier dividend of 2.00 sen per ordinary share amounting to RM75.8 million for the financial year ending 30 June 2025 paid on 28 March 2025.

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NOTES TO THE REPORT

9. Segmental Information

Business segments

The Group has only one reportable business segment that is manufacturing of electronic products segment. As such, no operating segment information is reported.

Geographical information

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 31/3/2025 RM'000	Quarter Ended 31/3/2024 RM'000	Period To date 31/3/2025 RM'000	Period To date 31/3/2024 RM'000
Malaysia	14,820	17,523	44,715	55,058
Singapore	269,025	305,474	920,641	1,014,269
China	15,857	21,589	57,936	65,590
Others	8,548	3,043	21,933	10,720
	<u>308,250</u>	<u>347,629</u>	<u>1,045,225</u>	<u>1,145,637</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

There were no material events subsequent to the end of the current quarter and financial period under review and up to the date of this report that have not been reflected in this interim financial report.

12. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter and financial period under review.

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NOTES TO THE REPORT

13. Contingent Liabilities and Contingent Assets

	31/3/2025	31/3/2024
	RM'000	RM'000
Corporate guarantee extended to licensed banks and financial institutions for credit facilities granted to subsidiaries:		
- Limit	13,000	8,000
- Amount utilised	<u>6,773</u>	<u>6,423</u>

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

14. Capital Commitments

	31/3/2025	31/3/2024
	RM'000	RM'000
Authorised and contracted for:		
- Construction of building	4,406	4,188
- Purchase of plant, machinery and equipment	<u>37,162</u>	<u>46,156</u>
	<u>41,568</u>	<u>50,344</u>

15. Significant Related Party Transactions

There is no significant transaction with related parties.

16. Financial Derivatives

The Group enters into forward exchange contracts to manage its exposure to sales and purchases transactions and local operating expenditure that are denominated in USD. There is no change to the type of derivative financial contract entered into, risk associated with the derivatives, cash requirements of the derivatives and the risk management objectives and policies for the derivative financial contracts since the previous financial year ended 30 June 2024.

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

	31/3/2025	31/3/2024
	RM'000	RM'000
Foreign currency hedging contracts		
Notional value of contracts*	<u>37,237</u>	<u>29,317</u>

* Equivalent to USD 8,400,000 (31 March 2024: USD 6,200,000)

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 RM308.3 million for the current quarter, a decrease of 11.3% compared to the same quarter in the previous year of RM347.6 million. The decrease was mainly due to comparatively lower volume loading of products in all business segments in the current quarter.

The Group recorded profit after tax of RM53.5 million for the current quarter, a decrease of 27.5% from RM73.9 million recorded in the corresponding quarter in the previous financial year was mainly due to lower revenue, unfavorable movement in foreign exchange rates, and start up loss of RM4.95 million at China subsidiary during the quarter. Excluding China subsidiary losses, the decrease will be 20.9%.

Comparison with the immediate preceding quarter

The Group's revenue decreased by 11.7% to RM308.3 million in the current quarter from RM349.0 million in the immediate preceding quarter. The decrease was mainly due to comparatively lower volume loading of products in all business segments in the current quarter.

The Group recorded profit after tax of RM53.5 million for the current quarter, a decrease of 39.2% from RM88.1 million recorded in the immediate preceding quarter. The decrease was mainly due to lower revenue, and unfavorable movement in foreign exchange rates.

Financial year to date against preceding financial year

For the nine months period ended 31 March 2025, the Group recorded revenue of RM1,045.2 million, representing a decrease of 8.8% from RM1,145.6 million in the preceding year corresponding period. The decrease was mainly due to comparatively lower volume loading of products in all business segments and product mix.

The Group's profit after tax decreased by 33.4% to RM163.7 million for the period ended 31 March 2025 from RM245.8 million in the preceding year corresponding period. The decrease was due to lower volume loading, unfavorable movement in foreign exchange rates, and start up loss of RM15.70 million at China subsidiary during the period. Excluding China subsidiary losses, the decrease will be 27.0%.

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NOTES TO THE REPORT

2. Commentary on Prospects

According to the International Data Corporation (IDC) publication dated 14 April 2025, global smartphone shipments grew by 1.5% year-on-year to 304.9 million units in Q1 2025, broadly in line with expectations despite persistent US-China trade tensions. The recently announced 90-day suspension of smartphone tariffs is expected to provide additional support to market momentum in Q2 2025.

The International Monetary Fund (IMF), in its April 2025 World Economic Outlook update, forecasted a slowdown in global GDP growth to 2.8% in 2025 and 3.0% in 2026. The IMF attributed this moderation largely to heightened trade tensions, which continue to weigh on investor sentiment and cross-border economic activity.

Within this challenging and complex macroeconomic landscape, the semiconductor industry is experiencing selective growth, underpinned by accelerating adoption of generative AI across multiple industries. Of relevance to Inari, the Group sees strong growth in data communications, flat growth in smartphones and softening in industrial semiconductors. We see the major impact of the ongoing US tariff negotiations as realigning supply chains and costing/margins. Navigating the wider forex fluctuations adds difficulty to sustaining gross margins.

Amid heightened uncertainties, the Group maintains a cautiously optimistic outlook for the remainder of FY2025 and FY2026 with our expectation that tariff tensions will ease. Focus remains on growing China subsidiary business, enhancing the Group's production capacity, maintaining utilisation and operational efficiency, and sustaining profitability. In parallel, the Group is actively exploring strategic partnerships to capitalise on rapid shifts in supply chains and to navigate the evolving geopolitical and trade environment.

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 2025 are as follows:

	Individual Quarter ended		Cumulative period ended	
	31/3/2025	31/3/2024	31/3/2025	31/3/2024
	RM'000	RM'000	RM'000	RM'000
In respect of current period:				
- Current tax	(4,882)	(1,860)	(12,786)	(10,696)
- Deferred tax	483	(958)	1,028	(240)
	<u>(4,399)</u>	<u>(2,818)</u>	<u>(11,758)</u>	<u>(10,936)</u>
Over/(Under) provision in prior year:				
- Current tax	695	(63)	658	(63)
- Deferred tax	(1)	(27)	(1)	(27)
	<u>(3,705)</u>	<u>(2,908)</u>	<u>(11,101)</u>	<u>(11,026)</u>

The effective tax rate of the Group for the current financial quarter and financial period ended 31 March 2025 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

There were no corporate proposals for the quarter under review.

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 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 31 March 2025, 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	*(650,352)	4,639	369,787	29 January 2026
2	Expenses in relation to the private placement	16,800	(12,161)	[^] (4,639)	-	-
		1,032,300	(662,513)	-	369,787	

Note:-

* Consist of:-

- i. Capital expenditure: RM431.4 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 RM369.8 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.

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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 Board of Directors proposed the third interim exempt dividend of 1.30 sen per ordinary share in respect of the financial year ending 30 June 2025.

The entitlement date and payment date are on 10 June 2025 and 8 July 2025 respectively.

Total dividend for the financial year ending 30 June 2025 and financial year ended 30 June 2024 are summarised as follow:

	Net Per Share FY2025 (sen)	Net Per Share FY2024 (sen)
<u>First Interim Dividend</u>		
Single tier dividend	1.00	2.20
<u>Second Interim Dividend</u>		
Exempt dividend	2.00	-
Single tier dividend	-	2.20
<u>Third Interim Dividend</u>		
Exempt dividend	1.30	-
Single tier dividend	-	1.90
<u>Fourth Interim Dividend</u>		
Exempt dividend	*	-
Single tier dividend	*	1.40
	4.30	7.70

* Not applicable for the current quarter under review.

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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 period.

	Individual Quarter ended		Cumulative Period ended	
	31/3/2025 RM'000	31/3/2024 RM'000	31/3/2025 RM'000	31/3/2024 RM'000
Net profit attributable to owners of the Company (RM'000)	55,480	73,724	169,576	245,511
Weighted average number of ordinary shares in issue ('000)	3,788,866	3,750,988	3,786,848	3,744,225
Basic earnings per share (sen)	1.46	1.97	4.48	6.56

(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	
	31/3/2025 RM'000	31/3/2024 RM'000	31/3/2025 RM'000	31/3/2024 RM'000
Net profit attributable to owners of the Company (RM'000)	55,480	73,724	169,576	245,511
Weighted average number of ordinary shares (basic) ('000)	3,788,866	3,750,988	3,786,848	3,744,225
Effect of dilution due to ESOS ('000)	-	11,896	2,374	10,652
Weighted average number of ordinary shares (diluted) ('000)	3,788,866	3,762,884	3,789,222	3,754,877
Diluted earnings per share (sen)	1.46	1.96	4.48	6.54

By Order of the Board,

Company Secretary
20 May 2025