

INARI AMERTRON BERHAD
(INCORPORATED IN MALAYSIA - COMPANY NO. 1000809-U)
CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Year Quarter	Preceding Year Corresponding Quarter (restated)	%	Current Year To Date	Preceding Financial Year ⁽³⁾	%
	30/6/2015	30/6/2014		30/6/2015	30/6/2014	
	RM'000	RM'000		RM'000	RM'000	
Revenue	255,016	223,884	13.9%	933,099	793,655	17.6%
Cost of sales	(198,469)	(172,390)	15.1%	(735,994)	(635,298)	15.9%
Gross Profit	56,547	51,494	9.8%	197,105	158,357	24.5%
Other operating income	2,264	1,430	58.3%	31,834	10,600	200.3%
Administrative expenses	(17,543)	(19,816)	-11.5%	(71,555)	(56,574)	26.5%
Operating Profit	41,268	33,108	24.6%	157,384	112,383	40.0%
Finance costs	(1,490)	(1,970)	-24.4%	(5,708)	(5,449)	4.8%
Profit before taxation	39,778	31,138	27.7%	151,676	106,934	41.8%
Taxation	344	(2,186)	115.7%	(1,428)	(6,535)	-78.1%
Profit for the period	40,122	28,952	38.6%	150,248	100,399	49.7%
Profit for attributable to:						
Owners of the parent	40,376	28,791	40.2%	152,534	99,220	53.7%
Non-controlling interests	(254)	161	-257.8%	(2,286)	1,179	-293.9%
	40,122	28,952	38.6%	150,248	100,399	49.7%
Other comprehensive income/(loss), net of tax:						
Defined benefit plan	(800)	(2,266)	-64.7%	(800)	(2,266)	-64.7%
Foreign currency translation differences for foreign operations	(3,487)	(326)	969.6%	5,550	(1,117)	596.9%
Total comprehensive income	35,835	26,360	35.9%	154,998	97,016	59.8%
Total comprehensive income attributable to:						
Owners of the parent	36,089	26,199	37.7%	157,284	95,837	64.1%
Non-controlling interests	(254)	161	-257.8%	(2,286)	1,179	-293.9%
	35,835	26,360	35.9%	154,998	97,016	59.8%

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	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter (restated)	Current Year To Date	Preceding Financial Year ⁽³⁾
	<u>30/6/2015</u>	<u>30/6/2014</u>	<u>30/6/2015</u>	<u>30/6/2014</u>
Earnings per share attributable to owners of the parent (sen) ⁽²⁾				
Basic	5.57	5.81	23.82	20.98
Diluted	5.44	4.54	21.91	16.17

- (1) The condensed unaudited consolidated statement of other comprehensive income are prepared based on the consolidated results of Inari Amertron Berhad and its subsidiaries for the current quarter /financial year ended 30 June 2015.
- (2) Basic earnings per share for the quarter and cumulative financial period is calculated based on the profit for the period divided by the weighted average number of ordinary shares in issue for the quarter and financial year respectively. Diluted earnings per share for the current financial period is calculated by dividing the profit for the financial period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period adjusted for the effects of dilutive potential ordinary shares.
- (3) The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial report .

INARI AMERTRON BERHAD
(INCORPORATED IN MALAYSIA - COMPANY NO. 1000809-U)
NOTES TO CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Individual Quarter Ended		Cumulative Period Ended	
	30/6/2015	30/6/2014	30/6/2015	30/6/2014
	RM'000	RM'000	RM'000	RM'000
The following items have been included in arriving at profit before tax: -				
(Reversal)/Allowance for slow moving inventories	(159)	4,629	(1,459)	5,798
Bad debts written off	-	13	-	13
Amortisation of development cost	212	373	856	458
Depreciation	10,050	6,149	32,484	22,444
Deferred income reversal/(recognized)	(2,384)	(2,914)	(2,384)	(3,641)
Property, plant and equipment written off	33	94	33	104
Loss/(Gain) on disposal of property, plant & equipment	(37)	73	(58)	3
<u>(Gain)/Loss on foreign exchange translation</u>				
- Realised	(730)	117	(11,838)	(4,546)
- Unrealised	3,131	1,463	(6,517)	975
<u>Finance costs</u>				
- Interest expenses	1,490	1,970	5,708	5,449
- Interest income	(1,756)	(19)	(4,075)	(516)

There is no income/expenses in relation to the below items:

- (Gain) / loss on derivatives;
- (Gain) / loss on disposal of quoted or unquoted investment;
- Impairment of assets;
- Provision for doubtful debts;

INARI AMERTRON BERHAD
(INCORPORATED IN MALAYSIA - COMPANY NO. 1000809-U)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Unaudited As at 30 June 2015 RM'000	Audited As at 30 June 2014 ⁽⁴⁾ RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	189,929	129,761
Deferred tax assets	3,666	4,324
Development costs	5,298	6,168
Intangible assets	5,340	5,066
	<u>204,233</u>	<u>145,319</u>
Current assets		
Inventories	145,191	137,832
Trade and other receivables	187,408	137,314
Tax recoverable	45	39
Short-term deposits with licensed banks	153,939	19,630
Cash and bank balances	144,382	57,041
	<u>630,965</u>	<u>351,856</u>
TOTAL ASSETS	<u>835,198</u>	<u>497,175</u>
EQUITY AND LIABILITIES		
Share capital ⁽³⁾	72,739	51,607
Share premium	232,449	77,425
Other reserves	13,142	7,670
Retained profits	218,830	121,470
Equity attributable to owners of the parent	<u>537,160</u>	<u>258,172</u>
Non-controlling interests	<u>(1,891)</u>	<u>395</u>
Total equity	<u>535,269</u>	<u>258,567</u>
Non-current liabilities		
Borrowings	22,028	18,567
Redeemable preference shares	40,450	39,031
Deferred rental	-	292
Other payables	-	5,006
Deferred tax liabilities	2,928	2,993
Retirement benefits obligations	2,420	2,820
	<u>67,826</u>	<u>68,709</u>
Current liabilities		
Trade and others payables	171,269	120,089
Borrowings	45,263	36,431
Provision for taxation	309	3,237
Dividend payable	15,262	10,142
	<u>232,103</u>	<u>169,899</u>
Total liabilities	<u>299,929</u>	<u>238,608</u>
TOTAL EQUITY AND LIABILITIES	<u>835,198</u>	<u>497,175</u>
Net assets per share attributable to owners of the parent ⁽⁴⁾ (RM)	0.7385	0.5003

Notes:

- (3) Based on the issued and paid up share capital of 727,389,018 (516,067,770) ordinary shares of RM0.10 each for the financial year ended 30 June 2015.
- (4) Net assets per share attributable to owners of the parent is computed based on Total Shareholders' Funds (excluding Non- controlling interests) divided by the total number of ordinary shares in issue.
- (5) The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year as at 30 June 2014 and the accompanying explanatory notes attached to the interim financial report.

INARI AMERTRON BERHAD
(INCORPORATED IN MALAYSIA – COMPANY NO. 1000809-U)
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	----- Attributable to Owners of the Parent -----							Distributable	Total	Non-controlling interests	Total Equity
	-----Non-Distributable -----										
	Share Capital RM'000	Share Premium RM'000	Warrants Reserve RM'000	Discount on Shares RM'000	Capital Reserve RM'000	Share option Reserve RM'000	Exchange translation reserve RM'000	Retained profits RM'000	RM'000	RM'000	RM'000
At 1 July 2014	51,607	77,425	6,542	(6,542)	5,387	3,432	(1,149)	121,470	258,172	395	258,567
Total comprehensive income for the year	-	-	-	-	-	-	5,550	151,734	157,284	(2,286)	154,998
Transactions with owners:-											
<i>Issued, at premium pursuant to:</i>											
Rights issue	7,870	110,181	27,771	(27,771)	-	-	-	-	118,051	-	118,051
Exercise of warrants	12,763	36,005	(6,482)	6,482	-	-	-	-	48,768	-	48,768
Exercise of ESOS	499	8,838	-	-	-	(2,208)	-	-	7,129	-	7,129
Pursuant to ESOS granted:											
Share-based compensation	-	-	-	-	-	2,130	-	-	2,130	-	2,130
Dividends	-	-	-	-	-	-	-	(54,374)	(54,374)	-	(54,374)
	21,132	155,024	21,289	(21,289)	-	(78)	-	(54,374)	121,704	-	121,704
Balance at 30 June 2015	72,739	232,449	27,831	(27,831)	5,387	3,354	4,401	218,830	537,160	(1,891)	535,269
At 1 July 2013	44,299	54,700	11,387	(11,387)	5,387	-	(32)	53,585	157,939	(784)	157,155
Total comprehensive income for the year	-	-	-	-	-	-	(1,117)	96,954	95,837	1,179	97,016
Transactions with owners:-											
<i>Issued, at premium pursuant to:</i>											
Exercise of warrants	7,162	20,053	(4,845)	4,845	-	-	-	-	27,215	-	27,215
Exercise of ESOS	146	2,672	-	-	-	(647)	-	-	2,171	-	2,171
Pursuant to ESOS granted:											
Share-based compensation	-	-	-	-	-	4,079	-	-	4,079	-	4,079
Dividends	-	-	-	-	-	-	-	(29,069)	(29,069)	-	(29,069)
	7,308	22,725	(4,845)	4,845	-	3,432	-	(29,069)	4,396	-	4,396
Balance at 30 June 2014	51,607	77,425	6,542	(6,542)	5,387	3,432	(1,149)	121,470	258,172	395	258,567

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014 and the accompanying explanatory notes attached to the Interim Financial Statements)

INARI AMERTRON BERHAD
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CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Cumulative Quarter 12 Months Ended 30/6/2015 RM'000	Cumulative Quarter 12 Months Ended 30/6/2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	151,676	106,934
Adjustments for:		
(Reversal)/Allowance for slow moving stocks	(1,459)	5,798
Amortisation of development costs	856	458
Property, plant and equipment written off	33	104
Bad debt written off	-	13
(Gain)/loss on disposal of property, plant and equipment	(58)	3
Depreciation	32,484	22,444
Dividend on Redeemable Preference Shares	2,486	2,617
Deferred income recognised	(2,384)	(3,641)
Interest income	(4,075)	(516)
Interest expenses	3,222	2,832
Share based payments	2,130	4,079
Unrealised (gain)/loss on foreign exchange	(6,517)	975
Others	-	629
Operating profit before working capital changes	178,394	142,729
Increase in inventories	(7,361)	(35,359)
Increase in receivables	(49,334)	(44,175)
Increase/(Decrease) in payables	54,758	(15,203)
Cash generated from operations	176,457	47,992
Net income tax paid	(1,068)	(5,126)
Interest received	4,075	516
Interest paid	(3,222)	(2,832)
Net cash generated from operating activities	176,242	40,550
CASH FLOWS FROM INVESTING ACTIVITIES		
Development cost	(1,777)	(3,268)
Investment in subsidiaries	(25,607)	-
Proceeds from disposal of property, plant and equipment	800	32
Purchase of property, plant and equipment	(62,448)	(41,146)
Net cash used in investing activities	(89,032)	(44,382)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(49,254)	(18,927)
Dividend on Redeemable Preference Shares	(2,486)	(2,617)
Redemption on Redeemable Preference Shares	(3,676)	-
Proceeds from government grant	-	2,691
Net changes in short term borrowings	8,832	16,301
Net changes in long term borrowings	3,461	8,306
Proceeds from Rights Issue with Warrants	118,051	-
Proceeds from exercise of warrants	48,768	27,215
Proceeds from ordinary shares pursuant to exercise of ESOS	7,129	2,171
Net cash generated from financing activities	130,825	35,140
NET INCREASE IN CASH AND CASH EQUIVALENTS	218,035	31,308
Effect of changes on foreign exchange rates	3,615	829
CASH AND CASH EQUIVALENT AT BEGINNING	75,070	42,933
CASH AND CASH EQUIVALENT AT END	296,720	75,070
Represented by:		
Short-term deposits with licensed banks	153,590	19,281
Cash and bank balances	144,382	57,041
Bank overdraft	(1,252)	(1,252)
	296,720	75,070

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NOTES TO THE REPORT

Part A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting

1. Basis of Preparation

The interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30th June 2014.

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 30th June 2014 except for the adoption of the following new/revised Malaysian Financial Reporting Standards (“MFRSs”) and Amendments to MFRSs issued by the MASB that became effective and relevant to the Group for the financial year beginning 1 July 2014:

Amendments to MFRSs and IC Int

MFRS 10, 12 and 127	Consolidated Financial Statements, Disclosure of Interests in Other Entities and Separate Financial Statements: Investment Entities
MFRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets
MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Int 21	Levies
Amendments to MFRS 119	Defined Benefit Plans : Employee Contributions
Amendments to MFRSs	Annual improvements to MFRSs 2010-2012 Cycle
Amendments to MFRSs	Annual improvements to MFRSs 2011-2013 Cycle

The adoption of the above new/revised MFRSs and Amendments 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 not subject to any qualification.

4. Comments About Seasonal or Cyclical Factors

The Group's present earnings base is not subject to any material seasonal or cyclical changes.

5. Unusual Items Due to their Nature, Size or Incidence

During the financial period under review, there were no items of unusual nature, size, or incidence which affect assets, liabilities, equity, net income or cash flows of the Group during the current quarter and financial year under review.

6. Changes in Estimates

There were no changes in the estimates of amounts which give a material effect in the current quarter and financial year under review.

7. Debt and Equity Securities

The issued and paid up share capital increased from RM51,606,777 to RM72,738,902 by the allotment of 211,321,248 new ordinary shares of RM0.10 each pertaining to the followings:

- i. Issuance of 78,700,515 rights shares of RM0.10 each at an issue price of RM1.50 per rights share together with 78,700,515 free warrants on the basis of one (1) rights share together with one (1) warrant for every eight (8) Inari shares. These warrants are convertible into ordinary shares at an exercise price of RM2.00 per share.
- ii. Exercise of 4,986,300 share options under the ESOS at the following exercise prices;

<i>Exercise price (RM)</i>	<i>1.34</i>	<i>1.49</i>	<i>2.00</i>	<i>2.18</i>
<i>No of shares issued</i>	<i>2,714,900</i>	<i>2,087,800</i>	<i>115,600</i>	<i>68,000</i>

- iii. Exercise of 127,634,433 warrants at the following exercise prices:

<i>Exercise price (RM)</i>	<i>0.33</i>	<i>0.38</i>	<i>2.00</i>
<i>No of shares issued</i>	<i>15,604,611</i>	<i>111,383,084</i>	<i>646,738</i>

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. Dividend Paid

In respect of the financial year ended 30 June 2015, the Company: -

- i. on 25 November 2014, declared the first single tier interim dividend of 1.80 sen plus a special dividend of 0.40 sen per ordinary share of RM0.10 each amounting to RM13.7 million, and was paid on 2 January 2015.
- ii. on 4 February 2015, declared the second single tier interim dividend of 1.80 sen plus a special dividend of 0.50 sen per ordinary share of RM0.10 each amounting to RM14.6 million, and was paid on 17 March 2015.
- iii. on 14 May 2015, declared the third single tier interim dividend of 2.10 sen per ordinary share of RM0.10 each amounting to RM15.3 million, and was paid on 3 July 2015.

In respect of the financial year ended 30 June 2014, the Company: -

- i. on 26 November 2013, declared the first single tier interim dividend of 1.10 sen plus a special dividend of 0.40 sen per ordinary share of RM0.10 each amounting to RM7.08 million, and was paid on 16 January 2014.
- ii. on 20 February 2014, declared the second single tier interim dividend of 1.10 sen plus a special dividend of 0.40 sen per ordinary share of RM0.10 each amounting to RM7.31 million, and was paid on 11 April 2014.
- iii. on 21 May 2014, declared the third single tier interim dividend of 1.20 sen plus a special dividend of 0.80 sen per ordinary share of RM0.10 each amounting to RM10.1 million, and was paid on 3 July 2014.
- iv. on 26 August 2014, declared the fourth single tier interim dividend of 1.80 sen per ordinary share of RM0.10 each amounting to RM10.8 million, and was paid on 13 November 2014.

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 prepared.

Geographical information

Revenue information based on the geographical location of customers is as follows: -

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 30/6/2015 RM'000	Quarter Ended 30/6/2014 RM'000	Year to date 30/6/2015 RM'000	Year To date 30/6/2014 RM'000
Malaysia	33,259	38,046	113,332	130,611
Singapore	215,091	181,195	799,685	631,975
Others	6,666	4,643	20,082	31,069
	<u>255,016</u>	<u>223,884</u>	<u>933,099</u>	<u>793,655</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. Subsequent Events

There were no material events subsequent to the financial year ended 30 June 2015 and up to the date of this report, which affects substantially the results of the operation of the Group.

12. Changes in the Composition of the Group

On 9 September 2014, the Company announced that it had completed the share subscription of 399,900 new ordinary shares of RM1.00 each in Inari Semiconductor Labs Sdn. Bhd. (“ISL”) (formerly known as Hektar Haruman Sdn. Bhd.) for a total subscription price of RM399,900. Consequently, ISL became a 99.975% owned subsidiary of the Company and the Company assumed total liabilities of RM25.5 million owed by ISL.

ISL owns 100% equity interest in Dufu Dyna-Edge Sdn. Bhd. (now known as Hektar Teknologi Sdn. Bhd.), which in turn is the registered owner of 5.513 acre of leasehold land with a 2 storey factory building located at Plot 98, Hala Kampung Jawa 1, Non Free Industrial Zone, Bayan Lepas Industrial Park, 11900 Bayan Lepas, Pulau Pinang (“the Factory”). The Factory has a total built up area of approximately 166,000 square feet and is presently free from all liens, charges and encumbrances.

On 24 December 2014, the Company acquired the remaining 0.025% shareholding of ISL for a total consideration of RM100, making it a wholly owned subsidiary.

Other than the above, there were no other changes in the composition of the Group during the current quarter and financial year ended.

13. Contingent Liabilities and Contingent Assets

The Company provides corporate guarantees amounting to RM139.9 million (as at 30 June 2014: RM131.2 million) to licensed banks and financial institutions for credit facilities granted to certain subsidiaries, and to RPS holders in respect of the RPS issued by a subsidiary. Consequently, the Company is contingently liable for the amounts of facilities utilised by these subsidiaries totaling RM106.0 million (as at 30 June 2014: RM92.0 million).

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

14. Capital Commitments

Contractual commitments not provided for in the financial statements as at 30 June 2015 are as follows: -

	Cumulative Period ended	
	30/6/2015 RM'000	30/6/2014 RM'000
Property, plant and equipment	28,013	2,468

15. Significant Related Party Transactions

There is no significant transaction with related parties.

Part B – Additional Information as Required By the Main Market Listing Requirement of Bursa Securities

1. Review of Performance

Comparison with the corresponding period in the previous year

The Group posted a significant improvement in performance for the fourth quarter of FY2015 as compared to the corresponding quarter in the preceding year.

Total revenue was RM255.0 million for the current quarter, an increase of RM31.1 million or 13.9% as compared to the corresponding quarter in the previous year. The higher revenue was mainly due to higher trading volumes, in particular, the Radio Frequency business due to the continued increase in demand for smartphones and mobile devices.

The Group reported a higher profit before tax of RM39.8 million for the current quarter, an increase of RM8.6 million or 27.7% over the pre-tax profit of RM31.1 million recorded for the corresponding quarter ended 30 June 2014. The higher pre-tax profit was mainly contributed by the higher sales volume, low operating expenses and stronger US dollar.

In line with the increase of the profit before tax, the Group's net profit after tax increased by 38.6% to RM40.1 million for the current quarter as compared to RM29.0 million for the corresponding quarter ended 30 June 2014.

Comparison with the immediate preceding quarter

Against the preceding quarter, the Group's revenue continued to show positive traction, registering a double digit revenue growth of 11.7% quarter on quarter from RM228.3 million in preceding quarter to RM255.0 million which is primarily driven by higher trading volume.

The profit before tax for the quarter came in at RM39.8 million, representing a growth of 4.8% as compared to RM38.0 million recorded in the immediate preceding quarter. This was mainly attributed to the increase in revenue and partially mitigated by the comparatively less favourable foreign exchange in this quarter as compared to the immediate preceding quarter.

Current financial year against preceding financial year

The Group's total revenue of RM933.1 million for the twelve months ended 30 June 2015 represents an increase of RM139.4 million or 17.6% as compared to RM793.7 million reported in the preceding financial year. The higher revenue was mainly due to higher trading volumes, in particular the Radio Frequency business due to the continued increase in demand for smartphones and mobile devices.

The profit before tax improved by RM44.7 million or 41.8% to RM151.7 million from RM106.9 million in the preceding financial year, mainly attributable to the increase in revenue coupled with the favourable USD forex during the financial year under review.

2. Commentary on Prospects

The recent updates from IMF World Economic Outlook (WEO), the global growth is projected at 3.3% in 2015, marginally lower than in 2014, with a gradual pickup in advanced economies and a slowdown in emerging market and developing economies. In 2016, growth is expected to strengthen to 3.8%.

Growth in emerging market and developing economies is projected to slow from 4.6% in 2014 to 4.2% in 2015, broadly as expected. The slowdown reflects the dampening impact of lower commodity prices and tighter external financial condition, particularly in Latin America and oil exporters, the rebalancing in China, and structural bottlenecks, as well as economic distress related to geopolitical factors. A rebound in activity in a number of distressed economies is expected to result in a pickup in growth to 4.7% in 2016 according to the WEO. The WEO has not been updated to reflect the recent currency devaluation shock by China in early Aug leading to the competitive devaluation of currencies of developing economies, adding uncertainty in the forecasted outlook for calendar 4Q onwards.

The worldwide semiconductor market is forecasted to be up 3.4% to USD 359 billion in 2016. For 2017, the market is forecasted to be USD 370 billion, up by 3.0%. By end application, automotive and wireless communications are projected to grow stronger than the total market, whereas consumer and computer are assumed to remain almost flat. By region, a positive growth rate is projected for all regions in 2016 and 2017. Asia-Pacific continues to show growth rates above the worldwide average. Asia-Pacific is still the fastest growing region and is expected to reach USD 216 billion in 2016, which is a share of 60% of the total semiconductor market.

Inari Amertron will continue to integrate and improve the operating margins of our Optoelectronics business and continue to ride the growth of the mobile smart device market. The successful completion of our Rights Issue at the end of February 2015 puts the Group into a stronger financial position. The proceeds from the Rights Issue will enable the Group to increase the manufacturing capacity, in particular, at the new P13 plant. Work on starting up production in P13 began in the last quarter has contributed modestly to the Group's revenue and gross profit in the 4th quarter FY2015 and expected to continue to provide growth impetus in FY2016.

The impact of the recent fall in exchange rate of the Ringgit to USD to around 4.00 is a positive one for Inari; however, we believe that further falls in the value of the Ringgit will be mixed due to the risks of inflation and wage inflation, loss of highly qualified staffs & mobile technical staffs seeking better opportunities elsewhere and difficulty of attracting good foreign workers to Malaysia.

For the financial year ending 30 June 2016, the Group is cautiously optimistic in maintaining our financial performance in-line with industry growth numbers and poised to continue delivering positive performance in the new financial year of FY 2016.

3. Profit Forecast and Profit Guarantee

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

4. Taxation

The taxation charges for the current financial quarter and the cumulative financial year ended 30 June 2015 are as follows: -

	Individual Quarter ended		Cumulative Year ended	
	30/6/2015 RM'000	30/6/2014 RM'000	30/6/2015 RM'000	30/6/2014 RM'000
In respect of current period: -				
- Current tax	(298)	(3,392)	(2,095)	(7,389)
- Deferred tax	368	(1,511)	368	(1,511)
	<u>70</u>	<u>(4,903)</u>	<u>(1,727)</u>	<u>(8,900)</u>
Over/(Under) provision in prior year: -				
- Current tax	28	66	53	(286)
- Deferred tax	246	2,651	246	2,651
	<u>344</u>	<u>(2,186)</u>	<u>(1,428)</u>	<u>(6,535)</u>

The effective tax rate of the Group for the current financial quarter and the financial year ended 30 June 2015 is lower than the statutory tax rate of 25% as certain subsidiaries have been granted pioneer status under the Promotion of Investment Act, 1986.

5. Sale of Unquoted Investments and Properties

There were no sale of unquoted investment or properties during the current financial quarter and the financial year ended 30 June 2015.

6. Purchase or Sale of Quoted Securities

There were no purchases or sales of quoted securities during the current financial quarter and the financial year ended 30 June 2015.

7. Status of Corporate Proposals

On 4 July 2014, the Company proposed to undertake a renounceable rights issue of up to 88,825,648 new ordinary shares of RM0.10 each (“Rights Shares”) together with up to 88,825,648 free detachable warrants (“Warrants”) at an indicative issue price of RM1.50 per Rights Share on the basis of one (1) Rights Share for every eight (8) existing ordinary share of RM0.10 each held in Inari together with one (1) Warrant for every one (1) Rights Share subscribed at an entitlement date to be determined later.

On 11 November 2014, the Rights Issue with Warrants has been approved by the shareholders at an Extraordinary General Meeting.

The Rights Issue with Warrants has been completed on 26 February 2015 following the listing of and quotation for the following securities on the Main Market of Bursa Securities:

- (i) 78,700,515 Rights Shares issued pursuant to the Rights Issue with Warrants;
- (ii) 78,700,515 Warrants issued pursuant to the Rights Issue with Warrants; and
- (iii) 1,204,301 new additional Warrants 2013/2018 arising from the adjustment to the number of outstanding Warrants 2013/2018 pursuant to the Rights issue with Warrants.

There is no other corporate proposal announced but not completed as at date of this report.

8. Status of Utilisation of Proceeds

The Company received proceeds of RM118.05 million from the issuance of 78,700,515 Rights Shares at the issue price of RM1.50 per ordinary share, and the proceeds have been utilised in the following manner as at 30 June 2015: -

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance unutilised
1. Expansion of production capacity, including acquisition of land, acquisition of factory, and extension of existing factory	31,227	19,200	12,027
2. Acquisition of equipment and machinery relating to the existing core business	30,000	-	30,000
3. Repayment of bank borrowings	20,000	-	20,000
4. Working Capital	34,443	8,196	26,247
5. Expenses for the Rights Issue with Warrants	2,381	2,245	136
Total	118,051	29,641	88,410

9. Group Borrowings and Debt Securities

The Group's borrowings as at 30 June 2015 are as follows: -

	Short Term	Long Term	Total
	RM'000	RM'000	RM'000
Term loans	33,523	5,790	39,313
Trade financing	2,005	-	2,005
Finance lease liabilities	7,735	16,238	23,973
Total Borrowing (secured)	43,263	22,028	65,291
NCIA loan*	2,000	-	2,000
Total Borrowings	45,263	22,028	67,291

* Being interest free loan provided by Northern Corridor Implementation Authority ("NCIA")

10. Disclosure pursuant to implementation of MFRS 139: Recognition and Measurement

With the adoption of MFRS 139 Financial Instruments: Recognition and Measurement, off balance sheet financial instruments are now recognized in the financial statements.

The Group does not have any contracts involving off balance sheet risk as at the end of the reporting period and the date of this Report.

11. 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.

12. Dividend

The Directors propose the fourth single tier interim dividend of 2.30 sen per ordinary share of RM0.10 each in respect of the financial year ended 30 June 2015. The entitlement and payment dates are on 11 September 2015 and 8 October 2015 respectively.

Total dividend for the financial year ended 30 June 2015 and financial year ended 30 June 2014 are summarized as follow: -

	Net Per Share FY2015 (sen)	Net Per Share FY2014 (sen)
<u>First Interim Dividend</u>		
Single tier dividend	1.80	1.10
Special dividend	0.40	0.40
<u>Second Interim Dividend</u>		
Single tier dividend	1.80	1.10
Special dividend	0.50	0.40
<u>Third Interim Dividend</u>		
Single tier dividend	2.10	1.20
Special dividend	-	0.80
<u>Fourth Interim Dividend</u>		
Single tier dividend	2.30	1.80
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	8.90	6.80
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13. Earnings Per Share

(a) Basic earnings per share

The basic earnings per share for the current financial quarter and financial year have been calculated by dividing the net profit attributable to shareholders of the Company for the financial quarter and financial year by the weighted average number of ordinary shares in issue during the financial quarter and financial year to date.

	Individual Quarter ended		Cumulative Year ended	
	30/6/2015 RM'000	30/6/2014 RM'000	30/6/2015 RM'000	30/6/2014 RM'000
Net profit attributable to shareholders of the Company for the financial quarter and financial year to date (RM'000)	40,376	28,791	152,534	99,220
Weighted average number of ordinary shares in issue ('000)	725,091	495,104	640,272	472,816
Basic earnings per share (sen)	5.57	5.81	23.82	20.98

(b) Diluted earnings per share

Diluted earnings per share for the current financial period is calculated by dividing the profit for the financial period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period adjusted for the effects of dilutive potential ordinary shares. The adjusted weighted average number of ordinary shares in issue and issuable has been arrived at based on the assumption that warrants are exercised at the beginning of the financial period and ESOS granted by the reporting date.

	Individual Quarter ended		Cumulative Period ended	
	30/6/2015 RM'000	30/6/2014 RM'000	30/6/2015 RM'000	30/6/2014 RM'000
Net profit attributable to shareholders of the Company for the financial quarter and financial year to date (RM'000)	40,376	28,791	152,534	99,220
Weighted average number of ordinary shares (basic) ('000)	725,091	495,104	640,272	472,816
Effect of dilution due to warrants ('000)	12,511	132,196	50,409	137,740
Effect of dilution due to ESOS ('000)	4,891	6,073	5,567	2,990
Weighted average number of ordinary shares (diluted) ('000)	742,493	633,373	696,248	613,546
Diluted earnings per share (sen)	5.44	4.54	21.91	16.17

13. Disclosure of realised and unrealised profit/loss

With the purpose of improving transparency, Bursa Malaysia Securities Berhad has on 25 March 2010, and subsequently on 20 December 2010, issued directives which require all listed corporations to disclose the breakdown of unappropriated profits or accumulated losses into realised and unrealised on group basis, as the case may be, in quarterly reports and annual audited financial statements.

The breakdown of unappropriated profits as at the reporting date has been prepared by the Directors in accordance with the directives from Bursa Malaysia Securities Berhad stated above and Guidance on Special Matter No. 1 – Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirement, as issued by the Malaysian Institute of Accountants.

The Group's retained profits as at 30 June 2015 and 30 June 2014 are analysed as follow:-

	Financial Year ended	
	30/6/2015	30/6/2014
	RM'000	RM'000
<u>Total retained profits of the Company and its subsidiaries</u>		
- Realised	288,642	200,657
- Unrealised	1,525	(5,375)
	<hr/>	<hr/>
	290,167	195,282
Add: Consolidated adjustments	(71,337)	(73,812)
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Total Group retained profits as per consolidated financial statements	218,830	121,470
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